ON COURSE:

NAVIGATING COMPLEXITY WITH CONFIDENCE

Aitken Spence

AITKEN SPENCE PLC

Annual Report
2025-2026

ON COURSE:

NAVIGATING COMPLEXITY WITH CONFIDENCE

There is a certain clarity that comes with knowing where you are headed.

At Aitken Spence PLC, despite a challenging global economy, and shifting local realities, we remain on course – not because our path is simple, but because our direction is certain. In a landscape shaped by constant change, we approach complexity with measured confidence, drawing from experience, insight, and an unwavering sense of purpose.

Our journey is not about avoiding uncertainty, but about moving through it with intent. Each decision is intentional and each step is considered, allowing us to build momentum that is steady and assured. This is how we grow; by trusting and following the course we have set, with the confidence to see ourselves through.

Where complexity meets clarity, progress is assured.

Where progress meets confidence, the future is secured.

Aitken Spence

CONTENT

1 OVERVIEW

04 About this Report
08 Our Sustainability Journey
10 About us
14 Financial Highlights
15 Non-Financial Highlights
16 Consolidated ESG Performance
22 Value Creation and Distribution
23 Facilitation of Foreign Exchange Generation
24 Our Commitment Through Taxes
25 Awards and Accolades
26 Our History
28 Group Structure
32 Our Year at a Glance
34 Operating Environment

2 EXECUTIVE REVIEW

40 Chairperson's Message

3 PURPOSE DRIVEN STRATEGY

48 Stakeholder Engagement
53 Determining Materiality
57 Our Strategy
62 Our Value Creation Model
65 The Spence Impact : Our sustainability vision in a nut shell

4 OUR MANAGEMENT

68 Board of Directors
75 Group Supervisory Board
78 Management Council
84 Senior Management Committee

5 GOVERNANCE AND RISK MANAGEMENT

90 Chairperson's Statement on Governance
91 Corporate Governance Statement
128 Risk Management
139 Report of the Senior Independent Director
141 Nominations and Governance Committee Report
142 Remuneration Committee Report
144 Audit & Risk Committee Report
148 Related Party Transactions Review Committee Report
151 The Board of Directors' Statement of Internal Controls
153 Annual Report of the Board of Directors

CONTENT

6 MANAGEMENT DISCUSSION AND ANALYSIS

SECTOR REVIEWS

160 Tourism Sector
182 Maritime & Freight Logistics Sector
200 Strategic Investment Sector
225 Services Sector

OUR CAPITALS

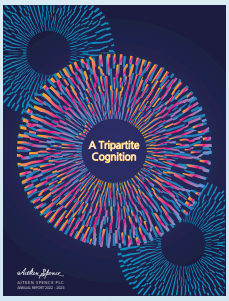
248 Financial Capital
256 Human Capital
272 Intellectual Capital
279 Manufactured Capital
285 Social and Relationship Capital
296 Natural Capital
312 Our Climate Strategy
315 Independent Practitioner's Assurance Report
317 SLFRS Sustainability-Related Financial Disclosures
347 Sustainability Accounting Standards Board Index

7 FINANCIAL STATEMENTS

366 Financial Information
368 Statement of Directors' Responsibilities
369 Independent Auditor's Report
373 Financial Statements and Notes to the Financial Statements
492 Consolidated Financial Statements in USD

8 SUPPLEMENTARY INFORMATION

496 Ten Year Summary
498 Independent Practitioner's Assurance Reports
502 GRI index
512 Group Companies and Directorate
524 Glossary of terms
528 Corporate Information
529 Notice of Meeting



2022-2023

2023-2024

2024-2025

2025-2026

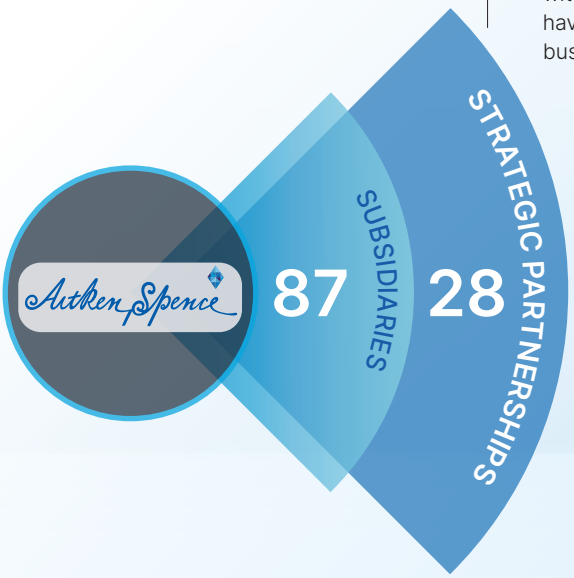
ABOUT THIS REPORT *GRI 2-3*

This is the 44th Annual Report of Aitken Spence PLC since its listing on the Colombo Stock Exchange in 1983, and the Group's 15th Integrated Annual Report. The Report presents the financial and non-financial performance of the Aitken Spence Group for the year ended 31 March 2026, providing an overview of the Group's strategy, governance, operational performance, sustainability priorities, and business portfolio.

The Integrated Annual Report provides a connected view of the Group's ability to create and sustain value over the short, medium, and long term, enabling stakeholders to evaluate financial performance, strategic execution, governance practices, and organisational resilience within an evolving economic and regulatory environment.

The Report further reflects the Group's continued focus on integrated thinking by demonstrating the interrelationship between financial and non-financial factors, and how strategic priorities are translated into measurable outcomes and sustainable long-term value.

The Aitken Spence Group comprises the holding company together with **87** subsidiaries and 28 strategic partnerships, operating across **12** countries.



SCOPE & BOUNDARY *(GRI 2-2)*

This Report covers the operations of Aitken Spence PLC and its subsidiaries, joint ventures, and associates across Sri Lanka and international markets, organised into four sectors and seventeen business segments. The reporting boundary is determined based on operational control, ensuring alignment between financial and non-financial disclosures.

In our non-financial reporting for sustainability related performance, specifically GHG emission accounting, the boundary is determined based on operational control. Accordingly, operations and business segments over which the Group does not exercise operational control have been excluded from the emissions boundary. This includes managed hotels, the education segment and the Port City BPO segment. The Group's on-site management operation in Fiji is included within the reporting boundary, while the port operation in Fiji, over which the Group does not have operational control, remains excluded. Emissions are therefore reported for 15 of the 17 business segments, representing the majority of the Group's operational footprint.

ABOUT THIS REPORT

REGULATORY FRAMEWORKS

This report is prepared in accordance with the following regulatory and voluntary standards and reporting frameworks. These frameworks collectively support the Group's commitment to global best practice reporting and enhanced disclosure quality.

Regulatory Requirements

- Companies Act No.7 of 2007 and amendments thereto
- Colombo Stock Exchange's continuing listing rules including section 9 of the listing rule on corporate governance
- Sri Lanka Accounting & Audit Standards Act No.15 of 1995
- Sri Lanka Accounting Standards
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto
- Inland Revenue Act No. 24 of 2017 and the amendments thereto
- Foreign Exchange Act No. 12 of 2017 and the amendments thereto
- SLFRS S1 general requirements for disclosures of sustainability-related financial information and SLFRS S2 climate-related disclosures

Voluntarily Adopted Frameworks & Standards

- <IR> Framework issued by the International Integrated Reporting Council
- GRI Standards 2021
- GRI Sector Standard: Agriculture Sector (GRI 13)
- UN Global Compact
- Women's Empowerment Principles
- Communicating Sustainability issued by the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)
- Guidelines for Presentation of Annual Reports 2022 issued by CA Sri Lanka
- Gender Reporting Framework issued by CA Sri Lanka
- 06 SASB Standards
- The Preparers' Guide to SLFRS S1 & S2 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

SASB STANDARDS USED IN THE REPORT

- Hotels & Lodging Standard
- Road Transportation Standard
- Air Freight & Logistics Standard
- Agricultural Products Standard
- Apparel, Accessories & Footwear Standard
- Electric Utilities & Power Generators Standard

REPORT STRUCTURE

The Report is organised to provide a clear and logical progression of information:

01 OPERATING CONTEXT
Understanding the external environment, trends, opportunities and challenges shaping our business.

02 MATERIAL TOPICS
Identifying and prioritising the matters that are material to our business and stakeholders.

03 GROUP STRATEGY
Our strategic priorities and how we create sustainable value for the future.

04 LEADERSHIP DIRECTION
Leadership perspectives that guide decision-making and drive long-term value.

05 GOVERNANCE AND RISK
Strong governance and effective risk management ensuring integrity, resilience and accountability.

06 SECTORAL PERFORMANCE
Performance highlights across our business segments and operations.

07 CAPITALS
How we utilise and create value through our six capitals

08 ESG DISCLOSURES
Our approach and performance on Environmental, Social and Governance matters.

09 FINANCIAL STATEMENTS
Our financial performance and position presented with transparency and accuracy.

This structure enables stakeholders to understand how our strategy is executed, **performance is delivered, and long-term value is created.**

ABOUT THIS REPORT

RESTATEMENTS & COMPARABILITY OF INFORMATION *(GRI 2-4)*

There were no restatements of financial information during the year, and the financial data presented remains comparable across the current and prior reporting periods.

During the reporting period, Scope 3 emissions disclosures were realigned from the ISO 14064 based categorisation framework to the Greenhouse Gas Protocol classification to better align with Science Based Targets initiative (SBTi) requirements and enhance comparability. In addition, emission factors were updated to improve the accuracy and robustness of reported data. Accordingly, comparative figures from 2024 have been restated to reflect these changes and ensure consistency and comparability across reporting periods.

EXTERNAL ASSURANCE *(GRI 2-5)*

- Assurance on the financial statements has been provided by Messrs. KPMG, Chartered Accountants.
- Assurance on non-financial disclosures, aligned with the GRI Universal Standards (2021), the Integrated Reporting Framework, and six industry standards of the Sustainability Accounting Standards Board (SASB), was conducted by Messrs. Ernst & Young, Chartered Accountants.
- Assurance on disclosures, aligned with the Sri Lanka Sustainability Disclosure Standards (SLFRS) was provided by Messrs. Ernst & Young, Chartered Accountants.

This combined assurance approach strengthens the credibility, reliability and integrity of reported information.

ENHANCEMENTS TO OUR INTEGRATED ANNUAL REPORT

- Adoption of SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2)

  Enhanced the Group's sustainability reporting approach through the first-time adoption of SLFRS Sustainability Disclosure Standards (SLFRS S1 and SLFRS S2), aligned with the IFRS Sustainability Disclosure Standards issued by the IFRS Foundation. As this represents the Group's initial year of adoption, the disclosures have been prepared by applying the permitted transition reliefs and exemptions, with further enhancements to disclosures planned as systems, methodologies, and data maturity continue to evolve. The adoption of these standards represents an important step in strengthening the Group's transparency, resilience, and integration of sustainability considerations into strategic and financial decision-making.

- Improved reporting connectivity between strategy and performance

FORWARD LOOKING STATEMENTS

This report includes forward-looking statements based on external and internal information available at present to facilitate assessment of the Group's prospects. These statements involve a high degree of uncertainty due to the significant volatility and unpredictability in both the global and local economic outlook. The outcomes and impacts of some of these statements relate to future events which are beyond our control but can have a significant impact on the Group's ability to create value. Readers are advised to make their own judgements using the latest information available at the time of assessment due to the elevated levels of uncertainty in forward-looking statements. All forward-looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons enumerated above.

STATEMENT OF THE BOARD *(GRI 2-14)*

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value over the short, medium and long term. The acknowledgment of the Board's responsibility for the Annual Report and its contents is given in the Annual Report of the Board of Directors on pages 153 to 158. The report was approved by the Board of Directors on 05th June 2026.

FEEDBACK & INQUIRIES *(GRI 2-3)*

We value your feedback on our Annual Report as it enables us to continuously enhance the quality, transparency, and relevance of our reporting. A feedback form is available on page 535 of this report and at aitkenspence.com/feedback.

Regarding the Annual Report please use the following contact details:

Email : comsec@aitkenspence.lk
Facsimile : +94 11 244 5406
Mail : No 315, Vauxhall Street, Colombo 2, Sri Lanka

ABOUT THIS REPORT

UNDERSTANDING HOW THE REPORT CONNECTS *GRI 2-6*

The Report demonstrates the connectivity between the Group's capitals, strategy, business model, stakeholder expectations, and performance outcomes. These interdependencies illustrate how the Group integrates governance, risk management and sustainability into decision-making and value creation.

Clear linkages are presented across the following elements: external environment, risks and opportunities, strategy, execution, capitals, performance, outcomes and long-term value creation.

OUR CAPITALS

The resources and relationships we rely on

Financial Capital (Page 248)
Funds and financial resources that support our strategy, investments, and growth.

Manufactured Capital (Page 279)
Infrastructure, technology, and operational assets that enable efficient and reliable operations.

Intellectual Capital (Page 272)
Knowledge, systems, innovation, processes, and brand value that support competitive advantage.

Human Capital (Page 256)
Our people, capabilities, experience, leadership, and culture that drive organisational success.

Social & Relationship Capital (Page 285)
Relationships, trust, partnerships, and stakeholder engagement that strengthen long-term value creation.

Natural Capital (Page 296)
Natural resources and ecosystems upon which our businesses depend and which we are committed to managing responsibly.

OUR VALUE CREATION LINKAGES

Connecting our Capitals, Material Topics, Stakeholders, Business Operations, and Reporting Frameworks to create sustainable value.

Material Topics

- GOVERNANCE & ETHICAL CONDUCT
- ECONOMIC PERFORMANCE
- PEOPLE, SAFETY & HUMAN CAPITAL

OUR REPORTING FRAMEWORKS
Guiding our disclosures and accountability

- Integrated Reporting Framework
- GRI Standards
- SASB Standards
- Science Based Targets initiative (SBTi)
- United Nations Sustainable Development Goals (SDGs)

OUR STAKEHOLDERS

We engage with our stakeholders to understand expectations and create shared value.

Shareholders & Investors (Page 248)
Providing sustainable returns and transparent performance.

Employees (Page 256)
Fostering a safe, inclusive, and growth-oriented workplace.

Customers (Page 285)
Delivering quality, innovative, and reliable solutions.

Suppliers & Partners (Page 285)
Building responsible and mutually beneficial partnerships.

Communities & Society (Page 285)
Contributing to inclusive growth and community well-being

Regulators & Government (Page 285)
Complying with laws, regulations, and supporting national priorities

OUR STRATEGIC PRIORITIES

- Achieve year-on-year sustainable profit growth and increase market share across all business segments.
- Expand the Aitken Spence footprint into new geographies.
- Venture into five new business segments by 2030.
- Reduce the Group's resource footprint and achieve net-zero emissions by 2030.
- Achieve Employer of Choice status.

OUR SUSTAINABILITY JOURNEY

Our Sustainability Journey Towards Long-Term Value Creation

2002/2003

Aitken Spence became an early signatory to the United Nations Global Compact (UNGC), demonstrating long-term commitment to the UNGC's Ten Principles in the areas of human rights, labour, environment, and anti-corruption.

2005/2006

Developed the Group's initial sustainability strategy, anchored on three focus areas, with Executive Director Dr. Rohan Fernando appointed to lead the sustainability agenda for Aitken Spence PLC, making Aitken Spence one of the first companies to have a Main Board Director lead the organisation's sustainability agenda.

2006/2007

Formed the Group's cross-functional Sustainability Team, comprising representatives from all business segments.

2007/2008

The Group's sustainability priorities were assessed and incorporated into an integrated sustainability policy highlighting 15 policy commitments and an implementation framework to guide the business segments to roll out action for environmental and social impact control.

Disclosure of non-financial performance of the Group strengthened with the adoption of the Global Reporting Initiative (GRI) framework for the first time to enhance transparency in non-financial disclosures.

2010/2011

Commenced measurement and reporting of Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

Became one of the first companies globally to sign the Women's Empowerment Principles (WEPs), reinforcing the Group's commitment to gender equality and women's advancement.

2011/2012

Integrated human rights at the workplace and information security into the Group's integrated sustainability policy and implementation framework.

2012/2013

The Group was recognised as the Best Corporate Citizen in Sri Lanka for 2012 by the Ceylon Chamber of Commerce for excellence in sustainability and corporate citizenship.

Adopted guidelines of the International Integrated Reporting Council (IIRC) to improve the Group's narrative and value creation story.

2015/2016

Aligned the Group's business objectives and sustainability targets with seven Sustainable Development Goals (SDGs), selected based on material impacts and opportunities for positive contribution.

2018/2019

Aitken Spence was awarded Best Corporate Citizen in Sri Lanka for the third consecutive year (fourth overall win) and was recognised for the eighth time among the country's Top 3 Best Corporate Citizens.

Reviewed and updated the integrated sustainability policy to include 21 policy commitments aligned with material sustainability topics.

Educated Managing Directors and Division Heads on climate change and disaster risk reduction (DRR) and established the Group's core DRR team.

OUR SUSTAINABILITY JOURNEY

2020/2021

Participated in the UNGC's Target Gender Equality Programme, with Executive Director (current Group Chairperson) Ms. Stasshani Jayawardena serving as the Company's ambassador for the programme.

Joined the UNGC's Climate Ambition Accelerator Programme.

Appointed as the Head of the Working Group on Business & Human Rights at the UNGC Sri Lanka Local Network.

2021/2022

Became an early adopter of the GRI Universal Standards (2021).

First Sri Lankan conglomerate to publicly commit to the Science Based Targets initiative (SBTi) and the Business Ambition for 1.5°C.

Celebrated 20 years as a UN Global Compact signatory.

Recognised among the Top 100 Companies in Sustainability 2022 globally, the only Sri Lankan company featured in this independent international assessment.

2023/2024

Participated in COP28 as a private sector delegate and conducted a panel discussion at the Sri Lanka Pavilion on the role of business in development.

Formed the Group's Sustainability Council, chaired by Executive Director Dr. Rohan Fernando.

Integrated the SASB Standards into the Group's sustainability reporting framework.

The way forward in sustainability for Aitken Spence PLC introduced to the Group in the 'Spence IMPACT' strategy.

2024/2025

In recognition of sustained excellence in corporate citizenship, Aitken Spence entered the Hall of Fame as the Best Corporate Citizen of 2024.

Aitken Spence conducted a Disaster Risk Reduction Day where the Group's disaster vulnerability maps were launched to the public as a service.

The Board approved the Group's near-term targets towards a net-zero pathway. These targets are currently under review for validation by the SBTi.

Aitken Spence PLC becomes the first conglomerate from Sri Lanka to join the GRI Community as a member.

2025/2026

At Aitken Spence PLC, we became the first conglomerate in Sri Lanka to commit to the Science Based Targets initiative (SBTi), publicly pledging to achieve net-zero emissions by 2030.

Our actionable near-term climate targets, aligned with the SBTi methodology, focus on accelerating our transition towards a lower-carbon future through the following key priorities:

- Achieving net-zero carbon emissions by 2030
- Reducing transport-related emissions by 20% compared to our 2024 baseline
- Strengthening our energy efficiency and sustainability strategies across the Group
- Adoption of SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2)

ABOUT US

Aitken Spence PLC is one of Sri Lanka's most respected and diversified conglomerates, with an established presence across four sectors and operations spanning twelve countries in Asia, Oceania, and Africa. Backed by over 155 years of heritage, the Group has strategically evolved its portfolio to build resilient, future-focused businesses anchored in strong governance, transparency, and disciplined capital allocation, consistently delivering sustainable long-term value to its stakeholders. Aitken Spence PLC is listed on the Colombo Stock Exchange with a market capitalisation of Rs. 56.4 Bn as at 31.03.2026.

OUR PURPOSE

Inspire to Create Great Futures for All

OUR VISION

Achieve excellence in all activities, establish high-growth business in Sri Lanka and across new frontiers, and become a globally competitive market leader in the region

OUR VALUES

- Reliable
- Honest & Transparent
- Warm & Friendly
- Genuine
- Inspire Confidence

OUR GOALS

Contribute to society through sustainable economic growth and creation of wealth

Pursue industrial and geographical expansion to diversify the company's portfolio

Ensure sustainable growth through rigorous environmental and social governance

STRATEGIC OBJECTIVES

Achieve year-on-year sustainable profit growth and increase market share

Expand reach to new geographies

Venture into new business segments

Reduce resource footprint and achieve net-zero emissions by 2030

Achieve employer of choice status

PURPOSE-DRIVEN STRATEGY

'Inspire to Create Great Futures for All' is the north star that drives every strategic decision across the Group. The Purpose-Driven Strategy provides the overarching framework connecting our Purpose to our five strategic objectives, our capital allocation priorities and our reporting principles. Full strategy detail: pages [57-61].

