

Inspiring *Journeys* | Restorative *Experiences*

TRANS ASIA HOTELS PLC

ANNUAL REPORT 2025/26


Cinnamon



Inspiring Journeys | Restorative Experiences

At Trans Asia Hotels PLC, we create spaces where restoration comes naturally, and where every detail is considered, to bring a sense of calm, balance, and renewal. Our foundation lies within our understanding that journeys that matter are defined by how deeply they make us feel, and reconnect us to ourselves.

From this foundation, inspiration takes shape. Through experiences that are immersive and thoughtfully curated, we invite discovery that feels personal and meaningful, leaving a lasting impression beyond the moment.

These journeys evolve into something more.

Every experience we curate is shaped with utmost care and allow guests to leave not just restored, but renewed in perspective and enriched by what they have encountered. This is how we create inspiring journeys and restorative experiences.

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About this Report

The Sixth Integrated Annual Report of Trans Asia Hotels PLC reflects our continued commitment to transparent, integrated reporting and stakeholder value creation

GENERAL DISCLOSURES

Entities included in the organisation's sustainability reporting/ Reporting boundary

GRI 2-1,2-2,2-4

This report covers the operations of Trans Asia Hotels PLC (herein referred to as the Company or TAH). There were no significant changes to the structure, supply chain or the reporting boundary during the year, compared to the previous year. Where necessary, prior year non financial indicators have been restated to align with the calculation methodology applied in 2025/26, as indicated in the respective sections.

Reporting period, frequency and contact point

GRI 2-3

This Report covers the Company's financial year from 1 April 2025 to 31 March 2026 and follows a consistent annual reporting cycle for both financial and sustainability disclosures. It builds on the previous report for the year ended 31 March 2025, with comparative information presented where relevant to enhance clarity and continuity. Significant events occurring after the reporting period, up to the date of Board approval on 26 May 2026, have also been incorporated where applicable.

FEEDBACK

We remain committed to continuously enhancing the quality and readability of our reporting. We welcome your feedback and invite you to share your comments with Ruvindra Angunawela, Director – Finance. Full contact details are provided on page 317.

Restatements of information

GRI 2-4

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

External assurance

GRI 2-5

The accuracy and integrity of this Report are supported by a comprehensive assurance framework, comprising management oversight, internal audit review, and independent external verification. Messrs. KPMG, Chartered Accountants, have provided external assurance on the financial statements and performed limited assurance on the Company's Integrated Reporting and GRI disclosures.



REFER OUR REPORT

In print - Any Shareholder who wishes to obtain a hard copy of the Annual Report may send a written request to the registered office of the Company or facsimile to 0115377369 by filling the request form attached to the Form of Proxy



Scan the QR Code to access the online version

About this Report

REPORTING FRAMEWORKS AND ASSURANCE

FINANCIAL STATEMENTS AND RELATED DISCLOSURES

Regulatory Frameworks

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 7 of 2007 (as amended)
- Listing Rules of Colombo Stock Exchange (CSE)
- Code of Best Practices on Related Party Transactions (2013) advocated by the SEC

Internal Assurance

- Internal Audit Process verifications and assessments conducted by Deloitte Advisory Services (Pvt) Ltd
- Internal controls
- Oversight of the Audit Committee and the Board of Directors

External Assurance

- Independent Auditors' Report by Messrs. KPMG, Chartered Accountants.

INTEGRATED AND SUSTAINABILITY REPORTING

Mandatory framework

- SLFRS S1 General Requirements for Disclosures of Sustainability related Financial Information and SLFRS S2 Climate related Disclosures

Voluntary Frameworks

- Integrated Reporting Framework of the International Integrated Reporting council
- GRI Standards (2021) of the Global Reporting Initiative - with reference to the GRI standard
- Sustainability Accounting Standards Board (SASB) Standards - Hotels & Lodging and Restaurants Sustainability Accounting Standard
- Guide on communicating sustainability issued by the Colombo Stock Exchange
- "Guidelines for Presentation of Annual Reports" issued by the CA Sri Lanka
- Carbon footprint Benchmarks - EarthCheck Pte Ltd – Australia

Internal Assurance

- Review of the Board of Directors

External Assurance

- Independent Assurance on GRI Reporting by Messrs. KPMG, Chartered Accountants

CORPORATE GOVERNANCE REGULATORY FRAMEWORKS

Mandatory framework

- Listing Requirements of the Colombo Stock Exchange

Voluntary Frameworks

- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka – compliant to the extent of business exigency and as required by the Company

Internal Assurance

- Internally established governance frameworks
- Review by Board Committees

REPORT NAVIGATION ICONS

To enhance clarity and ease of navigation, we have incorporated visual icons throughout the Report. These serve as intuitive guides, enabling quick access to key information, strengthening connectivity across sections, and illustrating the integrated relationships that underpin our value creation.

Capitals

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

Our stakeholder universe

- Shareholders
- Customers
- Employees
- Suppliers & Business Partners
- Government & Regulatory Bodies
- Communities

Strategic priorities

- Service Excellence
- Revenue Optimisation
- Operational Excellence and Cost Optimisation
- Talent Management
- ESG Considerations

Other references

- Way Forward
- Page Reference

FORWARD LOOKING STATEMENTS

This Report contains forward looking statements relating to the Company's expected performance and future outlook. These are based on assessments and assumptions prevailing at the time of reporting and are inherently subject to uncertainties, risks, and external factors, which may result in actual outcomes differing materially from those expressed or implied.

Given the dynamic and unpredictable operating environment, the Company assumes no obligation to update or revise such statements after publication. These statements have not been reviewed or audited by the Company's external auditors, and readers are advised to exercise caution and avoid placing undue reliance on them.

Key sections containing such projections can be found under "Way Forward"

Operating environment review	Page 34
Chairpersons' Message	Page 14
Stakeholder engagements	Page 27
Business strategy	Page 46
ESG performance	Page 53
Management discussion and analysis	Page 57

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Trans Asia Hotels PLC holds ultimate responsibility for ensuring the integrity of this Report. We affirm that this Annual Report for the financial year ending 31st March 2026 comprehensively covers all pertinent material aspects and accurately reflects the Company's performance. Furthermore, the Board confirms that the Report has been prepared in accordance with the stipulations of the International Integrated Reporting Framework.



The comprehensive Annual Report of the Board of Directors is given in page 233.

Recognition for Reporting Excellence

TRANS ASIA HOTELS PLC WAS THE RECIPIENT OF THE GOLD AWARD FOR THE SECOND CONSECUTIVE YEAR

At the TAGS Awards 2025, for its annual report for the financial year 2024/25



Hotel Sector
(Group assets upto LKR 10 Bn) *Gold*

DRIVING CONTINUOUS ENHANCEMENTS IN OUR REPORTING

Furthering our commitment to continuously enhance reporting quality and deliver decision useful information to report users, the following improvements were introduced during the year.

- Alignment with the mandatory requirements of SLFRS S1 and SLFRS S2 Sustainability Reporting Standards and enhancing disclosures relating to sustainability-related and climate-related risks and opportunities
- Refinement of the Company's Material Matters to better reflect evolving business, stakeholder, and operating environment considerations, alongside enhanced related disclosures
- Strengthened connectivity across reporting content, demonstrating clearer linkages between material matters, strategy, stakeholders, and value creation drivers where applicable
- Enhanced reporting around the risks and opportunities associated with the Company's six capitals within its value creation process

ADVANCING THE PRINCIPLES OF TRANSPARENCY, ACCOUNTABILITY, GOVERNANCE AND SUSTAINABILITY IN OUR REPORTING

As a member of the John Keells Group, the Company's approach to reporting is firmly anchored in the principles of Transparency, Accountability, Governance and Sustainability. These principles are deeply embedded in our organisational culture and guide both how we conduct our operations and how we communicate performance to stakeholders.

In the current year, this commitment was further strengthened through the mandatory adoption of the SLFRS Sustainability Reporting Standards. This milestone represents a significant advancement in our reporting journey, reinforcing the structured integration of sustainability considerations into business decision making, operational processes, and disclosures. The transition has elevated the quality and consistency of our reporting, and deepened the application of these principles across the way we work.

Set out below is a concise synopsis of how the Company embraces these principles within its core operations and reporting framework.



	How it is reflected in our core ethos	How we have improved our reporting	Refer more information
Transparency	Transparency underpins how we operate and report. We communicate clearly, accurately, and in a timely manner with all stakeholders to support trust and informed decision making. Engagement with investors, business partners, customers, and employees is guided by openness and integrity. Stakeholder feedback is actively sought and used to enhance performance and disclosure quality in turn.	• Full compliance with all applicable regulatory reporting requirements including SLFRS S1 and S2 Sustainability Reporting Standards • Adherence to global best practice frameworks such as Integrated Reporting, SASB, and GRI • External assurance obtained to ensure accuracy and credibility of disclosures • Reporting tailored to meet the information needs of both regulators and shareholders	Page 3 Reporting frameworks
Accountability	Accountability is embedded across the Company's operations, governance, and reporting. The Board provides strategic oversight focused on long term stakeholder value, supported by specialised Board Committees, including the Audit Committee and Related Party Transactions Review Committee. A structured risk governance framework ensures management accountability for identifying, managing, and mitigating risks. This accountability extends to every action and impact we create, including our environmental and social footprint. Strong internal controls, independent assurance, regular performance reviews, and a clear code of ethics reinforce responsible conduct across the organisation and support sustainable value creation.	Accountability of key stakeholder groups of the Board of Directors and employees depicted through the Corporate Governance report and Risk Management reports	Page 128 Corporate Governance Page 53 Risk Management
Governance	Our governance framework enables effective decision making, robust risk management, and full regulatory compliance, aligned with accepted best practices. During the year, governance structures were further strengthened to support long term sustainability and resilience. The Board, assisted by its sub committees, maintains oversight across audit, risk, remuneration, and sustainability related matters. Governance processes were enhanced through the integration of SLFRS S1 and S2, embedding sustainability and climate related considerations into operational oversight, risk assessment, and strategic planning.	Detailed Corporate Governance and Risk Management reports are included in the annual report, developed in line with both mandatory and voluntary frameworks	Page 128 Corporate Governance Page 128 Risk Management
Sustainability	Sustainability is integral to the Company's strategy and is anchored in three pillars: Wellbeing of the Planet, Wellbeing of Our People, and Empowering Sustainable Development. Targeted initiatives with defined objectives are implemented under each pillar, guided by a robust policy framework. Board oversight ensures sustainability initiatives remain aligned with long term strategic priorities. The mandatory adoption of SLFRS Sustainability Reporting Standards during the year further strengthened our approach, enhancing the integration, discipline, and transparency of sustainability across both operations and reporting.	Sustainability reporting is integrated throughout the report, utilising frameworks such as Integrated Reporting, GRI, and SASB, together with SLFRS S1 and S2 Sustainability Reporting Standards as a first time adoption. Additionally, we provide an in depth section detailing the Company's ESG performance.	Page 53 ESG Performance Page 206 SLFRS S1 and SLFRS S2 Disclosures



Who we are

Vision

To bring the best of Sri Lanka to the world with style and elegance

Purpose

We curate emotional experiences to inspire stories that connect

Values

- Inclusivity
- Greetness
- Trust
- Compassion
- Agility
- Curiosity
- Wellbeing

WE ARE TRANS ASIA HOTELS PLC

We are a publicly listed company established in 1981, with John Keells Holdings PLC as our largest shareholder and ultimate Parent company. The Company is a key member of the Cinnamon Hotels & Resorts chain within the John Keells Group and enjoys a long standing reputation for excellence in hospitality.

The Company owns and operates Cinnamon Lakeside Colombo, a premier five star city hotel uniquely positioned at the heart of Colombo. While centrally located, the property is widely regarded as a "resort within the city", offering guests a distinctive blend of urban convenience and tranquil seclusion.

Set amidst expansive landscapes in close proximity to the Beira Lake, Cinnamon Lakeside Colombo provides a serene and luxurious retreat from the vibrancy of the city. Its unrivalled location, combined with world class amenities and exceptional food and beverage offerings continues to distinguish the property within Colombo's evolving hospitality landscape.

A committed, experienced, and service oriented team dedicated to customer excellence remains the hotel's greatest strength.

As Colombo's skyline and hospitality sector continue to transform, the Company has remained steadfast in its core values of warmth, passion, and genuine hospitality, while continually adapting to meet the evolving needs and expectations of its guests.



(Part of the John Keells Group's Cinnamon Hotels & Resorts chain)

Our wins

3 GOLD EXCELLENCE **20** GOLD **27** SILVER **12** BRONZE

CULINARY EXCELLENCE

- Hotel Culinary Championship 2025, 9 Winner titles including Most Outstanding Overall 2025 Hotel Championship Trophy, Most Outstanding Overall 2025 Hotel Culinary Team, and Most Outstanding Colombo City Hotel Culinary Team 2025
- Hotel Culinary Championship 2025, 3 Gold Excellence Medals, 20 Gold Medals, 27 Silver Medals, 12 Bronze Medals
- Asian Young Chef Pastry Challenge, Guangzhou, China — Bronze Medal (representing Sri Lanka)

MIXOLOGY

- 5th Annual Bar Champs 2025 — Winner
- World Class India 2026 — Regional Winner

HOUSEKEEPING

- National Room Stylist Challenge 2025 — 1st Runners Up and 2nd Runners Up

INDUSTRY RECOGNITION

- South Asian Travel Awards 2025 — Gold Award, Leading Wedding Hotel
- CA Sri Lanka TAGS Awards 2025 — Gold Winner, Hotel Sector (Group Assets up to LKR 10Bn)





Our process excellence

PROCESS ACCREDITATIONS / CERTIFICATIONS

ISO 22000:2018 Food Safety Management System

ISO 45001:2018 Occupational Health & Safety Management System

ISO 14001:2015 Environmental Management System

Travelife Gold Certification



Performance Highlights

		2026	2025	YoY change
Key Financial Ratios-Statement of Profit or Loss and Other Comprehensive Income				
Net revenue	Rs.000's	4,911,717	4,465,690	446,027
Gross profit margin	%	46	46	-
EBIT (Earnings Before Interest and Tax)	Rs.000's	691,361	428,928	262,433
EBIT	%	14	10	4
Profit after tax	Rs.000's	491,880	229,944	261,936
EPS/LPS (Earnings per Share)	Rs.	2.46	1.15	1.31
ROE (Return on Equity)	%	7	3	4
ROCE (Return on Capital Employed)	%	9	6	3
Interest cover	Times	11	4	7
Key Financial Ratios-Statement of Financial Position				
Total assets	Rs.000's	10,567,167	9,603,375	963,792
Net assets	Rs.000's	7,386,448	6,836,816	549,632
Interest bearing loans	Rs.000's	-	150,000	(150,000)
Debt/equity ratio	%	9	10	(1)
Equity asset ratio	%	70	71	(1)
Net assets per share	Rs.	36.93	34.18	2.75
Current ratio	Times	0.49	0.36	0.12
Quick asset ratio	Times	0.41	0.30	0.11
No. of shares in issue	000's	200,000	200,000	-
Market/Shareholder information				
Market value per share	Rs.	52.00	39.50	12.50
Market capitalisation	Rs.000's	10,400,000	7,900,000	2,500,000
Dividend per share	Rs.	1.00	0.50	0.50
Price earnings ratio	Times	21	34	(13)
Dividend cover Times	Times	2	2	0
Dividend yield	%	2	1	1
Dividend payout ratio	%	41	43	(2)
Key operational ratios				
Occupancy	%	73	63	10
Average room rate	Rs.	18,830	19,617	(787)
RevPAR	Rs.	13,815	12,387	1,428
Economic performance				
Value generated by the Company	Rs.000's	3,135,520	2,625,146	510,374
Value distributed to:				
Employees as wages and benefits	Rs.000's	1,364,016	1,206,647	157,369
Payment to government	Rs.000's	763,979	748,265	15,714
Community investments	Rs.000's	3,286	2,012	1,275
Providers of funds	Rs.000's	63,343	100,998	(37,655)
Shareholders as dividends	Rs.000's	200,000	100,000	100,000
Value retained within the business	Rs.000's	740,895	467,225	273,670

Operational Highlights

	Metric	2026	2025	YoY Change (%)
MANUFACTURED CAPITAL				
Room inventory	No.	346	346	-
Property, plant and equipment	Rs. Mn	5,370	5,006	7
Capital expenditure	Rs. Mn	196	204	-4
Lodging facilities located in 100-year flood zones	No	1	1	-
HUMAN CAPITAL				
Total employees	No.	742	715	4
Female representation	%	22	17	5
Value added per employee	Rs. Mn	4	3	43
Total training investment	Rs. Mn	16.54	7.13	131.98
Total training hours	No.	48,298	55,379	-13
Training hours per employee	No.	77.69	77	0.90
Employee retention rate	%	85	76	9
Workplace injuries	No.	17	10	70
Total amount of monetary losses as a result of legal proceedings associated with labour law violations	LKR Mn.	-	-	-
SOCIAL AND RELATIONSHIP CAPITAL				
Total room nights offered during the year	No.	84,355	76,059	11
Average occupancy rate	%	73	63	10
Incidents involving breaches of customer data privacy	No.	-	-	-
Fines related to Marketing, labelling, advertising and promotions	Rs. Mn	-	-	-
Net Promoter Score	%	58	50	8
Global Review Index	%	92.5	92	0.50
Total suppliers	No.	831	819	1
Payments to local suppliers	Rs. Mn	3,490	3,184	10
Total investment in community projects	Rs. Mn	3.3	2	65
Total employee volunteer hours in community projects	No.	945	623	52
INTELLECTUAL CAPITAL				
Average service length of an employee in years	No.	11	11	-
ISO certifications in place	No.	3	3	-
Awards won	No.	11	4	175
NATURAL CAPITAL				
Carbon footprint	tCO2e	5,720	5,647	1.29
Carbon footprint per EarthCheck guest night	kgCO2e	12.37	16	-20.35
Energy Consumption	GJ	47,337	44,506	6.36
Energy Consumption per EarthCheck guest night	MJ	102	124	-17.74
Solar Power Generated	kWh	37,049	32,052	15.59
Water withdrawn	ML	166.32	129.08	28.85
Water withdrawn per EarthCheck guest night	Litres	359.65	360	-0.10
Total waste	MT	377	285	32.28
Waste disposed per EarthCheck guest night	kg	0.81	0.79	2.53
Total Single Use Plastic Consumption	kg	8,521	8,964	-4.94
Guest facing single use plastic consumption	kg	18.42	25	-26.32





Inspiring *Action* | Refined *Strategy*

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At Trans Asia Hotels PLC, our leadership acts with determination, precision and consideration to direct our teams towards excellence on all fronts. Just like our spaces, our operations run with meticulous attention to detail and with the satisfaction of our guests at heart. Inspired by this, our leaders in turn inspire action that ripples across the organisation.

Leadership Messages

Chairperson's Message

> The Company delivered a strong financial performance during the year under review, with growth across all key metrics, underpinned by the favourable operating environment and the execution of targeted operational and commercial strategies at Cinnamon Lakeside Colombo.

Dear Stakeholder,

On behalf of the Board, I am pleased to share with you the highlights of the Integrated Annual Report and Financial Statements of Trans Asia Hotels PLC (the Company) for the financial year ended 31 March 2026.

The year under review has been one of meaningful progress. Building on the strong foundation laid in 2024/25, the Company delivered a resilient financial performance, driven by higher room occupancy and increased food & beverage revenue, underpinned by robust tourist arrivals and sustained macroeconomic stability. These results affirm the strength of our strategic direction, the quality of our team, and the enduring appeal of Cinnamon Lakeside Colombo as a premier destination hotel in the heart of the city.

OPERATING ENVIRONMENT

Global

Global economic growth saw a modest uptick to 3.4% in calendar year 2025, compared to 3.3% in CY2024, demonstrating resilience in the face of tariff barriers and elevated policy uncertainty. This momentum was sustained by strong technology-related investment including in artificial intelligence and the commencement of accommodative monetary policy conditions in major economies. Global inflation moderated to 4.1% in CY2025, reflecting broadly stable demand and supply dynamics.

India and China continued to anchor growth in Asia. India remained among the fastest-growing large economies on the back of robust domestic consumption and services activity, while China's growth remained more export-led. India's continued economic expansion and rising outbound travel represent a significant and durable opportunity for both Sri Lanka and the Maldives, given geographic proximity and increasing flight connectivity.

However, the escalation of conflict in the Middle East in late February 2026 introduced fresh uncertainty into the global outlook. Disruptions to the Strait of Hormuz and key regional aviation hubs created significant energy price volatility, disruptions to maritime and air travel, and a dampening of travel sentiment. These developments have materially affected near-term tourism flows, particularly from long-haul European markets, and are expected to continue to create volatility into CY2026.

Sri Lanka

Building on the recovery momentum achieved in CY2024, Sri Lanka sustained its growth trajectory in CY2025, recording real GDP growth of 5.0% for the second consecutive year, despite the adverse economic impacts of Cyclone Ditwah in late November 2025. The year was characterised by continued macroeconomic stabilisation and the sustained implementation of structural reforms under the IMF Extended Fund Facility programme, which reinforced policy discipline and supported improved operating predictability for businesses.

Inflation transitioned from deflationary conditions in late CY2024, turning positive in August 2025 and stabilising at around 2.2% by end-March 2026, well within the Central Bank's target range. Monetary conditions remained broadly supportive, with the Overnight Policy Rate maintained at 7.75% and the AWPLR at 9.39% as at end-March 2026, an increase from 8.44% in the prior year, though still at levels conducive to growth. The Sri Lankan Rupee depreciated by approximately 6.4% against the US Dollar to Rs. 315/ USD during 2025/26, following two consecutive years of appreciation, driven in part by elevated imports following the relaxation of vehicle import restrictions. The currency, however, witnessed pressure following the onset of the Middle East conflict on account of lower tourism



flows and higher fuel related outflows due to the significantly higher oil prices. This depreciation had a broadly positive impact on our foreign currency-denominated revenues when translated into LKR terms.

Sri Lanka's external sector remained broadly stable, with the current account recording a marginal surplus of USD 1.7 billion. Gross official reserves strengthened further to USD 6.9 billion as at end-March 2026, providing a significantly improved external buffer. The increase was supported by multilateral funding, tourism and remittance inflows



and net foreign exchange purchases by the Central Bank, together with continued adherence to the parameters under the IMF programme. The sustained implementation of governance and accountability reforms, noted by Freedom House as one of the largest improvements globally in political rights and civil liberties during 2025, contributed to a more stable and predictable operating environment.

Cyclone Ditwah, which impacted Sri Lanka in late November 2025, caused considerable loss of life and damage to infrastructure, particularly in the central and eastern provinces. While the full economic cost remains under assessment, the tourism sector demonstrated its resilience, with December recording the highest monthly tourist arrivals for the year. The Group extended support to affected communities alongside the broader contribution of Rs. 500 million by John Keells Holdings PLC and its affiliated companies towards the Government's 'Rebuilding Sri Lanka' initiative.

Tourism

Sri Lanka's tourism sector continued on an impressive trajectory during the year under review. Tourist arrivals for CY2025 rose by 15% to 2.36 million, surpassing the pre-COVID peak and marking the highest level of arrivals in the country's history. Arrivals for the financial year 2025/26 stood at 2,380,879, representing an 11% increase over the prior year. Tourism earnings in CY2025 increased to USD 3.22 billion, the highest since CY2019 while the average duration of stay increased to 8.3 nights. Tourist arrivals continued its momentum in the first two months of 2026, although arrivals moderated materially from March 2026 onwards with the onset of the Middle East conflict.

> **Sri Lanka's tourist arrivals surpassed the pre-COVID peak in CY2025, reaching 2.36 million — the highest level in the country's history and a testament to the destination's growing global appeal.**

India remained the dominant source market with 531,511 arrivals in CY2025, a 27% increase over 2024, reflecting the critical role of geographic proximity, improving air connectivity, cultural affinity, and targeted marketing. The United Kingdom ranked as the second largest source market in CY2025 with 212,277



Chairperson's Message

arrivals (+19%), overtaking Russia which recorded an 8% decline. Other notable growth markets included Australia (+22%), France (+23%), Netherlands (+28%), and Bangladesh (+51%). Occupancy for star class properties in Sri Lanka increased to 63% in CY2025 from 59% in CY2024, while tourism earnings reached their highest level since 2019.

Sri Lanka received strong international recognition in CY2025, with the country ranked 9th among the best places to travel by BBC Travel, featured in TIME Magazine's 'World's Greatest Places 2025', and with Sigiriya named the most welcoming city in the world by Booking.com. Jaffna was listed among Lonely Planet's top cities to visit in 2026, and Sri Lanka was featured in Travel + Leisure's '50 Best Places to Travel in 2026'. These endorsements underscore the growing global appeal of Sri Lanka as a diverse and compelling destination.

However, tourist arrivals in March 2026 declined 19.7% year-on-year, reflecting both seasonality and uncertainties arising from the conflict in the Middle East and consequent disruptions to air connectivity. Notwithstanding this near-term volatility, underlying demand fundamentals should remain intact in the context of strong tourism potential in the region where Sri Lanka remains well-positioned to benefit from continued growth in short-to medium-haul travel which remains a strategic priority for us.

A RESILIENT OUTCOME

The Company delivered a strong financial performance during the year under review, with growth across all key metrics, underpinned by the favourable operating environment and the execution of targeted operational and commercial strategies at Cinnamon Lakeside Colombo.

Revenue grew 10% year-on-year to Rs. 4,912 million in 2025/26, from Rs. 4,466 million in the comparative year, driven by higher room occupancy and increased Food & Beverage revenue. RevPAR improved consistent with occupancy growth, even as the Average Room Rate (ARR) declined year-on-year reflecting competitive market conditions. EBITDA rose significantly to Rs. 1 billion from Rs. 668 million in the prior year, supported by revenue growth, cost savings, and a fair value gain on investment property. Profit Before Tax improved to Rs. 632 million from Rs. 329 million, in line with the EBITDA increase and lower interest and depreciation charges.

> Revenue of Rs. 4,912 million, EBITDA of Rs. 1 billion, and PBT of Rs. 632 million — a year of strong and broad-based financial progress for Cinnamon Lakeside Colombo.

These results affirm the resilience and competitive positioning of Cinnamon Lakeside Colombo, and reflect the dedicated efforts of our management team and colleagues in delivering excellence across all dimensions of our operation.

FOSTERING HUMAN POTENTIAL THROUGH A CULTURE OF EMPOWERMENT

Our people remain the cornerstone of our success. During the year, we continued to invest meaningfully in talent development, succession planning, and an inclusive and empowering workplace culture. Building on the foundation established in 2024/25, we progressed key development programmes and deepened our approach to leadership pipeline management.

Championing diversity remained central to our purpose. The EmpowHer campaign and structured dialogues with team members across our properties continued to yield valuable insights, shaping a more inclusive and equitable workplace. Leadership teams actively explored and implemented initiatives to increase female participation across the organisation.

Our values continued to be lived and demonstrated throughout the organisation through the Living Our Values initiative, which integrates consistent messaging, structured weekly reflections, and a cohesive identity across the employee journey. The Colleague Assistance programme, introduced in the prior year in partnership with Sri Lanka Sumithrayo, continued to provide meaningful wellbeing support to our people.

The amendments to the Shop and Office Employees Act permitting women to work night shifts created new opportunities for workforce participation within our operations, enabling us to further broaden our talent pool and enhance gender diversity in roles that had previously been restricted.

DRIVING OPERATIONAL EXCELLENCE

The Company continued to harness technology and data driven insights to build a more agile, efficient, and high performing business model. The transition to the Opera Cloud Property Management System, implemented in the prior year, continued to yield operational efficiencies, with our teams now better equipped to manage operations and deliver seamless guest experiences.

During the year, the use cases developed in collaboration with OCTAVE, the Group's Data and Advanced Analytics Centre of Excellence — focusing on energy efficiency, targeted online marketing,

and waste reduction in Food & Beverage operations — were fully rolled out following successful pilots in 2024/25. A unified Data Lake House, implemented for the commercial teams, continues to provide real-time access to multi-dimensional dashboards and reporting views, enabling more agile and data-informed decision making.

Marketing strategies were strengthened through targeted digital initiatives, a price-match feature embedded within the booking journey to reinforce rate transparency, and web personalisation tools to enhance on site engagement. A structured first-party data strategy and deeper customer relationship management integration strengthened audience targeting, personalisation and media efficiency.

The Cinnamon DISCOVERY loyalty programme, launched during the year, demonstrated strong early traction, with members enrolled across the portfolio within the first month and cross-brand revenue materialising ahead of initial projections. The programme's positioning within the Global Hotel Alliance (GHA) network is expected to enhance repeat visitation and long term member lifetime value as the programme scales and the dining and lifestyle proposition is expanded.

CULTIVATING A GREENER TOMORROW

Environmental stewardship remains embedded across all aspects of our operations. We continued to pursue our commitments to energy efficiency, water conservation, waste reduction, and biodiversity protection during the year under review. Regulatory measures aimed at reducing plastic usage came into effect during the year, and the Company continued to implement initiatives to encourage reusable alternatives and responsible resource use.

The mandatory adoption of SLFRS S1 and SLFRS S2 — relating to sustainability and climate related disclosures — will apply to Trans Asia Hotels PLC from the financial year commencing 1 April 2026. In preparation for full adoption, we have continued to strengthen our data governance, measurement capabilities, and climate related risk identification, ensuring we are well-positioned for compliance and for communicating our sustainability performance to stakeholders in a transparent and credible manner.

Together, these efforts reflect our long term commitment to sustainable and responsible hospitality, and our understanding that the long term competitiveness of our business is inseparable from the health of the natural and social ecosystems in which we operate.

CREATING SPACES OF BELONGING

We continued to prioritise employee wellbeing, community engagement, and inclusive development as core pillars of our social strategy. Our commitment to advancing social responsibility encompasses a diverse range of initiatives promoting inclusion, empowerment, and community engagement — directed toward fostering a more equitable workforce, supporting marginalised groups, and strengthening local communities through education, employment, and supplier development.

Our progress against the various goals set for ourselves is detailed in the ESG Performance section of this Report, reflecting our continued accountability to stakeholders on these important commitments.



Chairperson's Message

RECOGNITION

The year was marked by exceptional recognition across culinary excellence, hospitality, and corporate reporting. At the Hotel Culinary Championship 2025, our team demonstrated outstanding talent, clinching nine overall winner titles, including the Most Outstanding Overall 2025 Hotel Championship Trophy, the Most Outstanding Overall 2025 Hotel Culinary Team, and the Most Outstanding Colombo City Hotel Culinary Team 2025, alongside 3 Gold Excellence Medals, 20 Gold Medals, 27 Silver Medals, and 12 Bronze Medals.

A colleague from Cinnamon Lakeside Colombo represented Sri Lanka at the Asian Young Chef Pastry Challenge held in Guangzhou, China, competing among nine nations to claim a well-earned Bronze Medal. Our colleagues also secured both the first and second runners-up positions at the National Room Stylist Challenge 2025. In the world of mixology, a colleague took the top title at the 5th Annual Bar Champs 2025 and went on to claim the Regional Winner title at World Class India 2026 — a remarkable achievement that demonstrates the calibre of talent within our teams.

We were honoured with the Gold Award for Leading Wedding Hotel at the South Asian Travel Awards 2025, further affirming Cinnamon Lakeside Colombo's reputation as a destination of choice for extraordinary celebrations. Additionally, for the second consecutive year, we were honoured as the Gold Winner in the Hotel Sector (Group Assets up to LKR 10Bn) at the CA Sri Lanka TAGS Awards 2025, recognising the quality and transparency of our corporate reporting.

CORPORATE GOVERNANCE

Sound governance and ethical leadership remain cornerstones of our corporate philosophy. The Company adheres to its Code of Business Conduct and Ethics, aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no reported violations of the Code during the year under review, and we remain firmly committed to upholding the Group's zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination

The Company continued to align with the broader policies and governance framework of the John Keells Group, including data governance in compliance with the Personal Data Protection Act No. 09 of 2022, and strengthened financial governance through the forensic data analytics platform for automated outlier detection introduced in the prior year. The Board Committees established in 2024/25 to enhance subsidiary-level oversight continued to function effectively, with the Parent Company's Board Committees retaining an overarching oversight role to ensure consistency with the Group's principles of transparency, accountability, and sound governance.

INTEGRATED REPORTING

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors is responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability, and integrity of the information presented, and external assurance has been sought from independent auditors, as applicable. The Company is also preparing for the mandatory adoption of SLFRS S1 and SLFRS S2 from the financial year commencing 1 April 2026, and we have proactively begun disclosing selected information in alignment with the requirements of these standards.

FUTURE FOCUS

Global Tourism

Over the medium to long term, the structural outlook for global tourism remains favourable, underpinned by growth in outbound travel from emerging economies particularly India and other Asian markets expanding air connectivity, and continued investments in tourism infrastructure. Industry trends are increasingly shaped by evolving traveller preferences towards experiential travel, sustainability-focused tourism, and wellness-oriented experiences. The integration of digital technologies and data driven personalisation is also expected to play an increasingly important role in shaping the global travel ecosystem.

In the near term, however, the conflict in the Middle East has introduced uncertainty, with its impact on aviation networks and travel sentiment creating headwinds for long-haul tourism markets. Potential additional headwinds include elevated transport and accommodation costs, volatile oil prices, and the continued emphasis on climate resilience and responsible travel across the industry.

Sri Lanka Economy and Tourism

Sri Lanka's medium-term economic outlook remains cautiously optimistic. Continued implementation of IMF-

backed reforms, strengthening external buffers, and improving macroeconomic fundamentals provide a credible platform for sustained growth. CBSL expects inflation to return to its 5% target by the second quarter of 2026, and monetary conditions are expected to remain broadly supportive of growth.

We have already implemented strategic interventions to build brand presence in previously untapped markets, strengthen our presence in India given its proximity and potential, and drive domestic demand to build resilience against long-haul market volatility. The construction of Terminal 2 at Bandaranaike International Airport is expected to recommence in CY2026 following JICA-supported bid evaluations. Once completed, Terminal 2 will expand BIA's annual passenger handling capacity to over 15 million, a critical infrastructure development for sustaining the long term growth of Sri Lanka's tourism sector. Under a five year plan to 2030, the Government aims to attract more than 5 million visitors and generate approximately USD 8 billion in annual tourism revenue.

Sri Lanka's diverse natural, cultural, and wellness offerings, combined with its strategic geographic location and destination affordability, continue to position it as an increasingly competitive and experiential tourism destination within South Asia.

DIVIDENDS

The Board of Directors declared an interim dividend of Rs. 1.00 per share for the financial year ended 31 March 2026, which was paid on 16 April 2026, reflecting the Board's confidence in the Company's financial performance and its commitment to delivering value to shareholders.

CHANGES TO THE BOARD

Mr. M. R. Svensson, Non-Independent Non-Executive Director, resigned with effect from 31 August 2025, and Mr. S. Rajendra, Non-Independent Non-Executive Director, resigned with effect from 31 December 2025 consequent to his retirement from the John Keells Group. The Board wishes to place on record its deep appreciation for the invaluable contributions made by each of them during their tenures. Mr. N.N Mawilmada and Mr. M.H Singhawansa were appointed as Non-Independent Non-Executive Directors with effect from 8 September 2025 and 6 January 2026 respectively and we welcome their guidance and expertise to the Board.

ACKNOWLEDGEMENTS

I take this opportunity to thank my colleagues on the Board for their invaluable guidance and constant support throughout the year. I also wish to convey my appreciation to our management team and all our colleagues at Cinnamon Lakeside Colombo for their untiring effort, commitment, and drive in delivering an exceptional year of performance.

Finally, I wish to convey my sincere appreciation to all our stakeholders, including our valued guests, tour partners, and shareholders, for their continued confidence and support. We remain committed to delivering long term, sustainable value as we build on the strong foundations of our business.



K N J Balendra
Chairperson

26th May 2026

Board of Directors

KRISHAN BALENDRA
Chairperson

Krishan Balendra is the Chairperson CEO of John Keells Holdings PLC (JKH). He is also the Chairperson of the Ceylon Chamber of Commerce. He is a former Chair of the Employers Federation of Ceylon, Nations Trust Bank PLC and the Colombo Stock Exchange. Krishan started his career at UBS Warburg, Hong Kong, in investment banking, focusing primarily on equity capital markets. He joined JKH in 2002. Krishan holds a law degree (LLB) from the University of London and an MBA from INSEAD.

GIHAN COORAY
Director

Gihan Cooray is the Deputy Chairperson/ Group Finance Director of JKH and has overall responsibility of the Group's finance and accounting, taxation, corporate finance and strategy, treasury, information technology and corporate communications functions. He is the former Chair of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow Member of the Chartered Institute of Management Accountants, UK, a Certified Management Accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a committee member of the Ceylon Chamber of Commerce and a council member of the Sri Lanka Institute of Directors.

SHIVANTHI ATUKORALE
Director*

Shivanthi Atukorale is a Non-Executive Director of Trans Asia Hotels PLC. She possesses over 25 years' experience in the financial services industry, in both Banking and Nonbanking Financial Institutions, covering large local corporates, Multinational Companies and SME sectors, and Corporate Management. She was recently attached to the State-Owned Enterprises Restructuring Unit of the Ministry of Finance, Planning and Economic Development. Previously, she was an Independent Director at Fintrex Finance Limited, Melsta Tower (Pvt) Ltd and was the General Manager, Operations and Investor Relations, at MelstaCorp PLC. Prior to that, she had a successful 16-year stint at Citibank N.A. Colombo where she held the titles of Head, Private Banking and Corporate Liabilities Group and Head, Global Relationship Banking and was a member of the Country Coordinating Committee and the Branch Credit Committee.

She possesses a first class in BSc. Statistics, Computing, Operational research and Economics from University College London, UK and an MBA from Imperial College London UK.

NAVIN GOONERATNE
Director*

Navin Gooneratne has been a member of the Trans Asia Hotels PLC Board as a Non-Executive Director since its inception in 1984. He holds a Bachelor of Science Degree in Engineering and is a Member of the Institute of Engineers (Sri Lanka).

He is the Chairman of 1:2:4 Designs Ltd, Radiance Film International (Pvt) Ltd and Trans Asia Films (Pvt) Ltd. He is the Honorary Chairman of SAMA International Trust, Swarajya Foundation, and the Light of Asia Foundation. He is also a Patron of Mahatma Gandhi Centre in Colombo.

CHEHAN PERERA
Director*

Chehan Perera counts for over 30 years in following financial markets and managing research and financial services businesses based in Southeast Asia and South Asia. He spent over 10 years (1995-2005) with the ABN AMRO Group heading research operations in Malaysia, Singapore, Sri Lanka and Mauritius in addition to covering strategy and several other sectors during that period. He was also a part of the Group's equities management team for the ASEAN region.

He thereafter cofounded Insite Equity Ltd and subsequently established Insite Holdings as an investment holding company in Sri Lanka. Insite Equity entered into a partnership with KAF Seagroatt & Campbell Securities in 2006 in Malaysia where Mr. Perera was the lead in building a competitive and well respected institutional equities business. During that time the institutional business entered into global partnerships with the RBS Group and the New York based Jefferies Group.

Mr. Perera worked two years (2017 and 2018) at Malaysian sovereign fund Valuecap Sdn Bhd as Head, Capital Market Research to set up an ASEAN research team with an ESG focus. In 2023, he was invited to lead the Malaysia Research team for one of the largest pan-Asian brokerage houses in Malaysia - CGS International Securities.

In Sri Lanka, he cofounded Tempest P E Partners in 2018, a boutique private equity firm dedicated to exploring investment opportunities in the Sri Lankan private equities space. He continues as Managing Director of Tempest PE Partners. He also serves on several Boards of private companies in the capacity of Chairman and Non-Executive Director.

He graduated from Ithaca College NY in Economics and Mathematics and holds the CFA charter.

HARIN WIJEYERATNE
Director*

Harin de S Wijeyeratne was appointed as a Non-Executive Director and as the Chairperson of the Board Audit Committee of Trans Asia Hotels PLC in June 2021. He counts over 30 years of experience in the fields of general management, financial management and auditing which has been acquired while

being employed at InvestCorp Bank, Bahrain, Grindlays Bahrain Bank, Ernst & Young, Bahrain and Ernst & Young, Sri Lanka. In addition, he has held the position of Chief Executive Officer of the Sri Lanka Institute of Nanotechnology (Pvt) Limited (SLINTEC) for over five years (2013 to 2019) and a consultant for ZONE 24*7, an IT company involved in data analytics and machine learning (2019 to 2020). He was an Independent Director of Union Assurance PLC and was also the Chairman of the Board Audit and Compliance Committee and retired after completing 9 years in September 2020.

He is an Associate member of the Institute of Chartered Accountants of Sri Lanka and a fellow member of The Chartered Institute of Management Accountants UK. Also, he is an Independent Non-Executive Director of DFCC Bank. Furthermore, he has been serving as the Audit Committee chairman of MAS Holdings since 15th June 2019. He is the Chairman of the Audit Committee and a Director of the Board of Ceylon Tobacco Company PLC and a Director of Ceylon Cold Stores PLC and is also a Director of the Gamini Corea Trust Fund and remains the Founder/ Owner of Avastha Financial Advisory Services and the Co-Founder of Kalyana, a mental health advocacy group.

HISHAN SINGHAWANSA
Director

Hishan Singhawansa is the Chief Executive Officer of Cinnamon Hotels & Resorts, overseeing its entire portfolio in Sri Lanka and the Maldives, including the iconic City of Dreams Sri Lanka. He is a Board Member of John Keells Hotels PLC and Asian Hotels & Properties PLC.

He joined the Group in 2008 as a JKH Management Trainee and subsequently moved to the Retail industry group, where he held roles in category management and later served as Head of Supply Chain. In 2017, he transitioned to the Leisure industry group and currently leads Cinnamon Hotels & Resorts.

He is also on the Board of Directors of the Sri Lanka Convention Bureau and is a committee member of The Hotels Association of Sri Lanka (THASL). He holds a BSc in Engineering (Hons) from the University of Moratuwa and an MBA from the University of Wales.

NAYANA MAWILMADA
Director

Nayana Mawilmada is the President of the Property and Leisure industry group at JKH. With extensive international experience in planning, facilitating, and managing large scale urban development and infrastructure projects across 15 countries, and working within both the private and public domains, Nayana brings a unique perspective to Property and Leisure sector endeavours.

Among his previous roles, Nayana has served as the Director General of the Urban Development Authority of Sri Lanka, Managing Director of York Street Partners (Pvt) Limited, a boutique investment bank in Colombo and as an Urban Development Specialist for the Asian Development Bank based in Manila, Philippines. His academic training includes an MBA from Harvard Business School, a Master of City Planning from Massachusetts Institute of Technology (MIT), and a Bachelor of Architecture from Hampton University in the USA.

CHANGA GUNAWARDANE
Director

Changa Gunawardane oversees the financial health of the Leisure industry group as the Chief Financial Officer and has been with JKH for over 20 years. Changa currently serves as a Non-Executive Director on the Board of Asian Hotels & Properties PLC and also in many of the unlisted companies of the JKH.

Changa brings extensive financial leadership experience from his current role and his previous role within JKH as the Chief Financial Officer for the Information Technology sector as well as the Sector Financial Controller for the Airlines and Logistics business unit, within the Transportation industry group. He also has over 31 years of financial experience across diverse industries spanning Pharmaceutical, Manufacturing, Management Services, Electrical Engineering and Construction.

A Fellow Member of the Chartered Institute of Management Accountants in the UK, he holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura, Sri Lanka.



Value creation model

At Trans Asia Hotels PLC, value creation is approached through an integrated and forward looking lens, drawing on the principles of the Integrated Reporting Framework developed by the International Integrated Reporting Council. This perspective enables us to understand and articulate how value is generated, sustained, and enhanced over the short, medium, and long term. Our model is built around the effective deployment and stewardship of six key capitals, Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural. Through the balanced management of these resources, we seek to deliver sustainable outcomes for our stakeholders while ensuring responsible use of the resources entrusted to us. This value creation approach is continuously shaped by the evolving external environment - as particularly seen during the period under review with the Cyclone Ditwah and the unrest in the Middle East, our strategic priorities, stakeholder expectations, and identified material matters. In doing so, we aim to ensure that our activities contribute to both business performance, and to broader economic development, social progress, and environmental sustainability.

Capital Inputs	Resource Allocation	Quality, Adequacy of and Access to Capital
Financial Capital Strong equity and debt capital base available to sustain operations, invest in growth, and deliver value to stakeholders	Total Equity Capital **Rs. 7.4 Bn** Total Debt Borrowings **Rs. 450 Mn**	We benefit from the strong backing of our ultimate parent, John Keells Holdings PLC, Sri Lanka's largest listed conglomerate by market capitalisation, and our immediate parent, Asian Hotels and Properties PLC. Our low gearing levels underpin a resilient capital structure, particularly in a volatile economic environment. The continued low interest rate environment has supported a favourable cost of capital, while accommodative monetary conditions have improved access to debt financing, enabling the Company to pursue growth opportunities with agility.
Manufactured Capital Property, plant and equipment (PPE)Cinnamon Lakeside - an architectural landmark in Colombo along the banks of Beira Lake	**Property Valuation** Cinnamon Lakeside premises - **Rs. 4.5 Bn** Hotel room inventory **346** Restaurants and bars **08** Capital expenditure during the year **Rs. 196 Mn**	A landmark property in a distinctive setting overlooking the scenic Beira Lake, offering a comprehensive suite of amenities expected of a contemporary five-star hotel.
Human Capital Collective expertise, extensive experience, and deep industry insight of the Trans Asia team that drive exceptional guest experiences and operational excellence	Total Employees **742** New Recruits during the year **308**  Collaboration with Cinnamon Hospitality Academy	An experienced and stable workforce, strengthened by a blend of internally developed and new talent with diverse local and international experience. The Cinnamon Academy supports this by consistently building a pipeline of well-trained hospitality professionals.
Intellectual Capital Strength of the Cinnamon Lakeside and John Keells brands amongst local and global clientele Organisational tacit knowledge, certifications and standard IT systems and processes	Average Service of Employees **11** Years Number of ISO standards maintained - **03** CERTIFIED Investments in new IT Capabilities **Rs.14 Mn**	Continuously strengthened intellectual capital, underpinned by talent retention, a strong learning culture, organisational agility, robust IT systems, and well-established brand equity across local and international markets.
Social & Relationship Capital Our guests from Sri Lanka and across the world, travel agents, tour operators, international agents, suppliers and business partners and the wider community we operate within	Suppliers **831**  **Rs. 3.3 Mn** invested in community empowerment initiatives	Strong, trust-based relationships across all stakeholder groups, reinforcing our social licence to operate, alongside enduring customer loyalty that strengthens our market position.
Natural Capital Essential natural resources that support and sustain our hospitality operations	Land extent: **36.8K m2** Water Withdrawn **166 ML** Total Energy Consumption: **47,337 GJ** 	While access to natural resources remains adequate at present, increasing resource constraints and the escalating impacts of climate change underscore the need for responsible and sustainable resource management.

Vision

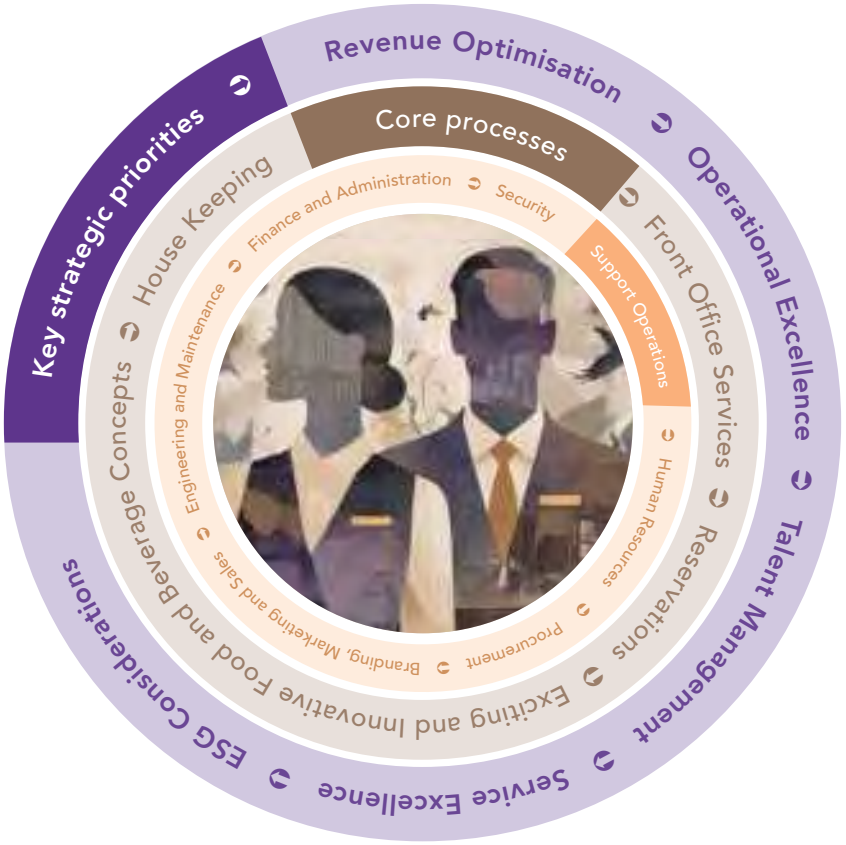
To bring the best of Sri Lanka to the world with style and elegance

Purpose

We curate emotional experiences to inspire stories that connect

Values

• Inclusivity • Greatness
• Trust • Compassion
• Agility • Curiosity • Wellbeing



Shaped by

- **Operating Environment** (Page 34)
- **Stakeholder Interactions** (Page 27)
- **Corporate Governance** (Page 128)
- **Risk Management** (Page 195)
- **ESG Priorities** (Page 53)

Key outputs



While access to natural resources remains adequate at present, increasing resource constraints and the escalating impacts of climate change underscore the need for responsible and sustainable resource management

73% Occupancy Rate

84,355 Room Nights

85 MICE+ hosted

WASTE & EMISSION GENERATED IN THE PROCESS

5,720 Co2e	Total GHC Emissions
377 MT	Total Waste Generated
136.63 ML	Effluents Generated

Please turn over to the next page, for the continued depiction of our Value creation model

Value creation model

Outcomes - Impact on Capitals	Outcome - Impact on stakeholders	Material Matters	Driving Progress on the UN SDGs
Financial Capital Rs. **631.7** Mn Pre-tax profit	**Shareholders** Net asset value per share: Rs. **36.93** ROE **7**%	• Tax strategy • Risk Management • Stakeholder Relationship Management	
Manufactured Capital Rs. **5.4** Bn PPE Rs. **309** Mn Depreciation & amortisation	**Customers Guests** Iconic Cinnamon Lakeside experience, created by the state-of-the-art amenities we offer	• Guest Health and Safety	
Human Capital Rs. **1,364** Mn in employees Expenses Rs. **16.5** Mn Investment on training & development	**Employees** **58** Average training hours per employee	• Human rights • Health and safety • Diversity and Equal opportunity • Talent attraction and retention	
Intellectual Capital **11** awards **67** medals won	**Customers** **Excellent service** experience enabled by **Robust processes** **Experienced** and **Empathetic Staff**	• Business conduct and ethics • Corporate governance • Privacy and data security	
Social & Relationship Capital **92.5**% Global Review Index Rs. **3,490** Mn Total payments to suppliers Rs. **764** Mn Taxes paid to the Government	**Customers** Emotional experiences inspiring stories that connect **Travel agents and suppliers** Continued business opportunities and cash flows **Community** **2,471** beneficiaries of CSR initiatives	• Guest health and safety • Community relations and empowerment • Supply chain management • Product safety and quality • Supplier assessment	
Natural Capital **37** MWh Renewable Energy Generated **18%** reduction in Energy Intensity	**All stakeholder groups** Value created and preserved through our various environmental friendly initiatives under both business as usual and special projects	• GHG emissions and energy management • Water management • Waste management	

Value Transformation Scorecard

GRI AND SASB INDICATORS

In our previous Annual Report for the financial year ended 31 March 2025, we introduced the Value Transformation Scorecard, illustrating how selected KPIs across the six capitals evolved during the year.

In the current year, the Scorecard has been further enhanced by aligning capital specific KPIs with relevant GRI and SASB indicators. Movements in these indicators provide insight into how the quality of each capital is strengthened or eroded, ultimately influencing the Company's ability to create value.

This approach enhances the robustness, comparability, and relevance of disclosures, while ensuring cohesive integration across the Integrated Reporting, GRI, and SASB frameworks. Performance of these indicators is presented over a three year period, enabling clearer visibility of underlying trends.



GRI/ SASB Indicator	Metric	2025/26	2024/25	YoY Change (%)
FINANCIAL CAPITAL				
GRI 201-1 Direct economic value generated and distributed	Rs. Mn	3,136	2,625	19
MANUFACTURED CAPITAL				
SV-HL-160a.1 Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	No.	Nil	Nil	Nil
Number of lodging facilities located in 100- year flood zones	No.	1	1	-
HUMAN CAPITAL				
GRI 205-2 Communication and training about anti-corruption policies and procedures - Employees covered	%	100	100	-
GRI 401-1 New employee hires	No.	308	338	-9
GRI 401-1 Employee turnover	%	15	24	-9
GRI 403-8 Workers covered by an occupational health and safety management system	%	100	100	-
GRI 403-9 Work related injuries	No.	17	10	70

Value Transformation Scorecard

GRI/ SASB Indicator	Metric	2025/26	2024/25	YoY Change (%)
GRI 403-10 Work related ill health	No.	Nil	Nil	Nil
GRI 404-1 Average hours of training per year per employee	No.	58	77	-25
GRI 405-2 Ratio of basic salary and remuneration of women to men	Ratio	1:1	1:1	-
GRI 406-1 Incidents of discrimination and corrective actions taken	No.	Nil	Nil	Nil
SOCIAL AND RELATIONSHIP CAPITAL				
GRI 204-1 Spending on local suppliers	Rs. Mn	3,490	3,184	10
GRI 308-1 New suppliers that were screened using environmental criteria	No.	39	233	-83
GRI 308-2 Negative environmental impacts in the supply chain and actions taken	Rs. Mn	Nil	Nil	Nil
GRI 416-2 Incidents of noncompliance concerning the health and safety impacts of products and services	No.	Nil	Nil	Nil
GRI 417-2 Incidents of noncompliance concerning product and service information and labelling	No.	Nil	Nil	Nil
GRI 417-3 Incidents of noncompliance concerning marketing communications	No.	Nil	Nil	Nil
GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	Nil	Nil	Nil
INTELLECTUAL CAPITAL				
GRI 205-3 Confirmed incidents of corruption and actions taken	No.	Nil	Nil	Nil
NATURAL CAPITAL				
GRI 302-1 Energy consumption within the organisation / SV-HL-130a.1	GJ	47,337	44,506	6
GRI 302-3 Energy intensity	MJ	102	124	-18
GRI 303-3 Water withdrawal/ SV-HL-140a.1	ML	166.32	129	29
GRI 303-4 Water discharge	ML	136.63	106.18	29
GRI 303-5 Water consumption/ SV-HL-140a.1	ML	29.691	22.895	30
GRI 305-1 Direct (Scope 1) GHG emissions	tCO2e	1,442.96	1,524.51	-5
GRI 305-2 Energy indirect (Scope 2) GHG emissions	tCO2e	3,172.29	3,038.67	4
GRI 305-3 Other indirect (Scope 3) GHG emissions	tCO2e	1,104.49	1,083.9	2
GRI 305-4 GHG emissions intensity	kg/GN	12.37	15.53	-20
306-3 Waste generated	MT	377	285	32

Stakeholder engagements

At Trans Asia Hotels PLC, stakeholder engagement is embedded within how we create, preserve, and deliver value. Through continuous dialogue with stakeholders at both strategic and operational levels, we seek to build trusted relationships, strengthen business intelligence, and incorporate stakeholder perspectives into decision making.



GOVERNANCE OF STAKEHOLDER ENGAGEMENT

Stakeholder engagements are governed through established internal policies, protocols, and management oversight, guiding the frequency, channels, and nature of engagement across stakeholder groups. This ensures engagements are carried out with timeliness, accountability, and openness, while enabling stakeholder perspectives to be meaningfully incorporated into planning and value creation.

OUR STAKEHOLDER ENGAGEMENT PROCESS

This process follows a structured and ongoing approach, supported by established procedures and engagement guidelines that help ensure consistency in how stakeholders are consulted, involved, collaborated with, and kept informed. This approach supports responsiveness to stakeholder expectations while strengthening transparency, accountability, and mutual value creation.

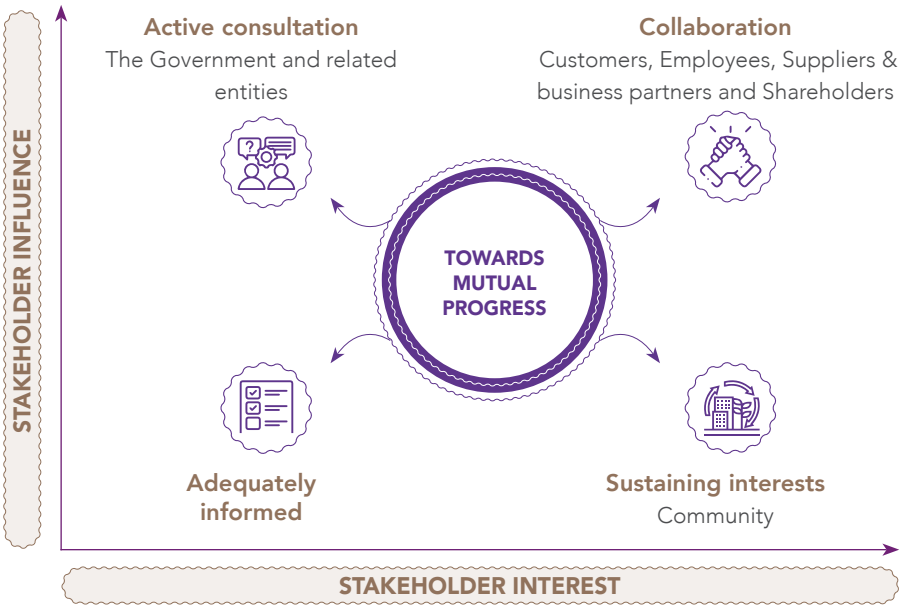
Stakeholders are identified and prioritised based on their level of influence, interest, and impact on the Company's operations, strategy, and sustainability priorities. This is informed through

- internal consultations
- stakeholder mapping
- value chain reviews and
- consideration of the evolving regulatory and operating environment

WHY IT MATTERS

Our structured and prioritised approach to engagement has strengthened relationships, deepened trust, and provided valuable insights into stakeholder expectations. These insights support balanced decision making, informed strategic responses, and reinforce our social licence to operate.

STAKEHOLDER PRIORITISATION APPROACH



Stakeholder engagements

SHAREHOLDER ENGAGEMENTS

OUR SHAREHOLDER PROFILE

1,765 shareholders

99% local shareholders

John Keells Holdings PLC And Asian Hotels and Properties PLC are key shareholders

How we continually engage our shareholders

- Periodic (quarterly and annual) financial results publications to the Colombo Stock Exchange
- Announcements made to the Colombo Stock Exchange on a range of topics
- Corporate website and social media sites
- Annual general meetings
- Extraordinary general meetings as and when needed

Key concerns raised

- Sustaining financial performance amid rising operating costs and margin pressures
- Business resilience and continuity in light of geopolitical disruptions, including impacts of Middle East tensions on guest arrivals
- Board effectiveness, governance transparency, and oversight of long term strategy
- Risk management, including preparedness for acute climate risks such as extreme weather events and cyclone related disruptions
- Dividend policy, returns on investment, and long term shareholder value creation
- Occupancy levels, Revenue Per Available Room (RevPAR), and earnings growth sustainability
- Asset optimisation, refurbishment priorities, and returns from capital investments
- Strategic positioning, brand competitiveness, and response to evolving market dynamics
- Climate, ESG, and sustainability practices, including resilience to environmental risks, particularly considering the acute climate risks experienced during the year from Cyclone Ditwah

Our response actions

- Prioritised initiatives to strengthen occupancy, yield, and earnings resilience through enhanced guest experiences and revitalised offerings
- Maintained disciplined cost management and prudent capital allocation to support margins and sustain shareholder returns
- Progressed targeted asset enhancement and refurbishment plans to optimise utilisation and strengthen long term competitiveness
- Intensified focus on business continuity and risk preparedness, including responses to geopolitical disruptions and climate related risks
- Strengthened market positioning through brand building, channel partnerships, and diversification of demand sources
- Continued emphasis on strong governance, active board oversight, and transparent engagement on strategic priorities
- Advanced ESG and sustainability initiatives, including actions to reinforce operational resilience and support long term value creation

Dedicated point of contact

- Company Secretary
- Head of Finance

Connectivity to material matters

- Corporate governance
- Transparency in disclosures
- Stakeholder relationship management
- Tax strategy

How the stakeholder concerns are linked to our strategy

- Revenue optimisation

VALUE DELIVERED DURING THE YEAR

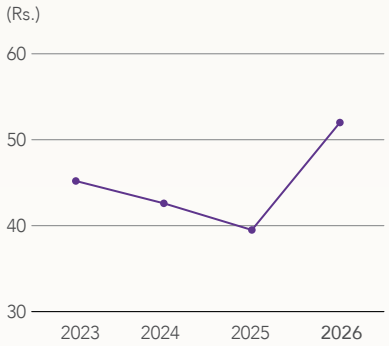
Rs. **631.7** Mn Pretax profits

7% ROE

Rs. **7.4** Bn Total equity

VALUE DELIVERED OVER THE LONG TERM

Share price



WAY FORWARD

We will deepen investor engagement through more targeted and insight led communication, providing greater visibility on performance drivers, capital allocation, and strategic priorities. Focus will remain on sustaining earnings resilience amid external uncertainties, optimising asset returns through planned refurbishments, and strengthening demand across diversified source markets. At the same time, we will enhance disclosures on risk management, climate resilience, and ESG performance, ensuring shareholders are well informed on how the Company is positioning itself for sustainable, long term value creation.

MORE INFORMATION

Financial capital – page 58

Information of Shareholders & Investors – page 293

CUSTOMER ENGAGEMENTS

OUR CUSTOMER PROFILE

84,355 Room Nights

85 Meetings, Incentives, Conferences, and Exhibitions (MICE) events hosted for our customers

92.5% Global Review Index

How we continually engage our customers

- All customer facing frontline associates
- Channel partners in Sri Lanka and overseas
- Global sales teams and relationship managers
- In-stay and post stay guest feedback surveys
- Online review platforms, including Booking.com and other digital channels
- Social media engagement platforms
- Corporate website www.cinnamonhotels.com and other digital touchpoints

Key concerns raised

- Consistency and quality of service delivery across touchpoints
- Value for money amid pricing increases and evolving guest expectations
- Access to differentiated and novel experiences in cuisine, wellness, and events
- Safety, travel continuity, and service reliability amid geopolitical disruptions affecting travel patterns
- Business continuity and guest safety in the face of acute climate related risks, including extreme weather events (like Cyclone Ditwah that occurred during the financial year)
- Environmental and sustainability practices, including responsible tourism expectations
- Digital convenience, responsiveness, and seamlessness across the guest journey

Our response actions

- Continuously enhanced service standards and personalised guest experiences across touchpoints
- Refreshed culinary, wellness, and experiential offerings to meet evolving guest preferences
- Upgraded amenities and service propositions to strengthen value for money and guest satisfaction
- Strengthened business continuity and guest safety measures in response to geopolitical and climate related risks
- Advanced sustainability led initiatives to meet growing expectations around responsible tourism
- Expanded digital capabilities to improve convenience, responsiveness, and the end to end guest journey
- Leveraged guest feedback and data insights to refine offerings and drive continuous improvement

Dedicated point of contact

- Customer care hotline 011 2491000
- Front desk/ Reception
- Channel partners
- Global Sales Officers

Connectivity to material matters

- Privacy and data security
- Product safety and quality

How the stakeholder concerns are linked to our strategy

- Service excellence
- ESG considerations

VALUE DELIVERED DURING THE YEAR

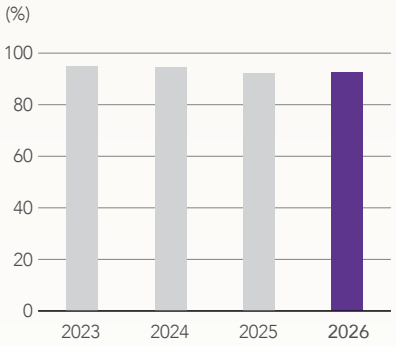
58% Net Promoter Score

11% increase in room nights served

92.5% Global Review Index

VALUE DELIVERED OVER THE LONG TERM

Global Review Index



WAY FORWARD

Going forward, we will remain focused on anticipating evolving guest preferences and responding proactively to emerging global and local travel trends. Through deeper use of customer insights, digital engagement, and continuous innovation in its offerings, we will seek to deliver increasingly personalised, seamless, and differentiated experiences. Supported by ongoing investments in talent and service excellence, we will continue to adapt how we serve our guests, ensuring authentic hospitality, relevance, and memorable experiences in a dynamic travel landscape.

MORE INFORMATION

Social and relationship capital – page 94

Stakeholder engagements

EMPLOYEE ENGAGEMENTS

OUR EMPLOYEES PROFILE

742	22%	11	85 %
employees	female representation	years of average tenure of team	employee retention

How we continually engage

- Periodic meetings and dialogue forums across levels
- Skip level meetings enabling direct access to senior leadership
- bi-annual employee engagement / satisfaction surveys
- Structured induction and onboarding programmes for new recruits
- Midyear and year end performance and development reviews
- Long Service Awards and employee recognition programmes
- Staff engagement and team building initiatives conducted throughout the year
- Learning and development programmes, including technical and leadership training
- Employee wellbeing and wellness initiatives
- Open door channels, grievance mechanisms, and feedback forums
- Internal communication platforms and regular leadership updates
- Pulse checks and digital listening mechanisms to capture employee sentiment

Key concerns raised

- Job security, career growth, and internal mobility opportunities
- Workload management, staffing adequacy, and employee support during peak demands and periods of disruption
- Continuous training, skills development, and future readiness
- Fair compensation, benefits, and overall employee value proposition
- Health, safety, wellbeing, and support during periods of hardship or crisis
- Recognition, inclusion, and a positive workplace culture
- Talent retention and maintaining engagement in a competitive labour market

Our response actions

- Continued to respond to evolving employee needs through strengthened career pathways, learning opportunities, and workforce planning initiatives
- Enhanced efforts to support employees in balancing professional responsibilities and personal wellbeing through a more supportive and people centric work environment
- Reinforced the hospitality career proposition by fostering rewarding, respected, and growth oriented careers within the industry
- Reviewed compensation and benefits to remain competitive, while strengthening health, safety, and wellness support
- Promoted an inclusive and engaging workplace culture through recognition, open communication, and ongoing employee dialogue

Dedicated point of contact

- Director HR
- Ombudsperson
- Immediate supervisors
- Department heads

Connectivity to material matters

- Human rights
- Health and safety
- Diversity and equal opportunity
- Talent attraction and retention

How the stakeholder concerns are linked to our strategy

- Talent management

VALUE DELIVERED DURING THE YEAR

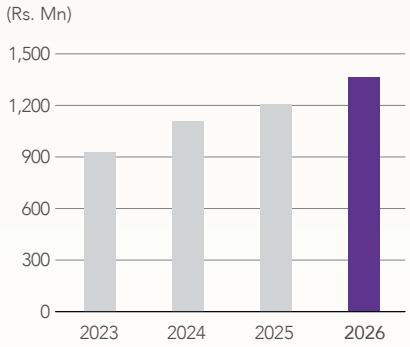
Rs. **1,364** Mn
payments to employees

58
average training hours per person

Rs. **16.5** Mn
investment in learning and development

VALUE DELIVERED OVER THE LONG TERM

Payment to employees



WAY FORWARD

Going forward, we will continue to invest in its people by nurturing talent, enhancing skills, and fostering a collaborative and inclusive culture. Focus will be placed on grooming employees to meet the evolving demands of hospitality, supported by aligned HR strategies, continuous engagement, and technology enabled people practices. Through this, we aim to build a future ready, motivated workforce equipped to deliver service excellence in a dynamic industry.

MORE INFORMATION

Human capital –page 72

SUPPLIERS AND BUSINESS PARTNER ENGAGEMENTS

OUR SUPPLIERS AND BUSINESS PARTNERS PROFILE

7	17	831	85
Global offices	Channel partners	Suppliers	MICE events hosted

How we continually engage

Channel partners

- One to one engagements through virtual and in person meetings locally and overseas
- Roadshows, trade fairs, and joint promotional initiatives
- Regular performance reviews and business planning discussions
- Ongoing collaboration on market intelligence, demand trends, and campaign opportunities
- Partner feedback forums and relationship management touchpoints

Suppliers

- Periodic supplier reviews, audits, and performance assessments
- Long term partnerships supported by clear service and quality KPIs
- Joint planning, forecasting, and coordination sessions
- Ethical sourcing requirements, compliance reviews, and due diligence processes
- Supplier forums, feedback channels, and ongoing engagement dialogues

Key concerns raised

Channel Partners

- Demand stability and guest flow amid geopolitical disruptions, including impacts from Middle East tensions
- Commercial competitiveness, pricing support, and revenue opportunities
- Timely communication, market responsiveness, and partnership transparency
- Brand strength, service consistency, and support for joint growth initiatives

Suppliers

- Timely payments and counterpart cash flow reliability
- Adherence to contract terms, pricing stability, and fair commercial practices
- Supply continuity, logistics reliability, and resilience amid external disruptions
- Responsible sourcing, ethical practices, and long term partnership stability

Our response actions

Channel Partners

- Strengthened collaboration with channel partners through proactive communication and market responsiveness
- Supported joint demand generation through coordinated marketing and sales initiatives
- Enhanced partnership engagement to support occupancy growth and shared commercial outcomes
- Maintained transparency and agility in responding to market disruptions and shifting travel demand

Suppliers

- Upheld fair procurement practices, timely payments, and transparent commercial engagement
- Strengthened supply relationships through closer collaboration and continuity planning
- Reinforced responsible sourcing expectations and alignment with sustainability standards
- Fostered long term partnerships through ongoing dialogue and mutual value creation

Dedicated point of contact

- Director Sales and Marketing
- Purchasing Manager

Connectivity to material matters

- Business conduct and ethics
- Supply chain management
- Supplier assessment

How the stakeholder concerns are linked to our strategy

- Revenue optimisation
- Operational excellence and cost optimisation

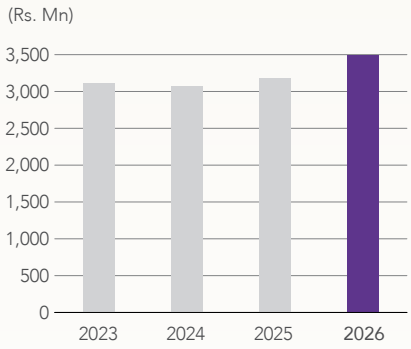
VALUE DELIVERED DURING THE YEAR

84,355
Room nights

Rs. **3,490** Mn
Payments to suppliers

VALUE DELIVERED OVER THE LONG TERM

Payments to Suppliers



WAY FORWARD

Going forward, we will continue to cultivate resilient and mutually beneficial relationships with channel partners and suppliers, grounded in transparency, collaboration, and shared commercial success. Focus will be placed on strengthening partnership models that remain viable amid geopolitical uncertainties, climate related disruptions, and evolving market conditions. Through closer collaboration, adaptive planning, and continued emphasis on responsible and sustainable practices, we aim to enhance supply chain resilience, support innovation, and create long term value for all parties that connect with Trans Asia Hotels PLC.

MORE INFORMATION

Social and relationship capital –page 94

Stakeholder engagements

COMMUNITY ENGAGEMENTS

COMMUNITY PROFILE

The wider community within which we operate

How we continually engage
- Community outreach and development programmes
- Local employment and livelihood opportunities
- Partnerships with schools and educational institutions
- Participation in local cultural events and festivals
- Support for local small and medium enterprises (SMEs)
- Environmental and sustainability-focused community initiatives
- Community welfare sponsorships and donations
- Employee volunteerism and outreach activities
- Collaboration with local government and community authorities
- Awareness programmes on tourism and hospitality opportunities

Key concerns raised
- Local employment opportunities and livelihood creation
- Environmental impacts, including waste management, water use, and ecological stewardship
- Support for local businesses, suppliers, and community-based enterprise
- Respect for local culture, heritage, and community sensitivities
- Safety, security, and the hotel's impact on surrounding communities
- Meaningful contribution to community development and social wellbeing
- Support and resilience building for communities affected by climate related events and natural disasters
- Transparency and effectiveness of community investment and CSR initiatives

Our response actions
- Expanded local employment and livelihood opportunities to support community wellbeing
- Strengthened partnerships with local suppliers and community-based enterprises
- Continued investment in community development and social upliftment initiatives
- Reinforced environmental management practices to minimise impacts on surrounding communities
- Supported community resilience and recovery efforts in response to climate related disruption (Cyclone Ditwah which occurred during the financial year)
- Promoted culturally sensitive engagement and active dialogue with local communities
- Maintained structured governance, policies, and oversight to manage and enhance the social impact we create

Dedicated point of contact
- Manager, Health, Hygiene & Sustainability
- Purchasing Manager

Connectivity to material matters
- GHG emissions and energy management
- Water management
- Waste management
- Community relations and empowerment

How the stakeholder concerns are linked to our strategy
- ESG considerations

VALUE DELIVERED DURING THE YEAR

Rs. **3.3** Mn invested in community empowerment and environmental preservation initiatives

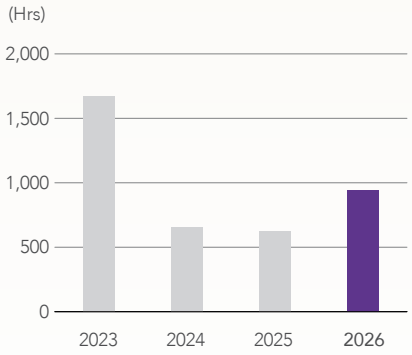
2,471 beneficiaries of community empowerment projects

945 staff volunteer hours spent on community empowerment initiatives

63% staff members recruited within the Western province

VALUE DELIVERED OVER THE LONG TERM

Volunteer hours



WAY FORWARD

Going forward, we will continue to deepen its contribution to the communities in which it operates by supporting local livelihoods, strengthening sustainability efforts, and fostering shared value through local enterprise linkages. Greater emphasis will be placed on building community resilience, expanding collaboration with community leaders and development partners, and identifying opportunities to create broader social impact, while nurturing enduring relationships founded on trust and mutual growth.

MORE INFORMATION

Social and relationship capital –page 94

THE GOVERNMENT AND RELATED ENTITIES

A number of regulatory bodies and state entities, some of which are listed below;

- Sri Lanka Tourism Development Authority (SLTDA)
- Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka (SEC)
- Sri Lanka Standards Institution (SLSI)
- Consumer Affairs Authority (CAA)
- Central Environmental Authority (CEA)
- Inland Revenue Department (IRD)
- Urban Development Authority (UDA)
- Department of Labour
- Excise Department of Sri Lanka
- Central Bank of Sri Lanka (CBSL)

How we continually engage

- Periodic regulatory filings and disclosures
- Statutory reporting and compliance submissions
- On site inspections and audits
- Participation in industry consultations and forums
- Licensing and permit applications
- Public hearings and stakeholder meetings
- Formal correspondence and notifications
- Digital reporting platforms and online submissions
- Regulatory training and awareness sessions

Key concerns raised

- Compliance with tourism licensing, sector regulations, guest safety standards, and contribution to national tourism priorities
- Timely, accurate, and transparent financial reporting, governance, and market disclosures
- Compliance with product, service, quality, and consumer protection standards
- Environmental sustainability, waste management, resource use, and adherence to environmental regulations
- Timely and accurate tax payments and broader fiscal compliance
- Compliance with planning, development, and property related regulatory requirements
- Adherence to labour laws, fair employment practices, employee welfare, and workplace safety
- Compliance with licensing and controls relating to excise regulated operations
- Prudence in managing macroeconomic risks, foreign exchange impacts, and financial resilience
- Robust security protocols, business continuity planning, and preparedness for geopolitical and climate related disruptions
- Contribution to national economic development, sustainability priorities, and responsible corporate conduct

Our response actions

- Maintained compliance with applicable laws, regulations, and licensing requirements across all operations
- Ensured timely tax, statutory, and regulatory submissions and payments
- Undertook regular audits, inspections, and compliance reviews to strengthen controls
- Continued staff training and awareness on regulatory obligations and best practices
- Sustained active engagement with tourism, industry, and regulatory authorities to align with sectoral priorities
- Strengthened governance, risk management, and business continuity measures in response to evolving regulatory and external risks
- Advanced environmental, labour, and responsible business practices in support of broader national and sustainability expectations

Dedicated point of contact

- Director – Finance
- Director-Human Resources
- Manager, Health, Hygiene & Sustainability

Connectivity to material matters

- GHG emissions and energy management
- Transparency in disclosures
- Tax strategy

How the stakeholder concerns are linked to our strategy

- ESG considerations

VALUE DELIVERED DURING THE YEAR

Rs. **764** Mn
Total taxes paid to the Government

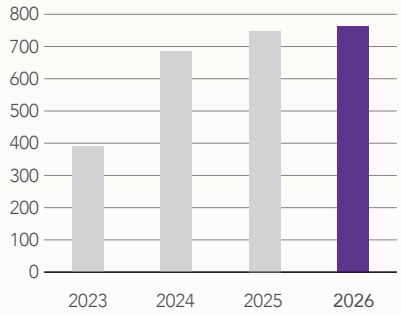
USD **3** Mn
Collected in foreign currency

Timely renewal of environmental certificates/ permits

VALUE DELIVERED OVER THE LONG TERM

Total taxes paid to the Government of Sri Lanka

(Rs. Mn)



WAY FORWARD

Going forward, we will continue to strengthen collaboration with government and regulatory bodies through proactive engagement, transparent communication, and continued alignment with evolving policy and regulatory priorities. Focus will remain on maintaining strong compliance practices, supporting national tourism and economic development objectives, and contributing constructively to industry initiatives that advance resilience, sustainability, and responsible sector growth.

MORE INFORMATION

Financial capital – page 58

Corporate governance – page 128

Operating environment review

The operating environment during the year is discussed across three interconnected dimensions, namely the performance of the global tourism sector, the broader Sri Lankan economic landscape, and developments within Sri Lanka's tourism industry. Encouragingly, all three elements demonstrated positive momentum during the year under review, collectively creating a favourable operating environment that augured well for the operations and performance of Cinnamon Lakeside Colombo.

GLOBAL TOURISM SECTOR PERFORMANCE

Source: UN Tourism

Despite ongoing geopolitical tensions, inflationary pressures, and climate related disruptions, the global tourism sector demonstrated considerable resilience during the year

Demand for experiential, leisure, wellness, and destination-led travel experiences continued to strengthen global tourism activity

Global tourism continued its strong recovery momentum in 2025, with international tourist arrivals returning to long term pre-pandemic growth trends



Several leading destinations reported tourism revenue growth exceeding growth in arrivals, signalling higher per traveller spending and stronger value generation across the sector

Growth was supported by resilient consumer demand, strong outbound travel from major source markets, improved air connectivity, and easing visa and travel restrictions globally

Total tourism export revenues, including passenger transport, reached a record USD 2.2 trillion during the year

Asia and the Pacific continued its recovery trajectory, contributing positively to global tourism growth during the year

Global tourism receipts reached approximately USD 1.9 trillion in 2025, reflecting strong visitor spending patterns despite elevated travel costs

HIGHLIGHTS

International tourist arrivals (overnight visitors)

1.52 billion
(Estimated)

4%
growth over 2024

Global tourism arrivals across regions - 2025

Region	International Tourist Arrivals - 2025	Growth vs. 2024
Europe	793 Mn	+4%
Americas	218 Mn	+1%
Africa	81 Mn	+8%
Middle East	100 Mn	+3%
Asia & Pacific	331 Mn	+6%

GLOBAL TOURISM – WAY FORWARD

Global tourism is expected to continue its recovery trajectory in 2026, with international tourist arrivals projected to grow by approximately 3% to 4% over 2025 levels, supported by improving air connectivity, resilient consumer demand, and growing outbound travel from emerging markets. Major global events such as the Milano Cortina 2026 Winter Olympics and the FIFA World Cup 2026 are also expected to support international travel activity.

However, the outlook remains subject to heightened uncertainty arising from geopolitical tensions, global conflicts, trade-related pressures, and extreme weather events, all of which may weigh on traveller confidence. While global inflation moderated during 2025, tourism-related costs remain elevated, resulting in travellers increasingly seeking value-for-money destinations. Against this backdrop, destinations offering competitive pricing, strong connectivity, and diverse tourism experiences are expected to remain well-positioned within the global tourism landscape.

SRI LANKAN ECONOMIC PERFORMANCE

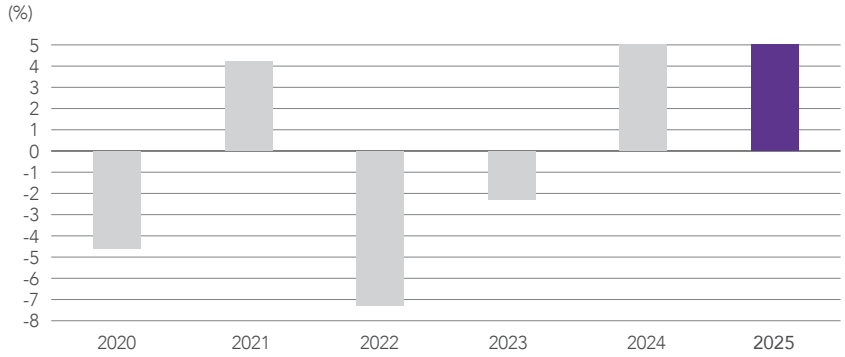
The year under review marked a significantly improved operating environment for Sri Lanka and its tourism sector following several years impacted by the Easter Sunday attacks, the COVID-19 pandemic, and the Sri Lankan economic crisis, although Cyclone Ditwah served as a reminder of the country's growing climate related vulnerabilities. Supported by improving macroeconomic stability, stronger tourism demand, and renewed investor and traveller confidence, the operating environment augured positively for the hospitality sector, enabling Trans Asia Hotels PLC to leverage its operational expertise and strong market positioning to deliver value to stakeholders and contribute towards the broader recovery of the national economy.