SPENCE IMPACT

Spence IMPACT represents the Group's forward-looking sustainability pathway. Formalised in FY 2023/24, Spence Impact is built on nearly two decades of sustainability practices at Aitken Spence PLC and is a consolidated and elevated articulation of the Group's planned direction for sustainability. The Spence IMPACT strategy takes stock of operational-level progress achieved across the Group and transitions the focus towards higher, enterprise-level interventions, providing clearer direction to our business segments on priority areas and expected outcomes at Group level for the Group's next phase of strategic ambition.

ABOUT US

STRATEGIC PARTNERSHIPS *(GRI 2-6)*

Aitken Spence PLC is the holding company of a portfolio of 115 companies, including 87 subsidiaries and 28 strategic partnerships. These businesses are strategically organised into four key sectors: Tourism, Maritime & Freight Logistics, Strategic Investments and Services. The detailed Group structure is given on pages [28-31].

Aitken Spence continues to play a pivotal role in supporting economic progress across the regions it operates in, contributing to national and regional development through infrastructure investments, job creation, skills development, and capacity building. Its integrated approach to growth fosters connectivity between local businesses and international markets, helping to strengthen global value chains.

Sustainability remains central to Aitken Spence's corporate ethos. The Group was the first Sri Lankan group to commit to the Science Based Targets initiative (SBTi), with its near term targets formally approved by the SBTi. Further, Aitken Spence has been a signatory of the United Nations Global Compact (UNGC) for over two decades, demonstrating long-term adherence to the Compact's Ten Principles on human rights, labour, environment and anti-corruption.

Through innovation, ethical governance, and a long-standing dedication to sustainability, Aitken Spence PLC continues to shape industries and empower communities across its global footprint.

115
Companies

4 / 17
Sectors / Segments

20,300+
Employees

12
Countries

TOURISM	MARITIME & FREIGHT LOGISTICS	STRATEGIC INVESTMENTS	SERVICES
Hotels	Maritime & Port Services	Power Generation	Insurance
Destination Management	Airline GSA (Cargo)	Printing & Packaging	Money Transfer
Airline GSA	Freight Forwarding & Courier	Apparel Manufacture	Property Management
	Education	Plantations	Elevators
	Integrated Container Services		BPO Services

ABOUT US

A HERITAGE OF TRAILBLAZING FIRSTS

Throughout its history of over 150 years, Aitken Spence has distinguished itself as a trailblazer, introducing industry firsts and redefining standards across multiple sectors. This enduring spirit of innovation continues to guide the Group, enabling it to remain relevant, create meaningful impact, and stay ahead of emerging challenges across all its businesses.

PIONEERED SRI LANKA'S STAR-CLASS BEACH RESORT segment with the establishment of Neptune Hotel, which is now known as Heritance Ayurveda in Beruwala.

Marked a milestone in international expansion by becoming the **FIRST SRI LANKAN RESORT OPERATOR TO VENTURE OVERSEAS**, with the acquisition of Bathala Island Resort in the Maldives.

Set a new benchmark in hospitality by developing **SRI LANKA'S FIRST FIVE-STAR BEACH RESORT**, Triton Hotel, known today as Heritance Ahungalla.

Emerged as a trailblazer in maritime infrastructure, being among the **FIRST TO EXPAND PORT MANAGEMENT OPERATIONS BEYOND SRI LANKA** and the first local company to establish a public-private partnership for overseas port operations.

Introduced Sri Lanka's **FIRST THEMED HOTEL** with the launch of The Tea Factory in 1996, which was subsequently renamed Heritance Tea Factory, redefining experiential hospitality in the country.

Led innovation in sustainable energy by developing **SRI LANKA'S FIRST AND ONLY WASTE-TO-ENERGY POWER PLANT.**

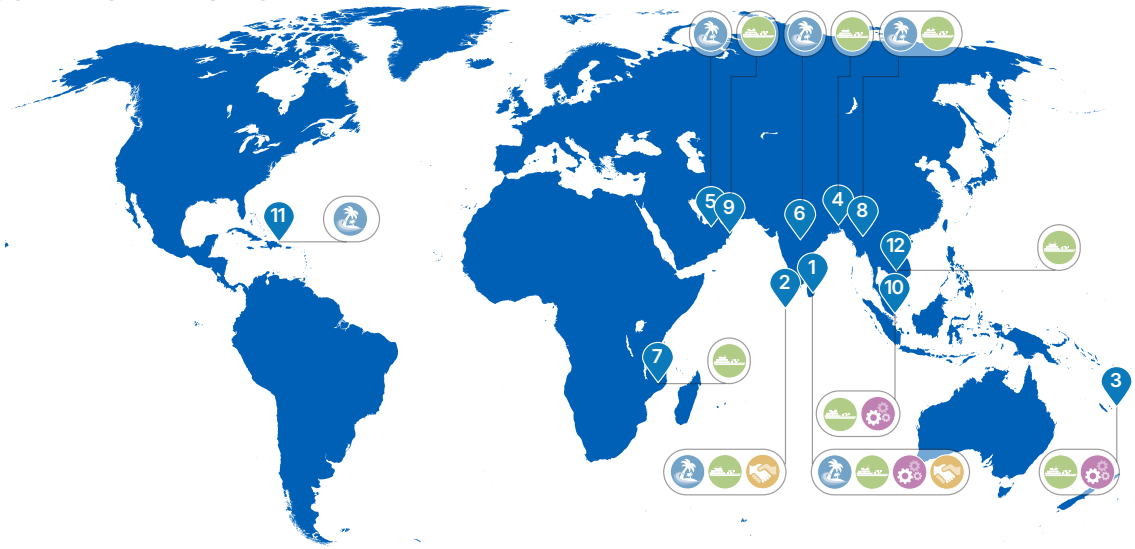
SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Reinforced its sustainability leadership by becoming the **FIRST DIVERSIFIED CONGLOMERATE** in Sri Lanka to commit to the Science Based Targets initiative (SBTi).

ABOUT US

GEOGRAPHICAL PRESENCE



1 Sri Lanka
- Tourism
- Maritime & Freight Logistics
- Strategic Investments
- Services

2 Maldives
- Tourism
- Maritime & Freight Logistics
- Services

3 Fiji
- Maritime & Freight Logistics
- Strategic Investments

4 Bangladesh
- Maritime & Freight Logistics

5 Oman
- Tourism

6 India
- Tourism

7 Mozambique
- Maritime & Freight Logistics

8 Myanmar
- Tourism
- Maritime & Freight Logistics

9 United Arab Emirates
- Maritime & Freight Logistics

10 Singapore
- Strategic Investments
- Maritime & Freight Logistics

11 British Virgin Islands
- Tourism

12 Cambodia
- Maritime & Freight Logistics

GEOGRAPHICAL SPLIT - KEY METRICS

Sri Lanka accounts for 54.6% of Group assets, demonstrating the scale and capital deployment of the domestic portfolio. Overseas operations provide geographic diversification and a growing revenue base that reduces exposure to any single market. The Maldives and Fiji represent high-value tourism and maritime operations with a significant asset base.

ASSET DISTRIBUTION	
54.6%	45.4%
Sri Lanka	Overseas

REVENUE BY GEOGRAPHY	
52.7%	47.3%
Sri Lanka	Overseas

FINANCIAL HIGHLIGHTS

	2025/2026	2024/2025	YoY (%)
Income Statement			
Group revenue (including associates) (Rs.Mn)	122,335	112,802	8
Group revenue (Rs.Mn)	96,591	95,095	2
Profit from operations (Rs.Mn)	14,814	14,779	0
Share of profit from equity accounted investees (Rs.Mn)	2,300	1,577	46
EBITDA (Rs. Mn)	26,590	25,451	4
Profit before tax (Rs.Mn)	12,812	10,826	18
Income tax expense (Rs.Mn)	3,705	3,647	2
Profit after tax (Rs.Mn)	9,107	7,179	27
Profit attributable to equity holders of the company (Rs.Mn)	6,796	5,331	27
Statement of Financial Position			
Non - Current assets (Rs.Mn)	150,366	129,493	16
Current assets (Rs.Mn)	76,395	71,612	7
Total assets (Rs.Mn)	227,618	202,027	13
Total equity (Rs.Mn)	104,253	89,889	16
Non - Current liabilities (Rs.Mn)	68,834	53,260	29
Current liabilities (Rs.Mn)	54,531	58,878	(7)
Key Ratios			
ROE (%)	8.18	7.06	16
ROCE (%)	14.54	14.34	1
Interest cover (times covered)	3.76	2.82	34
Current ratio (times covered)	1.40	1.22	15
Debt equity ratio	0.35	0.38	(7)
Per Share & Market Information			
Earnings per share (Rs.)	16.74	13.13	27
Price Earnings Ratio (times)	8.30	9.73	(15)
Dividends per share (Rs.)	4.00	4.00	0
Dividend payout ratio (%)	23.90	30.46	(22)
Net asset value per share (Rs.)	218.90	190.23	15
Price to Book Ratio (times)	0.63	0.67	(5)
Economic			
Value Added by the Group (Rs. Mn)	48,535	44,379	9
Foreign Exchange facilitated to the country (Rs. Mn)	113,789	163,091	(30)
Taxes paid to Government (Rs. Mn)	14,842	13,594	9
Direct employment generated	20,300	16,513	23

Rs. 96.6 Bn	Rs. 26.6 Bn	Rs. 12.8 Bn	Rs. 227.6 Bn	Rs. 56.4 Bn	Rs. 104.3 Bn
+1.6% Revenue	+4.5% EBITDA	+18.3% Profit Before Tax	+12.7% Total Assets	+8.8% Market Cap	+16.0% Total Equity

NON-FINANCIAL HIGHLIGHTS

PEOPLE & SOCIAL CAPITAL

20,300

TOTAL EMPLOYEES
Up **22.9**% YoY | FY 2024/25 **16,513**

37%

FEMALE REPRESENTATION
FY 2024/25 **42**% Female Representation

Rs. **19.6** Bn	Total employee benefits paid
Rs. **87.0** Mn	Investment in training & development
16 hrs	Average training hours per employee (executive and non-executive)
Rs. **85.7** Mn	Funds channelled to strengthen communities
Rs. **76.6** Mn	Funds channelled through donors
12 Countries	International operational footprint

ENVIRONMENT & PLANET

53,103 tCO2e

TOTAL GHG EMISSIONS
Scope 1+2 | FY 2024/25: 52,402 tCO2e

188,922 tCO2e

EMISSIONS REDUCED / OFFSET
FY 2024/25: 208,891 tCO2e

794,758 GJ	Total energy consumption
257,375 GJ	Energy from renewable sources (32.4% of total)
1,245,545 m3	Total water withdrawn
40,395 tCO2e	Scope 1 direct GHG emissions
12,708 tCO2e	Scope 2 indirect (purchased energy) emissions
180,241 kg	Municipal solid waste converted to energy

ECONOMIC PROSPERITY

Rs. **48.5** Bn

VALUE ADDED TO ECONOMY
Up 9.4% YoY | FY 2024/25: Rs. **44.4** Bn

Rs. **113.8** Bn

FOREIGN EXCHANGE FACILITATED
FY 2024/25 : Rs. **163.1** Bn

Rs. **14.8** Bn	Taxes paid to government (direct & indirect)
Rs. **6.1** Bn	Interest payments to lenders
Rs. **1.6** Bn	Dividends paid to equity shareholders
Rs. **4.00**	Dividend per share (FY 2024/25: Rs. 4.00)
Rs. **218.90**	Net asset value per share
Rs. **139.00**	Market price per share at 31st March 2026

OPERATIONAL HIGHLIGHTS

1,170,224
Hotel Guest Nights

542,400
Inward Remittance Transactions

2,676
Room Inventory (Owned & Managed)

200,074 Sq.Ft
Commercial Office Space

413,890 Sq.Ft
Total Warehouse Space

123,921 MWh
Power Generated

27,061
Youth capacity building at CINEC campus

CONSOLIDATED ESG PERFORMANCE

GRI 103-2, 103-4, 103-5)

ENVIRONMENTAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 103-2, 103-4 and 103-5.

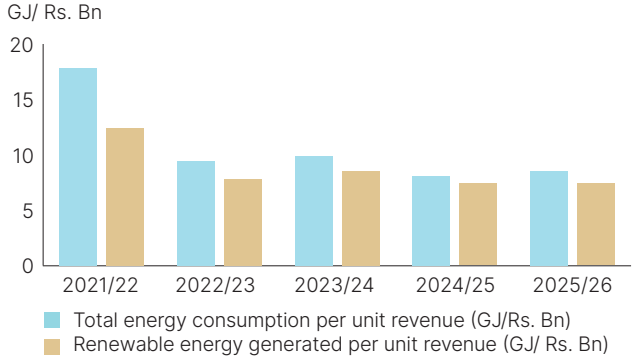
ENERGY	2025/2026					2024/2025
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	(Refer NOTE) Total
Total energy consumption (GJ)	794,758	437,525	42,906	310,319	4,007	734,143*
Non-renewable sources						
Petrol	4,689	1,615	809	1,916	349	5,201
Diesel	405,704	324,426	37,410	43,455	413	378,021*
Furnace Oil	-	-	-	-	-	-
LPG	16,694	16,379	-	314	-	15,463
Kerosene	-	-	-	-	-	2
Total energy consumed from non-renewable sources	427,086	342,419	38,219	45,685	762	398,686*
Renewable sources						
Biomass/fuel wood	192,891	12,274	-	180,617	-	152,463
Briquettes	860	-	-	860	-	877
Hydropower	-	-	-	-	-	977
Solar energy	2,073	2,073	-	-	-	2,032
Wind energy	8,268	8,133	-	135	-	6,251
Municipal solid waste	53,283	-	-	53,283	-	52,774
Total energy consumed from renewable sources	257,375	22,479	-	234,895	-	215,375
Total indirect energy consumption within the organisation	110,297	72,626	4,687	29,738	3,245	120,082*
Energy consumption per unit revenue (Rs. Mn)	8.5	6.8	2.8	28.6	2.0	8.1*
Energy produced (GJ)	1,059,630	335,222	460	723,948	-	997,744*
Total energy produced from renewable sources (GJ)	693,384	14,347	460	678,577	-	665,508
Total energy produced from non-renewable sources (GJ)	366,246	320,875	-	45,371	-	332,236*

NOTE: Due to realignment of reporting boundaries as well as corrections made to emission factors used in emission calculations, the applicable data has been restated to allow a more accurate representation of comparative data keeping with the reporting principles of the GRI Standard. The GRI Topic have also been updated to align with the new topics introduced under climate change (GRI102) and energy (GRI103). GRI 302 Energy 2016 has been revised and will be superseded by GRI 103: Energy 2025, which we have adopted early ahead of the effective date of 1 January 2027.

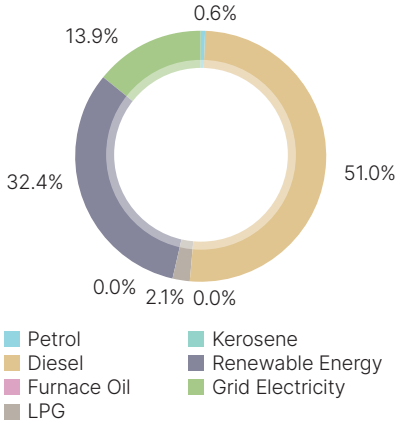
Our renewable energy generation over the years, as shown on the next page, reflects the strength of our investments in low-carbon energy assets and our contribution to national decarbonisation efforts.

CONSOLIDATED ESG PERFORMANCE

Total energy consumed per unit revenue (GJ/ Rs. Bn) and Total renewable energy generated per unit revenue (GJ/ Rs. Bn)



Our energy consumption profile

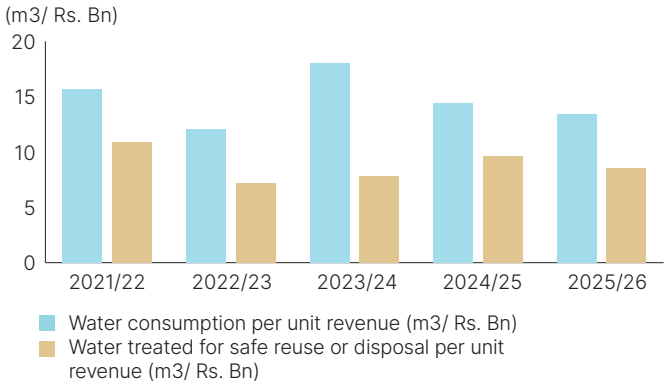


This information presents the Group's energy consumption across various sources, reflecting how energy is utilised as a critical resource in line with operational activities and strategic priorities. Comparative figures for energy consumption have been restated to incorporate updated grid emission factors based on the latest available national energy balance, as well as to align more closely with the operational control approach adopted for emissions reporting. In addition, minor adjustments to operational boundaries reflect changes in office space utilisation across certain business units based at Aitken Spence Towers. These refinements aim to enhance the accuracy, consistency, and comparability of reported data.

In this section, information pertaining to the following GRI disclosures is provided: GRI 303-1, 303-3, 303-4 and 303-5.

	2025/2026					2024/2025
WATER	**Total**	**Tourism**	**Maritime & Freight Logistics**	**Strategic Investments**	**Services**	**Total**
Volume of water withdrawn (m3)	1,245,545	912,755	31,434	281,468	19,888	1,303,811*
Water treated for reuse or safe disposal (m3)	793,259	767,484	6,354	19,299	122	868,394
Water recycled and re-used/ disposed (%)	64%	84.1	23.8	6.9	-	67
Water sources significantly affected by withdrawal of water	None	None	None	None	None	None
Water withdrawn from areas in water distress	-	-	-	-	-	-

Water Consumption



This table presents the Group's water withdrawal and consumption across operations, reflecting our responsible use of water as a key natural resource. Comparative figures for total water withdrawal for 2024/25 have been restated to reflect adjustments in operational boundaries as mentioned previously. Based on assessments carried out during the reporting period, the Group has not identified any significant adverse impacts on water bodies arising from its withdrawal practices. Water is not sourced from areas currently classified as water-stressed, and no material impacts on local communities have been identified. The Group continues to monitor its water use to support responsible management and alignment with evolving best practices.

CONSOLIDATED ESG PERFORMANCE

ENVIRONMENTAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 306-1, 306-3, 306-4, 306-5.

	2025/2026					2024/2025
WASTE	**Total**	**Tourism**	**Maritime & Freight Logistics**	**Strategic Investments**	**Services**	**Total**
Tonnes	22,618	1,659	6	20,943	11	26,888*
Solid waste - hazardous	3,331	9	-	3,321	2	3,143*
Solid waste - non-hazardous	19,287	1,650	6	17,622	9	23,745*
Units	648	70	568	-	10	642*
Solid waste - hazardous	74	64	-	-	10	54*
Solid waste - non-hazardous	574	6	568	-	-	588*
Total amount of effluents safely disposed (Litres)	16,380	14,000	-	2,380	-	53,243*
Waste oil, ETP/ STP sludge - hazardous	-	-	-	-	-	36,300*
Waste oil, ETP/ STP sludge - non-hazardous	16,380	14,000	-	2,380	-	16,943
Total number and volume of significant spills	None	None	None	None	None	None
Total amount of waste converted to renewable energy	-	-	-	180,241	-	178,859

This table presents the Group's waste generation and management practices, reflecting our approach to minimising environmental impact through responsible resource use. Comparative figures have been restated where applicable to reflect adjustments in operational boundaries during the reporting period as detailed. The Group adopts the 7R principle—Reject, Reduce, Reuse, Reclaim, Repair, Replace, Recycle—to guide waste management practices, with the long-term objective of minimising and completely eliminating waste sent to landfill. As part of our contribution to national infrastructure for a circular economy, the Group owns and operates Sri Lanka's first and only waste-to-energy power plant, supporting efforts and providing a locally owned solution to divert waste from landfill while contributing to energy generation. The Group continues to strengthen our waste management practices in line with circular economy principles and evolving best practices.

CONSOLIDATED ESG PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 102-5, 102-6, 102-8, and 102-9.

	2025/2026					2024/2025
EMISSIONS	**Total**	**Tourism**	**Maritime & Freight Logistics**	**Strategic Investments**	**Services**	**Total**
Total direct and indirect emissions (Scope 1 & 2) (tCO2e)	53,103	35,290	3,460	13,805	549	52,402
Scope 1 emissions	40,395	26,949	2,916	10,357	173	37,450
Scope 2 emissions	12,708	8,341	543	3,447	376	14,798
Reduction of GHG emissions/ emissions offset (tCO2e)	188,922	2,778	53	186,086	5	208,891
Total investments in sustainability processes at Group Level(Rs. Mn)	35	2.2	0.1	32.3	0.2	74
Investments in sustainability processes	12					9
Investments in sustainability processes at Group Level	49					82

This table presents the Group's greenhouse gas (GHG) emissions across operations, reflecting our impact from energy use and broader operational activities. Comparative figures have been restated where applicable to align with updated methodologies and operational boundaries. The Group has been progressively increasing our use of renewable energy as part of our efforts to reduce emissions intensity and transition towards lower-carbon operations. During the reporting period, the Group's near-term emissions reduction targets were validated by the Science Based Targets initiative (SBTi), the first conglomerate in Sri Lanka to achieve this milestone, reinforcing our commitment to climate action and reflecting the maturity of our systems. The Group is currently exploring longer-term net zero ambitions and remains focused on investing in decarbonisation initiatives and low-carbon solutions to support a just and sustainable pathway towards becoming a net zero organisation.

Overall performance

The Group continued to demonstrate measurable progress across key ESG indicators, reflecting on our sustained focus on operational efficiency and resource optimisation. While total energy consumption per unit revenue increased marginally by 5% at Group level, this was balanced by notable efficiency improvements in several sectors, including reductions of 6% in Tourism, 12% in Maritime and Freight Logistics, and 17% in Services in energy intensity. The Group's waste-to-energy operations remained a significant contributor to our decarbonisation efforts, repurposing 180,241 MT of residual waste to generate renewable energy for the national grid. This is the average weight of about 32,700 adult elephants at peak recorded weight that has been kept away from landfills, through which the company has contributed to avoiding 114,933 tCO_2e of net GHG emissions from being released. This is equivalent to the annual carbon footprint of over 32,600 urban households. More than 90% of our own solid waste generated during the year was diverted from landfill, reinforcing our circularity efforts. Water consumption intensity decreased by 7% overall, supported by 15% reductions in Tourism and Services. From a decarbonisation perspective, emissions reductions against the 2019/20 base year excluding the impact of changes in the power generation portfolio remain at approximately 5%. However, with the establishment of the Sustainability Council and more structured implementation following target validation, the Group expects to accelerate progress towards its emissions reduction goals in the coming years.

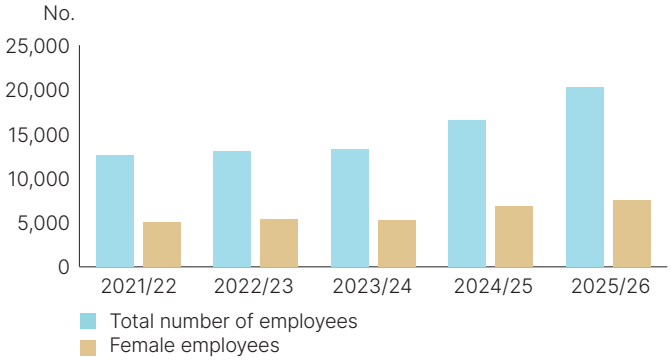
CONSOLIDATED ESG PERFORMANCE

SOCIAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 404-1

PEOPLE AND EMPLOYEES	2025/2026					2024/2025
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Total Employees (No.)	20,300	3,978	1,966	7,754	6,602	16,513
Permanent employees	10,978	2,170	1,069	7,541	198	11,171
Contract employees	9,322	1,808	897	213	6,404	5,342
Female Representation (%)	37%	16%	20%	57%	32%	42%
Percentage of female managers in the managerial workforce (%)	22%	20%	23%	23%	27%	21%
Training & Development						
Avg. training hours per employee	16	51	2	12	1	17
Rs. Mn	87	43	10	30	4	79
Workplace Injuries (No.)	314	90	46	176	2	348
Lost Working Days	771	80	363	295	33	1,177
Entities certified for health and safety (No.)	-	-	-	-	-	46
Turnover Rate (%)	39	25	20	37	63	34
Average years of service	7	6	7	10	3	7
Customers, Suppliers and Society						
Brand stewardship (No.)	23	7	4	7	5	23
Funds channelled for community development initiatives (Rs. Mn)	85	8	1	75	1	281

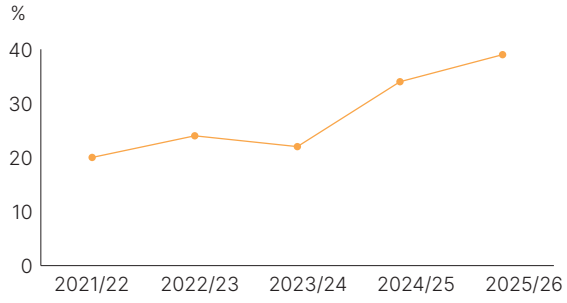
Female Representation and Total number of Employees



The number of female employees increased by approximately 10.2%, from 6,862 to 7,561 during the year. This growth reflects the Group's focused Diversity, Equity, and Inclusion (DE&I) agenda, particularly through initiatives such as SpenceWomen@Work.

The representation of female managers in the Group's managerial workforce increased by 1% this year, rising from 21% to 22%. Notable improvements were seen across all sectors, with the Tourism sector and Services sector showing measurable progress in advancing female leadership representation.

Employee Turnover



The Group's turnover rate has increased by 5%, mainly due to the inclusion of highly dynamic BPO operations in the Services sector along with industry volatility in the apparel and plantation segments within the Strategic Investments sector.

The Group's average years of service remained at 7 years in 2025/2026, unchanged from 2024/2025. While Strategic Investments Sector improved from 8 to 10 years.

CONSOLIDATED ESG PERFORMANCE

GOVERNANCE PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 205-3, 206-1, 406-1, 411-1, 415-1, 416-2, 417-2, 417-3, 418-1, 13.24.1

	2025/2026					2024/2025
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
No. of Companies	115	39	31	31	14	121
Sri Lanka	89	26	23	28	12	95
Overseas	24	12	8	3	1	26
Offshore	2	1	None	None	1	2
No. of Subsidiaries	87	35	21	20	11	92
No. of Joint Venture / Associates	28	4	10	11	3	29
% of shares held by Twenty Largest Shareholders	91.0%	-	-	-	-	91.0%
Anti-corruption, anti-competitive behaviour and non-compliance with laws and regulations						
Total number and nature of confirmed incidents of corruption and action taken	None	None	None	None	None	None
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None	None	None	None	None	None
Total number of incidents of discrimination and corrective action taken	None	None	None	None	None	None
Incidents of violations involving rights of indigenous peoples	None	None	None	None	None	None
Incidents of non-compliance concerning the health and safety impacts of products and services	None	None	None	None	None	None
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	None	None	None	None	None	None
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	None	None	None	None	None	None
Total number of substantiated complaints received concerning breaches of customer privacy	None	None	None	None	None	None
Non-compliance with laws and regulations or reported incidents of financial and in-kind political contributions	None	None	None	None	None	None
Total number of grievances filed through formal grievance mechanisms	11	7	-	3	1	1

As at 31st March 2026, the number of companies within the Aitken Spence Group decreased by seven compared to 31st March 2025, while one new entity was incorporated during the year. This reduction primarily reflects the strategic liquidation of seven companies across all four sectors of the Group, undertaken in line with its ongoing portfolio rationalisation efforts. Such measures are intended to streamline operations, enhance management focus and improve overall efficiency. Notwithstanding the overall decrease, the Strategic Investments Sector recorded an increase of one company following the incorporation of Aitken Spence Plantations (Fiji) Pte Limited.

As signatories to the UN Global Compact (UNGC), and heading with Working Group on Business & Human Rights for UNGC Sri Lanka, Aitken Spence is aligned with the "Respect and Remedy" pillars of the United Nations Guiding Principles on Business and Human Rights. Aitken Spence is committed to ensuring that all employees are aware of their rights and have equal access to remedial mechanisms in case of any violations of rights. Our Human Resource partners serve as the focal points in this process and ensure that our employees can access our grievance handling procedures, which are designed to ensure fairness and confidentiality. Additionally, our open-door policy permits employees to escalate issues directly to the Managing Directors, ensuring resolution and access to remedy where needed.

OUR ENVIRONMENTAL AND SOCIOECONOMIC IMPACT

VALUE CREATION AND DISTRIBUTION *GRI (201-1)*

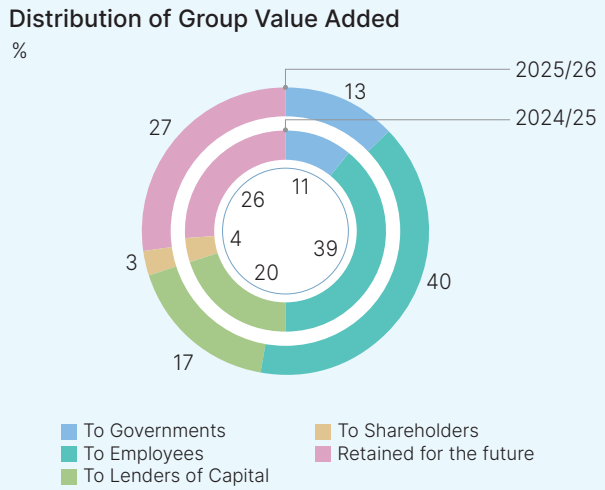
The Group continued to make a significant contribution to Sri Lanka's economy through its diversified operations, generating total value of Rs. 48.5 Bn during the year under review. This represents a 9.4% increase compared to the Rs. 44.4 Bn recorded in the previous year. The growth in value creation was primarily supported by stronger contributions from equity-accounted investees, favourable foreign exchange movements, and improved margins driven by effective cost management.

Of the total value generated, 40.3% was distributed to employees, reflecting the Group's ongoing commitment to supporting its workforce. With operations largely centred on service-oriented and human-intensive industries, the Group continues to recognise the importance of investing in its people. Such investment not only supports employee well-being but also strengthens organisational capability and long-term performance.

The Group's contribution to the wider economy is further reflected in payments to the governments, which accounted for 12.9% of the value created, amounting to Rs. 6.3 Bn. Providers of capital received 16.5% of the value generated, marking a decline from the previous year, largely attributable to prudent financial and treasury management. Dividends to equity shareholders amounted to Rs. 1.6 Bn, representing 3.3% of total value created, while 27.0% was retained within the business to support future growth initiatives and operational expansion. This reinvestment positions the Group to capitalise on emerging opportunities and sustain its growth trajectory.

The Group's approach to value creation and distribution reflects a balanced and responsible framework, ensuring that key stakeholders, including employees, the Government, providers of capital, and shareholders are appropriately supported while maintaining a clear focus on long-term sustainability and growth.

	2025/26 Rs. Mn	2024/25 Rs. Mn
Revenue	**96,591**	95,095
Purchase of goods and services	**(53,997)**	(54,461)
	42,595	40,634
Other operating income	**1,117**	(362)
Interest income	**1,829**	1,920
Share of profits of equity-accounted investees before tax	**2,995**	2,187
Total value added by the Group	**48,535**	44,379
Distributed as follows		
To governments	**6,257**	4,994
To employees	**19,561**	17,296
To lenders of capital	**8,012**	8,858
To shareholders	**1,624**	1,624
Retained for the future	**13,082**	11,607
	48,535	44,379



OUR ENVIRONMENTAL AND SOCIOECONOMIC IMPACT

FACILITATION OF FOREIGN EXCHANGE GENERATION

The Aitken Spence Group continues to play an integral role in facilitating foreign exchange inflows to Sri Lanka, driven by its diversified operations across sectors that are closely linked to global markets. The Group's broad-based presence enables it to channel foreign currency into the economy through multiple avenues, reinforcing its importance to the country's external sector. During the year under review, the Group facilitated total foreign exchange inflows of Rs. 113.8 Bn. While this reflects a decline compared to the previous year, the outcome must be viewed in the context of a strategic rebalancing of certain business activities, alongside continued contributions from the Group's core operating segments.

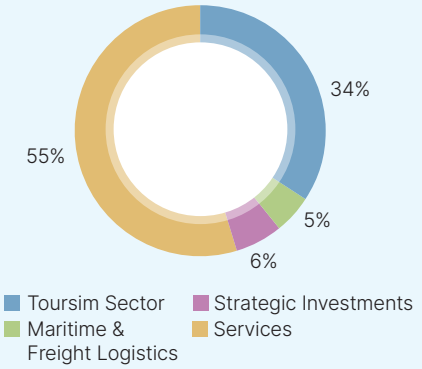
The Tourism sector remained a significant contributor to the Group's foreign exchange generation, accounting for Rs. 38.9 Bn during the year. Through its well-established destination management operations and hospitality portfolio, the Group continues to be a key participant in the national tourism industry. Its ability to attract and service international travellers at scale ensures a steady stream of foreign currency earnings, underlining its importance in supporting Sri Lanka's position as a leading travel destination. The sustained performance of this sector reflects the Group's strong market standing and its continued contribution to the broader tourism value chain.

The Services sector, whilst recording a lower contribution of Rs. 62.1 Bn compared to the previous year, remained the single largest facilitator of foreign exchange inflows by the Group. The reduction was primarily attributable to lower remittance volumes handled during the year by the money transfer segment, following a management decision to focus on higher-performing and strategically aligned business lines.

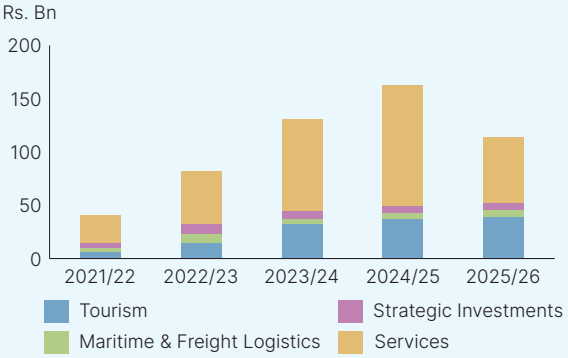
The Maritime & Freight Logistics sector, through its integrated operations, facilitated foreign currency inflows of Rs. 6.0 Bn to the country. Its consistent performance underscores the sector's critical role in supporting international trade and sustaining foreign exchange earnings, particularly against a backdrop of evolving global maritime and logistics conditions. The Strategic Investments sector facilitated the contribution of Rs. 6.8 Bn to the country's foreign currency generation, reflecting its resilience in navigating shifting global market conditions and demand patterns across key export-oriented industries.

The Groups' operations continue to deliver meaningful foreign exchange inflows to the country, supporting a range of critical industries. The Group's sustained contribution across these sectors highlights its strategic relevance to the Sri Lankan economy and underscores its ongoing role in strengthening the country's foreign exchange position and economic resilience.

Facilitation of Foreign Currency Generation to the Country



Facilitation of Foreign Currency Generation to the Country



OUR ENVIRONMENTAL AND SOCIOECONOMIC IMPACT

OUR COMMITMENT THROUGH TAXES

Aitken Spence Group continues to play a significant role in advancing economic development and social progress across the countries in which it operates. With a presence in 12 jurisdictions, the Group contributes meaningfully to GDP growth, social stability, and improved living standards through the creation of economic value, the generation of employment, and the payment of taxes.

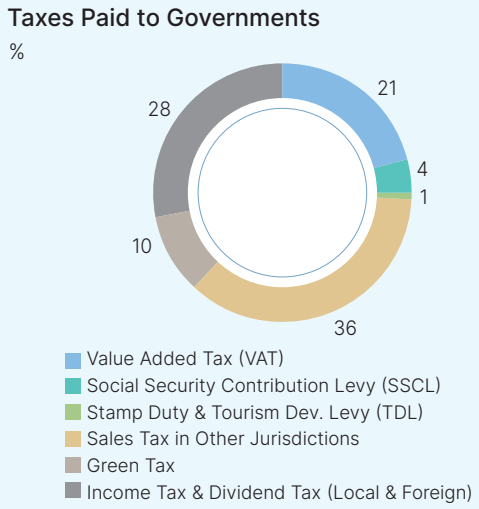
The Group maintains a strong record of compliance with its tax obligations, contributing both direct and indirect taxes across its diverse operations. Direct taxes, including corporate income tax and employee-related contributions such as PAYE/APIT, represent an important source of government revenue, helping to fund essential public services including infrastructure, education, and healthcare.

In addition, indirect taxes such as Value Added Tax (VAT), import duties, turnover-based levies, and other applicable taxes are remitted consistently across all operating geographies as part of normal business activities. These payments support the effective functioning of regulatory systems and contribute to the broader socio-economic framework within each market.

Through its operations in key sectors including Tourism, Maritime and Freight Logistics, Strategic Investments, and Services, Aitken Spence stimulates economic activity, creates employment opportunities, and supports capacity building in both emerging and developed markets. The Group's continued commitment to fiscal responsibility and good governance strengthens its contribution to national and regional development priorities.

Aitken Spence's responsible approach to taxation and value creation reflects its broader commitment to inclusive and sustainable growth in every market it serves.

Type of Tax	2025/26 Rs. Mn	2024/25 Rs. Mn
Value Added Tax (VAT)	**3,185**	3,583
Social Security Contribution Levy (SSCL)	**524**	467
Stamp Duty & Tourism Dev. Levy (TDL)	**194**	177
Sales Tax in Other Jurisdictions	**5,283**	4,690
Green Tax	**1,529**	1,051
Income Tax & Dividend Tax (Local & Foreign)	**4,126**	3,627
Total Taxes Paid to Governments	**14,841**	13,595



AWARDS AND ACCOLADES FINANCIAL YEAR 2025 – 2026

Aitken Spence PLC continued to be recognised for its commitment to excellence, governance, and sustainable value creation. During the year, the company received several prestigious awards that underscore its consistent pursuit of excellence and responsible business practices. In addition to Group level recognition, many of our subsidiary companies were honoured for their achievements in their respective industries. Details of awards received by individual companies are presented within the respective sector reviews.

TAGS Annual Report Awards 2025 - Diamond Chapter (February 2026)

Aitken Spence PLC received the Gold Award in the Diversified Holdings Category (Group Turnover Up to LKR 100 Bn), with Certificates of Recognition for Corporate Governance, Digital Transformative Reporting, Integrated Reporting, and Sustainability Reporting. The Group was also recognised among the overall Top Ten Annual Reports at the TAGS Awards.

EFC National Best Employer Awards 2025 - Top 10 Best Employers

Aitken Spence PLC was honoured among the Top 10 Companies at the inaugural EFC National Best Employer Awards 2025, organised by the Employers' Federation of Ceylon — Sri Lanka's apex employers' body. The recognition reflects the Group's longstanding commitment to being an Employer of Choice and its purpose to 'Inspire to Create Great Futures for All'.

Aitken Spence rises to 8th rank among the top 20 movers and shakers in LMD's Hall of Fame

Aitken Spence was ranked 8th among the Top 20 Movers and Shakers in LMD's Hall of Fame. This achievement further reinforces Aitken Spence's position as one of the country's most dynamic and consistently high-performing conglomerates, as recognised by one of Sri Lanka's leading business publications.

Sri Lanka Best Employer Brand Award - Sri Lanka Leadership Awards 2025

Aitken Spence PLC was recognised with the Sri Lanka Best Employer Brand Award at the Sri Lanka Leadership Awards 2025 organised by the World HRD Congress & World Leadership Congress and awarded on 10th September 2025.

OUR HISTORY

1868

In the southern port city of Galle, Thomas Clark and Patrick Gordon Spence ventured into a partnership as merchants and commission agents under the name of Clark & Spence.

1873

The partnership changed its name to Aitken Spence & Company, after the two brothers Edward and S.R. Aitken joins Thomas Clark and Patrick Gordon Spence.

1900

1876

Lloyds of London appointed Aitken Spence & Co., as the agents for Ceylon - a position which the Company holds to this date.

1952

The last Chairman of the founding families, P.W.G. Spence retires in 1952. The Company is further strengthened and registered as a Private Limited Liability Company.

1974

The first resort hotel of Aitken Spence, Neptune Hotel was designed by the renowned architect Geoffrey Bawa. Neptune now is re-branded as Heritance Ayurveda.

1977

The Company, which is an IATA agent, moved into inbound and outbound travel, and Aitken Spence Travels Ltd was incorporated.

1981

Commenced operations of Triton Hotel. The first beach resort, in Ahungalla, later to be re-branded as Heritance Ahungalla.

1983

The Company shares were quoted for the first time in the Colombo Stock Exchange with an issued share capital of Rs. 51 million.

1985

Printing business which was successfully carried out as a division of Aitken Spence & Co. was separated and Aitken Spence Printing (Pvt) Ltd was incorporated.

Ace Containers (Pvt) Ltd, was incorporated, taking over the inland container terminal at Mattakkuliya.

1993

Entrance into the Maldivian tourism sector with the acquisition of Bathala Island resort in Maldives establishes Aitken Spence as the pioneer in this field.

1994

Commenced commercial operations of Heritance Kandalama, the world's first LEED certified hotel, and becomes the first Asian hotel to receive the prestigious Green Globe 21 certification.

1996

The first theme hotel in Sri Lanka, The Tea Factory, commences operations. The hotel received the Building Conservation award by the Royal Institute of Chartered Surveyors London.

OUR HISTORY

2000

2002

Welcoming the Government's decision to invite the private sector for generation of power, the Group's first 20 MW thermal power plant was completed in Matara.