GDP GROWTH

The Sri Lankan economy demonstrated strong resilience and recovery momentum during 2025, recording robust real Gross Domestic Product (GDP) growth of 5.0%, despite the disruptions caused by Cyclone Ditwah during the year. Economic expansion was broad-based, with all four quarters contributing positively to growth, reflecting improving macroeconomic stability, strengthening business confidence, and a gradual revival in economic activity across key sectors of the economy.

Growth was predominantly driven by the Industry sector, supported by notable improvements in manufacturing and construction activities, while the Services sector continued to make a significant contribution through the expansion of financial services, transportation, trade, and tourism-related activities.

Annual GDP Growth



Source: Central Bank of Sri Lanka

How the tourism sector and the Company progressed in response

The Sector: The improving economic landscape, coupled with recovering consumer confidence, enhanced air connectivity, and continued growth in tourist arrivals, created a favourable operating environment for Sri Lanka's hospitality sector. Colombo, in particular, benefitted from increased corporate travel, conferences, events, and leisure tourism activity, strengthening demand for city hotels.

Against this favourable backdrop, Cinnamon Lakeside Colombo capitalised on the resurgence in tourism and business travel by leveraging its strategic city location, strong brand positioning, diversified customer base, and longstanding presence within Sri Lanka's hospitality sector. The hotel continued to strengthen its operational performance through increased patronage across leisure, corporate, conferencing, events, and dining segments, while contributing positively towards the broader recovery and growth of Sri Lanka's tourism industry and economy.

Average occupancy rate of the hotel improved to **73%** in 2025/26 from **63%** in 2024/25

Post tax profitability improved to **Rs. 491.8 Mn** for the year – an **114%** growth over 2024/25

INFLATION

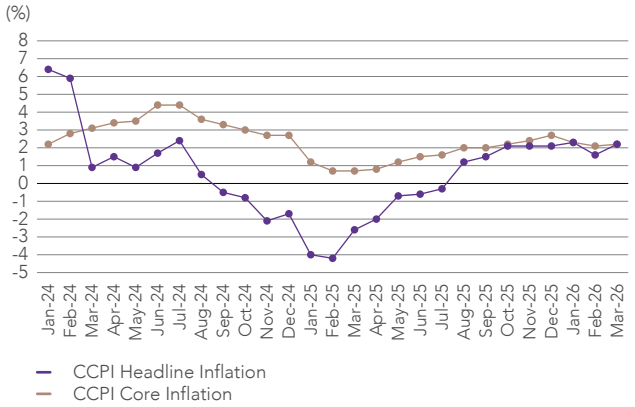
Inflationary pressures remained largely subdued during the year, supported by favourable statistical base effects, easing global commodity prices, and the timely implementation of monetary and fiscal policy measures. Headline inflation, measured by the Colombo Consumer Price Index (CCPI), remained in negative

Operating environment review

territory during the early part of 2025, primarily reflecting the impact of VAT-related base effects and downward revisions in electricity tariffs.

However, from March 2025 onwards, inflation gradually trended upwards as food prices strengthened and utility tariff adjustments began exerting upward pressure on consumer prices. Despite this normalisation, inflation remained within broadly manageable and desired levels, returning to positive territory by August 2025 and maintaining relative stability thereafter, with the trend continuing into the first quarter of 2026.

Inflation : CCPI YoY Percentage Change



Source: Central Bank of Sri Lanka

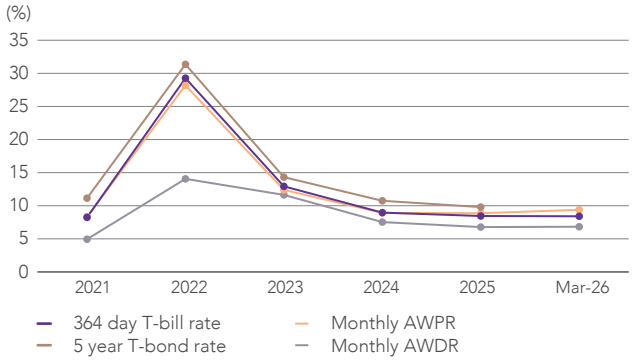
KEY MARKET INTEREST RATES

Market interest rates generally followed a downward trajectory during 2025, supported by an accommodative monetary policy environment, subdued inflationary conditions, well-anchored inflation expectations, and improving sovereign credit fundamentals. During the year 2025, the Central Bank of Sri Lanka further eased monetary policy through a reduction in the Overnight Policy Rate (OPR), extending the significant policy easing measures implemented since mid-2023.

Consequently, money market rates declined broadly and remained largely aligned with policy rates for the greater part of the year, contributing towards improved liquidity conditions and lower financing costs across the economy. Nevertheless, during the latter part of 2025, short term interest rates and government securities yields experienced temporary upward pressure.

These pressures gradually normalised in early 2026 as liquidity conditions improved and market stability strengthened. Overall, both lending and deposit rates recorded a downward movement during the year, notwithstanding the short term volatility observed towards the year end.

Key Market Rates



Source: Central Bank of Sri Lanka

How the tourism sector and the Company were impacted

The relatively stable inflationary environment during the year, coupled with easing interest rates and improving macroeconomic confidence, created favourable conditions for Sri Lanka's tourism and hospitality sector. Improved price stability supported consumer and investor confidence globally and locally, while lower financing costs gradually stimulated economic activity, travel demand, and business expansion, benefitting the broader operating landscape within which Cinnamon Lakeside functions.

External sector performance

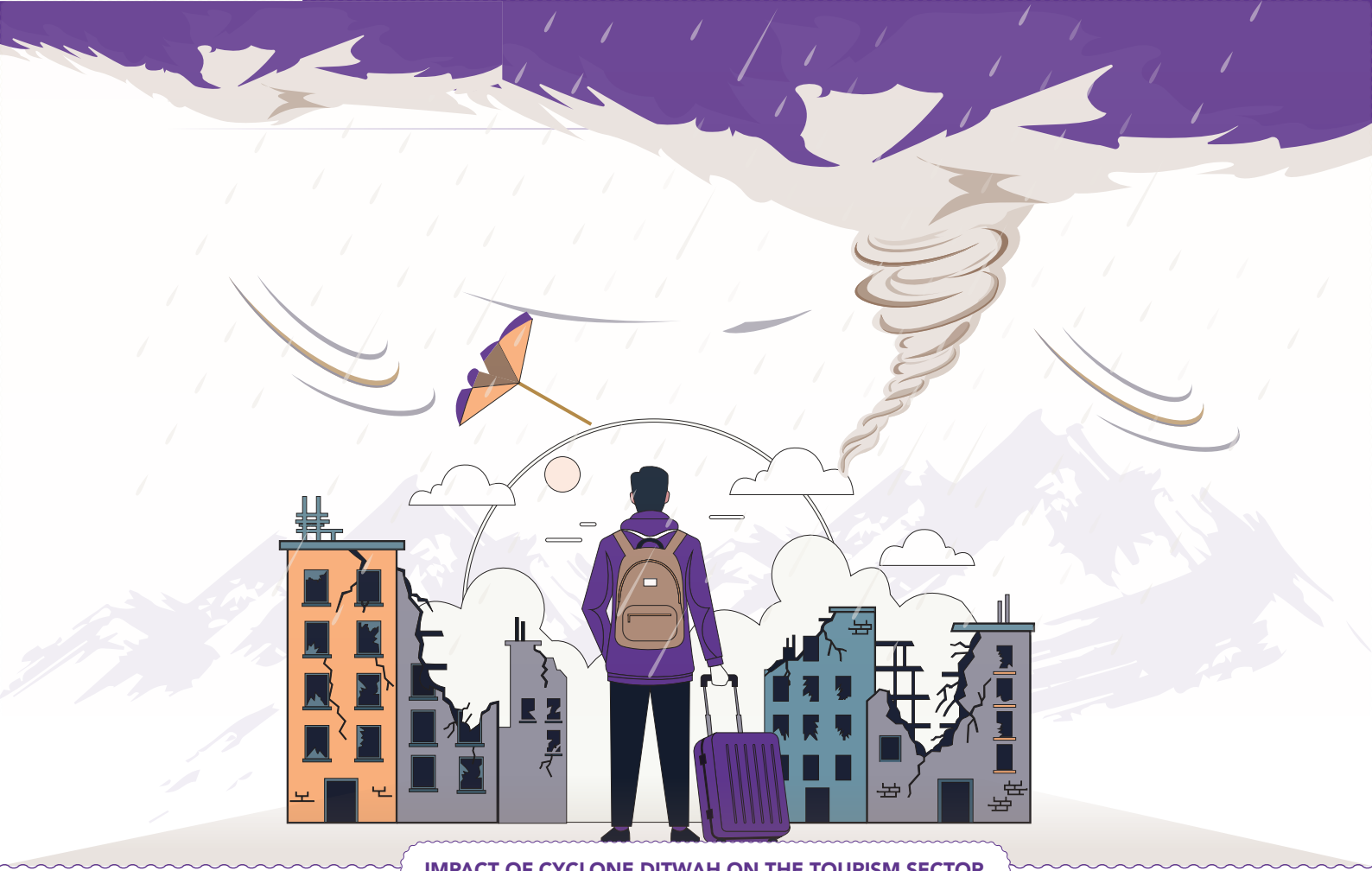
Sri Lanka's external sector remained resilient during 2025, recording a current account surplus for the third consecutive year, supported by strong tourism earnings, improved workers' remittances, and continued growth in export earnings. Although the merchandise trade deficit widened due to higher import expenditure, particularly following the relaxation of vehicle import restrictions, the country's overall external position remained stable amidst improving economic conditions.

The Sri Lankan Rupee depreciated moderately against the US Dollar during the year, mainly due to increased import demand. However, sustained inflows from tourism, remittances, exports, and financial account movements supported foreign exchange liquidity and enabled the Central Bank to further strengthen official reserves during the year.

How the tourism sector and the Company were impacted

Strong tourism earnings and improved foreign exchange liquidity supported higher tourist arrivals and travel confidence, positively benefitting Sri Lanka's hospitality sector.

The moderate depreciation of the Rupee enhanced Sri Lanka's attractiveness as a comparatively affordable travel destination, supporting occupancy and revenue growth at Cinnamon Lakeside.



IMPACT OF CYCLONE DITWAH ON THE TOURISM SECTOR

Cyclone Ditwah was one of the most severe climate related events experienced by Sri Lanka during the year in late November 2025, resulting in significant human and economic loss across several parts of the country. The disaster reportedly claimed over 600 lives, displaced thousands of families, and caused widespread damage to infrastructure, livelihoods, transport networks, and businesses.

The adverse weather conditions disrupted tourism-related activities, domestic mobility, airport and transport connectivity, and hotel operations in certain affected regions, particularly impacting travel patterns and visitor movement during the period.

The broader economic cost of the disaster was estimated to run into several billions of Rupees, affecting sectors such as tourism, agriculture, transportation, utilities, and construction, while also placing additional pressure on public expenditure and recovery efforts.

For the tourism and hospitality sector, the event reinforced the growing exposure of coastal and destination-based assets to climate related risks, highlighting the increasing importance of sustainability, disaster preparedness, climate adaptation, and resilient infrastructure planning across the industry.

Despite these challenges, Sri Lanka's tourism sector demonstrated resilience, supported by continued international travel demand, strong industry adaptability, and the country's enduring appeal as a global travel destination.

IMPACT ON THE COMPANY

Cinnamon Lakeside Colombo experienced guest night and event cancellations in the immediate aftermath of Cyclone Ditwah, which negatively impacted revenue.

Operating environment review

SRI LANKAN TOURISM SECTOR PERFORMANCE

Source: Sri Lanka Tourism Development Authority/ Other

Key favourable developments for Sri Lanka tourism

Record arrivals in 2025 – Sri Lanka recorded **2.36 million** tourist arrivals in 2025, surpassing the 2018 benchmark and reinforcing tourism's role as a key foreign exchange earner, employment generator and regional economic driver.

Strong start to 2026 – January 2026 recorded **277,327** arrivals, **up 9.7% YoY**, while February 2026 reached **279,328** arrivals, **up 16.2% YoY.** The first two months alone accounted for **556,655** arrivals, signalling strong momentum entering the year.

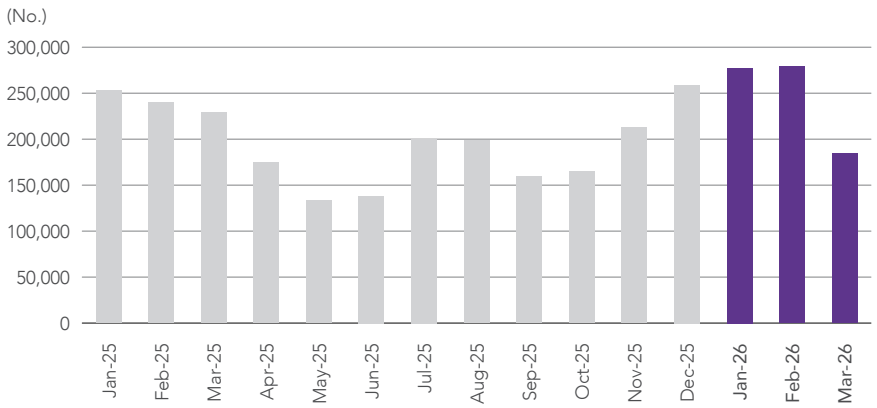
India continued to anchor demand – India remained Sri Lanka's largest source market, supported by proximity and air connectivity. In January 2026 alone, India contributed **52,061** arrivals, while the **UK, Russia, Germany and China** also remained key contributors.

Strong global destination endorsements – Sri Lanka gained several global endorsements, including being named among Travel + Leisure's **50** Best Places to Travel in 2026, BBC Travel's **25** Best Places to Travel in 2025, and Condé Nast Traveler's 2025 food destination rankings, strengthening destination visibility.



TOURIST ARRIVALS – STATISTICS

Tourist Arrivals Through 2025 - 1Q 2026



KEY PERFORMANCE INDICATORS

Total tourist arrivals

2.36 Mn

+15.1%

Total earnings from tourism

USD 3.2 Bn

For the Financial Year 2025

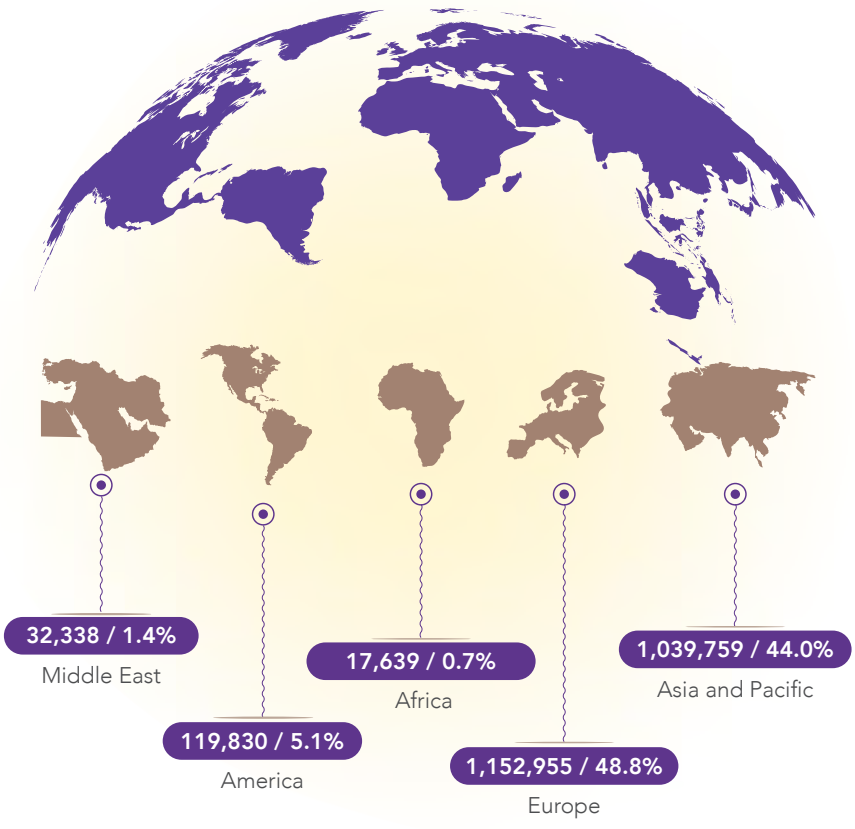
Average duration of stay

8.29* nights

Tourist arrivals by key source markets

Country	2025 (No.)	Percentage growth over 2024
India	531,511	27.47
United Kingdom	212,277	19.03
Russian Federation	186,580	(7.60)
Germany	147,966	8.73
China	132,035	0.27
Australia	109,487	22.23
France	109,041	22.83
United States	65,973	10.82
Netherlands	64,164	28.03
Bangladesh	59,563	50.58

GEOGRAPHIC DISPERSION OF TOURIST ARRIVALS



THE WAY FORWARD FOR SRI LANKA TOURISM SECTOR

Positive 2026 growth outlook – Sri Lanka Tourist Development Authority's (SLTDA) 2026 growth scenarios project tourist arrivals between approximately 2.55 million and 3.0 million, supported by airline seat capacity growth, continued investment in tourism infrastructure, digital transformation, product diversification and stronger market penetration.

Government target of 3 million tourists in 2026 – Sri Lanka is targeting 3 million tourists in 2026, after a record 2025, with tourism positioned as a key contributor to foreign exchange generation and economic recovery.

Investment pipeline and high-end tourism push – Sri Lanka is targeting large tourism investments in 2026, following the considerable investments made in the previous year. The opening of the USD 1.2 billion City of Dreams Sri Lanka integrated resort also supports the country's move towards higher-value tourism.

Strong global destination endorsements – Sri Lanka gained several global endorsements, and these are set to strengthening destination visibility

Product diversification opportunities – SLTDA highlights wellness, nature-based, cultural and MICE tourism as areas supporting future growth, which aligns well with evolving global traveller preferences for experiential, sustainable and purpose-led travel.

KEY OPPORTUNITIES FOR THE COMPANY

- Growing preference for integrated leisure experiences – Cinnamon Lakeside Colombo is uniquely positioned to capitalise on increasing demand for "resort within the city" experiences, combining leisure, wellness, dining, and business convenience within Colombo city

Operating environment review

- Recovery in corporate and MICE tourism – The resurgence in conferences, exhibitions, diplomatic engagements, and corporate travel presents opportunities to strengthen occupancy, banqueting, and event-related revenue streams
- Strength of the Cinnamon and John Keells brands – Backed by the reputation, scale, and market reach of the John Keells Holdings PLC ecosystem and Cinnamon Hotels brand portfolio, the hotel benefits from strong customer trust, distribution reach, and cross selling opportunities
- Growth in experiential and lifestyle tourism – Evolving traveller preferences towards wellness, culinary, and authentic destination experiences align strongly with the hotel's lakeside setting, dining experiences, and lifestyle-oriented proposition
- Increasing tourism arrivals into Colombo – Rising tourist arrivals, improved air connectivity, and stronger visitor confidence create opportunities to capture both international and domestic demand segments
- Digitalisation and customer engagement opportunities – Expanding digital booking channels, loyalty programmes, and data driven guest engagement initiatives provide opportunities to enhance customer experience, occupancy optimisation, and revenue generation

KEY RISKS FOR THE COMPANY

- Exposure to geopolitical and global travel disruptions – Global conflicts, economic slowdowns, or travel-related uncertainties may adversely affect international visitor arrivals and corporate travel demand
- Climate related and extreme weather risks – As a city hotel with significant outdoor and waterfront elements, the property remains exposed to adverse weather events, flooding risks, and broader climate related operational disruptions
- Intensifying competition within Colombo's hospitality sector – New hotel developments, international brands, and alternative accommodation offerings may increase pricing pressure and competition for premium customer segments
- Inflationary and utility cost pressures – Rising energy, food, labour, and imported input costs could pressure operational margins within a service-intensive hospitality environment
- Cybersecurity and data privacy risks – Increased dependence on digital systems, online reservations, and customer data platforms heightens exposure to cybersecurity threats and reputational risks
- Talent attraction and retention challenges – Competition for skilled hospitality professionals, migration of trained talent, and evolving workforce expectations may impact service consistency and operational efficiency in the near term

BUILDING RESILIENCE AMIDST EMERGING OPPORTUNITIES AND RISKS

Cinnamon Lakeside Colombo will continue to leverage its longstanding expertise within Sri Lanka's hospitality sector, the strength of the Cinnamon and John Keells brands, and its distinctive "resort within the city" positioning to navigate the evolving operating landscape. Supported by strong governance frameworks, prudent risk management practices, and a resilient operational model, the Company remains committed to strengthening its ability to withstand emerging risks, external shocks, and changing market dynamics, while creating sustainable long term value for shareholders.

The Company will also continue to draw strength from its people centric culture and strong human capital base, while maintaining an unwavering focus on service excellence, guest satisfaction, sustainability, and operational agility. Through disciplined execution, responsible growth, and continued contribution towards tourism development and foreign exchange generation, Cinnamon Lakeside remains committed to supporting the broader progress of Sri Lanka's tourism industry and national economy, whilst delivering sustainable returns and enduring value to its shareholders over the long term.

Material Matters

DETERMINATION OF MATERIAL MATTERS

Trans Asia Hotels PLC employs a systematic and stakeholder informed approach to determining material matters, recognising materiality as fundamental to presenting a balanced and comprehensive view of the issues most relevant to long term value creation. The assessment is undertaken through a structured, multistep process that identifies and prioritises material topics based on both their significance to stakeholders and their potential impact on the Company's strategy, performance, and outlook.

This disciplined approach helps ensure strategic focus remains aligned with the most significant risks, opportunities, and matters that influence sustainable value creation.

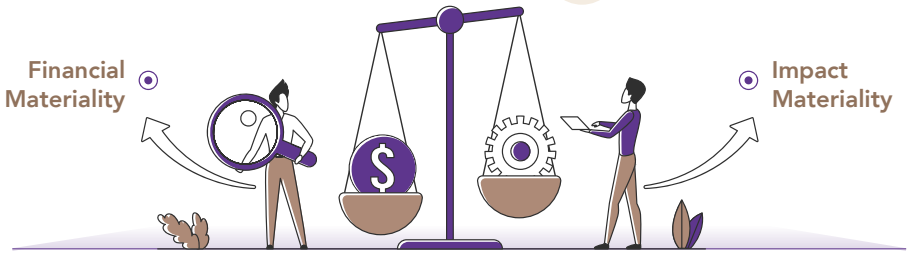
HOW INPUTS ARE DERIVED IN ASSESSING MATERIAL MATTERS

The determination of material matters is informed by a range of internal and external inputs, including:

- Analysis of the external operating environment, including emerging risks and opportunities
- Review of the Company's business model and strategic priorities
- Ongoing engagement with key stakeholder groups
- Value chain sustainability assessments and supplier reviews
- Developments and emerging trends within the hospitality sector
- Consideration of global sustainability reporting standards and disclosure requirements

The Company continued the double materiality lens to assess potential material topics considering both the impact on the Company and impact on external stakeholders and the environment we operate in.

DUAL MATERIALITY FOCUS ADOPTED



As the parent company, the Board of Directors of John Keells Holdings PLC plays a pivotal role in overseeing the materiality assessment process of Trans Asia Hotels PLC. The Board is responsible for reviewing and approving the identified material topics to ensure they align with the John Keells Group's strategic direction and stakeholder interests

Structured approach – Material matters identification

STEP 1:

IDENTIFY AND SHORTLIST

Shortlisted Internal Stakeholders

- Board & Senior Management
- Employees

Shortlisted External Stakeholders

- Investors
- Customers
- Community Partners
- Suppliers

Shortlisted Material Topics

- 20 Material topics identified - Standards and frameworks such as DJSI, MSCI, and SASB were considered
- Industry insights were taken from peer matrices

STEP 2:

PRIORITISE

- Curated customised questionnaires for all stakeholder groups
- Conducted online surveys to understand stakeholder preferences

STEP 3:

VALIDATE AND REVIEW

- Assigned weights to each topic as per global frameworks and peers
- Incorporated individual stakeholder insights
- Applied scaling factor to each material topic based on the weighted average of stakeholders' responses
- Ranked material topics based on the average of both internal and external stakeholders
- Developed Materiality Matrix

Material Matters

MATERIAL MATTER AND THEMES

During the year under review, the material matters identified by the Company were reassessed and refined through the process outlined above to enhance their relevance to the Company's business operations and ensure alignment with the Parent entity, John Keells Holdings PLC's material matters. Furthermore, the evaluation of the Company's sustainability related risks and opportunities (SRROs) and climate related risks and opportunities (CRROs) is based on these material matters.

Our material matters are presented under the following broader themes.

- Environmental preservation
- Employee relations and wellbeing
- Good governance and ethics
- Guests, suppliers and community relations

1.0 ENVIRONMENTAL PRESERVATION

1.1 GHG emissions and energy management
1.2 Water management
1.3 Waste management
1.4 Biodiversity

2.0 EMPLOYEE RELATIONS AND WELLBEING

2.1 Human rights
2.2 Health & Safety
2.3 Diversity & Equal opportunity
2.4 Talent attraction and retention

3.0 GOOD GOVERNANCE AND ETHICS

3.1 Business conduct and ethics
3.2 Corporate governance
3.3 Tax strategy
3.4 Transparency in disclosures
3.5 Privacy and data security

4.0 GUESTS, SUPPLIERS AND COMMUNITY RELATION

4.1 Community relations and empowerment
4.2 Supply chain management
4.3 Product safety & quality
4.4 Supplier assessment

MATERIALITY MATRIX



Material theme	No	Material topic	What it constitutes	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
Environmental preservation	1.1	GHG emissions and energy management	Taking steps to reduce air pollution and using lesser electricity and maximising the renewable energy usage	Very High	Universal*	GRI 302: Energy, GRI 305: Emissions, SV-HL-130a.1, SV-HL-160a.2 , FB-RN130a.1	Natural capital	Page 113
	1.2	Water management	Utilising less water and reusing wastewater for other purposes like gardening	High	Universal*	GRI 303: Water and Effluents, SV-HL-140a.1, SV HL-160a.2 ,FB-RN140a.1	Natural capital	Page 114
	1.3	Waste management	Preventing waste by reducing, reusing and recycling	High	Universal*	GRI 306: Waste , FB-RN150a.1, FB-RN150a.2	Natural capital	Page 116-118
	1.4	Biodiversity	Conservation and preservation of our natural environments	Very High	Universal	SV-HL-160a.2	Natural Capital	Page 119-124
Employee relations and wellbeing	2.1	Human rights	Ensuring that humans are treated with dignity (E.g.: no discrimination, no child labour or forced labour, freedom of association and collective bargaining)	Very High	Employees	GRI 406: Non Discrimination, SV-HL 310a.4 , FB-RN310a.3	Human capital	Page 83
	2.2	Health & Safety	Ensuring a safe and healthy workplace for employees (e.g.: zero accidents, safety trainings)	Very High	Employees	GRI 403: Occupational Health and Safety	Human capital	Page 80-82
	2.3	Diversity & Equal opportunity	Being inclusive, diverse and providing equal opportunities at the workforce irrespective of gender, age or religion	Very High	Employees	GRI 405: Diversity and Equal Opportunity	Human capital	Page 83-85

Material Matters

Material theme	No	Material topic	What it constitutes	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
	2.4	Talent attraction and retention	Making the workplace an attractive environment and Upskilling and reskilling employees in order to achieve career and personal growth	Very High	Employees	GRI 401: Employment, GRI 402: Labour/ Management Relations, GRI 404: Training and education, SV HL-310a.1 , FB-RN310a.1, FB-RN310a.2, FB-RN-000.B	Human capital	Page 76
Good governance and ethics	3.1	Business conduct and ethics	Ensuring all stakeholders internal or external are compliant with company policies and procedures	Very High	Universal*	GRI 205: Anti Corruption GRI 408 - Child labour GRI 417 - Marketing and labelling, SV-HL 310a.3	Intellectual capital	Page 89, 174-175
	3.2	Corporate governance	Ensuring a diverse, effective and ethical board of directors committed to preserving shareholder value	Very High	Universal*	GRI 418: Customer Privacy GRI 201 – Direct economic impacts	Intellectual capital	Page 89, 129, 133- 134
	3.3	Tax strategy	Approach or plan adopted by an organisation to manage its tax obligations in a way that is considered significant or material to its overall financial performance and sustainability	Medium	Shareholders	GRI 207: Tax	Financial capital	Page 62, 163-164
	3.4	Transparency in disclosures	Provide clear, accurate, and relevant information that enables stakeholders to understand the organisation's performance, risks, and opportunities	Very High	Universal*	-	Intellectual capital	Page 164-166

Material theme	No	Material topic	What it constitutes	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
	3.5	Privacy and data security	Ensuring zero leakage of customer, employee or supplier data	Very High	Customers and Suppliers and Business Partners	GRI 418: Customer Privacy	Social and relationship capital	Page 90-91
Guests, suppliers and community relation	4.1	Community relations and empowerment	Building strong relationships with the local community in which the company operates	Medium	Community	GRI 413: Local Communities	Social and relationship capital	Page 104-106
	4.2	Supply chain management	Coordination and integration of various functions within and across companies to ensure the smooth flow of materials and information throughout the supply chain	Medium	Suppliers and Business Partners	GRI 204: Procurement Practices	Social and relationship capital	Page 103-104
	4.3	Product safety & quality	Material used in food production meets specified standards and regulations to ensure that the final food products are safe for guests to use and of high quality.	Medium	Customers	GRI 416: Customer Health and Safety ,FB-RN250a.1, FB-RN250a.2, FB-RN250a.3	Social and relationship capital	Page 102
	4.4	Supplier assessment	Review various aspects such as quality, reliability, sustainability, cost effectiveness, and compliance with regulations	Medium	Suppliers and Business Partners	GRI 308: Supplier Environmental Assessment ,FB-RN430a.1, FB-RN430a.2, FB-RN 430a.3	Social and relationship capital	Page 103-104

Business Strategy

At Trans Asia Hotels PLC, our strategy is designed to drive sustainable growth, strengthen our position within the ever evolving Colombo city hotel segment, and create enduring value for all stakeholders.

Guided by a five year strategic horizon, the Company pursues clear and measurable priorities across the near, medium, and long term, balancing growth ambitions with resilience in an increasingly dynamic operating environment.



STRATEGY ANCHORED IN PURPOSE

Our strategy is inspired by our purpose of curating emotional experiences for guests and is underpinned by a commitment to operate and grow in a responsible, ethical, and inclusive manner. It places our guests and owners at the centre of our thinking, while recognising that long term success is shaped by the strength of our people, partnerships, communities, and the natural environment within which we operate.



RESPONDING WITH AGILITY AND RESILIENCE

In response to evolving macroeconomic conditions, geopolitical uncertainties, including the impact of tensions in the Middle East on travel flows, and the stark reminder of climate related risks highlighted by events such as Cyclone Ditwah, we have continued to refine our strategic approach to remain agile and resilient



STRATEGIC FOCUS FOR SUSTAINABLE GROWTH

Our strategic priorities are designed to strengthen the Cinnamon Lakeside brand we have built in over the years, deepen our competitiveness in the target market segment, and enhance our ability to deliver differentiated guest experiences. Central to this is a focus on optimising our core offerings, investing in guest loyalty and enabling technologies, and maintaining a well-positioned, future ready operating model.

We also recognise the growing importance of investing in our people, contributing positively to our communities, and advancing responsible environmental stewardship as integral enablers of long term value creation.



KEY STRATEGIC PILLARS

- Service excellence
- Revenue optimisation
- Operational excellence and cost optimisation
- Talent management
- ESG considerations

STRATEGIC PILLAR: SERVICE EXCELLENCE

Service Excellence is at the centre of our strategy, embodying our commitment to consistently delivering exceptional and personalised customer experiences. It means going beyond standard service to anticipate and exceed guest expectations, ensuring every interaction reinforces our reputation for quality and care.

Resource allocation

Rs. 16.5 Mn training and development investments to continuously upskill our team in service, communication, and cultural sensitivity

Rs. 14 Mn IT related investments to upgrade and maintain digital platforms to enhance guest convenience and responsiveness

Rs. 196 Mn investments in property, plant and equipment to upgrade and elevate the guest experience

Key actions taken during the year

- Continued staff development through Cinnamon Academy, aligned to the Cinnamon service ethos
- Upgrade of systems to SAP S/4 HANA next generation Enterprise Resource Planning (ERP) system
- Strengthened operations through world class Property Management Systems (PMS) and Point of Sale (POS) platforms
- Enhanced guest convenience through the My Menu QR based digital dining platform
- Curated differentiated guest experiences and service offerings
- Leveraged guest insights to support greater personalisation
- Reinforced service standards to deliver a consistent guest experience
- Procurement of permanent marquee structure (Imperial court) on rental model to elevate banquet, MICE & large musical event experience

Stakeholders impacted

- Customer
- Employees

Contribution to SDG



Capital trade offs

+ Social and relationship capital
+ Human capital
+ Manufactured capital

Read more information

Social and relationship capital

page 94

Output

92.5%	73%	58%
Guest satisfaction	Occupancy rate	Net promoter score

Risks

- Shifting guest preferences and rising expectations in a rapidly evolving hospitality landscape
- Talent attraction and retention challenges amid continued migration and competition for skilled staff from city hotels and international markets
- Property upkeep and reliability of critical infrastructure impacting service delivery
- Demand volatility arising from geopolitical disruptions affecting travel flows

Opportunities

- Growth in staycations and premium domestic leisure demand
- Expanding opportunities in sports, events and MICE tourism
- Upselling and cross selling opportunities to enhance guest spend
- Rising demand for experiential, wellness and leisure travel offerings

Way Forward

Immediate priorities for the financial year 2026/27

- Continue strengthening service excellence through focused talent development and elevated service standards
- Deepen guest engagement through digital innovation, data led personalisation, and enhanced CRM capabilities
- Progress targeted refurbishments and facility upgrades aligned to evolving guest expectations
- Expand differentiated offerings across experiences, events, and ancillary revenue opportunities
- Closely monitor geopolitical developments and adapt demand, pricing, and service strategies to sustain resilience

Business Strategy

STRATEGIC PILLAR: REVENUE OPTIMISATION

Revenue Optimisation is a key strategic pillar focused on maximising value through agile pricing strategies, effective distribution channels, and data driven insights. By responding dynamically to demand patterns and unlocking opportunities across our business segments, this approach supports stronger profitability, enhances yield, and drives sustainable long term growth.

Resource Allocation

7 Global Sales Officers network in our key source markets such as India, UK, China, Australia and Japan drive more business volumes

1 new Global Sale Offices added during the year

Rs. 157 Mn spent on marketing and promotional activities to drive the Cinnamon Lakeside brand

Key actions taken during the year

- Executed targeted promotions across key source markets to attract and diversify guest demand
- Deployed dynamic pricing and curated offers to optimise occupancy and yield
- Refreshed food and beverage offerings across all our restaurants and "Goodies" coffee shop to sustain market leadership and drive ancillary revenue
- Strengthened digital and social media marketing to enhance the Cinnamon Lakeside brand visibility and demand generation
- Continued investment in IT and booking platforms to improve the guest booking journey and conversion

Stakeholders impacted

- Customers
- Shareholders

Contribution to SDG




Capital trade offs

+ Financial capital
+ Social and relationship capital

Read more information

Financial capital
page 58

Social and relationship capital
page 94

Output

10%	92.5%	11.5%
YoY growth in gross revenue	Global Review Index	YoY growth in RevPAR

Risks

- Demand volatility arising from geopolitical developments, including Middle East disruptions, and macroeconomic uncertainty having a direct impact on revenue
- Intensifying competition within Colombo city limits from other star hotels and changing consumer booking behaviour affecting pricing power and market share
- Inflation, exchange rate movements, and cost pressures impacting margins and spending patterns
- Property readiness, operational disruptions, and brand reputation risks affecting revenue generation

Opportunities

- Growth in MICE, events, and premium city led tourism demand
- Upselling and cross selling opportunities to enhance guest spend and yield
- Channel diversification and digital distribution optimisation to broaden demand capture
- Loyalty led repeat business and data driven revenue opportunities through personalised offers

Way Forward

Immediate priorities for the financial year 2026/27

- Further strengthen commercial partnerships and market outreach to reinforce demand resilience
- Continue investing in customer centric talent capabilities to support conversion, retention, and service led growth
- Advance targeted product and offering enhancements to unlock greater value across revenue streams, particularly noting the dynamic restaurant options we have on offer
- Accelerate digital and data led capabilities to improve forecasting, booking conversion, and commercial decision making
- Closely monitor geopolitical and market developments to respond swiftly and protect growth momentum

STRATEGIC PILLAR: OPERATIONAL EXCELLENCE AND COST OPTIMISATION

Operational Excellence and Cost Optimisation are integral to our strategy, driving efficiency, discipline, and continuous improvement across our operations. Through streamlined processes, technology enabled solutions, and prudent resource allocation, we enhance productivity, optimise costs, and sustain high quality performance, strengthening long term competitiveness and resilience.

Resource Allocation

Investments made in upgrading existing IT systems and automated processes to replace manual process and improve efficiencies

Investments made in continuing global standards, certifications and aligning to requisite process to drive operational excellence

Key actions taken during the year

- Maintained disciplined adherence to ISO standards and internal operating procedures across all functions
- Strengthened capability through structured onboarding, refresher training, and continuous process discipline
- Enhanced operational efficiency through continued upgrades to core IT systems and digital workflows
- Advanced digitisation initiatives to reduce paper use and improve process efficiency
- Continued focus on resource optimisation and cost discipline across operations
- Pursued process improvements to strengthen productivity, service consistency, and operational resilience

Stakeholders impacted

- Employees

Contribution to SDG



Capital trade offs

+ Intellectual capital
+ Natural capital
- Financial capital (immediate term)
+ Financial capital (long term)

Read more information

Financial capital

page 58

Intellectual capital

page 86

Output

91%	30%	7.11%
Cost to income ratio	Increase in profit from operating activities	Reduction in paper consumption (Base Year: 2024/2025)

Risks

- Inflationary and utility cost pressures affecting operating efficiency and margins
- Exchange rate volatility impacting imported inputs, maintenance costs, and capital expenditure
- Potentially compromised reliability of property infrastructure, equipment, and critical systems affecting operational continuity
- Potential operational disruptions, control breakdowns, or external shocks affecting resilience and cost management targets

Opportunities

- Greater deployment of digital innovation and automation to improve efficiency and productivity
- Optimisation opportunities through process improvements, lean procurement, and smarter inventory management
- Expanded use of energy efficient technologies and resource optimisation to lower operating costs
- Data driven decision making and technology enabled controls to strengthen resilience and operational agility

Way Forward

Immediate priorities for the financial year 2026/27

- Continue strengthening process discipline through focused staff training and consistent adherence to operating standards
- Drive further consolidation and optimisation of operations to improve efficiency and cost control
- Advance selective investments in technology and digital tools to simplify processes and support smarter decision making
- Strengthen preventive maintenance and asset reliability to support uninterrupted operations
- Progress targeted productivity and resource efficiency initiatives to reinforce operational resilience

Business Strategy

STRATEGIC PILLAR: TALENT MANAGEMENT

Talent Management within our strategy, is centred on building a high performing, engaged, and future ready workforce. Through attracting, developing, and retaining talent, we foster a culture of empowerment, learning, and excellence that strengthens organisational capability, supports service delivery, and drives sustainable success across the business.

Resource Allocation

Rs. 16.5 Mn invested in training and development to enhance the skills and competencies of our human capital

Rs. 1,364 Mn expenses to employees as salaries, benefits and rewards in recognition of the value they bring to the organisation

Key actions taken during the year

- Continued training and development including through the Cinnamon Academy
- Biannual employee survey conducted to understand employee pulse
- Meaningful employee engagement initiatives
- Annual salary revisions reflective of market rates and individual performance profiles

Stakeholders impacted

- Employees

Contribution to SDG



Capital trade offs

+ Human capital
- Financial capital

Read more information

Human capital

page 72

Output

85%	58hrs	Rs. 6.6 Mn
Retention rate	Average training hours per employee	Revenue per employee

Risks

- Talent attraction and retention challenges amid competitive labour markets and migration pressures
- Skills gaps and evolving workforce expectations in a changing hospitality landscape
- Employee wellbeing, engagement, and occupational health and safety risks
- Competition for talent from domestic and international hospitality employers

Opportunities

- Upskilling, certifications, and continuous learning to build future ready capabilities
- Strengthening career pathways, succession pipelines, and internal talent mobility
- Advancing diversity, inclusion, and employee wellbeing initiatives to enhance engagement
- Reinforcing employer brand and employee value proposition to attract and retain talent

Way Forward

Immediate priorities for the financial year 2026/27

- Strengthen employee engagement, motivation, and retention initiatives to support workforce stability
- Intensify focused training to align talent capabilities with service excellence and evolving guest expectations
- Leverage the Cinnamon Academy to deepen skills development and build future talent pipelines
- Enhance career development and internal mobility pathways to support long term talent growth, not just within the Company but across the Cinnamon Hotels cluster
- Continue strengthening wellbeing, recognition, and people practices to foster a motivated and resilient workforce

STRATEGIC PILLAR: ESG CONSIDERATIONS

ESG considerations are a foundational pillar of our strategy, ensuring that we operate in an environmentally sustainable, socially responsible, and ethically governed manner. By embedding these principles into our core decision making, we aim to create long term value for all stakeholders while contributing to a more sustainable and inclusive future.

Resource Allocation

Rs. 3.3 Mn Investments in community empowerment projects to give back to our own fellow citizens

Environment preservation related initiatives to protect what we have borrowed from the future generations

945 Employee volunteer hours on environment and social empowerment initiatives to enhance our contribution beyond monetary means

Key actions taken during the year

Environment

- Continued investments in creating awareness among school children on environmental preservation
- Awareness session on Conscious Consumerism for Employees
- Continued efforts in reducing single use plastic at the property and reduction of GHG emissions
- Continued efforts in increasing energy efficiency, efficient water management and waste minimisation

Social

- Promoting employee wellbeing through fair labour practices and inclusive policies
- Engaging local communities, including artisans, suppliers, women, and persons with disabilities
- Supporting education, health, and livelihood programmes in surrounding areas
- Upholding diversity, equity, and inclusion across hotel operations

Governance

- Ensuring strong corporate governance and transparent operations
- Upholding ethics and integrity in all business dealings
- Adhering to laws, regulations, and industry best practices
- Engaging stakeholders to promote accountability and responsible conduct

Output

Environment

92 % Volunteer hours focused on the environment	**7%** Reduction in paper consumption

Social

8 % Volunteer hours focused on women and children	**22%** Female participation in the work force (2018: 10%)	**15%** Women in leadership (2018: 15%)

Governance

39 Suppliers assessed under the Supplier Impact Assessments carried out for all contracted suppliers in top 10 purchase categories	Zero Noncompliances with applicable laws and regulations

Stakeholders impacted

- Community
- Employees

Contribution to SDG



Capital trade offs

+ Social and relationship capital
+ Natural capital
- Financial capital

Business Strategy

STRATEGIC PILLAR: ESG CONSIDERATIONS

Risks

- Climate related risks, including physical impacts, resource stress, and evolving transition requirements
- Supply chain disruptions and sourcing risks, including sustainability related vulnerabilities
- Fraud, ethics, and compliance risks affecting governance integrity and stakeholder trust
- Technology, data privacy, and cyber security risks in an increasingly digital operating environment

ESG Opportunities

- Advancing resource efficiency and pursuing green building and sustainability certifications
- Strengthening sustainable sourcing and responsible value chain practices
- Deepening community engagement and shared value initiatives
- Progressing climate action ambitions, including the journey towards net zero and broader decarbonisation goals

Read more information

Human capital
page 72

Social and relationship capital
page 94

Natural capital
page 108

Corporate governance
page 128

Way Forward

Immediate priorities for the financial year 2026/27

The Company will continue to strengthen the integration of ESG considerations across its operations, with a clear focus on progressing towards the targets set for 2030. Efforts will be directed at enhancing environmental efficiency, advancing responsible practices, and embedding ESG into decision making processes.

ESG performance

Environmental, Social and Governance (ESG) considerations remain integral to the business strategy, operational approach, and long term value creation of Trans Asia Hotels PLC. During the year, the Company further strengthened its focus on responsible operations, resource efficiency, employee wellbeing, community engagement, and governance oversight, while progressively enhancing alignment with evolving sustainability and climate related reporting expectations.

OUR COMMITMENT TO ESG

The Company's commitment to ESG is driven through a focused three-pillar approach.

WELLBEING OF THE PLANET

The Company actively seeks to reduce its environmental footprint by implementing energy efficient technologies, minimising waste, and conserving natural resources. The Company focuses on sustainable practices that protect ecosystems and promote biodiversity.

WELLBEING OF ITS PEOPLE

The Company values its employees and strives to create a safe, healthy, and inclusive work environment. It invests in employee development and wellbeing through training programmes, health initiatives, and support for work life balance.

EMPOWERING ALL FOR SUSTAINABLE DEVELOPMENT

The Company aims to uplift local communities and stakeholders by fostering economic opportunities and inclusive growth. This involves supporting local suppliers, promoting fair trade, and engaging in philanthropic initiatives that contribute to the broader community's development. Trans Asia Hotels PLC aligns its sustainability policy with that of the John Keells Group, which offers a comprehensive management and accountability framework for sustainability. By following these guidelines, the Company is able to track its progress and ensure alignment with the specific sustainability targets. Regular monitoring and reporting mechanisms enable the Company to assess its sustainability performance, identify areas for improvement, and take corrective action when necessary. This approach ensures a consistent focus on achieving long term, sustainable success that benefits the planet, people, and the business.

OUR ESG STRATEGY AND FRAMEWORK

Cinnamon Hotels & Resorts sustainability policy

As part of John Keells Holdings PLC and the Cinnamon Hotels & Resorts portfolio, Trans Asia Hotels PLC recognises the importance of balancing the three pillars of sustainability (planet, people and community) across its operations. The Company remains committed to delivering responsible hospitality experiences by fostering safe and healthy workplaces, minimising environmental impacts, maintaining strong community relationships, and ensuring compliance with applicable laws and regulations. In this regard, the Company's sustainability approach remains closely aligned with the broader sustainability agenda, policies, and commitments of the John Keells Group.



ESG performance

ESTABLISHED GLOBAL AND LOCAL ESG FRAMEWORK ALIGNMENT

The Company recognises globally and nationally recognised ESG frameworks and principles as important reference points in shaping its ESG priorities, performance, and long term value creation approach, thereby driving greater impact through its own initiatives. Accordingly, the Company aligns its ESG efforts with internationally accepted frameworks whilst also remaining cognisant of national priorities as listed below.

- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (UNSDGs)
- National priorities such as Nationally Determined contributions (NDC 3.0) of Sri Lanka

These frameworks provide strategic direction to the Company's ESG initiatives, supporting responsible business practices, enhanced accountability, and alignment with evolving stakeholder expectations and sustainability related priorities.

ORGANISATION-WIDE COMMITMENT TOWARDS ESG INTEGRATION

Strong enterprise-wide ESG commitment and support is fostered through the close alignment of Trans Asia Hotels PLC's ESG approach with the broader sustainability agenda of John Keells Holdings PLC and the sector-level ESG priorities of Cinnamon Hotels & Resorts, enabling the Company to drive its ESG efforts in a structured, consistent, and strategically aligned manner.

STRONG GOVERNANCE AND ACCOUNTABILITY MECHANISMS

The Company's ESG governance and accountability structures are anchored on the strong governance framework established at the parent entity level by the Board of Directors of John Keells Holdings PLC, whose oversight, strategic direction, and sector-level guidance drive and influence ESG priorities and initiatives across Cinnamon Hotels & Resorts and down to the Trans Asia Hotels PLC level.

For a more comprehensive overview of the governance structures underpinning the Company's sustainability approach, please refer to the Governance section of the Company's SLFRS S1 and SLFRS S2 disclosures and Corporate Governance Report available on page 206 and page 128.

COMPREHENSIVE ESG POLICIES AND OPERATIONAL PROTOCOLS

The Company, under the guidance of the Parent entity maintains a comprehensive suite of ESG related policies that provide clear guidance and direction on critical ESG and operational matters across the business. These policies are reviewed periodically, predominantly on an annual basis, to ensure they remain relevant, updated, and responsive to evolving business, environmental, social, and regulatory contexts.

Further strengthening the Company's ESG policy framework during the year, John Keells Holdings PLC introduced dedicated Biodiversity and Wildlife Policies at the parent entity level.

Shown below are the key ESG policies of the Company.

POLICY

- Sustainability Policy
- Food Safety Policy
- Environment Policy
- Elimination of Single use Plastic Policy
- Equal Opportunity Policy
- Human Rights Policy
- Policy Against Sexual Harassment
- Community Engagement Policy
- Child Protection Policy
- Data Protection Policy
- Risk Management Policy
- Purchasing Policy
- Anti-Fraud Policy
- Brand Quality Assurance Policy
- Organisation Health & Safety Policy
- Biodiversity Policy
- Wildlife Interaction Policy

PURPOSE-DRIVEN AND IMPACT-ORIENTED INITIATIVES

Outlined below is an overview of the impact created through selected ESG related initiatives undertaken by the Company.

ENVIRONMENT		
Scope	Measurement	Performance 2025/26
GHG emissions	Total GHG emissions for the year	**5,719.75 MT** CO2e **20.35%** reduction in Carbon footprint per EarthCheck guest night over the prior year
Energy reduction	Reduction of energy usage	**17.74 %** reduction in Energy Consumption per EarthCheck guest night over the year prior.
Water stewardship	Reduction in water usage per guest night	**0.10%** reduction in freshwater consumption
Waste management	Waste diverted from landfills	**99%** diversion of waste
Biodiversity preservation	Projects conducted	Sinharaja tree planting initiative Mangroves planting initiatives

For more information please refer Natural Capital section from page 108 onwards

SOCIAL		
Scope	Measurement	Performance 2025/26
Community empowerment projects	Impact areas covered	Community clean-ups, education and school development, food security & humanitarian support and health & social wellbeing initiatives
	Cumulative beneficiaries	**2,471**
	Cumulative investments made	**3.3 Mn**
	Cumulative employee volunteer hours invested	**476.5**
Health, Safety and Environment impact assessments to be conducted for suppliers	Number of suppliers assessed	**39**

For more information please refer Social and Relationship Capital section from page 94 onwards

GOVERNANCE		
Scope	Measurement	Performance 2025/26
Inclusive, equitable, and diverse work environment	Female representation within the workforce	**22%**
	Female representation in leadership positions	**15%**
Adherence to applicable laws and regulations	Instances of breaches/ penalties paid	Nil

ROBUST ESG REPORTING AND PERFORMANCE TRACKING PROCESSES

The Company continues to strengthen its ESG reporting and disclosure practices, recognising transparent reporting as essential for accountability, stakeholder engagement, informed decision making, and the effective management of sustainability related risks and opportunities. Robust monitoring and progress tracking mechanisms are in place to assess performance and measure the impact created across the Company's key ESG focus areas, enabling continuous improvement and more informed strategic action.

Importantly, the year under review marked the Company's first year of reporting under SLFRS S1 and SLFRS S2, further enhancing its approach to sustainability related and climate related disclosures, governance, risk management, and performance measurement in line with evolving regulatory requirements and global best practices.

Way forward

Trans Asia Hotels PLC remains committed to further strengthening its ESG agenda in alignment with both Company-level and broader John Keells Group sustainability priorities and targets. As environmental and social challenges continue to evolve globally and locally, the Company will continue to enhance responsible operational practices, improve ESG integration across decision making processes, and strengthen its approach to climate resilience, stakeholder engagement, and transparent reporting.

The Company also remains committed to contributing meaningfully towards the national and international sustainability frameworks and principles to which it aligns as mentioned at the outset, driving long term positive impact for stakeholders, communities, and the environment whilst supporting sustainable value creation.





Intelligent *Direction*

Restorative *Approach*

Financial capital 58
Manufactured capital 66
Human capital 72
Intellectual capital 86
Social & Relationship capital 94
Natural capital 108

Every decision made at Trans Asia Hotels PLC is informed by a deep understanding of where we stand and where we are headed. Our approach to management is one of careful reading — of markets, of momentum, and of the opportunities that emerge when clarity meets conviction.

Guided by this intelligence, we navigate complexity with a steady hand.

Management Discussion & Analysis

Financial Capital



At Trans Asia Hotels PLC, financial capital serves as the foundation for our strategic investments, guest experience enhancements, and daily operations. We maintain a robust and resilient capital structure by balancing internal equity and retained earnings, accumulated over four decades of consistent operation, with targeted, high impact external financing. Our approach to capital stewardship focuses on disciplined financial management and rigorous risk oversight, ensuring that resources are allocated effectively to drive long term profitability. By maintaining this fiscal balance, we continue to uphold the trust placed in us by our shareholders and lenders while securing the sustainable growth of the business.

FINANCIAL CAPITAL PROFILE

Equity Capital

- Retained earnings and revaluation reserves built over decades of operation, supported by a stable stated capital base.

Borrowed Funds

- Responsibly managed bank facilities and lease obligations, utilised selectively to fund growth while maintaining a healthy capital structure.



Financial capital fact sheet

Rs. **10.6** Bn
in total assets

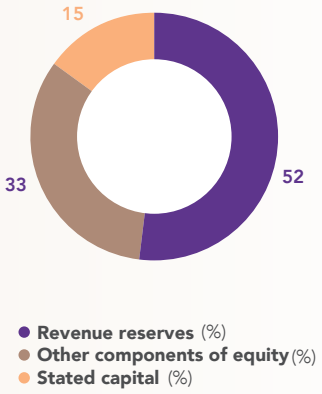
Rs. **7.4** Bn
in equity capital

Rs. **4.9** Bn
in total revenue

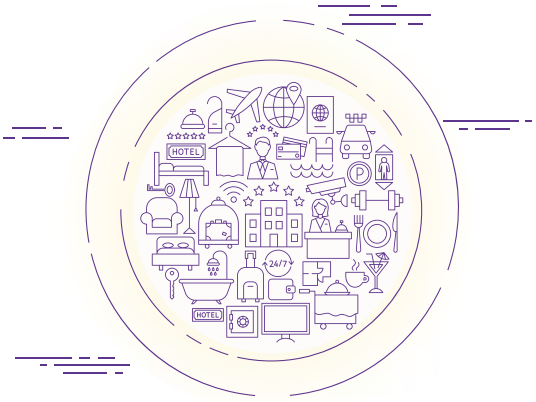
Rs. **491.9** Mn
in post tax profits

7%
Return on equity (ROE)

Rs. **2.46**
Earnings per Share



CONNECTED STAKEHOLDERS



Shareholders
Financial Capital is fundamentally linked to shareholders and investors through sustainable profitability, disciplined capital allocation, and long term value creation, enabling the Company to generate returns while supporting future growth and resilience

Customers
Customers contribute directly to the generation and preservation of Financial Capital through revenue growth, repeat patronage, and brand loyalty, reinforcing the Company's financial performance and market positioning

Employees
Employees support Financial Capital through operational efficiency, productivity, service excellence, and prudent resource utilisation, all of which contribute towards profitability and sustainable business performance

Suppliers and business partners
Strong relationships with suppliers and business partners support Financial Capital by ensuring operational continuity, cost efficiency, reliable supply chains, and mutually beneficial commercial outcomes

Government and regulatory bodies
Financial Capital contributes towards national economic development through taxes, levies, regulatory compliance, and broader contributions to employment, tourism, and foreign exchange generation.

Financial Capital

Link To Our Material Matters

Tax strategy
Business conduct and ethics
Corporate governance
Transparency in disclosures

HOW FINANCIAL CAPITAL SUPPORTS OUR STRATEGIC PILLARS

Service Excellence

Enables continuous investments in property enhancements, service delivery standards, and guest experience initiatives that strengthen brand positioning and customer satisfaction.

Revenue Optimisation

Supports strategic investments in market expansion, revenue management capabilities, diversified offerings, and customer engagement initiatives to enhance topline growth and profitability.

Operational Excellence and Cost Optimisation

Facilitates investments in operational efficiencies, process improvements, technology integration, and infrastructure upgrades that enhance productivity and cost discipline across operations.

Talent Management

Supports employee remuneration, training, wellbeing, leadership development, and talent retention initiatives essential for sustaining a high performing hospitality workforce.

ESG Considerations

Enables the implementation of sustainability initiatives, responsible business practices, environmental management projects, and long term ESG related investments that support resilient and sustainable growth.

FINANCIAL PERFORMANCE REVIEW

Trans Asia Hotels PLC (the Company) delivered an outstanding financial performance for the year ended 31 March 2026, recording its strongest postpandemic results to date. Following a consistent trajectory of profitability since 2021/22, the Company accelerated its momentum significantly, driven by robust revenue growth, disciplined cost management, and the positive impact of investment property revaluations. Post tax profit more than doubled year on year (YoY). The results for the year are commendable, particularly in a year marked by the climate emergency that struck Sri Lanka in late November 2025 - Cyclone Ditwah, which adversely impacted the Company's revenue through event cancellations and reduced guest nights, underscoring the resilience of the business model.

REVENUE, EXPENSES, AND PROFITABILITY

For the year ended 31st March	2026 (Rs. '000')	2025 (Rs. '000')	Variance %
Revenue from contracts with customers	4,911,717	4,465,690	+10.0
Cost of sales	(2,642,665)	(2,425,041)	-8.9
Gross profit	2,269,052	2,040,649	+11.2
Other operating income	31,326	3,293	+851.3
Sales and marketing expenses	(281,601)	(200,805)	-40.2
Administrative expenses	(1,122,476)	(1,067,557)	-5.1
Other operating expenses	(423,591)	(410,633)	-3.2
Results from operating activities	472,710	364,947	+29.5
Net finance cost	(60,074)	(96,651)	+37.8
Change in fair value of investment property	219,064	60,233	+263.7
Profit before tax	631,700	328,529	+92.3
Income tax expense	(139,820)	(98,585)	-41.8
Profit for the year	491,880	229,944	+113.9

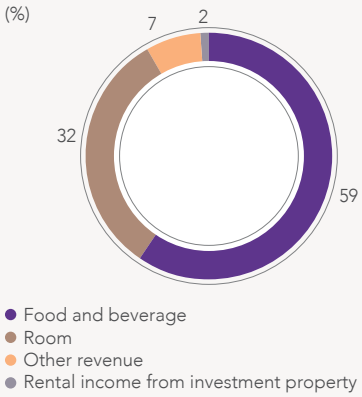
REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers reached Rs. 4.9 Bn for the year ended 31 March 2026, marking a robust growth of 10.0% over the prior year. This performance was underpinned by broad-based strength across all revenue streams, reflecting both improved guest volumes and enhanced revenue management practices.

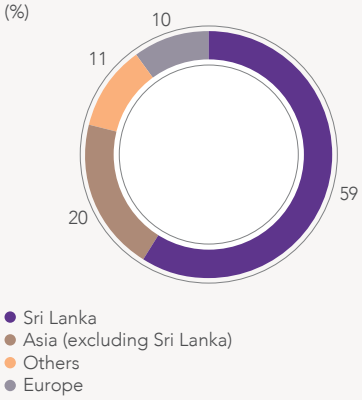
Food and beverage remained the largest revenue contributor, accounting for approximately 59% of total revenue. Room revenue continued its recovery trajectory, posting meaningful growth supported by improved occupancy rates and stronger average room rates. Revenue from food and beverage recorded an encouraging YoY growth of 12%, driven by our reputation for exquisite cuisine and the exceptional year round dining experiences curated through our signature restaurants. International visitor arrivals demonstrated encouraging momentum, particularly from Asian and European markets, which together grew by approximately 56% and 46% respectively year on year. This geographic diversification continues to reduce the Company's dependence on any single source market and reinforces the long term sustainability of revenue growth.

COMPOSITION OF TOTAL REVENUE

Composition of Total Revenue



Revenue Composition by Geographical Markets



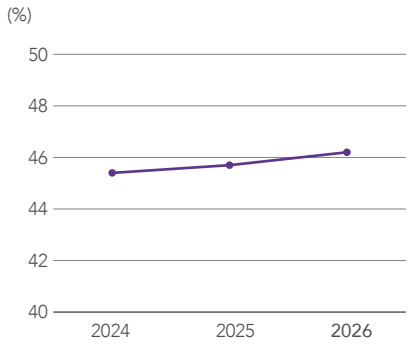
COST OF SALES

Cost of sales for the year amounted to Rs. 2.6 Bn, rising by 8.9% year on year, a rate comfortably below revenue growth, reflecting improved cost discipline and operating leverage. Sustained procurement efficiencies and menu engineering initiatives focused on high margin offerings, all contributed to containing cost escalations. The resultant gross profit margin improved to 46.2% from 45.7% in the prior year.

GROSS PROFIT

Gross profit for the year grew by 11.2% to Rs. 2.3 Bn, reflecting the positive combination of revenue expansion and cost discipline. This improvement in gross profitability provides a strong foundation for continued investment in service quality and infrastructure.

Gross Profit Margin Percentage



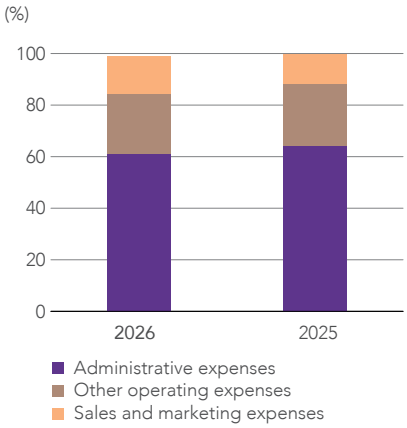
OPERATING EXPENSES

Total operating expenses comprised administrative expenses, sales and marketing costs, and other operating expenses. Administrative expenses increased by 5.1% to Rs. 1.1 Bn, in line with planned investments in talent and digital capabilities. Sales and marketing expenses rose by 40.2%, reflecting a deliberate and targeted expansion of the Company's market reach, particularly across international source markets, which contributed directly to the revenue growth recorded during the year.

Other operating expenses, which include repairs and maintenance, heat, light and power, and bank charges, increased at a moderate pace of 3.2% YoY. Heat, light, and power remained the largest component within this category. Ongoing energy management programmes and investments in energy efficiency infrastructure, along with marginal reduction in electricity tariffs partially offset increases in consumption associated with higher operational activity levels.

The dispersion of expenses across Administration, Sales and Other categories, largely remained static over the year.

Composition of Operating Expenses



RESULTS FROM OPERATING ACTIVITIES

The Company achieved operating profit of Rs. 472.7 Mn for the year, representing an impressive growth of 29.5% year on year. This reflects the strong revenue flow through achieved through disciplined operational execution and effective cost control, with the operating profit margin improving to 9.6% from 8.2% in the prior year.

NET FINANCE COST

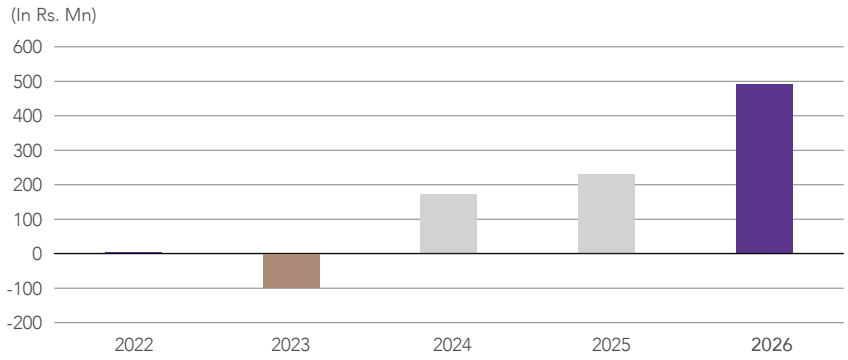
Net finance cost for the year amounted to Rs. 60.1 Mn, a significant reduction of 37.8% compared to Rs. 96.7 Mn in the prior year. This was primarily driven by the full repayment of the Company's interest-bearing term loan during the year. Interest expense on bank overdrafts also declined on account of lower average overdraft utilisation, due to robust collection of trade receivables and the easing of market interest rates. The introduction of lease liabilities under SLFRS 16 in the current year, associated with the new marquee structure (Imperial Court), contributed Rs. 27.0 Mn of interest expense, partially offsetting these gains. Finance income was Rs. 3.3 Mn, comprising interest on staff loans and short term investments.

Financial Capital

TAXATION AND PROFITABILITY

The Company recorded a pretax profit of Rs. 631.7 Mn, nearly doubling YoY (+92.3%). Income tax expense of Rs. 139.8 Mn comprised entirely of deferred tax, reflecting the continued utilisation of carried forward tax losses, which reduced the taxable base to nil. The effective tax rate improved to 22% from 30% in the prior year. The Company consequently delivered a net profit of Rs. 491.9 Mn, representing YoY growth of 113.9% and marking its strongest postpandemic earnings outcome.

Net Profits Trajectory Over Five Years



EBITDA

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for the year reached Rs. 1 Bn, compared to Rs. 667.6 Mn in the prior year, a YoY increase of 50%. This growth reflects the strong operating leverage achieved through revenue expansion, improved gross margins, and controlled cost growth. EBITDA margin improved to 20% from 15%, demonstrating the enhanced operational efficiency of the business.

BALANCE SHEET PERFORMANCE

Total Assets

As at 31st March	2026 (Rs. '000)	2025 (Rs. '000)	Change %
Noncurrent assets			
Property, plant and equipment	5,370,394	5,006,292	+7.3
Right of use assets	923,434	682,220	+35.4
Investment property	3,521,385	3,302,321	+6.6
Other noncurrent assets	25,878	34,683	-25.4
Total noncurrent assets	9,841,091	9,025,516	+9.0
Current assets			
Inventories	113,701	104,808	+8.5
Trade and other receivables	211,863	247,507	-14.4
Other current assets	123,281	80,302	+53.5
Amounts due from related parties	64,149	51,698	+24.1
Cash in hand and at bank	213,082	93,544	+127.8
Total current assets	726,076	577,859	+25.6
Total assets	10,567,167	9,603,375	+10.0

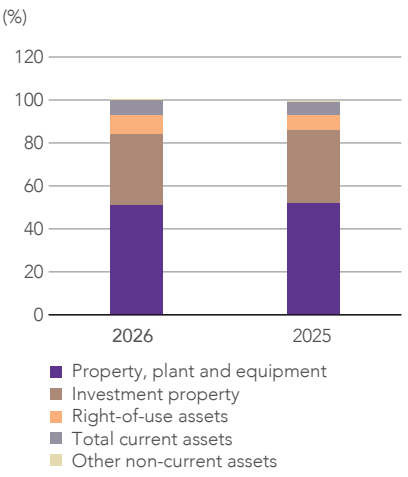
Total assets grew by 10.0% over the prior year to Rs. 10.6 Bn, driven by broad expansion across both noncurrent and current asset categories. Property, plant and equipment, the largest component of the asset base at 51% of total assets, increased by 7.3% to Rs. 5.4 Bn, supported by capital additions of Rs. 196 Mn and a revaluation gain on buildings of Rs. 399.5 Mn. Investment property, representing 33% of total assets, appreciated by 6.6% to Rs. 3.5 Bn following an independent fair value assessment.

Right of use assets increased significantly by 35.4% to Rs. 923.4 Mn, reflecting the recognition of a new five year lease for the permanent marquee structure (Imperial Court) during the year, a strategic capacity addition that broadens the Company's event hosting capabilities.

Current assets grew by 25.7% to Rs. 726.1 Mn. Cash and bank balances more than doubled to Rs. 213.1 Mn. Trade and other receivables reduced by 14.4%, consistent with improved collections and tighter credit management.

The asset composition of the Company also remained relatively unchanged over the year.

Total Assets Composition

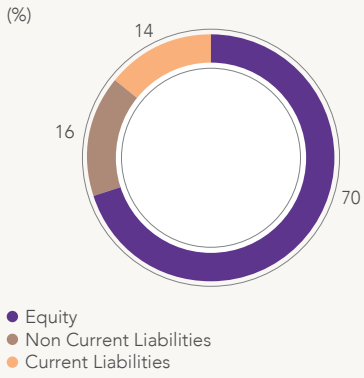


BALANCE SHEET FUNDING

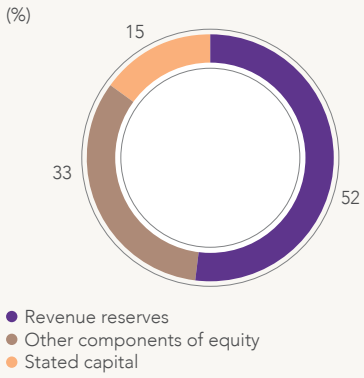
As at 31st March	2026 (Rs. '000)	2025 (Rs. '000)	Change %
Equity			
Stated capital	1,112,880	1,112,880	-
Revenue reserves	3,872,027	3,553,548	+9.0
Other components of equity	2,401,541	2,170,388	+10.7
Total equity	7,386,448	6,836,816	+8.0
Noncurrent liabilities			
Lease liabilities	184,858	-	+100.0
Employee benefits	232,301	164,630	+41.1
Deferred tax liabilities	1,267,999	1,017,890	+24.6
Total noncurrent liabilities	1,685,158	1,182,520	+42.5
Current liabilities			
Trade and other payables	587,414	555,532	+5.7
Other current liabilities	199,412	123,094	+62.0
Amounts due to related parties	120,568	122,579	-1.6
Lease liabilities	57,364	-	+100.0
Current tax liabilities	5,459	5,459	-
Dividend payable	75,167	100,000	-24.8
Interest bearing loans and borrowings	-	150,000	-100.0
Bank overdrafts	450,177	527,375	-14.6
Total current liabilities	1,495,561	1,584,039	-5.6
Total liabilities	3,180,719	2,766,559	+15.0
Total equity and liabilities	10,567,167	9,603,375	+10.0

The Company maintained a robust capital structure, with equity accounting for 70% of total funding, broadly consistent with the prior year. Total equity grew by 8.0% to Rs. 7.4 Bn, driven by the strong profit recorded during the year and continued appreciation of the revaluation reserve.

Balance Sheet Funding



Composition of Total Equity Capital



Total liabilities increased by 15.0% to Rs. 3.2 Bn, largely attributable to the recognition of new lease liabilities of Rs. 242.2 Mn related to Imperial Court, Marquee structure, the growth in deferred tax liabilities reflecting property revaluations, and increased contract liabilities associated with higher advance bookings. This was partly offset by the full repayment of the Rs. 150 Mn term loan and a reduction in bank overdraft utilisation by Rs. 77.2 Mn. The adjusted net debt to equity ratio remained stable at 9% (2025: 10%), underscoring the Company's financial prudence.

INVESTOR RETURNS AND RATIOS

Dividends

The Company declared an interim dividend of Rs. 1.00 per share for the year ended 31 March 2026, representing a total cash payout of Rs. 200 Mn. This marks a doubling of the dividend per share relative to the prior year's payout of Rs. 0.50 per share, reflecting the Board's confidence in the Company's earnings trajectory and its commitment to delivering progressive returns to shareholders.

Key Investor Ratios

Key investor ratios reflected sustained improvement during the year, underpinned by the Company's strong earnings performance and healthy balance sheet. The Company's share price also performed well over the year, closing in at Rs. 52.00 which was a 32% increase over the prior year's closing share price, partly due to the overall improved performance of the Colombo Stock Exchange, alongside enhanced performance of the Company.

Financial Capital

For the year ended 31st March	2026	2025	Change %
ROE (%)	6.66	3.36	+98
Earnings per share (Rs.)	2.46	1.15	+114
Net assets value per share (Rs.)	36.93	34.18	+8
Share price (Rs.)	52.00	39.50	+32
Dividend per share (Rs.)	1.00	0.50	+100

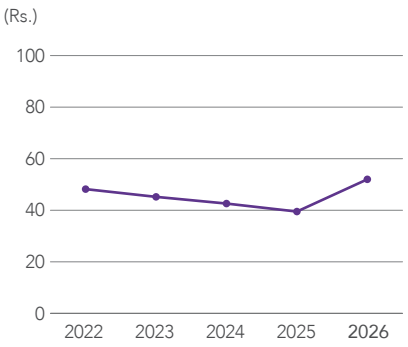
ECONOMIC VALUE ADDED STATEMENT

For the year ended 31st March	2026 (Rs. '000)	2025 (Rs. '000)	Change %
Net Revenue inclusive of taxes	5,494,953	5,048,926	+9%
Adjustment for change in fair value of investment property	219,064	60,233	+264%
Adjustment for finance income	3,269	4,347	-25%
Adjustment for other income	31,326	3,293	+851%
Less: Cost of materials & services purchased	(2,613,093)	(2,491,653)	-5%
Value Added	3,135,519	2,625,146	+19%
Distributed as follows:			
To Employees as Remuneration	1,364,016	1,206,647	+13%
To the Government as taxes	763,979	748,265	+2%
To the providers of capital (finance costs)	63,343	100,998	-37%
To shareholders as dividends	200,000	100,000	+100%
To Community investments (CSR)	3,286	2,012	+63%
Total distributed	2,394,624	2,157,922	+11%
Retained within the Company:			
As depreciation and amortisation	309,195	238,695	+30%
As Reserves	431,700	228,529	+89%
Total retained	740,895	467,224	+59%

Risks

- Volatility in tourism demand arising from economic slowdowns, geopolitical developments, climate related events, or global travel disruptions impacting revenue generation and cash flows
- Rising operating costs, including utilities, labour, food and beverage inputs, and imported supplies, placing pressure on margins and profitability
- Adverse movements in interest rates, inflation, and foreign exchange rates impacting financing costs and overall financial performance
- High capital expenditure requirements associated with maintaining, upgrading, and expanding hospitality assets
- Liquidity and cash flow pressures arising from fluctuations in occupancy levels, event cancellations, or seasonality within the hospitality sector
- Regulatory and taxation changes affecting profitability, investment decisions, and operational costs

Share price movement



Opportunities

- Strong equity capitalisation provides financial stability, resilience, and greater flexibility to pursue long term strategic investments and expansion opportunities
- A relatively lower interest rate environment may create opportunities to optimise the Company's capital structure through cost effective borrowings to support refurbishment, expansion, and growth initiatives
- Growth in tourism arrivals and increased demand for premium hospitality experiences can support revenue growth and improved occupancy levels
- Diversification of revenue streams through events, dining, wellness, and lifestyle offerings can strengthen profitability and reduce concentration risk
- Investments in operational efficiencies, digital transformation, and energy management initiatives can improve margins and long term cost optimisation
- Growing investor and stakeholder preference for sustainable and responsible businesses may enhance access to ESG linked financing and strengthen investor confidence



Way forward

Looking ahead, the Company remains firmly focused on strengthening its financial capital base through disciplined and strategic capital deployment. Investments will continue to be directed towards high return initiatives, including guest experience enhancements, revenue generating infrastructure, and digital transformation programmes that drive efficiency and competitive differentiation.

The funding strategy will maintain an optimal capital structure with a clear focus on reducing the overall cost of funds. This will be achieved through continued debt reduction, selective use of financing instruments, and developing strong relationships with financial institutions.

The Company's commitment to sound financial governance will remain the bedrock of its capital management approach, enabling agility in a competitive environment and ensuring consistent, long term value creation for all stakeholders.

Manufactured Capital



Manufactured Capital at Trans Asia Hotels PLC is centred around the iconic Cinnamon Lakeside Colombo, a distinguished city resort set against the tranquil backdrop of the Beira Lake in the heart of Colombo. Representing a significant investment in world class hospitality infrastructure, the property comprises elegantly designed guest rooms and suites, award winning dining venues, expansive banqueting and event spaces, sophisticated in house operations, and the advanced technology and operational systems that collectively enable seamless service excellence.

Distinctive in both architecture and experience, Cinnamon Lakeside offers its guests a rare fusion of urban convenience and resort style serenity. While positioned within Colombo's commercial and social epicentre, the property offers guests an immersive sense of openness, greenery, and connection to nature within a city setting. Its signature exterior and interior architectural character set it apart from conventional city hotels, creating a memorable ambience that continues to attract repeat guests across leisure, corporate, conferencing, and social event segments.

Together with the property's distinctive ambience and resort in the city appeal, these assets form a critical foundation for delivering exceptional guest experiences, operational efficiency, and long term value creation.

MANUFACTURED CAPITAL PROFILE

The Cinnamon Lakeside hotel building with **346** rooms

Digital infrastructure

Other property, plant and equipment



Manufactured capital fact sheet

Rs. 5.4 Bn
Total property, plant and equipment value

Rs. 196 Mn
Capital expenditure

73%
Occupancy

Rs. 13,815
Revenue per available room

56K Ft²
Investment Property

58%
Net Promoter Score

92.5%
Global Review Index (GRI)

CONNECTED STAKEHOLDERS



Customers

Customers are central to the stewardship of Manufactured Capital. Continuous investments in rooms, event spaces, dining venues, wellness facilities, and supporting infrastructure are guided by evolving guest expectations, ensuring our physical assets consistently enhance comfort, convenience, Safety and the overall hospitality experience.

Employees

The value derived from Manufactured Capital is closely linked to our people, who bring these assets to life through service excellence. Investments in infrastructure, equipment, and digital systems support employees in delivering seamless operations and elevated guest experiences, reinforcing the connection between manufactured and human capital.

Link To Our Material Matters
Guest health and safety

HOW MANUFACTURED CAPITAL SUPPORTS OUR STRATEGIC PILLARS

Service excellence
Leveraging quality infrastructure, modern amenities, and digital capabilities to elevate guest experiences and service delivery

Revenue optimisation
Enhancing the revenue potential of our assets through differentiated facilities, refreshed offerings, and optimised utilisation of property spaces

Operational excellence and cost optimisation
Improving efficiencies through well maintained assets, automation, process improvements, and prudent resource allocation

Talent management
Providing employees with quality workspaces, technology, and service-enabling infrastructure that support productivity, learning, and performance

ESG considerations
Safeguarding manufactured capital while improving environmental performance through resource efficient infrastructure and sustainable asset management

Manufactured Capital



OUR ASSET PORTFOLIO AT A GLANCE

Prime location and setting
- Landmark location at 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2
- Close proximity to key attractions within Colombo city limits
- Scenic setting overlooking Beira Lake, reinforcing our resort in the city proposition

Guest Accommodation
346-room inventory, comprising:
- 190 Superior Rooms
- 108 Premium Rooms
- 29 Executive Rooms
- 18 Suites
- 1 Presidential Suite

Meetings, Events and Banqueting
Versatile event and conference facilities, including:
- The Kings Court – Main Banquet Hall (400 seating capacity)
- Earl's Court
- Dukes Court 1 & 2
- Goodies Meeting Room
- Imperial Court
- 8° on the Lake

Designed to cater to conferences, celebrations, weddings, and bespoke events.

Investment property
With 56K Ft² earning more than Rs. 67 Mn in rental income per annum.

Guest support and convenience services
- In house laundry facilities
- Shopping arcade
- Supporting amenities enhancing convenience and comfort

Leisure and wellness facilities
- Fully equipped gymnasium
- Squash courts
- Yoga space
- Swimming pool
- Wellness Spa

Event and social venues
- Pool Terrace for curated social occasions and celebrations

Speciality Restaurants and Bars
- Royal Thai
- Long Feng
- Colombar
- Library
- Goodies
- Pool & Bistro

Dining and Culinary Experiences
Main Dining Venue
- The Dining Room – International all day dining

ENHANCEMENTS CARRIED OUT TO MANUFACTURED CAPITAL DURING THE YEAR

- Introducing Imperial Court: A premier venue designed for scale. This strategic lease significantly expands our footprint, allowing to host over 1,000 guests for grand banquets, premier musical events, and all day MICE operations.
- Comprehensive revamping of the parking area to significantly increase vehicle capacity.
- All day waterproofing and repainting of the hotel's external facade to ensure durability and aesthetic appeal.
- The flagship floating banquet space, 8° on the Lake, underwent an extensive refurbishment. Through significant interior and structural upgrades, the venue was modernised to enhance the guest experience and align the infrastructure with contemporary luxury standards.
- The wellness spa was relaunched during the year through a third-party partnership, offering enhanced wellness experiences for guests.

SASB - Sustainability disclosure topics & metrics - Hotels & Lodging

Activity Metrics

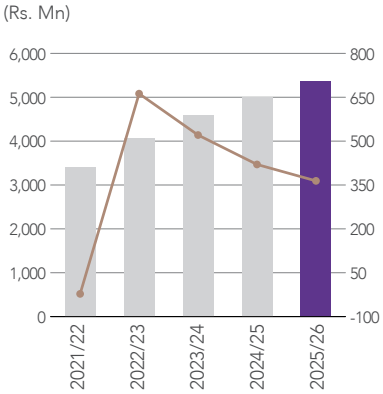
Activity metric	Code	Value
Number of available rooms	SV-HL-000.A	346
Average occupancy rate	SV-HL-000.B	73%
Total area of lodging facilities	SV-HL-000.C	29,954 M2

Climate resilience of our property - SASB - SV-HL-450a.1

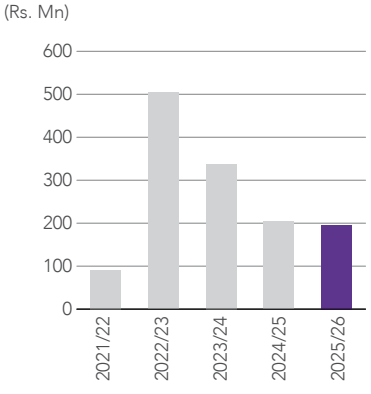
Climate Change Adaptation - Number of lodging facilities located in 100-year flood zones

Trans Asia Hotels PLC is not located in a 100-year flood zone.

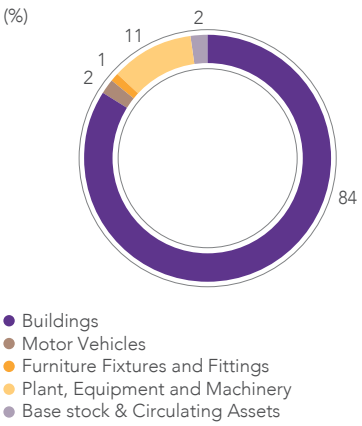
PPE Movement



Addition to PPE



Composition of PPE



ENSURING PREMISES-BASED SAFETY AND WELLBEING

During the year, the Company continued to conduct a range of training programmes for employees, collectively aimed at equipping them with the necessary skills, knowledge, awareness, and mental preparedness to support the smooth functioning, safety, and security of the property. These initiatives contribute towards maintaining the high standards, operational excellence, and stakeholder confidence associated with the grandeur of the property.

- Emergency preparedness trainings
- Emergency evacuation drills
- Fire safety and basic firefighting training for staff
- First aid trainings
- Accident/incident prevention trainings
- Workplace hazards awareness
- Near miss identification and reporting process
- Chemical handling trainings
- Business Continuity Plan (BCP) trainings
- Mental health and wellbeing

Manufactured Capital



Way forward

Trans Asia Hotels PLC will continue to channel meaningful capital investments towards preserving, enhancing, and future proofing the value proposition offered by Cinnamon Lakeside Colombo. Amidst increasing competition within Colombo's hospitality landscape, the Company remains committed to strengthening the property's positioning as a leading and preferred destination for both leisure travellers and MICE related events through continuous upgrades to guest facing infrastructure, operational systems, aesthetic appeal, and service-enabling technologies.

The Company will also focus on enhancing the distinct resort in the city experience that differentiates the property, while investing in modernisation, sustainability oriented infrastructure, and evolving guest expectations to ensure long term relevance, operational resilience, and enduring brand equity.



Human Capital



At Trans Asia Hotels PLC, our people are the cornerstone of our service excellence and brand distinction as a leading five star hotel in Colombo. In an industry where guest experience defines success, we recognise that it is the passion, professionalism, and intuition of our employees that bring our hospitality promise to life. We are committed to cultivating a high performing, engaged, and service oriented workforce, underpinned by continuous learning, strong values, and a culture of care. By investing in talent development, fostering inclusivity, and empowering our teams, we ensure the consistent delivery of exceptional guest experiences while sustaining long term organisational resilience and value creation.

HUMAN CAPITAL PROFILE

Our Workforce

A skilled and service oriented team of 742 employees, balancing a permanent core with flexible contract and trainee talent, collectively bringing an average tenure of 11 years and deep institutional knowledge to every guest interaction.

Our Investment in People

An annual commitment of Rs. 1,364 Mn in salaries, benefits, and employee welfare, complemented by Rs. 16.54 Mn in targeted training and development, averaging 58 learning hours per employee, to build capability, sustain service excellence, and support long term career growth.



Human capital fact sheet

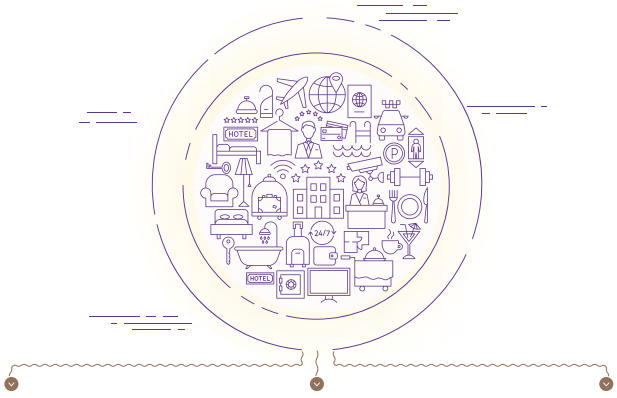
Rs. 1,364 Mn
paid to employees as salaries and other benefits

Rs. 16.54 Mn
spent on training and development

58
average training hours per employee

11 years
average service length of the team

CONNECTED STAKEHOLDERS



Employees
Our Human Capital is intrinsically connected to key stakeholder groups, creating shared value across our ecosystem. Employees are at the core of value creation, contributing their skills, experience, and service ethos to deliver consistent operational excellence. In turn, we invest in their wellbeing, development, and career progression, fostering engagement and retention.

Customers
Customers directly benefit from a motivated and well-trained workforce, as the quality of service delivery, responsiveness, and personalised guest experiences are driven by employee capability and commitment.

Community
The community benefits through employment generation, skills development, and inclusive hiring practices, while employee led volunteerism and outreach initiatives further strengthen social impact and reinforce our role as a responsible corporate citizen.

Link To Our Material Matters

Human rights
Health & Safety
Diversity & Equal opportunity
Talent attraction and retention
Business conduct and ethics

HOW HUMAN CAPITAL SUPPORTS OUR STRATEGIC PILLARS

Service excellence
Drives service excellence through a skilled, empowered, and customer-centric workforce that consistently delivers personalised and memorable guest experiences.

Revenue optimisation
Supports revenue optimisation by leveraging employee expertise in upselling, cross-selling, and enhancing guest satisfaction to drive repeat business and higher yields.

Operational excellence and cost optimisation
Enables operational excellence and cost optimisation through efficient workforce planning, productivity improvements, and disciplined execution of streamlined processes.

Talent management
Strengthens talent management by attracting, developing, and retaining high-performing individuals aligned with the Company's service culture and long-term strategic goals.

ESG considerations
Advances ESG priorities by fostering ethical practices, inclusivity, employee wellbeing, and community engagement through responsible and values-driven behaviours.

Human Capital

MANAGEMENT APPROACH

Trans Asia Hotels PLC's approach to Human Capital Management is anchored in a robust framework of HR policies, procedures, and strong governance practices, further reinforced by the strategic oversight of its ultimate parent, John Keells Holdings PLC. This integrated approach supports the positioning of the Company as an employer of choice within the hospitality sector.

We are committed to fostering a high-performance culture through competitive remuneration and benefits, clear career growth pathways, and a values-driven work environment. Diversity and inclusion are actively promoted, alongside initiatives that enhance employee engagement and strengthen organisational cohesion.

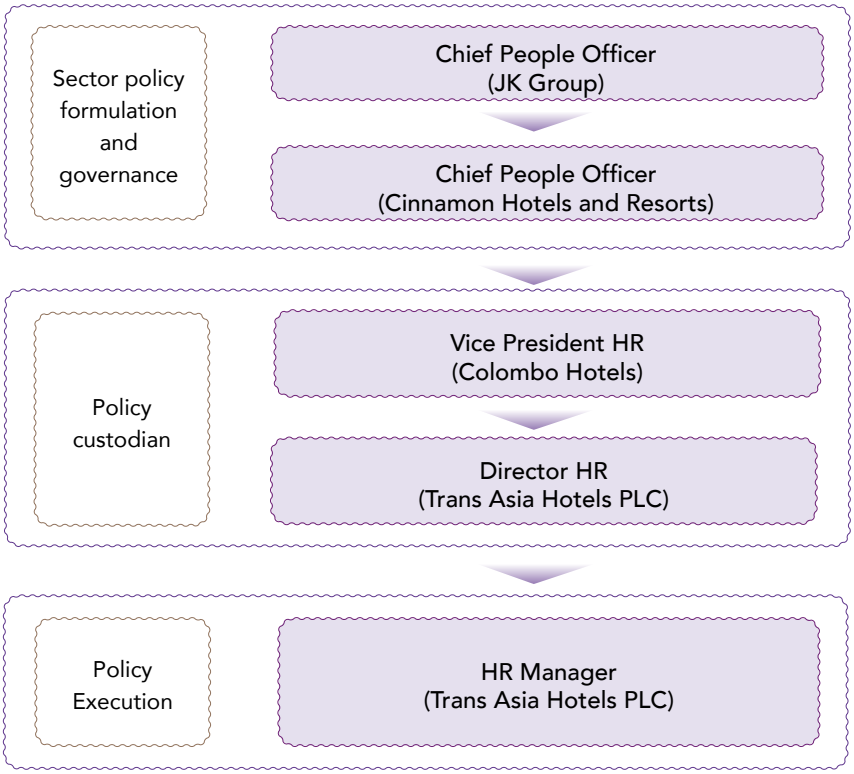
Continuous learning and knowledge-sharing are prioritised to build skills, enhance competencies, and develop an agile, future ready workforce. At the same time, we place strong emphasis on the physical and mental wellbeing of employees, recognising that a supported and motivated workforce is essential to delivering sustained service excellence and long term value creation.

Connected sustainability link risk:
Sustainability related risk 1 (SR 1)
Talent Retention / Skills Availability

Please refer SLFRS Sustainability related Financial Disclosures (SLFRS S1 and SLFRS S2) for a detailed discussion on this human capital linked Sustainability Related Risk.



FORMAL ORGANISATIONAL STRUCTURE PLACING EMPHASIS ON HUMAN CAPITAL MANAGEMENT



ROBUST POLICIES AND GUIDELINES

- Policy on ombudsperson
- Policy on support network
- Recruitment and selection policy
- Performance management policy
- Reward and recognition policy
- Leave policy
- Flexi hours policy
- Teleworking policy
- Compensation and benefits policy
- Employees' Code of conduct
- Policy against sexual harassment
- Diversity, Equity and Inclusion related policies
- Gender policy
- HIV AIDs workplace policy
- Policy on equal opportunity and non discrimination
- Anti fraud policy
- Grievance handling policy
- Disciplinary procedure
- Speak up Policy (Whistle blowing policy)
- Part Time work policy

TAH TEAM ANALYSIS

Salient features

- 50% of the staff cadre is engaged on a permanent basis while the remainder 50% is engaged on a contract, casual and trainee basis.
- Over 30% of our staff were recruited from outside the Western Province.
- The total number of employees of 742 are including trainees.
- Workers who are not employees comprise those providing auxiliary services such as security and janitorial, engaged based on contracts. As these do not form core operations of the Company, information pertaining to this indicator is not tracked
- Zero incidents of child labour or forced labour were reported during the reporting year.

EMPLOYEES BY CONTRACT & GENDER[LA]

	Male		Female		Total
	Number	Percentage	Number	Percentage	
Permanent	341	92%	28	8%	369
Contract	183	74%	63	26%	246
Trainees & Casuals	53	42%	74	58%	127
Total	577	78%	165	22%	742

Approximately 50% of staff are on permanent contracts, with the balance on contract, trainee, and casual arrangements, a structure typical of the hospitality sector given operational flexibility requirements. Trainees engaged through the Cinnamon Hospitality Academy serve as a conversion pipeline for permanent roles. Over 30% of employees were recruited from outside the Western Province. No zero-hours or non-guaranteed hours employees were engaged during the year. Full-time employment is defined per Sri Lankan labour law at 45 hours per week.

EMPLOYEES BY STAFF CATEGORY & GENDER[LA]

	Male		Female		Total
	Number	Percentage	Number	Percentage	
Senior Management & above	30	94%	2	6%	32
Middle Management	87	83%	18	17%	105
Non-executive	407	85%	71	15%	478
Trainees & Casuals	53	42%	74	58%	127
Total	577	78%	165	22%	742

EMPLOYEES BY AGE & GENDER[LA]

	Male		Female		Total
	Number	Percentage	Number	Percentage	
Under 30 years	217	64%	120	36%	337
30-50 years	238	89%	30	11%	268
Above 50 years	122	89%	15	11%	137
Total	577	78%	165	22%	742

Human Capital

EMPLOYEES BY STAFF CATEGORY & AGE[LA]

	Under 30 years		30-50 years		Above 50 years		Total
	Number	Percentage	Number	Percentage	Number	Percentage	
Senior Management & above	3	9%	17	53%	12	38%	32
Middle Management	16	15%	57	54%	32	30%	105
Non-executive	206	43%	179	37%	93	19%	478
Trainees & Casuals	112	88%	14	11%	1	1%	127
Total	337	45%	267	36%	138	19%	742

EMPLOYEES BY REGION & CONTRACT[LA]

	Permanent	Contract	Trainees & Casuals	Total
Western	294	149	72	515
Southern	21	19	9	49
North Western	11	19	16	46
Central	18	16	9	43
Sabaragamuwa	13	27	13	53
Northern	-	1	-	1
Eastern	1	1	2	4
North Central	3	6	2	11
Uva	8	5	4	17
Expat	-	3	-	3
Total	369	246	127	742

Employee numbers are reported in head count as at 31 March 2026. The total of 742 includes permanent, contract, and trainee/ casual employees engaged under direct operational control of Trans Asia Hotels PLC at its Colombo property. Workers who are not employees (security, janitorial etc.) are engaged through third-party contracts and are excluded from this count.[LA]

TALENT ATTRACTION, RETENTION AND RESIGNATIONS

Talent attraction

As a leading five star hotel, attracting high calibre talent is critical to sustaining competitive advantage and supporting long term growth. Recruitment is undertaken through a structured and disciplined process aligned with current and future workforce requirements identified through annual human capital planning.

Vacancies are initially advertised internally, before being extended to external candidates where necessary. The selection process comprises structured interviews and other assessments, ensuring candidates are evaluated rigorously. Hiring decisions are guided by principles of fairness, inclusivity, and merit, with emphasis placed on competence and alignment with organisational values.

Talent retention

Talent retention remains a persistent challenge within the hospitality sector, influenced by natural attrition and continued migration of talent to overseas markets. During the year, focused retention strategies enabled the Company to sustain operational continuity and minimise service disruption.

Internal mobility and talent development

In response to evolving workforce dynamics, the Company strengthened its emphasis on internal mobility as a key talent management lever. Through role redeployment, internal promotions, and cross functional transitions, 40% of vacancies were filled internally during the year.

As part of the wider ecosystem of John Keells Holdings PLC, employees are also provided opportunities to explore roles across Cinnamon Hotels & Resorts operations in Sri Lanka and the Maldives, thereby expanding their professional exposure and career pathways.

Staff Movement[LA]

Staff movement due to	Male	Female	Total
Promotions and job upgrades	50	3	53
Recruitments (with trainees & casuals)	121	187	308
Retirements	1		1
Resignations (with trainees & casuals)	213	67	280
Retirements and resignations (with trainees & casuals)	214	67	281

Recruitment by region[LA]

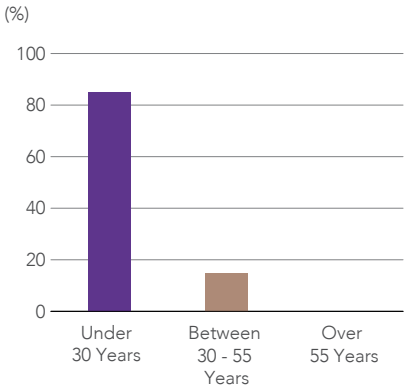
Region	Percentage	Total
Western	194	63%
Southern	21	7%
North Western	24	8%
Central	25	8%
Sabaragamuwa	31	10%
Northern	-	0%
Eastern	2	1%
North Central	5	2%
Uva	5	2%
Expat	1	0%
Total	308	100%

Turnover by region[LA]

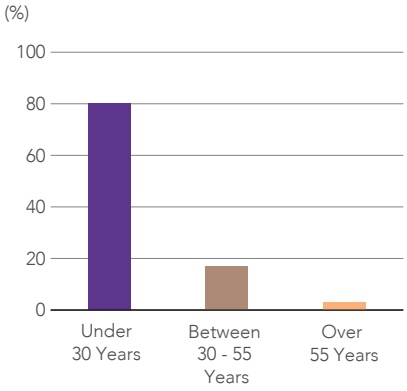
Region	Percentage	Total
Western	175	62%
Southern	18	6%
North Western	17	6%
Central	32	11%
Sabaragamuwa	26	9%
Northern	-	0%
Eastern	2	1%
North Central	5	2%
Uva	5	2%
Expat	1	0%
Total	281	100%

Total headcount grew from 715 to 742 year-on-year, reflecting strengthened operational capacity. Employee turnover improved significantly from 24% to 15%, driven by retention-focused initiatives and the consolidation of the Temporary Crisis Allowance into base salary. No material seasonal fluctuations outside the Company's ordinary operational cycle occurred during the year.[LA]

Recruitment by Age[LA]



Turnover by Age[LA]



PERFORMANCE MANAGEMENT

Trans Asia Hotels PLC's performance management framework is structured to align individual objectives with strategic business priorities, while enabling continuous development. Spanning from goal setting to formal evaluation, the process provides a disciplined pathway for enhancing capability, driving accountability, and supporting career progression.



Human Capital

Goal Setting and Alignment: The performance cycle commences with the translation of organisational strategy into clearly defined individual objectives. For executive level employees, performance is assessed against KPIs directly linked to corporate goals, ensuring strong alignment with strategic priorities. Non-Executive employees are evaluated against a defined competency framework, embedding consistency and behavioural excellence across the workforce.

Mid-year Review: A formal midyear review serves as a critical checkpoint to assess progress against agreed objectives. This stage enables timely identification of performance gaps, facilitates constructive feedback, and allows for course correction through targeted support and resource allocation, ensuring employees remain on track to achieve year end outcomes.

End of year Appraisal: The year end appraisal process combines self-assessment with managerial evaluation, providing a balanced and comprehensive view of performance. Employees reflect on achievements and development areas, while supervisors assess outcomes against predefined KPIs. The process is supported by an integrated HR system, ensuring consistency, transparency, and objectivity.

Career Committee Evaluation and Calibration: Postappraisal, outcomes are reviewed by a Career Committee to ensure fairness, consistency, and alignment with organisational priorities. This calibration process supports informed decision making on promotions, talent identification, and targeted development interventions, while also addressing employee concerns where necessary.

Recognition and Development: The performance cycle culminates in the recognition of high performers and the structured development of employees requiring further growth. Achievement is reinforced through reward and recognition mechanisms, while targeted learning initiatives and development pathways are deployed to build capability and support long term career progression.

PERCENTAGE OF STAFF RECEIVING REGULAR PERFORMANCE APPRAISALS[LA]

Region	Male	Female
Senior Management & above	100%	100%
Middle Management	100%	100%
Non-Executive	100%	100%
Trainees & Casuals	N/A	N/A

TOTAL REWARDS AND EMPLOYEE VALUE PROPOSITION

The Company adopts a comprehensive total rewards philosophy designed to attract, motivate, and retain high calibre talent within a competitive hospitality landscape. Compensation structures are carefully calibrated to balance fixed and performance linked elements, ensuring that employee contributions are meaningfully recognised while reinforcing alignment with organisational objectives. This approach enables the Company to foster a performance driven culture where excellence is both incentivised and sustained.

Employee value creation extends beyond remuneration to encompass a broad spectrum of benefits and developmental opportunities. The Company provides a well rounded benefits framework that supports physical, financial, and social wellbeing, alongside structured avenues for professional growth. Through continuous learning initiatives, career progression pathways, and a supportive work environment, employees are empowered to build long term, fulfilling careers. This integrated approach strengthens engagement, enhances retention, and cultivates a strong sense of belonging.

Market alignment and pay governance

To ensure fairness, competitiveness, and relevance, the Company maintains a disciplined approach to compensation benchmarking. Regular participation in independent industry salary surveys, complemented by internal assessments, provides robust market intelligence on prevailing remuneration trends. These insights inform the annual review of salary structures, enabling the Company to remain responsive to market dynamics while recognising individual performance and contribution.

Sustaining trust through transparency and equity

The Company's reward practices are underpinned by principles of transparency, equity, and consistency. Clear frameworks guide compensation decisions, ensuring that outcomes are objective and aligned with both market benchmarks and internal performance standards. This reinforces employee confidence in the system and supports the development of a high-trust organisational culture, essential for long term retention and sustained organisational success.

Rewards and Recognition

TAH's rewards and recognition platform is reinforced as the Hall of Greatness to celebrate values-led performance by recognising colleagues who live the "Cinnamon Values" through four signature awards: Highflyer of the Month, Highflyer of the Year, Leader of the Quarter, and Leader of the Year in front of the house and heart of the house categories strengthening cultural consistency and the behaviours that define Cinnamon.

BENEFITS TO FULL TIME EMPLOYEES[LA]

- Transport for female employees working evening shifts
- Uniforms provided
- Meals during duty hours
- Annual medical tests
- Doctor and clinic facility
- Welfare facility
- Birthday cake provided in celebration of employee birthdays
- Birthday stay for permanent employees with a service period exceeding five years
- Gym facility
- Locker room/Dormitory
- Food, beverage, and restaurant discounts

The following benefits apply exclusively to permanent full-time employees and are not available to contract, trainee, or casual staff: birthday stay (for employees with over five years' service), performance incentives under the annual salary revision cycle, Long Service Awards, and access to the JK Group Colleague Assistance Programme. Benefits available to all employees regardless of contract type include meals on duty, uniforms, night-shift transport for female employees, doctor and clinic access, annual medical tests, 100 days of parental leave, and gym and locker facilities.[LA]

SASB -SV-HL-310a.3

- The average hourly wage of employees of Trans Asia Hotels PLC was Rs. **147.88**.
- Furthermore **100**% lodging facility employees earn minimum wage, with our operations
- Being located in Colombo 02 (2024/25: 100%)

TRAINING AND DEVELOPMENT[LA]

The Company's approach to training and development stems from a deliberate focus on building capability through a competency driven framework. Emphasis is placed on identifying the specific skills and behaviours required across key roles, enabling learning interventions to be closely aligned with both functional requirements and broader organisational priorities. Training needs are systematically identified through performance discussions at midyear and year end, as well as on a needs basis, ensuring that development remains relevant, timely, and responsive to evolving business demands.

A wide spectrum of learning avenues is made available to employees, combining structured programmes with practical, experience based exposure. These include formal training sessions, on the job learning, workshops, seminars, and digital learning platforms, all designed to strengthen technical expertise while also enhancing behavioural and leadership capabilities. This integrated approach encourages continuous learning and equips employees to adapt to changing industry dynamics.

TRANSITION ASSISTANCE

Employees retiring from the Company receive statutory end-of-service gratuity per the Payment of Gratuity Act, along with recognition through the Long Service Awards programme. Retiring employees benefit from skills and competency development accumulated through the Company's training programmes and the Cinnamon Online Academy, supporting continued employability. Internal mobility opportunities across the wider JK Group portfolio are also facilitated where applicable. The Company's retirement age is 60 years as set out in the defined benefit plan.[LA]

KEY TRAINING TOPICS/ SCOPES COVERED

Key training topics	Time spent (Hours)
Guest Interaction Trainings	975
Newcomers Induction	5,752
BCP Awareness	1,436
H&S Training	3,848
Soft Skills Development	153
Fire Training	1,499
First Aid	413
Total	14,076

Training attendance figures considered for reporting purposes are derived from records maintained within the organisation's SAP system, which captures participation based on SAP-registered employee identifiers. During the reporting period, the organisation transitioned from manual to system-based training tracking, enhancing the reliability, consistency, and auditability of attendance data. While supplementary evidence indicates additional participation beyond the SAP records, reported figures include only those formally captured within the system and therefore represent a conservative and minimum confirmed attendance base. Accordingly, the calculation of average training hours per employee is based on verified system records and does not overstate employee participation or training hours

TRAINING HOURS[LA]

Employee category	No. of Training Hours
Executive and above staff	8,216
Non-Executive staff	40,082
Total	48,298

Human Capital

CINNAMON HOSPITALITY ACADEMY



The Cinnamon Hospitality Academy, a flagship initiative of the Cinnamon Hotels & Resorts Group, is designed to nurture talent and accelerate careers in the hospitality industry. Delivered in partnership with the Swiss Hotel Management Academy (SHMA) and licensed by École hôtelière de Lausanne, the globally recognised Vocational Education and Training (VET) programme equips participants with industry relevant skills and an internationally respected qualification, enabling access to diverse career opportunities across the global hospitality landscape.

Courses on offer

Culinary Professional Diploma
F&B Service Professional Diploma
Hotel Professional Diploma

EMPLOYEE HEALTH AND WELLBEING

Employees are provided access to non-occupational healthcare support through medical insurance coverage, health awareness programmes, counselling and wellbeing initiatives, and referrals to external healthcare providers where necessary. The Company also conducts voluntary health promotion programmes covering areas such as mental health awareness, stress management, workplace ergonomics, nutrition and wellness, and broader employee wellbeing.

These initiatives are designed to encourage healthier lifestyles, support physical and psychological wellbeing, promote early intervention and health awareness, and foster a positive and supportive workplace culture across the workforce. Finer details are as follows.

Financial wellbeing

We prioritise the financial security of our employees by offering a broad spectrum of benefits in addition to base salaries and performance-based bonuses. We continue to maintain gender pay equality, ensuring no discrepancies exist between genders at any level of the organisation.

Mental wellbeing

The mental wellness of our employees is a core priority. We have implemented the "It's Okay Not to Be Okay" initiative across the organisation, encouraging an open dialogue about mental health. Additionally, we have partnered with Sri Lanka Sumithrayoo to provide specialised mental wellness sessions, as well as a confidential helpline for those seeking support during challenging times.

Medical care

We ensure our employees have access to convenient, affordable medical care, offering comprehensive health insurance coverage for both permanent and contract employees. Additionally, annual medical check ups are provided to monitor and maintain their health.[LA]

SUPPORT TO EMPLOYEES IN THE WAKE OF CYCLONE DITWAH

Over 26 employees were impacted by Cyclone Ditwah, experiencing varying degrees of disruption and hardship. The Company responded promptly to ensure that affected employees were provided with the necessary support during this challenging period.

Immediate relief measures included the provision of emergency leave, enabling employees to attend to personal and family needs without added pressure. Financial assistance was also extended to help alleviate the burden of recovery.

Through these interventions, the Company reaffirmed its commitment to standing by its people in times of need, fostering a culture of care, resilience, and solidarity.

OCCUPATIONAL HEALTH AND SAFETY

Trans Asia Hotels PLC maintains a structured Occupational Health and Safety Management System (OHSMS) implemented in compliance with applicable Sri Lankan occupational health, labour, fire safety, public health, environmental, and food hygiene regulations governing hospitality operations. These requirements encompass workplace safety, fire protection, hazardous chemical handling, sanitation, employee welfare, occupational health, and emergency preparedness.[LA]

The Company's ISO 45001:2018-certified Occupational Health and Safety Management System further strengthens compliance through structured risk management processes,

operational controls, internal audits, incident investigations, and continuous monitoring mechanisms.[LA] Alignment with ISO 45001:2018 since 2008 reflects the Company's long-standing commitment towards internationally recognised safety standards, disciplined risk management practices, and the safeguarding of employees across its operations.

The system also integrates operational controls associated with ISO 22000:2018 Food Safety Management Systems and broader enterprise risk management practices implemented across the Company.[LA]

The framework supports proactive hazard identification, risk assessment, legal compliance, employee participation, incident prevention, and continual improvement across all operational areas.[LA]

The OHSMS applies across all operational locations, departments, and work activities of the Company, including guest-facing environments, food and beverage operations, housekeeping, engineering, laundry, security, recreational facilities, and administrative offices.

The system covers 100% of permanent, temporary, and contractual employees working under the Company's operational control. Contractors and outsourced personnel operating within Company premises are also required to comply with applicable health and safety procedures and operational safety requirements.[LA] No significant operational locations or high-risk activities were excluded from the scope of the system during the reporting period.

This commitment is further reinforced through the Cinnamon Care 2.0 Health, Safety, and Environment (HSE) framework, which establishes clear protocols for hygiene, safety, and operational readiness across all properties. The framework emphasises prevention, preparedness, and responsiveness, ensuring that both employees and guests are protected through consistently applied controls and swift action where required.[LA]

A key strength of the Company's safety approach lies in its emphasis on employee involvement. Open channels of communication encourage individuals to raise concerns, share insights, and contribute to identifying and mitigating workplace risks. This participatory approach not only strengthens hazard prevention but also fosters accountability and collective ownership of safety practices.

The Company ensures the effectiveness of hazard identification and risk assessment processes through trained personnel, structured supervision, continuous competency development, and periodic verification mechanisms. Risk assessments, inspections, audits, and incident investigations are conducted by departmental managers, Health & Safety representatives, engineering personnel, and certified internal auditors, supported by ongoing training in hazard identification, root cause analysis, emergency preparedness, fire safety, chemical safety, and ISO 45001 internal auditing.

Results from workplace inspections, risk assessments, near-miss reporting, incident investigations, and safety audits are regularly analysed to identify recurring hazards, operational gaps, and improvement opportunities. Employees are encouraged to report unsafe conditions and safety concerns through multiple internal reporting channels, with the Company maintaining a culture of open communication and non-retaliation, including the right to withdraw from unsafe work situations without fear of adverse consequences.

Reported concerns and incidents are promptly investigated using structured root cause analysis methodologies, including site inspections, employee consultations, and reviews of operational controls. Corrective and preventive actions are implemented in line with the hierarchy of controls and continuously monitored, while lessons learned are integrated into training programmes, operational procedures, engineering controls, and awareness initiatives to support continual improvement of workplace safety performance and the Occupational Health and Safety Management System.

Occupational health services are delivered through qualified medical professionals, trained first aid personnel, and approved external healthcare providers, supported by on-site first aid arrangements, emergency response procedures, medical referrals, insurance coverage, and periodic health monitoring programmes. The effectiveness of these services is regularly reviewed through internal audits, incident reviews, workplace exposure monitoring, and employee feedback mechanisms to ensure continued responsiveness to operational risks and employee wellbeing needs.

Employees may report unsafe conditions and safety concerns to departmental managers, Health and Safety representatives, or the Engineering department, verbally or in writing. All reports are investigated promptly using structured root cause analysis. The Company maintains an explicit non-retaliation policy: no adverse action may be taken against any employee raising a legitimate safety concern in good faith. Employees retain the right to withdraw from unsafe work situations without fear of consequence, in line with Company OHS policies and applicable Sri Lankan labour law.[LA]

Contractors and outsourced personnel operating on Company premises, including those engaged in maintenance, security, janitorial, pest control, and specialist cleaning, are required to comply with the Company's OHS procedures and the Cinnamon Care 2.0 HSE framework. Primary hazards associated with these relationships include falls,

Human Capital

chemical exposure, and equipment-related injuries. Safety induction is conducted prior to commencement of work, and compliance is monitored through site supervision and incident reviews. No OHS incidents involving contracted personnel were recorded during the year.[LA]

Workplace safety record[LA]

Workplace safety (Permanent & Contract)	
Employee Safety Record	**Nos.**
Workplace related accidents and incidents	17
Workplace related fatalities	0
No. of lost workdays due to workplace related injuries	246

Health and Safety Incidents[LA]	Internal colleagues	Contractual workers and outsourced personnel
Work related accidents and incidents	17 Accidents	0
Due to falling	46 (Lost Days)	0
Due to cuts, pricks and sharp objects	75 (Lost Days)	0
Due to lifting or moving heavy items	28 (Lost Days)	0
Due to explosions and exposure to harmful rays/substances	0	0
Due to other causes	97 (Lost Days)	0
Work related fatalities	0	0
Injuries resulting in permanent disability	0	0
High consequence work related injuries (Injuries with ninety or more lost days)	0	0
Recordable work-related injuries (Injuries with lost days, less than ninety)	246 (Lost Days)	0
Work related ill-health	0	0
Total no. of lost day due to occupational injuries/diseases	0	0

AN ENGAGED WORKFORCE

Fostering a connected and engaged workforce remains central to sustaining a positive organisational culture across the Cinnamon Hotels network. At Trans Asia Hotels PLC, the Company places strong emphasis on creating an environment where employees feel valued, heard, and meaningfully connected to both their peers and the broader organisation. This is achieved through a range of thoughtfully designed engagement initiatives that extend beyond formal work interactions.

A variety of platforms, ranging from team building programmes and social events to recognition initiatives and cross functional engagements are leveraged to strengthen collaboration, deepen interpersonal relationships, and encourage open dialogue. These interactions help break down silos, promote inclusivity, and reinforce a culture of mutual respect and shared purpose.

Such efforts play a critical role in enhancing emotional wellbeing and reinforcing a sense of belonging among employees. By nurturing a workplace where individuals feel supported and appreciated, the Company drives higher levels of motivation, engagement, and discretionary effort. This, in turn, translates into improved productivity, stronger alignment with organisational objectives, and a more balanced and resilient work environment.

SOME OF THE KEY EMPLOYEE ENGAGEMENT INITIATIVES CONDUCTED DURING THE YEAR

- Cinnamon Lakeside Bakmaha Ulela
- Cinnamon Lakeside Vesak Dansala
- Cinnamon Lakeside Cricket Tournament
- Father's Day Celebration
- Poson Lantern Competition 2025
- Poson Bakthi Gee Saraniya 2025
- Cinnamon Lakeside Blood Donation Campaign
- Multireligious Ceremony
- Breast Cancer Awareness
- Cinnamon Lakeside Staff & Family Party 2025
- Long Service Awards 2025
- Staff Dinner 2025
- Cinnamon Lakeside Wellness Walk
- IWD Celebration 2026
- Wellness Programme on Preventive Health

EMPLOYEE GRIEVANCES[LA]

The Company maintains a well defined and transparent grievance resolution framework to ensure that employee concerns are managed in a fair, timely, and consistent manner. Employees are encouraged to raise issues through appropriate channels, either verbally or in writing, typically through their immediate supervisor or respective Head of Department.[LA]

Upon receipt, concerns are reviewed and addressed promptly, with a general expectation of resolution within a defined time frame, depending on the nature and complexity of the matter. Where an issue remains unresolved or requires further attention, clear escalation pathways are in place to enable review at higher levels of management.

The process is supported by established protocols and service standards, ensuring accountability and consistency in handling grievances. Regular communication and awareness initiatives ensure that employees remain informed of these mechanisms, reinforcing confidence in the system and promoting an open, respectful, and responsive workplace culture.

HUMAN RIGHTS

The Company remains steadfast in its commitment to upholding both national and internationally recognised labour standards across its operations and value chain. This is supported by a robust governance framework that enforces a zero tolerance approach to practices such as sexual harassment, child labour, and forced or compulsory labour, ensuring that fundamental human rights are protected at all levels of the organisation.

A comprehensive suite of policies underpins this commitment, complemented by ongoing training and awareness programmes that promote understanding of ethical labour practices and employee rights. These efforts contribute to fostering a workplace culture grounded in respect, inclusivity, and accountability.

Open and transparent communication is actively encouraged through accessible channels, including an open door approach that empowers employees to raise concerns or share feedback without hesitation. This is further strengthened by a formal whistleblowing mechanism, which provides a secure and confidential platform for reporting potential misconduct or breaches of policy.[LA]

Through a sustained focus on ethical conduct and fair treatment, the Company continues to maintain a safe and respectful working environment. During the reporting period, there were no reported incidents relating to human rights violations, child labour, or forced or compulsory labour.

SASB - SV-HL-310A.2

There were no monetary losses incurred as a result of legal proceedings associated with labour law violations during the year.

EMPLOYEES' RIGHT TO UNIONISE

The Company upholds employees' rights to freedom of association and collective bargaining. Approximately 42% of the workforce at Trans Asia Hotels PLC is represented by a recognised trade union operating under a formal Memorandum of Understanding (MoU). Constructive and ongoing engagement is maintained with union representatives to support open dialogue and mutual understanding.[LA]

In addition, the Company adheres to defined protocols in managing organisational changes, including providing a minimum notice period of one month prior to the implementation of any significant operational adjustments. [LA]

ADVANCING GENDER DIVERSITY

Advancing gender diversity remains a strategic priority for the Company, recognising that an inclusive workforce strengthens decision making, drives innovation, and enhances overall organisational performance.

ELIMINATING DISCRIMINATION

The Company maintains a firm stance against all forms of discrimination, including those based on ethnicity, gender identity, sexual orientation, age, or disability. Policies and practices are designed to uphold fairness, ensure equal access to opportunities, and foster a culture of dignity and respect across the workplace.

PROMOTING GENDER EQUITY

Addressing and overcoming gender bias particularly barriers faced by women remains a strategic priority. The Company actively promotes equitable hiring practices, supports leadership development, and facilitates mentorship and career advancement opportunities, while also enabling work life integration through supportive policies.

ENABLING WOMEN'S PARTICIPATION AND PROGRESSION

Targeted efforts are made to attract, retain, and advance women within the workforce. This includes providing flexible work arrangements, structured career pathways, and an inclusive environment that recognises and values the contributions of women at all organisational levels.

FOSTERING INCLUSION FOR PERSONS WITH DISABILITIES

The Company is committed to creating an accessible and supportive workplace for individuals with disabilities. This is achieved through inclusive job design, appropriate workplace accommodations, and infrastructure that enables employees to contribute effectively and realise their full potential.

There were no incidents of discrimination reported during the year.

GENDER DIVERSITY PERFORMANCE

Our gender diversity endeavours are backed by a robust set of goals in place, as follows:

- Increase female participation in the workforce
- Increase women in leadership roles
- Increase women in non traditional roles
- Address unconscious bias

Human Capital

Performance against key goals set are as follows;

Region	Target by 2030	Actual
Female participation in the workforce	30%	22%
Women in leadership positions	26%	15%

Gender representation across the workforce [LA]

Gender Representation by Grade	Senior Management and above	Executive	Non-Executive	Trainees & Casuals
Male	30	87	407	53
Female	2	18	71	74
Total	32	105	478	127
Male %	94%	83%	85%	42%
Female%	6%	17%	15%	58%

Enablement via training [LA]

Average Training Hours per gender	No. of Training Hours
Male	57
Female	61
Total	58

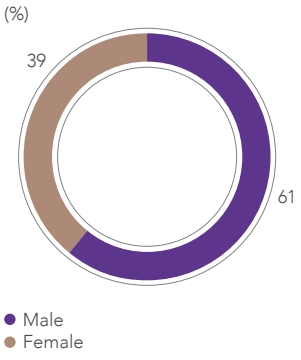
GENDER PAY EQUITY (OVERALL)

The ratio of the basic salary and total remuneration of women to men by employee category and significant locations of operation during the reporting period was 1:1 [LA]

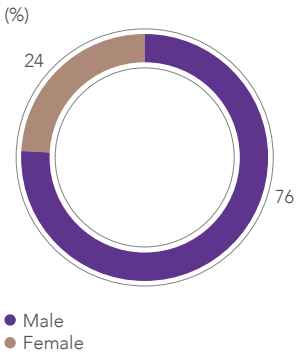
The significant location of operation covered above is the operations of Trans Asia Hotels PLC, the total operations of which is located within the Company at 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2

STAFF MOVEMENTS

Recruitments by gender



Turnover by gender



PARENTAL LEAVE [LA]

	Male	Female
Employees entitled to parental leave	577	165
Employees that took parental leave	5	1
Number of employees that returned to work in the reporting period after parental leave ended	10	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	14	3
Return-to-work rate	77%	33%

SPECIFIC GENDER PARITY INITIATIVES IN PLACE

Gender parity initiatives

- 100 days parental leave for both male and female employees
- One JKH logo displayed on recruitment advertisements stating we do not discriminate in our recruitments
- Women recruited for non traditional roles, example Banquet operations, Lifeguard, Engineering Technicians
- Flagship initiative in empowering women – Aloka

OUR FLAGSHIP INITIATIVE – EMPOWHER & THE "ALOKA" PROJECT

Empowering Women, Expanding Opportunities – Since 2023

As the hospitality and tourism sector continues to play a pivotal role in employment generation in Sri Lanka, women represent a growing yet under-supported segment of the workforce. Despite this progress, social perceptions and structural barriers continue to limit their participation and career advancement.

The Aloka ("Light") Project, spearheaded by Cinnamon Hotels & Resorts, seeks to address these challenges through a community centric approach. By engaging directly with local communities, the initiative aims to build trust, shift perceptions, and create pathways for women to confidently enter, sustain, and progress within the hospitality and tourism industry.

Programme offering
Recognised Vocational Training

Structured training programmes accredited by the National Apprentice and Industrial Training Authority, covering both industry specific competencies and essential life skills.

Holistic Skill Development

Strong emphasis on life skills to support young women, particularly those from underserved backgrounds in building confidence, resilience, and workplace readiness.

End-to-End Support Framework

A comprehensive support system that extends beyond training to include job placement opportunities, meals, uniforms, and access to safe, female friendly facilities such as accommodation and locker spaces.

Our aim

Equip participating females with the know how to recognise and pursue promising career opportunities and heighten their self assurance as they navigate these pathways

Our belief

Comprehensive, cooperative action to advance gender equality, economic self sufficiency, and overall wellbeing of young women in the industry



Way forward

Looking ahead, the Company will continue to strengthen its human capital strategy as a key driver of sustainable value creation and service excellence. Priority will be placed on building a resilient, future ready workforce by deepening capability development, enhancing leadership pipelines, and embedding a culture of continuous learning across all levels of the organisation.

In response to evolving industry dynamics and talent mobility trends, greater emphasis will be placed on talent retention through differentiated employee value propositions, expanded career pathways, and increased opportunities for internal mobility across the Cinnamon Hotels. At the same time, digital enablement within HR processes will be accelerated to enhance workforce planning, performance management, and employee experience.

The Company will also advance its commitment to diversity, equity, and inclusion by strengthening gender representation and fostering an environment where all employees can thrive, guided by the Company's goals. Employee wellbeing will remain a central focus, with continued investment in initiatives that support physical, mental, and financial health.

Intellectual Capital



Intellectual Capital at Trans Asia Hotels PLC comprises the intangible assets, institutional knowledge, systems, and brand strengths that differentiate our hospitality proposition and support long term value creation. It encompasses the strength of the Cinnamon Lakeside brand, the tacit knowledge and expertise embedded within our people, robust operating standards and processes, and advanced digital and technology platforms that enable service consistency and operational resilience.

Supported by strong organisational stewardship under John Keells Holdings PLC and reinforced by innovation, market insight, and recognised standards of excellence, this capital enhances customer loyalty, strengthens competitive positioning, and underpins our ability to deliver distinctive and consistently high quality guest experiences. Recognitions and accolades earned during the year further affirm the strength of this capital and our continued commitment to excellence and innovation in hospitality.

INTELLECTUAL CAPITAL PROFILE

- Strong equity and recognition of the Cinnamon Lakeside brand
- Deep organisational knowledge built over 40 years as a leading five star destination
- **11** Average service of a seasoned workforce delivering on the Cinnamon Lakeside brand promise
- **03** ISO certified processes
- **11** Awards won during the year



Intellectual capital fact sheet

11 Awards and
67 Medals

92.5%
Global Review Index

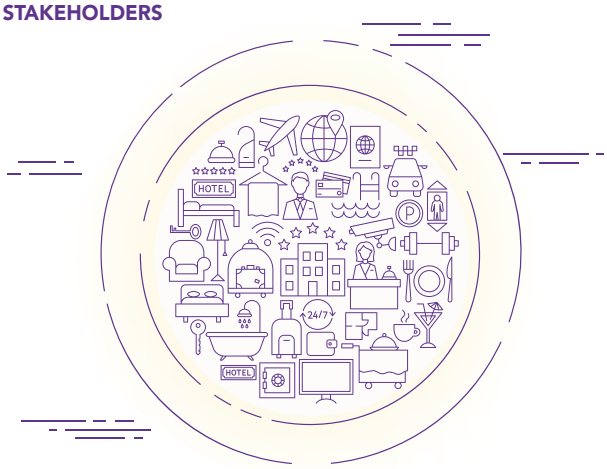
Link To Our Material Matters

Business conduct and ethics

Talent attraction and retention

Privacy and data security

CONNECTED STAKEHOLDERS



Customers

Customers are connected to Intellectual Capital through the strength of our brand, service standards, knowledge systems, and digital capabilities, which collectively support personalised experiences, innovation, and enduring guest loyalty.

Employees

Employees are both contributors to and beneficiaries of Intellectual Capital, with their knowledge, skills, and experience strengthened through training, shared learning, and robust operating frameworks that support service excellence and uphold our brand values.

HOW INTELLECTUAL CAPITAL SUPPORTS OUR STRATEGIC PILLARS

Service excellence
Leveraging brand strength, knowledge systems, and digital capabilities to enhance service quality and guest experiences.

Revenue optimisation
Using market insight, data analytics, and brand equity to strengthen demand generation and revenue performance.

Operational excellence and cost optimisation
Driving efficiency through robust systems, process discipline, and technology enabled decision making.

Talent management
Strengthening organisational capability through knowledge sharing, learning, and continuous skills development.

ESG considerations
Supporting responsible growth through innovation, strong governance frameworks, and sustainability led thinking.

Intellectual Capital



- Brand strength
- Organisational tacit knowledge
- Cinnamantra – Corporate purpose and values
- Continuous learning and development
- Advanced analytics and business intelligence
- Average length of service of the team
- Ethical and strong stewardship
- Systems and processes
- Certifications
- Awards and recognition
- Industry collaborations

OUR INTELLECTUAL CAPITAL REPOSITORY

BRAND STRENGTH - CINNAMON LAKESIDE

Trans Asia's brand reputation is established in over 40 years of service excellence, distinguished hospitality, food and beverage leadership, and a unique resort in the city proposition within Sri Lanka's hotel and leisure sector. This is further strengthened by the credibility, trust, and stature associated with its parent, John Keells Holdings PLC.

Against a backdrop of intensified competition from Colombo's star-class hotel segment, the Company continued to reinforce brand resilience across its target customer segments through a strategically aligned brand building agenda. Initiatives during the year focused on strengthening brand equity, enhancing relevance, and increasing visibility across key source markets and customer segments, supporting continued differentiation in a competitive marketplace.

SOCIAL MEDIA PRESENCE

Operating under the Cinnamon Lakeside brand, the Company uses social media as a dynamic extension of its brand building and guest engagement strategy. Beyond serving as a promotional channel, these platforms enable the hotel to showcase its distinctive experiences, strengthen brand affinity, and engage meaningfully with diverse and increasingly digital-savvy audiences.

Through curated visual storytelling, targeted campaigns, strategic collaborations, and real-time interaction, the Company maintains an active presence across key platforms, enhancing visibility and relevance among both local and international audiences. This digital ecosystem also supports the agile promotion of offerings, amplifies guest advocacy, and fosters a loyal online community.

Importantly, insights generated through social media engagement including guest preferences, feedback patterns, content interactions, and emerging travel and lifestyle trends serve as a valuable source of market intelligence. These insights help the Company refine and curate offerings for guests, shape promotional campaigns, inform experiential innovations, and respond more effectively to evolving customer expectations.



33K Instagram followers → **6Mn** Total impressions

142K Facebook followers → **69Mn** Total impressions

ONLINE TRAVEL SITES (OTS) PRESENCE



Cinnamon Lakeside enjoys a strong brand presence in the following key OTS.

- Booking.com
- Expedia
- TravelRepublic -Dnata
- TBO Holidays
- Goibibo - MakeMyTrip
- WebBeds FZ LLC
- Agoda
- HotelBeds
- HyperGuest
- Roibos
- TBOHolidays
- CTRIP



ORGANISATIONAL TACIT KNOWLEDGE

Organisational tacit knowledge represents the deeply embedded know-how, service instincts, institutional memory, and shared ways of working that have been cultivated over years of operating as a leading five star hospitality brand. At Trans Asia Hotels PLC, this intangible strength is reflected in the collective expertise of our people, the enduring service culture we uphold, and the practical knowledge embedded in how we anticipate guest needs, manage operations, and deliver differentiated experiences.

Purpose, values and service culture

At the heart of our tacit knowledge is Cinnamantra and its seven core values, which shape behaviours, decision making, and the service ethos embedded across the organisation. Collectively, they foster the hospitality instincts and shared culture that enable the distinctive guest experiences associated with the Cinnamon Lakeside brand.

Learning as a knowledge engine

Continuous learning is central to sustaining and renewing organisational knowledge. Through structured training, practical exposure, and capability building, critical service know-how and operational judgement are reinforced across the business. Supported by 48,298 training hours and the Cinnamon Hospitality Academy and Cinnamon Online Academy, these efforts strengthen service excellence and support the transfer of institutional knowledge.

Institutional memory and experience

With an average employee tenure of 11 years, the Company benefits from deep institutional memory and accumulated expertise that support continuity, intuitive service delivery, and operational resilience, particularly amid skilled labour challenges.

Leadership and ethical stewardship

Tacit knowledge is further reinforced through experienced leadership, strong governance, and the stewardship of John Keells Holdings PLC. This values-led environment embeds sound judgement, ethical conduct, and disciplined execution across the organisation.

IT SYSTEMS, PROCESSES AND DIGITAL ENABLEMENT

Technology forms an increasingly important component of the Company's Intellectual Capital, strengthening operational agility, decision making, and guest experience. The Company has progressively advanced its digital infrastructure through the adoption of enabling platforms and smart technologies that drive efficiency, convenience, and service responsiveness across key operational areas.

Enhanced IT infrastructure supports critical functions spanning reservations, property operations, food and beverage management, guest engagement, maintenance management, and management information systems, enabling stronger data visibility and more informed decision making. Advanced analytics and business intelligence tools further support operational insight, personalised engagement, and timely commercial decisions.

Intellectual Capital

SUCCESSFUL IMPLEMENTATION OF SAP S/4HANA

A defining milestone during the year was the successful implementation of SAP S/4HANA, marking a significant step forward in the Company's digital and operational backbone. This integrated platform now supports core hotel operations across finance, accounting, procurement, inventory management, asset management, and HR and payroll while enabling real-time financial and operational reporting. By bringing together these critical functions within a single, streamlined system, SAP S/4HANA enhances efficiency, improves data accuracy, and supports more informed decision making, serving as a robust foundation for managing Trans Asia PLC's internal operations and financial performance.

Other digital eco-systems that support our operations

- OPERA Cloud – supporting reservations, check-ins, check-outs, billing and overall property management efficiency
- MICROS Symphony – enabling efficient point-of-sale and food and beverage management
- SARA – supporting work order and maintenance management to improve asset upkeep and service reliability

Collectively, these systems have streamlined internal processes, enhanced guest convenience, and enabled a smoother, faster, and more intuitive hospitality experience across touchpoints.

DATA PRIVACY AND IT SECURITY

Cybersecurity remains an important part of Cinnamon Hotels & Resorts' overall governance and risk management framework, given the increasing reliance on digital platforms across reservations, guest services, payment channels, hotel operations, corporate systems, and third-party integrations. Our approach is focused on protecting guest, employee, and business information, while maintaining the availability and integrity of systems that support our operations. Cybersecurity and data protection related risks are reviewed through established internal governance processes, with relevant matters escalated where required in line with John Keells Group policies and oversight mechanisms.

Our cybersecurity approach is guided by John Keells Group information security policies and focuses on strengthening data protection, secure connectivity, incident response readiness, disaster recovery planning, employee awareness, and the continuous monitoring of potential threats. We continue to enhance our IT security practices in line with applicable regulatory requirements and recognised good practices, supporting operational resilience, responsible data handling, and stakeholder trust.

At Cinnamon Hotels & Resorts, of which TAH is part of, respect for personal data and individual privacy is central to our commitment to guest trust, ethical business conduct, and responsible growth. As a hospitality group that engages with guests, employees, partners, and service providers across multiple touchpoints, we recognise that protecting personal information is fundamental to maintaining confidence in our brand and ensuring the integrity of our operations. Our approach to data privacy is therefore guided by principles of lawfulness, transparency, accountability, and proportionality throughout the personal data lifecycle.

Our data privacy framework is aligned with the Sri Lankan Personal Data Protection Act No. 09 of 2022 and is informed by internationally recognised privacy principles reflected in global regulatory frameworks such as the European Union (EU) General Data Protection Regulation (GDPR). These obligations are formalised through a comprehensive Data Protection Policy that governs how personal data is collected, used, disclosed, retained, and disposed of across the Group. The policy establishes clear standards for lawful processing, purpose limitation, data minimisation, accuracy, and retention, ensuring that personal information is handled responsibly and only for legitimate and clearly defined business purposes.

Strong governance and accountability are integral to our privacy programme. The Hotels group has appointed a designated Data Protection Officer (DPO) who provides centralised oversight of data protection activities across the organisation. The DPO is responsible for advising management and operational teams on privacy obligations, monitoring compliance with applicable data protection laws, and overseeing the handling of data subject rights requests, including requests for access, correction, erasure, and objection. This governance structure supports a consistent interpretation of regulatory requirements and enables effective coordination across hotels, corporate functions, and shared services.

Our privacy framework is built on the principle of Privacy by Design and by Default, ensuring that data protection considerations are embedded into business processes, systems, and initiatives from the outset. Privacy impact considerations are incorporated into the development and enhancement of guest facing and internal processes, particularly where personal data is collected or processed at scale. This approach promotes transparency, supports informed decision making, and helps ensure that only the minimum amount of personal data necessary is processed to achieve defined operational objectives.

We place strong emphasis on translating privacy requirements into everyday operational practices. We deliver mandatory data privacy awareness programs to all associates, reinforcing individual responsibility for handling personal data appropriately and in accordance with approved policies and procedures. Training content is periodically

reviewed and updated to reflect regulatory developments, evolving operational practices, and lessons learned from internal reviews. This ongoing focus on awareness supports a culture in which respect for privacy is embedded across all levels of the organisation.

Cinnamon Hotels & Resorts also recognises the importance of responsible data handling across its broader business ecosystem. Where personal data is processed by third party service providers on behalf of the Group, defined contractual and governance measures are in place to ensure that such processing is carried out in accordance with applicable data protection requirements and our internal standards. These arrangements support transparency, accountability, and responsible stewardship of personal data throughout the value chain.

To support continuous improvement, we periodically engage independent external parties to conduct gap assessments of our data protection framework. These assessments enable us to evaluate our practices against evolving regulatory expectations and global hospitality industry benchmarks, identify areas for enhancement, and strengthen our privacy governance over time. Outcomes from these reviews are used to inform policy updates, procedural refinements, and targeted awareness initiatives, reinforcing a structured and proactive approach to privacy management.

As regulatory expectations and stakeholder awareness on personal data continue to evolve, Cinnamon Hotels & Resorts remains committed to strengthening its data privacy framework in a measured and responsible manner. With clear governance, defined accountability, employee awareness, and ongoing reviews, we aim to uphold high standards of privacy protection and reinforce trust with our guests, employees, partners, and regulators.

No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

ADVANCED ANALYTICS AND BUSINESS INTELLIGENCE

Building on the progress made in its digital transformation journey, the Company today benefits from a stronger and increasingly embedded advanced analytics and business intelligence capability that supports more agile, data driven decision making. Supported by the Advanced Analytics and Business Intelligence function, established with knowledge transfer from OCTAVE, the data and analytics Centre of Excellence of John Keells Holdings PLC, the Company has strengthened its ability to convert data into actionable insight.

This capability provides enhanced visibility into guest demand patterns, spending behaviours, occupancy trends, and revenue performance, supporting more informed commercial and operational decisions. Predictive and data led insights are increasingly being used to refine pricing, personalise guest engagement, optimise resource deployment, and improve responsiveness to market shifts. Together, these capabilities strengthen decision quality, improve agility, and contribute meaningfully to the Company's growing intellectual capital.

SYSTEMS AND PROCESSES CERTIFICATIONS

Our operations are supported by robust systems, disciplined processes, and well established Standard Operating Procedures (SOPs) that underpin the consistent delivery of service excellence across the hotel. These frameworks govern critical aspects of operations, from guest facing service standards and back-of-house processes to safety, quality, and operational controls, ensuring reliability, efficiency, and a seamless guest experience.

These standards are embedded across the organisation through structured induction programmes, hands on operational training, and regular refresher sessions that reinforce best practices and service discipline. Together, they support consistency in execution, strengthen operational resilience, and enable the Company to uphold the high standards expected of a leading five star hospitality brand Cinnamon Lakeside promises, while continuously adapting to evolving guest expectations and industry benchmarks.

LEADING GLOBAL CERTIFICATION ADHERED TO BY THE COMPANY

Certification	Issuing authority	Periodic review/ audit involved	Frequency
ISO 22000:2018 Food Safety Management System	SGS Lanka Pvt Ltd	Yes	Annual
ISO 45001:2018 Occupational Health and Safety Management System	SGS Lanka Pvt Ltd	Yes	Annual
ISO 14001:2015 Environmental Management System	SGS Lanka Pvt Ltd	Yes	Annual
Travelife Gold Certification for accommodation sustainability	Travelife Pvt Ltd	Yes	Biennial

Intellectual Capital

AWARDS AND RECOGNITION

Awards and recognitions contribute meaningfully to strengthening the Intellectual Capital of Trans Asia Hotels PLC, reflecting the knowledge, expertise, innovation, and service excellence embedded within the organisation. Each accolade reinforces brand equity and market credibility, while fostering a culture of continuous improvement, learning, and high performance. They also instil pride among employees, support talent attraction, and promote the sharing of best practices, collectively enhancing the Company's competitive advantage in the hospitality sector.

Please refer page 11 for a full list of awards won during the year.

INDUSTRY COLLABORATIONS

Trans Asia Hotels PLC actively engages with a broad network of industry bodies and business associations, recognising collaboration as an important enabler of sector leadership, market insight, and long term value creation. These affiliations support knowledge exchange, strengthen the Company's understanding of emerging industry trends, and provide platforms to contribute to dialogue on matters important to tourism, business, sustainability, and national development.

Through participation in these forums, the Company also fosters professional development, encourages exchange of ideas, and supports collective action on priorities that shape the operating environment.

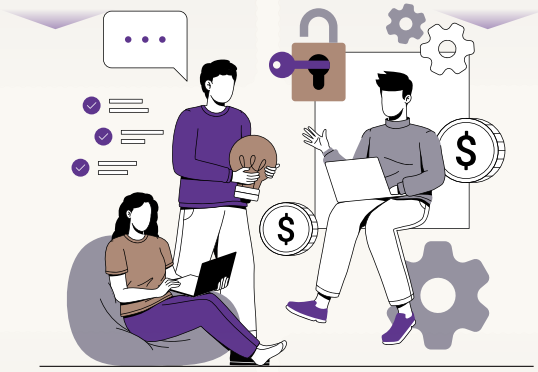
Key memberships and affiliations

Tourism and hospitality industry bodies

- The Hotels Association of Sri Lanka
- Pacific Asia Travel Association
- Skal International Colombo
- Ceylon Hotel School Graduates Association
- Sri Lanka Tourism Development Authority

Business and employer chambers

- Ceylon Chamber of Commerce
- Employers' Federation of Ceylon



International business councils

- Sri Lanka - China Business Council
- Sri Lanka - Germany Business Council
- Sri Lanka - France Business Council
- Sri Lanka - Greater Mekong Business Council
- Sri Lanka - Maldives Business Council

Sustainability and environmental platforms

- Biodiversity Sri Lanka


Claudio Ferrato

Social and Relationship Capital



Social and Relationship Capital at Trans Asia Hotels PLC is built on the strength of the relationships we cultivate with guests, employees, suppliers, travel and channel partners, regulators, and the wider community. As a leading hospitality brand, our ability to consistently deliver exceptional experiences, maintain stakeholder trust, and foster meaningful partnerships remains central to sustaining our reputation and long term success.

Through service excellence, responsible business practices, continuous stakeholder engagement, and collaborative partnerships, we continue to strengthen customer loyalty, deepen industry relationships, support community wellbeing, and reinforce our standing as a trusted and responsible hospitality operator. These relationships collectively enhance our resilience, brand strength, and long term value creation.

SOCIAL AND RELATIONSHIP CAPITAL PROFILE

Guests

Value chain partners comprising registered local and international suppliers, channel partners, other business partners and industry stakeholders

The community within which we operate



Social and Relationship fact sheet

92.5%
Score in Global Review Index

58%
Net Promotor Score

10%
Increase in payments to suppliers

Rs. 3.3 Mn
Investments in community empowerment initiatives

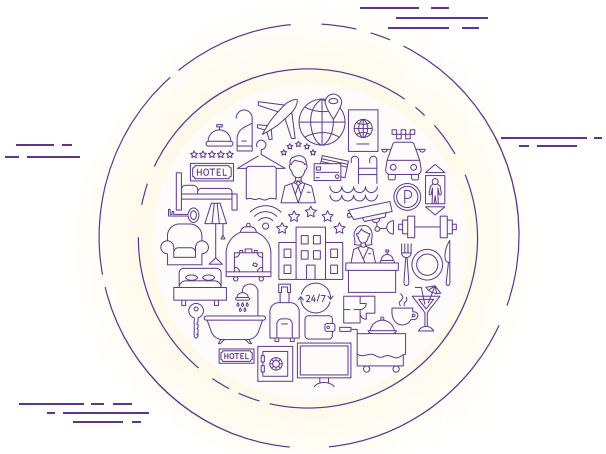
2471
Beneficiaries of CSR initiatives

945
Volunteer hours spent on CSR initiatives

Link To Our Material Matters

Human rights
Health and Safety
Community relations and empowerment
Supply chain management
Product safety and quality
Supplier assessment

CONNECTED STAKEHOLDERS



Customers

Customer satisfaction, loyalty, repeat patronage, and brand advocacy are fundamental to strengthening the Company's Social and Relationship Capital

Suppliers and Business Partners

Strong, trust based relationships with suppliers, travel partners, and service providers support operational continuity, service excellence, and long term business sustainability

Community

Meaningful engagement with surrounding communities strengthens social goodwill, responsible corporate citizenship, and the Company's broader social licence to operate

HOW SOCIAL AND RELATIONSHIP CAPITAL SUPPORTS OUR STRATEGIC PILLARS

Service excellence
Strong relationships with guests, partners, and service providers enhance customer satisfaction, personalised experiences, and the consistent delivery of hospitality excellence

Revenue optimisation
Customer loyalty, brand trust, repeat patronage, and strategic channel partnerships support occupancy growth, revenue generation, and market positioning

Operational excellence and cost optimisation
Collaborative supplier and business partner relationships support operational efficiency, service reliability, and effective cost management across the value chain

Talent management
A strong culture of trust, engagement, and employee wellbeing strengthens staff motivation, retention, and service delivery standards

ESG considerations
Responsible stakeholder engagement, community relationships, ethical business practices, and social responsibility initiatives strengthen the Company's broader sustainability and ESG agenda

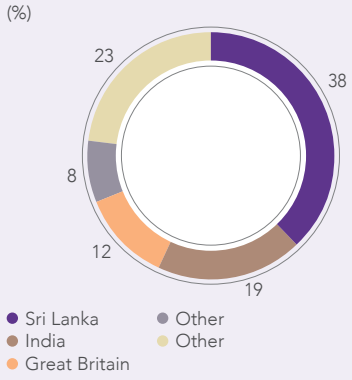
Social and Relationship Capital

CUSTOMERS

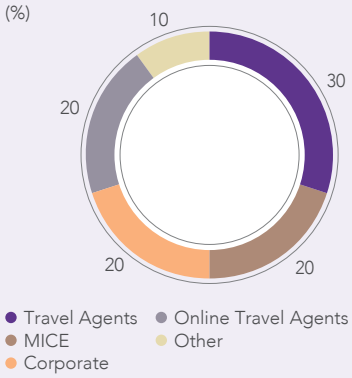
Trans Asia Hotels PLC serves a diverse customer base comprising both leisure and MICE (Meetings, Incentives, Conferences, and Exhibitions) travellers from across the world. Delivering exceptional guest experiences and maintaining high levels of customer satisfaction remain central to the Company's hospitality philosophy and long term brand positioning.

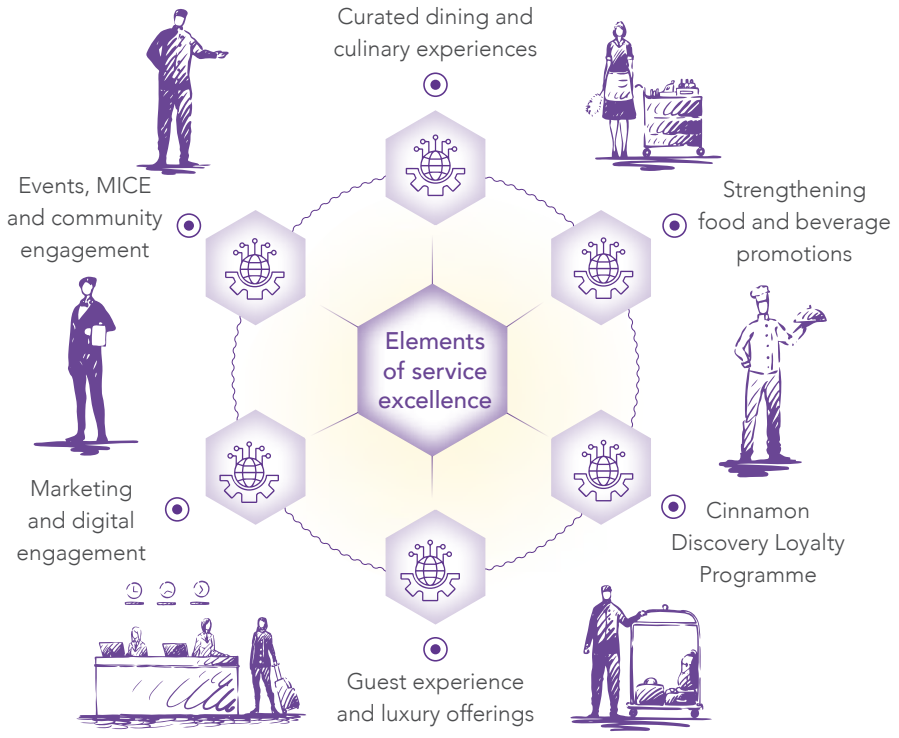
Throughout the year, the Company continued to strengthen guest experiences through service excellence, personalised engagement, and continuous enhancement of its offerings. During the latter part of the year, external disruptions arising from Cyclone Ditwah and the unrest in the Middle East resulted in challenges including room night and event cancellations, travel disruptions, and itinerary changes. These situations were managed with flexibility, responsiveness, and mutual understanding, reinforcing the trust and confidence placed in the Company by its guests.

Our key Source Markets Composition of Customers by Source Markets



Customer Engagements







OUR SIGNATURE OFFERINGS



Long Feng

A speciality Chinese restaurant offering an extensive menu of authentic Cantonese and regional Chinese cuisine. Operating as a dedicated fine dining venue, Long Feng serves both in house guests and Colombo's broader dining market, contributing to the hotel's positioning as a culinary destination beyond its accommodation offering.



Royal Thai

Thai cuisine restaurant distinguished by its authentic use of traditional spices and recipes, offering both à la carte and private dining arrangements. Catering to hotel guests and walk-in clientele alike, Royal Thai strengthens the hotel's speciality restaurant portfolio and its appeal to Colombo's competitive dining landscape.



Dining Room

The hotel's primary all day dining outlet, offering an international buffet alongside à la carte options across breakfast, lunch, and dinner. The venue anchors the food and beverage operation and hosts the hotel's Sunday Brunch — an established offering that draws a consistent external dining audience.



Pool Bar & Bistro

A casual poolside dining and beverage venue offering wood-fired pizzas, cocktails, and light fare in an outdoor setting. Serving in house guests throughout the day and into the evening, the outlet enhances the overall leisure experience and supports ancillary revenue generation beyond room occupancy.



The Library

An exclusive lounge and bar reserved for members and in house guests, offering premium spirits and beverages in an intimate setting. The venue supports guest loyalty and retention by providing a differentiated, members-oriented experience within the hotel's broader hospitality offering.



Room Service

A 24-hour in-room dining service offering a multi-cuisine menu spanning Asian, Western, and Fusion options. As an always-available touchpoint in the guest experience, room service plays a direct role in overall guest satisfaction scores and reinforces the hotel's commitment to personalised, round-the-clock hospitality.

Social and Relationship Capital

OUR SIGNATURE OFFERINGS



Goodies

A pastry shop and casual wine bar offering French pastries, specialty cakes, and freshly brewed coffee alongside a curated wine selection. Operating as a retail-style food and beverage outlet, Goodies serves both in house guests and walk-in clientele, providing an accessible, informal dining option that complements the hotel's broader F&B portfolio.



Colombar

A bar concept centred on Sri Lankan spirits and local brews, featuring a collection of over 100 varieties of arrack alongside authentic Sri Lankan cuisine. Positioned as a culturally distinctive offering within the hotel, Colombar draws on local heritage to deliver a differentiated experience that resonates with both domestic and international guests seeking an authentic Sri Lankan evening.



The Lounge

A premium lakeside lounge offering a relaxed yet refined setting for guests seeking an unhurried experience. The venue serves light bites and small plates alongside an established high tea offering, complemented by a curated selection of wines and cocktails and live music. Positioned as a leisure-oriented outlet within the hotel's F&B portfolio, The Lounge appeals to both in house guests and Colombo's afternoon and evening dining audience.

CUSTOMER SATISFACTION

At Trans Asia Hotels PLC, customer satisfaction remains a key priority in line with the service excellence standards of the John Keells Group's hotels and resorts portfolio. We adopt a multi-faceted approach to capturing guest feedback, utilising a variety of channels including direct surveys, online review platforms, and in person interactions. Customer insights serve as a vital source of information, validating the effectiveness of our service delivery while also identifying areas for improvement. This continuous feedback loop empowers us to refine and enhance our offerings, ensuring that we consistently exceed guest expectations and reinforce their loyalty to the Cinnamon Lakeside experience.

OUR PRESENCE IN SOCIAL MEDIA PLATFORMS



Facebook

142K	69Mn
Total Followers	Views
67%	
Engagement rate (YoY Change)	

Instagram

33K	6Mn
Total Followers	Views
889%	
Engagement rate (YoY Change)	

SOME OF THE ICONIC CAMPAIGNS ROLLED OUT IN SOCIAL MEDIA



CUSTOMER TESTIMONIALS

Tripadvisor

Excellent Service bringing out the true Sri Lankan hospitality!

Last June we stayed at Cinnamon Lakeside when we were in Colombo for a family wedding.

We easily had the most hospitable stay we've ever had in a Colombo hotel and possibly one of the best ever in Sri Lanka in terms of hospitality. Every department treated us as if we were guests in their home and did everything possible to make us comfortable. When you have a 2 year old toddler, that makes a big difference.

When we checked-in, Jaden went above and beyond to ensure it was a smooth process and made sure that that we had everything we needed.

Housekeeping too were very accommodating (I think we were in level 4) and very prompt to bring the extra bed etc. that we needed.

The team at the restaurant was wonderful. I was seated at the table with my 2 year old and the staff realised I wasn't able to leave her and go to the buffet so they came and inquired what I wanted and served them on to the plate and brought it to me. Prageeth (if I'm not mistaken) was very attentive to bring what my daughter and I needed and went the extra mile. Even the chefs understood that I wasn't able to leave my spot and was sending me hoppers etc to my table.

The spread at the buffet was excellent! Offering a well balanced spread for the different groups and every dish I tasted, tasted good!

All in all, while some of the facilities were a little dated, it was more than adequate to have a comfortable stay. What truly stood out was the hospitality of the staff. How they thought of the little things and the genuine affection shown towards us as a family (especially my 2 year old).

Whilst there may be newer and shinier hotels in Colombo, we won't hesitate in the slightest to come stay at lakeside purely because of the wonderful hospitality we experienced.

Please keep up the excellent service and the genuine attention you give your customers. It makes all the difference.

From guests who travelled as a Family in June 2025

Social and Relationship Capital

Really good hotel
Great hotel! Probably one of the best in Sri Lanka. Everyone is friendly and helpful. The pool is really big. The gym even has a trainer. The food is excellent. We felt very comfortable.

From guests who travelled as a couple in November 2025

Lovely setting.
Lovely hotel with a super location overlooking the river. The pool area was clean and also overlooking the lake and with a view of the Lotus Tower. All staff are very friendly and helpful. I was on a solo group tour, only staying for 1 night, and had a lovely room on the 3rd floor overlooking the pool. The room was spacious, had a bath and shower and was fully equipped. We had our evening meal at another Cinnamon Hotel in the city, which was lovely. I saw a cafe area on the ground floor, a large bar area (happy hour was fun,) in reception and the main dining room, everything you need. The breakfast at this hotel, you couldn't fault. Plenty of choice, nice and fresh. It was busy due to the international cricket but all went like clockwork from checking in to leaving onto our next destination. Would've happily stayed for longer, would recommend

From a guest who travelled in January 2026







ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES

We conduct comprehensive assessments of health and safety impacts across all key service categories, including accommodation, food and beverage operations, recreational facilities, and event services.

OUR FRAMEWORK INCLUDES:

Food safety management:
All food production and service processes are governed by an ISO 22000:2018 Food Safety Management System, ensuring strict adherence to hygiene, traceability, allergen management, and hazard control practices.

Operational risk assessments:
Regular risk assessments are conducted across kitchens, restaurants, guest rooms, swimming pools, and public areas to identify and mitigate potential hazards.

Health and hygiene protocols:
Stringent cleaning, sanitation, and pest control procedures are implemented to maintain a safe environment for guests.



Engineering and maintenance controls:
Preventive maintenance programmes ensure that all equipment, utilities, and facilities operate safely and reliably.

Emergency preparedness:
The Company maintains emergency response procedures, including fire safety systems, evacuation protocols, and trained response teams to ensure guest safety during emergencies.

Water and environmental safety:
Water quality monitoring, waste management, and environmental controls are implemented to safeguard guest health and minimise exposure to environmental risks.

Continuous monitoring and audits:
Internal audits and external certification processes ensure ongoing compliance with safety standards and facilitate continuous improvement.

These measures collectively ensure that potential health and safety impacts associated with our services are systematically identified, assessed, and effectively managed throughout the guest experience lifecycle.

INCIDENTS OF NONCOMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES

During the reporting period, there were no material incidents of noncompliance with laws, regulations, or voluntary standards concerning the health and safety impacts of its products and services.

Social and Relationship Capital

This reflects:

- Strong adherence to regulatory requirements and certification standards
- Effective implementation of food safety and operational controls
- Robust monitoring and corrective action mechanisms

The following GRI disclosures recorded Nil incidents during the reporting period:

GRI 416-2: Customer health and safety

GRI 417-3: Marketing and labelling

GRI 418-1: Customer privacy

Any minor operational deviations identified through internal inspections or audits are promptly addressed through corrective and preventive actions to ensure continuous compliance and improvement.

CONTINUOUS IMPROVEMENT

We remain committed to strengthening our customer health and safety practices by:

- Enhancing food safety and hygiene controls
- Investing in staff training and awareness
- Leveraging technology for monitoring and reporting
- Aligning with evolving regulatory and international best practices

Our ongoing focus is to ensure that every guest experience is not only memorable but also safe, secure, and compliant with the highest standards of health and safety.

CUSTOMER DATA PRIVACY

At Cinnamon Hotels & Resorts, which includes Trans Asia Hotels PLC, protecting personal data and respecting individual privacy remain integral to maintaining guest trust, ethical business conduct, and operational integrity. As a hospitality group engaging with guests, employees, partners, and service providers across multiple touchpoints, the Group recognises the importance of responsible data handling and privacy protection throughout the data lifecycle.

The Group's data privacy framework is aligned with the Sri Lankan Personal Data Protection Act No. 9 of 2022 and informed by internationally recognised privacy principles including the EU General Data Protection Regulation (GDPR). These requirements are governed through a comprehensive Data Protection Policy covering the collection, use, storage, disclosure, retention, and disposal of personal data.

A designated Data Protection Officer (DPO) oversees the implementation and monitoring of data protection practices across the Group, while privacy considerations are embedded into operational processes and systems through a "Privacy by Design" approach. Employee awareness programmes, governance controls, and defined third-party data handling requirements further support responsible privacy management across the organisation and its value chain.

The Group also periodically engages independent external parties to conduct gap assessments and strengthen alignment with evolving regulatory expectations and industry best practices, reinforcing a proactive and continuously evolving approach towards data privacy and protection.

CUSTOMER HEALTH AND SAFETY

Ensuring the health, safety, security, and wellbeing of our guests remains a fundamental priority across all aspects of our operations. The Group maintains comprehensive measures covering premises security, food safety, hygiene, sanitation, emergency preparedness, and wellness management to provide guests with a safe, secure, and comfortable hospitality experience.

Guest and Premises Security

- Electronic key card access for guest rooms
- 24/7 security personnel and patrols
- CCTV surveillance across public and sensitive areas
- Explosives detection systems and baggage scanning
- Strict enforcement of non-smoking policies within designated areas

Food Safety and Hygiene

- HACCP-compliant food safety practices
- Regular kitchen hygiene inspections and third-party audits
- Routine pest control by certified service providers
- Medical screening of food handlers
- Microbiological testing of food, water, and surfaces
- Stringent supplier evaluation processes

Housekeeping and Sanitation

- Rigorous cleaning and sanitation protocols
- Regular sanitisation of gym equipment and public areas
- HVAC maintenance and air quality monitoring
- Provision of Personal Protective Equipment (PPE) for relevant employees
- Fire Safety and Emergency Preparedness
- Clearly marked emergency exits and evacuation routes
- Fire evacuation plans displayed in guest rooms
- Regular fire drills and emergency response training
- Smoke detectors, fire alarms, and sprinkler systems installed across the property
- Trained emergency response personnel and procedures in place

Health and Wellness

- Doctor-on-call facilities available
- Trained lifeguards monitoring swimming pool areas
- Daily testing of pool water quality
- Active monitoring and response to guest safety feedback and concerns

COMPLIANCE STATUS

Certification		Incidents
GRI 416:	Customer health and safety - Incidents of non compliance concerning the health and safety impacts of products and services [LA]	-
GRI 417:	Marketing and labelling - Incidents of non compliance concerning product and service information and labelling [LA]	-
GRI 417:	Marketing and labelling - Incidents of non compliance concerning marketing communications [LA]	-
GRI 418:	Customer Privacy - Substantiated complaints concerning breaches of customer privacy and losses of customer data [LA]	-

CHANNEL PARTNERS

Channel partners remain an integral component of the Company's business model and market outreach strategy, particularly within the hospitality and tourism sector where destination visibility, travel confidence, and international market access are heavily influenced by intermediary networks. For a destination such as Sri Lanka, and for a city hotel positioned strongly within both leisure and MICE segments such as Cinnamon Lakeside Colombo, strategic relationships with travel agents, tour operators, online travel platforms, corporate travel planners, and global sales representatives are critical in sustaining occupancy, broadening market reach, and strengthening brand positioning across international source markets.

The Company continued to leverage a diversified channel ecosystem comprising travel agencies, online travel agents (OTAs), direct booking platforms, corporate sales channels, global sales offices, and walk-in clientele. These channels collectively enabled the Company to access varied customer segments, strengthen international visibility, and maintain responsiveness to changing travel trends and booking behaviours.

During the latter part of the year, the tourism industry encountered disruptions arising from Cyclone Ditwah, geopolitical instability in the Middle East, and broader travel uncertainties, which affected traveller sentiment, booking patterns, event confirmations, and destination confidence across certain markets. These developments also impacted the operations and commercial momentum of travel agents and channel partners connected to the Sri Lankan tourism sector.

Against this backdrop, the Company maintained close engagement and continuous dialogue with its channel partners across key markets. Long standing relationships built on trust, transparency, responsiveness, and mutual support enabled the Company to collaboratively navigate cancellations, itinerary changes, and market uncertainties while continuing to secure guest flows and business opportunities where possible. The strength of these strategic partnerships further supported the Company in sustaining visibility across international markets and reinforcing confidence in Sri Lanka and Cinnamon Lakeside as trusted hospitality offerings amidst a challenging operating environment.

OUR GLOBAL SALES OFFICERS

The Company's global sales offices located in India, France, the United Kingdom, China, Australia, South Korea and Germany, together with the Global Contact Centre, continued to strengthen market engagement, customer responsiveness, and conversion capabilities across both corporate and leisure segments. Complementing these efforts, targeted destination campaigns, MICE-focused promotions, innovative pricing strategies, bundled offerings, and continuous expansion of travel partner networks further enhanced the Company's market positioning and international reach during the year.

Primary sales and distribution channel

- Travel agencies
- Online Travel Agents (OTAs)
- Direct sales channels
- Online platforms/ websites for booking
- Walk in guests
- Our global sales offices available in
    - India
    - United Kingdom
    - China
    - Australia
    - South Korea
    - Japan

SUPPLIERS AND BUSINESS PARTNERS

Strong and dependable supplier relationships remain essential to the operational continuity, service standards, and overall guest experience delivered by Trans Asia Hotels PLC. Given the diverse nature of hospitality operations, the Company relies on an extensive network of suppliers, service providers, and business partners across food and beverages, engineering, utilities, technology, housekeeping, events, and other operational functions.

The Company remains committed to building long term, mutually beneficial relationships grounded in professionalism, transparency, ethical business conduct, and operational reliability. Supplier engagements are governed through structured procurement and onboarding processes, supported by a Supplier Code

Social and Relationship Capital

of Conduct that outlines expectations relating to legal compliance, labour standards, environmental responsibility, human rights, and ethical business practices.

Throughout the year, the Company continued to actively engage with suppliers and business partners to ensure continuity of supply, efficient transaction management, timely settlement of dues, and collaborative resolution of operational challenges. These relationships proved particularly important amidst external disruptions experienced during the latter part of the year, including the broader economic and geopolitical uncertainties affecting the operating environment.

Sustainability and inclusivity also remain embedded within the Company's procurement philosophy. Preference continues to be extended towards sustainable products, services, and technologies where feasible, while the Company also actively supports local enterprises, small and medium-scale businesses, and diverse supplier groups in strengthening a resilient and inclusive supply network.

Supplier onboarding and selection continue to be carried out through structured and transparent evaluation processes considering financial, operational, social, and environmental criteria. During the year, the Company further expanded and diversified its supplier network through the onboarding of new vendors across multiple operational categories.

SUPPLY CHAIN IMPACTS

No negative social or environmental impacts were identified within the supply chain during the reporting period, reinforcing the effectiveness of our ethical sourcing and supplier management practices.

COMMUNITY

We recognise that long term business success is closely linked to the wellbeing and resilience of the communities within which we operate, and therefore remain committed to creating meaningful and lasting social impact through responsible and inclusive community initiatives.

Working closely with the John Keells Foundation, our employees, guests, and other stakeholders, the Company continued to support communities through both financial contributions and in-kind assistance during the year. These efforts are guided by a structured, purpose-driven approach focused on addressing critical social needs, empowering vulnerable groups, supporting inclusive growth, and strengthening community resilience.

Through collaborative partnerships and sustained engagement, we continue to foster positive relationships with surrounding communities while contributing towards broader social development and shared value creation across the regions in which we operate.

OUR APPROACH TO COMMUNITY ENGAGEMENT

Given our operations are intrinsically linked to the wellbeing of the communities and ecosystems in which we operate, our community engagement initiatives are designed to create shared value through environmental stewardship, community support, and social responsibility. During the financial year April 2025 to 31 March 2026, the Company undertook a diverse portfolio of CSR initiatives with strong employee participation, focusing on environmental conservation, community wellbeing, education, and humanitarian support.