Aitken Spence becomes a signatory to the UN Global Compact, among the first companies in Sri Lanka.

2008

The Group opened Adaaran Prestige Vadoo the fifth luxury villa in close proximity to the Male atoll.

Aitken Spence Corporate office is relocated to Aitken Spence Tower II with the completion of the construction of an aesthetic office complex.

2013

Aitken Spence Maritime sector expanded its global presence by venturing in to port management business in the Fiji Islands. Becomes the first international port management company to operate in the Fiji Islands.

2018/19

Commenced construction of Heritance Aarah, the first Heritance property, and the first LEED certified building, in the Maldives. Commenced construction of the first ever waste to energy power project in the country with a capacity of 10 MW of energy to the national grid.

2021

Demonstrating the Group's commitment to its sustainability strategy, the Company acquired three hydro power projects with a generating capacity of 6.6 MWh at a cost of Rs. 900 million.

2023

The Group strategically enhanced its portfolio by acquiring two significant apparel manufacturing facilities in the Koggala Export Processing Zone, substantially strengthening its Apparel segment. In parallel, it advanced its Logistics segment with the strategic establishment of a new 100,000 sq. ft. Container Freight Station in Mabole, Wattala, optimising its operational footprint and logistics capabilities.

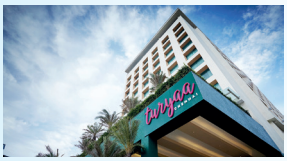
2007

Aitken Spence obtained the management of four hotel properties in Oman, becoming the first Sri Lankan hospitality company to enter the Middle East. During that same year the Group becomes the first Sri Lankan company to venture into Port Efficiency Management outside Sri Lanka.

2012

Aitken Spence Printing relocated to a state-of-the-art printing facility which is the first LEED certified printing facility in Sri Lanka.

2015



Launched the 140 room Turyaa Chennai as the first property owned in India by the Aitken Spence Group.

2020

2020 witnessed one of the worst pandemics of modern history, COVID-19. The Group overcame unprecedented challenges to start operations of the first waste to energy power plant in the country. Tourism sector kept afloat while the other sector performance stood as a testimony to the Group's diversification strategy.

2022

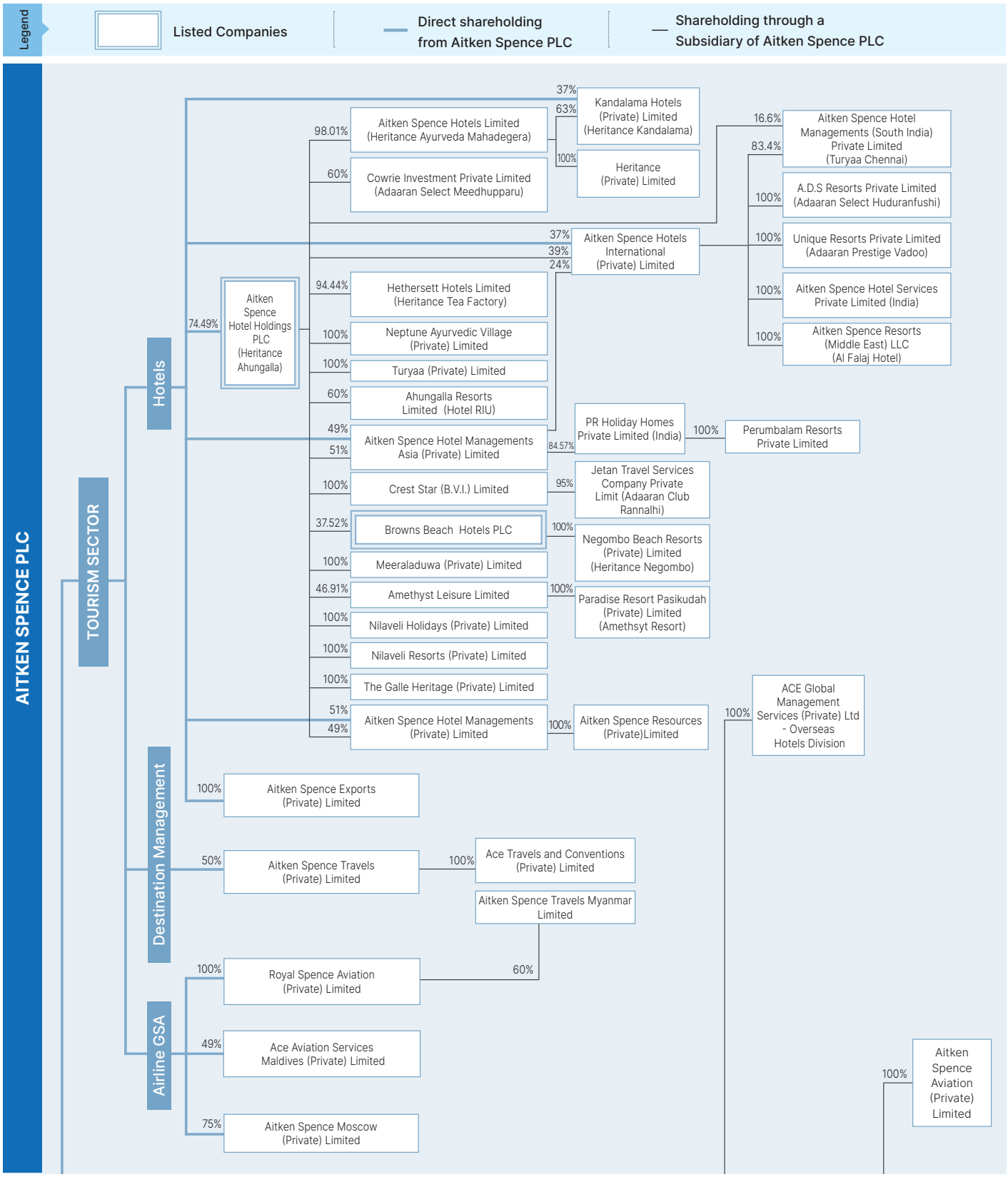
Amidst one of the most challenging years in Sri Lankan history, the Group persevered with its commitment to renewable power generation by investing Rs. 1.4 billion in a ground mounted solar power project in Hambantota. Furthermore, Aitken Spence & Singapore Airlines celebrated their 50-year partnership as the longest-standing GSA for Singapore Airlines globally.

2024

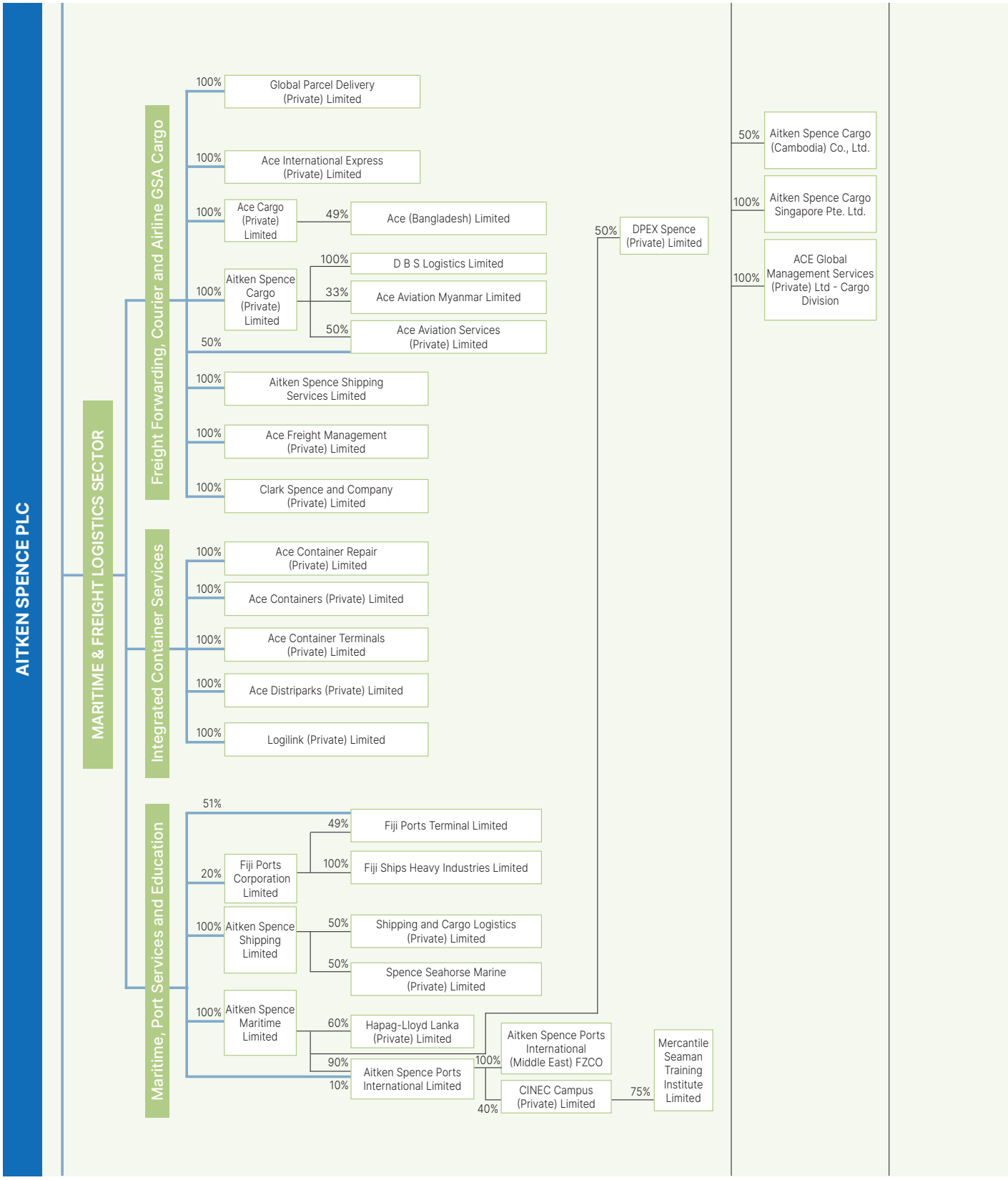
PORT CITY BPO

The Group entered the Business Process Outsourcing segment through the establishment of Port City BPO (Pvt) Ltd, expanding into specialised BPO services as an authorised Person approved by the Colombo Port City Economic Commission

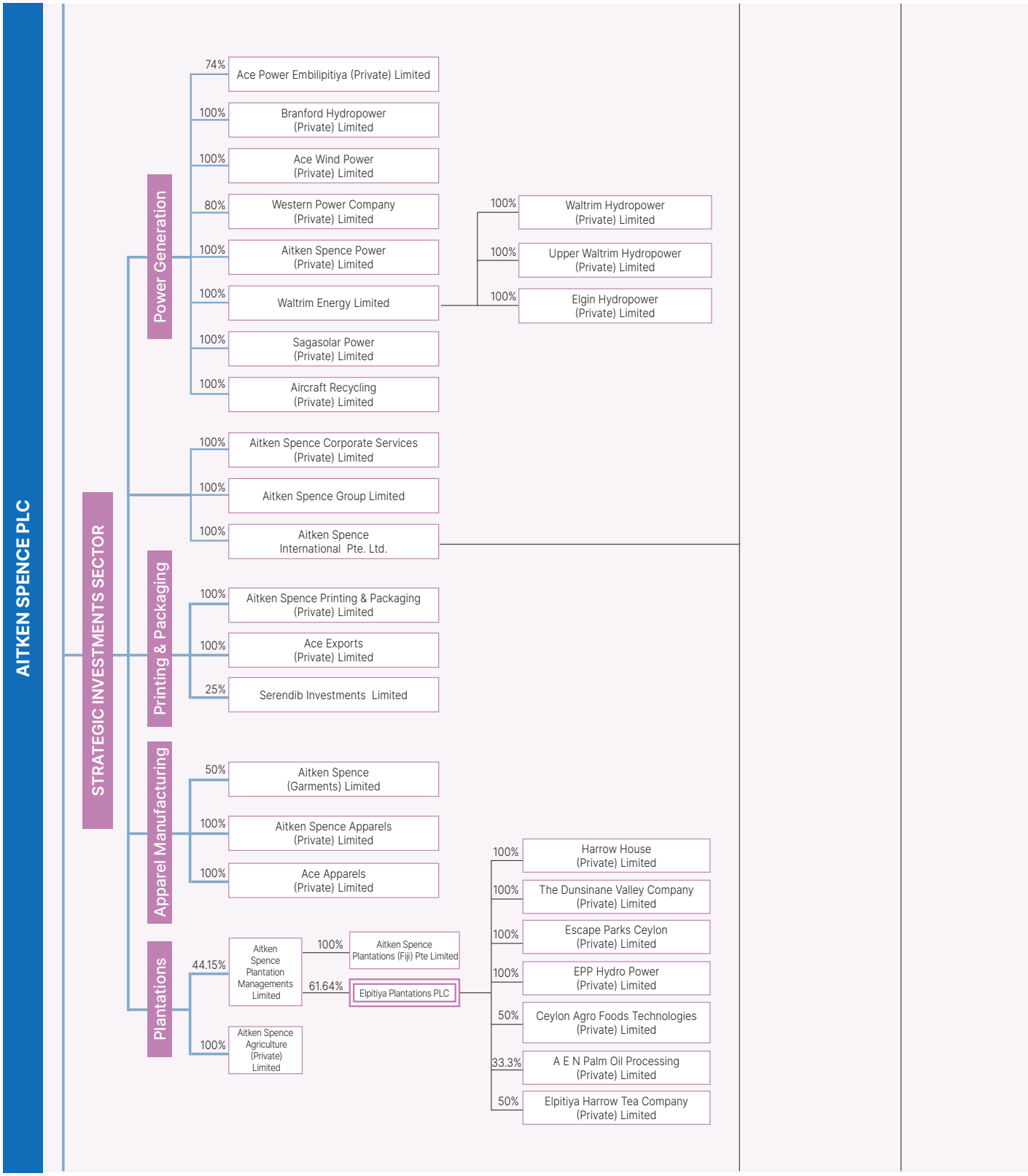
GROUP STRUCTURE



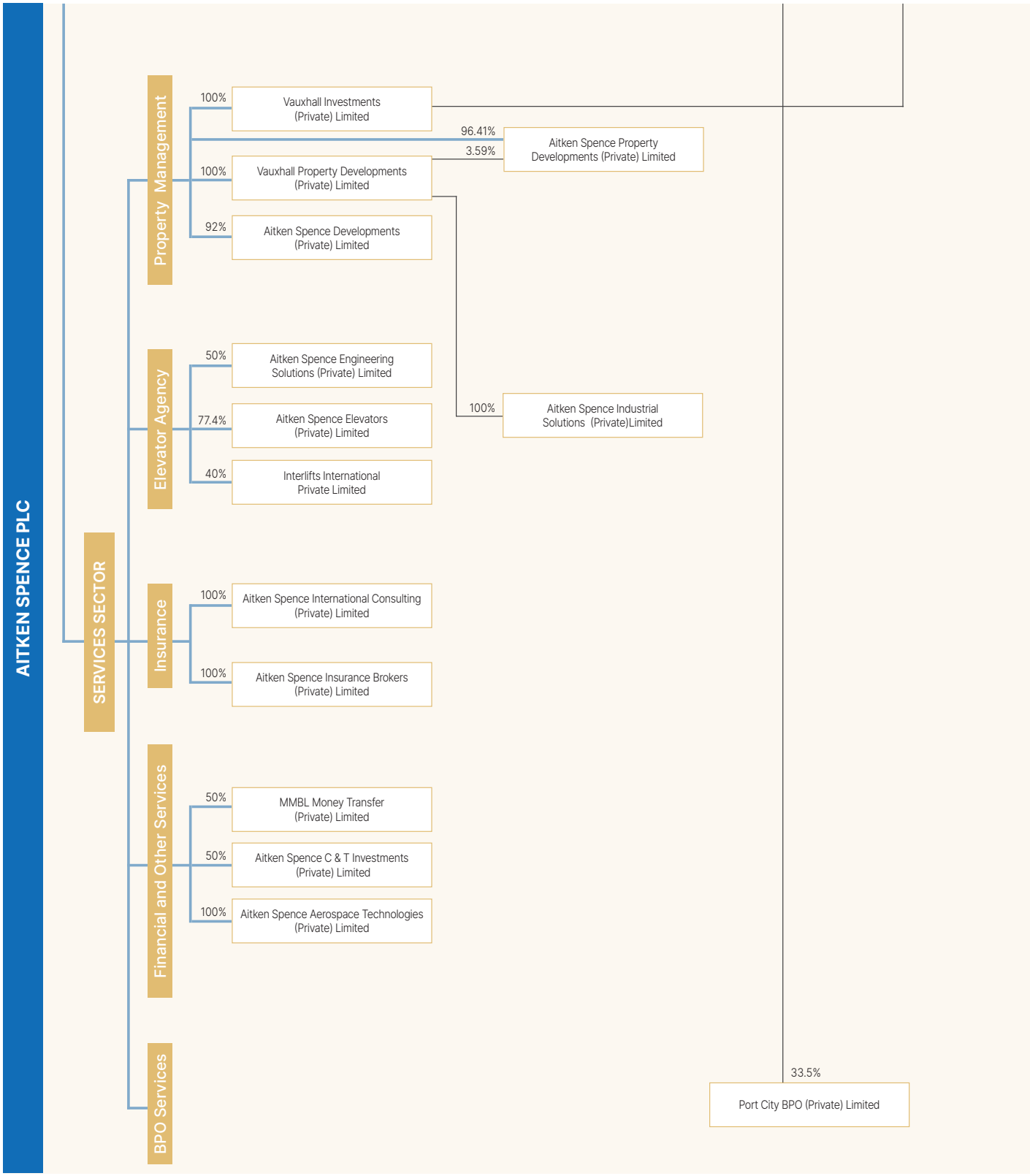
GROUP STRUCTURE



GROUP STRUCTURE



GROUP STRUCTURE



* *Companies under liquidation are excluded from the above Group structure.*

* *Percentages represent the investor's effective holding.*

OUR YEAR AT A GLANCE

TOURISM

HOTELS

Heritance Hotels and Resorts awarded Superbrands Sri Lanka Status 2025, marking a milestone in brand excellence.

DESTINATION MANAGEMENT

Aitken Spence Travels achieves prestigious GSTC certification, setting a new benchmark for sustainable tourism in Sri Lanka.

MARITIME & FREIGHT LOGISTICS

MARITIME & SHIPPING

Hapag-Lloyd Lanka (Pvt) Ltd celebrates its 20th anniversary in 2026.

FREIGHT FORWARDING & COURIER

In June 2025, Ace Cargo (Pvt) Ltd and Aitken Spence Cargo (Pvt) Ltd marked 45 years as Sri Lanka's pioneering international freight forwarder, while successfully sustaining **ISO 9001:2015 QMS** and **ISO 14001:2015 EMS** certifications continuing industry leadership with numerous awards and accolades across diverse fora.

OVERSEAS REPRESENTATION & COURIER

In August 2025, Ace Bangladesh laid the foundation stone for a state-of-the-art cold room and warehouse in Dhaka.

INTEGRATED CONTAINER SERVICES

The newly built 100,000 sq. ft. warehouse, aligned with the Green Warehouse concept and supported by electric Material Handling Equipment (e/MHEs), enhanced sustainable operations for globally renowned brands, while the sector was recognised with the Gold Award for Sustainability at the CILT Awards 2026, reflecting its commitment to accelerating green growth in logistics operations.

OUR YEAR AT A GLANCE

STRATEGIC INVESTMENTS

POWER GENERATION

Western Power Company (Pvt) Ltd, which owns and operates the 10 MW Waste-to-Energy power plant located in Kerawalapitiya marked its 5th anniversary of operations on December 11th, 2025. This milestone reflects the company's continued contribution to sustainable waste management having disposed more than 1,000,000 tonnes of waste within these 5 years.

PLANTATIONS

Value Vault Smart Shopping Card: Elpitiya Plantations PLC has introduced a smart shopping card, investing Rs. 595,000, in collaboration with Dunsinane Cooperative Society and eGreen Solutions Pvt Ltd (system setup and coordination), benefiting over 400 estate employees utilising the cooperative shop facility. The objective is to improve transaction transparency, strengthen financial management among employees, streamline attendance-linked credit allocation, and enhance administrative efficiency.

PRINTING & PACKAGING

The sector invested in process automation by commissioning a fully automated rigid box-making machine, replacing the previously used semi-automated operations, thereby enhancing efficiency, consistency and production capacity.

STRATEGIC INVESTMENTS

MONEY TRANSFER

Automation of sub-agent compliance audits and training initiatives.

INSURANCE

Played a key role in supporting insurers and corporates with cyclone loss inspections, facilitating efficient claims resolution and recovery.

ELEVATORS

Aitken Spence Elevators signs MoU with Rush Housing (Pvt) Ltd to supply OTIS Elevators for five upcoming projects.