CSR FOCUS AREAS (AS RECLASSIFIED IN 2024)

Education	Community & Livelihoods	Social Health & Cohesion	Biodiversity
Empowering employability and entrepreneurship of children and youth through access to educational opportunities and resources.	Empowering self-reliant communities through better access to sustainable livelihoods, enabling ecosystems and essential infrastructure.	Empowering a healthy and progressive Sri Lanka by combatting social barriers, promoting dialogue and supporting creative industries	Enhancing quality of life for all through the conservation and promotion of natural resources, habitats and wildlife

ALIGNED TO SOCIAL AMBITIONS UNDER ESG PRIORITIES

- To make our people more productive
- To make our communities more self-reliant
- To make Sri Lanka strong by promoting social and environmental health

HOW OUR COMMUNITY EMPOWERMENT INITIATIVES ARE STRUCTURED

1. Core focus areas of community engagement programmes

Based on the CSR activities conducted during the reporting period, our initiatives were centred on the following key pillars:

Environmental conservation & ecosystem protection

- Coastal and inland clean-up programmes (Dehiwala–Mount Lavinia, Beddegana Wetland, Bolgoda Lake)
- Mangrove restoration and tree planting initiatives (Sinharaja Rainforest, Chilaw)
- Waste reduction and environmental awareness programmes

Community wellbeing & humanitarian support

- Food donation programmes (flood-affected communities, child development centres)
- Donations of essential goods to vulnerable groups (children, persons with disabilities)
- Blood donation campaigns supporting national healthcare

Education and awareness

- Nutrition awareness sessions (World Hunger Day initiative)
- Sustainability and health & safety awareness sessions for university students
- Educational donations (school infrastructure and learning materials)

2. Governance process

Community engagement activities are governed through a structured and integrated framework:

- Strategic Alignment: CSR initiatives are aligned with ESG priorities and sustainability goals
- Approval & Planning: Activities are reviewed and approved by management based on relevance and impact
- Cross functional Execution: Sustainability, HR, Health & Safety, and operational teams collaborate in implementation
- Monitoring & Documentation: Activities are systematically recorded and tracked through internal CSR logs
- Stakeholder Collaboration: Many initiatives are conducted jointly with sister hotels and external organisations

This ensures consistency, accountability, and measurable impact across all initiatives.

3. Investment in Community Initiatives

Community investment during the year included:

- Direct financial contributions (e.g., school donations ~Rs. 1 Mn)
- In-kind support (food, stationery, sanitation items)
- Operational resources and logistics

Total Community Investment (2025/26): Rs. 3.3 Mn

4. Employee Volunteer Hours

Employee participation was a defining strength of this year's CSR programme. Based on recorded activities:

- Beach clean-up: ~76 hours
- Wetland clean-up: ~39.5 hours
- Tree planting (Sinharaja): ~125 hours
- School donation engagement: ~7+ hours
- Blood donation campaign: ~23 staff participation
- Mangrove initiative: ~84 hours
- Child development centre support: ~7 hours
- Flood relief programme: 366 hours
- Christmas donation initiative: 19 hours
- Disability support programme: 16 hours
- Bolgoda clean-up: 24 hours
- Internal clean-up initiatives: ~60 hours

Total Employee Volunteer Hours (2025/26): ~945 hours

This represents a significant increase from 623 hours in the previous year , reflecting enhanced employee engagement.

KEY COMMUNITY EMPOWERMENT PROJECTS ROLLED OUT DURING THE YEAR

Project 1: Coastal & Environmental Clean-up Programme

Scope:

- Multi-location clean-ups (Dehiwala coastline, Beddegana Wetland, Bolgoda Lake)
- Aim: Reduce pollution and protect ecosystems

Impact:

- **~375 kg** waste collected (beach clean-up)
- **~360 kg** waste collected (wetland clean-up)

Beneficiaries:

- Local communities, marine ecosystems

Collaboration:

- Sister hotels and environmental stakeholders

Employee Participation:

- **~140+ hours**

UN SDGs:



Social and Relationship Capital

Project 2: Mangrove Restoration & Tree Planting

Scope:
- 500 mangrove saplings planted (Chilaw)
- Tree planting in Sinharaja Rainforest

Aim:
Biodiversity conservation and climate resilience

Beneficiaries:
Ecosystems, local communities

Collaboration:
- Centre for Environmental Studies & Sustainable Development (CESSD)
- Coast Conservation Department (CCD)
- Partner hotels

Employee Participation:
~200+ hours

UN SDGs:



Project 3: Education & School Development Initiative

Scope:
Donation of educational infrastructure and materials

Investment:
~LKR 1 Mn worth of equipment and stationery

Beneficiaries:
Students of Samagipura Janadipathi Vidyalaya

Collaboration:
John Keells Group and sister hotels

Employee Participation:
Engagement in delivery and coordination

UN SDGs: (Quality Education)



Project 4: Food Security & Humanitarian Support

Scope:
- Flood relief: **500** meals per day for **4 days**
- Donations to child development centres
- Nutrition awareness sessions

Aim:
Support vulnerable communities and address food insecurity

Beneficiaries:
Flood-affected families, children, vulnerable groups

Employee Participation:
366+ hours (flood relief programme alone)

UN SDGs:
SDG 2 (Zero Hunger), SDG 3 (Good Health)

Project 5: Health & Social Wellbeing Initiatives

Scope:
- Blood donation campaign (40th anniversary initiative)
- Donations to disability care centres
- Health and safety awareness programmes

Beneficiaries:
Healthcare system, vulnerable communities, students

Employee Participation:
Strong cross functional involvement

UN SDGs: SDG

OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES

During the year, no operations were identified as having significant actual negative impacts on local communities. However, recognising the environmental footprint associated with hospitality operations, potential impacts include:

- Waste generation
- Resource consumption (energy and water)
- Environmental emissions

The Company actively mitigates these risks through:
- ISO 14001 Environmental Management System
- Waste reduction and clean-up initiatives
- Sustainable operational practices
- Community-focused environmental programmes

Progress from prior year:
Building on the previous year's disclosure (where quantification was limited), we have now strengthened its ability to identify and document community-related impacts through structured CSR tracking and environmental monitoring systems, enabling improved future disclosures.

RISKS AND OPPORTUNITIES

Sustainability risks connected to social and relationship capital that could reasonably be expected to affect the Group's cash flows, access to finance, or cost of capital over the short, medium, or long term.

- Sustainability related risk 2 (SR 2) Guest Food Safety Risk
- Sustainability related risk 3 (SR 3) Data Privacy & Cybersecurity Risk

Please refer SLFRS Sustainability related Financial Disclosures (SLFRS S1 and SLFRS S2) – Strategy on page 206 for full disclosures on these two risks.

Other risks

- Geopolitical tensions, climate related disruptions, and global travel uncertainties may negatively affect traveller confidence and guest flows
- Service quality inconsistencies may impact customer satisfaction, brand reputation, and repeat business
- Increasing competition within the hospitality sector may intensify pressure on customer retention and market positioning
- Disruptions within supplier or channel partner networks may affect operational continuity and service delivery standards
- Negative guest experiences or reputational incidents amplified through digital platforms and online reviews may affect brand perception

Opportunities

- Strengthening customer loyalty and repeat patronage through differentiated hospitality experiences and service excellence
- Expanding strategic partnerships with travel agents, OTAs, and MICE related stakeholders to strengthen market reach and occupancy
- Growing global interest in Sri Lanka as a leisure and experiential tourism destination supports long term brand visibility and guest inflows
- Deepening community engagement and sustainability initiatives can further strengthen brand goodwill and stakeholder trust
- Leveraging digital engagement platforms and customer insights to enhance guest relationships and personalised experiences



Way forward

Trans Asia Hotels PLC will continue to strengthen its Social and Relationship Capital by deepening customer engagement, enhancing service excellence, and fostering long term partnerships across its stakeholder network. The Company will remain focused on strengthening guest experiences through greater personalisation, digital engagement, and continuous enhancement of its hospitality offerings, while further expanding relationships with travel partners, corporate clients, and MICE stakeholders across key source markets.

At the same time, the Company will continue to reinforce responsible business practices, community engagement initiatives, and collaborative supplier relationships to support sustainable and inclusive value creation. Recognising the evolving dynamics of the global hospitality industry, the Company will remain agile and responsive to changing customer expectations, travel patterns, and market conditions, while leveraging the strength of the Cinnamon brand and the broader John Keells Group ecosystem to sustain long term resilience, stakeholder trust, and market leadership.

Natural Capital



Natural Capital represents the environmental resources upon which the operations of Trans Asia Hotels PLC are fundamentally dependent. As a hospitality property located alongside the Beira Lake in the heart of Colombo, the Company relies on resources such as water, energy, land, clean air, biodiversity, and food resources to support its operations and guest experiences.

Conscious of the environmental footprint arising from hospitality operations, including emissions, waste generation, wastewater discharge, and resource consumption, the Company remains committed to responsible environmental stewardship through strong governance, operational controls, continuous monitoring, and sustainability-focused initiatives aimed at minimising environmental impact and enhancing long term resilience.

NATURAL CAPITAL PROFILE

Land | Energy | Water



Natural Capital Fact Sheet

A07-R01-P24.28
Land extent

166.32 ML [LA]
water used during the year

47,337 GJ [LA]
energy usage

5,720 MTCO2e
in GHG emissions

37 MWh
renewable energy generation

Link To Our Material Matters

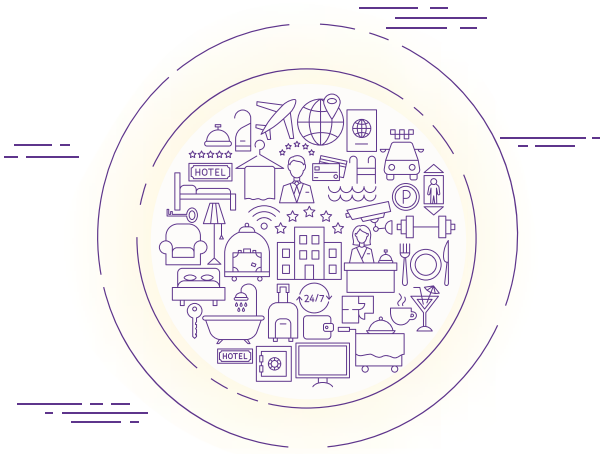
GHG emissions and energy management

Water management

Waste management

Biodiversity

CONNECTED STAKEHOLDERS



Customers

Increasingly expect environmentally responsible hospitality experiences, efficient resource management, and sustainable operational practices from the properties they patronise.

Suppliers and Business Partners

Play a critical role in implementing environmental conservation practices, resource efficiency initiatives, and responsible operational behaviours across the property.

Community

Directly impacted by the Company's environmental footprint, including resource consumption, waste management, wastewater discharge, and environmental conservation efforts.

The Government and related entities

Closely linked through environmental regulations, sustainability related compliance requirements, emissions management, and resource conservation obligations.

Natural Capital

How Natural Capital supports our strategic pillars

Service excellence
Responsible management of Natural Capital enhances guest comfort, ambience, cleanliness, wellness, and the overall hospitality experience delivered by the property.

Revenue optimisation
Sustainable hospitality practices and environmentally responsible operations strengthen brand appeal among increasingly sustainability-conscious guests and corporate clients.

Operational excellence and cost optimisation
Efficient management of energy, water, waste, and other natural resources supports operational efficiency, cost savings, and long-term business resilience.

Talent management
Strong environmental stewardship fosters employee pride, engagement, and alignment with the Company's sustainability-driven culture and values.

ESG considerations
Responsible management of Natural Capital strengthens environmental performance, supports climate-related commitments, and reinforces long-term stakeholder confidence and regulatory alignment.

MANAGEMENT APPROACH

Natural Capital stewardship forms an integral part of the sustainability agenda of Trans Asia Hotels PLC and remains closely aligned with the broader ESG agenda of the ultimate parent entity, John Keells Holdings PLC. Conscious of the growing environmental and climate related challenges facing the hospitality sector, the Company remains committed to minimising its environmental footprint through responsible operational practices and continuous environmental improvement.

The Company's approach focuses on reducing emissions, optimising energy and water consumption, strengthening waste management and recycling practices, reducing single use plastics, and promoting resource efficiency across operations. Investments in energy efficient technologies, renewable energy integration, water conservation initiatives, and environmentally responsible operational practices further support the Company's commitment towards sustainable environmental stewardship and long term value creation.

POLICIES IN PLACE IN MANAGING NATURAL CAPITAL AND OUR ENVIRONMENTAL IMPACT

- Sustainability Policy
- Environment Policy
- Elimination of Single use Plastic Policy
- Purchasing policy

Newly introduced policies during the 2025/2026

- Biodiversity Policy
- Wildlife Interaction policy

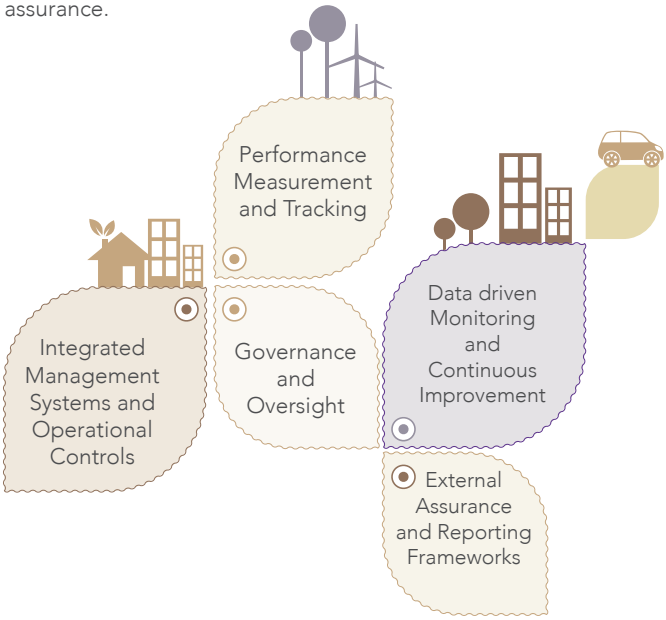
STANDARDS AND CERTIFICATIONS

- ISO 14001:2015 – Environmental Management System
- ISO 14064-3
- Travelife Gold certification for accommodation sustainability
- EarthCheck Benchmarking and Certification



MONITORING ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is monitored through a structured, multi-layered framework integrating operational controls, performance tracking, governance oversight, and external assurance.



1. Performance Measurement and Tracking

The Company continuously monitors key environmental performance indicators, including:

- Energy consumption and energy intensity
- Water withdrawal and water efficiency
- Waste generation and disposal
- Carbon footprint and emissions intensity

These metrics are tracked regularly and benchmarked against internal targets and recognised standards such as EarthCheck,[LA] enabling informed decision making and continuous improvement.

2. Integrated Management Systems and Operational Controls

Environmental monitoring is embedded within the Company's ISO 14001:2015 Environmental Management System, which provides a structured approach to:

- Identifying environmental aspects and impacts
- Setting objectives and targets
- Monitoring compliance with regulatory requirements
- Implementing corrective and preventive actions

Routine inspections, audits, and operational controls ensure that environmental risks are effectively managed across all departments.

3. Governance and Oversight

Environmental sustainability is overseen through the Company's governance framework, with:

- Strategic direction and oversight provided by the Board
- Integration of environmental considerations into enterprise risk management
- Regular review of sustainability performance as part of ESG reporting

Sustainability is embedded within the Company's broader framework focusing on the wellbeing of the planet, people, and sustainable development, ensuring alignment with long term strategic objectives.

4. Data driven Monitoring and Continuous Improvement

The Company leverages technology and data systems to enhance monitoring and reporting capabilities:

- Use of digital platforms and dashboards for tracking environmental data
- Analysis of trends to identify improvement opportunities
- Implementation of targeted initiatives to improve resource efficiency

Additionally, ongoing collaboration with Group-level analytics initiatives supports enhanced data driven decision making.

5. External Assurance and Reporting Frameworks

Environmental performance is validated and disclosed through:

- Independent assurance of sustainability indicators
- Alignment with internationally recognised frameworks such as:
  - Global Reporting Initiative (GRI)
  - Sustainability Accounting Standards Board (SASB)
  - Integrated Reporting Framework

This ensures transparency, credibility, and consistency in environmental reporting.

Natural Capital

ENERGY AND EMISSIONS MANAGEMENT

Energy Management

Energy remains a critical resource driving the operations of the Company, with primary energy sources comprising grid electricity, furnace oil, and internally generated solar power. Conscious of the environmental and operational implications associated with energy consumption, the Company maintains a disciplined and carefully managed approach towards energy efficiency and conservation across the property.

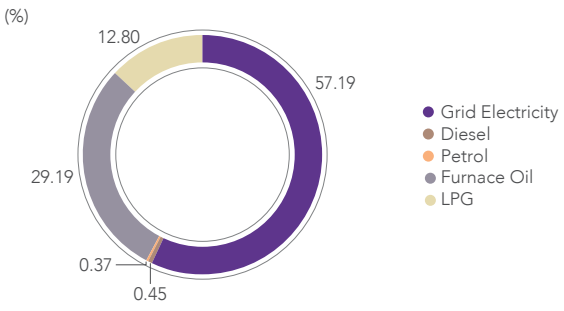
Through organisation-wide awareness, operational controls, energy efficient technologies, and round-the-clock monitoring of energy usage, the Company continuously strives to optimise consumption, minimise wastage, improve efficiency, and reduce its overall environmental footprint.

Energy consumption by source [LA]

Energy Source	2025/26 (GJ)	2024/25 (GJ)	YoY Change (%)
Grid Electricity	27,073	26,214	3.30%
Diesel	215	276	22.00
Petrol	173	227	23.70
Furnace Oil	13,817	12,088	14.30%
LPG	6,058	5,700	6.30%
Total Energy Consumption	47,337	44,505	6.40%

Note: EarthCheck benchmark conversion factors were used for the calculation and reporting of energy consumption values within the organisation. [LA]

Energy Usage Composition in Percentage



ENERGY FOOTPRINT PER GUEST NIGHT

0.10 GJ/GN

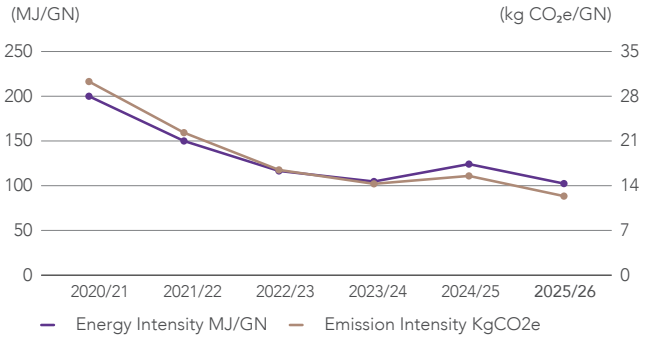
EMISSIONS MANAGEMENT

Please refer SLFRS Sustainability related Financial Disclosures (SLFRS S1 and SLFRS S2) – Metrics and Targets on page 206 for full disclosures on emissions related data.

Indicator	2025/26	2024/25
Energy Intensity [LA]	102 MJ/GN [LA]	124 MJ/GN
Emission Intensity	12.37 $kgCO_2e$/GN	15.53 $kgCO_2e$/GN

Note: Energy intensity calculations consider only the energy consumed within the organization's operational boundaries. The energy sources included in the calculation are Diesel, Petrol, LPG, Furnace Oil, and Electricity consumption. [LA]

Energy Intensity and Carbon Footprint



EMISSION DATA

Energy Source	2025/26			
	Total	CO2	CH4	N2O
Scope 1 (Direct) emissions (tCO2e)	1,442.96	1,434.69	5.80	2.47
Scope 2 (Indirect) emissions (tCO2e)	3,172.29	3,172.29	-	-
Scope 3 emissions (tCO2e)	1,104.50	1,104.50	-	-
Total emissions (tCO2e)	5,719.75	5,711.47	5.80	2.47
Emission intensity (kg/GN)	12.37			

Energy efficiency initiatives

- Continued the transition towards energy efficient LED lighting across guest rooms, kitchens, offices, hallways, and operational areas to reduce electricity consumption
- Enhanced the utilisation of natural lighting through interior improvements aimed at reducing daytime lighting requirements
- Conducted regular employee awareness and training programmes on energy efficient operational practices, supported by guest awareness initiatives encouraging responsible energy usage
- Strengthened energy-conscious operational practices across kitchens, laundry, offices, and engineering functions through optimised appliance usage, full-load operations, and reduced energy wastage
- Continued the monitoring and management of energy consumption through structured reporting systems, supported by technology, data analytics, and collaboration with Group-level initiatives and EarthCheck Pte Ltd
- Integrated energy efficiency considerations into operational and engineering planning processes to support continual improvement in resource utilisation
- Generated 0.5% of the property's energy requirements through self-generated solar power during the year
- Improved resource efficiency through initiatives such as the reuse of laundry steam return water for primary tank heating, reducing boiler energy consumption

Emissions reduction initiatives

- Eliminated non-essential aerosol products and progressively transitioned towards biodegradable, eco-certified, and low-VOC cleaning agents to minimise harmful emissions
- Continued the phased replacement of environmentally harmful refrigeration and cooling equipment with eco-friendly alternatives, while ensuring all new acquisitions remained environmentally compliant
- Conducted regular maintenance, leak detection, and efficiency testing of HVAC, refrigeration, and boiler systems to minimise emissions and optimise operational performance
- Maintained comprehensive inventories and servicing records of cooling systems to support effective environmental monitoring and emissions management
- Replaced outdated operational and housekeeping equipment with more energy efficient and lower-emission alternatives
- Reduced reliance on high-emission food products while strengthening local, seasonal, and environmentally conscious sourcing practices to minimise transportation-related emissions and supply chain impacts
- Adopted bulk purchasing and optimised delivery scheduling practices to improve logistics efficiency and reduce fuel-related emissions
- Continued engagement with suppliers on greener packaging, storage, and transportation practices to support broader environmental sustainability objectives

WATER AND EFFLUENT MANAGEMENT [LA]

Water is an important resource supporting the Company's hospitality operations, and responsible effluent management helps minimise environmental impacts. The Company remains committed to efficient water use, wastewater management, and sustainable water stewardship practices.

Kitchen and restaurant effluent wastewater is directed to grease pits where grease and oil are separated before the remaining wastewater is discharged to the municipal sewer line. Sanitary wastewater from toilets and washrooms is discharged to the municipal sewer system through a wastewater sump.

Water Withdrawal [LA]

Water is mainly withdrawn from the municipal pipe-borne water supply for hotel operational activities.

Water Consumption [LA]

Water is consumed for guest usage, kitchens, housekeeping, cleaning, and other operational purposes.

Water Discharge [LA]

Operational and sanitary wastewater is discharged to the municipal sewer network after preliminary treatment where applicable.

Water-Related Impacts [LA]

The organisation has not caused or contributed to any significant water-related impacts, including runoff-related impacts, as wastewater is managed through grease traps and municipal sewer systems with no direct discharge to natural water bodies.

Natural Capital

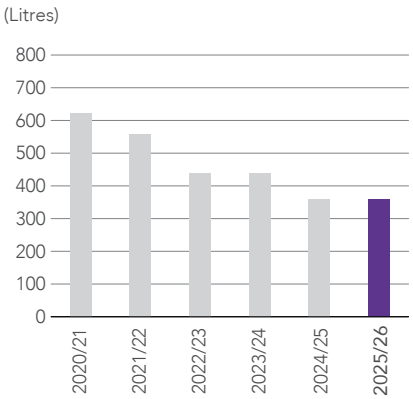
Water withdrawn by source

Water Source	2025/26 (ML)	2024/25 (ML)	YoY Change (%)
Pipe borne water from the municipality[LA]	166.32 [LA]	128.64	29.30%
Groundwater	-	0.436	(100%)
Total water withdrawn[LA]	166.32 [LA]	129.07	28.90%

Water consumption

Water Indicator In ML	2025/26 (ML)	2024/25 (ML)	YoY Change (%)
Total water withdrawn[LA]	166.32 [LA]	129.07	28.86%
Total water discharged	136.63	106.18	28.68%
Total water consumed	29.69	22.89	29.68%

Water withdrawn per Guest Night



WATER MANAGEMENT INITIATIVES UNDERTAKEN DURING THE YEAR

- Continued to strengthen water stewardship practices through Environmental Management System (EMS) procedures aligned with ISO 14001:2015 across key operational departments including Engineering, Housekeeping, Kitchen, and Food & Beverage.
- Enhanced water monitoring and control mechanisms through departmental water metering, monthly consumption tracking, preventive maintenance, and timely leak management initiatives.
- Implemented infrastructure improvements including flow regulators, low-flow showerheads, dual-flush sanitary systems, and self-closing taps to improve water efficiency across guest and operational areas.
- Continued water reuse and conservation practices such as rainwater harvesting for irrigation purposes and reuse of pool water for selected cleaning activities.
- Optimised irrigation practices through controlled watering schedules and sprinkler systems to minimise unnecessary water consumption.
- Strengthened water-efficient operational practices across kitchen and food & beverage operations through controlled water usage, full-capacity dishwashing operations, and efficient pre-cleaning methods.
- Continued linen and towel reuse programmes, guest awareness initiatives, and employee training programmes to encourage responsible water consumption practices.
- Improved laundry water efficiency through full-load operations, minimised wash cycles, and selective reuse of rinse water where feasible.

PERFORMANCE MONITORING

Water consumption continues to be monitored through key performance indicators:

- Total water withdrawal
- Water intensity per guest night

These indicators provide a baseline for performance tracking and continuous improvement.

Governance and continuous improvement

- Water management is embedded within the Company's broader environmental sustainability framework and supported by:
- ISO 14001:2015 Environmental Management System
- Department-level procedures and accountability structures
- Internal audits and compliance verification by the EMS team
- Oversight by management to ensure resource allocation and continuous improvement

The strengthened implementation of departmental procedures during the year reflects a proactive approach to enhancing operational efficiency and environmental performance.

Waste management and responsible consumption of resources (plastic, etc.)

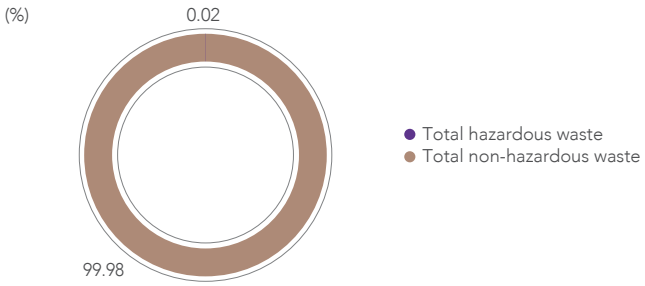
Key waste types generated by operations



Waste generated – by the classification of hazardous and non-hazardous

Waste Indicator	2025/26 (MT)	2024/25 (MT)	YoY Change (%)
Total hazardous waste	0.058	0.1	–41.85%
Total non-hazardous waste	376.90	288.4	30.69%
Total waste generated	376.97 MT	284.50 MT	32.50%

Waste Composition

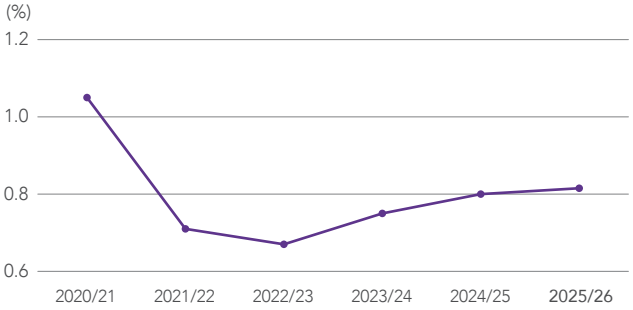


Waste generated – by the classification of hazardous and non-hazardous

Measured waste (MT)	2025/26	2024/25
Organic waste	318.46	240.08
Paper / cardboard waste	11.99	10.02
Plastic / polythene waste	6.86	5.41
E-waste	0	0.03
Hazardous metal waste	0	-
Non-hazardous metal waste	3.26	2.66
Glass / ceramic waste	21.93	18.99
Other hazardous waste	0.058	0.06
Other non-hazardous waste	14.4	7.20
Total non-hazardous waste disposed	376.92	284.37
Total hazardous waste disposed	0.058	0.100
Total measured waste	376.98	284.47

Waste per guest night

WASTE /GN



Key waste disposal method [LA]

- Recyclable waste – Handed over to authorised collectors registered with the Central Environmental Authority (CEA), licensed waste management service providers, or the Municipal Council for appropriate processing. Waste collectors have also provided written confirmation that they receive segregated recyclable waste from Asiri, who has been managing the collection and recycling of segregated waste from the hotel for over 12 years.[LA]
- Hazardous waste streams, including electronic waste, printer toners, and cartridges - separately managed and handed over to approved and licensed entities authorised to safely handle, transport, and dispose of such materials in compliance with applicable environmental regulations[LA]

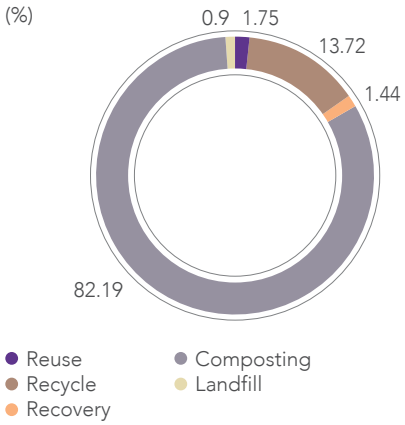
Waste Diverted from Disposal[LA]

Waste Type Diverted from Disposal	Method Type	2025/26	2024/25
Non-Hazardous	Reuse (MT)	6.59	183.04
	Recycle (MT)	51.70	34.20
	Recovery (MT)	5.43	4.20
Hazardous	Reuse (MT)	0.058	82
	Recycle (MT)	-	18
	Recovery (MT)	-	-
	On Site Storage (MT)	-	-
Total Measured Waste - kg		63.78	321.45

Natural Capital

Waste Type Directed to Disposal	Method Type	2025/26	2024/25
Total non-hazardous waste	Composting (MT)	309.78	62.38
Total non-hazardous waste	Landfill (MT)	3.40	0.53
Total Waste Diverted from Disposal (MT)		313.18	62.92

Non-Hazardous Waste Composition Based on Method of Disposal



SINGLE USE PLASTIC WASTE

During the year, the Company continued targeted initiatives aimed at reducing reliance on single use plastics across both guest facing and operational areas.

- Transitioned from single use toiletry tubes to refillable ceramic dispensers for shampoo and body lotion in guest rooms
- Replaced plastic combs with wooden alternatives
- Introduced bamboo-handled toothbrushes to reduce plastic consumption
- Adopted biodegradable laundry bags in place of conventional plastic variants
- Reduced cling film usage through:
- Increased use of reusable food covers
- Adoption of container lids and reusable storage containers
- Installed water fountain systems within back-of-house areas, eliminating the need for single use plastic water bottles

Single Use Plastics (g) per EarthCheck guest night	
2025/26	2024/25
18g per EarthCheck guest night	25 g per EarthCheck guest night

FACTORS CONTRIBUTING TO THE INCREASE IN FOOD WASTE PER COVER DURING FY 2025/2026

Despite the continuation of food waste reduction initiatives during FY 2025/2026, food waste per cover increased compared to the previous financial year. Several operational and business-related factors contributed to this outcome:

Changes in business volume and guest consumption patterns

Variations in guest demographics, banquet functions, buffet operations, and occupancy trends during the year resulted in higher levels of unavoidable plate waste and preparation waste.

Expansion of food offerings and menu variety

Increased menu diversification and wider buffet selections introduced to enhance guest satisfaction led to higher levels of surplus food generation, particularly during peak events and seasonal operations.

Higher emphasis on food safety and quality standards

In line with the Company's commitment to ISO 22000:2018 Food Safety Management System requirements, stricter controls on food holding times, storage conditions, and product quality resulted in the disposal of food items that no longer met internal safety and quality standards.

Increase in banquet and event operations

Large-scale functions and fluctuating attendance levels created forecasting challenges, resulting in unavoidable overproduction to ensure uninterrupted guest service and customer satisfaction.

Improved waste measurement and monitoring practices

Enhanced monitoring and more accurate recording of food waste streams during FY 2025/2026 may have contributed to the higher reported figures compared to previous years, reflecting improved data capture rather than solely increased wastage.

Operational focus on customer experience

Maintaining adequate food availability, presentation standards, and service quality remained a priority, particularly in buffet and all day dining operations, which can contribute to higher food preparation waste.

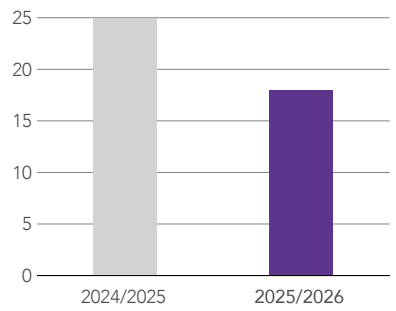
External supply chain and demand fluctuations

Variability in guest demand, seasonal purchasing patterns, and supplier pack sizes occasionally limited the ability to fully optimise inventory utilisation.

Forward looking Commitment

The Company remains committed to strengthening food waste reduction practices through enhanced forecasting, data driven menu engineering, improved portion management, staff engagement programmes, and the expansion of food diversion and composting initiatives in the coming financial year.

Single Use Plastics (g) Per EarthCheck Guest Night



Paper bundle purchases (A4)

2025/26	2024/25	YoY Reduction
1,045	1,125	7.11%

REDUCING FOOD WASTE

The Company recognises food waste as a significant environmental concern and continued to implement targeted initiatives to minimise organic waste generation.

- Managed purchasing practices to avoid excessive procurement
- Maintained proper food storage practices aligned with ISO 22000:2018 Food Safety Management System requirements[LA]
- Continued menu planning and portion control initiatives
- Repurposed excess food where feasible
- Diverted excess food for staff consumption
- Diverted organic waste for composting and/or animal feed
- Conducted daily monitoring of organic waste disposal from kitchen outlets[LA]
- Monitored food waste against covers on a monthly basis
- Conducted staff awareness programmes on food waste reduction practices

FOOD WASTE PER COVER

2025/26	2024/25	YoY Increase
0.52 Kg	0.27 Kg	+92.59%

COMPANY-WIDE INITIATIVES IN ENSURING OPERATIONAL WASTE MANAGEMENT AND REDUCTION

The Company continued to strengthen waste minimisation practices across operational departments through structured environmental management initiatives.



Natural Capital

Food & Beverage and Kitchen Operations

- Avoidance of disposable tableware and minimisation of individually packaged items
- Adoption of First-In-First-Out (FIFO) inventory practices to minimise food waste[LA]
- Segregation of biodegradable waste for composting or reuse as animal feed
- Recycling of glass, plastic, metal, and cardboard waste streams
- Use of refillable and reusable storage solutions within food preparation areas

Procurement and Stores Management

- Prevention of waste at source through:
- Careful inspection of goods upon receipt
- Avoidance of damaged or excess purchases
- Adoption of FIFO inventory systems[LA]
- Reduction of packaging waste through bulk purchasing and efficient stock control
- Structured segregation and routing of recyclable and organic waste streams

Sustainable Purchasing Practices

- Prioritised procurement of biodegradable, recyclable, and low-impact materials
- Preference for products with minimal or recyclable packaging
- Increased sourcing of bulk and locally sourced goods to minimise packaging and transportation-related waste
- Continued discouragement of disposable single use products across operations

Waste Segregation, Recycling, and Disposal

The Company continued to maintain a structured waste management system to ensure responsible handling, recycling, recovery, and disposal of waste streams.

- Waste segregated at source through colour-coded segregation systems
- Dedicated waste streams maintained for:
  - Organic waste
  - Recyclables including plastic, glass, metal, and paper/cardboard
  - Hazardous waste and electronic waste
- Organic waste diverted for composting or animal feed
- Recyclable materials routed to authorised recycling partners
- Hazardous and liquid waste managed in accordance with regulatory requirements[LA]

These practices support landfill diversion, circular resource utilisation, and responsible environmental management.

All reused waste is considered as purchased waste items such as empty glass bottles, cardboard, and plastic cans collected by staff for reuse purposes and recorded through the gate pass system[LA]

- All other waste collected by authorised waste collectors and subsequently transferred to recycling facilities are considered as recycled waste[LA]
- Non-recyclable waste fractions are disposed of through landfill where necessary[LA]
- All waste-related quantities are maintained in a central waste log sheet for monitoring and reporting purposes[LA]
- Supporting bills and records are maintained for traceability and verification purposes[LA]

Employee Awareness and Behavioural Practices[LA]

Waste reduction efforts continued to be reinforced through employee engagement and awareness initiatives.

- Conducted continuous employee awareness programmes on waste minimisation and sustainable operational practices
- Provided training on waste segregation, recycling, and responsible waste handling procedures[LA]
- Maintained department-specific Environmental Management System (EMS) procedures to support consistent implementation across operations

ENVIRONMENTAL PRESERVATION PROJECTS

Beach Clean-Up Programme – Dehiwala to Mount Lavinia (Earth Day 2025)

Project Scope
Large-scale coastal clean-up conducted along the stretch from Dehiwala Railway Station to Mount Lavinia Beach.

Project Aim
To reduce marine pollution, remove plastic waste, and support the protection of coastal ecosystems.

Beneficiaries
- Marine ecosystems
- Coastal communities and visitors

Launched In
April 2025 as part of Earth Day initiatives.

Collaboration
- Cinnamon Grand Colombo
- Cinnamon Red Colombo

Financial Investment
In-kind support including logistics, transportation, and staff mobilisation.

Employee Volunteerism
- Approximately 76 volunteer hours contributed

UN SDG Alignment
- SDG 13: Climate Action
- SDG 14: Life Below Water

Impact Created
- Approximately 375 kg of plastic and polythene waste collected
- Over 25 garbage bags removed from the coastline









Natural Capital

Tree Planting Initiative – Sinharaja Forest Reserve (World Rainforest Day 2025)

Project Scope
Biodiversity restoration initiative involving the planting of endemic rainforest species.

Project Aim
To support rainforest conservation and strengthen ecological integrity.

Beneficiaries
- Forest ecosystems
- Biodiversity and future generations

Launched In
June 2025 in line with World Rainforest Day initiatives.

Collaboration
- Cinnamon Grand Colombo
- Cinnamon Red Colombo

Financial Investment
Provision of saplings, logistics, and transportation support.

Employee Volunteerism
- Approximately 125 volunteer hours contributed

UN SDG Alignment
- SDG 13: Climate Action
- SDG 15: Life on Land

Impact Created
- 81 endemic rainforest plants planted
- Contribution towards the restoration of threatened rainforest species











Mangrove Restoration & Coastal Protection – Chilaw (World Tourism Day 2025)

Project Scope
Mangrove planting, coastal plastic clean-up, and environmental awareness programme.

Project Aim
To restore coastal ecosystems, enhance climate resilience, and minimise coastal erosion.

Beneficiaries
- Coastal ecosystems
- Marine biodiversity
- Local communities

Launched In
September 2025 in connection with World Tourism Day initiatives.

Collaboration
- Centre for Environmental Studies and Sustainable Development
- Coast Conservation Department
- Cinnamon Grand Colombo
- Cinnamon Red Colombo

Financial Investment
Support provided for saplings, logistics, and programme implementation.

Employee Volunteerism
- Approximately 84 volunteer hours contributed

UN SDG Alignment
- SDG 13: Climate Action
- SDG 14: Life Below Water
- SDG 15: Life on Land

Impact Created
- 500 mangrove saplings planted
- Coastal plastic waste removed
- Environmental awareness enhanced among participants









Natural Capital

Hotel Premises Environmental Clean-Up Campaign (World Environment Day 2025)

Project Scope
Internal environmental clean-up initiative covering waste segregation areas, Beira Lake edges, engineering zones, and service areas.

Project Aim
To strengthen internal environmental management practices and minimise secondary pollution risks.

Beneficiaries
- Hotel environment
- Surrounding ecosystems

Launched In
June 2025 as part of World Environment Day initiatives.

Collaboration
Internal initiative.

Financial Investment
Operational expenditure support.

Employee Volunteerism
- Approximately 60 volunteer hours contributed

UN SDG Alignment
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

Impact Created
- Approximately 500 kg of waste collected
- Improved internal waste handling and environmental management practices







Community Clean-Up – Beddegana Wetland Park (World Environment Day 2025)

Project Scope
Wetland restoration clean-up focusing on canals and surrounding areas.

Project Aim
To restore wetland ecosystems and remove accumulated waste blocking waterways.

Beneficiaries
- Wetland biodiversity
- Urban ecosystem and nearby communities

Launched in
June 2025 (World Environment Day)

Collaboration
- Zero Plastic Movement
- Cinnamon Grand Colombo
- Cinnamon Red Colombo

Financial Investment
In-kind

Employee Volunteerism
- ~39.5 volunteer hours

UN SDG Alignment
- SDG 11: Sustainable Cities
- SDG 13: Climate Action
- SDG 15: Life on Land

Impact
- ~360 kg of waste removed
- Canal system cleared from plastic blockages










Natural Capital

Community Clean-Up – Bolgoda Lake Ecosystem (2026)

Project Scope
Large-scale clean-up of lakeside and surrounding community areas.

Project Aim
To reduce pollution and protect freshwater ecosystems.

Beneficiaries
- Lake ecosystem
- Local communities

Launched in
February 2026

Collaboration
- Cinnamon Grand Colombo
- Cinnamon Red Colombo

Financial Investment
In-kind

Employee Volunteerism
- ~24 volunteer hours

UN SDG Alignment
- SDG 6: Clean Water
- SDG 13: Climate Action

Impact
- ~150 kg+ waste removed (multi-category waste)
- Improved environmental condition of lakeside area







RISKS AND OPPORTUNITIES

Risks

Climate and sustainability risks connected to natural capital that could reasonably be expected to affect the Group's cash flows, access to finance, or cost of capital over the short, medium, or long term.

- Sustainability related risk 4 (SR 4) Waste and Wastewater Management Risk
- Climate related risk 1 (CR 1) Energy Management and Transition Risk
- Climate related opportunity 1 (CO1) Renewable Energy Transition

Please refer SLFRS Sustainability related Financial Disclosures (SLFRS S1 and SLFRS S2) – Strategy on page 206 for full disclosures on these two risks.

Plastics, sustainability disclosures, and climate related reporting may require continuous adaptation and investment

- Dependence on grid electricity and fossil fuel-based energy sources may expose the Company to energy price volatility and transition-related climate risks

Opportunities

- Growing demand for sustainable urban hospitality experiences presents opportunities to strengthen brand preference among environmentally conscious travellers and corporate clients.
- Technology enabled resource efficiency initiatives can further optimise energy, water, and waste management across the property.
- The Resort in the City positioning alongside the Beira Lake provides opportunities to enhance nature-linked guest experiences and differentiate the property within Colombo's hospitality sector
- Strengthening sustainable procurement and circular waste management practices offers opportunities to improve operational efficiency and reinforce ESG positioning



Way forward

Moving forward, Trans Asia Hotels PLC will continue to strengthen its environmental stewardship through enhanced resource efficiency, renewable energy integration, responsible waste and water management, and sustainability-focused operational practices. The Company will continue to pursue investments in energy efficient technologies, expand its solar energy contribution, and further integrate climate related considerations into operational and strategic decision making to ensure long term resilience, environmental responsibility, and sustainable value creation.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கொழும்பு
COLOMBO



Inspiring *Responsibility* | Receptive *Operations*

Corporate governance 128
Risk management report 195

Responsibility is a practice lived across every level of Trans Asia Hotels PLC. Our governance structures are built on the understanding that trust is earned through consistency, and that the strongest operations are those most receptive to evolving expectations. We uphold standards that protect what we've built while creating the conditions for what comes next.

Corporate Governance & Risk Management

Corporate Governance

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- Report of the Related Party Transactions Review Committee
- Report of the Project Risk Assessment Committee

Group Executive Committee and Other Management Committees and ESG and Sustainability Steering Committee

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COMPLIANCE SUMMARY

Statement of Compliance under Section 7 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance

Statement of Compliance pertaining to the Companies Act No. 7 of 2007

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka.

EXECUTIVE SUMMARY

Trans Asia Hotels PLC ("the Company") considers effective corporate governance to be fundamental to resilient performance, responsible stewardship and sustainable long-term value creation. The Company operates within a well-established governance framework that promotes sound leadership, ethical conduct and transparent decision-making, while ensuring compliance with applicable legal, regulatory and governance requirements.

Aligned with the corporate governance philosophy of John Keells Holdings PLC ("JKH"), the ultimate parent company, the Company's framework is embedded within the broader John Keells ("JK Group") governance architecture. It provides a structured and disciplined environment within which strategic direction is set, performance is evaluated and key risks are identified and managed, taking into account stakeholder interests and the wider operating environment.

The governance framework is supported by a comprehensive suite of internal policies, clearly defined Board and management oversight structures and proactive compliance mechanisms. These arrangements are subject to ongoing review and enhancement to remain responsive to regulatory developments, evolving stakeholder expectations and recognised best practices. During the year, the Board focused on strengthening governance effectiveness, reinforcing oversight and ensuring that governance practices continue to support strategic execution and long-term value creation.

The Company's governance culture is further guided by the core values of Cinnamon Hotels & Resorts ("CH&R")—Greatness, Compassion, Agility, Wellbeing, Inclusivity, Trust and Curiosity—which underpin behaviour, decision-making and stakeholder engagement across the organisation.

COMPLIANCE SUMMARY

Mandatory Regulatory Frameworks - Fully compliant
The Companies Act No. 7 of 2007, as amended, including applicable regulations
Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
Listing Rules of the Colombo Stock Exchange (CSE), including circulars
Code of Best Practices on Related Party Transactions (2013) issued by the SEC
SLFRS S1 and S2 – Sustainability Disclosure Standards
Voluntary Frameworks and Standards
Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka complied with to the extent of business exigency and as required by the John Keells (JK) Group
Transparency International Sri Lanka assessment criteria on transparency in corporate reporting
Reporting Frameworks adopted with external assurance obtained
International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
Global Reporting Initiative (GRI) Standards
Sustainability Accounting Standards Board (SASB) disclosures
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Articles of Association
Board Charter and Board Committee Charters
Code of Conduct
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Corporate Governance

Corporate Governance Highlights for 2025/26

- In line with the JK Group's adoption of SLFRS S1 and SLFRS S2—sustainability-related financial and climate-related disclosure standards issued by CA Sri Lanka, the Company participated in a structured JK Group-wide implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. As part of this initiative, a Global advisory firm was engaged by the JK Group to conduct a comprehensive gap analysis across the JK Group, based on the outcomes of this assessment, the Company adopted the relevant frameworks, processes, and governance structures applicable to its operations to support enhanced sustainability and climate-related disclosures. Senior leadership and key teams of the Company also participated in targeted workshops and working sessions conducted by the consultants, strengthening internal capability and understanding of the requirements and their implications for the Company's reporting and governance processes.
- To strengthen sustainability governance and strategic oversight, the Company aligned with the JK Group's establishment of the Environmental, Social and Governance (ESG) and Sustainability Steering Committee, which oversees sustainability-related impacts, risks, and opportunities, including Sustainability-Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs). The material SRROs and CRROs from a JK Group perspective were evaluated and presented to the Group Executive Committee (GEC) for subsequent approval and clearance by the Board as well. The Company is represented within this governance structure, which serves as the primary forum guiding the JK Group's sustainability agenda and supporting the Company's alignment with the requirements of SLFRS S1 and SLFRS S2 as it progresses towards full implementation.
- The Company enhanced its enterprise governance and internal control framework through its participation in the phased implementation of SAP RISE adopted at JK Group. This initiative established a standardised, cloud-based core system for the Company, strengthening data integrity, real-time performance visibility, process standardisation, auditability and overall internal control effectiveness. These enhancements were further reinforced through improved process intelligence and monitoring enabled by SAP Signavio, supporting a more disciplined and transparent operating environment. The migration was concluded on 9 March 2026 with minimal disruptions and down time of the system, which has now been fully stabilised. All year end financial closing requirements were completed on the new system with no significant issues encountered.

  In conjunction with the migration to SAP S/4HANA (RISE), and in alignment with JK Group governance and control practices, the Company adopted the outcomes of a high-level review of the authorisation matrix to validate user access levels, identify and remediate anomalies, and ensure secure and consistent access controls. These actions were completed prior to system go-live, facilitating a smooth transition while safeguarding system security, maintaining operational continuity and reinforcing the integrity of internal controls.
- The Company further strengthened its cyber and technology governance by adopting JK Group-wide enhancements to the Zero Trust Security Model, including stronger identity-based access controls, reinforced network security measures, and migration to a Secure Service Edge (SSE) architecture. These initiatives enhanced threat detection, monitoring, policy enforcement, and overall cyber resilience applicable to the Company's operations.
- The Company continued to align its data governance practices with the Personal Data Protection Act, No. 09 of 2022 ("PDPA") through the adoption of JK Group data protection principles and governance frameworks, which are aligned to globally recognised best practices. Oversight is exercised through the JK Group's established data governance structure, including designated Data Protection Officers and centralised governance committees, supported by ongoing enhancements to technical, security and organisational controls. No significant data security-related incidents were reported during the year, and the majority of identified gaps across the JK Group's businesses have been addressed.
- The Company participated in JK Group's periodic employee engagement survey, conducted in partnership with a multinational analytics and advisory firm, and aligned to a more performance- and productivity-focused engagement model. The survey utilised the globally benchmarked Q12 framework, providing data-driven insights into employee experience and priority development areas in support of a high-performance and inclusive workplace culture. The JK Group leadership team, including senior HR leadership, engaged in structured

workshops to strengthen leadership capability in guiding teams, developing targeted action plans and driving sustained improvement in engagement and performance.

- During the year, the Company adopted Phase 1 of the JK Group-wide initiative to develop and institutionalise a unified Employee Value Proposition (EVP), implemented with the support of a globally recognised consulting firm. The process included employee surveys, focus group discussions and leadership consultations, resulting in a clearly articulated EVP statement and supporting pillars applicable across the Group. Phase 2, planned for 2026/27, will focus on activation and embedding of the EVP across businesses, including the Company.

Highlights Of The 44th Annual General Meeting

Highlights of the 44th Annual General Meeting Held on 26 June 2025

Re-election of Directors

- C L P Gunawardane, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Non-Executive Director of the Company.
- S A Atukorale, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Non-Executive Independent Director of the Company.
- C P R Perera, who retired in terms of Article 90 of the Articles of Association of the Company was re-elected as a Non-Executive Independent Director of the Company.
- N L Gooneratne who is over the age of 70 years and who retired in terms of Section 210 of the Companies Act No. 7 of 2007 was re-elected as a Non-Executive Non-Independent Director of the Company.

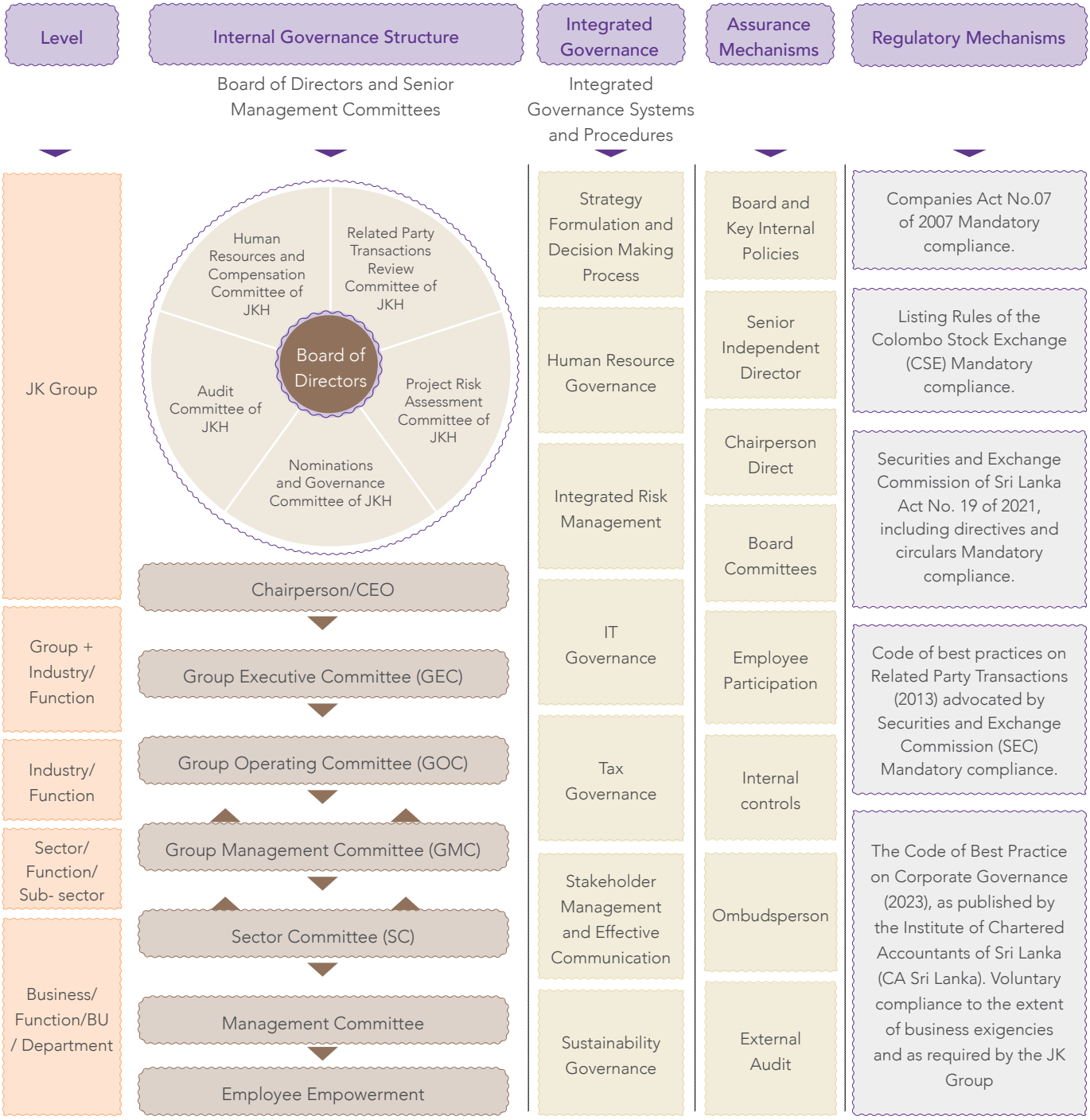
Appointment of Auditors

- Messrs. KPMG, Chartered Accountants was re-appointed as the External Auditors of the Company and the Directors were authorised to determine their remuneration.

Corporate Governance

THE CORPORATE GOVERNANCE SYSTEM

The diagram below provides a comprehensive overview of the governance framework of the JK Group, the Company conforms to the structures and policies of its ultimate Parent Company. It illustrates the Internal Governance Structure, anchored by the Board of Directors and its board-committees, cascading through senior management committees down to the employee level.



All 4 mandatory Committees are chaired by Independent Non Executive Directors. The Project Risk Assessment Committee of JKH, which acts on behalf of the Company, is chaired by an external Non-Independent Non-Executive Director.

**Only the key components are depicted in the governance framework.

INTERNAL GOVERNANCE STRUCTURE

Board Of Directors

Roles and Responsibilities of the Board

The Board is responsible for ensuring the Company's strategic direction, fostering and enhancing stakeholder relationships, determining risk appetite, reviewing performance against objectives, and appointing key management personnel. Additionally, the Board has delegated executive authority to the President of the Leisure Industry Group, JKH and the Chief Executive Officer (CEO) of Cinnamon Hotels & Resorts, who are also Non-Executive Directors of the Board. Comprising nine notable professionals with expertise across various fields, the Board brings valuable skills and extensive experience to support informed deliberations and decision making.

The Board's key responsibilities include:

I. Providing direction and guidance to the Company, in the formulation and implementation of sustainable, high-level, medium, and long term strategies which are aimed at promoting the long term success of the Company.

II. Reviewing and approving annual plans and long term business plans.

III. Tracking actual progress against plans.

IV. Overseeing and guiding the Company's sustainability related impacts and risks by monitoring material topics, ensuring alignment with long term value creation, its due diligence processes in relation to sustainability impacts, and maintaining the systems and capabilities needed for timely, decision-useful sustainability information.

V. Overseeing the development and implementation of strategies for the identification, assessment, mitigation and management of sustainability related risks and opportunities, including climate related risks and opportunities, and ensuring that such strategies are integrated into the Company's overall strategy, risk management framework and capital allocation decisions.

VI. Reviewing HR processes with emphasis on top management succession planning, including the Diversity, Equity and Inclusion (DE&I) strategy.

VII. Ensuring operations are carried within the scope of the Enterprise Risk Management (ERM) framework.

VIII. Ensuring that IT governance align with the JK Group's strategic objectives, addressing risks related to cybersecurity, data privacy, compliance, and technology investments.

IX. Ensuring compliance with laws, regulations and ethical standards and monitoring systems of governance and compliance, including concerns on ethics, bribery and corruption.

X. Overseeing systems of internal control, risk management and establishing whistle-blowing conduits.

XI. Determining any changes to the discretions/authorities delegated from the Board to the executive levels.

XII. Reviewing and approving major acquisitions, disposals and capital expenditure.

XIII. Approving any amendments to constitutional documents.

XIV. Ensuring all related party transactions are compliant with statutory obligations.

XV. Ensuring that the JK Group's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.

XVI. Ensuring all stakeholder interests are considered in corporate decisions.

XVII. Ensuring sustainable business development in corporate strategy decisions and activities.

XVIII. Fulfilling such other Board functions as are vital, given the scale, nature and complexity of the business concerned.

Board Composition, Diversity and Skills and Experience

Board Composition

The Board is diverse in skills, experience, age, and tenure, contributing varied perspectives to boardroom deliberations and exercising independent judgement. Board composition is regularly reviewed to ensure adequate diversity and that the skills within the Board aligns with the Company's current and future strategic needs. Each Director is responsible for determining whether he or she has a potential or actual conflict of interest arising from external associations, interests or personal relationships in material matters which the Board considers from time to time.

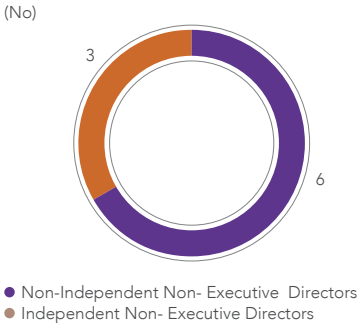
The Composition of the Board is governed by the Company's Articles of Association, the Companies Act No 7 of 2007 and the Listing Rules. In terms of composition, the Board shall comprise not less than three and not more than twelve Directors, unless otherwise permitted by the Articles, which has considered the requirement for the Board to remain agile and responsive to the Company's needs.

The Company has complied with Listing Rule No. 9.5.1(a) by maintaining the required balance of Non-Executive Directors on the Board.

Corporate Governance

As of 31 March 2026, the Board comprised nine Directors, with three of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and six Directors being Non- Independent Non-Executive Directors.

Board Composition



Board Diversity

Board diversity brings a range of unique perspectives that enhance the Board's dynamics and overall effectiveness, supporting long term value creation. The Company is committed to maintaining a diverse Board composition in terms of experience, skills, competencies, age, gender, and industry expertise, in alignment with Rule 9.5.1(c) of the CSE Listing Rules.

Skills and Experience

Collectively, the Board brings in a wealth of diverse exposure in the fields of Corporate Leadership, IT and data analytics, Strategy and Finance, Travel and tourism, and Banking. All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report and the table below. The JK Group conducts awareness sessions on changes to the regulations and Governance framework

Diversity of the Board	
By Gender	
Male	8
Female	1
By Age	
<50	2
50-59	6
60-69	-
70-89	1

Name of Director	Gender	Area of Skills/ Expertise/ Competencies							
		Corporate Leadership	IT and data analytics	Strategy and Finance	Travel and tourism	Banking	Property Development	Supply Chain	Engineering
K N J Balendra	M	✓	✓	✓	✓	✓			
J G A Cooray	M	✓	✓	✓	✓	✓			
S Rajendra***	M	✓	✓	✓	✓		✓		
N N Mawilmada**	M	✓			✓		✓		✓
M R Svensson*	M	✓			✓				
C L P Gunawardane	M	✓	✓	✓	✓				
H A J de Silva Wijeyeratne	M	✓	✓	✓	✓	✓			
S A Atukorale	F	✓	✓		✓	✓			
N L Gooneratne	M	✓			✓				
C P R Perera	M	✓	✓	✓	✓				
M H Singhawansa****	M	✓			✓			✓	✓

* M R Svensson resigned as a Non-Independent Non-Executive Director with effect from 31 August 2025

** N N Mawilmada appointed as a Non-Independent Non-Executive Director with effect from 8 September 2025

*** S Rajendra resigned as a Non-Independent Non-Executive Director with effect from 31 December 2025

**** M H Singhawansa appointed as a Non-Independent Non-Executive Director with effect from 6 January 2026

Chairperson

The Chairperson of John Keells Holdings PLC serves as the Chairperson of the Company and is a Non-Executive, Non-Independent Director. The Chairperson holds the main responsibility of leading and managing the Board and its Committees for their smooth functioning. The Chairperson actively engages with Non-Executive Directors and facilitates exclusive meetings for Independent Non-Executive Directors, fostering effective governance. Additionally, the Chairperson serves as the Company's external representative and the key point of contact for shareholders on all aspects of Corporate Governance.

The Chairperson is also responsible for establishes the governance and ethical framework of the Company, assists and prompts the expression of different opinions with a follow-up on local and global industry developments, and makes sure that the Board honours its obligations to the Company's shareholders and other stakeholders.

Key roles and responsibilities of the Chairperson include:

- Providing leadership to the Board whilst inculcating good governance and ensuring the effectiveness of the Board.
- Ensuring that constructive working relations are maintained between the members of the Board.
- Ensuring, with the assistance of the Company Secretary, that:
  - Board procedures are followed
  - Information is disseminated promptly to the Board.

The Board is satisfied that the Chairperson allocates sufficient time to serve the Company effectively, and the Chairperson's other commitments do not interfere with his discharge of his responsibilities to the Company.

President – Leisure, JKH and Chief Executive Officer - Cinnamon Hotels & Resorts

While the Company does not have a designated Chief Executive Officer, the President – Leisure, Industry Group, JKH and CEO of Cinnamon Hotels & Resorts, who are Non-Executive Directors of the Company, undertake the following responsibilities:

President – Leisure, Industry Group, JKH: The President of the Leisure Sector of JKH, who is also a Non-Executive Director of the Company, entrusted with the responsibility to ensure the implementation of the Company's strategic plans, guiding the senior management team, ensuring that the Company's operating model is aligned to the strategic aspirations of the ultimate parent company JKH and ensuring effective succession planning at senior management level.

CEO - Cinnamon Hotels & Resorts:
CEO is entrusted with the responsibility to implement strategies and policies of the Board, in consultation with the President - Leisure, Industry Group JKH and ensures:

- The execution of strategies and policies of the Board.
- The efficient management of all businesses of the Company
- That the operating model is aligned with the short and long term strategies of the Company
- Succession planning at the senior management levels of the Company

The President - Leisure, Industry Group JKH, and CEO -Cinnamon Hotels & Resorts regularly report on key matters to the Board, enabling the Board to oversee them effectively.

Company Secretary

The Company Secretaries, Keells Consultants (Private) Limited provides secretarial services to the Board.

The key responsibilities of the Company Secretary:

- Assist the Board with compliance related matters pertaining to the Articles of Association, Applicable Law and corporate governance practices adopted by the JK Group.
- Organise, coordinate, and support the scheduling of Board meetings, ensuring that all required documents and agendas are distributed in advance.
- Attend Board meetings and record minutes and ensure that all decisions are accurately documented.
- Facilitate regular updates to the Board on key developments in Applicable Law and corporate governance practices
- Assist in monitoring the Board's compliance with internal policies.
- Facilitate communications between the Board and the management of the JK Group.

Board Independence and Ethical Governance

Maintaining Board Independence and Managing Conflicts of Interest

Stringent nominating procedures, systematic and comprehensive Board evaluation processes, and independent Director-led engagement emphasise Board independence. All Directors are experienced leaders in their respective fields and exercise independent and unfettered judgement, promoting constructive Board deliberations and objective evaluation of matters set before them.

Each Director is continuously responsible for identifying potential or actual conflicts of interest or biases arising from external associations, interests, or personal relationships in material matters and disclosing them in a timely manner to the Board.

Corporate Governance

Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year as required. The Board reviews potential conflicts from time to time to ensure integrity and Board independence.

The Company Secretary maintains records of companies in which Board members hold board position, which include internal and external positions (as disclosed to it) and Board Committee membership in the Company for shareholders to inspect on request.

Prior to Appointment

- Nominees are requested to make known their various interests that could potentially conflict with the interest of the Company
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable).

Once Appointed

- Directors obtain Board clearance prior to,
  - Accepting a new position
  - Engaging in any transaction that could create or potentially create a conflict of interest
- All NEDs are required to notify the Chairperson of any changes to their current Board representations or interests and a new declaration is made annually.
- Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable)

Board Meetings

- Directors who have an interest in a matter under discussion;
  - Excuse themselves from deliberations on the subject matter
  - Abstain from voting on the subject matter (abstention from decisions are duly minuted)

The independence of all its Independent Non-Executive Directors was reviewed against the criteria of the Listing Rules summarised below:

Criteria for defining the Independence Status of conformity of INED	Status of conformity
None of the INEDs are employed, have a material business relationship and/ or significant shareholding in other companies*. Entails other companies that have a significant shareholding in the Company and/or the Company has a business connection with	Complied
None of the INEDs have Shareholding carrying more than 10 per cent of voting rights	Complied
None of the INEDs is a Director of another company*	Complied
None of the INEDs have Income/non-cash benefits equivalent to 20 per cent of the Director's annual income excluding income/non-cash benefits received which are applicable on a uniform basis to all Non-Executive Directors on the Board	Complied
None of the INEDs have employment at the Company or a material business relationship with the Company currently or in the three years immediately preceding their appointment as Directors	Complied
None of the INEDs have a Close family member who is a Director, CEO or a Key Management Personnel	Complied

Criteria for defining the Independence Status of conformity of INED	Status of conformity
None of the INEDs have served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs, except Mr. N L Gooneratne, satisfied this criterion.
None of the INEDs are above 70 years of age unless such designation is recommended by the Nominations and Governance Committee, approved by the Board and approved by a majority vote of public shareholders voting at a General Meeting.	All NEDs, except Mr. N L Gooneratne who is above the age of 70, satisfied this criterion

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors, or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

The related party transactions are disclosed in note 28 to the financial statements. The Committee noted that there are no related party transactions by the Directors.

The Nominations and Governance Committee having reviewed the disclosures and declarations provided by Directors is of the view that no Non-Executive Director has a conflict of interest and that all Independent Non-Executive Directors satisfy the criteria on independence outlined above.

In accordance with the Company policy and subject to applicable Law the Directors shall not hold more than fifteen directorships in listed companies. The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each director as of 31 March 2026.

Name of Director	Directorship Status	Board Seats Held and employed as key management personnel in Other Listed Sri Lankan Companies			Board Seats Held in Other Unlisted Sri Lankan Companies and key appointments in other entities/associations
		Executive capacity	Non-Executive capacity	Key Management Personnel	
K N J Balendra	NED	JKH PLC	Director of several listed companies in the John Keells Group***	Nil	Director of several unlisted companies in the John Keells Group***
J G A Cooray	NED	JKH PLC		Nil	
N N Mawilmada*	NED	Nil		Nil	
M H Singhawansa**	NED	Nil		Nil	
C L P Gunawardane	NED	Nil		Nil	
N L Gooneratne	NED	Nil	Nil	Nil	1:2:4 Designs (Pvt) Ltd, Radiance Film International (Pvt) Ltd
S A Atukorale	INED	Nil	Nil	Nil	Nil

Corporate Governance

Name of Director	Directorship Status	Board Seats Held and employed as key management personnel in Other Listed Sri Lankan Companies			Board Seats Held in Other Unlisted Sri Lankan Companies and key appointments in other entities/associations
		Executive capacity	Non-Executive capacity	Key Management Personnel	
H A J de S Wijeyeratne	INED	Nil	DFCC Bank PLC Ceylon Tobacco Company PLC Ceylon Cold Stores PLC	Nil	Avastha Financial Advisory Service Gamini Corea Trust, Kalyana SL Guarantee Limited
C P R Perera	INED	Nil		Nil	Accentura (Pvt) Ltd Foodholics Lanka (Pvt) Ltd Insite Holdings (Pvt) Ltd Insite Factories (Pvt) Ltd Tempest Pe Partners (Pvt) Ltd The Grand Surf Hotel (Pvt) Ltd

* N N Mawilmada appointed as a Non-Independent Non-Executive Director with effect from 8 September 2025

** M H Singhawansa appointed as a Non-Independent Non-Executive Director with effect from 6 January 2026

***Refer Page 193 of the Annual Report for further details

Board Operations and Effectiveness

Access to information

Directors receive their Board packs at least seven days before the meetings. Directors have unrestricted access to the management and organisation information and the resources required to clarify matters and carry out their duties and responsibilities effectively. Executive Management makes presentations on matters including business performance against operating plans, strategy, investment proposals, risk management, compliance and regulatory changes. Access to independent professional advice, coordinated through the Company Secretaries, is available to Directors at the Company's expense.

Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged, where applicable and relevant, to seek independent professional advice, in furtherance of their duties, at the Company's expense. This is coordinated through the Company Secretaries, as and when requested.

Appointment, re-election and resignation

The Nominations and Governance Committee of the Company recommends the appointment of all Directors based on an assessment of the strategic demands of the Company and required skills and competencies. Independent Non Executive Directors are appointed to the Board for a 3-year term and are eligible for re-appointment thereafter up to a maximum of 3 successive terms unless the exigencies of the Company necessitate an extended tenure at the time and applicable law permits such appointment. Casual vacancies are filled by the Board based on the recommendations of the Nominations and Governance Committee in accordance with the Articles of Association of the Company.
Non -Executive Directors nominated by JKH, the Ultimate parent company are subject to the retirement rules and policies of JKH.

As prescribed by Article 83 of the Articles of Association of the Company, one-third of the Directors, except the Chairperson, retire by rotation. Directors retiring by rotation are those who have been in office for the longest time since their appointment/ re- appointment. In addition, any new Director appointed to the Board during the year is required to stand for re-election at the next Annual General Meeting in terms of Article 90 of the Articles of Association of the Company.

Appointments during the year

- Mr N N Mawilmada was appointed to the Board of Directors of the Company as a Non-Independent Non-Executive Director, with effect from 8 September 2025.
- Mr M H Singhawansa was appointed to the Board of Directors of the Company as a Non-Independent Non-Executive Director, with effect from 6 January 2026.

Resignations during the year

- Mr R Svensson resigned as a Non-Independent Non-Executive Director with effect from 31 August 2025 consequent to the completion of the contract of employment with the John Keells Group
- Mr S Rajendra resigned as a Non-Independent Non-Executive Director with effect from 31 December 2025 consequent to the completion of the contract of employment with the John Keells Group

The proposal for the re-election of Directors is set out in the Annual Report of the Board of Directors on page 233 of this Report.

Details of new Directors are disclosed to shareholders at the time of their appointment through a public announcement covering the following:

- A brief resume of the Director.
- The nature of his/her expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board Committees.
- Whether such a Director can be considered 'Independent'.

The relevant interim releases and Annual Reports also include details of such appointments.

The appointment of all Directors complies with applicable laws and rules, including all qualifying and fit-and-proper criteria stipulated by the Listing Rules (Section 9.7.3 (a), (b) and (c)) and Companies Act. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper criteria outlined in the Listing Rules prior to presenting nominations at the shareholders' meeting or making appointments. Further, in compliance with the Listing Rules, the Company annually obtains declarations from the Directors in respect of the Fit and Proper Assessment Criteria prescribed therein. In addition, each Independent Director annually signs a declaration confirming their compliance with the independence criteria prescribed by the Listing Rules (9.8.3) which is considered by the Nominations and Governance Committee and the Board. Directors are required to report any substantial change in their professional responsibilities and business associations to the Chairperson of the Company or Nominations and Governance Committee, which will examine the facts and circumstances and make recommendations to the Board accordingly.

Induction and training for Directors

All newly appointed Directors undergo a formal induction process under the oversight of the Nominations and Governance Committee, which includes knowledge-sharing sessions on Company values and culture, governance framework, policies and processes, the JK Group Code of Conduct and Ethics adopted by the Company (which includes anti-corruption and anti-bribery), the sector business model, strategy, and Directors' responsibilities. Board members are also given insights into regulatory changes that may impact the industry at Board meetings.

Further, newly appointed Directors are granted access to relevant parts of the business. They can meet with key management personnel and third-party service providers, such as External Auditors and Risk Consultants. Directors recognise the need for continuous training and expansion of their knowledge and skills to discharge their duties effectively and regularly participate in industry forums and other personal development training to expand their knowledge and skills. To this effect, the Chairperson and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Company and its subsidiaries, including ensuring that the senior management reports on the Company's compliance with applicable laws, rules and regulations to the Nominations and Governance Committee and the Board.

BOARD MEETINGS

Regularity of Meetings

Board meetings are held every quarter with the flexibility to increase the number of meetings based on the requirement. Directors are required to attend the higher of a minimum two (2) or fifty (50%) of the meetings held during the financial year, unless otherwise excused by the Board. The Board continued with the hybrid model (physical and virtual meetings) this year as and when needed.

Pertinent Board discussions and decisions are recorded by the Company Secretaries in the Board minutes and such minutes are put forward for approval of the Board at the next Board Meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Company Secretary.

Corporate Governance

The attendance at Board meetings held during the financial year 2025/26 is given below:

Name of Director	Year of Appointment	29.04.2025	25.07.2025	29.10.2025	23.01.2026	Eligibility	Attended
K N J Balendra	2016/17	✓	✓	Excused	Excused	4	2
J G A Cooray	2017/18	✓	✓	✓	✓	4	4
N N Mawilmada**	2025/26	N/A	N/A	✓	✓	2	2
M H Singhawansa*****	2025/26	N/A	N/A	N/A	✓	1	1
C L P Gunawardane	2020/21	✓	✓	✓	✓	4	4
N L Gooneratne	1984/85	✓	✓	Excused	✓	4	3
S A Atukorale	2022/23	✓	✓	✓	✓	4	4
H A J de S Wijeyeratne	2021/22	✓	✓	✓	✓	4	4
C P R Perera	2024/25	✓	✓	✓	Excused	4	3
M R Svensson*	2019/20	✓	Excused	N/A	N/A	2	1
S Rajendra***	2020/21	✓	✓	✓	N/A	3	3

* M R Svensson resigned as a Non-Independent Non-Executive Director with effect from 31 August 2025

** N N Mawilmada appointed as a Non-Independent Non-Executive Director with effect from 8 September 2025

*** S Rajendra resigned as a Non-Independent Non-Executive Director with effect from 31 December 2025

**** M H Singhawansa appointed as a Non-Independent Non-Executive Director with effect from 6th January 2026

Board Agenda

The Chairperson ensures that all Board proceedings are conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Company Secretaries.

The typical Board agenda in 2025/26 entailed confirmation of previous minutes, ratification of circular resolutions, ratification of the use of the Company seal, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risks, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, amongst others. Added emphasis was also placed on business performance, considering the challenges stemming from the challenging macroeconomic environment.

Time dedicated by Non-Executive Directors

Individual Directors have dedicated adequate time for fulfilling and discharging their duties as Directors of the Company. It must be recognised that Directors have to dedicate sufficient time before a meeting to review Board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting. This should be supplemented by a time allocation for familiarisation with business changes, operations, risks and controls. In addition to attending Board meetings, the Directors attend the relevant Board committee meetings and have also contributed to decision making via Circular Resolutions and one-on- one meetings with key management personnel, when necessary.

Performance Evaluation of the Board and Board Committees

Board and Board Committee performance evaluations are conducted annually. The process for the periodic evaluation of the performance of Board is established under the oversight of the Nominations and Governance Committee. This process is conducted independently. Committee evaluations involve each committee member completing a questionnaire, which is provided to the chairperson of the respective committee

The process involves each Director self-appraising the performance of the Board against identified criteria:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structure
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation
- Consideration of sustainability impacts, risks and opportunities in strategies decision making

The results are analysed to indicate the Board's and Board Committee's effectiveness and areas that require addressing and/or strengthening.

The Board and its committees conducted their annual performance appraisal for the financial year 2025/26, and accordingly, the Board and its committees are seen as effective in discharging their role and responsibilities.

Director Remunerations

Due care is taken to ensure that the remuneration paid to Board members is commensurate with their skills, knowledge, competencies and involvement in Board activities. The compensation of Non-Executive Directors was determined in reference to fees paid to other Non-Executive Directors of comparable companies, and adjusted, where necessary, in keeping with the complexity of the Company. Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/ share option plans. Director fees for nominee Directors of JKH are paid to JKH, not individual Directors. The aggregate remuneration paid to NEDs in Financial Year 2025/26 was a fixed fee of Rs. 13 Mn. As at date the Company has no Executive Directors.

Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for accrued fees payable, if any, as per the terms of their contract.

BOARD COMMITTEES

The Board has delegated certain functions to five Board Committees while retaining final decision rights. Members of these Board Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The respective Board Committees are responsible for reporting their findings and recommendations to the Board. This shall include regular reports to the Board during Board meetings, or as relevant. In terms of the CSE Rule 9.3.1, the Company ensures that the Nomination and Governance Committee, Human Resources and Compensation Committee, Audit Committee, and Related Party Transaction Review Committee are established and function as per applicable regulations, best practices, and their terms of reference. The Ultimate parent company's Project Risk Assessment Committee acts as the Company's Project Risk Assessment Committee. The composition of Board Committees as at 31st March 2026 is shown below.

Board Committees for the Company as at 31 March 2026

Name of Director	Executive/ Non-Executive Director	Independent/ Non-Independent Director	Year of Appointment	Age	Board Committee Membership				Tenure on the Board as of May 2026 (Years)
					Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	
K N J Balendra	NED	NID	2016/17	52	-	-	M	-	10
J G A Cooray	NED	NID	2017/18	49	-	M	-	-	8
N N Mawilmada **	NED	NID	2025/26	53	-	-	-	-	9 months
M H Singhawansa****	NED	NID	2025/26	41	-	-	-	-	5 months
C L P Gunawardane	NED	NID	2020/21	52	-	-	-	-	5

Corporate Governance

Name of Director	Executive/ Non-Executive Director	Independent/ Non-Independent Director	Year of Appointment	Age	Board Committee Membership				Tenure on the Board as of May 2026 (Years)
					Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	
N L Gooneratne	NED	NID	1984/85	83	-	-	-	-	41
H A J De S Wijeyeratne	NED	ID	2021/22	58	C	M	M	C	4
S A Atukorale	NED	ID	2022/23	53	M	C	C	M	3
C P R Perera	NED	ID	2024/25	52	M	-	-	M	1
M R Svensson*	NED	NID	2019/21	55	-	-	-	-	-
S Rajendra***	NED	NID	2020/21	62	-	-	-	-	-

* M R Svensson resigned as a Non-Independent Non-Executive Director with effect from 31st August 2025

** N N Mawilmada appointed as a Non-Independent Non-Executive Director with effect from 8th September 2025

*** S Rajendra resigned as a Non-Independent Non-Executive Director with effect from 31st December 2025

**** M H Singhawansa appointed as a Non-Independent Non-Executive Director with effect from 6th January 2026

Project Risk Assessment Committee, JKH Board-Committee acting on behalf of the Company as at 31 March 2026

Name of Director	Executive/ Non-Executive Director	Independent/ Non-Independent Director	Year of Appointment	Age	Project Risk assessment Committee	Tenure on the Board as of May 2026 (Years)
K NJ Balendra	ED of JKH	NID	2016/17	52	M	9
D A Cabraal	NED of JKH	NID	2013/14	69	M	12
J G A Cooray	ED of JKH	NID	2016/17	49	M	9
S S H Wijayasuriya	NED of JKH	NID	2016/17	58	C	9

C -Chair M-Member

INED - Independent Non-Executive Director
NID - Non-Independent Director
NED Non-Executive Director
ED - Executive Director

COMPOSITION AND SCOPE OF BOARD COMMITTEES

Audit Committee

Role: Assist the Board in meeting its oversight responsibilities pertaining to Company financial statements, risk management, internal controls, legal and regulatory frameworks.

Composition

- The membership of the Committee shall be as appointed by the Board from time to time, with due regard to applicable laws, rules and regulations.
- The Committee shall comprise of a minimum three (3) Non-Executive Directors of the Board of which a minimum of two (2) members or a majority, whichever is higher, shall be Independent Non- Executive Directors.
- The Chairperson of the Committee is appointed by the Board.
- The Chairperson is an Independent Non- Executive Director who is a member of a recognised professional accounting body.
- The Chairperson of the Board shall not be the Chairperson of the Committee.
- Director Finance - TAH is the Secretary of the Committee.

Meeting dates and attendance	28/04/2025	24/07/2025	24/10/2025	20/01/2026	Eligibility to Attend	Attended
H A J de S Wijeyeratne (INED) – Chairperson *	✓	✓	✓	✓	4	4
S A Atukorale (INED)	✓	✓	✓	✓	4	4
S Rajendra (NED) (Resigned w.e.f. 31 December 2025)	✓	✓	✓	-	3	3
C P R Perera (INED)	✓	✓	✓	✓	4	4
By Invitation						
C L P Gunawardane - CFO** (NED)	✓	✓	✓	✓	4	4
M R Svensson - CEO Cinnamon Hotels & Resorts** (NED) (resigned w.e.f. 31 August 2025)	✓	✓	-	-	2	2
M H Singhawansa - CEO Cinnamon Hotels & Resorts** (NED)	-	-	-	✓	1	1

- Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.

* Member of a professional Accounting body

** Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

Date of Appointment	
H A J de S Wijeyeratne	25/06/2021
S A Atukorale	22/06/2022
S Rajendra	25/06/2021
C P R Perera	01/01/2025

Scope

i. Overseeing the preparation, presentation, and review of the quarterly and annual financial statements, including their quality, transparency, integrity, accuracy, and compliance with accounting standards, laws, and regulations, before tabling them for the approval of the Board of Directors.

ii. Assess the adequacy and effectiveness of the internal control environment in the Company and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.

iii. Obtain and review assurance from the President, CEO, CFO, and other key management personnel, as relevant, that the financial records have been adequately maintained and that the financial statements give a true and fair view of the Company's operations and finances.

iv. Evaluate the competence and effectiveness of the risk management systems and internal controls of the Company and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.

v. Review the adequacy and effectiveness of internal and external audit arrangements.

vi. Review the risk policies adopted by the Company annually.

vii. Recommend the appointment, re-appointment and removal of the External Auditors, including their remuneration and terms of engagement, by assessing qualifications, expertise, resources and independence.

Corporate Governance

REPORT OF THE AUDIT COMMITTEE

INTRODUCTION

The Board Audit Committee (BAC or the Committee) of Trans Asia Hotels PLC is formally constituted as a Committee of the Main Board, to which it is accountable.

The Committee operates pursuant to the Audit Committee Charter which is reviewed annually by the Committee.

This report focuses on the activities of the BAC for the year under review. A more general description of the Committee's functions is also given under the Corporate Governance Report on page 143.