OPERATING ENVIRONMENT

Headquartered in Sri Lanka, Aitken Spence PLC has evolved into a geographically diversified Group with operations extending from East Africa to the South Pacific. This international footprint is a defining feature of the Group's business model, with more than 45.4% of revenue derived from overseas markets.

As a consequence of global diversity of operations, the Group's activities are influenced by a multitude of variables such as geo-political developments, market behaviours and technological breakthroughs. The complex interplay of these global, regional and domestic factors bears a significant impact on performance.

During the year under review, Sri Lanka's gradual macroeconomic recovery, supported by improved fiscal discipline, easing inflation, and enhanced foreign exchange liquidity, contributed positively to domestic operations. The continuation of the IMF's Extended Fund Facility remained a key pillar underpinning the country's recovery trajectory.

However, the impact of Cyclone Ditwah resulted in a temporary economic setback, further compounded by persistent global uncertainties, including geopolitical tensions, inflationary pressures, and ongoing supply chain realignments. In addition, the escalation of hostilities in the Middle East towards the latter part of the financial year has introduced further challenges, which continue to affect the operating environment at the time of writing.

EXTERNAL DRIVERS SHAPING PERFORMANCE

The Group's performance is impacted by global growth trends, currency movements, inflation dynamics, and geopolitical developments, which collectively influence demand, cost structures, and capital allocation across sectors.

GLOBAL ECONOMIC ENVIRONMENT in 2025

Global Growth

Notwithstanding heightened trade tensions and persistent policy uncertainty, the global economy demonstrated greater resilience than anticipated in 2025, recording an estimated growth rate of 3.4%, broadly in line with that of the previous year. However, the escalation of hostilities in the Middle East towards the latter part of the financial year resulted in the future outlook becoming increasingly uncertain for the global economy.

Global Trade

Global trade remained robust with a significant expansion in technology-related exports offsetting slowing momentum in exports in other product categories. Meanwhile the shifting of global supply chains and trading relations continued amidst ongoing trade and geopolitical tensions. The emergence of new trade alliances was a noteworthy development during the period under consideration.

Global Tourism

International tourist arrivals rose by nearly 4% in 2025, reaching an estimated 1.52 billion almost 60 million more than in 2024, driven by stronger air connectivity, easing travel restrictions, and sustained demand across major source markets.

Oil Prices

In general, global crude oil prices remained on a downward trend throughout 2025, with intermittent volatility stemming from geopolitical conflicts. The heightened hostilities in the Middle East during the latter part of the financial year resulted in global oil prices increasing by a significant margin.

Global Inflation

Global inflation stabilised at 3.5% in the last quarter of 2025, down from 4.8% at the beginning of the year.

OPERATING ENVIRONMENT

SECTORAL SENSITIVITY TO KEY ECONOMIC DRIVERS

The Group's exposure to macroeconomic conditions varies across its business segments, reflecting differing levels of sensitivity to global and domestic economic drivers.

Sector /Segments	Sensitivity	Key Driver	Impact Type
Tourism	High	Global travel demand	Revenue, occupancy
Maritime & Freight Logistics	High	Global trade flows	Volumes, freight rates
Power Generation	Low	Domestic demand	Stable earnings
Plantations	High	Commodity pricing	Margins, yield
Printing & Packaging	High	Export & domestic demand	Volumes, pricing
Apparel	High	Export markets,	Volumes and Margins
Insurance	Medium	Economic activity	Premium growth
Elevator	Medium	Construction activity, urbanisation	Installation volumes and recurring service income
Money Transfer	High	Labour migration	Remittance inflows
BPO	Medium	Outsourcing demand	Revenue diversification

KEY INSIGHT

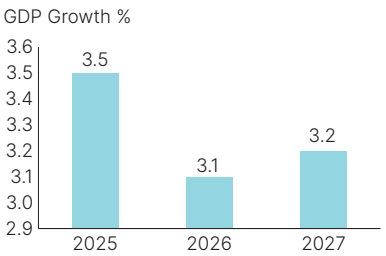
Despite heightened geopolitical tensions and policy uncertainty, the global economy demonstrated notable resilience. However, ongoing structural shifts in trade patterns and geopolitical developments, particularly the intensified of hostilities in the Middle East, have resulted in increasingly differentiated outcomes across sectors.

Asia and Pacific		Euro Region		Middle East		USA	
GDP Growth		GDP Growth		GDP Growth		GDP Growth	
2025	2024	2025	2024	2025	2024	2025	2024
4.4%	4.6%	1.2%	0.9%	3.5%	2.6%	2.0%	2.8%
Economies in the Asia-Pacific region remained resilient in 2025, posting stronger than expected economic growth amid external and domestic challenges.		The Euro Region economy in 2025 recorded a modest recovery, supported by resilient domestic demand, and easing inflation.		Economic performance in the Middle East and Central Asia showed resilience in 2025, despite elevated global uncertainty and continued regional geopolitical tensions.		The U.S. economy in 2025 experienced a sharp loss of momentum, with growth slowing dramatically in the final quarter as consumer spending and investment weakened.	

OUTLOOK

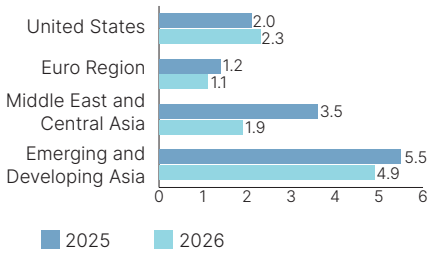
The global outlook remains highly dependent on the duration, intensity, and geographic spread of the conflict in the Middle East, factors that are inherently uncertain and difficult to predict. The unprecedented rise in energy prices is likely to have a serious negative impact on the global economic growth as rising costs of inputs have created a high inflationary environment across many regions.

Projected GDP Growth (IMF Projections)



Prolonged period of heightened tensions in the Middle East is expected to exert downward pressure on global growth in 2025 by amplifying uncertainty, disrupting trade flows, and increasing commodity market volatility.

Growth Outlook by Region



The slowdown in growth and increase in inflation is expected to be more pronounced in the conflict region and more vulnerable economies including commodity-importing emerging markets.

OPERATING ENVIRONMENT

Key External Risk Drivers and Opportunities

- The continuation of heightened geopolitical tensions in the Middle East could severely destabilise global energy markets, increasing the risk of a large-scale energy crisis.
- Political tensions can intersect with changes in trade and international policy, amplifying disruptions to global trade.
- An increase in global inflation may dampen aggregate demand with knock-on effects on global trade.

Geopolitical Developments

Potential Impact of Middle East Conflict on our Operation

TOURISM	High	Heightened travel uncertainty stemming from the Middle East crisis is expected to weigh on global tourism activity, as travellers become more cautious, airlines adjust routes, and fuel and insurance costs rise. These pressures could dampen sector prospects. However, destinations outside the conflict zone may benefit from a reallocation of travel flows, with travellers opting for alternative routes and lower risk holiday options, creating selective opportunities despite the broader headwinds.
MARITIME & FREIGHT LOGISTICS	High	The escalation of the Middle East crisis could significantly disrupt maritime operations by increasing route volatility, elevating security risks, and driving up freight and insurance costs across key global shipping lanes. However, opportunities also emerge for maritime hubs outside the conflict zone, as carriers reroute vessels through alternative corridors, potentially increasing trans-shipment volumes, strengthening demand for safe harbour services, and enhancing the strategic relevance of ports positioned along more stable trade routes.
STRATEGIC INVESTMENTS	Moderate to High	A possible global slowdown, due to the crisis in the Middle East, is likely to weigh on several segments in the Strategic Investment sector, including apparel, printing and packaging, and plantations. Heightened geopolitical tensions could disrupt key shipping routes, elevate freight and insurance costs, and lengthen lead times, pressuring export oriented segments such as apparel and packaging. Rising energy and commodity market volatility may also increase input costs and compress margins across manufacturing operations, while plantations could face softer demand and price fluctuations in global commodity markets.
SERVICES	Moderate to Low	Segments such as money transfer and insurance are likely to be impacted, as an escalation of the Middle East crisis could disrupt labour mobility, dampen economic activity in key migrant worker corridors, and increase volatility in remittance flows. For the insurance segment, heightened geopolitical risk may elevate claims exposure, raise reinsurance costs, and tighten underwriting conditions, particularly for marine and travel covers.

OPERATING ENVIRONMENT

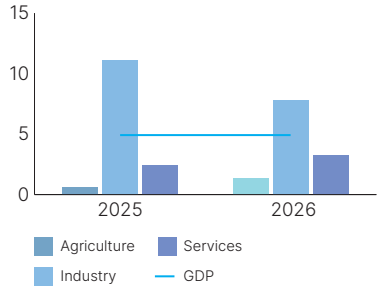
SRI LANKA ECONOMIC ENVIRONMENT IN 2025

Domestic macroeconomic conditions including trends in economic activity, inflation and exchange rate movement continued to shape the Group's cost structures, operational efficiency, and investment decisions during the year. The key developments influencing the operating environment are discussed below.

Economic Growth

Sectoral contribution to GDP Growth

Annual Real GDP Growth Rates %



Operating Industry Performance Highlights

- 6% increase in freight traffic through the Port of Colombo
- 15% YoY growth in tourist arrivals to 2.4 million tourists
- 23% yoy increase in remittances
- 5% growth in textiles and garments exports
- 11% growth in agriculture exports
- 7% growth in construction industry

Sri Lanka's economy grew by 5% in 2025, demonstrating a notable strengthening of macroeconomic stability and resilience amid elevated global uncertainties, domestic challenges, and the temporary setbacks arising from the Ditwah cyclone in November 2025.

Industry remained the dominant engine of growth, expanding by 7.8% in 2025 on top of the surge in 2024. Notably, both Agriculture and Services registered higher growth than in 2024, signalling a more broad-based improvement across all major sectors.

Impact to Aitken Spence

Improved economic activity supported positive momentum across several sectors, including increased activity in maritime and logistics, higher tourist arrivals, stronger performance in strategic investment segments such as printing and packaging and power generation, as well as improved demand conditions across parts of the services sector.

Inflation

Sri Lanka maintained a low inflation environment in 2025, with the National Consumer Price Index recording 2.9% year on year inflation in December 2025, following a period of deflation earlier in the year. The gradual rise in inflation toward year end reflected improving domestic demand conditions and the continued stabilisation of the macroeconomic environment.

Cost drivers during the year

- Electricity cost volatility due to several administrative price revisions.
- 29.8% increase in nominal wages of formal private sector employees
- Downward adjustments to fuel prices

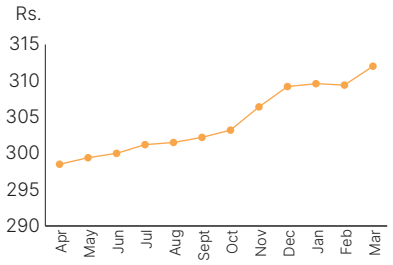
Impact to Aitken Spence

Operational cost pressures were influenced by a combination of electricity price volatility, higher labour costs, and easing fuel expenses during most of the financial year.

OPERATING ENVIRONMENT

Exchange Rates

Exchange Rate Movement



Following two years of sustained appreciation, the Sri Lankan Rupee depreciated 5.6% against the US dollar, resulting in depreciating against all major currencies signalling a shift in external sector dynamics.

The depreciation of the Rupee improved the local currency value of export earnings, particularly benefiting segments such as apparel and plantations, where dollar denominated revenues strengthened margins. However, segments with high import dependencies such as printing and packaging and apparel faced elevated raw material and freight costs, which diluted the net benefit of currency gains.

OUTLOOK

While the Sri Lankan economy has demonstrated resilience supported by strengthening macroeconomic fundamentals, the escalation of geopolitical tensions in the Middle East poses emerging risks, particularly if the conflict extends over a prolonged period. The disruption to energy markets and the consequent increases in oil and gas prices will have a negative impact on the country's economy. Additionally, the conflict will have a an adverse impact on the tourism industry, export and domestic agriculture industry, and the remittance inflows to the country.

POTENTIAL IMPACTS ON THE SRI LANKAN ECONOMY

- Reliance on Gulf sourced energy heightens the risk of increased import costs, a larger fuel bill, a wider trade deficit.
- Risk of fertiliser price spikes and supply interruptions, posing challenges for Sri Lanka's agricultural sector.
- Disruption to Gulf labour markets, reducing remittance inflows from the region.
- A slowdown in Middle Eastern demand and broader global economic weakness amid geopolitical uncertainty pose downside risks to Sri Lanka's export performance.
- With over 30% of arrivals routed through Middle Eastern airlines, regional airspace constraints or risk perceptions could disrupt transit flows and impact total tourist arrivals.
- Greater global uncertainty risks weakening FDI and portfolio inflows.

Short Term Macro-Economic Impact

Rising inflationary pressures	Increased exchange rate volatility	Increased pressure on the balance of payments.

ON POINT:

NAVIGATING LEADERSHIP WITH CONFIDENCE

With a sound operational structure that executes processes seamlessly, our leaders guide with insight while sustaining our momentum at Aitken Spence PLC.

2

EXECUTIVE REVIEW

40 | Chairperson's Message

CHAIRPERSON'S MESSAGE *(GRI 2-22)*

"OUR GREATEST STRENGTH LIES NOT IN THE DIVERSITY OF OUR BUSINESSES, BUT IN THE CHARACTER, COMMITMENT, AND INGENUITY OF OUR PEOPLE. THEIR RESILIENCE IN THE FACE OF COMPLEXITY AND UNWAVERING PURSUIT OF EXCELLENCE CONTINUE TO SHAPE OUR ENDURING SUCCESS, TRANSFORMING AMBITION INTO ACHIEVEMENT."

My Dear Stakeholders,

The year under review reinforced our confidence in the enduring strength of the Group, while deepening our appreciation for the dedication, resilience, and collective commitment of our people and stakeholders. While uncertainty continued to shape the operating environment, there was also a renewed sense of momentum and possibility, rewarding our conviction that resilience, discipline, and sound financial stewardship, remain the foundations upon which enduring businesses are built.

Of course, companies globally continued to operate amidst elevated uncertainty as trade dynamics evolved and the pace of global economic recovery remained uneven. Inflationary pressures, interest rate volatility, and shifting policy priorities defined much of the macroeconomic landscape. Towards the latter part of the financial year, escalating tensions in the Middle East amplified geopolitical risk and had an immediate and material impact on the Group's Tourism and Maritime & Freight Logistics sectors, underscoring the interconnected nature of today's operating environment.

Yet, Sri Lanka's economic trajectory during the financial year under review demonstrated encouraging signs of stabilisation, notwithstanding the adverse impact of Cyclone Ditwah. Easing policy rates, relative exchange rate stability, and improving macroeconomic conditions contributed to a gradual restoration of confidence across the economy. While structural challenges remain, the country has continued to exhibit measured signs of recovery, fostering a more conducive environment for investment, business activity, and long-term economic renewal.

For Aitken Spence, this period was not simply one of navigating volatility, but of strengthening our position, sharpening our strategic focus, and continuing to build an organisation capable of sustaining growth and creating value through changing cycles.

By remaining firmly focused on disciplined execution and long-term value creation, the Group recorded a profit before tax of Rs. 12.8 Bn during the year, reflecting the strength of our diversified portfolio, the adaptability of our businesses, and the steadfast commitment of our teams across sectors and markets. Today, Aitken Spence stands as a more focused, strategically aligned, and future-ready Group, well-positioned to capitalise on emerging opportunities and sustain value creation in an increasingly dynamic global landscape.

It is therefore with a sense of confidence and pride that I present the Integrated Annual Report and Audited Financial Statements of Aitken Spence PLC for the financial year ended 31st March 2026.

ON COURSE THROUGH COMPLEXITY

The Group delivered a resilient financial performance for the year ended 31st March 2026, recording a consolidated revenue of Rs. 96.6 Bn, reflecting a measured year-on-year increase of 1.6%. While global operating conditions remained fluid and at times unpredictable, this performance reflected improved operational stability, disciplined execution, and the continued adaptability of our businesses across sectors and geographies.

Group profit before tax grew by 18.3% to Rs. 12.8 Bn, supported by lower interest rates and decisive measures undertaken to strengthen the Group's funding profile through the restructuring and settlement of borrowings during the year. These actions contributed to a 22.2% reduction in net finance expenses and further reinforced the strength of the Group's balance sheet.

CHAIRPERSON'S MESSAGE

The value of the Group's diversified portfolio was clearly evident during the year, with overseas operations contributing 61.4% of total profits. Our carefully cultivated international presence continues to strengthen earnings resilience, mitigate concentration risk, and facilitate multiple avenues for growth across markets and sectors. Group operating profit remained robust at Rs. 14.8 Bn and, notwithstanding the impact of losses in the apparel segment in the Strategic Investments sector, the underlying momentum of the Group remained encouraging, supported by positive contributions from the core operating segments.

Other operating income increased to Rs. 1.1 Bn during the year, driven primarily by a foreign exchange gain of Rs. 1.0 Bn, compared with an exchange loss of Rs. 502.7 Mn reported the previous financial year. Profit after tax increased by 26.9% to Rs. 9.1 Bn, while profit attributable to equity holders rose by approximately 27.5% to Rs. 6.8 Bn, supported by a more favourable earnings composition across jurisdictions. Reflecting the continued strengthening of the Group's financial position, Net Asset Value per Share improved from Rs. 190.23 to Rs. 218.90, while return on equity strengthened to 8.2%.

SECTORAL PERFORMANCE

TOURISM

The Tourism sector delivered its strongest performance to date, recording profit before tax of Rs. 7.9 Bn, reflecting a significant increase of 31.6% over the previous year. The sector remained the single largest contributor to Group profitability, underscoring the continued recovery of the global tourism industry and the strength of Aitken Spence's diversified tourism portfolio across its key operating markets.

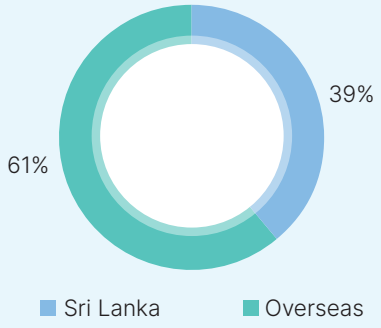
This resilience and responsiveness of the sector were particularly evident following the impact of Cyclone Ditwah on Sri Lanka during the peak tourist season, in November 2025. Despite the scale of disruption experienced nationally, the Group's travel and hotels businesses acted swiftly to restore operational continuity, while ensuring the safety, well-being, and support of both our guests and employees. The speed and coordination of this response reflected the operational agility, preparedness, and commitment that continue to define the Group's approach to service excellence.

The Hotels segment recorded strong performance during the year, supported by disciplined operational execution, and prudent cost optimisation, which resulted in positive contributions from Sri Lanka, the Maldives, and India. Properties in Sri Lanka and the Maldives recorded strong occupancy levels, while sustained investments in product enhancement, guest experience, and service quality translated into stronger operational returns and enhanced competitiveness across the portfolio.

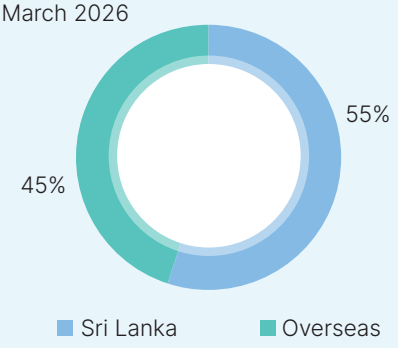
The Destination Management segment also delivered a robust performance, benefiting from the broader recovery in global travel and increased inbound tourism to Sri Lanka. Higher passenger volumes, improved destination confidence, and a growing demand for experiential and premium travel offerings supported growth in both revenue and profitability. In parallel, Airline GSA operations contributed positively to the sector's performance, reinforcing Aitken Spence's strong and integrated presence across the tourism value chain.

Looking ahead, the sector is well-positioned to capitalise on growing demand within high-yield segments and seize opportunities in emerging markets across South Asia and Southeast Asia. Nevertheless, geopolitical developments, climate-related disruptions, and evolving competitive dynamics are expected to continue influencing the operating landscape in the near term. Against this backdrop, the sector remains focused on value-led growth, strategic market realignment, accelerated digitalisation, and the continued integration of sustainability-driven practices, ensuring the resilience and adaptability required to meet evolving traveller expectations and sustain long-term growth.

Geographical Analysis of Profit before Tax



Geographical Analysis of Total Assets
as at 31st March 2026



CHAIRPERSON'S MESSAGE

MARITIME AND FREIGHT LOGISTICS

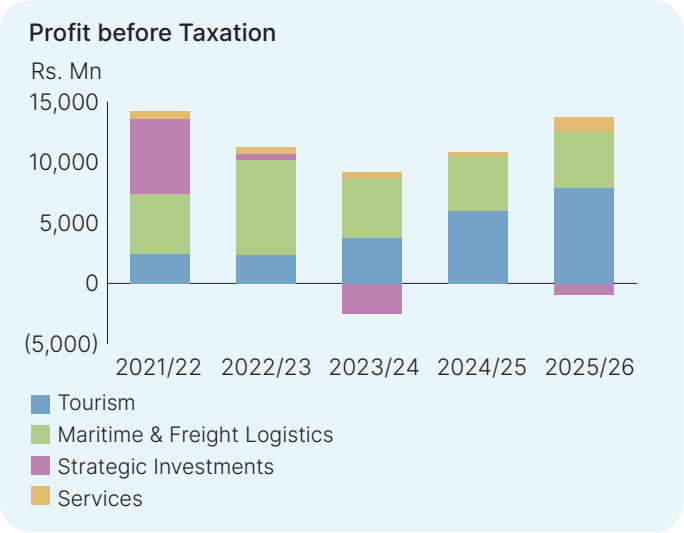
The Maritime and Freight Logistics sector maintained its strong growth trajectory, delivering another year of resilient and consistent performance with a profit before tax of Rs. 4.7 Bn. This performance was driven primarily by the sustained strength of the maritime and port-related businesses, reflecting the sector's operational resilience, strategic positioning, and ability to adapt within an increasingly dynamic global trade environment.

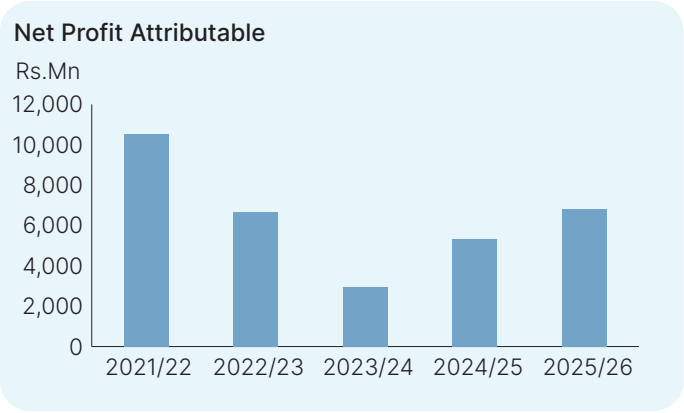
Port operations recorded healthy growth in both revenue and earnings, supported by increased operational activity. Critically, these operations remained largely insulated from the geopolitical disruptions that emerged in March 2026, underscoring the strength and stability of the Group's port-related operations. The agency segment also recorded steady growth, although its performance was moderately affected by the evolving situation in the Middle East and the resulting volatility across regional shipping and trade networks. Meanwhile, the bunkering and maritime education segments continued to contribute positively to overall sector performance.

During the year, the Group's freight operations were impacted by the exit of the DB Schenker agency, following its acquisition by DSV A/S, and the resulting global realignment of global freight forwarding networks and partnership structures. While this development resulted in a reduction in attributable freight volumes, the Group responded proactively by securing new strategic alliances with other global freight forwarding networks, thereby mitigating the impact and reinforcing the resilience and continuity of its freight operations.

The airline GSA business, which manages the Qatar Air Cargo GSA operations, recorded a comparatively subdued revenue performance during the year, primarily owing to lower freight rates and a marginal decline in cargo volumes handled. The Integrated Logistics segment, encompassing the Group's container and transport operations, recorded stable revenue levels, year-on-year. Encouragingly, the newly commissioned warehouse complex demonstrated positive momentum in its initial period of operation, although these gains were partially offset by softer performances within the transport and distribution segments.

Given Colombo's strategic position as a leading transshipment hub, the outlook for the Maritime and Freight Logistics sector remains positive, supported by steady growth in regional trade flows and increasing demand for specialised, integrated, and asset-backed logistics services. Nevertheless, geopolitical uncertainty, regulatory complexity, and cost volatility are expected to continue shaping the near-term operating environment. In response, the sector remains focused on strengthening earnings quality and reinforcing structural resilience through enhanced operational efficiency. Equally important are the expansion of value-added and asset-backed services, and sustained investment in digitalisation, automation, and energy-efficient infrastructures. Concurrently, the strategic evolution of cargo and agency-based activities towards specialised logistics, integrated solutions, and advanced cold chain capabilities is expected to diversify revenue streams and mitigate exposure to cyclical market volatility and principal-dependent business models.





SERVICES

The Services sector recorded a notable improvement in performance during the year under review, with profit before tax increasing by 276.5% to Rs. 1.2 Bn. This strong growth reflects the increasing maturity, scalability, and operational depth of the businesses cultivated within the sector over time, as well as the benefits of continued investments, strategic refinement, and expanding market relevance across key service verticals.

The BPO services segment delivered significant growth during the year, supported by operational expansion, improved scale efficiencies, and the continued growth of its client base. In a strategic development, the Group diluted its shareholding in Port City BPO (Pvt) Ltd from 50% to 33.5%, facilitating the entry of a strategic shareholder whose expertise, international networks, and market access are expected to support and accelerate the next phase of the business.

The elevator agency segment also recorded an improved performance, benefiting from improved project volumes and strengthening demand, while the property management segment continued to deliver a stable and consistent contribution.

CHAIRPERSON'S MESSAGE

Within the sector, however, performance remained mixed. The insurance segment reported a marginal decline in profitability, while the money transfer segment recorded a loss for the year, reflecting continued challenges within the operating environment and evolving market dynamics.

Looking ahead, the Services sector is expected to demonstrate a gradual improvement in performance, supported by sustained momentum within growth-orientated businesses and the impact of corrective and strategic initiatives undertaken across key segments. While macroeconomic uncertainty, evolving customer preferences, and intensifying competition may continue to moderate the pace of recovery, the sector remains underpinned by resilient underlying demand and expanding long-term opportunities. Accordingly, continued focus will be placed on digitalisation, capacity enhancement, operational optimisation, and portfolio refinement designed to strengthen competitiveness and support sustainable growth across the sector.

STRATEGIC INVESTMENT

The Strategic Investments sector recorded a loss before tax of Rs. 0.94 Bn during the year under review, driven principally by the performance of the apparel manufacturing segment. Lower revenue, elevated operating and finance costs, and weaker operational efficiencies contributed to a significant loss within the segment, reflecting the continued challenges faced by the apparel industry amidst subdued demand conditions, shifting tariffs, and ongoing cost pressures.

Against this backdrop, the other businesses within the sector demonstrated varied performance trends. The printing and packaging segment delivered an exceptional performance during the year, supported by increased volumes, improved pricing dynamics, strong operational execution, and disciplined cost management. The segment's continued emphasis on quality, innovation, and value-added solutions further strengthened its competitiveness across international markets.

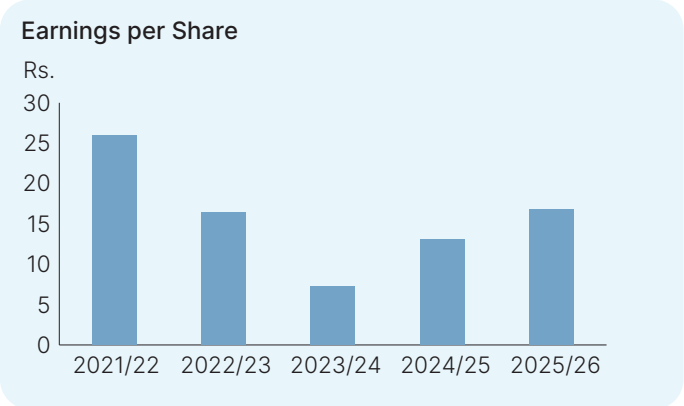
The power generation segment recorded a reduction in profitability during the year, reflecting daytime curtailments on solar operations, limited disruptions to certain hydro plants caused by Cyclone Ditwah, and a high comparative base created by a one-off provision write-back recognised in the previous financial year. Nevertheless, the underlying fundamentals of the business remain sound, supported by the growing long-term importance of renewable energy within regional energy transitions.

The plantations segment continued to operate within a challenging environment, characterised by rising cost pressures and broader structural constraints across the industry. Despite these conditions, the segment delivered a commendable performance, supported by sound operational management, healthy crop production, and favourable market conditions for key crops. The resilience demonstrated by the segment reflects the strength of its operational foundations and continued focus on productivity and sustainability-led practices.

> **"THE GROUP RECORDED A PROFIT BEFORE TAX OF RS. 12.8 BN DURING THE YEAR, REFLECTING THE STRENGTH OF OUR DIVERSIFIED PORTFOLIO, THE ADAPTABILITY OF OUR BUSINESSES, AND THE STEADFAST COMMITMENT OF OUR TEAMS ACROSS SECTORS AND MARKETS."**

While near-term operating conditions across the sector are expected to remain influenced by funding constraints, input cost pressures, climate-related risks, and evolving geopolitical and trade dynamics, the longer-term outlook for several businesses within the portfolio remain promising. Emerging opportunities in renewable energy and low-carbon technologies, sustainable and diversified packaging solutions, higher-value agricultural products, and regenerative tourism continue to reshape the sector's future direction. In response, the Group is strategically realigning the sector's focus towards niche, export-oriented, and sustainability-driven opportunities that are expected to strengthen competitiveness, enhance long-term profitability, and support the evolution of a more resilient and future-ready investment portfolio.

VALUE TO SHAREHOLDERS



The Company's continued focus on disciplined growth, prudent capital management, and long-term value creation translated into a significant strengthening of shareholder return indicators during the year under review. Earnings per Share (EPS) increased by 27.5% to Rs. 16.74, compared with Rs. 13.13 in the previous year, reflecting the combined effects of improved operational performance, strategic execution across core business segments, and a stronger overall earnings profile.

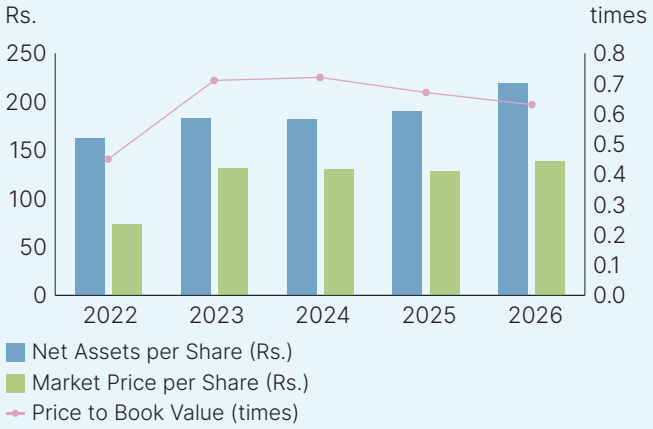
CHAIRPERSON'S MESSAGE

Net Asset Value Per Share (NAPS) increased by 15.1% to Rs. 218.90, highlighting the continued strengthening of the Company's underlying asset base, financial position, and long-term resilience. Return on Equity (ROE) also improved to 8.2%, reflecting the effectiveness of the Company's disciplined approach to capital allocation and its ongoing commitment to generating sustainable and enhanced returns for shareholders.

Investor confidence in the Company's long-term prospects remained encouraging during the year, as evidenced by an 8.8% appreciation in the share price as of March 2026, which complemented a Total Shareholder Return (TSR) of 11.9% for the year. In line with the Company's longstanding philosophy of delivering consistent and tangible shareholder value, the Board has recommended a dividend of Rs. 4.00 per share.

Net Assets Per Share, Market Value Per Share & Price to Book Value

as at 31st March



GOVERNANCE AS A SOURCE OF STRENGTH

At Aitken Spence, governance is regarded not merely as a framework for compliance, but as a fundamental enabler of long-term value creation, institutional resilience, and sustainable growth. The strength and stability of the Group are underpinned by robust governance structures, disciplined risk management practices, and a measured approach to capital allocation. The Group remains fully compliant with the requirements of the Colombo Stock Exchange, while our Board of Directors continues to ensure strong stewardship through its depth of experience, diversity of perspectives, and collective strategic insight.

Recognising the increasing scale and complexity of both the Group's operations and the broader external environment, we undertook important steps during the year to further strengthen our leadership framework. The expansion of both the Group Supervisory Board and the Management Council reflects a deliberate effort to deepen institutional capability, enhance strategic oversight, and ensure that the Group remains well positioned to respond with agility and clarity to emerging opportunities and evolving challenges alike. Importantly, the newly appointed members bring a wealth of diverse sectoral expertise, complemented by invaluable operational perspectives drawn from across the Group's businesses. Their collective experience critically enriches deliberations, strengthens decision-making, and reinforces our ability to translate strategic vision into sustained execution and long-term value creation.

The year under review also marked a significant milestone in the Group's sustainability journey. Aitken Spence aligned its disclosures with SLFRS S1 and SLFRS S2, based on the newly implemented global baseline standards for sustainability-related financial reporting. This transition represents an important advancement in strengthening the integration of the Group's business strategy, risk management priorities, ESG commitments, and capital allocation. More importantly, it enhances the quality, transparency, and relevance of our disclosures, providing investors and stakeholders with a clearer and more in-depth understanding of the Group's long-term-direction, sustainability priorities, and value creation approach.

A JOURNEY OF TRANSFORMATION

Recognising the evolving interplay of geopolitical dynamics and the increasing complexity of the global operating environment, the Group was proactive in strengthening supply chain resilience through prudent planning, strategic foresight, and disciplined risk management. Key emphasis was placed on diversifying our supplier base to enhance operational continuity, reduce concentration risk, and ensure greater agility in navigating market disruptions and shifting economic conditions.

Ongoing engagement with our partners to encourage alignment with ESG best practices, reinforced the Group's commitment to responsible and sustainable value creation across the supply chain. These concerted priorities have enabled the Group to navigate uncertainty with confidence, while accelerating the development of a more resilient, sustainable, and future-ready business ecosystem.

Building on this foundation, the year underscored the need to further strengthen our strategic direction. We advanced our focus on driving cultural transformation, exploring opportunities in developing new business streams beyond Sri Lanka and accelerate digital initiatives, including the adoption of AI across our diverse businesses.

ENGAGING OUR STAKEHOLDERS

At Aitken Spence, meaningful stakeholder engagement has long been regarded as a cornerstone of sustainable value creation and a defining feature of the Group's operating philosophy. The Group has cultivated enduring relationships, founded on mutual trust, consistency, and shared values with leading global principals, such as TUI, Hapag Lloyd, Singapore Airlines, and Lloyd's of London. These longstanding partnerships reflect the confidence placed in the Group's governance standards, operational capabilities, and sustained commitment to responsible business practices.

CHAIRPERSON'S MESSAGE

Across the diverse markets and industries in which we operate, consistency of service, operational reliability, and the integrity of our conduct remain fundamental to sustaining customer trust, enabling us to transcend markets and sectors. Equally vital is our connection to the communities in which we operate. In the aftermath of Cyclone Ditwah, the Group extended its support to affected communities across Sri Lanka, reaffirming our belief that meaningful progress must be accompanied by a positive and lasting social impact, wherever we operate.

With a presence spanning multiple countries, the Group remains fully committed to maintaining the highest standards of compliance, governance, and ethical practices across all areas of operation. We continue to engage constructively with regulators and policymakers, collaborate with governments to strengthen institutional frameworks, and actively contribute to the economies in which we operate through employment, local procurement, skills development, and the payment of taxes.

The Group also continues to prioritise engagement with local suppliers and enterprises, recognising their critical role in fostering resilient, ethical, and inclusive value chains. Beyond supporting local economic participation and community development, this approach strengthens supply chain responsiveness, enhances accountability, and contributes to the long-term sustainability and resilience of the Group's operations across sectors and geographies.

OUR LEGACY OF SUSTAINABILITY

Sustainability at Aitken Spence has been a Board-level commitment for over two decades, not as a compliance exercise, but as a deliberate, organisation-wide discipline that has shaped how we think, invest, and operate. This long-standing foundation has enabled early action, strengthened governance, and allowed us to adapt ahead of evolving investor and regulatory expectations, rather than in response to them.

Guided by our integrated sustainability policy and the Spence IMPACT strategy, ESG priorities are embedded within the core of our business strategy, serving as a lens through which strategic, capital, and operational decisions are made. This is not a parallel workstream; it is how we run the business.

The result is a Group that is more resilient, more responsive, and better positioned to navigate regulatory, market, climate, and geopolitical developments as they arise, and one that continues to deepen the confidence of our stakeholders in our long-term direction.

In our sustainability journey, this year marked a significant milestone as we became the first diversified holdings company in Sri Lanka to have our emission reduction targets validated by the Science Based Targets initiative (SBTi). For a Group operating across 17 industries and multiple geographies, this achievement reflects both the scale and complexity of our footprint. The validation reinforces the discipline and rigour underpinning our approach to climate action, and affirms that our commitments are not only credible, but aligned with globally recognised pathways and grounded in measurable outcomes.

The Group's commitments to the United Nations Global Compact, the Women's Empowerment Principles, and the Science Based Targets initiative reflect more than reporting obligations; they are guiding principles integrated into the way we conduct day-to-day business.

Years of proactive investment in disaster risk reduction, impact mitigation, and climate-related risk management in turn has granted us tangible returns. This foundation enabled a smooth adoption of SLFRS S1 and S2, while supporting early alignment with emerging frameworks, including the EU Deforestation Regulation and net-zero-aligned supply chain expectations. Moreover, our continued engagement with the GRI community ensures that the information we present to stakeholders is not only compliant, but impact driven. Through the circular economy infrastructure in the Western Province and our renewable energy portfolio, we have contributed effectively to Sri Lanka's sustainable development and its growth ambitions.

STRENGTH IN DIVERSITY

Our people remain a defining strength across our diversified interests; a key source of our success lies in the unique advantage created by teams that bring together multiple generations, perspectives and experiences. In a business environment where change is constant, it is this depth of talent and diversity of thought that continues to set Aitken Spence apart.

In a global environment increasingly shaped by technological disruption, evolving employee expectations, and the race for future-ready talent, the Group has taken deliberate steps to strengthen our Spensonian talent pool. A Group-wide Culture Survey provided meaningful insight into the organisational pulse, informing targeted interventions to elevate employee experience. This was complemented by the introduction of an Employee Assistance Programme (EAP) that reflects our broader commitment to a multidimensional well-being.

Leadership development remains a strategic priority, supported by structured succession planning and the next chapter of our Management Trainee Programme – Elevate 2.0. To build teams that are prepared for an AI-driven future, we have embedded innovation and digital literacy into our talent development agenda through targeted programmes. Our adoption of AI-powered recruitment platforms further signals the Group's intent to attract, identify, and retain talent at the pace and precision that a competitive global landscape demands.

The Group is engaged on a broader journey of cultural transformation, centred on redefining the "Spensonian DNA" to build an organisation that is resilient, adaptive, purpose-driven, and future ready. Employee experience is a strategic priority, and we continue to place significant emphasis on meaningful engagement, well-being, leadership development, and creating a workplace culture that fosters commitment, loyalty, and shared purpose across the Group.

CHAIRPERSON'S MESSAGE

LOOKING AHEAD WITH MEASURED CONFIDENCE

The global operating environment remains uncertain, with ongoing geopolitical instability, particularly in the Middle East, continuing to affect trade, travel, energy markets, and supply chains. These conditions, taken in conjunction with rising fuel prices and evolving trade dynamics, are set to create further volatility across several of our core sectors in the financial year 2026/2027.

Climate-related challenges are also becoming increasingly pronounced, both in Sri Lanka and globally, reinforcing the importance of resilience, adaption, and long-term sustainable planning across businesses and infrastructures. A central pillar of the Group's adaptive forward strategy is therefore the deliberate diversification of revenue streams, both within existing sectors and across new areas of opportunity. This strategic approach is intended to reduce concentration risk arising from reliance on individual markets, commodities, customers, or regulatory environments, while cultivating a more balanced and resilient portfolio comprising established cash-generating businesses alongside scalable, emerging growth platforms.

Across the region, the Group continued to pursue opportunities aligned with long-term structural demand trends and its broader strategic direction. In Bangladesh, together with our long-standing partners Bengal Airlift, we commenced the development of a state-of-the-art cold storage facility to address the growing demand for temperature-controlled logistics. Meanwhile, in Myanmar, the Group secured General Sales Agent appointments for Gulf Air and Thai AirAsia, further strengthening our regional aviation presence.

The Group is actively reshaping and strengthening our portfolio with discipline and strategic clarity, reviewing businesses that are no longer aligned with the Group's long-term direction. We are well-positioned to support future investments and expansion initiatives, supported by prudently accumulated reserves, moderate debt levels across most sectors, and strong capital access to both local and international institutions and markets where required. This financial flexibility continues to provide the Group with the capacity to pursue strategic opportunities while maintaining a balanced and disciplined approach to risk and capital management.