ROLE OF THE BOARD AUDIT COMMITTEE

The BAC in its role, assist the Board in fulfilling its responsibility with regard to;

- Ensuring the integrity of the Financial Statements of the Company and that good financial reporting systems are in place and is managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders in accordance with the financial reporting standards of The Institute of Chartered Accountants of Sri Lanka, Companies Act No.7 of 2007, the Sri Lanka Accounting and Auditing Standards and the continuing Listing Rules of the Colombo Stock Exchange.
- Assessing the independence and monitoring the performance of external auditors and external internal auditors
- Ensuring the Company's internal control and risk management process is efficient and effective
- Ensuring compliance with applicable laws, regulations, and policies of the JK JK Group and Company
- Assessing the Company's ability to continue as a going concern in the foreseeable future.

COMPOSITION OF THE BOARD AUDIT COMMITTEE AND MEETINGS

The Board Audit Committee of Trans Asia Hotels PLC comprises three Independent Non- Executive Directors. The composition is in compliance with the requirement to have a minimum of two Independent Non-Executive Directors in terms of the Rules on Corporate Governance for Listed Companies issued by the Colombo Stock Exchange. The Head of Finance of the Company serves as the Secretary to the BAC.

The Chief Executive Officer of Cinnamon Hotels and Resorts, General Manager of Trans Asia Hotels PLC, Chief Financial Officer- Leisure Group, Sector Financial Controller – City Sector and the Head of Group Business Process Review (Group BPR) of John Keells Holdings PLC attend the meetings of the Audit Committee by invitation. Other officials are invited to attend on a needs basis.

The External Auditors and the outsourced Internal Auditors also attend meetings on a regular basis.

The BAC comprised the following Non-Executive Directors who conducted Committee proceedings in accordance with the terms of reference set out in the Audit Committee Charter.

Mr. H A J de S Wijeyeratne* - Chairperson

Ms. S A Atukorale* - Member

Mr. C P R Perera* - Member

*Independent Non-Executive Director

The detailed profile of the members of the BAC is given under Board of Directors on pages 20 to 21.

MEETINGS OF THE BOARD AUDIT COMMITTEE

The BAC held four meetings during the financial year 2025/26. The attendance of the Committee members at these meetings is given under Corporate Governance Report on page 143.

The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee's meetings at Board Meetings and verbally at Board meetings when necessary.

FINANCIAL REPORTING

The Audit Committee has reviewed and discussed the Company's quarterly financial statements and the annual statements prior to publication with the Management and external auditors, including the extent of compliance with Sri Lanka Accounting Standards and the adequacy of disclosures required by other applicable laws, rules, and guidelines. The Committee received assurance from the Chief Financial Officer and the Management of the Company that financial information provides a true and fair view of the Company's operations and finances.

INTERNAL AUDIT & CONTROL ASSESSMENT

The internal audit plans and scope of work were formulated in consultation with the internal audit function, which at John Keells Group is termed Group Business Process Review (Group BPR) Division and the outsourced Internal Auditors and approved by the Committee.

The main focus of the Internal Audit was to provide independent assurance on the overall system of internal controls, risk management and governance by evaluating the adequacy and effectiveness of internal controls, and compliance with laws and regulations and established policies and procedures of the company.

During the year, Internal Audit Reports received by the Committee from the outsourced Internal Auditors, Deloitte Advisory Services (Pvt) Ltd. were reviewed and discussed with management and Group Business Process Review Division of John Keells Holdings PLC. The recommendations of the Internal Auditors have been followed up and implemented.

RISK ASSESSMENT

The Audit Committee has also reviewed the processes for the identification, evaluation and management of all significant operational risks faced by the Company. The most significant operational risks and the remedial measures taken to mitigate them have been reviewed with management and the John Keells Group Sustainability and Enterprise Risk Management Division.

Formal confirmations and assurances have been received from senior management quarterly regarding the efficacy and status of the internal control systems and risk management systems, and compliance with applicable laws and regulations.

EXTERNAL AUDIT

The External Auditors' Letter of Engagement, including the scope of the audit was reviewed and discussed by the Committee with the external auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding any unresolved matters of significance. At the conclusion of the Annual Audit, the Committee met with the external auditors to discuss all audit issues and agree on their treatment. The Committee also met the External Auditors, without management present, at the conclusion of the annual audit to review the financial statements and the reports thereon and to respond as necessary to such reports.

The Audit Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the level of audit and non-audit fees received by the external auditors from the John Keells Group and confirmation has been received from the external auditors of their compliance with the independence criteria given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated and discussed with the senior management of the Company, and the Committee has recommended to the Board that Messrs. KPMG, Chartered Accountants be re-appointed as the External Auditors of Trans Asia Hotels PLC for the financial year ending 31st March 2027, subject to approval by the shareholders at the Annual General Meeting. The present audit engagement partner has served six years as at 31 March 2026.

INFORMATION TECHNOLOGY RISK ASSESSMENT

Keeping abreast with international standards, the Company seeks the services of Information Technology (IT) to provide customers with a superior service. Adoption of changes, going concern of the IT infrastructure and the security aspect of data is reviewed and assessed by the Committee on a periodic basis. The Committee draws conformity of the Leisure Group Head of IT when disseminating this role.

INSURANCE ASSESSMENT

An integrated assessment of the adequacy of insurance of the Hotel is done by the Committee on a periodic basis. The Committee assesses the adequacy of insurance coverage in terms of Employee wellbeing, public liability and economic benefit. The committee draws conformity of the Group Insurance Broker for the expertise and confirmation of its compliance.

WHISTLE BLOWING ASSESSMENT

The Company has established formal whistle blowing mechanisms for employees including "Chairperson Direct" to raise any concerns regarding unethical behaviour or any violations of Group values. Employees reporting such incidents are guaranteed complete confidentiality.

The committee reviews this process on a periodic basis.

COMPLIANCE WITH CODE OF BEST PRACTICE ON AUDIT COMMITTEE

The BAC scope and functions are in compliance with the requirements of the Code of Best Practice on Audit Committee issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

COMPLIANCE WITH CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE

The BAC has conducted its affairs with the requirements of the code of best practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). Compliance with Corporate Governance Rules as per Section 9.13 of The Listing Rules of The Colombo Stock Exchange. The BAC has conducted its affairs within the requirements of Corporate Governance rules as per section 9.13 of the listing Rules of the Colombo Stock Exchange.

EVALUATION OF THE BOARD AUDIT COMMITTEE

Evaluation of the BAC is done on a periodic basis. The Committee seeks the assistance of the Group Business Process Review Team for this purpose. The members of the BAC along with other participants such as The Chief Executive Officer of the Cinnamon Hotels and Resorts, General Manager of the Hotel, Chief Financial Officer of the Leisure Group, Internal auditors, and external auditors assess the Committee. The assessment is tabled at the Audit Committee Meeting and communicated to the Board of the Company.

CONCLUSION

Based on the reports submitted by the External Auditors and the outsourced Internal Audit of the Company, the assurances and certifications provided by the senior management, and the discussions with Management and the auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and its assets are safeguarded.

The Committee is also of the opinion that the Company is in compliance with the relevant legal and regulatory requirements including financial reporting requirements, CSE Rules, Companies Act and SEC Act and other relevant reporting-related regulations and requirements.



Mr. H A J de S Wijeyeratne
Chairperson of the Audit Committee

26 May 2026

Corporate Governance

Human Resources and Compensation Committee

Role: Determines Remuneration Policy and reviews implementation of the same, reviews and ratifies the remuneration of Key Management Personnel (KMP)

Composition

The Committee comprises of 3 Non-Executive Directors, out of which two Directors are Independent Non-Executive Directors. The Chairperson of the Committee is an Independent Non-Executive Director.

The Chairperson of the Committee is not the Chairperson of the Board.

Company Secretary is the Secretary of the Committee.

Name	Date of appointment to the Committee	25/07/2025	Eligibility to Attend	Attended
Ms S A Atukorale (I/NED) - Chairperson	1/10/2024	✓	1	1
Mr J G A Cooray (NED)	1/10/2024	✓	1	1
Mr H A J de Silva Wijeyeratne (INED)	1/10/2024	✓	1	1

Scope

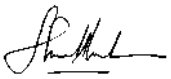
- Adhere to the compensation and benefit policies, plans and programs of the Company, to ensure that the Company maintains fair, appropriate and competitive remuneration practices that align with the JK Group's remuneration practices, benefit plans, strategies and performance objectives, whilst taking into consideration other stakeholder interests.
- Ratify the performance appraisals of the KMPs of the Company, as deliberated and approved by the JK Group Career Committee (comprising of the Chairperson-CEO of JKH and the Group Executive Committee) of the ultimate parent company, John Keells Holdings PLC (JKH).
- Reviewing and monitor the performance of the Company's top talent for purposes of organisational growth and succession planning, with particular emphasis on succession at KMP levels.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive, and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the performance appraisals of the Key Management Personnel, who are pivotal in shaping business strategy and decision making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organisational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent, and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No. 07 of 2007 regarding Director remuneration and confirms that no individual was involved in decisions concerning his/her own remuneration. Performance appraisals, along with short term and long term incentive calculations for the Key Management Personnel, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.



S A Atukorale
Chairperson of the Human Resources and Compensation Committee

26 May 2026

Corporate Governance

Nominations and Governance Committee

Role: Lead the process of Board appointments and recommendations to the Board and to define and establish a nomination process for Directors.

Composition

The Committee comprises of 3 Non-Executive Directors, out of which two Directors are Independent Non-Executive Directors.

The Chairperson of the Committee is an Independent Non-Executive Director.

Company Secretary is the Secretary of the Committee.

In the absence of the Chairperson, and when duly excused, those present may appoint an Independent Non- Executive Director to chair the meeting.

Name	Date of appointment to the Committee	29/04/2025	Eligible to attend	Attended
Ms S A Atukorale (INED) - Chairperson	1/10/2024	✓	1	1
Mr. K N J Balendra (NED)	1/10/2024	✓	1	1
Mr H A J de Silva Wijeyeratne (INED)	1/10/2024	✓	1	1

Scope

- To lead the process of Board appointments and inductions, and to make recommendations to the Board in respect of all new appointments, as well as the re-election or re-appointment of Directors retiring in accordance with the Articles of Association, contractual obligations, or applicable law.
- To define and establish the processes governing the nomination and re-election or re-appointment of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
- To ensure the establishment of an appropriate methodology for the periodic self-evaluation of the Board, to be facilitated by an Independent Director, with the results subsequently reviewed and discussed at Board level.
- To review and recommend an appropriate corporate governance framework in alignment with the JK Group, taking into account applicable laws, regulations, regulatory requirements, and relevant industry and international best practices

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Nomination and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. The Company Secretary serves as its Secretary.

THE COMMITTEE REAFFIRMED ITS MANDATE TO:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Directors and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this Committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/ international best practices.

ACTIVITIES DURING THE YEAR

During the financial year ended 31 March 2026, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors—including experience, skills, age, gender, and other attributes—to foster a well rounded mix of perspectives that enhance decision making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

The following Director appointments and contract renewals to the Board of the Company were recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements, and, where applicable, independence criteria:

- Mr. N N Mawilmada, Non-Independent, Non-Executive Director (new appointment)
- Mr. M H Singhawansa, Non-Independent, Non-Executive Director (new appointment)
- Mr. N L Gooneratne, Non-Independent, Non-Executive Director (renewal)
- Ms. S A Atukorale, Independent, Non-Executive Director (renewal)

- Ensured that in accordance with Article 83 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 90, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.
- During the year, the following Directors, retiring in terms of Articles 83 and 90 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 26 June 2025:
  - Mr. C.L.P. Gunawardane – Non-Independent, Non-Executive Director
  - Ms. S.A. Atukorale – Independent, Non-Executive Director
  - Mr. C P R Perera - Independent, Non-Executive Director

Corporate Governance

- Ensured that newly appointed Directors were provided with an induction to the Company and the JK Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the JK Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, Executive Directors, Company Secretary, and senior management and through Board notes.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.
- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

DIRECTOR PROFILES AND INFORMATION DISCLOSURES

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board and Management Profiles and Corporate Governance Commentary sections of this Annual Report.

DIRECTORS RETIRING AT THE ANNUAL GENERAL MEETING OF THE COMPANY FOR THE FINANCIAL YEAR 2025/2026.

The following Directors who are retiring under Articles 83 and 90 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees, other principal commitments and any other relationships
Mr. J G A Cooray (Article 83)	Non-Independent, Non-Executive Director	1 January 2018	26 June 2023	The details are provided in the Board Profiles and Corporate Governance Commentary sections of this Annual Report
Mr. N N Mawilmada (Article 90)	Non-Independent, Non-Executive Director	8 September 2025	N/A	
Mr. M H Singhawansa (Article 90)	Non-Independent, Non-Executive Director	6 January 2026	N/A	

BOARD AND BOARD COMMITTEE EVALUATIONS

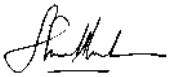
- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2025/26, the outcome of it was discussed between the Board and the Committee.

REPORTING

The Committee reports its activities at each Board Meeting of the Company.

GOVERNANCE PRACTICES AND COMPLIANCE WITH LISTING RULES

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.



S A Atukorale
Chairperson of the Nominations and Governance Committee

26 May 2026

Related Party Transactions Review Committee

Role: Ensure that all related party transactions of the Company are consistent with the Code on Related Party Transactions issued by SEC and with the Listing Rules of the CSE.

Composition

Majority of the members of the Committee shall be Non-Executive Directors

The Board shall appoint as the Chairperson a member of the Committee who is an Independent Non-Executive Director. The Chairperson of the Board shall not be the Chairperson of the Committee.

The Committee shall invite any person deemed necessary to assist in its work for meetings as and when necessary and seek expert/professional advice/guidance as deemed appropriate.

Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.

Name	Date of appointment to the Committee	28/04/2025	24/07/2025	24/10/2025	20/01/2026	Eligible to attend	Attended
H A J de S Wijeyeratne (INED) – Chairperson	1/10/2024	✓	✓	✓	✓	4	4
S A Atukorale (INED)	1/10/2024	✓	✓	✓	✓	4	4
S Rajendra* (NED)	1/10/2024	✓	✓	✓	-	3	3
C P R Perera (INED)	1/10/2024	✓	✓	✓	✓	4	4
By Invitation							
C L P Gunawardane		✓	✓	✓	✓	4	4

*Resigned from the Board w.e.f. 31 December 2025

Scope

i. To develop, and recommend for adoption by the Board of Directors of the Company and as relevant its listed subsidiaries, a RPT Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the John Keells Group and which sets out, amongst others, the following:

- Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review.
- The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore, can be reviewed retrospectively.
- Establishment of the starting base for Recurrent RPTs.
- Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.
- Instances where an immediate market disclosure of the RPT is required.
- Instances where shareholder approval for the RPT is required.
- Formats to be used by the Company and Listed subsidiaries/companies in presenting the RPT information to the Committee.

ii. To provide updates to the Board on any listed subsidiaries/companies on a quarterly basis, of the RPTs pertaining to the Company and where relevant its listed subsidiaries/companies as follows:

Corporate Governance

Related Party Transactions Review Committee

- Starting Recurrent RPTs.
- RPTs during the quarter.
- RPTs which were above the thresholds.
- Market announcements made in-keeping with the RPT disclosure guidelines.

iii. Members of the Committee or invitees shall refrain from participating in meetings/ deliberations of the Committee and voting on matters where such member/invitee (including any member of the Board) as relevant is directly or indirectly interested in any RPT under discussion. Provided, however, that such a member or invitee may participate in such discussions for the express purpose of providing information concerning the RPT to the Committee.

iv. In the event a potential conflict is presented that may prevent the Committee from being seen as independent, the Committee shall recommend to the Board that a special committee be set up for the specific purpose.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

OBJECTIVE AND GOVERNING POLICIES

The objective of the Committee is to exercise its oversight to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Company's internal governance framework and associated policies.

COMPOSITION

The Related Party Transactions Review Committee comprised of the following Non – Executive Directors

H A J de Silva Wijeyeratne – Chairperson (INED)

C P R Perera (INED)

S A Atukorale (INED)

The Chief Financial Officer-Leisure Sector, Sector Financial Controller-City Hotels and Head of Finance of the Company attended the meetings by invitation. The Chief Financial Officer-Leisure Sector served as the Secretary to the Committee.

MEETINGS OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Committee held four meetings during the financial year 2025/26. The attendance of the Committee members at these meetings is given under Corporate Governance Report on page 151.

During the year there were no urgent transactions that required prior approval of the Committee.

PROCEDURE

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the Company and Key Management Personnel (KMP) with a view to ensuring that:

- There is compliance with 'The Code' and the Listing Rules of the CSE
- Shareholder interests are protected; and
- Fairness and transparency are maintained.

Non-recurrent Related Party Transactions (RPTs) of listed entities:

The Committee advocated the Management to implement appropriate procedures to ensure that all non-recurrent RPTs of the Company are submitted to the Committee, for pre-approval. During the financial year ended 31 March 2026, there were no non-recurrent Related Party Transactions (RPTs) which required pre- approval.

Recurrent RPTs of listed entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior management of the Company so as to validate compliance with section 9.14.10 (a) of the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly Recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

The Company continued to adopt a broader scope in defining key management personnel including therein all senior decision makers. Accordingly, the Directors and their spouses have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.



H A J de Silva Wijeyeratne
Chairperson of the Related Party Transaction Review Committee

26 May 2026

Corporate Governance

Project Risk Assessment Committee (JKH)

Role: Evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long term.

Composition

- Should comprise of a minimum of four Directors.
- Must include the Chairperson - CEO of JKH and Deputy Chairperson/Group Finance Director of JKH.
- Must include two Non-Executive Directors.
- The Chairperson must be a Non-Executive Director.

Name	Date of Appointment	11/10/2025	Eligible to Attend	Attended
S S H Wijayasuriya (INED of JKH)	25/05/2018	✓	1	1
D A Cabraal (INED of JKH)	01/10/2024	✓	1	1
K N J Balendra (ED of JKH)	25/05/2018	✓	1	1
J G A Cooray (ED of JKH)	25/05/2018	✓	1	1

Scope

i. Review and assess risks associated with large-scale investments and the plans to mitigate them if mitigation is possible, and identify risks that cannot be mitigated.

ii. Ensure stakeholder interests are aligned, as applicable, when making investment decisions.

iii. Where appropriate, obtain specialised expertise from external sources to evaluate risks in consultation with the Group Finance Director.

iv. Recommend to the Board the necessary action required, to mitigate risks identified while evaluating a project to ensure that the Group Risk Matrix captures those risks for monitoring and mitigation.

*The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

REPORT OF THE PROJECT RISK ASSESSMENT COMMITTEE

S S H Wijayasuriya (Chairperson)
D A Cabraal
K N J Balendra
J G A Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/ or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the Committee reviewed the proposed Vauxhall Street development project comprising of ~750 apartment units in Colombo 2. The Committee evaluated the potential risks to the Group arising from the Project, including the financial risks arising from the proposed development under various scenarios. The assessment of the Committee included stress-testing of key operating assumptions and consideration of de-risking strategies. The risks were also evaluated in the context of the project being developed on land presently owned by the Group as a part of its Land Bank. The Committee took cognizance of the fact that additionally, the project aligned well with the Group's broader objective of monetising the said land bank. The Committee also considered the emerging opportunities for apartment living in Colombo and the market dynamics, including insights and findings from independent market research. The Committee noted the competitive landscape and the value proposition of the proposed development. The Committee was satisfied with the risk parameters of the proposed development and approved the initiation of the next steps of the project and for subsequent submission for formal approval of the Board. The project has now been formally approved by the Board and launched in the market as Vauxhall DSTRICT by the Group.

Key Strategic Project Risk Assessments also included the two landmark investment projects - City of Dreams Sri Lanka and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the commencement of operations in both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.



S S H Wijayasuriya
Chairperson of the Project Risk Assessment Committee

25 May 2026

Corporate Governance

GROUP EXECUTIVE COMMITTEE, OTHER MANAGEMENT COMMITTEES AND ESG AND SUSTAINABILITY STEERING COMMITTEE

The Group Executive Committee and the other Management Committees met regularly as per a timetable communicated to the participants six months in advance. In the absence of a compelling reason, attendance at these Committee meetings is mandatory for the Committee members. All the Committees carried out specific tasks entrusted to each component, as expected.

Whilst the Chairperson-CEO of JKH, Deputy Chairperson/Group Finance Director of JKH and President of the Leisure Sector Industry are ultimately accountable for the Company/Group and the industry groups/sectors/business functions respectively, all decisions are taken on a committee structure as described below.

Group Executive Committee (GEC)

As at 26 May 2026, the six-member GEC consisted of the Chairperson-CEO of JKH, the Deputy Chairperson/Group Finance Director of JKH and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO of JKH, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as enablers of the JK Group's operating model, ensuring that strategic objectives are effectively implemented across all business functions, including operations, finance, human resources, technology, and risk management. The GEC members bring a wealth of experience, diverse perspectives, and deep expertise, strengthening both operational efficiency and strategic decision making.

In addition, the Board delegates executive decision making on sustainability impacts and strategies to address operational, sustainability, and climate related risks and opportunities to the GEC, which is supported by the Environmental, Social, and Governance (ESG) and Sustainability Steering Committee and further assisted by the Presidents and the Sustainability and ERM division in managing these matters.

The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the JK Group.

Group Operating Committee (GOC)

As at 26 May 2026, the Group Operating Committee (GOC) included the Chairperson- CEO, Deputy Chairperson/ Group Finance Director, Presidents and all Executive Vice Presidents of the JK Group, and functional heads from Centre Functions.

The GOC meets monthly to share insights, identify synergies, and ensure alignment across the Group. The Company, under the Leisure Group of JKH, is regularly reviewed at these meetings, focusing on performance, strategy, and operational alignment, highlighting their central role in group governance.

Other Management Committees

At the Leisure Industry Group, governance is driven through the Group Management Committee, Sector Committee, and Management Committee each operating at the Group, sector, and business unit levels. These Committees are designed to promote accountability and ownership at the operational level through structured teams and clear objectives. Their agendas are aligned to ensure effective, non-duplicative communication, enabling both top-down and bottom-up flows of information. The Company, which is under the Leisure Industry Group of JKH, is a key focus in these regular meetings, with ongoing reviews of its performance, strategic direction, and operational execution, reinforcing its pivotal role in overall governance.

ILLUSTRATED BELOW IS THE STRUCTURE OF THE THREE COMMITTEES

Leisure Industry Group	Group Management Committee	President	• Strategy formulation • Performance monitoring • Career management and succession planning • Risk management • Implementation of Group Initiatives
Cinnamon Hotels & Resorts	Sector Committee	Cinnamon Hotels and Resorts CEO	
Business unit/ Function	Management Committee	VP / Assistant VP/Senior Manager /Manager	

ESG AND SUSTAINABILITY STEERING COMMITTEE

The ESG and Sustainability Steering Committee is a senior-level governance body that guides, oversees and supports the development, execution, and reporting of the JK Group's ESG strategy. It ensures ESG and sustainability priorities are embedded across the organisation by advising the Group Executive Committee, reviewing goals and performance, overseeing stakeholder engagement and materiality, managing sustainability-related risks, and ensuring strong ESG reporting, policies, and governance structures.

EMPLOYEE EMPOWERMENT

The Company aligns its human capital practices with the overarching governance framework of the JK Group, supported by established policies, processes and systems to recruit, develop and retain talent. These practices are anchored in the JK Group's updated competency framework, ensuring consistency and alignment with evolving business needs.

In support of this framework, the JK Group further strengthened the following governance-driven practices

- Top management and other senior staff are mandated to involve, as appropriate, all levels of staff in formulating goals, strategies and plans.
- Decision rights were defined for each level of employment in order to instil a sense of ownership, reduce bureaucracy and speed-up the decision making process.
- A bottom-up approach was taken in the preparation of annual and long term plans and the JK Group also ensured employee involvement in strategy, and thereby empowerment.
- Organisational and Committee structures are designed to enable, and facilitate, high accessibility of all employees to every level of management.
- Open, honest, frank and constructive communication is encouraged at all levels. The JK Group strongly believes that constructive disagreement is essential for optimal decision making.

The JK Group prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity, sexual orientation or any other difference, and promotes workplaces which are free from physical, verbal or sexual harassment.

INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the primary governance systems and procedures of the JK Group, adopted by the Company. These systems and procedures strengthen the company's Internal Governance Structure and are benchmarked against industry best practices.

i. Strategy Formulation and Decision Making Process

Ii. Human Resource Governance

Iii. Integrated Risk Management

Iv. IT Governance

V. Tax Governance

Vi. Stakeholder Management and Effective Communications

Vii. Sustainability Governance

Strategy Formulation and Decision Making Processes

Strategy mapping exercises, concentrating on the short, medium and long- term aspirations of each business, are conducted annually and reviewed, at a minimum, quarterly/half-yearly or as and when a situation so demands.

This exercise entails the following key aspects, among others.

- Progress and deviation report of the strategies formed.
- Customer insights and value proposition
- Competitor analysis and competitive positioning.
- Analysis of key risks and opportunities.
- Review of ESG considerations.
- Digitisation and IT strategy
- Management of stakeholders, such as, suppliers and customers.
- Value enhancement through initiatives centred on the various forms of Capital under an integrated reporting framework.

The strategies of the various business units, operating in diverse industries and markets, revolves around JK Group strategy, while considering their domain specific factors. The primary focus is to enhance value for all stakeholders.

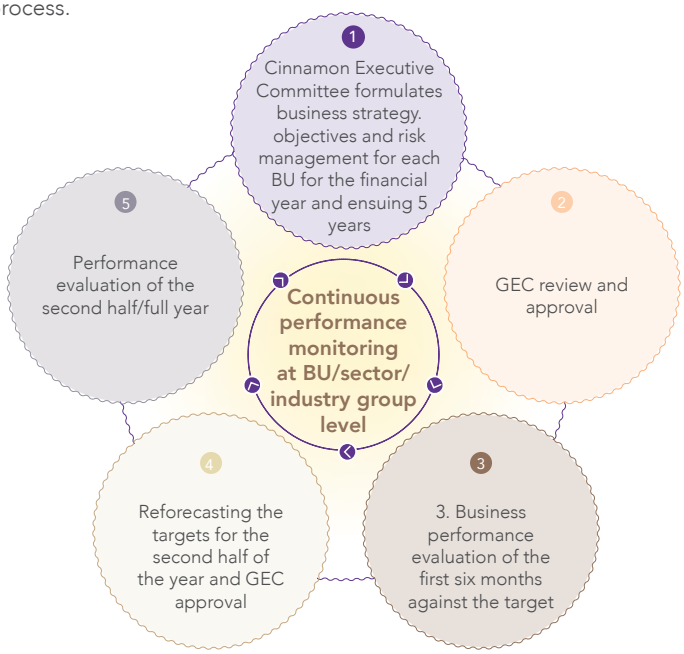
The JK Group's investment appraisal methodology and decision making process ensures the involvement of all key stakeholders that are relevant to the evaluation of the decision.

In this manner:

- A broad range of views, opinions and advice are obtained prior to making an investment decision.
- A holistic view is taken on the commercial viability and potential of any project, including operational, financial, funding, legal, risk, sustainability and tax implications.
- Sensitivity and scenario analysis are conducted to understand the impacts from the macroeconomic environment, especially during periods of volatility and uncertainty.
- All investment decisions are consensual in nature, made through the afore-discussed management Committee structure where no single individual has unfettered decision -making powers over investment decisions.
- The ultimate responsibility and accountability of the investment decision rests with the Chairperson of JKH.

Corporate Governance

The following section further elaborates on the JK Group's strategy formulation and planning process.



Medium-term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing its strategy for the medium- term.

Values and Promises

- Identification of the core values the business will operate with and the internal promises that the business will strive to deliver to stakeholder interests

Brand and Business Review

- Review of global and regional trends
- Identification of insights, risks, challenges, opportunities and implications, collated into key themes

Brand Plan

- Identifying key activities required to be undertaken under each theme and the articulation of the varied brand-led themes and activities
- Identification of KPIs to measure delivery of promises

Long term Business Plan

- Setting of a long term goal and agreeing on the core pillars that would deliver growth
- Target setting, scheduling activities and identifying workstreams to execute long term initiatives
- Identifying operating and capital expenditure along with capability resources

Annual Business Plans

- Articulation and approval of detailed project plans for execution of workstreams

PERFORMANCE MEASUREMENT

Measure of performance against:

- Promises
- Annual plans and projects
- Long term initiatives
- Financial objectives

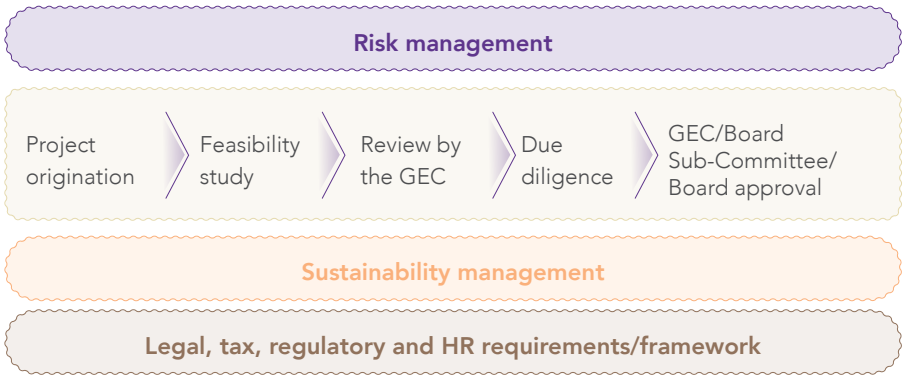
Project Approval Process

Projects undertaken at the JK Group entail a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations, among others.

Based on the decision rights matrix, subsequent to review by the relevant leadership committee of the feasibility report and post in-principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for both private and State land. In case of State land, every action would be taken to ensure compliance with the relevant rules and regulations. As well as obtaining written authority and approvals, as appropriate.
- Any project which involves bidding on contracts and tenders, including to those of local and foreign Government and related bodies, is executed in conformance with the JK Group's policy on bidding on contracts and tenders. It is noted that, while the Company currently has no contracts with any local and foreign Governments, the Company will disclose the same in its financial statements, in such an event.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in early stages during the course of evaluating a project in order to ensure that those risks are captured by the JK Group Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.



Human Resource Governance

Our Human Capital governance framework is consistent with the policy framework of our Ultimate parent entity, JKH is designed in a manner that enables high accessibility by any employee to every level of management. Our Code of Conduct clearly outlines the ethical expectations of our employees. Constant dialogue and facilitation is also maintained, ranging from work related issues to matters pertaining to general interest that could affect employees and their families. The Company follows an open door policy for its employees which is promoted at all levels of the JK Group.

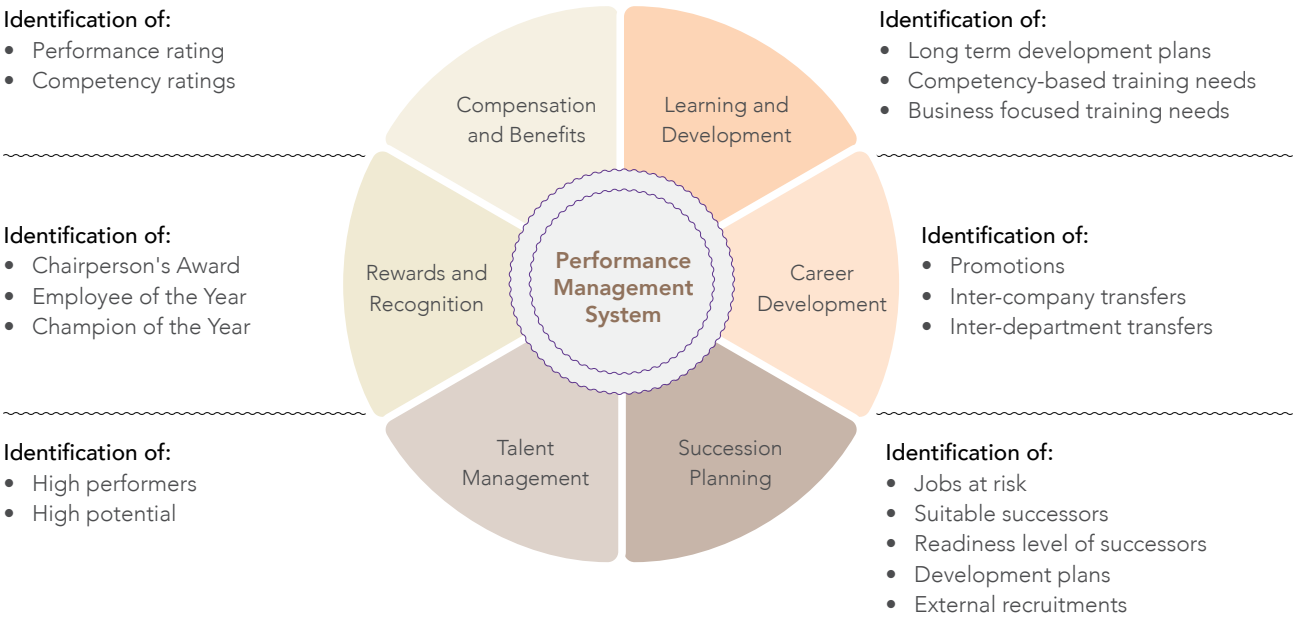
The state-of-the-art cloud based human resource information system (HRIS) manages the entire lifecycle of the employee from onboarding to performance management, succession planning, compensation, learning and development, through to offboarding.

Our decentralised human capital governance approach has strengthened property-level ownership, enabling teams to respond more quickly and effectively to colleagues' needs while strengthening engagement on the ground.

In parallel, we have integrated digital solutions across key stages of the colleague journey to simplify workflows, reduce manual effort, and improve efficiency. Together, these changes support a smoother, more consistent, and more people-focused colleague experience.

Performance Management

The Performance Management System, as illustrated below, is at the heart of many supporting human resource management processes such as learning and development, competency mapping, career development, succession planning, talent management, rewards/recognition and compensation/benefits.



Corporate Governance

Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody our Values.

Key Initiatives during the year:

- The Temporary Crisis Allowance, which was originally introduced to support employees amid challenging macroeconomic conditions in January 2023, was consolidated into the basic salary as part of the annual increment cycle.
- As a response to the devastating impacts of Cyclone Ditwah in December 2025, the Company extended timely support to employees who were adversely affected, reaffirming our commitment to employee wellbeing during times of crisis. Financial assistance was provided to help colleagues address immediate needs and support recovery efforts, offering relief and demonstrating the Company's care, solidarity, and people-first values. At JKH group level colleagues were given the option to voluntarily donate one day's wages toward flood relief, channelled through the Chamber of Commerce of Sri Lanka. Additionally, the Group Executive Committee approved a special relief framework to support employees impacted by Cyclone Ditwah.
- The Company continued to offer all employees 100 days of parental leave, underscoring its commitment to employee wellbeing, work life balance, gender equity, and shared parenting responsibilities. During the period, 5 males and 1 female opted for 100 days parental leave.
- The JK Group including the Company partnered with a multinational analytics and advisory company to conduct its annual employee engagement survey, adopting a more performance and productivity focused engagement model. Using the globally benchmarked Q12 framework, the survey generated data driven insights into employee experience and key areas for development in support of a high-performance, inclusive workplace culture. The methodology empowers managers to take ownership of outcomes through targeted action planning, supported by benchmarking and analytics that drive continuous improvement and strengthen organisational performance. The leadership team of the JK Group, comprising of the GEC, GOC and heads of HR participated in a workshop to develop the team's ability to guide and empower their teams to develop and implement action plans and on key tactics to understand and engage more effectively with the relevant teams.
- The JK Group including the Company embarked on a project to develop, articulate and institutionalise the JK Group Employer Value Proposition (EVP). A series of programmes and initiatives have been identified for implementation to support the EVP, with the support of a globally recognised consulting firm. The process was anchored in listening to employee voices through a JK Group-wide survey and focus group discussions, complemented by leadership consultations with the Group Operating Committee and the Human Resources Group Management Committee (HRGMC). Phase 1 included the development of a clear EVP statement and supporting pillars, articulating the value the JK Group offers its employees in return for the knowledge, skills and capabilities they bring to the organisation. Phase 2, scheduled for rollout in FY2026/27, will focus on taking the EVP to market and embedding it across the organisation.
- In collaboration with a global consulting company, the JK Group and the company embarked on a project to review the JK Group's total rewards philosophy.
- Cinnamon Hotels & Resorts (CH&R) elevated mental wellbeing support by expanding the Colleague Assistance Programme (CAP) across all Colombo hotels including the Company, delivered in partnership with a reputed, experienced institution. The programme strengthened access to counselling through structured group sessions building trust and normalising help-seeking—while establishing a clear pathway to introduce individual counselling as CAP matures. In addition, Cinnamon Hotels & Resorts laid the groundwork to introduce a dedicated counselling helpline for colleagues in both Sri Lanka and the Maldives, enabling access to professional support when needed, with implementation planned for early FY2026/27.
- The JK Group including the Company reviewed and renewed its employee Code of Conduct to broaden its reach and content and to ensure relevance with current workplace trends and culture.
- A detailed account of the key HR initiatives implemented by the Company during the year is provided in the Human Capital Report on page 82, complementing the highlights outlined above.

Compensation

The Company's Compensation and Benefits Policy ensures fair and equitable compensation for all colleagues. We offer a competitive remuneration structure aligned with industry norms. Individual remuneration is determined by merit, skill level, experience and job responsibility. During the year under review, we revised entry-level wages in line with the national minimum wage increase. Furthermore, salary bands are established across all levels which is reviewed every year based on market surveys to ensure fairness and consistency across the organisation. Basic salaries are determined on a meritocratic basis, aligning compensation with individual performance and responsibilities, irrespective of gender.

The Company's Compensation Policy is as Follows:

Performance Management
'Pay for performance'
Greater prominence is given to the incentive component of the total target compensation.

Satisfaction
'More than just a workplace'
Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

Compensation Policy

- Compensation comprise of fixed (base) payments, short term incentives, and long term incentives.
- Higher the authority levels within the JK Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long term incentives are in the form of Employee Share Options and cash payments.

Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

External Equity

- Fixed compensation is set at competitive levels using the median, 65th percentile and 75th percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under/over compensated.

Employee Share Option Plan

JKH Employee Share Option Plans are offered at defined career levels based on pre-determined criteria, which are uniformly applied across the eligible levels and performance levels. These long-term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and are seen to be a key driver of performance driven rewards. Share options are awarded to individuals based on their immediate performance and the potential importance of their contribution to the JK Group's future plans.

JKH issues share options not exceeding a specified percentage of the total issued shares of JKH as at the date of awarding every such option, which is subject to in-principle approval of the CSE and shareholder approval, by way of a Special Resolution at a General Meeting

Integrated Risk Management

The Company's risk management programme focuses on wider sustainability development. It aims to identify, evaluate, and manage significant Company risks and stress test various risk scenarios, including a review of materiality. The programme ensures that the multitude of risks arising from the JK Group's diverse operations are effectively managed to create and preserve stakeholder wealth.

The Company manages its enterprise risk, audit, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic, and virtual risk registers linked to business goals and responsible personnel. Features such as timely alerts on action plans and escalation processes for risks where action plans are overdue ensure the maintenance of live risk grids.

Continuous steps taken towards promoting the Company's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/ procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Support executives/managers in moving the organisation forward in a cohesive, integrated, and aligned manner to improve performance while operating effectively, efficiently, ethically, and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all the Company's risks.

Corporate Governance

The Board, GEC and Group Management Committee, and the Cinnamon Executive Committee oversee risk management across the Company to ensure that risks are brought within tolerance, managed and/or mitigated.

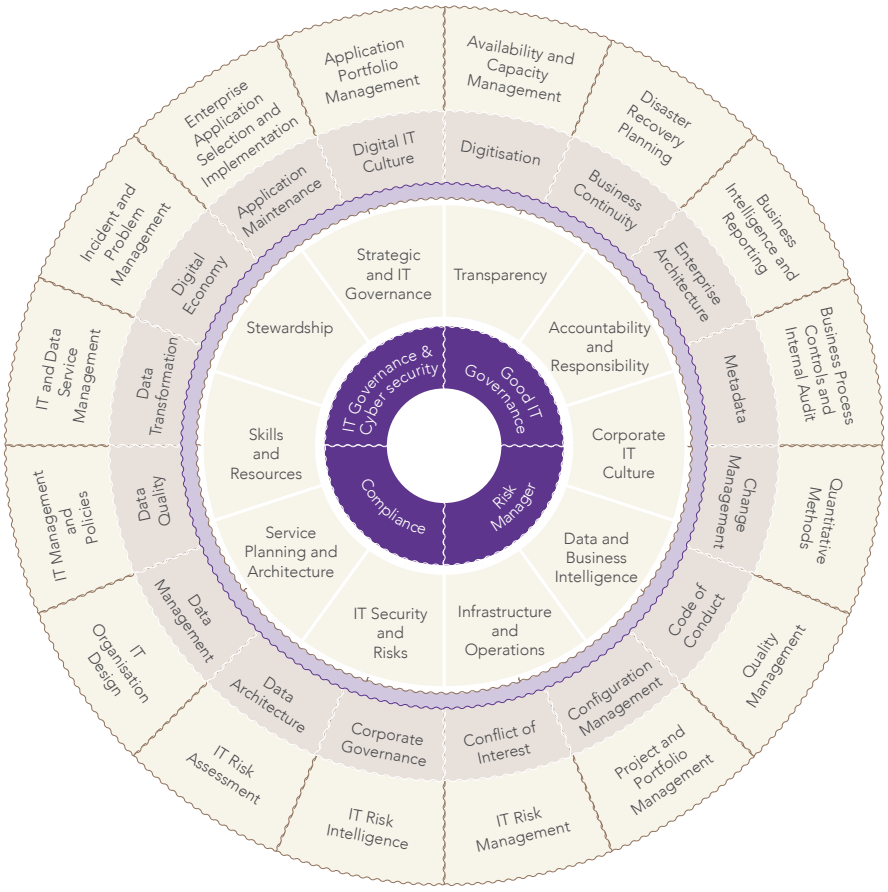
Please refer to the Risk Management Report on page 195 and Notes to the financial statements.

Information Technology (IT) Governance

IT governance stewardship roles are governed through layered and nested committees, cascading from the GEC to the JK Group IT Steering Committee to the Group IT Operation Committee, with well defined roles and responsibilities at the JK Group, industry group, and business unit levels. This ensures empowerment and enablement to act with a singular and more robust governance and policy framework across the JK Group, whilst being agile and nimble.

The JK Group's IT governance framework adopted by the Company focuses on five broader segments, namely, strategic alignment, value delivery, performance management, risk management, and resource management.

Additionally, the IT governance framework used within the JK Group leverages best practice and industry leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO (Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), Zero Trust Framework, among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the JK Group. The key focus areas of the governance framework are as follows:



The JK Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a Zero Trust Security Model built on a mobile-first, internet-first, cloud-first and artificial intelligence (AI)-first strategy.

Privacy, data and cybersecurity have emerged as material topics for the JK Group and the Company, driven by the increasing reliance on digital platforms, data-enabled processes, cloud services and interconnected technologies across its operations. While these capabilities play a critical role in enhancing customer experience, operational efficiency and decision-making, they also heighten exposure to cyber threats, data breaches, regulatory risk and potential reputational impact. Accordingly, the JK Group has adopted a structured, risk-based and policy-led approach to managing privacy, data and cybersecurity, supported by Group-wide governance frameworks, IT policies and risk management practices. The JK Group's IT governance framework is implemented as a baseline standard across all businesses and is aligned with the data security requirements of the Sustainability Accounting Standards Board (SASB) and Professional and Commercial Services Standard.

Key Initiatives during the year

Transition to SAP RISE:

- Following from the previous year, the JK Group advanced several strategic initiatives to strengthen governance, modernise core systems, and enhance enterprise-wide controls. In line with this Group-wide transformation, the Company also adopted the SAP RISE platform in partnership with an international consulting firm. The transition was executed in a phased manner within the JK Group, establishing a standardised, cloud-enabled platform that significantly improved integration, data consistency, and operational resilience.
- The enhanced data architecture enables real-time visibility of performance, supporting faster and more informed

decision making at both management and Board level, while advanced analytics and dashboards strengthen performance management and responsiveness. The platform further streamlines processes, reduces manual intervention and enhances accuracy, control, and auditability, with improved scalability and security derived from the cloud environment.

- In parallel, the adoption of SAP Signavio will strengthen process intelligence and continuous improvement, enabling data driven monitoring and optimisation of end to end processes in line with best practice and international benchmarks. This enhances standardisation, transparency, and governance, supporting improved efficiency and alignment with business objectives across the JK Group. The new platform addresses ~30% of the improvements and productivity enhancements which were identified through use cases prior to the migration to SAP RISE. The JK Group has a 'road map' of use cases and initiatives to ensure optimisation of the system through use of dashboards for reporting and monitoring of performance on a real-time basis which analytics and planning, including cash and treasury management, once implemented, will enhance the decision making capability of the businesses.

Zero Trust Security Model:

The JK Group strengthened its adoption of the Zero Trust Security Model, with the Company aligning to the same framework, enhancing controls across identity, devices, networks, applications, and data.

- Key improvements during the year included enhanced identity-based access controls, strengthened network security, and the transition to a Secure Service Edge (SSE) architecture, enabling more effective threat detection, monitoring, and policy enforcement.
- These enhancements support secure, location-agnostic access to systems and data, while reducing reliance on traditional perimeter-based security models. A structured implementation approach, supported by cross-sector validation through User Acceptance Testing (UAT) teams, ensured consistent adoption across the JK Group, while the incorporation of audit recommendations further strengthened the control environment and overall cyber resilience. The overall threat posture of the JK Group declined during the year, supported by improved responsiveness in addressing and resolving alerts.

Tax Governance

The JK Group tax governance framework and tax strategy adopted by the Company are guided by the overarching principles of compliance, transparency, and accountability. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

Key components of the framework are:

- Keeping abreast with local and international tax laws and regulations to avoid noncompliance and reputational damage.
- Transparency in tax disclosures to stakeholders, ensuring clarity on tax strategies and practices.
- Accountability to stakeholders, ensuring that tax obligations are met in a socially responsible manner, balancing shareholder interests with societal responsibilities.

To ensure that this approach is embedded across the organisation, all business units are required to adopt the JK Group Tax Policy on identified issues developed from time to time as tax legislation and regulatory practices evolve as part of operational and financial decision making. The policy is documented and/or communicated through the respective heads of tax having oversight of the industry groups. This integration ensures alignment of day-to-day decisions by finance and operations teams with the Group's overall tax principles and tax related ESG commitments.

Governance Structure

- The JK Group's Tax Governance Structure is overseen by the Deputy Chairperson/Group Finance Director of JKH who provides oversight to ensure that the tax strategies align with the Group's overall ESG objectives.
- Voluntary compliance, transparency and efficient tax management are key aspects of the JK Group's overall tax strategy.
- This is enabled through a decentralised tax structure where expertise is built at each industry group level to oversee tax compliance and execute the tax strategy, ensuring compliance with existing laws and changes to legislation, and managing tax risks for the Group.
- The Head of Tax of each industry group, reporting functionally to the JK Group Head of Tax Strategy, ensures uniformity of interpretation, robust compliance management and rollout of Group tax strategy across all businesses.
- The JK Group Head of Tax Strategy provides periodic updates to the GOC and senior finance teams on significant tax matters, including risk exposures, compliance outcomes, and strategic tax positions, at the scheduled monthly meetings, ensuring executive level accountability.

Policy and Strategy

Ensures the following, taking into account the JK Group's business models, supply and value chains, structure, assets, investments and financing:

- Integrity of all reported tax disclosures.
- Robust controls and processes to manage tax risk.
- Openness, honesty, and transparency in all dealings.
- Presence of legitimate business transactions underpinning any tax planning or structuring decision/opportunity.

Corporate Governance

Contribute to fiscal policy formulation constructively in the interest of all stakeholders.

The JK Group's approach to tax risks follows a structured process.

- Tax risks are identified through periodic tax risk assessments, review of transactions prior to transactions, and ongoing monitoring of relevant legislative developments.
- These risks are managed through appropriate mitigation measures, including technical assessments, obtaining external tax opinions where necessary, and established approval processes for significant tax positions.
- Monitoring of such risks is carried out through compliance dashboards, regular tax team meetings, and escalation of material risks to the Deputy Chairperson/Group Finance Director of JKH, GEC or the Board of Directors as appropriate.

Role

- Implement and maintain strong tax compliance and review processes for current and potential business operations and transactions.
- Analyse and disseminate business impact from changes in tax legislation.
- Provide clear, timely, and relevant business focused advice across all aspects of tax.
- Ensure availability of strong and well documented technical support for all tax positions.
- Obtain independent/external opinions where the law is unclear or subject to interpretation.
- Foster healthy professional relationships with all regulatory authorities.

Review and Monitoring

- Leverage on digital platforms to support, record and report on tax compliance status across the Group.
- Continuous dialogue and scheduled meetings of the JK Group Tax team to ensure uniformity of tax interpretation and application.
- Monitored through internal controls including compliance reporting measures and, external audit reviews.
- Discussion and signoff by the Board of Directors on any significant tax positions with supporting legal rationale.
- Quarterly updates and submissions, as applicable, to the Board of Directors on Group Tax positions.
- Compliance with the tax governance framework is evaluated annually through internal and external audit reviews and periodic independent assessments, with findings and remediation plans reported to the respective Audit Committees/ Group Audit Committee.

By adhering to this framework, the Group ensures that its tax practices are both legally compliant and ethically responsible, supporting sustainable growth while creating value for all stakeholders.

Stakeholder Management and Effective Communication

Following are the key stakeholder management methodologies adopted by the JK Group. The Company has multiple channels enabling effective communication, where material concerns regarding the operations of the Company are communicated to the stakeholders.

- Presence of an investor relations team
- Social media presence
- Prompt release of information to public/CSE
- Effective communication of AGM related matters
- Measures in place in case of serious loss of capital

- Accessibility to all levels of the management
- Various means for employee involvement
- Corporate Communications
- John Keells Employee Self Service (JESS)
- HIVE
- Staff Volunteerism



- Providing quality and safe products
- Constant engagement with customers
- Procedures to ensure long term business relationships with suppliers

- Transactions in compliance with all relevant laws and regulations, transparently and ethically
- Zero tolerance policy in ensuring that all business units meet their statutory obligations on time and in full

- Provision of formal and sometimes informal, access to other key stakeholders

Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensures that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the JK Group's governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to shareholders and investors of the JK Group such as disclosures of material information, financial information, Annual Reports, press releases and website management.

Corporate disclosures and relations with shareholders and investors are mainly centrally managed at JKH, on behalf of the JK Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practices and the strategic interests of the JK Group and its stakeholders.

A mechanism is in place under the policy for keeping Directors aware of major issues and concerns of shareholders.

Communication with Shareholders

The Company encourages effective communication with shareholders who are engaged through multiple channels of communication, including the AGM, EGM, Annual Report, Interim Financial Statements, press releases, social media platforms and announcements to the CSE. The Board recognises its responsibility to present a balanced and understandable assessment of the Company's financial position, performance and prospects and is committed to fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided so as not to create a false market.

Shareholders may also, at any time, direct queries and concerns to Directors or Management of the Company through the Company Secretaries—Keells Consultants (Pvt) Ltd. The Company Secretaries maintain a record of all correspondence received and keep the Board apprised of issues raised by the shareholders to ensure that they are addressed appropriately. Matters raised in writing are responded to in writing directly by the Company Secretaries as relevant.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
Investor relations webinar	Quarterly
Investor presentations	As required, quarterly at a minimum
Transcript of the investor relations webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One to one discussions	As required
Investors' section in the Corporate website	Continuous
Feedback surveys	As required

Investor Relations

The JK Group's Investor Relations team actively dialogues with shareholders, potential investors, investment banks, analysts, and other interested parties to ensure effective investor communication.

- The Investor Relations team has regular discussions with shareholders, as and when applicable, as well as analysts and stockbroking firms to disseminate highlights of the JK Group's performance as well as to obtain constructive feedback.
- The online quarterly investor forums provide stakeholders the opportunity to directly engage with the JKH Chairperson-CEO and the JKH Deputy Chairperson/Group Finance Director. The recording and the transcript of the investor forum is made available on the corporate website for reference of all stakeholders/shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in depth detail of the operational performance of the JK Group.
- Annual investor presentations, detailing an overview of the JK Group and industry group's financial and nonfinancial performance indicators, are made available on the corporate website, to provide easier access and an in depth insight to the overall JK Group.
- Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the JK Group by contacting the Investor Relations team, Secretaries, the Chairperson-CEO of JKH or Senior Independent Director of JKH.

Corporate Governance

- Whilst the JK Group will assist shareholders and investors to the extent permissible, in line with applicable regulations and internal policies, individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee where applicable, is responsible for ensuring the accuracy and timeliness of published information and for presenting a true and fair view, and a balanced assessment of results in the quarterly and annual financial statements. Accordingly, the Company has reported a true and fair view of its financial position and performance for the year ended 31 March 2026 and at the end of each quarter of the financial year 2025/26.

All other material and price-sensitive information about the Company is promptly communicated to the CSE and released to employees, the press, and shareholders. Shareholders and investors are encouraged to engage with the Company by directing questions, request for publicly available information or providing feedback relevant to Directors or Management of the Company, which may be addressed to the Company Secretaries.

The Company is committed to open, transparent, and fair communication, with a strong focus on integrity, timeliness, and relevance of information. All disclosures are carefully managed to ensure accuracy, clarity, and consistency, and to prevent the creation or continuation of a false or misleading market.

Constructive use of the Annual General Meeting (AGM)

The AGM is the primary mechanism for the Board to interact with and account to shareholders, and allows shareholders' views to be heard. At the AGM, the Board provides an update to shareholders on the Company's performance, and shareholders may ask questions to clarify matters prior to voting on resolutions. It is the key forum for shareholders to engage in decision making matters reserved for them, including proposals to adopt the Annual Report and Accounts, appointing Directors and Auditors and other matters requiring special resolutions as defined in the Articles of Association or the Companies Act. The Chairperson ensures that the Chairperson of the Audit Committee, Board members and members of other Board Committees, key management personnel, and External Auditors are present to respond to queries the shareholders may raise.

The Company makes use of the AGM constructively towards enhancing relationships with the shareholders, and towards this end, the following procedures are followed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report no later than 15 working days before the AGM.
- A summary of procedures governing voting at the AGM is communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are made available to answer queries.
- The Chairperson-CEO ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes are counted for, against, and withheld (abstained).
- The AGM for the year was held virtually, complying to the guidelines issued by the CSE.

The Company maintains records of all resolutions and applicable information upon a resolution being considered at any General meeting and provides copies upon request to the CSE and/or the SEC and communicates the outcomes of these meetings via an announcement to the CSE.

Serious Loss of Capital

In the unlikely event that the Company's net assets fall below half of its stated capital, shareholders will be notified, and the requisite resolutions will be passed on outlining the proposed way forward.

Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company seeks shareholder approval, either via special or ordinary resolutions at an Extraordinary General Meeting (EGM), for transactions and events that are material to the Group or Company, in accordance with applicable law and the Articles of Association.

There was no serious loss of capital recorded during the year, hence no EGM was conducted.

Sustainability Governance

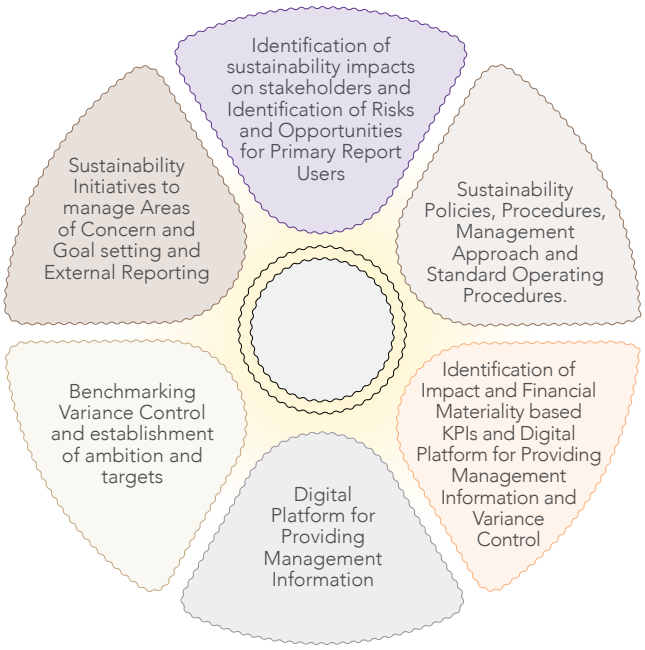
The JK Group remains committed to responsible business practices and the integration of environmental, social and governance (ESG) considerations into its operations. Sustainability is a strategic priority and is integrated within the business operations through the JK Group's overarching Sustainability Management Framework (SMF). In line with this Group-wide approach, the Company has also adopted the SMF to ensure alignment with JK Group sustainability priorities and governance practices.

The SMF involves annual internal materiality assessments which are from the reporting year carried out on a double materiality basis, independent stakeholder engagements that occur approximately

biennially. The outcomes of these engagements enable the Company to identify its impact and financial materiality topics. The SMF requires the review and development of policies, procedures and standard operating procedures to manage the material topics, as well as the integration of financial material topics within the JK Group's Enterprise Risk Management (ERM) process. Key Performance Indicators are then established to track and monitor the performance of the material topics which are based on the GRI Standards to capture impact materiality-based performance, and the Sustainability Accounting Standard Board (SASB) Standards and scenario analysis to capture financial materiality-based implications on the Company's financial statements.

The JK Group has implemented a sustainability performance management system which enables the collection of data unit level, including any critical concerns, which is then consolidated and presented to the GEC, the Leisure Industry GMC and the GOC on a quarterly basis for performance review and course corrective action.

As part of the SMF, the JK Group is currently in the process of establishing Working Groups to focus on JK Group level ambitions and targets for selected material topics. Sustainability Initiatives are then identified based on the JK Group's current performance and the desired performance, thereby ensuring that the Sustainability Initiatives identified have a return on investment from a sustainability perspective. The SMF concludes its annual cycle with external and internal assurance, and the development of a communication of a progress report in line with the GRI Standards, SLFRS Standards and the UNGC principles.



The Company's sustainability integration processes and management framework operate alongside key functions such as human resources, health and safety, product responsibility, risk management, internal audit, legal and regulatory compliance, and corporate social responsibility. The framework is regularly updated to reflect evolving global sustainability requirements.

Pursuant to the adoption of SLFRS S1 and SLFRS S2 - the sustainability related financial and climate related disclosure standards issued by CA Sri Lanka - the JK Group undertook a structured implementation programme during the year under review to prepare for compliance with the Colombo Stock Exchange (CSE) reporting requirements, effective 1 January 2025. In line with this Group-wide initiative, the Company also aligned with the implementation programme to ensure consistency with JK Group reporting and governance practices. This process commenced with the engagement of an international consulting firm to conduct a comprehensive, Group wide gap analysis. Based on the findings of this assessment, the Company implemented the requisite frameworks, processes, and governance structures to support the enhanced disclosure requirements.

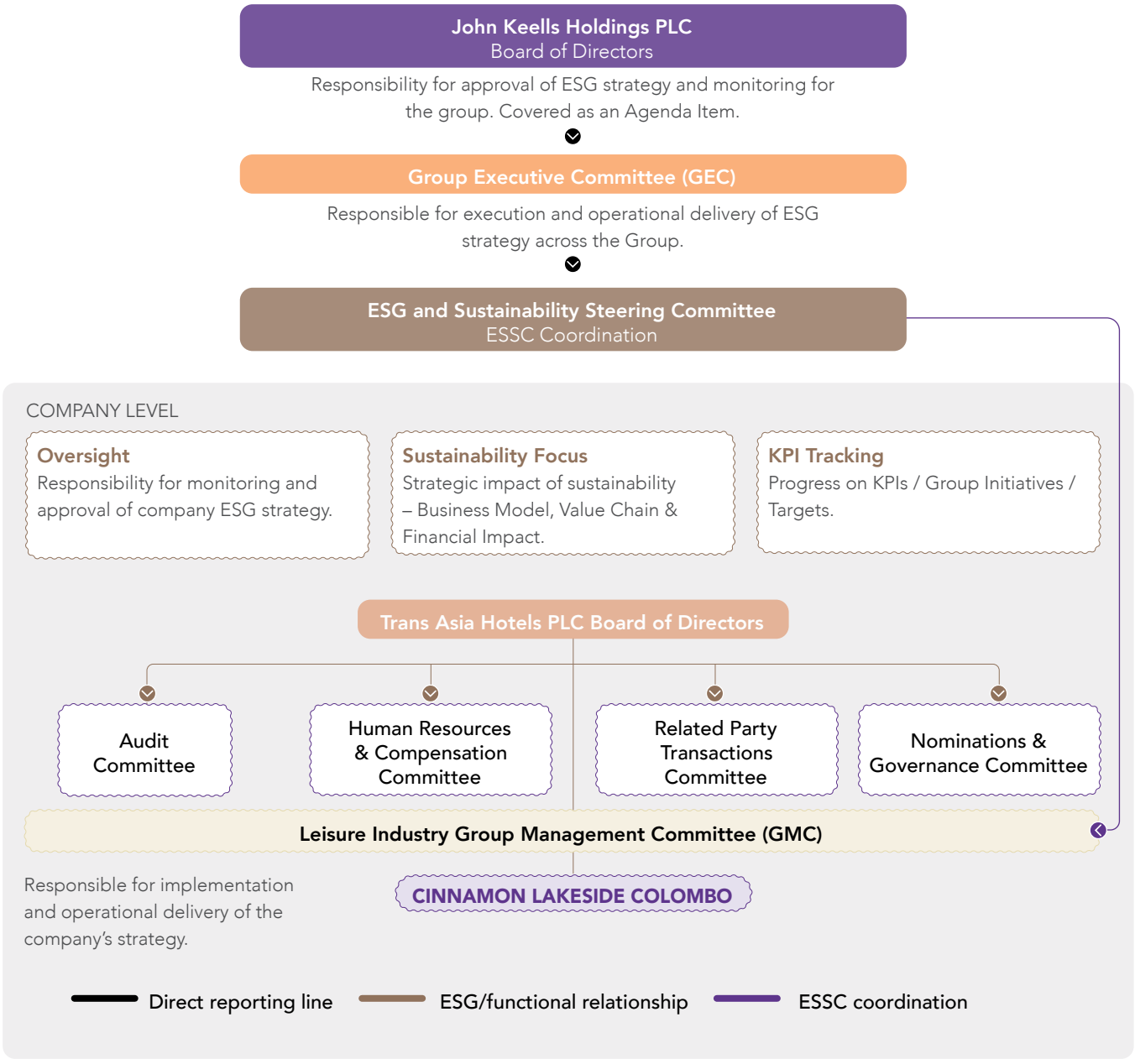
During the year, a series of workshops and working sessions for senior leadership and their teams were conducted with the consultants, to build internal capability and deepen understanding of the standards and their implications for the Company's reporting and governance processes. These sessions were attended by key stakeholders, reflecting their roles in the implementation and ongoing oversight of sustainability related disclosures.

To strengthen governance and strategic oversight, the JK Group established a ESG and Sustainability Steering Committee, which is responsible for overseeing sustainability related impacts, risks, and opportunities, including Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs). The material SRROs and CRROs from a Company's perspective were evaluated and presented to the GEC for subsequent approval and clearance by the Board as well. The Committee serves as the primary governance forum guiding the JK Group's sustainability agenda and ensuring alignment with the requirements of SLFRS S1 and SLFRS S2 as the JK Group including the Company progresses towards full implementation.

Corporate Governance

The Board holds ultimate responsibility for overseeing of the Company's sustainability impacts on the economy, environment and people, sustainability and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Company's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the Group Executive Committee (GEC), the ESG and Sustainability Steering Committee and industry group level Group Management Committees (GMCs), described below. This governance architecture reflects the emphasis of SLFRS S1/S2 on clear processes, controls and procedures for monitoring and managing sustainability and climate-related matters, while simultaneously supporting the management of the JK Group's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the GRI Standards.



As the Company develops its sustainability ambitions, including climate ambitions and a transition pathway, governance remains focused on ensuring robust oversight, data integrity and decision-readiness, to support future target-setting and effective integration of sustainability and climate considerations into strategy and capital allocation decisions.

Governance: Roles, Mandates, Procedures

Responsibilities for SRROs/CRROs and broader impact management are embedded within the Company's governance framework and formalised by the Board and the Leisure Industry GMC.

Aligned with the Company's corporate governance framework, the Board has delegated primary responsibility for implementing and managing impacts and CRROs/SRROs to the Leisure Industry GMC.

These responsibilities extend to the governance and management of material sustainability impacts identified through the Company's double materiality assessment, with impact materiality considered as the starting point for identifying related risks and opportunities.

Such delegated responsibilities seek to ensure the effective execution and monitoring at management level while ensuring that the Board retains clear oversight of the Company's impact on the environment, society and economy as well as the sustainability and climate related risks and opportunities arising from the Company's activities. This governance approach, as adopted by the Company, supports the alignment with both the Global Reporting Initiative's (GRI) impact materiality focusing on broad range of stakeholder groups, and the SLFRS S1 and SLFRS S2 requirements on financial materiality focusing on investors and primary users of financial reports.

The governance structure ensures that the sustainability impacts on the economy, environment and society as well as SRROs/CRROs are embedded in operational decision making, resource allocation and Company-wide performance management, while maintaining appropriate Board-level oversight.

Performance related to the Company's material sustainability impacts, SRROs/CRROs together with the effective mitigation actions and related metrics are communicated through a structured reporting cycle (dashboards, ERM reports, targeted briefings), with clear escalation to the appropriate decision-making level on a timely basis. Impact-related information, including material impacts identified across the value chain, is communicated through the same reporting mechanism, ensuring a unified governance and escalation framework for impacts, risks and opportunities.

The ESG and Sustainability Steering Committee will meet periodically and report to the GEC, highlighting key outcomes, recommendations, follow-up actions and emerging regulations and frameworks related developments relevant to sustainability and climate related matters.

The Board

The Board of Directors is responsible for overall governance and oversight of the Company's sustainability topics that have an impacts on broader stakeholder groups, as well as the SRROs and CRROs, as set out in the Board Charter.

The Board's responsibilities include:

- Overseeing the strategic direction and material sustainability impact topics, SRROs/CRROs, and considers their implications for long term value creation, approving related major sustainability commitments, including the climate ambitions and transition plans, and governance actions where required.
- Reviewing sustainability impacts, impact management and mitigation strategies, and SRROs and CRROs at Board meetings held quarterly, ensuring alignment with the JK Group's strategic direction and evolving external expectations.
- Ensure adequacy of systems, policies, controls and capabilities to facilitate timely flow of decision-useful to the Board relating to sustainability impacts, SRROs and related performance metrics.

Information flow and frequency

The Board receives regular and structured information, primarily through its members who represent the leisure industry GMC, unless otherwise noted. These include:

- Quarterly reports on sustainability disclosures, internal controls and assurance outcomes.
- Sustainability and ESG reports from the Leisure Industry GMC via Board Papers.
- ERM reports incorporating climate related risks within the Company risk register.
- Dashboards, sector summaries and ad hoc briefings on significant regulatory developments, sustainability matters or ESG related incidents.

Corporate Governance

The Board approves policies and impact-based KPIs and oversees capital allocation. As climate ambitions are developed, the Company Board's current focus is on addressing emerging climate risks and integrating climate considerations into long term planning.

Skills and expertise

The Board's collective expertise across finance, strategy, risk management, governance, operations, technology and regulation, training programmes and engagement with external subject matter specialists, ensures robust oversight of the Company's sustainability impacts and SRROs/CRROs, in alignment with JK Group practices.

Refer to the Board Profiles section (page 20) of this Report for further details.

ESG and Sustainability Steering Committee

The ESG and Sustainability Steering Committee serves as the structured conduit to the GEC, coordinating the sustainability agenda. Responsibilities include consolidating value-chain analyses, recommending strategies to the GEC and Board, and supporting compliance with external standards.

The ESG and Sustainability Steering Committee is headed by the Deputy Chairperson/Group Finance Director of JKH. The committee convenes at least once a quarter or at appropriate intervals and otherwise as required.

Information flow and frequency

The ESG and Sustainability Steering Committee receives quarterly dashboards and formal reporting from Leisure Indsutry Group GMC to coordinate JK Group level oversight, including group-level risk reporting, sector ESG performance reviews, and updates on sustainability and ESG related disclosures, metrics, targets and methodologies.

Skills and expertise

The ESG and Sustainability Steering Committee maintains and strengthens its collective competence through a combination of strong professional expertise and continuous development. This includes periodic briefings on emerging sustainability, climate and regulatory developments; participation in targeted training and internal capacity-building programmes; and engagement with internal and external subject matter experts. Drawing on access to multidisciplinary technical and sustainability knowledge within the JK Group, the Committee ensures that its approach to impact mitigation, target-setting, metrics, methodologies and disclosure requirements remains current and robust. This enables the ESG and Sustainability Steering Committee to effectively identify, assess and oversee the implementation of strategies to manage and mitigate sustainability-related impacts, risks and opportunities, review performance against established targets, and provide well-founded, informed recommendations to the leisure GMC.

Leisure Industry Group Management Committee (Leisure Industry GMC)

Leisure GMC is responsible for implementing the company's ESG strategy as well as its sustainability and climate-related strategies and initiatives through established committees, reporting lines, and internal controls. The Leisure GMC committee convenes monthly.

Delegation and Oversight

The Leisure Industry GMC plays a central role in the Company's sustainability governance architecture by serving as the leadership body responsible for embedding sustainability impact management, SRROs/CRROs into operational and strategic decision making. Their primary responsibility is to translate the Company's material Sustainability topics, ESG and climate ambitions set through the ESG and Sustainability Steering Committee, into actionable, sector-specific strategies.

The responsibilities of Leisure Industry GMC's include:

- Translating Company level sustainability priorities into sector-specific plans and roadmaps, by embedding long term sustainability value creation objectives and considerations into the leisure sector business plan, budgets, operational enhancements and resource allocation decisions with clear ownership, timelines and performance indicators.
- Identifying SRROs and CRROs across the sector value chain; assessing associated sustainability impacts; and defining appropriate mitigation, adaptation or opportunity capture. This process is informed by business-level value chain and life-cycle assessments and supported by senior management review and approval.
- Monitoring emerging regulatory, market and technological developments; assessing implications for the sector; and strengthening readiness through targeted training and capacity-building initiatives, supported by documented policy and regulatory readiness tracking.
- Proposing goals, targets and KPIs establishing baselines and measurement methodologies; tracking and reporting progress; and validating the completeness, accuracy and credibility of sector data and supporting documentation to enable assurance readiness.

- Ensuring that sustainability impacts and SRROs/CRROs are explicitly considered in material investments, including implications for asset and supply-chain resilience, operating costs, value creation, transition alignment and key implementation dependencies, with documented trade-offs and mitigation measures presented for decision-makers.
- Reviewing sector sustainability reporting inputs and escalating material matters, including significant impacts, incidents, emerging risks or material deviations, in accordance with established reporting and escalation procedures.
- The Leisure Industry Group GMC will take these sustainability related matters up at least quarterly with the above responsibilities forming standing agenda items.

Oversight of business level execution is exercised through a structured escalation framework as follows:

- The Leisure Industry GMC Sector GMC submits quarterly updates to the ESG and Sustainability Steering Committee covering sector performance, sustainability impacts, changes in SRROs and CRROs, emerging issues and progress against key deliverables.

Management's Responsibilities and Role

Management is responsible for operationalising the Company's sustainability impacts, strategies, and initiatives through defined committees, reporting lines, and internal controls. Execution is delegated to the Company, with oversight exercised through structured reporting to the Leisure Industry GMC, which consolidates Company insights and elevates material matters to the Company Board and ESSC.

This governance approach ensures that Leisure sector Level execution remains closely connected to JK Group-level oversight and decision making, with clear escalation pathways for material sustainability impacts, SRROs and CRROs, enabling the preparation of transparent, decision useful sustainability and climate related disclosures.

Controls and Procedures

Sustainability impacts, and Sustainability and Climate related information, are identified and captured at the business unit level and channelled through a defined reporting pathway, assessed from both an impact and financial materiality perspective, are escalated in accordance with the JK Group's sustainability governance framework and ERM processes. Management uses formal controls and procedures to support effective oversight of the Sustainability Management Framework, integrated ESG data management systems, internal audit and assurance processes, cross functional coordination mechanisms, and standardised risk identification, assessment and reporting practices. These controls are designed to support data quality, consistency, accountability and decision readiness across the governance structure.

Integration into Strategy and Decisions

The Board considers sustainability impacts, CRROs and SRROs as part of its oversight of the Company's overall strategy, major decisions and JK Group risk management framework and impact mitigation activities. In doing so, the Board considers how these matters may influence the Company's business model, its corporate responsibility efforts ensuring that impacts on the economy, environment and society are managed, ensuring organisational resilience and long term value creation, and ensures they are addressed through appropriate governance, policies and management actions.

The GEC assesses sustainability impacts, CRROs and SRROs when developing and refining the Company's strategic priorities. This includes evaluating how sustainability impacts, CRROs and SRROs may affect long term competitiveness across business units, considering opportunities related to energy efficiency, resource optimisation, and emerging regulatory expectations and assessing the readiness of the business unit support future climate ambitions, whilst ensuring responsible business operations meeting the expectations of a broad stakeholder groups including but not limited to investors.

When evaluating material investments, the GEC assessment will include exposure to physical and transition climate risks, potential impacts on operating costs, asset resilience, and long term value and alignment with emerging climate related commitments. These evaluations also consider material impacts on society and the environment, including potential trade offs between short term financial performance and longer term impact-related outcomes.

The Leisure Group Management Committee (GMC) translates the Board's priorities into sector-level actions, decision making inputs, and performance monitoring. It provides the Board with structured analyses by consolidating insights from operational leaders and functional experts, including finance, risk, legal/compliance, human resources, and operations, ensuring that recommendations reflect both practical execution realities and governance expectations.

Corporate Governance

Leisure GMC supports our strategy in the following ways:

- It aligns leisure sector plans and key initiatives with the Company's sustainability and ESG priorities while identifying any gaps in delivery.
- It assesses emerging Sustainability related Risks and Opportunities (SRROs) and Climate related-Risks and Opportunities (CRROs), translating these into clear implications for our business plans.
- It ensures that material investments incorporate decision useful sustainability inputs, such as the impacts on broader stakeholder groups, relevant SRROs/CRROs affecting business operations, implementation readiness, data and metrics considerations, and proposed mitigation strategies.

When the Board reviews material investments, it applies a consistent evaluation framework to identify what management needs to address before making decisions. This includes evaluating the impact on key stakeholders, society, and the environment, as well as considerations for organisational resilience, cost and feasibility implications, delivery dependencies, and reporting requirements. Additionally, the ESSC enhances the quality of trade-off discussions by outlining practical options, helping decision-makers balance short term performance with long term commitments and risk exposure.

Targets, Monitoring, and Remuneration

The Board of Directors oversees the development of targets related to the Company's sustainability impact topics, SRROs and CRROs and monitors progress toward those targets as they are established. The Board has delegated responsibility for the formulation and operationalisation of such targets to the Leisure Industry GMC who are currently leading the development of the Company's sustainability impact targets including its climate ambitions and associated performance indicators.

During the 2025/26 reporting cycle and going forward, the GEC's focus through the ESG and Sustainability Steering Committee is on validating baseline metrics and assessing the feasibility of future targets, with periodic updates provided to the JKH Board to support oversight and decision-making.

As permitted under SLFRS S1 transition reliefs, the Company has not yet introduced climate-related targets or linked remuneration metrics to such specific aspects although the broader ESG considerations form part of the key strategic priorities for key executives; however, the Company Board and the Human Resources and Compensation Committee (HRCC) shall evaluate how future sustainability-related performance measures may be incorporated into executive remuneration frameworks once targets are finalised.

The Company Board, through the HRCC, shall review and approve the integration of such metrics into remuneration policies when the Company's climate ambitions, and transition pathways are developed by the ESG and Sustainability Steering Committee and approved following the JK Group approval matrix.

ASSURANCE MECHANISMS

The Assurance Mechanisms comprise of the various supervisory, monitoring and benchmarking elements of the Company Corporate Governance System which are used to measure actuals against plan with a view to highlighting deviations, signalling the need for corrective action, and quick redress when necessary. These mechanisms also act as safety nets and internal checks in the Governance system. The Company also conducts internal and external audits on a periodic basis, with a minimum frequency of one per year.

As outlined in the ensuing sections, the Company has various mechanisms in place for concerns to be escalated and raised to the GEC or to the Board as relevant and required. Other than matters on significant transactions linked to the operations of the Company, there were no critical concerns which have a material adverse effect on the Company that were raised during the year.

Key Internal Policies

The Company's policy framework is largely aligned to that of the JK Group and tailored to suit the specific requirements of the industry wherever relevant. Policies are reviewed and updated regularly to ensure relevance to internal dynamics and the external landscape. The Board shall monitor adherence to the policies and where relevant, will inquire into and take requisite steps to address any material departures.

Key Internal Policies:

- Policy on Conduct and Business Ethics supported by the:
  - Code of Conduct, encompassing policies on gifts, entertainment, facilitation payments, the protection of proprietary, confidential and personal information, insider trading and conflicts of interest.
  - Supplier Code of Conduct, outlining expected adherence to applicable legal requirements, governance standards, ethical business practices, and responsible conduct in alignment with the Group's values.
- Policy on Corporate Governance
- Policies at a Board level, including the Policy on Matters Relating to the Board of Directors (BoD), Policy on Board Committees and Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on diversity, equity and inclusion, including a gender policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Recruitment and selection, rewards and recognition, and learning and development policies
- Leave (which also encompasses the equal parental leave), flexi-hours, teleworking and agile working policies including health and safety enhancements and protocols
- Policy against sexual harassment
- Policy on forced, compulsory child labour and child protection
- Group accounting procedures and policies which includes the Policy on Control and Management of Company Assets and Shareholder Investments and the Policy on the Engagement of the External Auditor for Non-Audit Services
- Policies on fund management and foreign exchange risk mitigation
- Environmental, Social and Governance (ESG) Policy and the Group's sustainability policies including policies on energy, emissions, water, waste management and biodiversity conservation
- Policies on products and services
- Policies on Information Technology (IT), classification of information assets, Personal Data protection and security
- Enterprise Risk Management and Internal Controls Policy
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Policy on Corporate Disclosures and Relations with Shareholders and Investors
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Policies on Whistleblowing (Speak up Policy), grievance handling and disciplinary procedures, including the Ombudsperson policy

The JK Group's policy commitments are available to all employees of the Company via the JK Group's employee portal. These policies are approved by the Group Executive Committee with Board oversight.

During the year under review, the JK Group strengthened its ESG Policy in alignment with the implementation of SLFRS S1 and SLFRS S2 disclosure requirements. The policy was updated to reflect the governance and process enhancements introduced as part of the implementation of these standards. No other material changes were done to the JK Group policies during the reporting period, and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review.

During the year under review, the JK Group strengthened its Environmental, Social and Governance (ESG) Policy in alignment with the implementation of SLFRS S1 and SLFRS S2 disclosure requirements. The Company has adopted and aligned its sustainability framework with these enhancements, ensuring consistency with the JK Group's approach to governance, accountability, and sustainability reporting. The policy was updated to reflect the governance, accountability and process enhancements introduced as part of this implementation, including further clarity on the Board oversight of sustainability and climate related risks and opportunities, strengthened management ownership and accountability, and the integration of climate related risks into the Group's Enterprise Risk Management framework.

In addition to aligning with SLFRS S1 and S2, the policy was further refined to incorporate the principles of double materiality, enabling the JK Group and the Company to systematically consider both the financial impacts of sustainability and climate related risks and opportunities, as well as the Group's impacts on the economy, environment and society. The update also incorporated the adoption of more standardised metrics and reporting processes.

Collectively, these enhancements support a more structured approach to the identification, assessment and management of sustainability and climate related impacts, risks and opportunities, while embedding both impact and financial materiality considerations into the Company's strategic decision making and disclosures.

Corporate Governance

THE CODE OF CONDUCT

The Code of Conduct acts as a vital conduit between the JK Group's overarching governance framework (which includes the Group's internal policies) and its employees, as it is the primary tool that operationalises the governance framework.

During the year the JK Group revisited and updated its Code of Conduct to provide employees with a clearer, more comprehensive, and practical guide that reflects the evolving regulatory landscape, strengthened compliance requirements, and emerging environmental and workplace considerations. The Company has aligned its practices with these enhancements, ensuring consistency with the JK Group's governance standards and expectations. The updated Code addresses issues most relevant to employees and reinforces the JK Group's core values of Integrity, Trust, Excellence, Caring, and Innovation, promoting ethical behaviour, accountability, and a culture of responsible business practices across the organisation.

The Code of Conduct is incorporated as part of the contract of employment of every employee within the Company. For new joiners in the executive and above levels, the content of the Code of Conduct and JK Group policies is covered via an induction to the JK Group and a mandatory e-learning module whilst copies of the Code are available in Sinhala and Tamil languages for employees who are more conversant in those languages.

Through the Code of Conduct, all Group policies apply to all employees and Directors. The Company Leadership, both the Board of Directors and the Group Executive Committee, spearheads the implementation of the Code.

The objectives of the Code of Conduct are strongly affirmed by the strong set of values and 4 key principles, which are enumerated below, and are well institutionalised at all levels within the Group through structured communication.

JKH Code of Conduct

- Allegiance to the Company and the Group, that ensures the Group will do the right thing, by going further than the letter of any contract, the law and the Group's written policies.
- Compliance with rules and regulations applying in the territories that the Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public and personal transactions.

Employee alignment with these values and key principles, as well as their adherence to the JKH Code of Conduct, are integral factors in the JK Group's reward and recognition programmes.

ETHICAL BUSINESS PRACTICES OF THE JK GROUP:

The following ethical business practices, established at JKH Group level, are adopted and applied by the Company across all its operations.

- Seeks to ensure that ethical business practices are the norm from the most senior to the most junior employee, stemming from, and including the Board of Directors. All JK Group companies have procedures and processes to enable the prevention and reduction of corruption and bribery. Each business unit is also expected to evaluate the risk of corruption as part of its risk management process and put in place mitigation measures to reduce such risks. Its transparent control and prevention mechanisms also extend this expectation to its value chain comprising of its customers, suppliers and business partners. The JK Group is required to analyse all its business units and functions and include the risk of corruption as part of its risk management process. The JK Group has a zero tolerance policy towards bribery and corruption.
- Stringent checks during the recruitment process ensures that minimum age requirements are met.
- Ensures that all businesses are educated on the possible sources of forced and compulsory labour.
- Committed to upholding the universal human rights of all its stakeholders.
- Is an equal opportunity employer and has zero tolerance for physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations or opinion or any other difference.

DEEP-DIVE INTO GIVING AND RECEIVING GIFTS, FAVOURS AND ENTERTAINMENT:

The following requirements, established at JK Group level, are adopted and applied by the Company across all its operations.

The JK Group's policies prohibit the giving or receiving of gifts, entertainment or favours where a reasonable person could perceive a risk to independence or impartiality or view it as an inducement for an official or business favour. This covers interactions with clients, service providers, customers, business associates, political parties, or any stakeholder and also applies to charitable donations and sponsorships. Any modest gifts or tokens of appreciation, whether given or received, are permitted when aligned with business exigencies and provided they are well-intentioned, without ulterior motives or personal gain. All such gifts must be reported to the relevant Finance Head (Chief Financial Officer or Sector Financial Controller) for clearance and are centrally recorded and monitored.

Chairperson Direct

The JK Group has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson via email regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

Board Committees

In addition to the Company Audit Committee, Nominations and Governance Committee, Human Resources and Compensation Committee and the Related Party Transactions Review Committee, the Ultimate parent company, JKH PLC's Board Sub-Committees play an important supervisory and monitoring role by focusing on the designated area of responsibility passed to it by the Board. For more information refer Board Sub-Committee section page 141 of this Commentary.

Employee Participation in Assurance

Employee engagement is encouraged at all levels, with the Company continuously working towards introducing innovative and effective modes of employee communication and awareness, in alignment with the JK Group's approach. The importance of communication top-down, bottom-up, and lateral in fostering employee commitment to organisational goals is reinforced through ongoing engagement by senior management. Whilst employees have many opportunities to interact with senior management, the Company has created the ensuing formal channels for such communication through feedback, ensuring that employees can share their views without the risk of reprisal.

- Skip level meetings
- Exit interviews
- 360 degree evaluation
- Employee surveys
- Monthly staff meetings
- Chairperson Direct
- Ombudsperson
- Access to Senior Independent Director of JKH
- Continuous reiteration and the practice of the Open door policy

Speak up (Whistle-blower) Policy

The Company continued with its whistle-blower policy and securities trading policy. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up. The respective outcomes are duly recorded. The JK Group's Whistle-blower Policy provides an effective mechanism for employees and other stakeholders to report any concerns regarding compliance and ethics. The Policy provides a transparent and confidential process that encourages reporting any such concerns. The Policy covers the reporting process, how such reports will be addressed and emphasises that those who make a report in good faith under the Policy will be protected from retaliation.

Key aspects of the Policy:

- Guidelines on the process through which concerns raised will be investigated and appropriate corrective/ preventive action will be taken
- Designated persons to whom reports can be made.
- Management responses and steps taken
- Details of the internal inquiry process
- Maintaining confidentiality

The Whistleblower policy which was also established at CH&R serves as a vital framework to uphold ethical standards and protect colleagues who report unauthorised or unethical practices within the organisation. The anonymity and protection of the reporting employee is maintained and there is two-way communication with the management.

Internal Controls

The Board has taken necessary steps to ensure the integrity of the Company's accounting and financial reporting systems and that internal control systems remain robust and effective by periodically reviewing and monitoring such systems.

Internal Compliance

A quarterly self-certification programme requires the Leisure Industry Group's President, Sector Head and Chief Financial Officer to confirm compliance with statutory and other regulatory procedures, and also to identify any significant deviations from the expected norms. The compliance statement which gets collated

Corporate Governance

every quarter and tabled at the respective Audit Committee meetings is subject to periodic review and where applicable revised, to reflect and capture any material changes that drive the macro and micro-operating contexts, for reporting and monitoring purposes.

System of Internal Control

The Board has taken steps to obtain assurance that systems, designed to safeguard the Company's assets and provide management information, are functioning according to expectations and proper accounting records are in place through the involvement of the Group Business Process Review function.

This also entails automated monitoring and workflow-based escalation in order to facilitate timely clearing of all transactional entries including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheques deposits, in line with international best practice. This also enables the continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting in order to reinforce governance and assurance.

The JK Group has in place two integrated frameworks, the Fraud Deterrent and Investigation Framework and the Process Review Framework that complement each other to strengthen the JK Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud, employs a data driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enable audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use-cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transactions as each traverse through each micro-value chain, at the time of audit reviews.

The digital system implemented for quarterly financial and operational information management, continues to perform as per expectations facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into Internal Audit Scoping and continues to be used to identify areas for process optimisation, strengthening controls and in feedback reporting to reinforce governance (management) and assurance structures.

INITIATIVES TO STRENGTHEN INTERNAL CONTROLS

- In alignment with the JK Group's migration to SAP S/4HANA (RISE), a high-level review of the authorisation matrix was executed to validate access levels, address any anomalies and ensure secure and consistent user access controls. By addressing these prior to go-live, the JK Group ensured a smooth transition while safeguarding system security and the integrity of its controls.
- Strengthened its risk governance capabilities through the continued development of an Integrated Credit Risk Intelligence System under the JK Group-wide Forensic Data Analytics Platform initiative. The system enables a shift from reactive to proactive risk management by providing timely insights on customer creditworthiness, portfolio concentration risks, collections prioritisation, and sector-level risk trends, thereby supporting faster and more informed credit decisions. Designed with strong governance and accuracy controls, the system incorporates safeguards to validate model outputs against underlying data to ensure reliability and auditability.
- In parallel, a structured review of key operational processes was initiated- including Order-to-Cash, Procure-to-Pay, and Record-to-Report cycles - to identify opportunities for automation, digital reengineering, and improved data integrity across shared services, reinforcing the Group's commitment to data driven decision making and responsible governance.
- Enhanced its Business Continuity Management (BCM) framework,

adopting a structured, process-driven approach to safeguard operational resilience and protect stakeholder interests, while aligning with globally recognised standards such as ISO 22301:2019 and best practices recommended by Disaster Recovery Institute International (DRI). The framework incorporates proactive risk mitigation measures, regular testing, and governance oversight to support the uninterrupted functioning of critical operations during periods of disruption.

- Continued to strengthen its data governance framework to ensure compliance with the Personal Data Protection Act No. 09 of 2022, aligning practices with internal data protection principles and globally recognised standards.
- Dedicated Data Protection Officers (DPOs) are in place across industry groups, with oversight of data protection practices within their respective domains. DPOs report to Sector Data Governance Leads and Presidents and are supported by a Data Governance Steering Committee, which provides strategic direction and oversight. Building on the previously completed gap analysis by external consultants, the JK Group continued to enhance its technical, security, and organisational controls during the year. Compliance is monitored through structured reporting channels, with regular updates submitted by DPOs and periodic reporting to the Audit Committee on compliance status, emerging risks, and ongoing improvements.
- The Company also continues to monitor regulatory developments and engage with the Data Protection Authority of Sri Lanka to ensure alignment with evolving requirements. No substantiated complaints relating to breaches of customer privacy or loss of customer data were reported during the year.

The risk review programme covering the internal audit of the Company is outsourced. Reports arising out of such audits are, in the first instance, considered and discussed at the functional unit levels and, after review by the Sector Head and the President of the Leisure industry group, are forwarded to the Audit Committee of the Company on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control on a regular basis.

Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

The Company recognises the importance of ensuring that no individual has excessive system access to execute transactions across entire or several business processes which have critical approval linkages. With growing reliance on information technology and integrated financial controls, there is an increased risk of unintended exposures within the Company. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Company continues to take steps to identify and evaluate existing conflicts through the maintenance and monitoring of a SoD matrix with defined parameters for identifying, approving and reporting on conflicting roles and how they are dealt with. The residual risk is then reduced to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

Internal Audit

The following diagram provides a helicopter view of the Internal Audit Approach that has been rolled out within the JK Group adopted by the Company. Central to this approach is the business strategy and how the current processes, systems, and people, are geared to efficiently and effectively handle the deliverables of the current business strategy at the time of review. The outer elements reflect the reporting elements which are noted in audit reports, either as observations and/or value-added recommendations.

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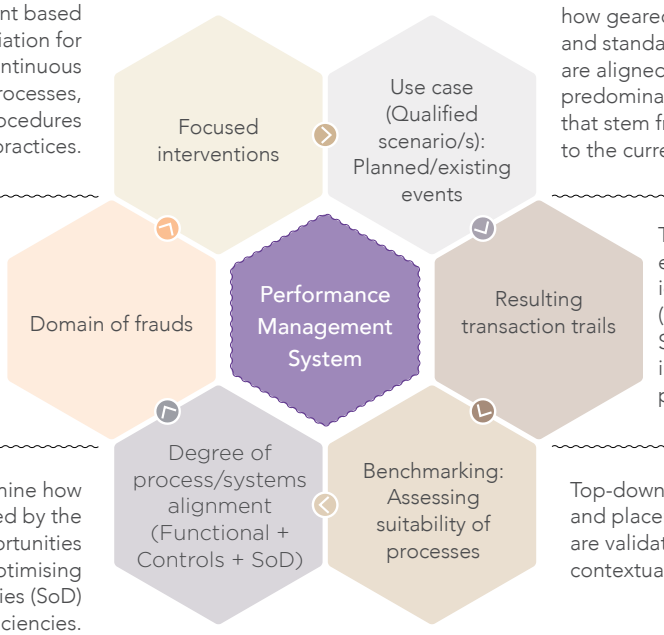
The new internal audit approach: Continuous emphasis on context

Prompt active engagement based on prioritised remediation for identified opportunities for continuous improvement of existing processes, systems, standard operating procedures and practices.

Central to this approach: Auditor determines how geared the factors of Process, Systems, and standard operating procedures are aligned and are ready to facilitate predominant use cases [specific scenario(s)] that stem from events occurring, consequent to the current business strategy.



Disclosure of a qualified list of fraud that the process is assessed for its susceptibility and is based on authoritative sources such as Association of Certified Fraud Examiners (ACFE), and amongst others, Global knowledge resources of Audit firms.

Transactions resulting from events are scrutinised, anomalies identified, and root cause (contributory effect of Process, Systems, People), and its potential impacts to the business are prioritised for further deliberation.

Bottom-up evaluation : Determine how well process controls are enforced by the system(s) in use, identify opportunities for process automation and optimising enforcement of segregation of duties (SoD) to enhance efficiencies.

Top-down assessment: Efficacy of the design and placement of process/functional controls are validated/verified and benchmarked with contextually relevant best practice.

Whilst there are merits and demerits associated with outsourcing an internal audit, the JK Group is of the view that having an external based auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the external auditor.

Forensic data analytics to identify anomalies and facilitate behavioural oversight

Traditionally, internal auditing followed an approach which was based on a cyclical process that involves manually identifying control objectives, assessing and testing controls, performing tests, and sampling only a relatively small population of the dataset to measure control effectiveness and operational performance. Today, the Company operates in a complex and dynamic business environment where the number of transactions has increased exponentially over the years, and traditional cyclical/sample based internal auditing techniques are becoming less effective. As such, the Company in line with the JK Group continues to use big data analysis techniques on the total data using standard deviations, z-scores and other statistical measures in establishing real-time, user-friendly outlier identification and early warning triggers.

FORENSIC DATA ANALYTICS

- The Company continues to strengthen its use of forensic data analytics as a key mechanism to enhance financial governance and risk oversight. The system facilitates the identification and investigation of unusual transactions within large data populations through the application of well established analytical algorithms, enabling timely management attention and reinforcing process and system controls to safeguard transaction integrity.
- A critical success factor of this oversight mechanism is the deployment of advanced machine learning algorithms that are continuously calibrated to reflect the operating conditions of each business. This enables the system to remain relevant and insightful, enhancing its effectiveness in supporting Continuous Controls Monitoring (CCM), enabling early detection of anomalies, and creating opportunities for optimisation and proactive intervention.
- As part of this initiative, the Company continues to enhance its Forensic Data Analytics platform for automated Transaction Outlier Detection, which monitors datasets relating to accounts payable, accounts receivable, the general ledger, and other financial transactions. The system detects anomalies and routes alerts to Management for timely review and response, functioning as a robust oversight tool that helps deter fraud while further strengthening the overall control environment.

Ombudsperson

The JK Group has appointed an Ombudsperson to serve as an independent, impartial, and confidential channel for addressing complaints, disputes, or grievances raised by employees, stakeholders, or other parties in relation to alleged violations of the Code of Conduct. The Ombudsperson complements existing mechanisms such as Chairperson Direct and formal whistleblowing channels and may be approached where concerns are not addressed satisfactorily through internal processes.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson-CEO of JKH or to the Senior Independent Director of JKH upon which the involvement of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson-CEO of JKH or the Senior Independent Director of JKH, as the case may be, will place before the Board:

i. the decision and the recommendations.

ii. action taken based on the recommendations.

iii. where the Chairperson-CEO of JKH or the Senior Independent Director of JKH disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, thereof.

In situation (iii), the Board is required to consider the areas of disagreement and determine the way forward. The Chairperson-CEO of JKH or the Senior Independent Director of JKH is expected to take such steps as are necessary to ensure that the complainant is not victimised, in any manner, for having invoked this process.

The Ombudsperson also provides periodic reports to the JKH Board or the JKH Audit Committee, including a summary of the number and nature of complaints received, investigation outcomes, and recommendations for systemic improvements, without disclosing personal or confidential information unless required by law. Safeguards have been established to ensure that complainants are not subjected to victimisation for invoking this process.

The current Ombudsperson is an attorney-at-law by profession. Typically, the appointment of the Ombudsperson is for a fixed term between three to five years, which may be renewed at the option of the JKH Board.

MANDATE AND ROLE

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

(a) legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;

(b) violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO of JKH, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;

(c) sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson-CEO of JKH and those to whom this authority has been delegated.

During the period under review commencing from 01 March 2025, one complaint was received by the Ombudsperson. The complaint alleged a delay in adhering to the internal process with respect to the Group speak up Policy. As at the date of the submission of this report, being 15 May 2026, the matter has been addressed and closed by the Ombudsperson.

No other issues that fall under the purview of the Ombudsperson have been brought to the attention of the Ombudsperson during the financial year that would indicate mismanagement, unfair treatment, or justified discontent on the part of any employee or ex-employee.

Ombudsperson
15 May 2026

External Audit

The External Auditor is appointed subject to the provisions of the Companies Act. The Audit Committee recommends to the Board for the appointment, re-appointment or removal of the External Auditor in line with professional and ethical standards and regulatory requirements. It monitors and reviews the External Auditor's independence, objectivity, and effectiveness in the audit process, considering relevant professional and regulatory requirements.

Corporate Governance

When assigning non-audit services to External Auditors, the Audit Committee ensures that the External Auditor has the necessary skills and experience for the assignment and ascertains that independence and objectivity in carrying out his duties and responsibilities will not be impaired.

On the recommendation of the Board, the shareholders approved the reappointment of Messrs. KPMG, Chartered Accountants as the External Auditor for 2025/26 at the last AGM.

The audit fees paid by the Company to its auditors are separately classified in the Notes to the Financial Statements of the Annual Report.

GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

Operating in a volatile and evolving global geo-political and local socio economic environment, the Company recognises the importance of maintaining a strong and effective corporate governance framework. Robust governance underpins accountability, transparency, fairness and sustainable value creation for stakeholders. The Board continues to assess governance readiness against emerging internal and external challenges, while aligning practices with global best standards. The key governance focus areas and challenges being continuously addressed by Company are outlined below.

Board Diversity and Succession Planning

The Company recognises the importance of a diverse Board with the skills, values, and vision aligned to the JK Group's varied business interests. The Company believes diversity enhances stakeholder insights and responsiveness. Efforts are focused on recruiting qualified individuals from various demographics, experiences, and backgrounds, all within a strong culture of meritocracy. Considering the diversity of the JK Group and the institutional knowledge, proactive succession planning of the Board and, more importantly, key executive leadership will enable continuity of strategy, governance and culture of the business.

Board Independence

Board independence remains a cornerstone of the JK Group's governance framework and is fundamental to stakeholder confidence. Effective governance structures, nomination processes and safeguards are in place to promote objective decision making and minimise conflicts of interest. To this end, the Company will continue to place emphasis on further augmenting the Board's independence whilst striking a balance with the JK Group's operating model, which addresses the complexities and intricacies of a diversified conglomerate setting.

Beneficial Ownership of the Company

While the JK Group does not have a controlling shareholder or any shareholder interest represented on the JKH Board, the JK Group recognises that beneficial ownership disclosure is critical to transparency and stakeholder trust and has proactively begun collating and preliminarily verifying relevant information. The Companies Act (Amendment) No. 12 of 2025 introduced mandatory beneficial ownership requirements effective from 30 March 2026 onwards. The JK Group continues to engage with shareholders and monitor regulatory developments to ensure full compliance with the framework.

Anti-Fraud, Anti-Corruption and Anti-Bribery and Financial Crime Compliance

The Company enforces a zero-tolerance stance on fraud, bribery, corruption, and financial crime through its Code of Conduct and comprehensive compliance policies. Ongoing monitoring and remediation processes support ethical conduct and behaviours.

Given the nature and business model of most of the Company's operations, there is no material regulatory exposure; nevertheless, the Company maintains continuous and proactive engagement with the relevant authorities to ensure ongoing compliance. During the year, no issues were raised by the authorities and no sanctions or penalties were levied. The secretarial arm of the JK Group implemented all recommendations arising from such engagements in a timely manner, further strengthening governance and compliance processes.

The Company continues to work with the Financial Intelligence Unit of Sri Lanka, as applicable, to further strengthen its compliance framework and enhance monitoring and coordination in the implementation of Anti-Money Laundering, Counter-Terrorism Financing and Counter-Proliferation Financing measures, recognising the broader implications for the country.

Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG considerations continue to gain prominence among investors, regulators and other stakeholders. In alignment with the JKH Group's approach, the Company integrates ESG factors into strategy, operations and decision making to support sustainable growth, responsible resource management, stakeholder well being and strong governance.

Material ESG priorities have been identified through sector specific studies, stakeholder engagement and benchmarking exercises. Following the release of IFRS S1 and S2 by the International Sustainability Standards Board and their localisation to SLFRS S1 and S2 by CA Sri Lanka, the Company implemented the standards during the year under review.

Continual Strengthening of Internal Controls

The Company continues to strengthen its internal control environment by integrating financial, operational and technology enabled controls in line with

international best practice. In alignment with this approach, the Company continues to improve efficiency, enhance oversight, strengthen fraud detection and prevention, and enable data driven monitoring and compliance. The implementation of SAP Rise, along with related system enhancements, is expected to further strengthen the control and monitoring environment at Company levels.

Digital Oversight and Cyber Security

As digitalisation expands across operations, the JK Group recognises increased exposure to cyber and technology related risks. In alignment with this approach, the Company also prioritises digital oversight, cybersecurity, and data protection. The Board and Audit Committee place significant emphasis on digital oversight, cyber security and data protection, with these matters periodically reviewed to ensure the adequacy of infrastructure, controls and risk mitigation measures.

Data Protection, Information Management and Adoption

The JK Group embeds a strong culture of data privacy and responsible data stewardship, aligned with the Personal Data Protection Act No. 09 of 2022. In alignment with this, the Company operates within the same framework supported by robust policies, security controls, role-based access, training, and oversight by designated Data Protection Officers and the Group Data Governance Steering Committee. Continuous enhancements are guided by external assessments and regulatory developments, and no substantiated customer data breaches or data losses were reported during the year. The requirements under data protection laws will necessitate the Company to devise its strategies and stakeholder engagements in a manner that complies with the law while enabling better insights and understanding of its stakeholder needs.

Greater Employee Involvement in Governance

The JK Group recognises employees as a critical pillar of effective governance. In alignment with this approach, the Company also recognises and reinforces this focus at the organisational level. Ongoing training on the Code of Conduct and governance policies, strengthened performance management processes, enhanced communication and increased empowerment are used to reinforce accountability, ethical behaviour and engagement across the organisation.

Need for Increased Transparency

Transparency remains an evolving journey driven by changing regulations, global best practice and stakeholder expectations. Open, balanced and relevant reporting strengthens trust, credibility and organisational legitimacy, while supporting informed stakeholder decision making. The Company continues to enhance transparency in a manner that prioritises material information and long term value creation.

Geopolitical Risk and Resilience

Global volatility and heightened geo-political risks have required businesses to reinforce risk management processes. While Sri Lanka has developed the necessary macro-economic buffers to withstand external shocks, more frequent or prolonged global volatility will create the need for building resilience in the business model and value chains of corporates. Given the experience from the economic crisis, certain business resilience plans are in place while the emerging global trends will need to be continuously monitored to assess the impact on the country and the macro environment.

COMPLIANCE SUMMARY

The Directors are conscious of their duty to comply with the laws, regulations, regulatory guidelines, internal controls, and approved policies in all areas of the Company's business. The Board receives Compliance Statements from the President– Leisure, CEO Cinnamon Hotels and Resorts and the Chief Financial Officer confirming compliance with regulatory requirements each quarter in accordance with its commitment to regulatory compliance. The Company is compliant with all relevant legal and statutory requirements. Any litigations currently pending, if any, have been disclosed under the Annual Report of the Board of Directors on page 233 of this Report.

Trans Asia Hotels PLC is fully compliant with all the mandatory rules and regulations stipulated by the following:

- Listing Rules of the CSE (effective as of 1 April 2024);
- Companies Act No.7 of 2007;
- Securities and Exchange Commission of Sri Lanka (SEC) Act No.19 of 2021, including rules, regulations, directives and circulars; and
- Code of Best Practices on Related Party Transactions (2013) advocated by the SEC

The Company has also given due consideration to the Best Practice on Corporate Governance (2023) Reporting guidelines set out by CA Sri Lanka and has, in all instances, barring a few, embraced such practices voluntarily, particularly if such practices have been identified as relevant and value-adding.

Corporate Governance

APPENDIX I- STATEMENT OF COMPLIANCE UNDER SECTION 7 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON ANNUAL REPORT DISCLOSURE

Mandatory Provisions - Fully Compliant

Rule		Compliance Status	Reference (within the Report)
Section 7.5 (a)			
(i) (a) and (b)	The Annual Report shall comply with applicable regulatory requirements and include audited Financial Statements prepared in accordance with Sri Lanka Accounting Standards and Sri Lanka Auditing Standards, together with disclosures prepared in accordance with Sri Lanka Sustainability Disclosure Standards.	Yes	Independent Auditor's Report and Independent Assurance Statement
Section 7.6			
(i)	Names of persons who were Directors of the Entity	Yes	Board of Directors
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	Annual Report of the Board of Directors
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Share Information & Shareholding
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement in respect of voting ordinary shares	No – (A note on noncompliance with the minimum public holding requirement has been included under The Annual Report of the Board of Directors Section)	
	a) the public holding percentage in respect of non- voting Shares (where applicable)	N/A	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	N/A	
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Yes	Share Information & Shareholding
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Yes	Risk Management
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Yes	Annual Report of the Board of Directors
(viii)	Extents, locations, valuations and the number of buildings of the Entity's landholdings and investment properties	Yes	Notes to the Financial Statements

Rule		Compliance Status	Reference (within the Report)
(ix)	Number of shares representing the Entity's stated capital	Yes	Share Information & Shareholding/ Performance Highlights
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Financial ratios and market price information	Yes	
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Yes	Notes to the Financial Statements
(xiii)	Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Yes	Share Information & Shareholding/ Notes to the Financial Statements
(xiv)	Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Rule 9 of the Listing Rules	Yes	Annual Report of the Board of Directors Corporate Governance Page 233 and Note 28 of the Notes to the Financial Statements
(xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower		
(xvii) to (xxii)	Disclosures pertaining to Foreign Currency-denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds, Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE.	N/A	N/A

Corporate Governance

APPENDIX II —STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE CSE ON CORPORATE GOVERNANCE

Mandatory Provisions - Fully Compliant

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	Chairperson's Review
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Corporate Governance - Assurance Mechanisms
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	Yes	
9.3 Board Committees			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	The required Committees are maintained and are functioning effectively. Refer Corporate Governance – Board Composition
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	The Company is in compliance with the requirements in respect of the Board Committees.
9.3.3	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	The Company complies with the requirements in respect of the Board Committees. Refer Board Sub- committee reports
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	The Company maintains all records and information regarding resolutions considered at General Meetings.
9.4.2 a/b/c/d	Communication and relations with shareholders and investors	Yes	Refer to Stakeholder management and effective communications under Corporate Governance Report
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance - Composition of the Board

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.5.1 b	Rationale for combining the roles of Chairperson		
	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	N/A	N/A
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance - Composition of the Board
9.5.1 d	The rationale and the maximum number of Directors	Yes	Corporate Governance - Composition of the Board
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance – Board Meetings
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of	Yes	Corporate Governance - Induction and training for Directors
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance – Board Meetings
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes	Corporate Governance – Board Meetings
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for noncompliance and proposed remedial action	Yes	Corporate Governance – Key Internal Policies
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	N/A as the Chairperson is a NED and Chairperson and CEO roles are not combined.
9.6.2	Market announcement on the rationale behind the appointment of a SID	N/A	
9.6.3 a-d	Requirement for a SID	N/A	
9.6.3 E	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	N/A
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	N/A

Corporate Governance

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Board Operations and Effectiveness
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes	
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes	
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with Fit and Proper Assessment Criteria	Yes	No noncompliances were reported during the year in this regard.
9.7.5	Disclosures in the Annual Report	Yes	
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Report – Board Composition
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Board Operations and Effectiveness
9.8.5 a/b/c	The Board to ensure that IDs annually submit declarations on independence/non- independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	Board Operations and Effectiveness
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association.	Yes	The Articles were amended in 2024, subsequent to shareholder approval, to incorporate changes necessitated by the Rules. No Alternate Directors were appointed during the financial year.
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance Report – Board Composition
9.10.2 /9.10.3	Market announcement upon the appointment of a new director and any changes to the Board composition	Yes	Appointment, re-election and resignation
9.10.4 a-i	Details in relation to the Board members	Yes	Refer Board of Director Profiles report

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.11 Nominations and Governance Committee			
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	Refer to the Nominations and Governance Committee Report
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	
9.12 Remuneration Committee			
9.12.2	Establishment of a Remuneration Committee (RC)	Yes	Refer Human Resources Compensation Committee Report
9.12.3	The Remuneration Committee to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence	Yes	
9.12.5	RC Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	
9.12.6 (1)	Composition of RC	Yes	
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	Corporate Governance – Director Remunerations

Corporate Governance

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.13 Audit Committee			
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	
9.13.2	AC to have written terms of reference clearly defining its scope, authority and duties.	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs	Yes	
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	Refer Audit Committee section of the Corporate
9.13.3 (4)/ (6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC	Yes	
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes	
9.14 Related Party Transactions Review Committee			
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.2 (1)	Composition of Related Party Transactions Review Committee shall comprise of a minimum of 3 members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	Yes	The Related Party Transactions Committee comprises only of Independent Directors and maintained the minimum requirement of three members throughout the year.
9.14.3	Functions of the RPTRC	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.4 (1) -(4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes	
9.14.5	Review of Related Party Transactions by the RPTRC	Yes	

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.14.6	Shareholder Approval for Related Party Transactions	Yes	Refer to Extraordinary General Meetings, including Shareholder Approval through the Special Resolution section. During the year under review there was no requirements for Shareholder Approval
9.14.7	Immediate Disclosures	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.8 (1)	Details and disclosures pertaining to Non- Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements.
9.14.8 (2)	Details and disclosures pertaining to Recurrent Related Party Transactions	Yes	
9.14.8 (3)	Report of RPTRC	Yes	Refer Report of the Related Party Transactions Review Committee
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules about Related Party Transactions or a negative statement otherwise	Yes	Refer Annual Report of the Board of Directors.
9.14.9 (1)/ (2)	Shareholder approval for the acquisition and disposal of substantial assets	Yes	Refer to Extraordinary General Meetings, including Shareholder Approval through the Special Resolution section. During the year under review there was no requirements for Shareholder Approval
9.14.9 (4)/ (5)/(6)	RPTRC to obtain competent, independent advice on the acquisition and disposal of substantial asset	Yes	There were no acquisition and disposal of substantial assets during the year 2025/26.
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Assurance Mechanisms
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Refer Board Induction and Training for Directors section.
(iv)	Disclosure of material noncompliance with laws/ regulations and fines by relevant authorities where the Entity operates.	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period.

Corporate Governance

APPENDIX III: STATEMENT OF COMPLIANCE PERTAINING TO COMPANIES ACT NO. 7 OF 2007

Mandatory Provisions - Fully Compliant

Rule	Compliance Status	Reference (within the Report)
168 (1) (a) The nature of the business together with any change thereof	Yes	Annual Report of the Board of Directors
168 (1) (b) Signed Financial Statements of the Group and the Company	Yes	Financial Statements
168 (1) (c) Auditors' Report on Financial Statements	Yes	Independent Auditors' Report
168 (1) (d) Accounting policies and any changes therein	Yes	Notes to the Financial Statements
168 (1) (e) Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f) Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g) Corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h) Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Board of Directors
168 (1) (i) Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j) Auditors' relationship or any interest with the Company and its Subsidiaries	Yes	Report of the Audit Committee/ Financial Statements
168 (1) (k) Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/Annual Report of the Board of Directors
168 (2) Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries.	N/A	

STATEMENT OF COMPLIANCE WITH APPLICABLE CODES OF BEST PRACTICE – VOLUNTARY COMPLIANCE

The Company is also compliant with the Code of Best Practices on Related Party Transactions (2013) advocated by the SEC (mandatory) and the Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and CA Sri Lanka (voluntary). The Company has also opted to voluntarily comply with the Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka to the extent of business exigency and as required by the Company.

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

Rule	Compliance Status
Directors	• The Company is directed, controlled and led by an effective Board that possess the skills, experience and knowledge and thus all Directors bring independent judgement on various subjects, particularly financial acumen. • Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required. • The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. • Board Balance is maintained as the Code stipulates. • Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. • Specified information regarding Directors, such as annual appraisal of the Board is shared in the Corporate Governance Commentary
Directors' Remuneration	• The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of the EDs. • ED compensation includes performance related elements in the pay structure. • Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.
Relations with Shareholders	• There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. • The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. • Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	• Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the company carried out its business in accordance with regulations and applicable laws, equitably and fairly. • The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. • There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. • The Internal Audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section. • A Related Party Transactions Review Committee is in place and functions in line with the Code. • There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. • All Corporate Governance disclosures under CSE rules have been complied with.

Corporate Governance

Rule	Compliance Status
Institutional Investors	• The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General Meetings as convened on a need basis.
Other Investors	• Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General Meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	• ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the <IR> framework, GRI standards and operates in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. • The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	• A designated team member is responsible for overseeing the implementation of the Group's cybersecurity policy, which has been adopted to reflect best practices and comply with applicable regulatory standards. The policy is subject to periodic reviews to evaluate its effectiveness. The Audit Committee receives updates on relevant risks, with significant risks and material issues escalated to the Board for discussion and where relevant informed decision making. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	• The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

BOARD SEATS HELD IN OTHER UNLISTED SRI LANKAN COMPANIES UNDER JK GROUP

K N J Balendra

John Keells Foundation

Mackinnnons Keells Limited

Octave Advanced Analytics (Private) Limited (2-12)

John Keells Cg Auto (Private) Limited

Rajawella Holdings Limited

Waterfront Properties (Private) Limited

Sancity Hotels And Properties Limited

Vauxhall Land Developments (Private) Limited

D H L Keells (Pvt) Limited

Braybrooke Residential Towers (Private) Limited

South Asia Gateway Terminals (Pvt) Limited

Colombo West International Terminal (Private) Limited

J G A Cooray

Keells Consultants (Private) Limited

John Keells Foundation

Mackinnnons Keells Limited

John Keells Capital (Private) Limited

John Keells International (Private) Limited

Jaykay Marketing Services (Pvt) Limited

John Keells Information Technology (Pvt) Limited

Infomate (Private) Limited

Infomate Global Business Services (Private) Limited

Octave Advanced Analytics (Private) Limited (2-12)

John Keells Restaurants (Private) Limited

John Keells Cg Auto (Private) Limited

Cinnamon Hotel Management Limited

John Keells Maldivian Resorts (Pte) Limited

Yala Village (Private) Limited

Yala Adventure Park (Private) Limited

Rajawella Holdings Limited

Waterfront Properties (Private) Limited

Vauxhall Land Developments (Private) Limited

Braybrooke Residential Towers (Private) Limited

South Asia Gateway Terminals (Pvt) Limited

Colombo West International Terminal (Private) Limited

John Keells Singapore (Pte) Limited

Saffron Aviation (Private) Limited

C L P Gunawardane

Ceylon Holiday Resorts Limited

Habarana Lodge Limited

Habarana Walk Inn Limited

International Tourists And Hoteliers Limited

John Keells Maldivian Resorts (Pte) Limited

Resort Hotels Limited

Rajawella Hotels Company Ltd

Travel Club (Pte) Limited

Trinco Walk Inn Limited

Fantasea World Investments (Pte) Limited

Yala Village (Private) Limited

Yala Adventure Park (Private) Limited

Walkers Tours Limited

Whittall Boustead (Travel) Limited

Wirawila Walk Inn Limited

Tranquility (Pvt) Ltd

Cinnamon Hotel Management International (Private) Limited

Beruwala Holiday Resorts (Private) Limited

Indra Hotels & Resorts Kandy (Private) Limited

Trinco Holiday Resorts (Private) Limited

Hikkaduwa Holiday Resorts (Private) Limited

Ahungalla Holiday Resorts (Private) Limited

Nuwara Eliya Holiday Resorts (Private) Limited

Cinnamon Holidays (Private) Limited

Sentinel Realty (Private) Limited

N N Mawilmada*

Mackinnnons Keells Limited

Infomate Global Business Services (Private) Limited

Cinnamon Hotel Management Limited

Ceylon Holiday Resorts Limited

Habarana Lodge Limited

Habarana Walk Inn Limited

International Tourists And Hoteliers Limited

John Keells Maldivian Resorts (Pte) Limited

Resort Hotels Limited

Rajawella Hotels Company Ltd

Travel Club (Pte) Limited

Trinco Walk Inn Limited

Fantasea World Investments (Pte) Limited

Yala Village (Private) Limited

Yala Adventure Park (Private) Limited

Walkers Tours Limited

Whittall Boustead (Travel) Limited

Rajawella Holdings Limited

Cinnamon Hotels & Resorts (Private) Limited

Wirawila Walk Inn Limited

Tranquility (Pvt) Ltd

Cinnamon Hotel Management International (Private) Limited

Beruwala Holiday Resorts (Private) Limited

Indra Hotels & Resorts Kandy (Private) Limited

Trinco Holiday Resorts (Private) Limited

Hikkaduwa Holiday Resorts (Private) Limited

Ahungalla Holiday Resorts (Private) Limited

Nuwara Eliya Holiday Resorts (Private) Limited

Cinnamon Holidays (Private) Limited

Waterfront Properties (Private) Limited

Whittall Boustead (Private) Limited

Keells Realtors Limited

Corporate Governance

Waterfront Realty Management (Private) Limited

John Keells Residential Properties (Private) Limited

Waterfront Krystal Realty (Private) Limited (2-12

John Keells Properties Ja-Ela (Private) Limited

Waterfront Glennie Hotels (Private) Limited

Sentinel Realty (Private) Limited

Glennie Properties (Private) Limited

Waterfront Hotels (Private) Limited

British Overseas (Private) Limited

J K Land (Private) Limited

Sancity Hotels And Properties Limited

Capitol Hotel Holdings Limited

Vauxhall Land Developments (Private) Limited

Braybrooke Residential Properties (Private) Limited

Braybrooke Residential Towers (Private) Limited

J K Ja-Ela Property Developments (Private) Limited

J K Thudella Properties (Private) Limited

Transware Logistics (Pvt) Limited

J K Real Estates (Private) Limited

South Asia Gateway Terminals (Pvt) Limited

J K Property Developments (Private) Limited - Under Liquidation

Infomate (Private) Limited

M H Singhawansa**

Cinnamon Hotel Management Limited

Ceylon Holiday Resorts Limited

Habarana Lodge Limited

Habarana Walk Inn Limited

International Tourists And Hoteliers Limited

John Keells Maldivian Resorts (Pte) Limited

Resort Hotels Limited

Rajawella Hotels Company Ltd

Travel Club (Pte) Limited

Trinco Walk Inn Limited

Fantasea World Investments (Pte) Limited

Yala Village (Private) Limited

Yala Adventure Park (Private) Limited

Cinnamon Hotels & Resorts (Private) Limited

Wirawila Walk Inn Limited

Tranquility (Pvt) Ltd

Cinnamon Hotel Management International (Private) Limited

Beruwala Holiday Resorts (Private) Limited

Trinco Holiday Resorts (Private) Limited

Hikkaduwa Holiday Resorts (Private) Limited

Ahungalla Holiday Resorts (Private) Limited

Nuwara Eliya Holiday Resorts (Private) Limited

Cinnamon Holidays (Private) Limited

Capitol Hotel Holdings Limited

*Appointed to the Board w.e.f 8 September 2025

**Appointed to the Board w.e.f 6 January 2026

BOARD SEATS HELD IN OTHER LISTED SRI LANKAN COMPANIES UNDER JK GROUP

K N J Balendra

Asian Hotels & Properties PLC

Ceylon Cold Stores PLC

John Keells PLC

John Keells Hotels PLC

Keells Food Products PLC

Union Assurance PLC

J G A Cooray

Asian Hotels & Properties PLC

Ceylon Cold Stores PLC

John Keells PLC

John Keells Hotels PLC

Keells Food Products PLC

C L P Gunawardane

Asian Hotels & Properties PLC

N N Mawilmada*

Asian Hotels & Properties Plc

John Keells Hotels Plc

M H Singhawansa**

Asian Hotels & Properties Plc

John Keells Hotels Plc

*Appointed To The Board w.e.f. 8 September 2025

**Appointed to the Board w.e.f. 6 January 2026

Risk Management

Trans Asia Hotels PLC (TAH) adopts a comprehensive, enterprise-wide risk management approach anchored in a well established framework. TAH's risk management endeavours are guided by the ultimate parent company John Keells Holdings PLC and the sector within which it operates – Cinnamon Hotels and Resorts. Being in the hospitality sector TAH is vulnerable to a wide range of internal and external disruptions, including macroeconomic volatility, geopolitical tensions, pandemics as seen some years ago, and climate change, the most pronounced experience of it from the financial year under review being Cyclone Ditwah which struck Sri Lanka in November 2025.

TAH's risk management framework integrates governance mechanisms, defined policies, and structured processes to proactively manage risk while preserving profitability and financial resilience. Over the years, this disciplined approach has proven effective in providing strategic foresight and operational agility, particularly during periods of significant and unforeseen external challenges.

RISK GOVERNANCE

TAH benefits significantly from the strong risk governance framework embedded within Cinnamon Hotels and Resorts. With the Board of Directors and Audit Committee oversight for Enterprise Risk Management process, the following key factors contribute to the effectiveness of the Company's risk governance processes:

- Audit Committee which oversees risk and internal control matters, supported by John Keells Group Enterprise Risk Management (ERM) Division and the Group Business Process Review (BPR) Division and Outsourced Internal Auditors through regular reviews and recommendations on the robustness of the internal control systems
- Sector risk management team which is responsible for the effective execution of the risk management framework

RISK MANAGEMENT PROCESS

As previously mentioned, TAH's risk management process is closely aligned to that of its ultimate Parent. At the Parent/ Group level, the Group's Enterprise Risk Management (ERM) process is designed to ensure businesses (which includes TAH) are proactively identifying, assessing, and mitigating risk events. The risk management framework follows both a top-down and bottom-up integrated approach, alongside strategic planning and decision making. The annual cycle involves business-level risk identification and review on a quarterly basis, which is consolidated upwards at sector and industry group management committees, and in this process TAH's risks are also identified under the Cinnamon Resorts sector.

Risk appetite thresholds are set at a Group level and captured in the Group Risk Policy, which also details Group-wide risk rating guidelines, the Group level, risk profile and analysis is presented to the JKH Audit Committee where the salient aspects of this is reviewed by the Board, thereby concluding the annual risk management process. Policy level changes emerging from the discussion at the JKH Audit Committee are then incorporated in the following cycle to ensure alignment with the changing risk environment.



Risk Management

RISK MANAGEMENT SYSTEM

The Group ERM review process is facilitated through an online Enterprise Risk Management System. The system is firmly embedded across the Group - including TAH, hosted internally, and controlled access is provided to all employees as relevant. The system was upgraded during the financial year to include additional features, increase user friendliness and improve overall performance.

Quarterly risk reviews are carried out via the system, with all business unit risk registers hosted online. Its functionality allows for a dynamic risk management environment, enabling analysis of ratings and movement of risks over time, access to historical data and risk reporting. The system also aggregates and records risk under the Group's ERM framework and provides an integrated approach to risk and risk mitigation across Group businesses.

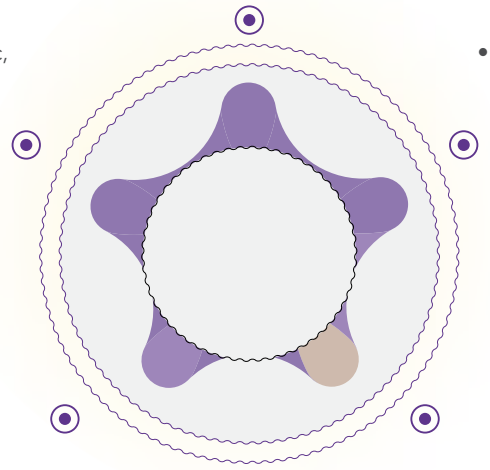
Given the Group's strengthened focus on sustainability and climate related risks in line with the adoption of SLFRS S1 and S2 sustainability reporting standards, steps were taken to assist identification and categorisation of sustainability and climate -related risks in the risk platform.

KEY IMPACTS, RISKS AND OPPORTUNITIES

TAH takes a holistic approach to risk management, covering risks that are both financial and nonfinancial in nature, including its own operations as well as risks that may emanate from its supply chain partners. The Precautionary Principle influences the TAH's approach to risk management of environmental impacts while, management of human and social capital risks is also highlighted and prioritised.

The ERM framework operates in concurrence with the Group's corporate governance structure and is linked to sustainability, corporate social responsibility and internal audit functions and processes, ensuring that regulatory compliance, ethical guidelines and sustainability concerns are integrated seamlessly across businesses when identifying risks and opportunities.

- All risks are categorised within a common Risk Universe.
- Financial, strategic, operational, information technology, governance and sustainability related risks are considered.
- Risk owners assigned to ensure accountability and sustained focus on mitigation activities



- 5x5 risk matrix for rating of risks with respect to likelihood and anticipated impact.
- Headline and Related Risk classification of all Group risks to allow consistency across Group businesses.

During the year, TAH commenced the implementation of SLFRS S1 and SLFRS S2 sustainability reporting standards, with the support of a global external consultancy firm. As part of this process, a comprehensive, life cycle-based value chain assessment was conducted covering TAH to identify key dependencies, impacts, and sustainability and climate related risks and opportunities.

Based on this assessment, TAH identified and prioritised its Sustainability related Risks and Opportunities (SRROs) and Climate related Risks and one Climate related Opportunity (CRROs). Given this being the first year of adoption, these were assessed qualitatively, incorporating financial impact parameters and judgement-based financial materiality considerations.

The governance and management of SRROs and CRROs are aligned to the four pillars of Governance, Strategy, Risk Management, and Metrics and Targets. Further details on TAH's prioritised SRROs and CRROs, together with the related governance structures and mitigation strategies, are presented in the SLFRS S1 and S2 Disclosure section of this Report from page 206.

During the forthcoming year, TAH intends to quantitatively assess the financial materiality of SRROs and CRROs and integrate them into the ERM framework,

based on impact and likelihood. In parallel, the ERM policy will be updated to incorporate relevant thresholds, and the Group's risk appetite and tolerance statements will be reviewed to ensure alignment. TAH will follow the same course of action.

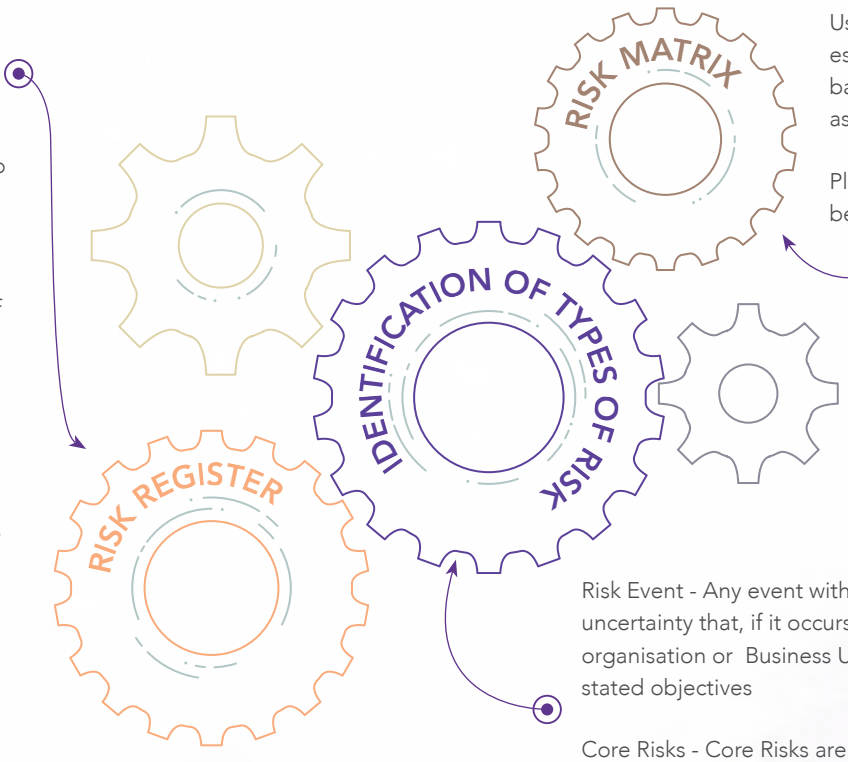
Mitigation actions and opportunity realisation plans will be embedded within the existing ERM Risk Register, taking into account short, medium and long- term horizons. Risk ownership will be assigned to ensure accountability, and SRROs and CRROs will be integrated into the existing risk governance structure.

This integration enables risk identification at TAH and other businesses of the Group, aggregation at sector and Group levels, and oversight through established governance forums. The Group Business Process Review (GBPR) function will provide independent assurance on the implementation of mitigation actions of TAH, while the Sustainability and ERM Division will consolidate and report the Group's overall risk profile to the relevant management and Board committees.

KEY COGS OF THE ERM FRAMEWORK

The ERM Framework adopted and implemented by TAH involves the following:

- Includes the likelihood of occurrence and the potential severity of impact.
- Group guidelines used to create a risk grid for the Company.
- Every risk analysed in terms of the likelihood of occurrence and severity of impact and assigned a score ranging from 1 (low probability/impact) to 5 (high probability/ impact) to signify the probability of occurrence and the level of impact on the organisation.



Use the matrix to establish risk levels based on the values assigned for each risk.

Please see elaboration below

Risk Event - Any event with a degree of uncertainty that, if it occurs, may result in the organisation or Business Unit failing to meet its stated objectives

Core Risks - Core Risks are those risks that have a catastrophic impact on and from the organisation. Still, they may have a very low or nil probability of occurrence



Risk Management

RISK MATRIX

TAH's Risk Matrix is built up on a dual factor scoring model of Impact/ severity of the risks and Occurrence/ likelihood of risks. The spectrum for both these factors ranges across five sub classifications increasing in severity and likelihood of occurrence with scores assigned.

In a second step the scoring is interpreted based on a colour matrix in assessing the priority level of the risks.

STEP 1 – GUIDELINE FOR RISK RATING AND IDENTIFICATION OF RISK SCORE

Impact / Severity	Rare/Remote to Occur (1)	Unlikely to Occur (2)	Possible to Occur (3)	Likely to Occur (4)	Almost Certain to Occur (5)
5 Catastrophic/Extreme Impact	5	10	15	20	25
4 Major/Very High Impact	4	8	12	16	20
3 Moderate/High Impact	3	6	9	12	15
2 Minor Impact	2	4	6	8	10
1 Low/Insignificant Impact	1	2	3	4	5

Occurrence / Likelihood

STEP 2 - DETERMINING THE PRIORITY LEVEL OF RISKS BASED

	Occurrence / Likelihood				
Priority Level	5	4	3	2	1
Colour code	Ultra High	High	Medium	Low	Insignificant
Score	13-25	10-12	7-9	3-6	1-2

KEY RISKS FOR TRANS ASIA HOTELS PLC AND THEIR RISK PRIORITIES

The following risks have been identified as being impactful and affecting the strategic business objectives of TAH . These risks have been assessed as per the above illustrated Risk Matrix and their respective priority levels are indicated.

Risk categorisation	Key risks	Impact/ Severity	Occurrence/ Likelihood	Risk priority	Trend
Operating Environment	Pandemic Risk	Moderate/High	Rare/Remote	Low	→
	Geo-political unrest	Moderate/High	Possible to occur	Medium	↑
	Natural Disasters	Major/Very high	Rare/Remote	Medium	↑
	Risk of instability, ideology/extremism, breakdown of law and order & global terrorism	Moderate/High	Unlikely	Low	→
	Threat from terrorism and civil unrest	Moderate/High	Unlikely	Low	→
	Riots and civil unrest	Moderate/High	Rare/Remote	Low	→
Financial Risks	Exchange rate fluctuations	Moderate/High	Possible to occur	Medium	↑
	Financial risks- Credit and Liquidity risks	Minor	Possible to occur	Low	→
	Financial risks-Inflation risk	Moderate/High	Possible to occur	Medium	↑
	Financial risks- Increase in interest rates	Moderate/High	Possible to occur	Medium	↑
Business Risk	Business Risk	Moderate/High	Likely	High	→
	Digital innovation and technological transformation	Moderate/High	Possible to occur	Medium	→
	IT Risks	Moderate/High	Rare/Remote	Low	→
Operational Risks	Fire	Major/ Very high	Rare/Remote	Medium	→
	Disruption to business due to power and fuel crisis	Major/ Very high	Possible to occur	High	↑
	Supply chain issues/Supply chain shortages	Moderate/High	Unlikely	Low	→
	Brand and reputation risk	Moderate/High	Unlikely	Low	→
	Food Safety	Major/Very high	Rare/Remote	Medium	↑
	Equipment/Machinery breakdown	Moderate/High	Likely	High	→
	Labour Disputes	Moderate/High	Unlikely	Low	→
	Employee Risks	Moderate/High	Likely	High	→
	Corruption and Fraud	Minor	Unlikely	Insignificant	→
	Sexual harassment at workplace	Major/Very high	Unlikely	Low	→
	Health and safety risk of our guests and employees	Moderate/High	Unlikely	Low	→
	Breakdown of internal controls	Moderate/High	Rare/Remote	Low	→
	Quality, environmental & social performance & health & safety of suppliers	Moderate/High	Rare/Remote	Low	→
	Consumer behaviour	Moderate/High	Likely	High	→
	LPG Gas Explosion	Major/Very high	Unlikely	Low	→
	Social Performance	Major/Very high	Unlikely	Low	→
Environment Risks	Climate change and plastic pollution	Major/Very high	Unlikely	Low	→

Risk Management

RISK ANALYSIS

Risk	Mitigating Actions
Operating Environment	
Pandemic Risk • Loss or closure of business due to travel restrictions, obstructions to business continuity and health and safety of guests and staff • Negative publicity and implications on Customer footfall	Preventive- BCP to include processes on handling infected cases, SOP's in place for guest and staff self-isolations on infected cases, compliance with guidance issued by SLTDA and MOH guidelines (safety measures and disinfecting methods etc.), social distancing protocols and health checks, arrangements for working from home and Staffing plans
	Detective- Daily health checks for guests and staff, conducting tests for staff, staff trainings on symptom detections, collection of guest and staff recent health condition and declarations relating to infections.
	Corrective-Diversification of revenue sources through a focus on F&B income and other supplementary services, expenditure control measures, stress tests, weekly dashboard monitoring of financial and nonfinancial KPIs.
Geo-political unrest Obstruction to business due to recent geopolitical events, such as the conflict involving Russia and Ukraine, tensions between Israel and Hamas militants in Palestine and neighbouring countries, the middle east war coupled with sluggish economic growth in key feeder markets	Preventive-Proactively implement marketing strategies to pursue other key feeder markets
	Detective- Close monitoring of the geopolitical environment and the market behaviour
	Corrective-Expanding geographical coverage; continued efforts into enhancing revenue in all sales channels Robust and carefully thought-out contingency plans
Natural Disasters Disruption to operations, loss of life/injury, loss of documents due to natural disasters	Preventive-Training Security personnel and Department Heads on evacuation process, installing Jockey pumps for the hydrant pumps, Implementing road cordoning equipment, asset resilience programmes
	Detective- Safety audits once a year, Fire drills twice a year, Continuous monitoring of environment
	Corrective: Business Continuity Plan, insurance, evacuation plans and back up plans, engagement with disaster management authorities
Risk of instability, ideology/extremism, breakdown of law and order & global terrorism and civil unrest Disruption to operations, loss of life/injury, loss of documents, Hindrance to business continuity. Possible attacks on civilians and economic targets by terrorists may lead to civil unrest and imposition of travel advisories against Sri Lanka	Preventive- Additional security arrangements including additional armed forces personnel and CCTV review/Implementation of Emergency Response Plans for armed intrusions/hostage handling/isolation/bomb threat, annual evacuation drills, emergency preparedness plans in place
	Detective-Continuous lobbying with the government agencies and industry personnel. Appointment of vigilance officers at the Company and establishment of reporting protocols, establishment of direct links with local intelligence for information on potential risks, monitoring of political environment
	Corrective: Business Continuity Plans, insurance covers

Risk	Mitigating Actions
Riots and civil unrest Disruption to operations, loss of life/injury, loss of documents, Hindrance to business continuity	Preventive- Annual evacuation drills, BCP (to be reviewed quarterly), emergency Preparedness plans in place
	Detective-Monitoring of Political Environment
	Corrective: Insurance cover
Financial Risks	
Exchange rate fluctuations • Increase in cost of purchases • Fluctuations in room-based revenue	Preventive- Monitoring of market movements and trends of exchange rates
	Detective- Ongoing engagement with Group Treasury
	Corrective- Natural hedging options such as invoicing and accepting payments in the same currency and engaging proactively with banks to obtain the best possible rates
Credit and Liquidity risks • Exposure and losses due to default of settlement by debtors • Inability to meet financial commitments on due dates	Preventive- Stringent credit policy and controls to mitigate the impact of default, regular review of credit limits, capital investments are planned in a manner which would not adversely impact on the cashflows and gearing position, continuous monitoring of markets
	Detective- Ongoing monitoring against collection targets with progressive action, regular review mechanisms to monitor the Company's performance against budgets
	Corrective- Regular internal audits
Inflation risk Inflationary pressures can have a significant impact on our business and operational results	Preventive- Supply chain management viz. lock in short term, medium-term, and long term supplier contracts, expanding supplier base and building up stocks – thereby managing the potential fluctuations of prices of input goods due to inflation
	Detective- Close monitoring of market prices
	Corrective- Menu re-engineering with price effective inputs, company-wide cost optimisation initiatives
Increase in interest rates • Increase in cost of debt	Preventive/Detective- Constant monitoring of market interest rates and regular communication with John Keells Holdings Treasury on minimum lending rates
	Corrective- Renegotiation of credit periods and constant follow ups, capex prioritisation aligned with cash flow and ROI
Business Risk	
Business Risk • Increased competitiveness in the industry • Cost increases due to continuously improving product quality standards in line with competitors	Preventive- Pricing, refurbishment, retention of talent, training and development of staff, product and service upgrades are carried out to be competitive with industry counterparts
	Detective- Pricing strategies are scrutinised with competitor pricing and other available offers
	Corrective- Monitoring of guest reviews and rankings, increased marketing efforts including social media strategies and review of pricing strategies

Risk Management

Risk	Mitigating Actions
Digital innovation and technological transformation Inability to be technologically advanced at customer touch-points as well as in internal processes may lead to loss of competitive advantage, reduced efficiency & higher operating costs	Preventive- Continuous investment in IT upgrades Detective- Comprehensive gap analysis to be conducted to identify the current position
IT Risks • Not keeping up with the latest technological developments in the industry • Cyber security • Loss of data due to failure of IT systems	Preventive- Implementation of latest technological developments, Updating of firewalls, service contracts, infrastructure and disaster recovery plans based on the latest technological advances in the industry, using Cloud based technology Detective- Monitoring potential threats through regular internal audits and implementation of the cybersecurity framework Corrective- Immediate measures taken to correct identified deficiencies and gaps, implementing latest technological developments, disaster recovery plans
Operational Risks	
Fire • Disruption to operations • Loss of life or injury • Loss of key documentation	Preventive- Fire detection and fighting equipment are in place, staff training, regular fire drills Detective- Regular auditing, daily rounds done by trained officers in the property Corrective- Business continuity plans, insurance, evacuation procedures
Disruption to business due to power and fuel crisis • Inability to run the generator during power outages • Inability of staff to report to work	Preventive- Increase frequency and quantity of fuel purchased to power the generator, increase par level of stocks. Detective- Continuous monitoring and Identification of alternative suppliers Corrective- Seek alternate sources of power supply
Supply chain issues/Supply chain shortages • Inability of our suppliers to fulfil delivery requirements in terms of quality and price can lead to negative impacts on service quality and margin pressure. Short supply of raw material could result in disruption to operations.	Preventive- Review supplier standards, supplier code of conduct, maintenance of agreements, supplier forums and continuous monitoring Detective- Identification of alternative suppliers and supplier audits Corrective- Modifying the menus and ordering process accordingly, robust supplier engagement and insurance
Brand and reputation risk • Our reputation on social media will directly impact our ability to attract customers	Preventive- Maintaining brand standards, health and safety standards and robust guest & associate satisfaction programs Quality management systems; operational QC controls; compliance monitoring frameworks; due-diligence frameworks; Detective- Continuous monitoring of social media Corrective-Responding immediately to guest concerns and addressing any areas of weaknesses

Risk	Mitigating Actions
Food Safety • This has an immediate impact on the health and safety of our guests, staff and reputation	Preventive- ISO 22000 food safety management certification supported by associate training on basic food hygiene and establishing systematic waste disposal methods
	Detective-Regular audits and third-party microbiological testing, regular medical checks for food handlers, cleaning, regular sanitation and pest control schedules
	Corrective- Public relations handling by duty managers and immediate action for damage control
Equipment/Machinery breakdown • Breakdown can cause disruption to operations, adversely impacting our services and guest experiences resulting in loss of reputation and increased costs	Preventive- Regular preventative maintenance programmes are carried out
	Detective- Regular inspections, supervision and monthly maintenance
	Corrective- Maintenance is done on a needs basis upon identification of issues from detective measures or breakdown incidents
Labour Disputes • This has an impact on staff motivation, talent attraction and retention	Preventive- Operational management supervision
	Detective- Regular discussions with employees on grievances
	Corrective- Increased employee engagement
Employee Risks • Loss of key staff due to increased global and local competition	Preventive- Great Place to Work certification, staff welfare, building loyalty, review of remuneration packages, performance driven by "SMART" objectives, clear SOPs for staff to follow
• Inability to retain talent	Detective- Cinnamon employee survey
• Attrition of staff	Corrective- Training pool, development programmes, enable opportunities in other business units or redeployment, disciplinary procedures
Corruption and Fraud • Risk to reputation	Preventive- Continuous training of staff, regular review of policies, whistle blowing mechanisms
• Lack of transparency	Detective- Internal audit and spot checks
• Financial loss	Corrective- Staff training and Internal audit and loss recovery process including insurance
Sexual harassment at workplace • Risk to brand image	Preventive- Staff awareness and training sessions, robust policies
	Detective- Transparent and confidential channels of communication
• Dissatisfied staff	Corrective- Robust disciplinary procedures
• Difficulties in hiring	
Health and Safety risk of our guests and employees • Risk to brand image and reputation	Preventive- Training, insurance, ISO 45001:2018 certification, adequate infrastructure such as lighting, signages,railings etc
	Detective- Regular internal and external audits, continuous monitoring
• Loss of productivity	Corrective- Robust investigation and review processes
• Increased cost	

Risk Management

Risk	Mitigating Actions
Breakdown of internal controls • Not meeting service quality levels	Preventive- Management supervision, regular compliance checks, regular internal audits
• Financial loss	Detective- Regular internal and external audits, continuous monitoring
• Loss of reputation	Corrective- Robust disciplinary procedures
Quality, environmental & social performance & health & safety of suppliers • Risk of exposure to Compensation, legal claims, loss of image due to quality issues, non compliance with environmental regulations and health and safety related issues pertaining to suppliers	Preventive- Signage, maintenance of agreements, supplier forums, continuous monitoring and engagement of suppliers
	Detective- Continuously review supplier standards, Suppliers audits through checklist, monitoring of environment
	Corrective- Insurance of suppliers and Insurance by company, Robust disciplinary procedures
Consumer behaviour • Failure to adapt to the rapidly evolving traveller needs driven by technological and socio-economic advancements can negatively affect customer satisfaction levels.	Preventive- Greater focus on revenue management to predict customer behaviour, Refining product and rate positioning to correspond with the value proposition of Cinnamon Lakeside, positioning staff with multilingual skills in guest interface areas, Reviewing and innovating our experiential offerings to cater to evolving requirements
	Detective- High level of guest engagement through satisfaction surveys, social media platforms and face-to-face interactions
	Corrective- Reassure employees and existing and potential guests of the Hotel's commitment to safety and wellbeing, through a dedicated page on the Hotels Group website
LPG Gas Explosion • Damage to property and neighbourhood, loss of business due to explosion of the Gas tanks	Preventive- Business continuity plans reviewed quarterly, Safe storage structures
	Detective-Regular checks and monitoring, 24 hour security, CCTV camera
	Corrective- insurance cover
Social peformance • Restrictions from the community	Preventive- Comprehensive CSR Framework, supplier impact assessments, CSR projects based on pressing needs
• Lack of resources	Detective- impact assessment of monthly volunteer hours
Environmental Risks	
Climate change and plastic pollution • Climate change • Plastic pollution	Preventive- Adherence to the legal frameworks defined by the legal bodies, ISO 14001 certification, travellife certification, CEA approved waste collection programme
	Detective-KPI measurement for carbon footprint, water withdrawn, plastic usage and landfill waste



SLFRS S1 and SLFRS S2 Disclosures

BASIS OF PREPARATION

Aligning with the reporting requirements of SLFRS Sustainability Standards S1 and S2

From 1st January 2025, the first 100 listed entities on the Main Board of the Colombo Stock Exchange were required to comply with the requirements of SLFRS Sustainability Standards S1 and S2 issued by CA Sri Lanka. Accordingly, John Keells Holdings PLC adopted a structured approach to its implementation across the John Keells Group (JK Group). Trans Asia Hotels PLC (TAH / the Company), as part of the JK Group, was integrated into the JK Group governance and risk management structures established to facilitate compliance with SLFRS Sustainability Standards S1 and S2. TAH also conducted an analysis of its value chain to identify its material sustainability related and climate related risks and opportunities, with detailed disclosures provided in this Annual Report.

Basis of preparation of TAH's SLFRS Sustainability Standards S1 and S2 disclosures

Reporting entity: The Company's SLFRS Sustainability Standards S1 and S2 disclosures presented in this Annual Report have been prepared for Trans Asia Hotels PLC (TAH / the Company) and should be read in conjunction with the Company's financial statements.

Statement of compliance: The Company's SLFRS Sustainability Standards S1 and S2 Disclosures have been prepared in accordance with SLFRS Sustainability Standards S1 and S2 issued by CA Sri Lanka, which is a localised version of the ISSB's Sustainability Standards S1 and S2, and mandated their application for specified entities effective from 1 January 2025.

Connectivity: The Company's sustainability related financial information is presented for the financial year ended 31st March 2026 and aligns with the reporting period of the Company's financial statements. The Report draws on information presented in other sections of this Annual Report, including the financial statements and the value creation model, to present a cohesive view of how relevant SRROs and CRROs could impact the Company's financial position, performance, and cash flows over the short, medium and long term. Where applicable, quantitative sustainability related metrics are directly linked to and cross-referenced with relevant financial statement line items, such as energy costs, provisions, and capital expenditure on decarbonisation initiatives. All sustainability related financial information has been presented in Sri Lankan Rupees with all amounts rounded to the nearest thousand, unless otherwise stated.

Sources of guidance: In preparing its sustainability related financial information, the Company has referred to and considered the following standards:

- SLFRS Sustainability Standards S1
- SLFRS Sustainability Standards S2
- SASB Standards for Hotels & Lodging and Restaurants
- GRI Standards (where applicable)

Transition relief:

In preparing this Report, the Company has applied the following transition reliefs available to first-time reporters:

- No comparative information is disclosed for SRROs and CRROs for the previous period.
- Climate related scenario analysis has not been performed in the current reporting period.
- The JK Group has adopted a qualitative approach to reporting the current and future impacts of SRROs and CRROs on its financial position, performance and cash flows.

Assumptions, judgement, and estimates:

Key assumptions, judgements, and estimates applied in the preparation of the Company's sustainability related disclosures include those relating to the identification, assessment, and prioritisation of sustainability and climate related risks and opportunities, as well as their anticipated short, medium, and long term impacts. The most significant sources of estimation uncertainty are:

- Materiality assessment – Management applied professional judgement to evaluate impacts and dependencies across the value chain that could reasonably influence strategy, business model, or financial position and performance. A formal quantitative financial materiality assessment was not conducted; the determination of material matters was based on management's judgement.
- GHG emissions – Quantification is unavoidably subject to inherent limitations due to the nature of, and methods used for, data collection, determining emission factors, and underlying assumptions. Management judgement was exercised in selecting appropriate location-based emission factors for the calculation of Scope 1 and Scope 2 and Scope 3 GHG emissions.
- Scenario selection – Climate scenario analysis has not been performed in the current reporting period, as the JK Group has applied the transition relief available under SLFRS S1 and S2 for first-time reporting.
- Risk assessments – Management judgement was applied in assessing likelihood of occurrence and severity of financial impacts associated with SRROs and CRROs deemed financially material to the Company.

Value Chain Description and Data Limitations

The Company's value chain encompasses the following activities, all of which are considered in the materiality assessment:

Upstream – Procurement of goods and services (including food, beverages, technology, and capital goods), inbound logistics and transportation, and energy and water utilities.

Midstream – Hotel operations including reservations, revenue management, front office, housekeeping, F&B services (restaurants, banqueting, kitchens), maintenance and engineering, event management, human resources, marketing and communications, information technology, finance and cybersecurity.

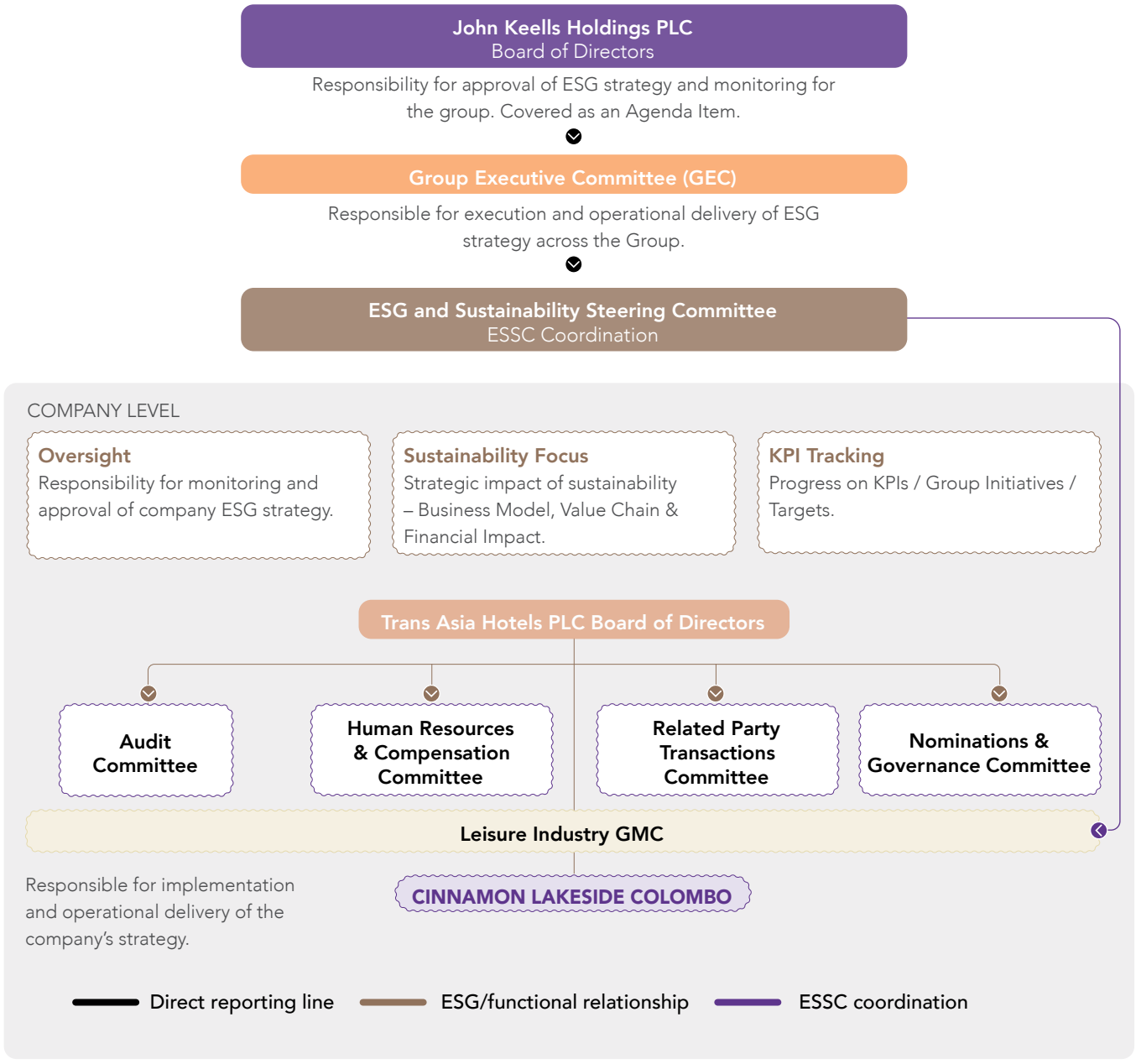
Downstream – Customers (hotel guests and conference clients), outsourced service providers, (waste management), and regulatory bodies.

Time Horizons

The time horizons considered in this Report are:

- Short term: Less than 1 year
- Medium-term: 1 to 5 years
- Long term: Over 5 years

SUSTAINABILITY GOVERNANCE



SLFRS S1 and SLFRS S2 Disclosures

GOVERNANCE OF SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board of Directors (the "TAH Board") of Trans Asia Hotels PLC holds ultimate responsibility for oversight of the Group's sustainability impacts on the economy, environment and people, as well as sustainability and climate-related risks and opportunities (SRROs/CRROs) that could reasonably be expected to affect the Company's financial position, performance and resilience over the short, medium and long term.

Board oversight is supported by the John Keells Group Executive Committee (GEC), the ESG and Sustainability Steering Committee (ESSC), and the Leisure Industry Group Management Committee (GMC). This governance architecture reflects the SLFRS S1/S2 emphasis on clear processes, controls and procedures for monitoring and managing sustainability- and climate-related matters, while the same governance architecture is also utilised to manage the Company's sustainability impacts on the economy, environment and society in alignment with the governance disclosures of the Global Reporting Initiative (GRI) Standards.

The TAH Board's diverse expertise in finance, strategy, risk, governance, operations, technology and regulation – supported by structured GEC briefings, targeted training, and engagement with external specialists – ensures robust oversight of the Company's impact management and SRROs/CRROs. This continuous capability-building approach enables the Board to maintain an appropriate level of knowledge and expertise to effectively oversee strategies designed to respond to climate-related risks and opportunities, while progressively strengthening its oversight in line with evolving expectations.

Trans Asia Hotels PLC has not yet integrated climate-related KPIs into executive performance evaluation or remuneration frameworks, as the Company's climate ambitions and transition pathways are still under development. The TAH Board, through the Human Resources and Compensation Committee (HRCC), will evaluate integration of such metrics once targets are finalised. The proportion of executive remuneration linked to climate-related considerations is nil for the current reporting period.

The TAH Board is regularly informed of climate-related risks and opportunities through structured reporting and governance mechanisms embedded within the Enterprise Risk Management (ERM) Framework. Updates are provided through quarterly risk management reports, which are presented to the Board and relevant Board Committees as part of the established risk reporting cycle, as well as through targeted briefings and strategic discussions led by the Leisure Industry GMC and the Management of Trans Asia Hotels PLC, particularly when emerging climate-related developments or material risk exposures are identified. This ensures that climate-related matters are considered on an ongoing basis, with the frequency and depth of reporting commensurate with the significance and evolving nature of the risks and opportunities, enabling timely and informed oversight by the Board.

The ESSC consolidates cross-functional inputs, monitors performance and risk, and develops recommendations on material impact topics and sustainability and climate-related matters assessed using a double materiality lens. The GEC serves as the principal decision-making body for sustainability impacts and SRROs/CRROs, reviewing ESSC recommendations and ensuring integration into strategy and risk management. The Board considers material matters escalated by the GEC and provides strategic direction, challenge, and approval for major sustainability commitments.

The Leisure Industry GMC plays a central role in the governance architecture by translating the Company's material sustainability topics and climate ambitions into actionable, sector-specific strategies, embedding sustainability considerations into capital projects, resource allocation decisions, and operational enhancements. Material sustainability impacts, SRROs and CRROs, and performance against mitigation actions are communicated through a structured reporting cycle including dashboards, ERM reports, and targeted briefings with clear escalation to the appropriate decision-making level.

The TAH Board integrates climate-related risks and opportunities into the oversight of Trans Asia Hotels PLC's strategy, major transactions, and risk management processes through the Enterprise Risk Management Framework. Climate-related considerations are evaluated alongside financial, operational, and strategic factors when reviewing key decisions, including capital allocation, investments, and business initiatives. In doing so, the Board considers the potential trade-offs associated with climate-related risks and opportunities, such as balancing short-term financial performance with longer-term resilience, sustainability commitments, regulatory expectations, and stakeholder interests. These considerations are embedded within risk assessments and related policies, ensuring that climate-related factors are systematically incorporated into decision-making processes and aligned with the Company's overall risk appetite and strategic objectives.

Please refer to the Corporate Governance section of this Annual Report for the detailed ESG governance structure.

SUSTAINABILITY AND CLIMATE RELATED RISKS AND OPPORTUNITIES

Type	Risk / Opportunity	Time Horizon	Position in Value Chain
Sustainability related risk	**SR 1: Talent Retention / Skills Availability Risk** Risk of decline in service quality due to difficulties in retaining skilled service staff, leading to operational inefficiencies, increased recruitment and training costs, and potential reputational impact.	Short and medium term	Own operations – midstream
Sustainability related risk	**SR 2: Guest Food Safety Risk** Failures in meeting food safety compliance (dietary, allergen, and certification) that could lead to guest harm, legal liabilities, regulatory breaches, and reputational damage.	Short and medium term	Own operations and upstream activities
Sustainability related risk	**Sustainability Related Risk 3 (SR 3): Data Privacy & Cybersecurity Risk** Rising cybersecurity threats could heighten exposure to unauthorised access, system breaches, and operational disruptions, including those involving guest payment systems and personal data, potentially resulting in legal and regulatory consequences, reputational harm, and erosion of guest trust.	Short and medium term	Own operations – midstream
Sustainability related risk	**SR 4: Waste and Wastewater Management Risk** Risks arising from transport constraints due to fuel shortages, limited capacity of solid waste collectors and disposal sites and tighter regulations, may disrupt solid waste collection resulting in operational and compliance impacts. Additionally, regulatory requirements for wastewater treatment in the future may require capital expenditure for a treatment plant within hotel premises.	Short and medium term	Own operations – downstream activities
Climate Transition Risk - Market & Technological	**CR 1: Energy Cost & Transition Risk** Rising temperatures will escalate cooling demand, driving up operating costs. Energy risks are compounded by volatile tariffs, grid instability, and efficiency gaps. Together, these pressures increase financial exposure and elevate Scope 1, 2 emissions, intensifying both cost and transition risks.	Short and long term	Own operations – midstream
Climate related opportunity	**CO 1: Renewable Energy Transition** Assessing feasibility towards leveraging energy management, expand renewable energy adoption, and accelerate Scope 1 & 2 decarbonisation initiatives to significantly lower energy costs, stabilise operating margins, and enhance long-term competitiveness through a lower-carbon operating model.	Medium and long term	Own operations – midstream

TALENT RETENTION / SKILLS AVAILABILITY RISK

Risk Description

Industry-wide skill shortages are impacting service consistency and increasing recruitment and training costs across hotel operations. Although TAH has been able to gradually increase retention through a high focus on colleague experience, the effects are most pronounced in frontline and guest facing roles where service quality is labour-intensive and relies on trained hospitality capability. Critical departments such as customer servicing, food and beverage (F&B) operations, housekeeping, and engineering are particularly affected. Repeated hiring cycles and accelerated onboarding place pressure on midstream operations, affecting day-to-day execution, increasing supervisory load, and creating cost volatility that can dilute operating margins.

SLFRS S1 and SLFRS S2 Disclosures

This risk is concentrated across midstream hotel operations, particularly within service delivery functions that are highly dependent on skilled and experienced teams. Frontline guest interaction roles and operational departments with high service intensity are most exposed.

If skills scarcity persists, the cost base is expected to rise further through wage pressure, recurring recruitment expenses, and sustained training investment. Over time, capability gaps have the potential to increase operational fragility, constraining service quality and making it harder to maintain consistent brand standards

Strategy

The growth response is anchored in building capability and protecting continuity, strengthening the talent pipeline by digitisation and empowerment across service staff, creating an environment where people stay, thrive, and perform, and reinforcing governance to reduce structural exposure to workforce instability. Decision making prioritises workforce development, targeted training investments, and retention-oriented employment practices in critical departments and service roles. Talent considerations are embedded into operational planning to stabilise service delivery, protect guest experience, and manage cost volatility associated with labour market constraints.

Progress to date includes strengthening a structured talent pipeline through targeted training programmes that reinforce TAH's position as a leading hospitality training ground, notably through the Cinnamon Hospitality Academy and the Cinnamon Management Trainee Programme. These are complemented by the broader leadership and progression ecosystem, including the ISH Management Development Programme for high-potential operational leaders, structured internal succession planning pathways, and scaled capability-building through the Cinnamon Online Academy and the Managerial Core Skills Framework. Workforce monitoring mechanisms track training impact, colleague engagement outcomes, and guest satisfaction feedback to identify emerging capability gaps early and guide timely interventions. Strategic partnerships with hospitality training institutes and strengthened recruitment channels continue to support near-term workforce requirements while building longer-term pipeline sustainability.

Key trade offs centre on balancing higher short term operating and capital expenditure – such as investments in talent development infrastructure, recruitment outreach programmes, and colleague facilities – against long term gains in service stability. While these investments may elevate near-term cost and execution complexity, they are expected to mitigate longer-term operational fragility and protect service standards.

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Higher provisions for recruitment, retention incentives, and employee-related liabilities are expected	Recruitment, onboarding, and training costs may reduce margins and create service inconsistency	Immediate recruitment and overtime cash outflows. Ongoing higher wage-related operating cash flows and increased HR investments pressure cash flow	No material immediate impact. Possible marginal increase in perceived operational risk by lenders
Medium Term	Increased HR replacement costs and investment in staff welfare and training facilities impact the asset base	Wage inflation and talent shortages may continue to pressure operating profitability	Ongoing wage pressure increases operating cash outflows	Workforce stability reduces perceived financial risk
Long Term	A structurally higher payroll framework emerges but supports improved workforce stability.	Financial performance stabilises at sustainable levels when workforce planning and retention strategies are effectively managed	Cash flows become more predictable as attrition declines and productivity stabilises.	Strong talent governance may improve lender confidence

GUEST FOOD SAFETY RISK

Risk Description

Reputational and financial risks arise from food safety noncompliance, which can lead to regulatory penalties, service disruptions, and reduced guest trust. High-volume F&B and banquet production could heighten exposure to contamination, traceability gaps, and inconsistent supplier controls, while increasing regulatory and guest expectations add pressure to strengthen auditing, assurance, and compliance measures.

This risk is concentrated across F&B procurement (upstream), where supplier lapses, certification gaps, and ingredient integrity issues can occur, and hotel operations (midstream), particularly in kitchens, specialty restaurants, banquet production areas, cold rooms, and receiving bays, where handling, storage, and high-guest-contact activities take place. These represent critical control points for maintaining food safety, hygiene performance, and guest wellbeing.

Over time, heightened regulatory scrutiny and rapid social-media amplification are expected to intensify these effects, requiring stronger traceability systems, more stringent supplier assurance, and greater investment in prevention to maintain brand trust and service quality.

Strategy

Food safety risks are addressed through the systematic integration of HACCP-based food safety controls, allergen-management protocols, structured internal audits, and continuous staff training. Safety SOPs and incident-management readiness guide operational decision making, supported by corrective-action processes to minimise liability and reputational exposure.

Progress to date includes the implementation of HACCP and ISO 22000:2018-aligned controls across restaurants and banquet operations, alongside strengthened monitoring and allergen-management practices. Food Safety SOPs and incident-response frameworks have been operationalised to ensure readiness for potential incidents, and supplier verification processes have been expanded to validate certification claims and improve traceability. Training, employee accountability measures, and enhanced oversight of third-party kitchen services have reinforced operational discipline and reduced the likelihood of food safety incidents. A dedicated team for health and hygiene has been appointed to engage with food handlers and suppliers.

Trade offs include balancing enhanced operational controls with the additional resource requirements they impose such as higher training commitments, audit intensity, and stricter supplier-qualification requirements. Stricter oversight of third-party contractors and kitchen services may reduce vendor flexibility or increase operational costs, but these trade offs are considered essential to mitigate liability exposure, protect brand reputation, and meet rising regulatory and guest expectations.