APPRECIATION

This year marked the passing of Mr. Rajan Asirwatham, whose wisdom, dedication, and counsel played an instrumental role in shaping the Group's governance framework and guided the deliberations of the Board over many years. His integrity, insight, and many contributions to the Group will be remembered with deep respect and gratitude.

I would also like to take this opportunity to express my sincere appreciation to Dr. Parakrama Dissanayake for his distinguished service as Deputy Chairman & Managing Director over the past seven years. His foresight, entrepreneurial spirit, and unwavering commitment to Aitken Spence have left an enduring legacy that will continue to shape the Group's direction and future trajectory for years to come.

On behalf of the Board, I extend my sincere gratitude to our shareholders for their continued trust and confidence in our vision. I am also profoundly grateful to my fellow Board members for their guidance and steadfast stewardship, and to our partners, and principals for the trust they continue to place in us. My thanks must also go to the regulators and government officials whose diligence enables and protects our operating environments. Their collective contributions remain integral to sustaining an operating environment that enables responsible enterprise, investment, and long-term growth.

Above all, I wish to acknowledge our extraordinary Spensonians, whose dedication, resilience, and professionalism remain fundamental to all that we have achieved and to all that we aspire to become. Their passion and commitment continue to define the character and strength of Aitken Spence across every sector and geography in which we operate.

As we look ahead, we do so with clarity of purpose and a deep confidence in the future of the Group. Our commitment to responsible stewardship, disciplined execution, and the creation of sustainable long-term value for all stakeholders remains unwavering. Guided by our enduring values, strengthened by the trust of our stakeholders, and inspired by the dedication of our remarkable people, we remain resolute in our pursuit of enduring value creation and meaningful progress for generations to come.

Ms. D.S.T Jayawardena
Executive Chairman/Chairperson and
Interim Managing Director

05th June 2026

ON COURSE:

NAVIGATING STRATEGY WITH CONFIDENCE

At Aitken Spence PLC, our strategy unfolds through prioritisation, and strengthens through coordination; we plan and execute with purpose, and growth follows.

3

PURPOSE DRIVEN STRATEGY

48 | Stakeholder Engagement
53 | Determining Materiality
57 | Our Strategy
62 | Our Value Creation Model
65 | The Spence Impact : Our sustainability vision in a nut shell

STAKEHOLDER ENGAGEMENT *(GRI 2-29)*

OUR APPROACH

At Aitken Spence PLC, stakeholder engagement is integral to how the Group creates long term value across its diversified portfolio. The Group places its five capital contributors at the centre of its stakeholder ecosystem, recognising that their perspectives and expectations directly inform strategic direction and capital allocation decisions across the short, medium and long term. The value creation model is therefore structured around material matters identified through continuous engagement and translated into clear strategic priorities and objectives across the business.

Stakeholder engagement is embedded within the Group's established sustainability framework, developed and refined over nearly two decades and continually evolving in response to local and international market dynamics. Through this approach, stakeholder perspectives are systematically identified, assessed and integrated into strategic planning and decision making, strengthening trust, risk management and sustainable value creation.

PRIORITISE STAKEHOLDERS:

Focus engagement efforts based on stakeholders' influence on value creation, impact on operations, proximity to the business, urgency of concerns and subject matter expertise.

MAINTAIN BENCHMARKS:

Constructive and proactive engagement
Adopt a constructive and proactive approach to stakeholder engagement, actively listening with a receptive and open mindset to identify stakeholder needs, emerging priorities and potential risks that support informed decision making.

Identify and address valid stakeholder concerns
Ensure accountability and transparency by assessing stakeholder concerns in a structured manner and responding to material and valid issues through appropriate management actions.

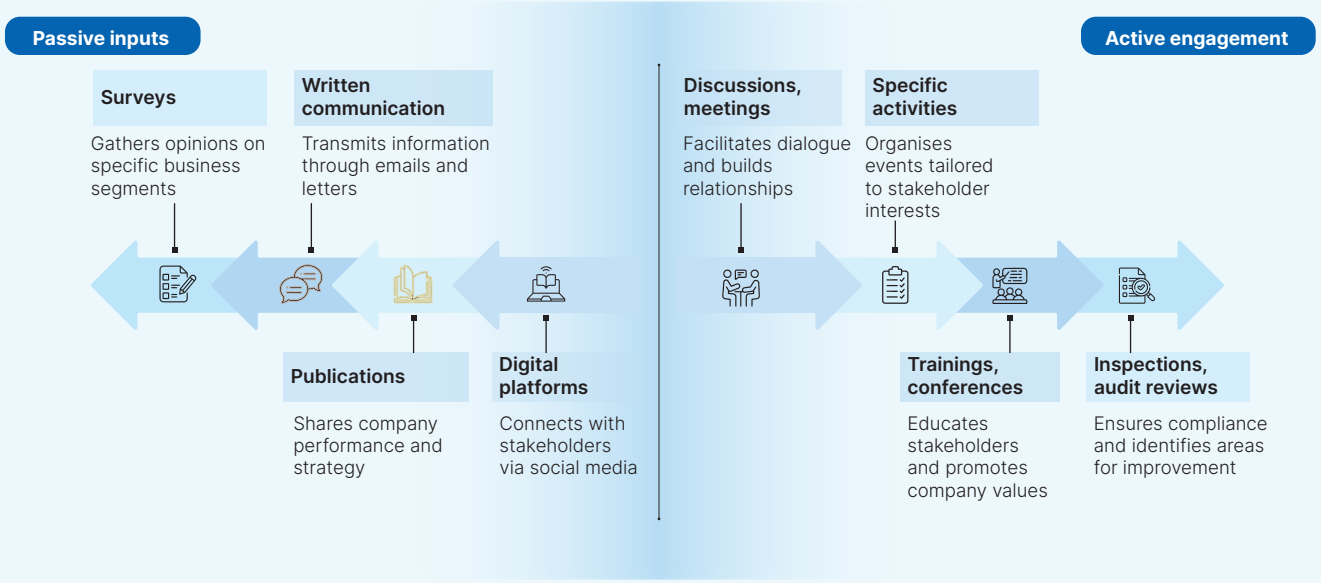
Transparency in engagement
Maintain open, consistent and transparent engagement with stakeholders through appropriate and accessible communication channels. Transparency is a core element of the Group's value creation model, enabling the timely identification and clear articulation of material concerns, risks and opportunities, and ensuring these are effectively considered in strategic, sustainability and capital allocation decisions.

By applying this disciplined approach, the Group ensures that stakeholder inputs remain balanced, relevant and credible, particularly where issues have significant economic, environmental or social implications. Appropriate emphasis is placed on stakeholders most affected by the Group's operations, while informed and evidence based inputs are relied upon when addressing more complex or specialised matters. This supports reasoned decision making and constructive dialogue, avoiding reactive or fragmented responses.

STAKEHOLDER ENGAGEMENT

How we engage and integrate feedback

The Group adopts multiple engagement channels to ensure accessibility, inclusiveness, and responsiveness across diverse stakeholder groups.



Stakeholder insights are systematically analysed for trends, risks, and opportunities, and are integrated into:

- Strategic planning and sustainability priorities
- Risk management processes
- Policy development and operational improvements

Stakeholder inputs form a defined component of the Group's materiality assessment process, with critical concerns, particularly those raised by regulators or high-impact stakeholders, being prioritised for immediate attention.

GOVERNANCE, TRANSPARENCY AND PUBLIC POLICY ENGAGEMENT

(GRI 207-3)

Stakeholder engagement is supported by established governance structures, with oversight from senior management and the Board where relevant. The Group maintains transparency through externally assured regular financial and sustainability disclosures, ensuring stakeholders are informed of the Group's performance, material impacts, strategic priorities and progress against its commitments.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement strategy for shared value and sustainable outcomes *(GRI 207-3)*

FINANCIAL PERFORMANCE

(Investors, shareholders, financial institutions & banks)

STRATEGY:
TRANSPARENCY AND ACCOUNTABILITY

Primary engagement channels:

AGMs.

Extraordinary General Meetings.

Quarterly financial statements and reports.

Reviews on requirement.

MATERIAL CONCERN:
SUSTAINABILITY OF RETURNS

Focus on sustainable financial performance, stable returns, prudent interest rate management, and alignment with global ESG and governance expectations.

OUTCOME:
DISCIPLINED CAPITAL MANAGEMENT

Enhanced investor confidence and sustained access to competitive funding, strengthening the Group's attractiveness to lenders and supporting long term financial resilience and value creation.

KPIs:

Return on Capital Employed (ROCE): **14.5%**

Total Shareholder Return (TSR): **11.9%**

Dividend payout ratio: **23.9%**

WORKPLACE

(Employees)

STRATEGY:
TALENT RETENTION AND WELL-BEING

Primary engagement channels:

Daily interactions through Group HR.

HR Partners and the Management.

Targeted activities and surveys.

Performance evaluations.

MATERIAL CONCERN:
SECURITY AND PROGRESSION

Seek fair and competitive remuneration structures, job security, work life balance and clear opportunities for career progression and skill development.

OUTCOME:
FUTURE-READY WORKFORCE

A stable, skilled and engaged workforce underpins operational continuity, productivity and leadership depth, mitigating people, related risks and enabling the Group to execute strategy and deliver long term socioeconomic value.

KPIs:

Turnover rate: **38.8%**

Average training hours per employee (executive and non-executive): **16** hours

Female representation: **37%**

MARKETPLACE

(Customers)

STRATEGY:
CUSTOMER-CENTRIC RESPONSIBLE INNOVATION, AND QUALITY

Primary engagement channels:

Brand related interactions of sales and customer relationship teams.

Surveys, online/ offline feedback and R&D.

Awards and recognition programmes.

MATERIAL CONCERN:
QUALITY AND PERSONALISATION

Customers demand best-in-class product quality, fast delivery and unique, sustainable experiences.

OUTCOME:
LONG-TERM CUSTOMER LOYALTY

Feedback driven engagement and responsible innovation enhance service quality and relevance, strengthening customer satisfaction, repeat business and brand value, and supporting sustainable revenue growth.

KPIs:

NPS score: **47%**

Total number of customer feedback: Over **5,000**

Customer satisfaction rate: Please refer to the Social & Relationship Capital Review for details.

STAKEHOLDER ENGAGEMENT

SOCIETY

(Communities, environmentalists and other lobbyists)

STRATEGY:
SUSTAINABLE SHARED VALUE CREATION WITH A LONG-TERM FOCUS

Primary engagement channels:

Routine engagements maintained by operational teams and/ or community relations managers.

Other channels of communication kept open to enable access to communicate.

MATERIAL CONCERN:
RESPONSIBLE AND INCLUSIVE DEVELOPMENT

Stakeholders focus on compliance, community development support, sustainable business operations and local economic development.

OUTCOME:
STRENGTHENED LICENSE TO OPERATE

Stronger stakeholder trust and increases community participation that supports meaningful business growth.

KPIs:

Funds channelled for community development: **Rs. 85.7 Mn**

Funds channeled to communities through donors: **Rs. 76.6Mn**

Local employment: **48%** of recruitments in Sri Lanka were located outside the Colombo and Gampaha districts.

GOVERNANCE

(Governments, regulators and policymakers)

STRATEGY:
COMPLIANCE AND PROACTIVE RISK MANAGEMENT

Primary engagement channels:

Transparent engagement with governments and regulators.

Contributing to policy discussions aligned with local and global needs.

Active public-private collaboration.

MATERIAL CONCERN:
COMPLIANCE AND MEANINGFUL CONTRIBUTION TOWARDS NATIONAL DEVELOPMENT GOALS

Priorities include long-term value creation and compliance with regulation.

OUTCOME:
INSTITUTIONAL TRUST

Consistent compliance and constructive regulatory engagement strengthen institutional trust, support regulatory certainty and contribute to a stable operating environment that underpins long term value creation.

KPIs:

Regulatory breaches or fines: **Zero**

Licenses / permits renewed: **149**

Capacity building on compliance: **442** programmes

External inspections conducted during the year: **227**

SUPPLY CHAIN

(Suppliers and business partners)

STRATEGY:
RESPONSIBLE AND RESILIENCE VALUE CHAINS

Primary engagement channels:

Onboarding interventions of supply chain teams and/ or procurement teams on the company's commitments.

Proactive engagement for reviews to identify needs.

MATERIAL CONCERN:
FINANCIAL STABILITY

Partners seek transparent performance updates, strong referral networks and long-term stability.

OUTCOME:
SCALABLE ECOSYSTEMS

Resilient value chain with enhanced accountability and stable partnership growth, mutually beneficial, long-standing business relationships and minimised supply chain disruptions.

KPIs:

Spending on suppliers: **Rs. 63.6 Bn**

Number of suppliers screened on ESG: **511**

Long term strategic relationship: **19**

STAKEHOLDER ENGAGEMENT *(GRI 205-2)*

WAY FORWARD: STRENGTHENING OUR STAKEHOLDER STRATEGY

The Group will continue to strengthen its stakeholder engagement approach by further integrating engagement outcomes into strategy, risk management and capital allocation. Focus areas include enhancing value chain engagement, improving consistency across business segments, strengthening mechanisms to respond to stakeholder inputs, and deepening research driven insights to support informed decision making and long term value creation.

HIGHLIGHT OF THE YEAR | SUSTAINABILITY STRATEGY REVIEW

All employees and the Senior Management team are educated on the companies policies and procedures on anti-bribery and anti-corruption, which also includes awareness of the Group's adherence to the Code of Ethics and Professional Conduct. Aligned with the Group's policies and commitments to prevent bribery and corruption, a workshop was conducted for the Senior Management team and core team members in May 2025. Conducted jointly by two topic experts, this workshop covered key provisions in the Anti-Corruption Act No. 09 of 2023, new offenses under the act, effect and impact of key provisions of the act and steps required from corporates to mitigate risks of corruption.

During the year, the Group convened a Sustainability Strategy Townhall bringing together the Sustainability Council, Sustainability Team and selected stakeholders. The engagement provided a structured forum to review emerging global and local trends, evolving stakeholder and regulatory expectations, and the continued relevance of the Group's sustainability strategy.

Insights from the Townhall informed the identification of priority focus areas and areas for enhancement, strengthening internal alignment and supporting a strategy that remains forward looking, responsive and grounded in operational realities.

DETERMINING MATERIALITY

(GRI 3-1, 3-2)

At Aitken Spence PLC, materiality is central to the Group's sustainability strategy, guiding the identification and management of the most significant environmental, social, governance, and economic matters arising across its operations, value chain, and stakeholder relationships. In line with the GRI Universal Standards, the Group applies an impact materiality approach, focusing on areas where its activities may have actual or potential positive and negative effects on the economy, environment, and society.

Our Approach to Assess Materiality of Topics (How We Identify)

01

Gather Insights and Stakeholder Feedback

The process begins with desk research, industry benchmarking and reviews of historical performance and operational experience to identify key topics that should be monitored for impact control and sustainable value creation.

Feedback from key stakeholders is gathered through structured assessment tools to identify stakeholder expectations and potential risks.

02

Multidimensional Evaluation and Data Driven Impact Assessment to Identify Priorities for Impact Control or Value Creation (i.e. Material Topics)

Identified topics are evaluated and prioritised based on the overall significance of topics based on;

- The scale and significance of environmental, social, and economic impacts;
- Risks to the organisation, stakeholders, and the environment;
- Compliance obligations and regulatory requirements; and
- Stakeholder concerns and expectations.

03

Impact Materiality

The core focus is on the actual or potential positive and negative impacts arising from the Group's activities on the environment and society.

Sources and Frameworks That Guide Us (How We Align)

Structured Frameworks

The voluntary standards we align with such as the Ten Principles of the UN Global Compact or the Science Based Targets initiative (SBTi) guide us on development needs.

Global Benchmarks

The Group looks to the sustainable development goals (SDGs) to identify development priorities and align with 7 priority SDGs **(SDGs 4, 5, 6, 8, 9, 12 and 15).**

Human Rights & Equity

The Group is guided by the UN Guiding Principles on Business & Human Rights and the Women's Empowerment Principles on inclusive workplace practices.

DETERMINING MATERIALITY

As Aitken Spence PLC operates across multiple industries and geographies, processes to identify priorities (i.e. materiality) are integrated into the Group's broader sustainability, governance, risk management, and operational review processes. Accordingly, the materiality assessment is informed by internal and external operational due diligence processes, management reviews, stakeholder consultations, disaster risk reduction (DRR) assessments, and business continuity planning.

We are also guided by internationally recognised sustainability frameworks including the Ten Principles of the United Nations Global Compact (UNGC), Women's Empowerment Principles (WEPs), UN Guiding Principles on Business and Human Rights (UNGPs), and the Science Based Targets initiative (SBTi). The Sustainable Development Goals (SDGs) also give direction to the sustainability strategy of Aitken Spence PLC, with priority focus placed on the following goals and targets, reflecting the Group's commitment to sustainable growth, social inclusion, environmental stewardship, and operational resilience :

Our alignment with SDGs;

SDG targets we directly align with;		SDGs we indirectly contribute towards;	
1		1	No poverty
2		2	End hunger
3		3	Good health & well-being
4	Quality education 4.3, 4.4, 4.6, 4.7	4	
5	Gender equality 5.1, 5.5, 5B	5	
6	Clean water & sanitation 6.3, 6.4	6	
7		7	Clean energy
8	Economic growth 8.4, 8.5, 8.8, 8.9, 8.10	8	
9	Industry, innovation & infrastructure 9.1, 9.4	9	
10		10	Reduced inequalities
11		11	Sustainable cities
12	Responsible consumption 12.2, 12.5, 12.6, 12.8, 12.b	12	
13		13	Climate action
14		14	Life below water
15	Life on land 15.2, 15.5	15	
16		16	Peace, justice & strong institutions
17		17	Partnerships for the goals

The Group also considers national priorities and evolving regulatory requirements, including Sri Lanka's Nationally Determined Contributions (NDCs), environmental regulations, and sustainability disclosure requirements, when assessing material topics and defining strategic priorities.

More details on how these SDGs and NDCs are aligned to the outcomes of our operations can be perused in the Sector Reviews.

Our Material Topics (What we Found)

Governance, Ethical Conduct & Economic Performance	Environmental Impact Control	Social Impact & Human Capital	Operational resilience
Focusing on financial governance, anti-corruption, and the integration of ESG into strategic decision-making.	Prioritising energy management, emission control, water consumption and biodiversity conservation.	Strengthening occupational health and safety, employee well-being, equity, inclusion and community development.	Managing supplier assessments, disaster risk reduction, and sustainable innovation across the value chain.

DETERMINING MATERIALITY

(GRI 3-2, 3-3)

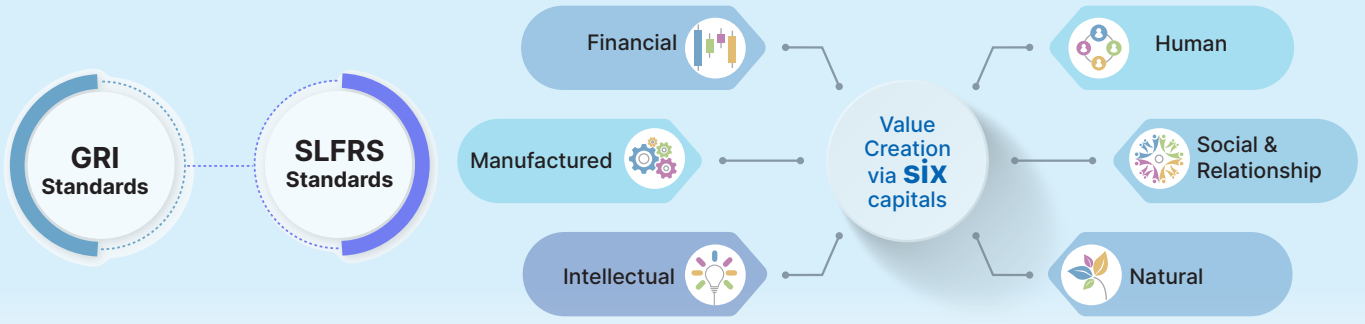
Based on the assessment conducted during the reporting period, the Group identified the following material topics on basis of potential and actual impacts:

	High significance	Medium significance	Low significance
Governance & Ethical Conduct	Financial governance (GRI 201, 415)	Innovation	Market presence (GRI 202)
	Anti-corruption (GRI 205)		
	Anti-competitive behaviour (GRI 206)		
	Compliance & ESG		
Economic Performance	Direct economic value created & distributed (GRI 201)	Indirect economic value created (GRI 203)	
	Taxes (GRI 207)		
Environmental Impact Control	Energy consumption (GRI 103)	Supplier environmental assessment (GRI 308)	Materials (GRI 301)
	Emission control (GRI 102)	Biodiversity (GRI 101)	
	Effluent control (GRI 303)		
	Water consumption (GRI 303)		
	Solid waste management (GRI 306)		
Social Impact Control & Human Capital	OHS & employee welfare (GRI 403, 401)	Supplier social assessment (GRI 414)	
	Human rights & labour standards (GRI 402, 406, 407, 408, 409, 410, 411)	Diversity, Equity and inclusivity (GRI 405)	
Operational Resilience	Learning & development for employees (GRI 404)	Local purchasing and employment (GRI 204)	
	Product responsibility, information security & customer satisfaction (GRI 416, 417, 418)	Local community development (GRI 413)	

The Group's material topics remain broadly consistent with prior reporting periods, reflecting the continued relevance of governance, people, environmental stewardship, and operational resilience to the Group's long-term sustainability and business strategy.