Current and Anticipated Financial Impacts

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Provisions for claims or penalties. Increased compliance-related capital expenditure	Revenue reduction from cancellations and adverse publicity. Higher audit, monitoring, training and certification costs. Higher insurance deductibles and premiums.	Immediate cash outflows for compensation and corrective actions. Ongoing compliance-related operating and capital outflows	Marginal increase in borrowing cost due to operational risk perception
Medium Term	Upgraded safety systems may contribute to increased depreciation and capitalised compliance spending	Ongoing compliance and brand-recovery costs create sustained margin pressure	Operating and capital cash outflows continue for compliance upgrades, training and improved monitoring systems	Increasing compliance investments may require additional financing, with lenders assessing safety-performance more closely.
Long Term	Over time, strengthened compliance systems reduce liability exposure and create a more resilient, compliance-aligned asset base.	Effective compliance systems stabilise margins but persistent weaknesses may erode brand trust and repeat business, leading to structurally lower profitability	Cash flows stabilise if risks are controlled; recurring failures cause sustained leakage through claims, penalties, and lost revenue.	A strong track record of safety supports stable premiums and financing access; chronic issues increase risk premia and constrain capital availability

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DATA PRIVACY AND CYBERSECURITY RISK

Risk Description

Incidents that may expose guest payment and personal data can lead to legal liability, regulatory noncompliance, reputational damage, and loss of guest trust. The Company's dependence on Property Management Systems (PMS), point-of-sale (POS) systems, digital booking engines, and payment gateways means that any system incident can disrupt reservations, payments, and customer interactions, may lead to operational interruptions and erosion of guest trust.

This risk is concentrated primarily within upstream reservations and booking channels, where PMS, digital booking engines, and payment gateways process sensitive customer information, and within midstream hotel IT systems – including POS, third-party integrations, and vendor-supported digital platforms. As privacy regulations strengthen and stakeholder expectations rise, the anticipated effect is an increase in liability exposure and the need for higher compliance standards.

Strategy

Cyber and data-privacy risks are addressed through strengthened incident-response planning, vendor-security alignment, and the integration of periodic cybersecurity assessments into operational governance. Tested incident-response and recovery procedures guide how the Company prepares for and manages business interruption risks linked to system breaches. Vendor due diligence and controls – particularly for OTAs, payment providers, and other third-party platforms – are incorporated into procurement and IT governance decisions. The broader strategy includes building an enterprise-wide cyber-resilience framework supported by enhanced real-time monitoring systems. Continuous employee awareness-building initiatives on data privacy and cybersecurity are also conducted.

Progress to date includes the successful implementation and testing of incident-response and recovery procedures, alongside regular security assessments that validate the effectiveness of existing controls. Vendor-security alignment has been strengthened through structured due-diligence processes and the introduction of backup reservation channels to ensure operational continuity. Real-time monitoring capabilities and third-party security requirements have been expanded, forming the foundation of a more robust, enterprise-level cybersecurity framework.

Trade offs include balancing the need for stronger controls with the operational and financial implications of more stringent security requirements. Increased cybersecurity investments, vendor compliance expectations, and system-monitoring upgrades require resource allocation that may affect other operational priorities. Tighter third-party controls may affect vendor flexibility or onboarding timelines, but are considered necessary to safeguard continuity and protect guest trust.

Current and Anticipated Financial Impacts

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Impairment indicators or recovery costs for affected IT systems, Provisions and regulatory penalties capitalisation of necessary security upgrades and provisions for potential penalties also increase short term balance-sheet pressures	Revenue loss from booking disruptions and reputational damage. Higher forensic, compliance and IT operating costs.	Reduced inflows from cancellations. Immediate remediation, penalty and system upgrade outflows.	Cost of capital may rise marginally if cyber incidents trigger concerns around operational continuity or regulatory exposure, prompting lenders and insurers to factor in elevated operational-risk premiums

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Medium Term	Legacy IT systems are expected to experience shortened useful lives as digital infrastructure becomes outdated more rapidly. This drives continued capital investment and increases depreciation, reflecting a more asset-intensive and continuously modernising digital environment.	Cybersecurity operating expenditure is expected to remain sustained as the entity continues to invest in protection, monitoring and regulatory compliance. These recurring costs place ongoing pressure on operating margins	Cash flows are affected by ongoing outflows for cybersecurity upgrades, monitoring systems and compliance infrastructure, reflecting a continuous investment cycle to maintain secure digital operations	Capital costs may remain sensitive to the entity's cybersecurity maturity. Continued investment in digital-resilience infrastructure may require additional financing, and lenders may apply stricter assessment criteria as regulatory expectations for data protection increase
Long Term	Modernised systems reduce the overall impairment risk, strengthening the digital asset base. However, accumulated depreciation remains elevated due to recurring upgrades, resulting in long term balance-sheet impacts tied to sustained digital-resilience investments.	Improved guest trust supports stable revenue and stronger operating performance as a result of preventive controls	Cash flows stabilise as cyber incidents become less frequent and less severe as a result of preventive measures undertaken	Strong cybersecurity governance and reduced impairment risk from modernised systems may help maintain or improve the entity's risk profile, potentially stabilising or lowering capital costs. Conversely, recurrent cyber events could heighten perceived operational risk and increase financing costs

WASTE AND WASTEWATER MANAGEMENT RISK

Risk Description

Disruptions to solid waste collection - driven by fuel shortages, limited contractor capacity, and constrained disposal site availability - may result in operational inefficiencies and compliance exposure. Tightening regulations may further elevate this risk, with concentration centred on contractor-managed collection services and waste handling operations within Engineering and Facilities Management.

Looking ahead, the absence of on-premises wastewater treatment infrastructure presents a contingent capital risk. Should regulatory requirements mandate wastewater treatment, the property would need to install a treatment plant, with associated costs spanning civil works, equipment, monitoring systems, and sludge handling. Proactive planning and continued engagement with regulatory authorities will be key to managing this exposure should such requirements materialise.

Strategy

Strategic decision making accounts for the risks arising from transport constraints, limited solid waste collector capacity, disposal site limitations, and tightening regulations that may disrupt waste collection and result in operational and compliance impacts. Planning further incorporates the possible need to install wastewater treatment infrastructure within the hotel premises, should future regulatory requirements necessitate such capital expenditure.

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Progress to date includes diversification of waste collector contracts to reduce dependency on single providers and mitigate transport-related disruptions. Routine effluent quality testing and monitoring automation have been embedded into operations, and preventive maintenance programmes strengthened. Staff training on waste handling practices, active supplier engagement, and contractor compliance monitoring have improved operational consistency and regulatory preparedness.

Key trade offs include balancing the costs of engaging multiple waste collectors and specialised contractors against short term financial pressures, while maintaining service continuity and compliance standards. Should future wastewater regulations come into effect, the potential capital expenditure required for an on-premises treatment plant installation would need to be weighed against competing investment priorities — with early preparedness planning considered prudent to minimise regulatory exposure and operational disruption.

Current and Anticipated Financial Impacts

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Increased provisioning for direct operating costs such as Chemical dosing, Energy consumption for aeration, pumping, and UV treatment & Sludge dewatering, disposal, and haulage via licensed contractors	Impairment indicators for inefficient storage and waste systems and Investment in improved segregation and contractor controls may escalate cost	Increased operating cash outflows for waste handling and compliance requirements, Capital outflows for storage and waste system improvements may be required	Poor waste governance may increase regulatory risk premiums
Medium Term	Investment may be required in improved segregation and contractor controls, Impairment indicators may emerge for inefficient waste storage or waste-handling systems requiring additional investments on upgrades	Increased costs in Monitoring and effluent testing, Consent condition upgrades, Licence fee renewal costs, Capital & Infrastructure Expenditure	Cash outflows from Investment required to strengthen waste and wastewater management system	Stronger waste management and governance may improve lender confidence
Long Term	Strengthened compliance systems reduce liability exposure and create a more resilient, compliance-aligned asset base	Better waste control may gradually mitigate cost escalation and protect long term margins	Improved waste management systems may stabilise cash flows in the long run	Stronger waste management mechanisms and system may position the hotel favourably for green financing

ENERGY COST & TRANSITION RISK

Risk Description

High tariff sensitivity, grid instability, and efficiency gaps drive up operating costs and global economy movement towards net-zero emissions including policy shift towards renewable-energy compliance requirements. Rising ambient temperatures are resulting in increased cooling demand across hotel operations, driving higher electricity consumption and operating costs. Energy risks are compounded by volatile tariffs, grid instability, and energy efficiency gaps within high-load systems, resulting in heightened short term cost sensitivity.

This risk is concentrated in midstream hotel operations, particularly within energy-intensive assets such as HVAC systems, kitchens and laundry operations, grid interfaces, and backup generators. High energy usage across these systems continues to expose operations to tariff volatility, frequent grid disruptions, elevated generator-fuel costs and elevating Scope 1 and Scope 2 emissions.

Over the medium to long term, continued tariff volatility and emerging renewable-energy requirements are expected to increase compliance-related costs and accelerate transition risk unless energy optimisation and low-carbon measures continue to scale.

Strategy

Energy cost and transition pressures are driving the business model toward greater efficiency and resilience. The strategy prioritises reducing exposure to energy volatility while managing Scope 1 and Scope 2 transition exposure through phased efficiency improvements and selective renewable-energy adoption.

Current initiatives include BMS-based optimisation, targeted chiller refurbishment, and energy use case–based optimisation of chiller set points and overall plant room energy consumption to enhance operational efficiency and reduce energy usage. Future measures will include deeper retrofits of central-plant systems, deployment of renewable-ready infrastructure, and expanded automation to drive sustained reductions in energy consumption and emissions are being evaluated.

Indirect efforts include feasibility to engage with utilities to explore renewable-energy PPAs, vendor partnerships for low-consumption technologies, and collaboration with suppliers to lower embodied-carbon impacts associated with procured equipment.

Our climate targets are currently in development, informed by a detailed baseline data assessment that is underway. The Company remains committed to transparency and will disclose specific targets, associated timelines, and progress once the target-setting process has been finalised.

Current and Anticipated Financial Impacts

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Energy-intensive assets such as chillers, HVAC units, and kitchen systems may exhibit impairment indicators, prompting capital investment in efficient replacements	Higher operating expenses due to elevated electricity tariffs and fuel costs. Increased depreciation from upgraded assets. Margin pressure on operations.	Cash outflows will increase for utilities and repair and maintenance work and capital investments.	Energy-intensive operations may elevate risk premiums
Medium Term	Accelerated depreciation of high-energy-consuming assets as regulatory and tariff pressures increase	Utility-cost escalation may continue, only partially offset by efficiency gains	Energy-efficiency upgrades will require both capital and operational cash outflows, though gradual improvements in operating cashflows may emerge	Transition planning moderates risk perception
Long Term	Outdated equipment will likely be replaced entirely, strengthening the energy efficient asset base and reducing long term energy risk.	Profitability stabilises as energy reliance and volatility decline; successful transition to renewables/ low-carbon supply supports steadier earnings	Continued capital substitution and retrofitting will affect long term investment cashflows, with more stable inflows likely once efficiency improvements are realised	Renewable-aligned assets reduce financing cost through sustainability-linked instruments

RENEWABLE ENERGY TRANSITION

Opportunity

Feasibility towards leveraging energy management, expand renewable energy adoption, and accelerate Scope 1 & 2 decarbonisation initiatives to significantly lower energy costs, stabilise operating margins, and enhance long term competitiveness through a lower carbon operating model.

This opportunity is concentrated in midstream hotel operations, particularly within energy-intensive systems such as HVAC, lighting, kitchens, laundry operations, hot water systems, and backup power infrastructure. Renewable-ready sites with suitable space and conditions for installing onsite solar represent the primary near-term deployment locations.

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Business Model and Value Chain

TAH operations have high energy demand, making energy costs a key driver of operating margins. Expanding renewable-energy adoption, supported by improved energy management and Scope 1 and Scope 2 decarbonisation efforts, creates an opportunity to lower energy costs and reduce exposure to tariff volatility and grid disruptions.

Over time, increasing the share of renewable and lower-carbon energy sources is expected to support more stable operating margins, lower emissions intensity, and enhance long term competitiveness. Renewable sourcing will play an increasingly central role in mitigating Scope 2 emissions and stabilising long term energy costs.

Strategy and Decision Making

The strategy focuses on transitioning toward a lower-carbon operating model by expanding renewable-energy adoption and strengthening energy management practices. Decision making prioritises initiatives that reduce long term energy costs and lower Scope 1 and Scope 2 emissions intensity.

TAH's business model is progressively shifting away from grid and diesel dependency toward a more energy efficient, lower-carbon operating structure, with energy costs a key margin driver given high electricity demand across HVAC, kitchens, laundry, and backup power systems. Over time, equipment replacement, procurement decisions, and operational planning will increasingly be shaped by lifecycle cost savings and decarbonisation alignment, with renewable sourcing playing a central role in stabilising long term energy costs and reducing Scope 2 exposure.

Direct efforts currently include renewable-energy feasibility studies evaluating on site solar potential and future proofing of electrical infrastructure across high-load systems. Going forward, these will scale into phased solar deployment and expanded automation to drive sustained reductions in energy consumption and Scope 1 and 2 emissions. Indirectly, TAH is exploring the implementation of low-consumption technologies. Over time, this will extend to regulatory engagement on emerging compliance requirements and supplier collaboration.

Current and Anticipated Financial Impacts

	Impacts on Financial Position	Impacts on Financial Performance	Impacts on Cashflow	Impacts on Cost of Capital
Current and short term	Initial capital expenditure is required for renewable energy systems, and high emission legacy assets may be derecognised	Depreciation and financing costs rise due to installation of renewable systems	Significant capital expenditure occurs for renewable installations	Higher funding requirements for capital investment may increase short term borrowing
Medium Term	Ongoing renewable related capex continues, with potential impairment of remaining carbon intensive equipment	Margin pressure persists during transition as carbon compliance and supplier costs increase	Transition related supplier and operating outflows increase, impacting cashflows	Improved risk management reduces lenders' perceived climate exposure, stabilising borrowing terms
Long Term	A transition to a low carbon asset base reduces stranded asset risk and strengthens long term asset resilience.	If aligned with evolving low carbon market demand, renewable adoption may support long term revenue stability; misalignment may erode competitiveness	Energy savings gradually improve operating cash stability and reduce volatility	Demonstrated climate resilience enhances long term credit strength and access to sustainability-linked finance at favourable rates

CLIMATE RESILIENCE

During the current reporting year, the entity did not conduct a climate related scenario analysis. Accordingly, the entity is not providing climate-resilience disclosures based on scenario analysis for this reporting period.

TRANSITION PLAN

The company currently lacks a formal climate related transition plan, and no related assumptions or dependencies have been developed. The importance of such planning is acknowledged, and an appropriate transition plan will be considered in the future.

RISK MANAGEMENT

TAH has established a comprehensive Enterprise Risk Management (ERM) framework with robust processes for identifying, assessing, and mitigating climate related risks and opportunities (CRROs). Through detailed value chain mapping and structured assessment drawing on internal and external stakeholder inputs, material CRROs are fully embedded within TAH's ERMF and evaluated using the same methodology, likelihood and severity scoring, and net risk rating applied to all strategic, operational, financial, and compliance risks. Prioritised CRROs are incorporated into the quarterly Risk Committee agenda and escalated through established governance pathways, ensuring climate considerations directly inform capital allocation, operational planning, and strategic decision making.

Climate related risks and opportunities are fully embedded within TAH's ERMF and assessed using the same methodology, likelihood and severity scoring, and net risk rating applied to all strategic, operational, financial, and compliance risks. Prioritised CRROs are incorporated into the quarterly Risk Committee agenda and escalated through the same governance pathway ensuring climate considerations directly inform capital allocation, operational planning, and strategic decision making.

PROCESS FOR SUSTAINABILITY AND CLIMATE RELATED RISKS

TAH's processes for identifying, assessing, prioritising, and monitoring sustainability and climate related risks and opportunities are carried out within an integrated Enterprise Risk Management Framework (ERMF). This framework is applied consistently across the organisation and aligned to the TAH risk assessment methodology and governance structure (Refer Risk Management Report on Page 196.) Sustainability and climate related risks are embedded within the Company's broader risk governance structure rather than being managed in isolation, ensuring that climate and sustainability considerations are evaluated alongside strategic, operational, financial, and compliance-related risks.

TAH's risk management framework is supported by structured inputs and parameters that ensure comprehensive and consistent risk identification. The nature of risk is identified through detailed risk descriptions linking the risk event to specific operational exposures, environmental dependencies, and broader sustainability related impacts. The likelihood of occurrence is evaluated using a structured qualitative scoring scale, informed by expert judgement, historical incident experience, climate related factors, external conditions, and the effectiveness of existing mitigation measures. The magnitude of impact is assessed across financial, operational, environmental, regulatory, and reputational dimensions. A net risk rating is derived by combining the assessed likelihood and severity scores, enabling prioritisation within the enterprise risk framework. Prioritised material risks are incorporated into the quarterly Risk Committee agenda, where they are formally presented, reviewed, and monitored.

At present, TAH does not use climate related scenario analysis to inform the identification of climate related risks. However, the Company recognises the importance of such tools and is actively evaluating the adoption of scenario analysis methodologies in future reporting periods.

The following inputs and parameters are used by the Company in identifying, assessing, prioritising, and monitoring sustainability- and climate related risks and opportunities:

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Risk Pillar	Risk Areas	Inputs	Parameters	Key Controls	Monitoring Metrics
Natural Disasters	• Natural disasters, and acute physical risks of climate change impacting operations	Revenue Loss Disruption to operations Occupational Health and Safety incidents	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days, Minor health and safety incidents to staff to major incidents with fatalities.	Asset resilience programmes; insurance coverage; business continuity planning, early warning systems and weather monitoring Emergency preparedness planning and evacuation drills; engagement with disaster management authorities	Asset downtime; insured losses; extreme weather disruption incidents
Macroeconomic and Political Environment	• Geopolitical unrest • Pandemic risk • Political Instability, breakdown of law and order, corruption, civil unrest and riots • Macroeconomic instability impacting planned business outcomes	Revenue Loss Disruption to operations	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days	Central treasury controls; Pro-active and resilient marketing strategies, Tighter credit management policies; capital planning processes Monitoring of political environment; business continuity planning; adequate insurance coverage; emergency preparedness plans; compliance with public health authority guidelines	Liquidity ratios; Net Debt/EBITDA; Foreign currency exposure dashboards; credit loss metrics, Revenue related metrics
Regulatory Environment and Operational Integrity	Ambiguous, outdated and restrictive laws and regulations, ad hoc changes in legislation and corruption • Risk of breakdown of internal controls • Social performance	Revenue loss Management time expended Reputation loss Regulatory and legal action, restriction to operations from the community	Scale of Loss of revenue and profitability, management time expended, Customer complaints, negative social media reviews, widespread negative reviews, warnings, fines, temporary suspension of license, revocation of license.	Regulatory monitoring; compliance monitoring frameworks; internal audit; whistleblowing policy, management supervision and regular compliance checks; insurance policy and fidelity cover; spot checks, Robust disciplinary procedures, Continuous training of staff; comprehensive CSR programs	Regulatory compliance metrics, audit findings; complaint trends; Compliance assessment

Risk Pillar	Risk Areas	Inputs	Parameters	Key Controls	Monitoring Metrics
Financial Exposure	• Volatile and high interest rates • Exposure to foreign exchange fluctuations • Credit risk & liquidity risk • Inflation	Liquidity exposure and volatility of revenue and expenditure	Impact on cash flows, solvency, cost of capital, covenant compliance; financial volatility.	Central treasury controls; Robust credit management policies; capital planning processes; supplier management; Market monitoring and regular JKH Group Treasury engagement; credit control and liquidity management; capex prioritisation aligned with cash flow and ROI; internal audit and governance frameworks	Liquidity ratios; Net Debt/ EBITDA; FX exposure dashboards; credit loss metrics, Revenue and profitability ratios
Environment and Biodiversity	• Energy cost and transition risk - including energy volatility and low carbon transition with Climate Change Impact • Water scarcity and deterioration of water quality • Challenges in waste disposal and meeting EPR requirements • Risk of accidental environmental pollution events (air, water, soil emissions) • Environment Pollution due to process or system failure • Waste and wastewater management risk	Revenue loss Disruption to operations Reputation loss Regulatory and legal action	Scale of Loss of revenue and profitability, Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license Escalating energy costs and increased Scope 1 & 2 emissions; operational and compliance impacts from waste collection disruptions; potential capital expenditure for wastewater treatment infrastructure	Transition roadmap; regulatory monitoring; capex reallocation to low-carbon initiatives; Sustainability governance and management framework; supplier sustainability guidelines; community engagement programmes Adherence to environmental legal frameworks and certifications (CEA/EPL/ ISO 14001:2015); KPI tracking on waste, water and carbon footprint; waste management through approved collectors; integrated energy efficiency strategy including real-time energy monitoring; waste collector contract diversification; regulatory monitoring for wastewater treatment requirements	Regulatory compliance metrics Scope 1–2 emissions; supplier sustainability audits; waste and water performance; social impact indicators Waste collection continuity metrics; wastewater regulatory compliance tracking; energy cost variance tracking

SLFRS S1 and SLFRS S2 Disclosures

Risk Pillar	Risk Areas	Inputs	Parameters	Key Controls	Monitoring Metrics
Global Competitiveness and Portfolio Balance	• Performance volatility due to portfolio imbalance • Inability to keep pace with globalisation and adoption of new technology • Consumer behaviour • Market competition	Revenue loss Reputation loss	Scale of Loss of revenue and profitability, Customer complaints, negative social media reviews, widespread negative reviews, Warnings, fines, temporary suspension of license, revocation of license	Strategic review committees; resilient revenue models; Capital planning processes; Due-diligence frameworks Competitor monitoring and pricing strategy reviews; periodic refurbishments and product upgrades; technology audits and innovation budgeting; revenue management and customer engagement initiatives	Market share; NPS; integration scorecards; Digital adoption KPIs
Human Resources, Talent Management and Employee and Guest Health and Safety	• Talent retention and skills availability risk - Attrition and inability to retain talent • Insufficient competence and skills in staff • Industrial unrest and trade union action • Risk of occupational health and safety incidents • Employee and Guest Health and Safety including food poisoning and guest food safety risk • Sexual harassment at workplace • Labour disputes	Staff impacts such as morale, recruitment and attrition levels and impact on hotel operations	Impact to staff morale, sustained high attrition levels, staff complaints, poor staff engagement scores, Trade union action Service quality decline, increased recruitment and training costs; guest harm, legal liabilities and regulatory breaches from food safety failures	Talent attraction/ retention initiatives; strengthened training and capability-building programmes; workforce development plans integrated into ERM; Development training programmes with cross-exposure opportunities; employee feedback surveys and open door grievance handling; fire life safety systems and evacuation procedures; workplace safety inspections and ISO 45001:2018 certification; sexual harassment policy and whistleblowing mechanisms; food safety certifications (ISO 22000:2018) and sanitation controls; allergen management procedures	Employee turnover; absenteeism; average training hours and effectiveness; retention metrics Service quality scores; recruitment cost metrics; food safety compliance metrics; allergen incident tracking

Risk Pillar	Risk Areas	Inputs	Parameters	Key Controls	Monitoring Metrics
Reputation and Brand Image	• Risk of Group IP and trademark violation • Risk of non-adherence to set processes by staff • Unethical and malicious media coverage • Negative public and stakeholder perception • Poor management of critical incidents • Risk of deviations from SOPs leading to product quality,	Revenue Loss Media mentions Reputation loss	Scale of Loss of revenue, media inquiries to extensive negative media coverage, Customer complaints, negative social media reviews, widespread negative reviews	Quality management systems; operational QC controls; compliance monitoring frameworks; Strategic review committees; due-diligence frameworks Continuous social media monitoring; maintenance of brand and health and safety standards; associate and guest satisfaction programmes	Audit findings; complaint trends; compliance non-conformance; Market share; NPS; integration scorecards
Supply Chain Disruptions	• Environmental, labour and human rights violations by supply chain partners • Disruption to Supply Chain due to acute physical climate events • Supply chain issues / Supply Chain shortages • Quality, environmental & social performance & health & safety of suppliers • Disruption to Business Due to Fuel Supply Limitations and Interruptions to Continuous Grid Electricity	Revenue Loss Disruption to operations Reputation loss	Scale of Loss of revenue, Complete disruption to operations of a few hours to few days, Customer complaints, negative social media reviews, widespread negative reviews	Due-diligence frameworks; supplier sustainability guidelines; Quality management systems; compliance monitoring frameworks Supplier diversification and backup supplier arrangements; supplier audits and code of conduct communication; fuel buffer stock maintenance and alternate supply sourcing; insurance covers and continuous monitoring and engagement of suppliers	Supplier sustainability audits; extreme weather disruption incidents; audit findings; complaint trends

SLFRS S1 and SLFRS S2 Disclosures

Risk Pillar	Risk Areas	Inputs	Parameters	Key Controls	Monitoring Metrics
Operational Resilience	• Fire-related incidents • LPG Gas Explosion risk causing significant damage to property • Legacy Infrastructure and Equipment Resilience	Revenue Loss Disruption to operations Occupational Health and Safety incidents	Disruption to operations, loss of life/injury, damage to property, hindrance to business continuity	Comprehensive BCP reviewed quarterly; adequate insurance coverage; fire detection and fighting equipment; regular fire drills and audits; physical security enhancements and 24/7 surveillance; preventive maintenance programmes and regular infrastructure audits	Asset downtime; incident reports; BCP test outcomes; insurance claims

The likelihood of occurrence is assessed using a structured qualitative scoring scale across low, medium, and high categories, informed by the above inputs alongside expert management judgement and historical incident experience. The magnitude of impact is evaluated across financial, operational, environmental, regulatory, and reputational dimensions. A net risk rating is derived by combining likelihood and severity scores, enabling consistent prioritisation within the Enterprise Risk Management Framework.

The primary climate related risk identified relates to energy costs and transition. Rising cooling demand due to higher temperatures could result in significant increases to operating costs across hotel and property operations. This risk is compounded by high financial exposure from energy cost volatility and grid instability, with impacts spanning multiple business units. Additionally, efficiency gaps present a material competitive risk if not addressed. These factors elevate both immediate operational pressures and longer-term transition exposure across the portfolio.

This is the Company's first reporting period under SLFRS Sustainability Standards S1 and S2 and accordingly, there is no prior reporting period against which changes to processes can be compared. This requirement will be addressed in subsequent reporting periods.

Processes for Climate related Opportunities

Potential opportunities are identified through monitoring of market developments, emerging regulatory requirements, technological advancements, and shifts in stakeholder expectations. Identified possibilities are then evaluated for viability and commercial potential by the relevant governance bodies, including the GEC, considering financial viability alongside environmental and social benefits such as emissions reductions, energy cost savings, resource conservation, and community wellbeing.

METRICS AND TARGETS

GHG Emissions

Scope 1: TAH measures Scope 1 greenhouse gas (GHG) emissions based on direct emissions arising from Company-controlled sources. The measurement approach follows ISO 14064-1, the GHG Protocol, and GRI 305, and includes quantifying fossil fuel consumption and fugitive emissions across relevant operations.

Scope 2: Emissions are calculated using electricity consumption across all operational locations. TAH applies the location-based method to quantify indirect emissions associated with purchased electricity.

Scope 3: Scope 3 emissions are disclosed in the current reporting period in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Scope 3 emissions encompass indirect emissions across the Company's value chain, including upstream and

downstream activities outside of direct operational control.

TAH uses reasonable and supportable assumptions based on recognised methodologies, including fuel-use conversion factors, grid emission factors, and other emission factors aligned with IPCC AR6, and Department for Environment, Food and Rural Affairs (DEFRA) guidelines. Relevant grid emission factors are based on the most recent Sri Lanka Energy Balance Report issued by the Sustainable Energy Authority.

The selected assumptions and inputs reflect the most material and reliably measurable emission sources, ensuring accurate and consistent quantification using available operational data and globally accepted best-practice methodologies.

Remuneration

TAH has not yet integrated ESG or climate related performance indicators (KPIs) into executive performance evaluation or climate linked remuneration frameworks. However, TAH will consider the possibility of integrating such ESG KPIs into future remuneration structures.

Industry Based Metrics

The applicable SASB industry standards for TAH are Hotels & Lodging and Restaurants, reflecting the activities across hotel operations, guest services, and management. Below are the relevant KPIs aligned to each standard.

SASB – Hotels & Lodging Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
Energy Management	Total energy consumed	SV-HL-130a.1	Gigajoules (GJ)	47,337
	Percentage grid electricity		Percentage (%)	57
	Percentage renewable		Percentage (%)	0.5
Water Management	Total water withdrawn		Thousand cubic metres (m^3)	166
	Total water consumed		Thousand cubic metres (m^3)	29.69
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress	SV-HL-140a.1	Percentage (%)	Based on the World Resources Institute Aqueduct Water Risk Atlas, the Company's operations are located in regions classified as medium to high baseline water stress (20%–40%). Accordingly, no water is withdrawn or consumed from areas classified as high or extremely high baseline water stress during the reporting period.
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	

SLFRS S1 and SLFRS S2 Disclosures

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	SV-HL-160a.1	Number	-
	Description of environmental management policies and practices to preserve ecosystem services	SV-HL-160a.2	N/A	Cinnamon Hotels & Resorts, of which TAH is a part of, maintains a Sustainability Management Framework guided by an overarching Sustainability policy, Environmental, Biodiversity, and Wildlife Interaction policies, with the environmental policy aligned with ISO 14001 principles. These policies apply across operations to minimise resource use, pollution, and waste, while protecting habitats, restoring ecosystems, and supporting responsible sourcing. Site-level biodiversity assessments and action plans, along with controls on wildlife interaction, help preserve ecosystem services including water quality, climate regulation, and cultural and ecological value.
				Refer Natural Capital for further information on initiatives – Page 108
Labour Practices	Voluntary turnover rate for lodging facility employees	SV-HL-310a.1	Percentage (%)	21
	Involuntary turnover rate for lodging facility employees		Percentage (%)	3
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	SV-HL-310a.2	Presentation currency (Rs.)	-
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	-
	Average hourly wage	SV-HL-310a.3	Presentation currency (Rs.)	147.88
	percentage of lodging facility employees earning minimum wage, by region		Percentage (%)	2

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
				Cinnamon Hotels & Resorts maintains a zero-tolerance approach to workplace harassment, supported by a comprehensive Code of Conduct, a dedicated Policy Against Sexual Harassment, and whistleblower mechanisms aligned with International Labour Organization principles. These policies prohibit all forms of harassment and discrimination, extend to third-party staff through supplier standards, and include clear, confidential reporting channels with non-retaliation safeguards and defined investigation and disciplinary procedures.
	Description of policies and programmes to prevent worker harassment	SV-HL-310a.4	N/A	Preventive programmes include mandatory employee training, annual refresher sessions, and leadership-focused capacity building to identify and address risks early. Given the customer-facing nature of operations, Cinnamon also promotes staff empowerment to manage guest-related incidents. Ongoing awareness initiatives, employee feedback mechanisms, and internal monitoring processes support continuous improvement and reinforce a safe, respectful, and inclusive workplace culture.
				Refer Human Capital for further information – Page 72
Climate Change Adaptation	Number of lodging facilities located in 100-year flood zones	SV-HL-450a.1	Number	1

Table 1a: Activity Metrics

Topic	Code	Unit of Measure	Trans Asia Hotels PLC
Number of available room-nights	SV-HL-000.A	Number	114,975
Average occupancy rate	SV-HL-000.B	Rate	73%
Total area of lodging facilities	SV-HL-000.C	Square meters (m^2)	29,954
Number of lodging facilities	SV-HL-000.D	Number	1
Percentage that are	SV-HL-000.D	Percentage (%)	1 - Nil
1. Managed			2-100
2 Owned and leased			3 - Nil
3. Franchised			

SLFRS S1 and SLFRS S2 Disclosures

SASB – Restaurants Sustainability Accounting Standard

Table 1: Sustainability Disclosure Topics & Metrics

The scope of disclosure covers overall hotel operations and is not limited to food and beverage operations reported under the Restaurants Standard.

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
Energy Management	Total energy consumed	FB-RN-130a.1	Gigajoules (GJ)	47,337
	Percentage grid electricity		Percentage (%)	57
	Percentage renewable		Percentage (%)	0.5
Water Management	Total water withdrawn	FB-RN-140a.1	Thousand cubic meters (m^3)	166
	Total water consumed		Thousand cubic meters (m^3)	29.69
	Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-
	Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress		Percentage (%)	-
Food and Packaging Waste Management	Total amount of waste	FB-RN-150a.1	Metric tonnes (t)	376.98
	percentage food waste		Percentage (%)	84
	percentage diverted		Percentage (%)	99
	Total weight of packaging	FB-RN-150a.2	Metric tonnes (t)	This metric is not currently disclosed due to limitations in data availability.
	Percentage made from recycled or renewable materials		Percentage (%)	
	Percentage that is recyclable, reusable, or compostable		Percentage (%)	

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
Food Safety	Percentage of restaurants inspected by a food safety oversight body	FB-RN-250a.1	Percentage (%)	100
	Percentage receiving critical violations		Percentage (%)	-
	Number of recalls issued	FB-RN-250a.2	Number	-
	Total amount of food product recalled		Metric tonnes (MT)	-
	Number of confirmed foodborne disease outbreaks	FB-RN-250a.3	Number	-
	Percentage resulting in public health authority investigation		Percentage (%)	-
Nutritional Content	Percentage of meal options consistent with dietary guidelines	FB-RN-260a.1	Percentage (%)	Data for these metrics is not currently available, as menus are dynamic and rotate frequently across à la carte and buffet offerings, limiting consistent classification against dietary guidelines. However, allergen information is provided. The relevant business units are assessing approaches to strengthen classification and enable future disclosure.
	Revenue from these options		Presentation currency (Rs.)	
	Percentage of children's meal options consistent with dietary guidelines for children	FB-RN-260a.2	Percentage (%)	
	Revenue from these options		Presentation currency (Rs.)	
	Percentage of advertising impressions made on children	FB-RN-260a.3	Percentage (%)	The businesses abide by the applicable laws including regulations published under the Food Act. Food (Labelling and Advertising) Regulation published by the Ministry of Health, prohibits the promotion of any food directly or indirectly to children under twelve (12) years of age. In line with the regulatory requirement, businesses do not market any products to children below the age of 12 years. There is no established mechanism to track impressions on children and therefore there is no published data available, to report under this metric.
	Percentage of advertising impressions made on children promoting products that meet dietary guidelines for children		Percentage (%)	

SLFRS S1 and SLFRS S2 Disclosures

Topic	Metric	Code	Unit of Measure	Trans Asia Hotels PLC
Labour Practices	Voluntary turnover rate for restaurant employees	FB-RN-310a.1	Percentage (%)	21
	Involuntary turnover rate for restaurant employees		Percentage (%)	3
	Average hourly wage, by region	FB-RN-310a.2	Presentation currency	147.88
	Percentage of restaurant employees earning minimum wage, by region		Percentage (%)	2
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	FB-RN-310a.3	Presentation currency (Rs.)	-
	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination		Presentation currency (Rs.)	0
	Describe the nature, context and any corrective actions taken because of monetary losses		N/A	N/A
Supply Chain Management and Food Sourcing	Percentage of food purchased that meets environmental and social sourcing standards	FB-RN-430a.1	Percentage (%) by cost	Not reported for the current year, as the Company does not currently maintain a formal mechanism to collect these specific supplier-level metrics as there has not been a mandatory reporting requirement to do so. The Company recognises the relevance of these disclosures and is evaluating the feasibility of integrating the required data points into the annual food supplier review framework, in coordination with the audit partner. Accordingly, the Group intends to develop an appropriate data collection mechanism to enable disclosure in future reporting periods.
	Percentage of food purchased that is certified to third-party environmental or social standards		Percentage (%) by cost	
	Percentage of eggs that originated from a cage-free environment	FB-RN-430a.2	Percentage (%) by number	
	Percentage of pork that was produced without the use of gestation crates		Percentage (%) by weigh	
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-RN-430a.3	N/A	

Table 2: Activity Metrics – Restaurants

Topic	Code	Unit of Measure	TAHL
Number of entity-owned restaurants	FB-RN-000.A	Number	8
Number of franchise restaurants		Number	-
Number of employees at entity-owned	FB-RN-000.B	Number	294
Number of employees at franchise locations		Number	N/A

TARGETS SET BY THE ENTITY

TAH has not yet established formal climate related targets. However, recognising the growing importance of climate resilience within the hotel sector, the Company is in the process of developing appropriate targets to support future mitigation and adaptation efforts.

The JK Group is in the early stages of developing a comprehensive climate related targets framework. While foundational measurement processes for GHG emissions, climate related risks, and governance indicators have been established, the JK Group recognises the need for more robust, data driven methodologies to support long term climate strategy. As part of this ongoing work, the JK Group is strengthening its data systems and assessing areas such as energy use, emissions intensity, water efficiency, and waste reduction to determine suitable future performance indicators.

Once established, progress against these targets will be monitored by management using relevant operational metrics and reviewed periodically by the governance body.

Cross Industry Metrics are mandatory climate-specific disclosures required of every entity reporting under SLFRS S2, regardless of industry. They focus specifically on:

- GHG emissions broken down by Scope 1, 2, and 3 in tCO_2e - refer the page on Natural Capital
- Climate related financial exposure (percentage of assets/activities subject to transition and physical risks)

TAH has identified exposure to transition risks concentrated in energy-intensive hotel operations and physical risks across all hotel, given Sri Lanka's tropical climate and susceptibility to extreme weather. As TAH is in the early stages of developing its climate risk quantification capabilities, the percentage of assets and activities subject to these risks has not yet been quantified. The Company intends to develop quantitative assessments as its data systems and analytical capabilities mature.

- Internal carbon price used in decision making

TAH has not implemented an internal carbon pricing mechanism and does not currently apply a carbon price in decision making or capital allocation. The JKH Group continues to monitor relevant regulatory developments in Sri Lanka to determine the appropriate timing for adoption. A price per metric tonne of GHG emissions is therefore not applicable for the current reporting period.

- Executive remuneration linked to climate considerations

TAH has not yet integrated climate related KPIs into executive performance evaluation or remuneration frameworks. As permitted under SLFRS S1 transition reliefs, no climate-linked remuneration metrics have been introduced for the current reporting period. The Board, through the HRCC, will evaluate integration of such metrics once the JKH Group's climate ambitions and transition pathways are finalised. The proportion of executive remuneration linked to climate related considerations is nil for the current reporting period.


Cinnamon



Innovative *Moves* | Restorative *Results*

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At Trans Asia Hotels PLC, our financial story is one of considered innovation and disciplined execution. Every investment made and every resource allocated reflects a deliberate move toward a stronger, more resilient future. The results speak not just to performance, but to the thinking behind it – demonstrating that innovation delivers outcomes that endure.

Financial Statements

Financial Calendar

44th Annual General Meeting	26th June 2025
45th Annual General Meeting	25th June 2026
Interim Financial Statements	
1st Quarter ended 30th June 2025	Released on 30th July 2025
2nd Quarter ended 30th September 2025	Released on 4th November 2025
3rd Quarter ended 31st December 2025	Released on 28th January 2026
4th Quarter ended 31st March 2026	Released on 26th May 2026

Annual Report of the Board of Directors

The Directors have pleasure in presenting the 45th Annual Report of Trans Asia Hotels PLC (The Company) together with the Audited Financial Statements for the year ended 31st March 2026.

GENERAL

The Company was incorporated on 17th July 1981 as a limited liability company and the shares of the Company were listed on the Colombo Stock Exchange (CSE) on 1st January 1983. In compliance with the provisions of the Companies Act No. 7 of 2007 (Companies Act) the Company was re- registered on 15th June 2007 with Company registration number PQ 5.

PRINCIPAL ACTIVITY

The principal activity of the Company, which is hoteliering remained unchanged. The Company owns Cinnamon Lakeside Hotel, a Five-Star Hotel situated in Colombo. The Company also derives rental income from the investment property adjoining the Hotel.

PARENT COMPANY AND ULTIMATE PARENT COMPANY

The Company is a subsidiary of Asian Hotels and Properties PLC, a company incorporated in Sri Lanka and listed on the CSE and the Company's ultimate parent company is John Keells Holdings PLC (JKH), also a company incorporated in Sri Lanka and listed on the CSE.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The financial and operational performance during the year ended 31st March 2026 and future business developments of the Company are provided in the Chairperson's Review on 16 pages to 19 . This report which forms an integral part of the Annual Report together with the audited financial statements, reflects the state of affairs of the Company.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Financial Statements of the Company duly signed by the Directors and the Auditors' Report on the Financial Statements are provided on pages 239 to 241.

CORPORATE GOVERNANCE

The Corporate Governance principles and practices of the Company are described from pages 128 to 194 of this report.

The Company has not complied with the Minimum Public Holding Requirement prescribed under Rule 7.13.1(i)(b) – Option 1 of the Listing Rules of the Colombo Stock Exchange applicable to companies listed on the Diri Savi Board, for a continuous period of one month commencing from 17 November 2025, and is accordingly deemed non-compliant as at 17 December 2025. This non-compliance arose solely due to a decline in the Company's share price, which resulted in the float-adjusted market capitalisation falling below the prescribed threshold of Rs. 1 billion.

The Company continues to proactively pursue its business strategies with a view to capitalising on available opportunities and enhancing stakeholder value, while closely monitoring the situation to restore compliance with the Minimum Public Holding requirement in accordance with the Listing Rules of the Colombo Stock Exchange.

Subject to the above,

(a) Chairperson's declaration

The Chairperson declares that there were no departures from any of the provisions of the Code of Business Conduct and Ethics.

(b) Directors' declarations

The Directors declare that;

a) the Company has complied with all applicable laws and regulations in conducting its business.

b) they have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.

c) the Company has made all endeavors to ensure the equitable treatment of shareholders.

d) the business is a going concern with supporting assumptions or qualification, as necessary.

e) they have conducted a review of internal control covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.

f) the Company has a Code of Business Conduct and Ethics for Directors and members of the senior management team and that all Directors and members of the senior management team have complied with this Code.

g) The Company being listed on the CSE is compliant with the rules on Corporate Governance under the Listing Rules of the CSE with regard to the composition of the Board and its Sub-Committees.

h) The Company has complied with the Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka to the extent applicable, taking into account business exigencies and the requirements of both the Company and the John Keells Holdings PLC Group ("JKH Group"), of which the Company is a member.

HUMAN RESOURCES

The Company continued to implement appropriate human resource management policies to develop employees and to optimise their contribution towards the achievement of corporate objectives.

The policies and procedures ensure the equitable treatment of all employees.

There were no material issues pertaining to employees and industrial relations during the year under review.

Annual Report of the Board of Directors

SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The Board has implemented an effective and comprehensive system of internal controls which provide reasonable but not absolute assurance that assets are safeguarded and that the financial reporting system may be relied upon in the preparation of the financial statements. The Audit Committee receives, considers, reports and acts on the results of internal control reviews carried out by independent Internal and External Auditors. The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Company and that financial, operational and compliance controls have been reviewed. Risk assessment and evaluation for the Company take place as an integral part of the business and the principal risks and mitigating actions in place are reviewed regularly by the Audit Committee. The Board, through the involvement of the ultimate parent Company JKH, Group Business Process Review Division takes steps to gain assurance on the effectiveness of control systems in place. The Head of the Group Business Process Review Division has direct access to the Chairperson of the Audit Committee of the Company.

Foreseeable risks that may materially impact business are disclosed in the Risk Management Statement on pages 195 to 204 of this Report and notes to the Financial Statements on pages 247 to 287.

GOING CONCERN

The Company has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Company in determining the going concern basis for preparation of financial statements.

The management has formed judgement that the Company has adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at the Company level along with the financial strength of the John Keells Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

ACCOUNTING POLICIES

Details of accounting policies have been discussed in page 247 to 287 to the financial statements. There have been no changes in the accounting policies adopted by the Company during the year under review.

RESPONSIBILITY OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Financial Statements so that they present a true and fair view of the state of affairs of the Company. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/ LKAS), Companies Act, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the CSE.

REVENUE

Revenue generated by the Company as at 31st March 2026 amounted to Rs. 4,912 Million (2025 - Rs. 4,466 Million).

RESULTS & APPROPRIATIONS

The profit after tax of the Company for the year was Rs. 492 Million (2025 –Rs. 230 Million). The synopsis of the Company's performance is presented in the following table:-

For the year ended 31st March	2026 (Rs.'000)	2025 (Rs.'000)
After providing for all known liabilities, bad & doubtful debts and depreciation on property, plant and equipment, the profit before interest was	472,710	364,947
Interest paid during the year was	(63,343)	(100,998)
Interest earned during the year was	3,269	4,347
Change in fair value of investment property	219,064	60,233
Profit before tax was	631,700	328,529
from which was deducted the provision for taxation including deferred taxation of	(139,820)	(98,585)
Leaving a net profit after tax of	491,880	229,944
Deferred tax effect on actuarial loss / (gain) was	9,565	(12,779)
(Loss) / gain on defined benefit plans of	(31,883)	42,596
The amount transferred from Revaluation Reserve was	48,917	50,659
Dividend declared	(200,000)	(100,000)
When the balance brought forward from the previous year was added	3,553,548	3,343,128
Leaving a balance to be carried forward next year of	3,872,027	3,553,548

DIVIDENDS

An interim dividend of Rs. 1.00 per share for the financial year ended 31 March 2026 was declared resulting in a total cash dividend payout of Rs. 200 Mn.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors confirmed that the Company satisfied the solvency test in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the Auditors, prior to recommending the interim dividend of Rs. 1.00. per share for the financial year ended 31st March 2026.

PROPERTY, PLANT & EQUIPMENT

The book value of property, plant and equipment as at the balance sheet date amounted to Rs. 5,370 Million (2025 - Rs. 5,006 Million) for the Company.

Capital expenditure for the year amounted to Rs. 196 Million (2025 - Rs. 204 Million).

Details of property, plant and equipment and their movements are given in Note 14 to the Financial Statements on page 261 of this Report.

MARKET VALUE OF PROPERTIES

All buildings owned by the Company were revalued as at 31st December 2025 and the carrying value as at 31st March 2026 amounted to Rs. 4,503 Million (2025 - Rs. 4,157 Million). All information related to the revaluation is given in Note 14 to the Financial Statements.

All properties classified as investment property were valued as at 31st December 2025 in accordance with the requirements of LKAS 40. This valuation too was carried out by M/s. P B Kalugalagedara, Chartered Valuation Surveyor. The carrying value of investment property of Company amounted to Rs. 3,521 Million (2025 - Rs. 3,302 Million). The Directors have decided to retain the fair value of investment property recognised as at 31st March 2026.

Details of the valuation of property, plant and equipment and investment property are provided in Notes 14 and 16 to the Financial Statements on pages 264 and 267 of this Report.

INVESTMENT PROPERTIES

In accordance with LKAS 40, Investment Property, the net book value of properties held to earn rental income and properties held for capital appreciation have been classified as investment properties. The details of the investment properties are explained in Note 16 to the Financial Statements on page 266.

STATED CAPITAL

The total stated capital of the Company as at 31st March 2026 was Rs. 1,112,879,750 (2025 - Rs. 1,112,879,750). The Stated Capital of the Company comprises 200 Million Ordinary Shares, fully paid up.

RESERVES

Total reserves as at 31st March 2026 for the Company amounted to Rs. 6,274 Million (2025 - Rs. 5,724 Million). The movement of reserves during the year is disclosed in the Statement of Changes in Equity on page 244.

SEGMENT REPORTING

Segment wise contribution to Company revenue, results, assets and liabilities is provided in Note 30 to the Financial Statements.

CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

Commitments made for capital expenditure as at 31st March 2026 and the contingent Liabilities as at that date are given in Note 32 to the Financial Statements on page 287.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There have been no events subsequent to the balance sheet date, which would have any material effect on the Company other than those disclosed in Note 33 to the Financial Statements on page 287.

SHARE INFORMATION & SHAREHOLDING

The market value of an ordinary share of the Company as at 31st March 2026 was Rs. 52.00 (2025 - Rs. 39.50). The number of shareholders as at 31st March 2026 was 1,765 (2025 - 1,669). An analysis of shareholders based on shares held, percentage of public holding, the distribution of ownership and details of share transactions during the year are provided on pages 293 to 296 of this Report. The list of top twenty-one Shareholders of the Company as at 31st March 2026 is also provided on page 294 of this Annual Report.

EQUITABLE TREATMENT OF ALL SHAREHOLDERS

The Company has made every endeavor to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year and relevant announcements have been sent to the CSE in a timely manner.

DIRECTORS

The Board of Directors of the Company as at 31st March 2026 and their brief profiles are given on pages 20 to 21 of this Report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

Mr. J G A Cooray who retires by rotation and being eligible, offers himself for re-election. Brief profile of Mr. J G A Cooray is contained on Page 20 of this Annual Report.

Mr. N N Mawilmada and Mr. M H Singhawansa retire in terms of Article 90 of the Articles of Association of the Company, and being eligible, offers themselves for re-election. Brief profiles

Annual Report of The Board of Directors

of Mr. N N Mawilmada and Mr. M H Singhawansa are contained on page 21 of this Annual Report.

The Board has recommended the re-election of Mr. N L Gooneratne, who is over the age of 70 years and retires in terms of Section 210 of the Companies Act.

The resolution proposes that the age limit stipulated in Section 210 of the Companies Act shall not apply to Mr. N L Gooneratne who is 83 years old and that he be re- elected as a Director of the Company.

RESPONSIBILITIES OF THE BOARD

Details of responsibilities of the Board and the manner in which those responsibilities were discharged during the year are disclosed in the Corporate Governance section of this Annual Report.

BOARD COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee and Related Party Transactions Review Committee including reports of each of the committees, where applicable, and attendance of Directors for each of the committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

PROJECT RISK ASSESSMENT COMMITTEE

The Project Risk Assessment Committee of JKH, the ultimate parent company, functions as the Project Risk Assessment Committee of the Company. The Project Risk Assessment Committee members of JKH are as follows;

Dr. S S H Wijayasuriya - Chairperson

Mr. A Cabraal

Mr. K N J Balendra

Mr. J G A Cooray

The Project Risk Assessment Committee Report is contained on page 155 of this Annual Report.

INTERESTS REGISTER

The Company has maintained an Interests Register as contemplated by the Companies Act.

a) Interests in contracts

The Directors have all made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act and no additional interests have been disclosed by any Director.

b) Share Dealings

Other than for the following entry, no share dealings were reported during the period under review.

Mr. N L Gooneratne (Director) Sale of 95,131 shares

c) Indemnities and remuneration

1. Mr. M. R. Svensson, Non-Independent Non-Executive Director, resigned with effect from 31 August 2025, and Mr. S. Rajendra, Non-Independent Non-Executive Director, resigned with effect from 31 December 2025, consequent to his retirement from the John Keells Group.

2. Mr. N N Mawilmada and Mr. M H Singhawansa were appointed as Non-Independent Non-Executive Directors to the Board with effect from 8 September 2025 and 6 January 2026 respectively at the standard Non-Executive fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company. The fees payable to the Nominee Directors of John Keells Holdings PLC are paid to John Keells Holdings PLC and not to individual Directors.

3. The contract and standard Director fees of the following Non-Executive Directors have been approved/ renewed by the Board. The Director fees are commensurate with the market complexities associated with the Company:-

- Ms. S A Athukorale
- Mr. N L Gooneratne

DIRECTORS SHAREHOLDING IN THE COMPANY

The shareholdings of the Directors and their spouses in the Company are set out in page 293 of this Report.

DIRECTORS REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in page 256 of the Financial Statements.

DIRECTORS MEETINGS

Details of the meetings of the Directors are given on page 139.

EMPLOYEE SHARE OPTION PLAN (ESOP)

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the ultimate parent company, JKH.

Senior Executives of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of the employee services received in respect of the shares or share options granted under the ESOP scheme of JKH is recognised in the Income statement over the period that employees provide services, from the time when the award is granted up to the vesting date of the options. The overall cost of the award is calculated using the number of share options expected to vest and the

fair value of the options at the date of grant. The Company has not directly or indirectly provided funds to its employees to purchase shares under ESOP Scheme.

The employee remuneration expense resulting from the John Keells Group's share option scheme to the employees of the Company is recognised in the income statement of the Company.

This transaction does not result in a cash outflow to the Company and expense recognised is met with a corresponding equity reserve increase, thus having no impact on the Statement of Financial Position (SOFP). The fair value of the options granted is determined by the Group using an option model and the relevant details are communicated by the Group to all applicable subsidiary companies.

EMPLOYMENT

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The John Keells Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

The number of persons employed by the Company as at 31st March 2026 was 616 (2025 – 625).

There were no material issues pertaining to employees and industrial relations during the Financial Year.

STATUTORY PAYMENTS

The Directors to the best of their knowledge are satisfied that all statutory payments in relation to the Government, other regulatory institutions and the employees have been either duly paid or appropriately provided for in the Financial Statements. The tax position of the Company is disclosed in Note 11 to the Financial Statements.

SUPPLIER POLICY

The Company applies an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers, and endeavors to pay for all items properly charged in accordance with these agreed terms. As at 31st March 2026, the trade and other payables of the Company amounted to Rs. 587 Million (2025 - Rs. 556 Million).

SUSTAINABILITY REPORTING

The Company has adopted the disclosures prescribed by the Code of best Practice on Corporate Governance (2023) which cover the elements of conflict of interest; bribery and corruption; entertainment and gifts; accurate accounting and record-keeping, corporate opportunities; confidentiality; fair dealing; protection and proper use of company assets; compliance with laws, rules and regulations (including insider trading laws); and the reporting of any illegal or unethical behaviour.

RELATED PARTY TRANSACTIONS

There were no related party transactions required to be disclosed under the Listing Rules of the CSE, other than as disclosed under Note 28 of the financial statements.

The Company's transactions with Related Parties, given in Note 28 to the Financial Statements, have complied with CSE Listing Rule 9.14 and the Code of Best Practices on Related Party Transactions under the SEC Directive.

DONATIONS

During the financial year ended 31st March 2026 the Company made donations amounting to Rs. 3 Million (2025-Rs. 2 Million).

AUDITORS

The Audit Committee reviews the appointment of the Auditors, their effectiveness, independence and relationship with the Company, including the level of audit.

Messrs. KPMG, Chartered Accountants, have indicated their willingness to continue as Auditors of the Company, and a resolution proposing their re-appointment as auditors will be tabled at the Annual General Meeting.

Details of the Audit Fees paid to the Auditors are set out in page 256 of the Financial Statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on page 144.

ANNUAL REPORT

The Board of Directors approved the audited financial statements for issue on 26th May 2026.

ANNUAL GENERAL MEETING

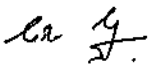
Annual General Meeting will be held as a virtual meeting on 25th June 2026 at 09.30 AM.

This Annual Report is signed for and on behalf of the Board of Directors.

By Order of the Board



Director



Director



Keells Consultants (Private) Limited
Secretaries

26th May 2026

Statement of Directors' Responsibility

The following statement sets out the Responsibility of Directors in relation to the Financial Statements of Trans Asia Hotels PLC (the "Company"). This Statement of Directors' Responsibility is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and the Auditors in relation to the Financial Statements contained in this Annual Report.

The responsibility of the Auditors in relation to the Financial Statements prepared in accordance with the provision of the Companies Act No. 07 of 2007 (Companies Act) and the Sri Lanka Accounting Standards (SLFRS/LKAS) is set out in the Report of Auditors on page 239 to 241 of this Report.

As per the provisions of the Companies Act, the Directors are required to prepare, for each financial year and place before a general meeting, financial statements together with accompanying notes, which comprise of:

- Income Statement and Statement of Comprehensive Income of the Company, which present a true and fair view of the profit or loss for the respective financial year
- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year:
- Statement of Changes in Equity, which presents a true and fair view of the changes in equity during the respective financial year:
- Statement of Cash Flows, which presents a true and fair view of the movement of cash flows during the respective financial year:

The Board of Directors have ensured that the Financial Statements of the Company for the year ended 31 March 2026 presented in the report have been prepared:

- using appropriate accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained;
- in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and that reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- to provide the information required by and otherwise comply with the Companies Act, the Listing Rules of the Colombo Stock Exchange (CSE), the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the code of best practice on Corporate Governance (2013) jointly advocated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC), the code of best practice on Corporate Governance (2017) and code of best practice on Corporate Governance (2023) issued by CA Sri Lanka

In preparing the Financial Statements, the Board of Directors has ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis.

Additionally, the Board Directors have a responsibility to

- ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company; and
- take all reasonable steps expected of them to safeguard the assets of the Company to establish appropriate systems of internal controls to prevent, deter and detect any fraud, misappropriation or other irregularities.

The Board of Directors have taken all reasonable steps to ensure that the Company maintains adequate and accurate accounting books of record, which reflect the transparency of transactions and provide an accurate disclosure of the financial position of the Company.

Further in the event of a dividend distribution, as required by Section 56(2) of the Companies Act, and based on the information available, the Board of Directors will ensure that the Company has satisfied the solvency test immediately after the distribution of any dividends in accordance with Section 57 of the Companies Act with a certificate from the Auditors being obtained prior to declaring such dividend.

The Board of Directors is required to provide and have provided the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give an independent Audit Report.

The Board of Directors is of the view that they have discharged their responsibilities as set out in this Statement.

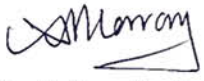
The Board of Directors approved the Annual Report on 26th May 2026. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board as required.

COMPLIANCE REPORT

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and all contributions, levies and taxes payable on behalf of the employees of the Company and all other known statutory obligations as at the reporting date, have been paid or provided for, except as specified in Note 32 to the Financial Statements covering Contingent Liabilities.

The Board of Directors confirms that the Company have complied with the Para 23 of the LKAS 24, and all related party transactions are carried out at "arm's length" basis.

By Order of the Board
TRANS ASIA HOTELS PLC



Keells Consultants (Private) Limited
Secretaries

26th May 2026

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
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TO THE SHAREHOLDERS OF TRANS ASIA HOTELS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trans Asia Hotels PLC ("the Company"), which comprise the statement of financial position as at March 31, 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 policies and other explanatory information as set out on pages 242 to 287 of this annual report.

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

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H Raddella ACA,
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F R Zyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

Independent Auditors Report

KPMG

01. Valuation of the buildings under Property, Plant and Equipment and Investment Property

Refer to Note 14 and 16 to the financial statements

Risk Description	Our Response
As at 31st March 2026, the Buildings stated at fair value, classified under as Property, Plant and Equipment and Investment Properties amounted to Rs. 4,503 Mn and Rs. 3,521 Mn respectively. Management has engaged an independent professional Valuer with appropriate expertise to determine the fair value of these properties in accordance with recognised industry standards. Estimating the fair value is a complex process which involves a significant degree of judgment and estimates in respect of price per perch of the land, capitalisation rates, value per square feet, fair market rental and diversity of locations and nature of the land and buildings and investment properties. We identified this as a key audit matter because of the significance of the value of these properties to the Financial Statements and significant judgement/estimation involves in the valuation.	Our audit procedures included: Discussions with management and the external valuer and comparison of the key assumptions used against externally published market comparable or industry data where available and challenging the reasonableness of key assumptions based on our knowledge of the industry. Discussions with management and the external valuer in relation to the possible impact on the key assumptions. Assessing the key inputs used in the valuation by the independent external valuer against our expectations based on our experience, externally published market comparable and our knowledge of property market, consultation with internal valuation specialist. Assessing the objectivity, independence, competence and qualifications of the external valuer. Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.

Other Information

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. The annual report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we have nothing to report in this regard.

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

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

KPMG

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has 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 SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.

Colombo, Sri Lanka
26 May 2026

Income Statement and Statement of Comprehensive Income

All values are in Rupees' 000s, unless otherwise stated

For the year ended 31st March	Note	2026	2025
Continuing operations			
Revenue from contracts with customers	6	4,911,717	4,465,690
Cost of sales		(2,642,665)	(2,425,041)
Gross profit		2,269,052	2,040,649
Other operating income	7	31,326	3,293
Selling and distribution expenses		(281,601)	(200,805)
Administrative expenses		(1,122,476)	(1,067,557)
Other operating expenses	8	(423,591)	(410,633)
Results from operating activities	9	472,710	364,947
Finance cost	10	(63,343)	(100,998)
Finance income	10	3,269	4,347
Net finance cost		(60,074)	(96,651)
Net gain from fair value remeasurement of investment property	16	219,064	60,233
Profit before tax		631,700	328,529
Income tax expense	11	(139,820)	(98,585)
Profit for the year		491,880	229,944
Other comprehensive income			
Items that will not be reclassified to income statement			
Revaluation gain on buildings	14	399,513	448,915
Remeasurement gain /(loss) on defined benefit obligation	25	(31,883)	42,596
Other comprehensive income not be reclassified to income statement in subsequent years		367,630	491,511
Tax effect on other comprehensive income	11.3	(110,289)	(147,453)
Other comprehensive income for the year, net of tax		257,341	344,058
Total comprehensive income for the year, net of tax		749,221	574,002
		Rs.	Rs.
Dividend per share	13	1.00	0.50
Basic/Diluted Earnings per share	12	2.46	1.15

Note - The accounting policies and notes as set out on pages 247 to 287 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

Statement of Financial Position

All values are in Rupees' 000s, unless otherwise stated

As at 31st March	Note	2026	2025
ASSETS			
Non-current assets			
Property, plant and equipment	14	5,370,394	5,006,292
Right-of-use assets	15.1	923,434	682,220
Investment property	16	3,521,385	3,302,321
Intangible assets	17	19,653	25,424
Non current financial assets	29.2.3	4,348	6,572
Other non-current assets	29.2.3	1,877	2,687
Total non-current assets		9,841,091	9,025,516
Current assets			
Inventories	18	113,701	104,808
Trade and other receivables	19	211,863	247,507
Other current assets	20	123,281	80,302
Amounts due from related parties	28.2	64,149	51,698
Cash in hand and at bank		213,082	93,544
Total current assets		726,076	577,859
Total assets		10,567,167	9,603,375
EQUITY AND LIABILITIES			
Stated capital	21	1,112,880	1,112,880
Revenue reserves		3,872,027	3,553,548
Other components of equity	22	2,401,541	2,170,388
Total equity		7,386,448	6,836,816
Non-current liabilities			
Lease liabilities	15.2	184,858	-
Employee benefits	25	232,301	164,630
Deferred tax liabilities	11.5	1,267,999	1,017,890
Total non-current liabilities		1,685,158	1,182,520
Current liabilities			
Trade and other payables	26	587,414	555,532
Other current liabilities	27	199,412	123,094
Amounts due to related parties	28.5	120,568	122,579
Lease liabilities	15.2	57,364	-
Current tax liabilities	11.6	5,459	5,459
Dividend payable	13.1	75,167	100,000
Interest bearing loans and borrowings	23	-	150,000
Bank overdrafts		450,177	527,375
Total current liabilities		1,495,561	1,584,039
Total liabilities		3,180,719	2,766,559
Total equity and liabilities		10,567,167	9,603,375
		Rs.	Rs.
Net assets per share		36.93	34.18

Note- The accounting policies and notes as set out on pages 247 to 287 form an integral part of these Financial Statements.

I certify that the financial statements are prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.

C L P Gunawardane
Chief Financial Officer

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

K N J Balendra
Chairperson

J G A Cooray
Director

26th May 2026

Statement of Changes in Equity

All values are in Rupees' 000s, unless otherwise stated

	Note	Stated Capital	Other Components of Equity		Revenue Reserve	Total Equity
			Other Capital Reserve	Revaluation Reserve		
Balance as at 1st April 2024		1,112,880	26,500	1,879,658	3,343,128	6,362,166
Total comprehensive income for the year						
Profit for the year		-	-	-	229,944	229,944
Other comprehensive Income for the year net of tax		-	-	314,241	29,817	344,058
Total comprehensive income for the year		-	-	314,241	259,761	574,002
Transferred to revaluation reserve (Note)		-	-	(50,659)	50,659	-
Share based payments		-	648	-	-	648
Transactions with the Owners of the Company						
Interim dividend - 2024/2025		-	-	-	(100,000)	(100,000)
Balance as at 31st March 2025		1,112,880	27,148	2,143,240	3,553,548	6,836,816
Balance as at 1st April 2025		1,112,880	27,148	2,143,240	3,553,548	6,836,816
Total comprehensive income for the year						
Profit for the year		-	-	-	491,880	491,880
Other comprehensive Income for the year net of tax		-	-	279,659	(22,318)	257,341
Total comprehensive income for the year		-	-	279,659	469,562	749,221
Transferred to revaluation reserve (Note)		-	-	(48,917)	48,917	-
Share based payments		-	411	-	-	411
Transactions with the Owners of the Company						
Interim dividend - 2025/2026		-	-	-	(200,000)	(200,000)
Balance as at 31st March 2026		1,112,880	27,559	2,373,982	3,872,027	7,386,448

Note

As per Sri Lanka Accounting Standards No. 16 on "Property Plant and Equipment" when the revalued asset is used by an entity, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of the asset is transferred from revaluation surplus to retained earnings.

The accounting policies and notes as set out on pages 247 to 287 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

All values are in Rupees' 000s, unless otherwise stated

For the year ended 31st March	Note	2026	2025
OPERATING ACTIVITIES			
Profit before tax		631,700	328,529
Adjustments for:			
Finance income	10	(3,269)	(3,778)
Finance expenses	10	63,343	100,998
Depreciation of property, plant and equipment	14	227,616	223,109
Profit on disposal of property, plant and equipment	7	(6,481)	(1,576)
Reversal of unclaimed dividend	7	(569)	(797)
Write back of unutilised credits		(21,782)	-
Depreciation of right-of-use assets	15	75,808	12,404
Amortisation of intangible assets	17	5,771	3,182
Employee benefits provision and related costs	25	47,698	37,898
Exchange gain on interest bearing borrowings	23	-	(569)
Change in fair value of investment property	16	(219,064)	(60,233)
Provision reversed on slow moving inventories	18.1	(272)	(48)
Provision (reversed) / made for impairment of trade receivables	19.1	(17,592)	14,675
Share based payment expenses	24	411	648
Operating profit before working capital changes		783,318	654,442
(Increase) / Decrease in inventories		(8,621)	15,046
Decrease in trade and other receivables		53,236	371,154
Increase in amounts due from related parties		(12,451)	(12,758)
(Increase) / Decrease in other current assets		(42,979)	33,036
Decrease in other non-current assets		3,034	10,367
Increase / (Decrease) in trade and other payables		32,451	(13,057)
(Decrease) / Increase in amounts due to related parties		(2,010)	18,155
Increase / (Decrease) in other current liabilities		98,100	(24,917)
Cash generated from operations		904,078	1,051,468
Finance income received	10	3,269	3,778
Finance expenses paid	10	(63,343)	(100,998)
Tax paid	11.6	-	(20,162)
Employee benefits paid/transfers	25	(11,910)	(19,536)
Net cash generated from operating activities		832,094	914,550
INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	14	(195,636)	(203,764)
Purchase of intangible assets	17	-	(26,978)
Proceeds from disposal of Property, plant and equipment		9,911	10,937
Net cash used in investing activities		(185,725)	(219,805)
FINANCING ACTIVITIES			
Dividend paid	13.1	(224,833)	-
Loan obtained during the year	23	-	600,000
Repayment of long term borrowing	23	(150,000)	(904,157)
Repayment of lease liabilities	15.2	(74,800)	-
Net cash used in financing activities		(449,633)	(304,157)
Net increase in cash and cash equivalents		196,736	390,588
Cash and cash equivalents at the beginning of the year		(433,831)	(824,419)
Cash and cash equivalents at the end of the year		(237,095)	(433,831)
Analysis of cash and cash equivalents			
Cash at bank		206,597	85,445
Cash in hand		6,485	8,099
Bank overdrafts		(450,177)	(527,375)
		(237,095)	(433,831)

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdraft.

Note - The accounting policies and notes as set out on pages 247 to 287 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

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Notes to the Financial Statements

1. CORPORATE INFORMATION

Reporting entity

Trans Asia Hotels PLC (the Company) is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.

Principal shareholders of the Company are John Keells Holdings PLC and Asian Hotels & Properties PLC who hold 48.64% and 43.41% respectively.

The number of persons employed by the Company as at 31st March 2026 was 616 (2025 - 625) excluding industrial trainees and casual staff.

The Company is a subsidiary of Asian Hotels and Properties PLC, whilst its ultimate holding company is John Keells Holdings PLC.

Approval of financial statements

The financial statements for the year ended 31 March 2026 were authorised for issue by the Board of Directors on 26th May 2026.

Principal activities and nature of operations of the Company

The principal activity of the Company is hoteliering. The Company also derives rental income from the commercial property.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility report in the Annual report.

2. BASIS OF ACCOUNTING

Basis of preparation

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of Companies Act No. 7 of 2007.

Statements of compliance

The financial statements which comprise the Income Statement and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the Companies Act No. 7 of 2007.

Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following which are measured on an alternative basis on each reporting date.

- Buildings are measured at cost at the time of acquisition and subsequently recognised at revalued amounts which are fair values at the date of revaluation less accumulated depreciation and impairment losses if any,
- Investment properties are stated at fair values.
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 25.

Presentation and functional currency

The Company's Financial Statements are presented in Sri Lankan Rupees which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on 'Presentation of Financial Statements.

Going concern

The Company has prepared the financial statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern even though the Company is operating at a net current liability position, as there is a strong position of retained earnings. Also based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Company in determining the going concern basis for preparation of financial statements.

The management has formed judgement that the Company has adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at the Company level along with the financial strength of the John Keells Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Notes to the Financial Statements

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing of the Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2026 is included in the following notes:

- Determining the fair value of investment property;
- Measurement of defined benefit obligations: Key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Provision for expected credit losses of trade receivables and contract assets
- Valuation of buildings

The preparation of these Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Such estimates and judgements are reviewed on an ongoing basis.

A brief explanation of the key estimates, assumptions and judgements that have changed during year ended 31 March 2026 are as follows;

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2026 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Company.

Other material accounting policies not covered with individual notes.

Except for the above, following accounting policies, which have been applied consistently by the Company, are considered to be material but not covered in any other sections.

Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current assets. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(a) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items that are measured based on historical costing in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in income statement.

(b) Financial instruments

(i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability 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.

Financial Assets

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's' financial assets classified and measured at amortised cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

Financial assets - Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Notes to the Financial Statements

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount

plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on de-recognition is recognised in income statement.

Financial Liabilities

Classification, subsequent measurement and gain and losses
Financial liabilities are classified as measured at amortised 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 recognised in income statement. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on de-recognition is also recognised in income statement.

(ii) De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in Income Statement.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Impairment

Financial instruments and contract assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual

cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the Company's effective interest rate.

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market or a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

(v) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

(vi) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in Income Statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(d) Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: In the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for nonrecurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as land and building and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

Property, plant and equipment under revaluation model	Note 14
Investment properties	Note 16

Fair values vs carrying amounts	Amortised cost	Other financial liabilities	Total carrying amount
31st March 2026			
Cash in hand and at bank	213,082	-	213,082
Trade and other receivables	211,863	-	211,863
Amounts due from related parties	64,149	-	64,149
Non current financial assets	4,348	-	4,348
Other non-current assets	1,877	-	1,877
	495,319	-	495,319
Trade and other payables	-	323,918	323,918
Amounts due to related parties	-	120,568	120,568
Loans and borrowings	-	-	-
Bank overdrafts	-	450,177	450,177
	-	894,663	894,663
31st March 2025			
Cash in hand and at bank	93,544	-	93,544
Trade and other receivables	247,507	-	247,507
Amounts due from related parties	51,698	-	51,698
Non current financial assets	6,572	-	6,572
Other non-current assets	2,687	-	2,687
	402,008	-	402,008
Trade and other payables	-	336,424	336,424
Amounts due to related parties	-	122,579	122,579
Loans and borrowings	-	150,000	150,000
Bank overdrafts	-	527,375	527,375
	-	1,136,378	1,136,378

All the above financial assets and liabilities are not measured at fair value.

Fair value for above financial assets and liabilities is not disclosed since the carrying amount is a reasonable appropriation of their fair value. Accordingly fair value hierarchy does not apply.

5 CHANGES IN ACCOUNTING STANDARD AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective

SLFRS 18: Presentation and Disclosure in Financial Statements

The Company is currently assessing the potential impact of SLFRS 18 on its financial statements and related disclosures. A comprehensive evaluation, including transition planning and implementation activities, is expected to be completed prior to the adoption of the standard.

The amendments and improvements to accounting standards that are not expected to have a significant impact on the Company's financial statements

Amendments to LKAS 21: Lack of Exchangeability

Amendments to SLFRS 9 and SLFRS 7: Classification and Measurement of Financial Instruments

SLFRS 19 Subsidiaries without public accountability: Disclosures

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

Accounting policy

Performance obligations and revenue recognition policies

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

6.1 Contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company's performance obligations and significant judgements are summarised below:

The revenue for providing the services are usually recognised at or after the guests' departure, over the period of stay or at the point of arrival of guests. The entity identifies the services under each contract as one performance obligation. The revenue is accounted based on the output method. Since revenue will be based on the final good or service provided, the output method will provide a faithful depiction in recognising revenue. Accordingly, revenue is recognised on the rooms occupied on daily basis and food and beverages and hotel related sales are accounted for at the time of sale and rental income is recognised on an accrual basis. When providing destination management service (travel agents), the entity acts as the principal. Customer receives and consumes the benefits of the entity's performance, as and when the service is performed. Therefore, revenue is recognised at gross over the period, based on the output method. The timing and the amount of cashflow will vary according to the agreements. Transaction price shall comprise supplier fee and company mark-up, summing up to be the gross service fee. The advance payments are recognised as a liability. Upon provision of the services, the liability is set off and revenue is recognised over the period.

6.2 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

For the year ended 31st March	2026	2025
Type of service		
Revenue from contracts with customers		
Room	1,588,404	1,492,050
Food and beverage	2,890,821	2,587,139
Other revenue	365,591	324,209
Revenue from contracts with customers	4,844,816	4,403,398
Rental income		
Rental income from investment property	66,901	62,292
	4,911,717	4,465,690
Timing of revenue recognition		
Services transferred over time	1,862,627	1,743,124
Services transferred at a point in time	3,049,090	2,722,566
	4,911,717	4,465,690
Geographical markets		
Sri Lanka	2,893,658	3,270,272
Asia (excluding Sri Lanka)	968,302	620,830
Europe	489,371	335,952
Others	560,386	238,636
	4,911,717	4,465,690

6.3 Reconciliation of revenue

Reconciliation between revenue from contracts with customers and revenue information that is disclosed for each reportable segment has been provided in the operating segment information section.

6.4 Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

Contract liabilities are the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services and short-term advances received to render certain services.

		Contract Balances	
As at 31st March	Note	2026	2025
Contract assets presented under:			
- Trade and other receivables	19	167,659	181,088
		167,659	181,088
Contract liabilities presented under:			
- Trade and other payables	26	124,343	109,561
- Other current liabilities	27	108,119	72,136
		232,462	181,697

7 OTHER OPERATING INCOME

Accounting policy

Other income is recognised on an accrual basis.

Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non -current assets, including investments, are accounted for in the Income Statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

On the disposal of any revalued Property, Plant and Equipment, the amount remaining in the Revaluation Reserve, relating to that particular asset is transferred directly to Retained Earnings.

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

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

For the year ended 31st March	2026	2025
Net gain on disposal of property, plant and equipment	6,481	1,576
Gain on foreign exchange	413	29
Write back of unutilised credits	21,782	-
Sundry income	2,081	891
Reversal of unclaimed dividend	569	797
	31,326	3,293

8 OTHER OPERATING EXPENSES

Accounting policy

Expenditure recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the Income Statement. Other expenses are recognised on an accrual basis.

For the year ended 31st March	2026	2025
Repairs and maintenance expenses	167,732	133,026
Heat, light and power expenses	251,966	273,554
Bank charges	3,893	4,053
	423,591	410,633

9 PROFIT FROM OPERATING ACTIVITIES

Accounting policy

Expenditure recognition

Expenses are recognised in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the Income Statement.

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

Profit from operating activities is stated after charging all expenses including the following.

For the year ended 31st March	2026	2025
Directors fees	13,260	10,577
Audit services	1,260	1,164
Donations / CSR	3,286	2,012
Depreciation of PPE, ROU assets and amortisation of intangible assets	309,195	238,695
Provision (reversed)/charged for impairment of trade receivables	(17,592)	14,675
Legal fees	11,259	10,193
Staff cost (includes the following)	1,364,016	1,206,647
Defined benefit plan costs - employee benefits	33,145	37,898
Defined contribution plan costs -EPF and ETF	93,271	84,375

10 FINANCE INCOME AND FINANCE COST

Accounting policy

Finance income

Finance income comprises interest income derived on funds invested and exchange gain on borrowings. Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Borrowing cost

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent the borrowing costs that are directly attributable to the acquisition or construction of an asset that takes a substantial period of time to get ready for its intended use, and are capitalised as part of that asset.

Finance costs

Finance costs comprise interest expense on borrowings and overdrafts.

Finance income and finance costs

For the year ended 31st March	2026	2025
Finance income		
Interest income on staff loan	1,495	2,230
Interest income on short term investments	1,774	1,548
Exchange gain on Interest bearing loans and borrowings	-	569
	3,269	4,347
Finance costs		
Interest expense on interest bearing loans and borrowings	(1,202)	(29,381)
Interest expenses on bank overdraft	(35,127)	(71,617)
Interest expenses on ROU assets	(27,014)	-
	(63,343)	(100,998)
Net finance cost	(60,074)	(96,651)

11 INCOME TAX EXPENSE

Accounting policy

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the interpretation had an impact on its financial statements. Company determined that it is probable that its tax treatments will be accepted by the taxation authorities. The interpretation did not have an impact on the financial statements of the Company. Income tax expenses comprise income tax and deferred tax.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

Income tax and Deferred tax

Income tax and Deferred tax have been provided as per the rates legislated by the Inland Revenue (Amendment) Act No 45 of 2022.

For the year ended 31st March	2026	2025
Current tax charge (Note 11.1)	-	-
Deferred tax expense (Note 11.3)	139,820	98,585
	139,820	98,585
Other comprehensive income		
Deferred tax charge	110,289	147,453
Relating to origination and reversal of temporary differences (Note 11.3)	110,289	147,453

11.1 Reconciliation between current tax charge and the accounting profit

For the year ended 31st March	2026	2025
Profit before tax	631,700	328,529
Income not liable for income tax	(1,547)	(2,389)
Adjusted accounting profit chargeable to income taxes	630,153	326,140
Disallowable expenses	390,282	317,569
Allowable expenses	(527,490)	(502,144)
Tax losses utilised during the year	(492,945)	(141,566)
Taxable income	-	-
Income tax charged at 30%	-	-
Current tax charge	-	-
Deferred tax charge (Note 11.3)	139,820	98,585
Total income tax expense	139,820	98,585
Effective tax rate	22%	30%

11.2 Reconciliation between Tax Expense and Product of Accounting Profit

For the year ended 31st March	2026	2025
Adjusted accounting profit chargeable to income taxes	630,153	326,140
Tax effect on chargeable profits	189,052	97,842
Tax effect on non deductible expenses	8,391	9,680
Tax effect on deductions claimed	(61,553)	(9,738)
Net effect of deferred tax in respect of prior years	3,930	801
Total income tax expense	139,820	98,585

11.3 Deferred Tax Expense

For the year ended 31st March	2026	2025
Income Statement		
Deferred tax expense arising from;		
Accelerated depreciation for tax purposes	(13,897)	(5,491)
Benefit arising from tax losses and other credits	151,814	43,355
Change in fair value of investment property	4,166	8,332
Employee benefit liability	(10,736)	(5,509)
Others	8,473	57,898
Deferred tax charge recognised in the Income Statement	139,820	98,585
Other comprehensive income		
Actuarial (loss) / gain on defined benefit obligations	(9,565)	12,779
Revaluation gain on buildings	119,854	134,674
Deferred tax charge recognised in the other comprehensive income	110,289	147,453
Total deferred tax charge	250,109	246,038

11.4 Tax Losses Carried Forward

For the year ended 31st March	2026	2025
Balance at the beginning of the year	564,818	709,336
Adjustments on finalisation of liability	(13,102)	(2,952)
	551,716	706,384
Tax losses utilised during the year	(492,945)	(141,566)
Balance at the end of the year	58,771	564,818

11.5 Deferred Tax Liability

Accounting policy

Deferred taxation is provided using the statement of financial position liability method providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets including those related to tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

As at 31st March	2026	2025
Balance at the beginning of the year	1,017,890	771,851
Charge for the year (Note 11.3)	250,109	246,038
Balance at the end of the year	1,267,999	1,017,890
The closing deferred tax liability arrives as follows;		
Revaluation of buildings to fair value	609,449	489,594
Revaluation of investment property to fair value	54,217	50,051
Accelerated depreciation for tax purposes	733,112	747,008
Employee benefit liability	(69,690)	(49,389)
Losses and other credits available for offset against future taxable income	(17,632)	(169,446)
Others	(41,457)	(49,928)
	1,267,999	1,017,890

11.6 Income tax Liability

As at 31st March	2026	2025
Balance at the beginning of the year	5,459	25,621
Payments, adjustments and set off against refunds	-	(20,162)
Balance at the end of the year	5,459	5,459

The Company has contingent liabilities amounting to Rs. 183.3 Mn (2025 – Rs.183.3 Mn). These have been arrived at after discussing with independent legal and tax experts and based on information available. All assumptions are revisited as of the reporting date (Refer Note 32).

12 EARNINGS PER SHARE

Earnings per share is calculated on the profit attributable to the shareholders of the Company over the weighted average number of ordinary shares outstanding during the year, as required by Sri Lanka Accounting Standard LKAS 33; "Earnings per share". Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting outstanding share option scheme and warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

For the year ended 31st March	2026	2025
Profit attributable to ordinary shareholders of the company (Rs. '000)	491,880	229,944
Weighted average number of ordinary shares ('000)	200,000	200,000
Basic/diluted earnings per share (Rs.)	2.46	1.15

13 DIVIDEND PER SHARE

Equity dividend on ordinary shares declared and paid during the year

For the year ended 31st March	2026	2025
Dividend declared per share (Rs.)	1.00	0.50

Dividend per share has been calculated, for all periods, based on the number of shares in issue at the time of dividend payout.

The Company declared an interim dividend of Rs. 1 per share for the year ended 31st March 2026 on 13th March 2026 resulting in a cash pay out of Rs.200 Mn.

13.1 Dividend paid during the year

As at 31st March	2026	2025
Dividend payable at the beginning of the year	100,000	-
Declared during the year	200,000	100,000
Paid during the year	(224,833)	-
Dividend payable at the end of the year	75,167	100,000

14 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Basis of recognition

Property plant and equipment are stated at cost of purchase or valuation less accumulated depreciation, and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

The Company applies the revaluation model for buildings. Such properties are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent impairment losses. Revaluations are made at least every five years to ensure that their carrying amounts do not differ materially from their fair values at the reporting date.

When an asset is revalued, any increase in carrying amount is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserves unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset. In such case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.
The Company applies cost model for other property plant and equipment which are stated at historical cost, less depreciation less any accumulated impairment losses.

Subsequent measurement

The cost of replacing a part of an item of property plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in Income Statement.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

Impairment of property plant and equipment

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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses are recognised in the income statement, except that, impairment losses in respect of property, plant and equipment previously revalued are recognised against the revaluation reserve through the statement of other comprehensive income to the extent that it reverses a previous revaluation surplus.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the Income Statement in the year the asset is derecognised.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that asset is derecognised.

Assets	Years
Plant and machinery	20
Computer equipment	5
Kitchen and laundry equipment	15
Hotel equipment	15
Motor vehicles	5
Motor vehicles - floating restaurant	18
Base stock	10
Circulating assets	3
Furniture and fittings	15

Buildings are depreciated using the straight line method over the remaining lease period of 54 years.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Capital work-in-progress

Capital work-in-progress is stated at cost. This represents expenditure of a capital nature directly incurred on property plant and equipment, awaiting capitalisation.

Assets	Buildings	Plant and Machinery	Computer Equipment	Furniture Fixtures and Fittings	Kitchen and Laundry Equipment	Hotel Equipment	Motor Vehicles	Soft Furnishing Base Stock	Circulating Assets	Total	Total
										2026	2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost / valuation											
As at 1st April 2025	4,176,644	777,563	156,976	440,278	324,698	110,584	65,455	711,171	275,593	7,038,962	6,582,715
Additions	26,757	61,082	13,578	5,844	11,558	8,678	15,676	40,110	12,353	195,636	203,764
Disposals	(482)	(10,888)	-	(5,912)	(6,450)	(827)		(5,251)	(10,837)	(40,647)	(125,769)
Transferred to Revaluation Reserve	(78,950)	-	-	-	-	-	-	-	-	(78,950)	(70,663)
Revaluation	399,513	-	-	-	-	-	-	-	-	399,513	448,915
As at 31st March 2026	4,523,482	827,757	170,554	440,210	329,806	118,435	81,131	746,030	277,109	7,514,514	7,038,962
Accumulated depreciation											
As at 1st April 2025	19,342	412,698	109,725	323,425	198,061	66,818	46,961	633,310	222,330	2,032,670	1,996,633
Charge for the year	80,118	31,808	15,041	20,621	14,539	7,948	3,347	18,173	36,021	227,616	223,109
Disposals	(20)	(10,710)	-	(5,218)	(5,552)	(594)	-	(4,922)	(10,200)	(37,216)	(116,409)
Transferred to Revaluation Reserve	(78,950)	-	-	-	-	-	-	-	-	(78,950)	(70,663)
As at 31st March 2026	20,490	433,796	124,766	338,828	207,048	74,172	50,308	646,561	248,151	2,144,120	2,032,670
Carrying amount											
As at 31st March 2026	4,502,992	393,961	45,788	101,382	122,758	44,263	30,823	99,469	28,958	5,370,394	
As at 31st March 2025	4,157,302	364,865	47,251	116,853	126,637	43,766	18,494	77,861	53,263	-	5,006,292

The cost of the fully depreciated assets in the Company which are still in use of the Company amounting Rs. 1,337 Mn (Rs. 1,217 Mn in 2025)

There are no assets as collateral as at the reporting date that require disclosure in the Company.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

14.1 Valuation of Property, Plant and Equipment

Valuation of land and buildings

The Company uses the revaluation model of measurement for land and buildings. The Company engaged P. B.Kalugalagedera & Associates, an accredited independent valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent valuation was 31st December 2025. Further, there is no significant change in the fair value as at 31st March 2026. Details of the Company's buildings stated at valuation are indicated below.

Property	Method of valuation	Effective date of valuation	Property valuer
Two buildings (extent -hotel building 316,063 sq.ft. HR building 28,320 sq.ft) No 115, Sir Chittampalam A Gardiner Mawatha, Colombo 02.	**Direct capital comparison method based on depreciated current cost approach.** This method is primarily based on the principle of substitution, where the purchaser would be unwilling to pay more for a specific property than the cost of obtaining a comparable, competitive property with the same utility, on the open market, provided there is no delay in making the acquisition.	31st December 2025	P. B. Kalugalagedera & Associates Chartered Valuation Surveyor

The fair value measurement for property, plant and equipment has been categorised as a level 3 fair value based on the inputs to the valuation.

Type of Asset	Fair value as at 31st December 2025	Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Building on lease hold land	4,522,723	Direct capital comparison method based on depreciated current cost approach	Estimated price per square feet	Rs.13,000/- per sq. ft. Rs.6,500/- per sq. ft. Rs.8,500/- per sq. ft. Rs.700/- per sq. ft. Rs. 500/- per sq.ft.	Estimated fair value will increase/(decrease) if the price per square feet for building increase/(decrease)
			Capitalisation rate	6.25% & 3% for 54 years	Estimated fair value will increase/(decrease) if the capitalisation rate (increase)/decrease

The carrying amount of fair value of buildings if they were carried at cost less depreciation would be as follows,

As at 31st March	2026	2025
Cost	2,724,999	2,698,242
Accumulated depreciation	(973,671)	(893,553)
Disposals	(21,410)	(21,912)
Carrying value	1,729,918	1,782,778

The valuations as of 31st December 2025 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policy

Right of use assets

The Company recognises right-of-use assets when the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset .

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

15.1 Right Of Use Assets

As at 31st March	2026	2025
Balance as at 1st April	682,220	694,624
Additions during the year	317,022	-
Depreciation expense	(75,808)	(12,404)
Balance as at 31st March	923,434	682,220

15.1.2 Details of Right-of-Use Assets

Property	Name of the lease owner	Land/ building extent	Lease period	2026	2025
Land - Cinnamon Lakeside, Colombo	Urban Development Authority	A07 - R01 - P24.28	99 years from 07-08-1981	669,816	682,220
Permanent marquee structure (Imperial Court)	Srimaal Advertising (Private) Limited	1,104 m^2	5 years from 01-04-2025	253,618	-
				923,434	682,220

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

15.2 Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements for the period ended 31 March.

As at 31st March	2026	2025
Balance at the beginning of the year	-	-
Additions during the year	317,022	-
Finance charge on lease liabilities	27,014	-
Repayments - principal	(74,800)	-
Repayments - Interest	(27,014)	
Balance at the end of the year	242,222	-
Current	57,364	-
Non-current	184,858	-
Total lease liabilities at the end of the year	242,222	-

As at 31st March	2026	2025
Following are the amounts recognised in income statement for the year ended 31st March		
Depreciation expense	75,808	12,404
Interest expense on lease liabilities	27,014	-
	102,822	12,404

The incremental borrowing rate applied to the lease liability recognised in respect of the permanent marquee structure (Imperial Court) on commencement date of 1st April 2025 was 10.72% per annum, being the rate at which the Company could borrow funds to obtain an asset of similar value in a similar economic environment over a comparable term.

16 INVESTMENT PROPERTY

Accounting policy

Basis of recognition and measurement

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in income statement.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self - constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement.

As at 31st March	2026	2025
Balance at the beginning of the year	3,302,321	3,242,088
Net gain from fair value remeasurement (Note 16.1)	219,064	60,233
Balance at the end of the year	3,521,385	3,302,321
Leasehold property	3,521,385	3,302,321
	3,521,385	3,302,321
Rental income earned	66,901	62,292
Direct operating expenses generating rental income	(10,998)	(12,605)

16.1 Valuation Details of Investment Property

Fair value of the Investment Property is ascertained by independent valuations carried out by M/s P.B. Kalugalagedara, Chartered Valuation Surveyors, who have recent experience in valuing properties of similar location and category. Investment Property is appraised in accordance with LKAS 40.

In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuer has considered the property location and size.

The fair value measurement for Investment Property has been categorised as a level 3 fair value, based on the inputs to the valuation technique used.

The Commercial Centre was revalued on 31st December 2025 by qualified valuer and the surplus arising from the valuation was transferred to the Income Statement.

As per the valuer's opinion, there is no significant change in the fair value as at 31st March 2026.

16.2 Description Of Valuation Techniques Used And Key Inputs And Assumptions Used For Valuation

Property	Valuation technique	Significant unobservable Inputs	Estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Commercial Centre building (Land extent - A 01 - R02 - P30.0, Building extent - 55,548 sq.ft. - Number of Buildings 1) No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02.	Direct capital comparison method This method is primarily based on the principle of substitution, where the purchaser would be unwilling to pay more for a specific property than the cost of obtaining a comparable, competitive property with the same utility, on the open market, provided there is no delay in making the acquisition.	Capitalisation rate	6.25% & 3% for 54 years	Estimated fair value will increase/ (decrease) if the capitalisation rate (increase)/decrease
		Price per building square feet	Rs.7,250	Estimated fair value will increase/ (decrease) if the price per square feet for building increase/ (decrease)
		Estimated price per land perch	Rs.18 Mn	Estimated fair value will increase/ (decrease) if the price per perch for land increase/(decrease)

The valuations as of 31 December 2025 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

Notes to the Financial Statements

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17 INTANGIBLE ASSETS

Accounting policy

Recognition and Measurement

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or other services, rental to others or for administrative purpose.
An intangible asset is initially recognised at cost, if it is probable that future economic benefits will flow to the enterprise, and the cost of assets can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Computer Software

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortised on a straight line basis from the date on which the asset was available for use, over the best estimate of its useful life. The estimated useful life of software is five years. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.

De-recognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

As at 31st March	2026	2025
Computer software		
Cost		
Balance at the beginning of the year	31,781	4,803
Additions	-	26,978
Balance at the end of the year	31,781	31,781
Accumulated amortisation		
Balance at the beginning of the year	6,357	3,175
Amortisation for the year	5,771	3,182
Balance at the end of the year	12,128	6,357
Carrying amount	19,653	25,424

18 INVENTORIES

Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

As at 31st March	2026	2025
Food	28,454	27,702
Beverage	38,414	36,280
Engineering spares	16,229	17,225
Guest supplies	11,252	8,894
Others	19,606	15,233
Less: Provision for slow moving inventories (Note 18.1)	(254)	(526)
	113,701	104,808

18.1 Provision for Slow Moving Inventories

Balance at the beginning of the year	526	574
Provision reversal during the year	(272)	(48)
Balance at the end of the year	254	526

19 TRADE AND OTHER RECEIVABLES

As at 31st March	2026	2025
See Note 4(b) for the accounting policy on financial instruments		
Trade receivables	444,062	475,083
Less: Provision for impairment (Note 19.1)	(276,403)	(293,995)
	167,659	181,088
Advances and deposits	41,980	64,521
Staff loans recovered within one year (Note 29.2.3)	2,224	1,898
	44,204	66,419
	211,863	247,507

19.1 Provision for Impairment of Trade Receivables

Balance at the beginning of the year	293,995	279,320
Provision (reversed) / charged during the year	(17,592)	14,675
Balance at the end of the year	276,403	293,995

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. The individual receivable balances were re-assessed, specific provisions were made wherever necessary, existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect the different rearrangement of homogeneous companies. Receivable balances are monitored on an ongoing basis to minimise bad debt risk and to ensure default rates are kept very low, whilst the improved operating environment resulted in improved collections during the financial year although there could be stresses in the ensuing year on account of the macroeconomic uncertainty and related impacts to our customers on account of elevated inflation and interest rates and the possible impact on consumer discretionary spend.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

20 OTHER CURRENT ASSETS

As at 31st March	2026	2025
Advances to other creditors	47,208	15,205
Prepayments	16,699	17,456
Tax recoverable	34,890	27,537
VAT refunds	12,619	12,619
WHT recoverable	11,865	7,485
	123,281	80,302

21 STATED CAPITAL

Accounting policy

The ordinary shares of the Trans Asia Hotels PLC are quoted in the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible for one vote per share at Annual General Meetings of the Company.

As at 31st March	2026	2025
Issued and fully paid 200,000,000 ordinary shares	1,112,880	1,112,880

22 OTHER COMPONENTS OF EQUITY

As at 31st March	2026	2025
Balance at the beginning of the year	2,170,388	1,906,158
Transferred to revenue reserve	(48,917)	(50,659)
Share based payments - (Note 24)	411	648
Revaluation gain on building net of tax	279,659	314,241
Balance at the end of the year	2,401,541	2,170,388

22.1 Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment.

23 INTEREST-BEARING LOANS AND BORROWINGS

See Note 4(b) for the accounting policy of financial instrument

As at 31st March	2026	2025
Balance at the beginning of the year	150,000	454,726
Cash Changes		
Loans obtained	-	600,000
Repayments	(150,000)	(904,157)
Non Cash Changes		
Exchange difference	-	(569)
At the end of the year	-	150,000
Repayable within one year	-	150,000
	-	150,000

The Company continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between related party companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Company. The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

24 SHARE-BASED PAYMENT PLANS

Accounting policy

In accounting for employee remuneration in the form of shares, SLFRS 2 - Share Based Payments, is effective for the Company's Ultimate Parent entity John Keells Holdings PLC, from the financial year beginning 2013/14.

Employees of the Company receive remuneration in the form of share- based payment transactions, whereby employees render services as consideration for equity instruments of the Parent entity, John Keells Holdings PLC (equity-settled transactions). The cost of the employee services received in respect of the shares or share options granted is recognised in the income statement over the period that employees provide services, from the time when the award is granted up to the vesting date of the options. The overall cost of the award is calculated using the number of share options expected to vest and the fair value of the options at the date of grant.

The employee remuneration expense resulting from the Group's share option scheme to the employees of Trans Asia Hotels PLC is recognised in the income statement of the Company. This transaction does not result in a cash outflow to the company and expense recognised is met with a corresponding equity reserve increase, thus having no impact on the statement of financial position (SOFP). The fair value of the options granted is determined by the Group using an option valuation model and the relevant details are communicated by the Group to all applicable subsidiary companies.

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company.

The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information which are relevant to the John Keells Holdings PLC (JKH) was used and results were generated using binomial model for ESOP.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

Employee share option scheme

Under the John Keells Group's employees share option scheme (ESOP), share options of the parent are granted to senior executives of the Company with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of "Met Expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table:

	2026	2025
Share-based payments expense during the year	411	648
Total expense arising from share-based payment transactions	411	648

As at 31st March	2026	2025	2024	2024	2023	2022
	Plan No. 12 Award 1	Plan No. 11 Award 3	Plan No. 11 Award 2.1	Plan No. 11 Award 2	Plan No. 11 Award 1	Plan No. 10 Award 3
Dividend yield (%)	1.00	1.46	2.07	2.54	2.90	3.28
Expected volatility (%)	22.71	24.54	25.05	24.99	24.15	22.37
Risk free interest rate (%)	9.56	12.76	14.49	26.92	23.10	8.87
Expected life of share options (Years)	5	5	5	5	5	5
Weighted average share price at the grant date (Rs)	22.93	194.00	158.36	137.83	119.85	132.63
Weighted average remaining contractual life for the share options outstanding (Years)	3	3	3	3	3	3
Weighted average fair value of options granted during the year (Rs)	7.64	64.67	52.79	45.94	39.95	44.21
Exercise price for options outstanding at the end of the year (Rs) *	21.80	20.03	14.53	13.76	12.17	13.64

*Post adjustment for corporate actions at JKH since the grant date

Movements in the year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2026		2025	
	No.	WAEP	No.	WAEP
Outstanding at the beginning of the year	310,732	13.76	34,100	137.86
Lapses/forfeited during the year	(31,073)	-	-	-
Adjustment during the year	-	-	307,705	N/A
Exercised during the year	(31,073)	13.76	(31,073)	13.76
Outstanding at the end of the year	248,586	13.76	310,732	13.76
Exercisable at the end of the year	155,366	13.76	124,293	13.76

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk free interest rate.

25 EMPLOYEE BENEFITS

Accounting policy

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in income statement in the periods during which related services are rendered by employees.

Employees are eligible for Employees' Provident Fund contributions and Employees Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12 percent and 3 percent of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively, while employees contribute 8 percent to the Employees' Provident Fund.

Defined benefit plans

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

The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 -'Employee Benefits'. Such actuarial valuations will be carried out every year, The liability is not externally funded. All Actuarial gains or losses are recognised under other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

When the benefits or plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in income statement. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

In addition to the retirement gratuity described above, the Company provides an additional long-service payment to Non-Executive employees who have completed 10 years of continued service, in accordance with the benefit structure applicable across the Cinnamon Hotels & Resorts chain. This benefit constitutes an other long-term employee benefit as defined under LKAS 19 – 'Employee Benefits'.

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

As at 31st March	2026	2025
Employee defined benefit plan - Gratuity (Note 25.1)	220,593	164,630
Other long term employee benefits (Note 25.2)	11,708	-
Balance at the end of the year	232,301	164,630

25.1 Employee defined benefit plan

As at 31st March	2026	2025
Balance at the beginning of the year	164,630	188,864
Current service cost	15,036	15,234
Interest cost	18,109	22,664
Transfer in	3,952	3,707
Transfer out	(3,819)	(2,601)
Payments made during the year	(9,198)	(20,642)
Actuarial loss / (gain) arising from;	31,883	(42,596)
Balance at the end of the year	220,593	164,630

The employee benefit liability of the Company is based on the actuarial valuation carried out by Mr. Poopalanathan AIA , Messrs. Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries as at 31st March 2026.

25.1.1 Provision recognised in the Income Statement

For the year ended 31st March	2026	2025
Current service cost	15,036	15,234
Interest cost	18,109	22,664
Total Provision recognised in the Income Statement	33,145	37,898

25.1.2 Provision recognised in Other Comprehensive Income

For the year ended 31st March	2026	2025
Actuarial loss / (gain) during the year	31,883	(42,596)
Total Provision recognised in Other Comprehensive Income	31,883	(42,596)

25.1.3 Breakup of Actuarial (gain) / loss

For the year ended 31st March	2026	2025
Actuarial loss / (gain) arising from;		
Experience adjustments	15,187	(132)
Changes in Financial Assumptions	16,696	(43,390)
Changes in Demographic Assumptions	-	926
	31,883	(42,596)

25.1.4 Assumptions used

As at 31st March	2026	2025
Discount rate	10.0%	11.0%
Future salary increases	6.0%	6.0%
Retirement age (as specified by the Company)	60 years	60 years
Staff Turnover Ratio	16%	16%

A long term treasury bond rate of 10% per annum (2025: 11%) has been used to discount the future liability taking into consideration remaining working life of eligible employees

Sensitivity of assumptions used

If a one percentage point change in the assumptions it would have the following effects:

As at 31st March	2026		2025	
	Discount rate	Salary increment	Discount rate	Salary increment
Effect on the defined benefit obligation liability				
Increase by one percentage point	(8,251)	9,517	(6,530)	7,624
Decrease by one percentage point	8,887	(8,977)	7,008	(7,205)

The Management tested several scenarios based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Company.

Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years.

Future working life time	Defined Benefit Obligations	
	2026	2025
Within the next 12 months	38,961	22,339
Between 1 and 2 years	60,657	29,107
Between 2 and 5 years	70,602	70,701
Between 5 and 10 years	40,044	35,447
Beyond 10 years	10,329	7,036
Total expected payments	220,593	164,630

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.2 years (2025 - 4.5 years).

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

25.2 Other long term employee benefits

Ex-gratia expenses incurred during the year have been recognized as part of employee benefit expenses.

As at 31st March	2026	2025
Current service cost	14,553	-
Payments made during the year	(2,845)	-
Balance at the end of the year	11,708	-

26 TRADE AND OTHER PAYABLES

As at 31st March	2026	2025
Trade payables	133,522	153,197
Contract Liabilities - Accrued membership revenue	124,343	109,561
Advances received from tenants	16,847	13,162
Accruals and other payables	253,998	224,660
Staff payables	58,704	54,952
	587,414	555,532

27 OTHER CURRENT LIABILITIES

As at 31st March	2026	2025
Contract Liabilities -Banquet Advance	92,588	57,569
Contract Liabilities - Other advances	15,531	14,567
Other taxes payable	91,293	50,958
	199,412	123,094

28 RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The Company carries out transactions in the ordinary course of business on an arm's length basis with parties who are defined as Related Parties in "Sri Lanka Accounting Standards (LKAS 24) Related Party Disclosures", the details of which are reported below.

Outstanding current account balances at the year end are unsecured, interest free and settlements occur in cash.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31st March 2026 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31 March 2026 audited financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

The parent entity of the Company is Asian Hotels and Properties PLC. In the opinion of the Directors, the ultimate parent undertaking and controlling entity is John Keells Holdings PLC which is incorporated in Sri Lanka.

28.1 Transactions with Related Companies

For the year ended 31st March	2026	2025
Ultimate Parent John Keells Holdings PLC		
Rendering of Services	17,910	14,291
Receiving of Services	(76,540)	(61,346)
Rent Received	34,768	31,495
Parent Asian Hotels and Properties PLC		
Rendering of services	5,464	31
Receiving of services	(4,868)	(60,980)
Transactions with Companies under common control of John Keells Holdings PLC		
Purchase of Goods	(64,351)	(51,683)
Rendering of services	82,481	117,250
Receiving of services	(287,337)	(270,620)
Rent Received	33,487	30,490
Equity accounted investees of John Keells Holdings PLC		
Rendering of services	12,185	2,984
Receiving of services	(242)	(161)
Interest Paid*	(1,878)	(15,631)

*Interest paid to equity accounted investees represents overdraft interest charged by Nations Trust Bank PLC on normal commercial banking terms; the facility was fully settled and terminated during the year with a nil balance as at 31st March 2026.

Transaction with Key Management Personnel (KMP)

According to 'Sri Lanka Accounting Standards (LKAS 24) ' Key Management Personnel are those having authority and responsibility for planning and controlling activities of the entity. Accordingly, the Directors of the Company (including Executive and Non Executive Directors) have been classified as KMP of the Company.

For the year ended 31st March	2026	2025
Compensation of key management personnel		
Short term employee benefits	13,260	10,577
Key management personnel		
Rendering services	715	1,472

Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee".

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

28.2 Amounts Due From Related Parties

As at 31st March	2026	2025
See Note 4(b) for the accounting policy of financial instrument		
Ultimate parent - John Keells Holdings PLC	15,957	9,114
Parent - Asian Hotels and Properties PLC	1,332	3,837
Companies under common control of John Keells Holdings PLC (28.3)	36,376	36,455
Equity accounted investees of John Keells Holdings PLC (28.4)	10,484	2,292
	64,149	51,698

28.3 Companies under common control of John Keells Holdings PLC

As at 31st March	2026	2025
Beruwala Holiday Resorts (Pvt) Ltd	100	-
Ceylon Holiday Resorts Ltd	573	-
Cinnamon Hotel Management Ltd	3,311	6,324
Habarana Walk Inn Ltd	100	-
Hikkaduwa Holiday Resorts (Pvt) Ltd	270	-
Jaykay Marketing Services (Pvt) Ltd	1,290	498
John Keells International (Pvt) Ltd	128	140
Kandy Walk Inn Ltd	193	62
Keells Consultants (Pvt) Ltd	392	360
Rajawella Holdings Ltd	29	-
Tranquility (Pvt) Ltd	32	-
Trinco Holiday Resorts (Pvt) Ltd	193	-
Mack Air (Pvt) Ltd	-	1,303
Walkers Tours Ltd	23,921	27,028
Waterfront Properties (Pvt) Ltd	3,736	-
Whittall Boustead (Pvt) Ltd	686	217
Whittall Boustead (Travel) Ltd	1,129	523
Yala Village (Pvt) Ltd	293	-
	36,376	36,455

28.4 Equity accounted investees of John Keells Holdings PLC

As at 31st March	2026	2025
DHL Keells (Pvt) Ltd	-	405
Fantasea World Investments (Pvt) Ltd	12	-
Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd	1,438	130
Indra Hotels & Resorts Kandy (Pvt) Ltd	322	-
John Keells CG Auto (Pvt) Ltd	3,719	-
Sancity Hotels and Properties Ltd	4,993	280
South Asia Gateway Terminals (Pvt) Ltd	-	1,477
	10,484	2,292

28.5 Amounts Due To Related Parties

As at 31st March	2026	2025
See Note 4 (b) for the accounting policy of financial instrument		
Ultimate parent - John Keells Holdings PLC	7,745	13,463
Parent-Asian Hotels and Properties PLC	18,601	41,703
Companies under the common control of John Keells Holdings PLC (28.6)	92,182	67,298
Equity accounted investees of John Keells Holdings PLC (28.7)	2,040	115
	120,568	122,579

28.6 Companies under common control of John Keells Holdings PLC

As at 31st March	2026	2025
Beruwala Holiday Resorts (Pvt) Ltd	612	140
Ceylon Cold Stores PLC	1,427	1,355
Ceylon Holiday Resorts Ltd	-	76
Cinnamon Hotel Management Ltd	83,901	60,796
Hikkaduwa Holiday Resorts (Pvt) Ltd	290	-
InfoMate (Pvt) Ltd	1,511	1,535
Jaykay Marketing Services (Pvt) Ltd	1,884	-
John Keells Office Automation (Pvt) Ltd	1,708	849
Keells Consultants (Pvt) Ltd	377	128
Trinco Holiday Resorts (Pvt) Ltd	-	32
Mackinnons Travels (Pvt) Ltd	460	-
Waterfront Properties (Pvt) Ltd	12	2,387
	92,182	67,298

28.7 Equity accounted investees of John Keells Holdings PLC

As at 31st March	2026	2025
Fairfirst Insurance Ltd	-	13
Indra Hotels & Resorts Kandy (Pvt) Ltd	-	47
Sancity Hotels and Properties Ltd	2,040	55
	2,040	115

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

29 FINANCIAL INSTRUMENTS

29.1 Financial Assets and Liabilities by categories

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

Financial assets and liabilities by categories	Financial Assets at amortised cost		Financial Liabilities at amortised cost	
As at 31st March	2026	2025	2026	2025
Financial instruments in non-current assets / liabilities				
Other non-current assets	1,877	2,687	-	-
Non current financial assets	4,348	6,572	-	-
Non current portion of lease liability	-	-	184,858	-
Financial instruments in current assets / liabilities				
Trade and other receivables / payables	211,863	247,507	323,918	336,424
Amounts due from / due to related parties	64,149	51,698	120,568	122,579
Cash in hand and at bank	213,082	93,544	-	-
Bank overdrafts	-	-	450,177	527,375
Current portion of lease liability			57,364	-
Current portion of interest bearing borrowings	-	-	-	150,000
Total	495,319	402,008	1,136,885	1,136,378

The management assessed that the fair value of cash, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Accordingly the fair value hierarchy does not apply.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced sale or on liquidation.

29.2 Financial risk management objectives and policies

Financial instruments held by the Company, principally comprises cash, loans and other receivables, trade and other receivables, trade and other payables, related party receivable & payables and Interest bearing loans and borrowings

The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Company.

Financial risk management of the Company is carried out based on guidelines established by its parent company's central treasury department (Group Treasury) which comes under the purview of the Group Executive Committee (GEC) of the parent Company. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Hotel's operating unit. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk and foreign currency risk.

The Company has established guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and related controlling . The guidelines upon which the Company's risk management process are based and designed to identify and analyse these risks throughout the Company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company manages and monitors these risks primarily through its operating and financing activities.

Audit committee of the Company monitors how management comply 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. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

29.2.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company has obtained customer deposit from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risks and the Company takes all reasonable steps to ensure that the counterparties fulfil their obligations.

The Company considers a financial asset to be in default when contractual payments are more than 180 days past due. This represents a rebuttal of the rebuttable presumption under IFRS 9 that default occurs when contractual payments are 90 days past due. Based on historical collection experience and the absence of significant deterioration in credit quality prior to 180 days past due, the Company has concluded that a default period of 180 days is more appropriate for trade receivables.

However, in certain circumstances, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to collect the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows, either in whole or in part.

29.2.2 Credit risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available) Following table shows the maximum risk positions.(without consideration of collateral, if available).

As at 31st March 2026	Notes	Other non current financial assets	Cash at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Loans to executives	29.2.3	6,225	-	2,224	-	8,449	2%
Trade and other receivables	29.2.4	-	-	167,659	-	167,659	38%
Amounts due from related parties	29.2.5	-	-	-	64,149	64,149	14%
Bank balances	29.2.6	-	206,597	-	-	206,597	46%
Total credit risk exposure		6,225	206,597	169,883	64,149	446,854	100%

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

As at 31st March 2025	Notes	Other non current financial assets	Cash at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Loans to executives	29.2.3	9,259	-	1,898	-	11,157	3%
Trade and other receivables	29.2.4	-	-	181,088	-	181,088	55%
Amounts due from related parties	29.2.5	-	-	-	51,698	51,698	16%
Bank balances	29.2.6	-	85,445	-	-	85,445	26%
Total credit risk exposure		9,259	85,445	182,986	51,698	329,388	100%

29.2.3Loans to executives

Loans to executive portfolio is made up of vehicle loans which are given to staff at manager level and above. Company have obtained the necessary Power of Attorney/Promissory Notes as collateral for the loans granted.

In Rs. '000s	2026	2025
At the beginning of the year	11,157	22,147
Loans granted	977	1,591
Recoveries	(3,685)	(12,581)
At the end of the year	8,449	11,157
Receivable within one year (Note 19)	2,224	1,898
Receivable between one and five years		
Non-current financial assets	4,348	6,572
Other non-current assets	1,877	2,687
	8,449	11,157

29.2.4Trade receivables

Age analysis of trade receivables and other carrying value net of impairment losses is given below:

In Rs. '000s	2026	2025
Neither past due nor impaired	12,353	29,713
Past due but not impaired		
< 30 days	112,844	127,416
31 - 60 days	72,388	43,261
61 - 90 days	11,672	38,469
91 - 120 days	6,045	(9,820)
121 - 180 days	2,477	1,320
> 180 days	226,283	244,724
Gross carrying value	444,062	475,083
Less: Provision for doubtful debts / impairment provision		
Individually assessed impairment provision	(276,403)	(293,995)
Total	167,659	181,088

The Company has obtained customer deposits from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers.

29.2.5 Amounts due from related parties

The Company's amounts due from related party mainly consists balances from related companies.

29.2.6 Cash and cash equivalents

The Company held cash in hand and at bank of Rs. 213 Million excluding bank overdrafts as at 31 March 2026 (2025 Rs. 93.5 Million).

Cash and cash equivalents include the following cash balances held at bank.

As at 31st March	2026			2025		
Financial Institution	Fitch Rating	Rs.000	%	Fitch Rating	Rs.000	%
Citi Bank	AAA(lka)	26,125	12.65%	AAA(lka)	43,046	50.38%
Hongkong and Shanghai Banking Corporation	AA-	1,430	0.69%	AA-	366	0.43%
Commercial Bank of Ceylon PLC	AA-(lka)	123	0.06%	AA-(lka)	78	0.09%
Hatton National Bank PLC	AA-(lka)	64,915	31.42%	AA-(lka)	32,127	37.60%
Deutsche Bank AG	A-	76,016	36.79%	A	573	0.67%
Nations Trust Bank PLC	A(lka)	6,182	2.99%	A-(lka)	6,450	7.55%
Sampath Bank PLC	AA-(lka)	13,258	6.42%	AA-(lka)	2,781	3.25%
DFCC Bank PLC	A(lka)	18,549	8.98%	A(lka)	24	0.03%
		206,597	100.00%		85,445	100%

29.3 Liquidity risk

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

The Company monitors the level of expected cash inflows on trade and other receivable together with expected cash outflows on trade and other payables as at 31st March 2026, the expected cash flow from trade and other receivables maturing within two months were Rs. 224 Million (2025 - Rs. 296 Million).

This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters.

The Company has approved overdraft facilities amounting to Rs.785 Million as at 31st March 2026 of which Rs. 294.26 Million had been utilised as at 31st March 2026.

The following are the remaining contractual maturities at the end of reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Contractual cash flows - 2026	Carrying Amount as at 31st March	Total	2 Months or less	2-12 Months	1-2 Years	2-5 Years	More than 5 years
Trade payables	133,522	133,522	133,522	-	-	-	-
Staff payables	58,704	58,704	58,704	-	-	-	-
Amount due to related parties	120,568	120,568	120,568	-	-	-	-
Lease liabilities	242,222	289,023	13,137	65,687	78,825	131,374	
Bank Overdrafts	450,177	450,177	450,177	-	-	-	-

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

Contractual cash flows - 2025	Carrying Amount as at 31st March	Total	2 Months or less	2-12 Months	1-2 Years	2-5 Years	More than 5 years
Trade payables	153,197	153,197	153,197	-	-	-	-
Staff payables	54,952	54,952	54,952	-	-	-	-
Amount due to related parties	122,579	122,579	122,579	-	-	-	-
Loans and borrowings	150,000	150,000	150,000	-	-	-	-
Bank Overdrafts	527,375	527,375	527,375	-	-	-	-

Management of Liquidity risk

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

The Company monitors the level of expected cash flows on trade and other receivables together with expected cash outflow on trade and other payables and it expected a significant portion of Trade receivables as at the reporting date would mature within a shorter period of time, given the historical trends, which enable to meet its contractual obligations.

The Company has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Company continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between banks regarding financing requirements, ensures that availability within borrower limit is optimised by efficiently reallocating under-utilised facilities within the Company.

The daily cash management processes of the Company include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

29.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect income or the value of its holdings of financial instruments, The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29.4.1 Currency risk

Foreign currency risk is that the fair value or future cash flows of a financial instrument will fluctuate, due to changes in foreign exchange rates. As at reporting date, the Company do not hold significant "Financial Instruments" denominated in currencies other than its functional /reporting currency, hence do not get significantly exposed to currency risk from transaction of such balances in to the functional/reporting currency, which is Sri Lankan Rupees.

The annual average US Dollar receipts of the Company is USD 2,957,880 approximately.

However, the Company engages in transactions associated with foreign currencies in its ordinary course of operations, hence exposed to 'Currency risk'

Across the industry, the hotel rates targeting the foreign tourists are quoted in US Dollar terms, However a fluctuation in the exchange rate will not have a significant impact since majority of the quotes are converted to local currency at the point of invoicing. The Company monitors fluctuations in foreign exchange rates and takes precautionary measures to revise its exchange rates on a regular basis.

The Company adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. At the Group level, the translation risk on foreign currency debt is largely hedged "naturally" because of the conscious strategy of maintaining US Dollar cash balances at the company whilst also ensuring obligations can be managed through US Dollar denominated revenue streams.

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax.

	Balances in Financial Institutions held in USD	Increase/ decrease in exchange rates (USD)	Effect on profit before tax Rs.000's
2026	275,856	+5.20%	48,476
		-5.20%	(48,476)
2025	140,022	+1.48%	10,852
		-1.48%	(10,852)

Interest rate risk

Interest rate risk mainly arises as a result of Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates.The company is exposed to interest rate risk for borrowings obtained from the banks. However, management monitors the sensitivities on regular basis and ensure risks are managed on a timely manner.

John Keells Group (the group) has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates while interest rate swap agreements are in place for a significant portion of the Group's foreign currency borrowing portfolio.

The Company manages its interest rate risk by having a portfolio of fixed and variable rate loans & borrowings and overdrafts.

	2026		2025	
As at 31st March	Rs.	%	Rs.	%
Loans & borrowings and overdrafts at fixed rate	1,311	0.4%	59,498	10%
Loans & borrowings and overdrafts at variable rate	292,953	99.6%	539,752	90%
	294,264	100.0%	599,250	100%

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.

	Increase/(decrease) in basis points Rupee borrowings	Effect on profit before tax Rs.000's
2026	+72	-3,235
	-72	3,235
2025	+266	(15,940)
	-266	15,940

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

Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated
Figures in brackets indicate deductions.

30 SEGMENTAL INFORMATION

Accounting policy

A segment is a distinguishable component of the Company that is engaged either in providing products or services which are subject to risks and rewards that are different from those of other segments. The rental income generated from the Commercial Centre which is categorised as Investment Property is shown separately.

The Company has the following two strategic division, which are its reportable segments.

Reportable Segment	Operation
Hotel	Hoteliering activities
Investment property	Renting out building premises

	Hotel		Investment Property		Total	
For the year ended 31st March	2026	2025	2026	2025	2026	2025
Revenue from contracts with customers	4,844,816	4,403,398	66,901	62,292	4,911,717	4,465,690
Other Operating Income	31,326	3,293	-	-	31,326	3,293
Expenses	(4,459,335)	(4,091,431)	(10,998)	(12,605)	(4,470,333)	(4,104,036)
Net Finance Income/(Cost)	(60,074)	(96,651)	-	-	(60,074)	(96,651)
Net gain from fair value remeasurement	-	-	219,064	60,233	219,064	60,233
Profit before Taxation	356,733	218,609	274,967	109,920	631,700	328,529
As at 31st March						
Segment Assets	7,045,782	6,301,054	3,521,385	3,302,321	10,567,167	9,603,375
Segment Liabilities	3,180,719	2,766,559	-	-	3,180,719	2,766,559

31 CAPITAL MANAGEMENT

The primary objective of the Company capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back of shares.

	2026	2025
Total liabilities	3,180,719	2,766,559
Less: cash and short term deposits	213,082	93,544
Adjusted net debt	2,967,637	2,673,015
Total equity	7,386,448	6,836,816
Adjusted net debt to adjusted equity ratio	40%	39%

32 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Accounting policy

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable or the amount cannot be reasonably estimated.

The contingent liabilities of the Company as at 31st March 2026 relates to the following:

Income Tax Assessments

This pertains to years of assessments 2012/13 to 2017/2018. The company has lodged appeals against the assessments and is contesting these under appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31st March 2026 is estimated at Rs.183.3 Mn.

CMC Tax Matter

In the year 2009, Colombo Municipal Council (CMC) imposed a trade tax on the hotel revenue for all the hotels within the city limits with subsequent gazetted amendments. However, the hoteliers together with Tourist Hotels Association of Sri Lanka(THASL) are in the process of negotiations with CMC through court, for which the resolution is still pending. Accordingly, the Company has made a provision in the financial statements amounting to Rs. 3 Mn per year based on the guidelines issued by THASL.

As at 31st March 2026, the cumulative provision recognised in respect of the Colombo Municipal Council trade tax matter amounts to Rs.36 Mn (2025 : Rs.33 Mn).

The management is confident that the ultimate resolution of the above contingencies are unlikely to have a material adverse effect on the financial position of the company.

The Capital commitments of the Company as at the reporting date are as follows.

Bank guarantees

Guarantees	Amount (Rs.)	Purpose
Airport and Aviation Services	3,438,075	Security deposit for the rental
Sri Lanka Ports Authority	4,401,600	Security deposit for rental

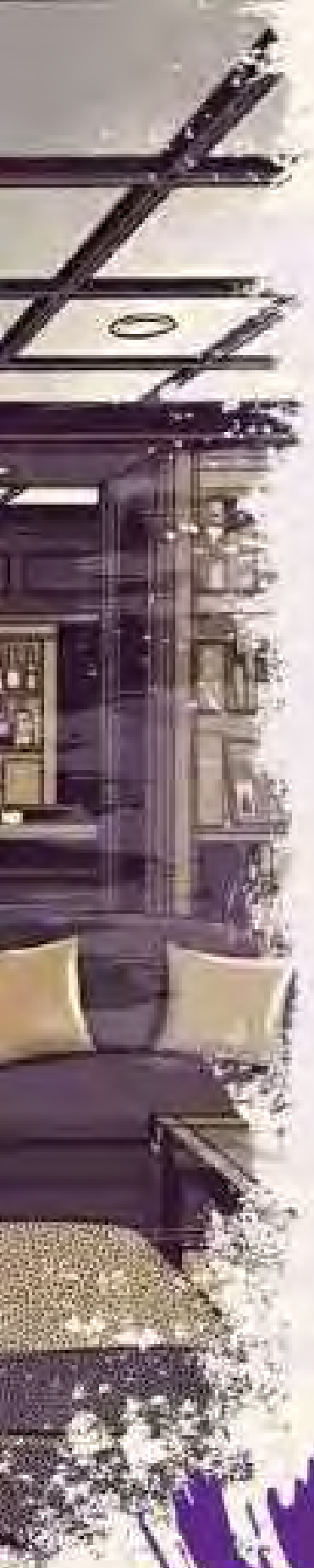
33 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no events subsequent to the reporting date which would have any material effect on the Company.

34 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. Please refer to the page 238 for the statement of Directors' Responsibility for Financial Reporting.





Inspiring *Vision* | Rewarding *Practice*

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The information presented here reflects the discipline of Trans Asia Hotels PLC. We hold ourselves to the highest standard of completeness and care, and emulate a vision that looks beyond the immediate. Our rewarding practice is not incidental, but the product of a culture that values every step that brought us to where we stand.

Supplementary Information

Quarterly Financial Data for the Financial Year Ended 31st March 2026

All values are in Rupees' 000s, unless otherwise stated

Income Statement for the Quarter ended	30 Jun '25	30 Sep '25	31 Dec '25	31 Mar '26	2025/26
Turnover	987,414	1,236,307	1,355,339	1,332,657	4,911,717
Cost of sales	(570,886)	(669,181)	(724,393)	(678,206)	(2,642,665)
Gross profit	416,528	567,126	630,946	654,451	2,269,052
Other operating income	2,524	2,319	1,655	26,072	31,326
Selling and distribution expenses	(68,452)	(67,756)	(72,620)	(72,774)	(281,601)
Administrative expenses	(263,606)	(296,938)	(302,966)	(258,965)	(1,122,476)
Other operating expenses	(90,567)	(106,432)	(119,216)	(108,620)	(423,591)
(Loss) / Profit from operating activities	(3,573)	98,319	137,799	240,164	472,710
Finance cost	(21,537)	(16,951)	(15,723)	(9,133)	(63,343)
Finance income	692	771	756	1,051	3,269
Net gain from fair value remeasurement of investment property	-	-	219,064	-	219,064
(Loss) / Profit before taxation	(24,418)	82,139	341,896	232,082	631,700
Income tax reversal / (expense)	4,446	(27,070)	(43,390)	(73,806)	(139,820)
(Loss) / Profit after taxation	(19,972)	55,069	298,506	158,276	491,880
(Loss) / Earnings per share	(0.10)	0.28	1.49	0.79	2.46

Statement of Financial Position	30 Jun '25	30 Sep '25	31 Dec '25	31 Mar '26
Net Assets				
Property, plant & equipment	4,991,215	4,981,390	5,380,583	5,370,394
Other non-current assets	4,315,203	4,293,843	4,491,813	4,470,697
Net current assets	(1,075,391)	(968,653)	(830,318)	(769,485)
	8,231,027	8,306,580	9,042,078	9,071,606
Less: Non-current liabilities	1,414,026	1,434,351	1,591,524	1,685,158
	6,817,001	6,872,229	7,450,554	7,386,448
Shareholders' Funds				
Stated capital and revenue reserves	4,658,225	4,725,064	5,035,340	4,984,907
Other components of equity	2,158,776	2,147,165	2,415,214	2,401,541
	6,817,001	6,872,229	7,450,554	7,386,448
Net assets per share	34.09	34.36	37.25	36.93

Five Year Financial Summary & Key Indicators

All values are in Rupees' 000s, unless otherwise stated

In Rs. '000s	2025/26	2024/25	2023/24	2022/23	2021/22
Revenue					
Rooms	1,588,404	1,492,050	1,389,121	903,875	432,563
Food	2,373,217	2,133,844	2,248,034	1,948,873	993,373
Beverages	383,342	347,345	345,911	319,325	163,491
Food & beverage others	134,262	105,949	105,571	100,878	58,142
Investment property Income	66,901	62,292	47,840	66,406	65,953
Other	365,591	324,210	325,368	229,668	103,702
Total Revenue	4,911,717	4,465,690	4,461,845	3,569,025	1,817,224
Direct Expenses					
Rooms	423,239	408,742	342,387	277,504	135,156
Food cost	917,043	825,682	876,126	856,269	399,060
Beverage cost	130,498	117,536	118,653	108,697	54,981
Food & beverage others	953,757	850,938	875,277	744,917	444,924
Investment property cost	291	963	(125)	559	237
Others	217,810	221,014	221,983	134,676	40,381
Total direct expenses	2,642,638	2,424,875	2,434,301	2,122,622	1,074,739
Gross operating income	2,269,079	2,040,815	2,027,544	1,446,403	742,485
Other Expenses					
Administration & general	504,537	478,370	417,670	368,090	221,490
Advertising & sales	249,039	170,217	203,008	134,529	76,544
Heat, light & Power	251,966	273,554	373,805	290,185	123,449
Repairs & maintenance	267,302	228,205	209,308	179,756	109,110
Operating fee	245,313	220,108	225,728	159,063	77,526
Marketing expenses	16,281	15,294	14,238	9,066	4,326
Total deductions	1,534,438	1,385,748	1,443,757	1,140,689	612,445
Gross operating profit	734,641	655,067	583,787	305,714	130,040
Other Income	34,469	7,629	6,351	4,781	32,235
Net gain from fair value remeasurement of investment property	219,064	60,233	95,055	214,301	167,226
	253,533	67,862	101,406	219,082	199,461
Finance Cost	63,343	100,998	183,438	202,387	122,173
Insurance & rates	47,340	54,706	56,358	38,398	36,019
Depreciation & amortisation	245,791	238,696	211,422	176,115	166,371
	356,474	394,400	451,218	416,900	324,563
Net Profit before taxation	631,700	328,529	233,975	107,896	4,938

Five Year Financial Summary & Key Indicators

All values are in Rupees' 000s, unless otherwise stated

In Rs. '000s	2025/26	2024/25	2023/24	2022/23	2021/22
Operating Results					
Total revenue	4,911,717	4,465,690	4,461,845	3,569,025	1,817,224
Revenue growth %	10	0.09	25.02	96.40	124.08
Profit / (Loss) from operating activities	472,710	364,947	303,832	92,180	(41,973)
Finance expenses	63,343	100,998	183,438	202,387	122,173
Rates, insurance, depreciation & amortisation	293,131	293,402	267,781	214,511	202,392
Net profit before taxation	631,700	328,529	233,975	107,896	4,938
Shareholders' Funds					
Stated capital	1,112,880	1,112,880	1,112,880	1,112,880	1,112,880
Other components of equity	2,401,541	2,170,388	1,906,158	1,655,740	1,524,544
Revenue reserves	3,872,027	3,553,548	3,343,128	3,173,606	3,252,158
Total equity	7,386,448	6,836,816	6,362,166	5,942,226	5,889,582
Assets Employed					
Property, plant and equipment	5,370,394	5,006,292	4,586,082	4,065,283	3,402,994
Right-of -use assets	923,434	682,220	694,624	707,028	719,432
Investment property	3,521,385	3,302,321	3,242,088	3,147,033	2,932,732
Other non-current assets	25,878	34,683	21,254	21,643	17,503
Net current assets	(769,485)	(1,006,180)	(1,221,167)	(1,144,396)	(752,113)
	9,071,606	8,019,336	7,322,881	6,796,591	6,320,548
Less					
Long term liabilities					
Lease Liability	184,858	-	-	-	-
Employee benefits	232,301	164,630	188,864	126,957	132,782
Deferred tax liability	1,267,999	1,017,890	771,851	605,955	240,996
Loans and borrowings	-	-	-	121,453	57,188
Net assets	7,386,448	6,836,816	6,362,166	5,942,226	5,889,582
Key Indicators					
Current ratio (Times)	0.49	0.36	0.44	0.38	0.39
Net asset per share (Rs.)	36.93	34.18	31.81	29.71	29.45
Market price per share (Rs.)	52.00	39.50	42.60	45.20	48.20
Earnings / (Loss) per share (Rs.)	2.46	1.15	0.87	(0.49)	0.02
Statistical Summary					
Occupancy %	73	63	56	39	24
No. of rooms occupied	84,355	76,059	70,965	49,047	30,790
Average room rate (Rs.)	18,830	19,617	19,575	18,429	14,049

Share Information and Shareholding

1 DIRECTORS SHAREHOLDING

	As at 31.03.2026	As at 31.03.2025
Mr. K N J Balendra	Nil	Nil
Mr. J G A Cooray	1,200	1,200
Mr. N L Gooneratne	50,000	145,131
Mr. M R Svensson	N/A	Nil
Mr. C L P Gunawardane	Nil	Nil
Mr. S Rajendra	N/A	Nil
Mr. H A J de S Wijeyeratne	Nil	Nil
Ms. S A Atukorale	Nil	Nil
Mr. C P R Perera	Nil	Nil
Mr. N N Mawilmada	Nil	N/A
Mr. M H Singhawansa	Nil	N/A

2 THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL OF 200,000,000 SHARES WERE HELD BY 1,765 SHAREHOLDERS AS AT 31ST MARCH 2026 (1,669 SHAREHOLDERS AS AT 31ST MARCH 2025)

2.1 Share Distribution as at 31st March 2026

	Number of shareholders	Percentage of shareholding	Total number of shares
Less than or equal to 1,000	1,404	0.12%	239,912
1001 to 10,000	256	0.47%	934,824
10,001 to 100,000	80	1.36%	2,721,029
100,001 to 1,000,000	21	2.98%	5,960,751
Over 1,000,001	4	95.07%	190,143,484
	1,765	100.00%	200,000,000

Share Information and Shareholding

2.2 The Twenty One Largest Shareholders

		31 March 2026		31 March 2025	
		Number of Shares	%	Number of Shares	%
1	John Keells Holdings PLC	97,284,256	48.64%	97,284,256	48.64%
2	Asian Hotels & Properties PLC	86,823,028	43.41%	86,823,028	43.41%
3	Employee's Provident Fund	4,296,200	2.15%	4,296,200	2.15%
4	Merchant Bank of Sri Lanka & Finance PLC / S A A Hasitha	1,740,000	0.87%	Nil	Nil
5	Merchant Bank of Sri Lanka & Finance PLC / D Weerasinghe	672,192	0.34%	Nil	Nil
6	Mr. A N G Wijeyekoon	572,960	0.29%	572,960	0.29%
7	Employees Trust Fund Board	571,941	0.29%	571,941	0.29%
8	Sampath Bank PLC/Andaradeniya Estate (Pvt) Ltd	500,000	0.25%	Nil	Nil
9	Seylan Bank PLC / Mohamed Mushtaq Fuad	419,263	0.21%	Nil	Nil
10	Mr. M K D M Alwis	365,279	0.18%	Nil	Nil
11	DFCC Bank PLC / K Udayakumar	350,000	0.18%	Nil	Nil
12	DFCC Bank PLC / A N I Enterprises (Pvt) Ltd	348,111	0.17%	Nil	Nil
13	Deutsche Bank AG - National Equity Fund	300,000	0.15%	Nil	Nil
14	Prof D N L Alwis	234,828	0.12%	234,828	0.12%
15	Mr. G V C Y Panditharathna	227,004	0.11%	Nil	Nil
16	Ellawala Exports (Pvt) Ltd	200,000	0.10%	200,000	0.10%
17	People's Leasing and Finance PLC/ Mr. L P Hapangama	179,531	0.09%	179,531	0.09%
18	Mr. D Gonsalkorale	161,200	0.08%	161,200	0.08%
19	Merchant Bank of Sri Lanka & Finance PLC / S A A Buddhika	150,000	0.08%	Nil	Nil
20	Keells Consultants (Pvt) Ltd	145,944	0.07%	145,944	0.07%
21	J B Cocoshell (Pvt) Ltd	132,807	0.07%	Nil	Nil

2.3 Composition of Shareholders

	As at 31st March 2026			As at 31st March 2025		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Directors & spouses:	2	51,200	0.03%	2	146,331	0.07%
Public non-resident:						
Institutions:	1	10,000	0.01%	-	-	-
Individuals:	16	175,997	0.09%	14	79,153	0.04%
Public resident:						
Institutions:	80	195,397,582	97.69%	61	195,672,081	97.84%
Individuals:	1,666	4,365,221	2.18%	1,592	4,102,435	2.05%
	1,765	200,000,000	100.00%	1,669	200,000,000	100.00%

2.4 Public Shareholdings

	As at 31st March 2026			As at 31st March 2025		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Total number of shares issued:						
Inter company shareholdings: John Keells Holdings PLC (97,284,256), Asian Hotels & Properties PLC (86,823,028)	2	184,107,284	92.05%	2	184,107,284	92.05%
Directors & spouses shareholdings	2	51,200	0.03%	2	146,331	0.07%
Public shareholding:	1,761	15,841,516	7.92%	1,665	15,746,385	7.87%
	1,765	200,000,000	100.00%	1,669	200,000,000	100.00%

3 MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

		2025/26	Q4	Q3	Q2	Q1	2024/25
High	(Rs.)	69.00	61.90	69.00	68.90	45.20	49.50
Low	(Rs.)	38.00	49.00	55.10	41.50	38.00	37.00
Close	(Rs.)	52.00	52.00	58.00	67.90	43.80	39.50
Dividend paid (per share)	(Rs.)	1.00	1.00	-	-	-	0.50
Trading Statistics							
Number of Transactions		4,813	675	605	2,746	787	2,171
Number of shares traded	('000)	12,100	257	371	8,592	2,880	2,288
% of total shares in issue		6.050	0.128	0.186	4.296	1.440	1.144
Value of all shares traded	(Rs. Mn)	100.92	13.82	23.27	462.66	122.42	100.92
Average daily turnover	(Rs. '000)	2,592.37	234.19	394.42	7229.12	2110.64	539.70
Market Capitalisation	(Rs. Mn)	10,400	10,400	11,600	13,580	8,760	7,900
Float adjusted market capitalisation	(Rs. Mn)	824	824	919	1,075	692	622

The Company has not complied with the Minimum Public Holding Requirement prescribed under Rule 7.13.1(i)(b) – Option 1 of the Listing Rules of the Colombo Stock Exchange applicable to companies listed on the Diri Savi Board, for a continuous period of one month commencing from 17 November 2025, and is accordingly deemed non-compliant as at 17 December 2025. This non-compliance arose solely due to a decline in the Company's share price, which resulted in the float-adjusted market capitalisation falling below the prescribed threshold of Rs. 1 billion. The Company continues to aggressively pursue its business strategies in order to capitalise on all available opportunities and maximise stakeholder value creation. The Company also monitors the situation towards ensuring compliance with the required Public Holding threshold as specified in the CSE Listing Rules.

Share Information and Shareholding

4 DIVIDENDS SINCE 2004/05

Financial Year	Dividend paid per share(Rs.)	Dividend paid(Rs.'000)
2004/05	3.50	175,000
2005/06	5.35	267,500
2006/07	2.40	120,000
2007/08	0.75	37,500
2008/09	1.50	75,000
2009/10	1.00	50,000
2010/11	2.00	100,000
2011/12	3.00	300,000
2012/13	3.00	600,000
2013/14	3.50	700,000
2014/15	3.50	700,000
2015/16	2.00	400,000
2016/17	3.00	600,000
2017/18	3.50	700,000
2018/19	1.00	200,000
2019/20	0.50	100,000
2020/21	Nil	Nil
2021/22	Nil	Nil
2022/23	Nil	Nil
2023/24	Nil	Nil
2024/25	0.50	100,000
2025/26	1.00	200,000

5 SHARE CAPITAL SINCE 2004/05

Financial Year	Number of shares in issue ('000)
2004/05	50,000
2005/06	50,000
2006/07	50,000
2007/08	50,000
2008/09	50,000
2009/10	50,000
2010/11	50,000
2011/12**	100,000
2012/13**	200,000
2013/14	200,000
2014/15	200,000
2015/16	200,000
2016/17	200,000
2017/18	200,000
2018/19	200,000
2019/20	200,000
2020/21	200,000
2021/22	200,000
2022/23	200,000
2023/24	200,000
2024/25	200,000
2025/26	200,000

** Sub division of shares

GRI Content Index

Company as at the reporting date as follows.

Statement of use	Trans Asia Hotels PLC has reported with reference to the GRI Standards for the period 01 April 2025 to 31 March 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	3, 316	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2 Entities included in the organisation's sustainability reporting	3			
	2-3 Reporting period, frequency and contact point	3			
	2-4 Restatements of information	3			
	2-5 External assurance	304			
	2-6 Activities, value chain and other business relationships	75			
	2-7 Employees	75 - 77			
	2-8 Workers who are not employees	76, 81			
	2-9 Governance structure and composition	132 - 135			
	2-10 Nomination and selection of the highest governance body	148 - 150			
	2-11 Chair of the highest governance body	132			
	2-12 Role of the highest governance body in overseeing the management of impacts	168 - 170			
	2-13 Delegation of responsibility for managing impacts	156			
	2-14 Role of the highest governance body in sustainability reporting	168			
	2-15 Conflicts of interest	135			
	2-16 Communication of critical concerns	165 - 166			

GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	134, 20-21			
	2-18 Evaluation of the performance of the highest governance body	140			
	2-19 Remuneration policies	146,161			
	2-20 Process to determine remuneration	141,146, 161			
	2-21 Annual total compensation ratio		2-21	Information unavailable/ incomplete	This ratio is not currently calculated. It will be calculated going forward.
	2-22 Statement on sustainable development strategy	17, 53			
	2-23 Policy commitments	54			
	2-24 Embedding policy commitments	54			
	2-25 Processes to remediate negative impacts	80			
	2-26 Mechanisms for seeking advice and raising concerns	80, 175			
	2-27 Compliance with laws and regulations	184 - 190			
	2-28 Membership associations	92			
	2-29 Approach to stakeholder engagement	27-29, 164-166			
	2-30 Collective bargaining agreements	85			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42 - 45	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2 List of material topics	43 - 45			
Economic performance					
GRI 201: Economic Performance 2016	"201-1 Direct economic value generated and distributed"	64			
	201-2 Financial implications and other risks and opportunities due to climate change	206, 208 - 225			
	201-3 Defined benefit plan obligations and other retirement plans	273 - 276			
	201-4 Financial assistance received from government		201-4 Financial assistance received from government	Not applicable	"Company did not receive financial assistance from the government during the year"

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	41 - 42			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	105			
	203-2 Significant indirect economic impacts	10 - 11			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	104			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1(a)	Information unavailable/ incomplete	The company has a large number of suppliers at community level and therefore the company is in the process of collating information.
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	174			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	176			
	205-2 Communication and training about anti-corruption policies and procedures	173			
	205-3 Confirmed incidents of corruption and actions taken		205-3	Not applicable	There were no identified instances for reported on.
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	163			
GRI 207: Tax 2019	207-1 Approach to tax	163 - 164			
	207-2 Tax governance, control, and risk management	163 - 164			
	207-3 Stakeholder engagement and management of concerns related to tax	33			
	207-4 Country-by-country reporting			Not applicable	
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	110			

GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	112			
	302-2 Energy consumption outside of the organisation		302-2	Information unavailable/ incomplete	This is beyond the scope of current energy management policy.
	302-3 Energy intensity	112			
	302-4 Reduction of energy consumption	112			
	302-5 Reductions in energy requirements of products and services	112	302-5	Information unavailable/ incomplete	This information was not captured in last financial year.
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	113			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	114			
	303-2 Management of water discharge-related impacts	114			
	303-3 Water withdrawal	114			
	303-4 Water discharge	114			
	303-5 Water consumption	114			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	112			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	112			
	305-2 Energy indirect (Scope 2) GHG emissions	112			
	305-3 Other indirect (Scope 3) GHG emissions	-	305-3	Not applicable	This is beyond the scope of our current energy monitoring system.
	305-4 GHG emissions intensity	112			
	305-5 Reduction of GHG emissions	112			
	305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	As a service organisation, we do not generate significant amount of these substances.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	As a service organisation, we do not generate significant amount of these substances.

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	114			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	115			
	306-2 Management of significant waste-related impacts	117			
	306-3 Waste generated	115			
	306-4 Waste diverted from disposal	115			
	306-5 Waste directed to disposal	116			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	103-104			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	104			
	308-2 Negative environmental impacts in the supply chain and actions taken	104			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	76			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78			
	401-3 Parental leave	84			
Labor/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	83			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	80			

GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	80			
	403-2 Hazard identification, risk assessment, and incident investigation	80			
	403-3 Occupational health services	80 - 81			
	403-4 Worker participation, consultation, and communication on occupational health and safety	81			
	403-5 Worker training on occupational health and safety				
	403-6 Promotion of worker health	80			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81			
	403-8 Workers covered by an occupational health and safety management system	80 - 81			
	403-9 Work-related injuries	82			
	403-10 Work-related ill health	82			
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	79			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	84			
	404-2 programmes for upgrading employee skills and transition assistance programmes	79			
	404-3 Percentage of employees receiving regular performance and career development reviews	77 -78			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	84, 134			
	405-2 Ratio of basic salary and remuneration of women to men	84	405-2		
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	83			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	83			

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
Child Labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	82			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	82			
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	104			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	105 -107			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/ incomplete	Process of reliably quantifying potential negative impacts are currently underway.
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	102			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	102			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	103			
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	101			
	417-2 Incidents of non-compliance concerning product and service information and labeling	101			
	417-3 Incidents of non-compliance concerning marketing communications	103			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	102			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	103			

Independent Assurance Report To Trans Asia Hotels Plc

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TO THE BOARD OF DIRECTORS OF TRANSASIA HOTELS PLC

REPORT ON SELECTED INDICATORS INCLUDED IN TRANS ASIA HOTELS PLC'S INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 2026

Conclusion

We have performed a limited assurance engagement on whether the selected sustainability related indicators as defined in annexure A ("Subject matter Information" or "SMI") in Trans Asia Hotels PLC's ("the Hotels") Integrated annual report for the year ended March 31, 2026 have been prepared with reference to the selected Global Reporting Initiative Standards 2021 as mentioned in Annexure A ("Criteria").

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the selected sustainability related indicators as defined in annexure A of Trans Asia Hotels PLC for the year ended 31st March 2026 are not prepared, in all material respects, with reference to the Criteria.

The SMI subject to our limited assurance engagement are listed in Annexure A. The assured sustainability information is marked with underlined and marked with "LA" in the Integrated Annual Report, and the corresponding GRI indicators are also provided in Annexure A.

Our conclusion on the SMI as defined in annexure A does not extend to other information that accompanies or contains the SMI as defined in annexure A and our assurance report.

Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (SLSAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka. Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management (SLSQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for limited assurance conclusion.

Intended use or purpose

We have been engaged by the Management of Trans Asia Hotels PLC to provide limited assurance on whether the selected SMI as defined in annexure A have been prepared with reference to the Criteria

Restriction on use or distribution

This report has been prepared for the Board of Directors of Trans Asia Hotels PLC for the purpose of providing an assurance conclusion on whether the selected SMI in the Trans Asia Hotels PLC's Integrated Annual Report for the Year ended 31st March 2026 has been prepared with reference to the Criteria and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than Trans Asia Hotels PLC, or for any other purpose than that for which it was prepared.

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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R Ziyard FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D Corea Dharmaratne

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Trans Asia Hotels PLC, for any purpose or in any other context. Any party other than Trans Asia Hotels PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Trans Asia Hotels PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Our conclusion is not modified in respect of this matter.

Responsibilities of Management for the SMI.

The management of the Hotels are responsible for:

- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.
- Selecting or developing suitable criteria for preparing the Subject Matter Information and appropriately referring to or describing the criteria
- Preventing and detecting fraud and ensuring the Hotel's compliance with applicable laws and regulations to its activities.
- Ensuring that staff involved in preparation and presentation of the description and Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units; and
- Preparing the Subject Matter Information with reference to the criteria
- The maintenance and integrity of Trans Asia Hotels PLC's website, including the presentation of our independent limited assurance report on the website is the responsibility of the Trans Asia Hotels PLC's management. Management is responsible for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Trans Asia Hotels PLC's website.

Those charged with governance are responsible for overseeing the reporting process for the Hotel's SMI.

Inherent limitations

The preparation of SMI is subject to inherent limitations arising from the nature of non-financial data, including the use of estimates, assumptions, and third-party information. In addition, due to the inherent limitations of any internal control system, errors or irregularities may occur and not be detected.

Our engagement was not designed to detect internal control weaknesses because the procedures were performed on a test basis and not continuously throughout the period.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained;
- reporting our conclusion to the Board of Directors of Trans Asia Hotels PLC.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our limited assurance conclusion.

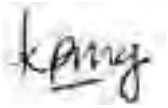
Our procedures selected depended on our understanding of the SMI, other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviewed senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquired management to gain an understanding of the Hotel's processes for determining material issues for the Hotel's key stakeholder groups
- enquired relevant staff at corporate and selected site level responsible for the preparation of the SMI in the Integrated Annual Report of Trans Asia Hotels PLC for the year ended 31st March 2026;

Independent Assurance Report To Trans Asia Hotels Plc

- enquired about the design and implementation of the systems and methods used to collect and report the SMI in the Integrated Annual Report of the Trans Asia Hotels PLC for the year ended 31st March 2026, including the aggregation of the reported information;
- compared the SMI in the Integrated Annual Report of Trans Asia Hotels PLC for the year ended 31st March 2026 to relevant underlying sources on a sample basis to determine whether the relevant information has been appropriately included in the Report; and was not designed to test the completeness of the relevant data collection systems.
- recalculated the Information subject to Limited Assurance based on the criteria;
- read the SMI in the Integrated Annual Report of Trans Asia Hotels PLC for the year ended 31st March 2026 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Hotels; and
- read the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



CHARTERED ACCOUNTANTS
Colombo

26th May 2026

ANNEXURE A TO OUR LIMITED ASSURANCE REPORT DATED 26TH MAY 2026

The numbers in this annexure have been included in the Integrated Annual Report prepared by the Management. Our reporting boundary is limited to the Hotel's operations in Sri Lanka.

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 2-7 Employees	2-7 a	Hotel's operations in Sri Lanka	Employees Related Metrics	For the year ended 31st March 2026	75-76
	2-7 b (i & iv)				
	2-7 c				
	2-7 d				
	2-7 e				
Disclosure 2-26 Mechanisms for seeking advice and raising concerns	2-26 a	Hotel's operations in Sri Lanka	Mechanisms for seeking advice and raising concerns	For the year ended 31st March 2026	82
Disclosure 2-28 Membership associations	2-28 a	Hotel's operations in Sri Lanka	Membership associations	For the year ended 31st March 2026	92
Disclosure 2-30 Collective bargaining agreements	2-30 a	Hotel's operations in Sri Lanka	Collective bargaining agreements	For the year ended 31st March 2026	83
Disclosure 201-1 Direct economic value generated and distributed	201-1 a	Hotel's operations in Sri Lanka	Direct economic value generated and distributed	For the year ended 31st March 2026	64
Disclosure 302-1Energy consumption within the organization	302-1 a	Hotel's operations in Sri Lanka	Energy consumption within the organization	For the year ended 31st March 2026	112
	302-1 e				
	302-1 f				
	302-1 g				
Disclosure 302-3 Energy Intensity	302-3 a	Hotel's operations in Sri Lanka	Energy Intensity	For the year ended 31st March 2026	112
	302-3 b				
	302-3 c				
	302-3 d				
Disclosure 303-1 Interactions with water as a shared resource	303-1 a	Hotel's operations in Sri Lanka	Interactions with water as a shared resource	For the year ended 31st March 2026	111
Disclosure 303-3 Water withdrawal	303-3 a	Hotel's operations in Sri Lanka	Water withdrawal	For the year ended 31st March 2026	112

Independent Assurance Report To Trans Asia Hotels Plc

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 306-2 Management of significant waste related impacts	306-2 a	Hotel's operations in Sri Lanka	Management of significant waste related impacts	For the year ended 31st March 2026	117
	306-2 b				115
	306-2 c				118
Disclosure 306-4 Waste diverted from disposal	306-4 a	Hotel's operations in Sri Lanka	Waste diverted from disposal	For the year ended 31st March 2026	115
	306-4 b				115
	306-4 c				115
Disclosure 401-1 New employee hires and employee turnover	401-1 a	Hotel's operations in Sri Lanka	New employee hires and employee turnover	For the year ended 31st March 2026	77
	401-1 b				
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	401-2 a	Hotel's operations in Sri Lanka	Benefits provided to full-time employees that are not provided to temporary or parttime employees	For the year ended 31st March 2026	78
	401-2 b				79
Disclosure 401-3 Parental Leave	401-3 a	Hotel's operations in Sri Lanka	Parental leave	For the year ended 31st March 2026	84
	401-3 b				
	401-3 c				
	401-3 d				
Disclosure 402-1 Minimum notice periods regarding operational changes	402-1 a	Hotel's operations in Sri Lanka	Minimum notice periods regarding operational changes	For the year ended 31st March 2026	83
	402-1 b				
Disclosure 403-1 Occupational health and safety management system	403-1 a	Hotel's operations in Sri Lanka	Occupational health and safety management system	For the year ended 31st March 2026	80-81
	403-1 b				
Disclosure 403-2 Hazard identification, risk assessment, and incident investigation	403-2 a	Hotel's operations in Sri Lanka	Hazard identification, risk assessment, and incident investigation	For the year ended 31st March 2026	80
	403-2 b				82
	403-2 c				80-81
	403-2 d				80
Disclosure 403-3 Occupational health services	403-3 a	Hotel's operations in Sri Lanka	Occupational health services	For the year ended 31st March 2026	81

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 403-6 Promotion of worker health	403-6 a	Hotel's operations in Sri Lanka	Promotion of worker health	For the year ended 31st March 2026	81
	403-6 b	Hotel's operations in Sri Lanka		For the year ended 31st March 2026	
Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	403-7 a	Hotel's operations in Sri Lanka	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	For the year ended 31st March 2026	81
Disclosure 403-8 Workers covered by an occupational health and safety management system	403-8 a	Hotel's operations in Sri Lanka	Workers covered by an occupational health and safety management system	For the year ended 31st March 2026	81
	403-8 c				81
Disclosure 403-9 Work-related injuries	403-9 a	Hotel's operations in Sri Lanka	Work-related injuries	For the year ended 31st March 2026	81
	403-9 b				81
	403-9 g				80
Disclosure 404-1- Average hours of training per year	404-1 a	Hotel's operations in Sri Lanka	Average hours of training per year	For the year ended 31st March 2026	79,84
Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	404-2 a	Hotel's operations in Sri Lanka	Programs for upgrading employee skills and transition assistance programs	For the year ended 31st March 2026	79
	404-2 b				
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	404-3 a	Hotel's operations in Sri Lanka	Percentage of employees receiving regular performance and career development reviews'	For the year ended 31st March 2026	78
Disclosure 405-2 Ratio of basic salary and remuneration of women to men	405-2 a	Hotel's operations in Sri Lanka	Ratio of basic salary and remuneration of women to men	For the year ended 31st March 2026	84

Independent Assurance Report To Trans Asia Hotels Plc

GRI Standard (The criteria relevant to the information)		Reporting Boundary	Information subject to limited assurance	Point in time or period subject to assurance	Page numbering
Disclosure 406-1 Incidents of discrimination and corrective actions taken	406-1 a 406-1 b	Hotel's operations in Sri Lanka	Incidents of discrimination and corrective actions taken	For the year ended 31st March 2026	83
Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	416-2 a 416-2 b	Hotel's operations in Sri Lanka	Incidents of non-compliance concerning the health and safety impacts of products and services	For the year ended 31st March 2026	103
Disclosure 417-3 Incidents of non-compliance concerning marketing communications	417-3 a 417-3 b	Hotel's operations in Sri Lanka	Incidents of non-compliance concerning marketing communications	For the year ended 31st March 2026	103
Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1 a 418-1 b 418-1 c	Hotel's operations in Sri Lanka	Substantiated complaints concerning breaches of customer privacy and losses of customer data	For the year ended 31st March 2026	103

Glossary of Financial Terms

ACCOUNTING POLICIES
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

ACCRUAL BASIS
Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

AMORTISATION
The systematic allocation of the depreciable amount of an intangible asset over its useful life.

AVERAGE ROOM RATE (ARR)
Hotel room revenue divided by the number of rooms sold.

BOOKING ENGINE
Application which helps the travel and tourism industry support reservation through the Internet. It helps guests to book hotel services online.

CAPITAL EMPLOYED
Shareholders' funds plus debt.

CASH EQUIVALENTS
Short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CONTINGENCIES
A condition or situation existing at Balance Sheet date where the outcome will be confirmed only by occurrence or non- occurrence of one or more future events.

CURRENT RATIO
Current assets divided by current liabilities.

CAPITAL RESERVES
Reserves identified for specific purposes and considered not available for distribution.

CAPITAL EXPENDITURE
The total additions to property, plant and equipment.

CORPORATE GOVERNANCE
The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of an entity, the supervision of executive actions and accountability to owners and others.

DEBT/EQUITY RATIO
Debt as a percentage of shareholders' funds.

DEFERRED TAX
Sum set aside in the Financial Statements for taxation that may become payable in a financial year other than the current financial year.

DIVIDEND YIELD
Dividend earned per share as a percentage of its market value.

DIVIDEND COVER
The ratio of company's earnings (net income) over the dividend paid to shareholders, calculated as earnings per share divided by the dividend per share.

DIVIDEND PER SHARE (DPS)
The total dividends paid out over an entire year (including interim dividends but not including special dividends) divided by the number of outstanding ordinary shares issued.

DIVIDEND PAYOUT RATIO
The percentage of earnings paid to a shareholder as dividends.

EARNINGS PER SHARE (EPS)
Profit attributable to equity holders divided by the weighted average number of ordinary shares in issue during the period.

EBIT
Earnings before interest and tax (includes other operating income).

EBITDA
Earnings before interest, tax, depreciation and amortisation

EFFECTIVE TAX RATE
Provision for taxation for the year divided by the profit before tax.

EPS GROWTH
Percentage increase in the EPS over the previous year.

EQUITY ASSETS RATIO
Total assets divided by shareholder's equity.

FAIR VALUE
Fair value is the amount for which an asset could be exchanged between acknowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

GROSS PROFIT MARGIN
What remains from sales after a company pays out the cost of goods sold. To obtain gross profit margin, divide gross profit by sales. Gross profit margin is expressed as a percentage.

IMPAIRMENT
This occurs when recoverable amount of an asset is less than its carrying amount.

INTANGIBLE ASSET
An intangible asset is an identifiable non- monetary asset without physical substance.

INTEREST COVER
Profit before interest and tax over finance expenses.

Glossary of Financial Terms

KEY MANAGEMENT PERSONNEL
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

MATERIALITY
The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of financial Statements.

MARKET VALUE PER SHARE
The price at which an Ordinary share can be purchased in the stock market.

MARKET CAPITALISATION
Number of shares in issue at the end of period multiplied by the market price at end of period.

NET ASSETS
Total assets minus current liabilities minus long term liabilities.

NET ASSETS PER SHARE
Shareholders· funds divided by the weighted average number of ordinary shares.

OCCUPANCY
The number of rooms occupied at a given time at the Hotel

OPERATIONAL RISK
This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

PRE-TAX RETURN ON CAPITAL EMPLOYED (ROCE)
Profit before interest and tax as a percentage of average capital employed at year end.

PRICE EARNINGS RATIO
Market price per share over Earnings per Share.

PRUDENCE
Inclusion of a degree of caution in the exercise of judgement needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.

QUICK ASSET RATIO
The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets and is calculated by deducting the inventories from the current assets and comparing with the current liabilities.

RELATED PARTIES
Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

RETURN ON EQUITY (ROE)
Profit attributable to shareholders as a percentage of average shareholders· funds.

ROOM NIGHT
One hotel room occupied for one night; a statistical unit of occupancy.

SHAREHOLDERS' FUNDS
Stated capital plus capital and revenue reserves.

TOTAL DEBT
Long term loans plus short-term loans and overdrafts.

Notes

Notes

Corporate Information

NAME OF THE COMPANY
Trans Asia Hotels PLC

LEGAL FORM
A Public Limited Liability Company incorporated in Sri Lanka on 17th July 1981 and listed on the Colombo Stock Exchange.

COMPANY REGISTRATION NUMBER
PQ 5

REGISTERED OFFICE
No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.
Tel: 2491000
Fax: 2449184
E-mail: lakeside@cinnamonhotels.com
Website: http://www.cinnamonhotels.com/ cinnamonlakeside.htm

BOARD OF DIRECTORS
Mr. K N J Balendra - Chairperson
Mr. J G A Cooray
Mr. N L Gooneratne
Mr. C L P Gunawaradane
Mr. H A De Silva Wijeyeratne
Ms. S A Atukorale
Mr. C P R Perera
Mr. N N Mawilmada - Appointed with effec from 08th September 2025
Mr. M H Singhawansa - Appointed with effect from 06th January 2026

AUDIT COMMITTEE
Mr. H A J de Silva Wijeyeratne -Chairperson
Ms. S A Atukorale
Mr. C P R Perera

HUMAN RESOURCES AND COMPENSATION COMMITTEE
Ms. S A Atukorale – Chairperson
Mr. J G A Cooray
Mr. H A J de Silva Wijeyeratne

NOMINATIONS AND GOVERNANCE COMMITTEE
Ms. S A Atukorale - Chairperson
Mr. K N J Balendra
Mr. H A J de Silva Wijeyeratne

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE
Mr. H A J de Silva Wijeyeratne - Chairperson
Ms. S A Atukorale
Mr. C P R Perera

COMPANY SECRETARIES AND REGISTRARS
Keells Consultants (Private) Limited
117, Sir Chittampalam A. Gardiner Mawatha Colombo 02

AUDITORS
Messrs. KPMG Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha, Colombo 03

BANKERS
Citibank NA
Deutsche Bank AG
Sampath Bank PLC
The Hongkong and Shanghai Banking Corporation Ltd
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
DFCC Bank PLC

COMPANY RELATED INFORMATION REQUIREMENTS.
Shareholders can contact Keells Consultants (Private) Limited on 011-2306245 for any Company related information requirements.

Notice of Meeting

Notice is hereby given that the Forty Fifth Annual General Meeting (''Meeting') of Trans Asia Hotels PLC (the 'Company') will be held as a virtual meeting on Thursday, 25 June 2026 at 9.30 a.m.

The business to be brought before the Meeting will be to:

1. To read the Notice convening the Meeting.
2. To receive and consider the Annual Report and Financial Statements for the Financial Year ended 31 March 2026 with the Report of the Auditors thereon.
3. To re-elect as a Director, Mr. J G A Cooray who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Mr. J G A Cooray is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Mr. N N Mawilmada who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. N N Mawilmada is contained in the Board of Directors section of the Annual Report.
5. To re-elect as a Director, Mr. M H Singhawansa who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. M H Singhawansa is contained in the Board of Directors section of the Annual Report.
6. To re-elect as a Director, Mr. N L Gooneratne who is over the age of 70 years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007, for which the passing of the following ordinary resolution is recommended by the Company:

   "THAT the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N L Gooneratne, who is 83 years and that he be re-elected a Director of the Company.
7. To re-appoint Auditors, Messrs. KPMG, Chartered Accountants, and authorise the Directors to determine their remuneration.
8. To notify the shareholders regarding the Company's non-compliance of the minimum public holding requirement of the Listing Rules of the Colombo Stock Exchange.
9. To consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of Trans Asia Hotels PLC for 2025/26, is accessible via:

(1) The Corporate Website – https://keells.com/resource/reports/group-annual-reports/Trans-Asia-Hotels-PLC.pdf

(2) The Colombo Stock Exchange (CSE) – https://www.cse.lk/company-profile?symbol=TRAN.N0000

The following QR Code (accessible through mobile devices):

For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Mr. Ruvindra Angunawela - Director Finance on 0112491060 during normal office hours (8.30 a.m. to 4.30 p.m) or e-mail ruvindra@cinnamonhotels.com

Should Members wish to obtain a hard copy of the Annual Report 2025/26, they may send a request to the Company by filling the Form of Request attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person.

By Order of the Board
Trans Asia Hotels PLC

Keells Consultants (Private) Limited
Secretaries

26 May 2026

Notice of Meeting

NOTES:

i. A Member unable to attend the Meeting is entitled to appoint a Proxy to attend and vote in their place.

ii. A Proxy need not be a Member of the Company.

iii. A Member wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.

iv. Members are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors, to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

v. In order to be valid, the completed Form of Proxy must be lodged at No 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 or forwarded to the email address: keellsconsultants@keells.com not less than 48 hours before the Meeting.

vi. A vote can be taken on a show of hands or by a poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by proxy or corporate representatives. In the event an individual Member and their Proxy holder are both present at the Meeting, only the Member's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

vii. Instructions as to attending the virtual Meeting are attached.

Form of Proxy

I/We..... of .....

.....

..... being a member/s of Trans Asia Hotels PLC hereby appoint

..... of

..... or failing him/her

MR. KRISHAN NIRAJ JAYASEKARA BALENDRA	or failing him
MR. JOSEPH GIHAN ADISHA COORAY	or failing him
MR. NAVINDRA LAL GOONERATNE	or failing him
MR. HARIN AMENDRA JOSEPH DE SILVA WIJEYERATNE	or failing him
MS. SHIVANTHI ADHIKARI ATUKORALE	or failing her
MR. NAYANA NADEESHA MAWILMADA	or failing him
MR. MOHOMED HISHAN SINGHAWANSA	or failing him
MR. CHANGA LASHANTHA POOJITHA GUNAWARDANE	or failing him
MR. CHEHAN PRASANNA RICHARD PERERA	

as my/our proxy to represent me/us and vote on my/our behalf at the Forty Fifth Annual General Meeting of the Company to be held on 25 June 2026 at 9.30 a.m.; and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter 'X' in the appropriate cage:

Financial Year	For	Against	Abstained
To re-elect as a Director, Mr. J G A Cooray who retires in terms of Article 83 of the Articles of Association of the Company.			
To re-elect as a Director, Mr. N N Mawilmada who retires in terms of Article 90 of the Articles of Association of the Company.			
To re-elect as a Director, Mr. M H Singhawansa who retires in terms of Article 90 of the Articles of Association of the Company.			
To re–elect as a Director, Mr. N L Gooneratne who is over the age of 70 years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007			
To re-appoint the Auditors, Messrs KPMG, Chartered Accountants, and to Authorise the Directors to determine their remuneration.			

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

.....

Signature/s of Shareholder/s

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF PROXY

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

2. The completed Form of Proxy should be deposited at No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 or e-mailed to keellsconsultants@keells.com, no later than 48 hours before the time appointed for the convening of the Meeting.

1. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

2. If the appointor is a company or corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the company or corporation in accordance with its Articles of Association or Constitution.

3. If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting.

PLEASE FILL IN THE FOLLOWING DETAILS:

Name : .....

.....

Address : .....

.....

Jointly with : .....

.....

Share Folio No : .....

.....

NIC No. : .....

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Trans Asia Hotels PLC