DETERMINING MATERIALITY

Strengthening Materiality Assessments with Financial Materiality



The sustainability strategy of Aitken Spence Group has primarily been developed based on the principles of impact materiality, reflecting the Group's long-standing emphasis on managing impacts, strengthening operational resilience, and creating sustainable long-term value for stakeholders. The approach has been guided by the Global Reporting Initiative (GRI) Standards for impact-related disclosures, together with Integrated Reporting principles linking sustainability performance and value creation across the six capitals. At the same time, the Group recognises the growing importance of financial materiality and investor-focused sustainability disclosures in supporting long-term business resilience and access to capital.

While the current materiality assessment of Aitken Spence PLC has primarily focused on the impacts of the Group's operations on the economy, environment, and society, the Group is progressively strengthening its assessment processes to also consider how the financial implications of sustainability-related and climate-related risks and opportunities may affect business performance, resilience, and long-term value creation. This evolving approach supports alignment with SLFRS Sustainability Disclosure Standards (SLFRS S1 and S2) and reflects the Group's move towards a broader double materiality perspective. The process builds on the Group's existing enterprise risk management (ERM), disaster risk reduction (DRR), and business strategy frameworks.

More details are provided in the Integrated Sustainability & Climate Disclosures section of this report.

OUR STRATEGY

PURPOSE-DRIVEN STRATEGY

Strategy at Aitken Spence is no longer a static map, but a discipline of continuous navigation. In an era of volatility, we don't just endure complexity; we master it. Anchored by our purpose and vision, our framework translates long term ambition into daily execution, balancing immediate results with sustained value while staying on course toward sustainable, long term growth.

The Strategic Intent of our Goals and Objectives

Achieve strategic expansion and industrial leadership through sustainability driven business transformation and a future ready workforce.

OUR GOALS

Economic Value Creation

Contribute to society through economic growth and the creation of wealth

GOAL - 1

Strategic Diversification

Achieve geographical industrial expansion and diversification

GOAL - 2

ESG-Led Growth

Accomplish sustainable growth ensuring environmental and social governance.

GOAL - 2

OUR OBJECTIVES

Market and Financial Growth

Achieve year on year sustainable profit growth and increase market share

OBJECTIVE - 1

Global and Sector Expansion

Expand reach to new geographies and venture into new business segments

OBJECTIVE 4 and 5

ESG-Led Growth

Reach net zero emissions by 2030 and achieve employer of choice status

OBJECTIVE - 4 and 5

Strategic Focus Areas Driving our Efforts to Achieve our Goals and Objectives

(Growth and Market Share)

Profitable and Efficient Growth

- Efficiency
- Lean
- Kaizen
- Capital Optimisation

Strategies to achieve operational excellence through Lean systems, Kaizen processes, capital optimisation etc.

Expansion and Portfolio Diversification

- Data-Driven Market Entry
- Strategic Partnerships
- Product/ Service Innovation

Strategies to scale growth through data-driven market entry, strategic partnerships and product/ service innovation.

Sustainable and Responsible Value Creation

- Spence IMPACT Strategy
- Net-zero
- Biodiversity
- Resource Efficiency

Efforts to execute the Spence IMPACT strategy focusing on net-zero, net-positive ecosystem impacts and resource efficiency.

People Centric Growth

- Leadership Pipelines
- Talent Attraction & Retention
- Employee Engagement
- DE&I

Driving future growth through strategic talent attraction, capability development, and retention of high-performing people.

OUR STRATEGY

Cross cutting key enabler: Digitalisation and Transformation

↓

Expected output:
Stability, better margins, new revenue streams, reduced risk, enhanced reputation

↓

Expected outcome:
Sustained value creation, resilient profitability, and a strengthened global competitive position.

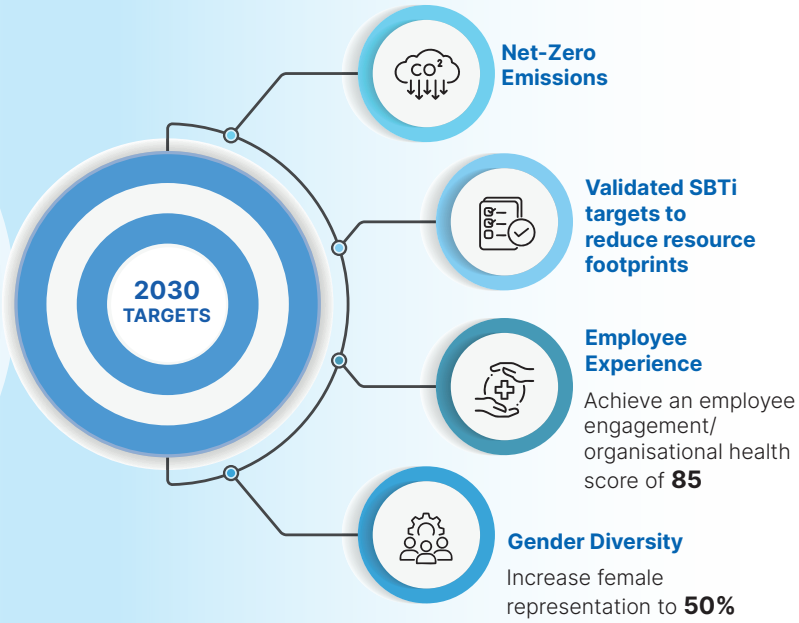
1. Profitable and Efficient Growth through Expansion and Portfolio Diversification

The Group pursues profitable and efficient growth by prioritising sectors where its capabilities and market positioning provide a competitive advantage. Capital is allocated selectively to optimise returns while managing risk. Further details on sector specific growth strategies and performance are set out in the Group's Sector Reviews.

2. Sustainable and Responsible Value Creation

The Group integrates sustainability driven decision making across the organisation through the Spence IMPACT strategy and the Group's integrated sustainability policy, embedding environmental and social considerations into business operations and investment decisions.

An overarching sustainability framework focusing on Inclusive development, Mitigation, Partnerships, Accountability, Community, and Transformation.



OUR STRATEGY

3. People Centric Growth

Developing a future-ready workforce is one of the key priorities of the Group to achieve our goals and objectives. The following strategies are being rolled out by Group HR towards the same;

Cultivate a Transformative Culture

Transform organisational culture to align with future-proof strategies and become an 'Employer of Choice'

Elevate the Employee Experience

Enhance engagement, well-being, and inclusion across the employee lifecycle

Enable High Performance

Through talent management ensure excellence via integrated, objective-based talent frameworks

Strengthen Leadership Pipeline

Establish leadership bench strength and retain key talent

Develop Future-Ready Talent

Create future-ready Spensonians with digital and innovation capabilities

Digital and Business Transformation (Cross-Cutting Enabler)

For all these strategic pillars, digital and business transformation is a cross-cutting enabler strategy of the Group that is currently being driven by the Group's Transformation Steering Committee.

- Data-driven decision-making (dashboards, analytics)
- Customer intelligence (CRM)
- Digital adoption
- Process improvement and automation (RPA, no-code platforms)
- AI readiness and adoption roadmap

PERFORMANCE AGAINST KPIS AND TARGETS

Strategic Focus Areas	Key Priorities	KPI	Target	Performance/ Achievements in 2025/2026
Profitable and efficient growth	Financial performance	Revenue growth	Segment specific benchmarks	Please refer to the Sector Reviews
		EBIT	Segment specific benchmarks	
	Market position	Market share by segment	Year-on-year increase in all key segments	
		Net Promoter Score (NPS)	≥ +60 (or internal benchmark)	47%
	Operational efficiency	Energy consumption per unit revenue	Maintain below 10GJ/ Rs. Bn at Group level	Maintained
		Water consumption per unit revenue	Maintain below 20m3/ Rs. Bn at Group level	Maintained

OUR STRATEGY

Strategic Focus Areas	Key Priorities	KPI	Target	Performance/ Achievements in 2025/2026
Expansion and portfolio diversification	**Geographical expansion**	Number of countries of operation	Strategically aligned investment opportunities.	**The Plantation segment's strategic investment in Fiji**
	Partnerships and market entry	Number of strategic partnerships / JVs	Maintain and grow the existing partnerships	**Maintained 26 partnerships**
	Governance and accountability	Percentage of operations covered by ESG policies	100%	**88%**
		External assurance coverage	All key processes to be covered	**Please refer pages 498-501**
		Percentage of suppliers screened on ESG matters	100% key suppliers	**Please refer to the Social & Relationship Capital Review**
Sustainable and responsible value creation	**Energy and climate action**	Scope 1 GHG emissions intensity from commercial power generation (tCO_2e per MWh)	Reduce by 95% by FY2030 from FY2020 baseline	**Achieved**
		Absolute Scope 1 GHG emissions (excluding power generation)	Reduce by 42% by FY2030 from FY2020 baseline	**5%**
		Percentage of electricity sourced from renewable energy	Increase from 0% (FY2020) to 100% by FY2030	**6x the electricity use matched with renewable energy generation**
	Water and effluents	% of effluents and wastewater safely treated and repurposed/disposed	100% treatment and safe disposal	**Maintained**
		Impact of operations on water bodies	Zero adverse impacts	**Maintained**
		Percentage of waste diverted from landfill	100% (Zero waste to landfill by 2030)	**Over 90%**
	Waste, resource and management	% of solid waste repurposed/recycled (7R framework)	100% of waste managed through 7Rs	**Over 90%**
		Resource efficiency (energy, water, materials intensity)	Year-on-year improvement	**Maintained**

OUR STRATEGY

Strategic Focus Areas	Key Priorities	KPI	Target	Performance/ Achievements in 2025/2026
	Biodiversity, ecosystems and land management	Impact on biodiversity and sensitive ecosystems	Maintain Net Positive Impact	Maintained
		Ecosystem disturbance from operations	Zero damage to natural ecosystems	Maintained
	Supply chain and value chain engagement	Percentage of key suppliers screened for ESG and environmental impact	100% coverage	Please refer to the Social & Relationship Capital Review.
		Percentage of suppliers (by emissions) engaged on science-based targets	46.4% by FY2030	
		Percentage of customers (by emissions) engaged on emission reduction (use of sold products)	80% by FY2030	
		Percentage of investments (by emissions) aligned with emission reduction pathways	90% by FY2030	
People centric growth	Leadership Pipeline	Percentage of critical roles with internal successors	≥ 70% annually	76%
	Diversity, Equity & Inclusion	Percentage of female representation	50% by 2030 in the overall workforce	37%
			30% in management positions by 2030	22%
	Enhancing workforce experience through digitalisation	Percentage of executives trained on digital/AI and Lean/ Kaizen modules	20% of executives annually	61%

BEYOND THE HORIZON: ARCHITECTING OUR NEW WORLD

At Aitken Spence, strategy remains adaptive rather than static. By continuously recalibrating priorities across the short and long term, the Group ensures that capital allocation, operational focus and sustainability commitments remain aligned to build resilience and long-term value. Agility is approached as a deliberate strategic choice, enabling the group to respond to change while maintaining a clear long-term direction and sustaining stakeholder trust.

OUR VALUE CREATION MODEL (GRI 2-6)

CAPITAL INPUTS

Strategic intent:

Financial Capital

To deploy capital prudently and efficiently to deliver sustained profitable growth, support strategic expansion and strengthen long-term financial resilience.

Rs. 104.3 Bn Equity

Rs. 42.6 Bn in Long-term bank borrowings

Rs. 14.3 Bn Operating cash flow

Manufactured Capital

To build and maintain a sustainable, geographically diversified infrastructure platform that enables efficient operations, scalability and operational resilience across the Group.

Rs. 105.9 Bn Property plant & equipment

2,676 Hotel keys

12 Production facilities

413,890 Sq.Ft Warehouse space

Human Capital

To build and sustain a skilled, experienced and engaged workforce that underpins innovation, service excellence and consistent operational performance.

20,300 Employees across

17 business segments

12 geographies

Intellectual Capital

To strengthen proprietary knowledge, systems, processes and brand equity as drivers of innovation and sustain competitive advantage.

Strong brand portfolio

196 Management systems aligned with local and global best practices and benchmarks

Social and Relationship Capital

To foster long standing, trust-based relationships with key stakeholders that enable shared value creation, responsible growth and a strong license to operate.

26 Principals

14,000 Strong network of suppliers (local and overseas)

Diverse customer base

Strong community relationships

Natural Capital

To embed stewardship and climate considerations into business decisions, supporting responsible growth, resource efficiency and long-term resilience.

SBTi aligned targets

37.8 MW of renewable energy portfolio

Over **8,100 ha** of preserved green cover

Resource Allocation Aligned to Strategic Priorities and Long-Term Value Creation

Deployed to fund priority growth, resilience and sustainability investments

0.35 times Debt to equity ratio

3.76 times Interest cover

Rs. 4.3 Bn Net finance cost

1.40 times Current ratio

More Information Financial Capital Report on Page 248

Investments focused on efficiency, digitalisation and scalability

Rs. 1.7 Bn Invested in capacity expansion

Rs. 162.1 Mn Invested in digital infrastructure

Rs. 86.9 Mn Invested in sustainability related infrastructure

More Information Manufactured Capital Report on Page 279

Strengthened through capability development, engagement and leadership continuity.

12,061 New hires across sectors

Rs. 87.0 Mn Invested in training and skills development

More Information Human Capital Report on Page 256

Leveraged to enable innovation, data driven decision making and competitive advantage.

196 Management systems

Rs. 8.1 Mn Invested in digital training

More Information Intellectual Report on Page 272

Built through trusted partnerships, engagement Sand shared value creation.

26 Partnerships during the year

Rs. 46.9 Invested in corporate sustainability initiatives

More Information Social and Relationship Capital Report on Page 285

Managed through climate action, resource efficiency and long term environmental resilience

180,241 MT of residual municipal solid waste kept away from landfills

Generated over **62 %** more renewable energy than total direct energy consumed from fossil fuels

More Information Natural Capital Report on Page 296

OUR VALUE CREATION MODEL

VALUE TRANSFORMATION

Purpose

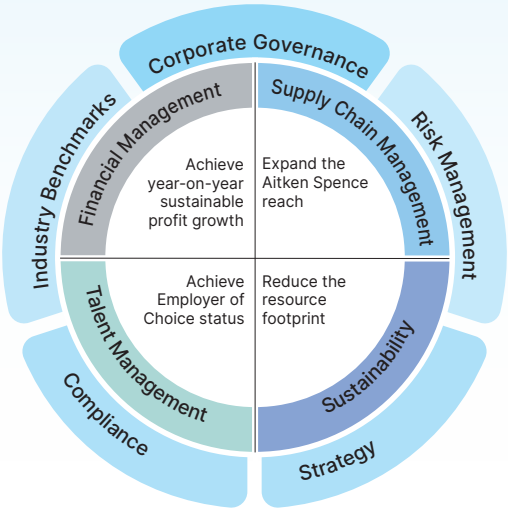
Inspire to Create Great Futures for All

Group Vision

To achieve excellence in all our activities, establish high growth business in Sri Lanka and across new frontiers and become a globally competitive market leader in the region

Values

Reliable | Honest & Transparent | Warm & Friendly | Genuine | Inspire Confidence



	TOURISM	MARITIME & FREIGHT LOGISTICS	STRATEGIC INVESTMENTS	SERVICES
Core Businesses	» Hotels » Destination Management » Airline GSA	» Maritime & Port Services » Freight Forwarding & Courier » Integrated Container Services » Airline GSA (Cargo) » Education	» Apparel Manufacture » Printing & Packaging » Power Generation » Plantations	» Insurance » Money Transfer » Property Management » BPO Services » Elevators
Key Performance Indicators	» Guest nights » Tour pax » Flights handled	» TEUs handled » Tonnage uplifted » No. of packages handled » No. of students	» Apparels manufactured » Printing impressions » Tea, rubber, palm oil and minor commercial crops » Energy generated	» Elevators maintained » Inwards remittance transactions » Insurance brokerage services and claims settlements » Commercial office spaces rented » BPO Service deliveries
How the sector delivers on the Group vision	» Delivers globally competitive hospitality and travel experiences » Strengthens Sri Lanka's tourism brand globally » Generates foreign exchange earnings for Sri Lanka » Creates long-term economic value » Supports livelihoods and uplifts local communities	» Facilitates regional and international trade » Strengthens global and local connectivity » Enhances efficiency and reliability across supply chains » Delivers integrated and technology-driven logistics solutions » Creates long-term value through logistics and port-related services	» Supports inclusive economic growth » Contributes to sustainable industrial development » Advances renewable energy and circular economy solutions » Invests in technology-enabled operations and infrastructure » Supports community development and future-ready value creation	» Connects local businesses with global partners » Delivers specialised financial and business process solutions » Enhances operational efficiency and resilience » Supports stable and diversified earnings » Strengthens the Group's value ecosystem » Creates long-term value through service excellence
	More Information on materiality topics and the alignment with SDGs and NDCs are included in Tourism Sector Review on **Page 174**	More Information on materiality topics and the alignment with SDGs and NDCs are included in Maritime and Freight Logistics Sector Review on **Page 195**	More Information on materiality topics and the alignment with SDGs and NDCs are included in Strategic Investments sector Review on **Page 216**	More Information on materiality topics and the alignment with SDGs and NDCs are included in Services Sector Review on **Page 242**

OUR VALUE CREATION MODEL

OUTPUTS AND OUTCOMES

GROUP OUTPUTS

- Rs. 96.6 Bn Group Revenue
- Rs. 12.8 Bn Group PBT
- Rs. 227.6 Bn Total Assets
- 82 Certifications
- 12,061 New Hires
- 188, 922 tCO2e Emissions Reduced

INVESTORS

- **14.5%** ROCE
- **11.9%** Total shareholder return
- **Rs. 4.00** Dividend per share

CUSTOMERS

- **47%** Average NPS score
- Top rated across key service rankings

EMPLOYEES

- **38.8%** Turnover rate
- **16** average training hours per employee (Executive and Non-executive)

SUPPLIERS AND BUSINESS PARTNERS

- Rs. **63.6 Bn** in payments to suppliers
- **11,000+** Local suppliers over 80% of the total suppliers

COMMUNITIES

- **Rs. 85.7 Mn** Invested in community development interventions
- **7%** reduction in water consumption per unit revenue

GOVERNMENT AND REGULATORS

- **Rs. 14.8 Bn** in taxes
- SBTi approved targets established to reduce emissions
- Over **8,100 ha** Green cover maintained

OUTCOMES DELIVERED TO STAKEHOLDERS

INVESTORS

- Sustainable long-term returns from a diversified and resilient portfolio
- Greater investor confidence through disciplined governance and risk management
- Stable earnings and long-term value creation across business cycles

CUSTOMERS

- Reliable, high-quality products and services across markets
- Stronger trust and long-term customer relationships
- Solutions that evolve with changing customer needs and expectations

EMPLOYEES

- Stable employment and income opportunities across economic cycles
- Safer workplaces and improved well-being
- Stronger skills, career growth, and long-term employability

SUPPLIERS AND BUSINESS PARTNERS

- Stable commercial opportunities and timely engagement
- Stronger long-term partnerships across value chains
- Shared growth, resilience, and responsible business practices

COMMUNITIES

- Sustained livelihoods and local economic development
- Improved environmental and social well-being through responsible operations
- Greater community resilience and inclusive growth opportunities

GOVERNMENT AND REGULATORS

- Continued contribution to national economic growth and foreign exchange earnings
- Support for national priorities in sustainability, infrastructure, and resilience
- Strengthened economic stability through responsible and compliant operations

HOW STAKEHOLDERS ENABLE VALUE CREATION

INVESTORS

- Long-term capital support aligned with sustainable value creation
- Confidence in long-term strategy and performance
- Constructive engagement and trust in governance and disclosures

CUSTOMERS

- Open feedback and collaboration to evolve offerings
- Long-term partnerships built on shared value and trust
- Continued loyalty and engagement amid changing needs

EMPLOYEES

- Commitment to performance, ethics, and continuous improvement
- Active contribution to a safe, inclusive, and responsible culture
- Accountability in delivering long-term value and resilience

SUPPLIERS AND BUSINESS PARTNERS

- Reliable delivery, quality, and ethical business practices
- Collaboration to strengthen efficiency, resilience, and sustainability
- Shared commitment to responsible value chain practices

COMMUNITIES

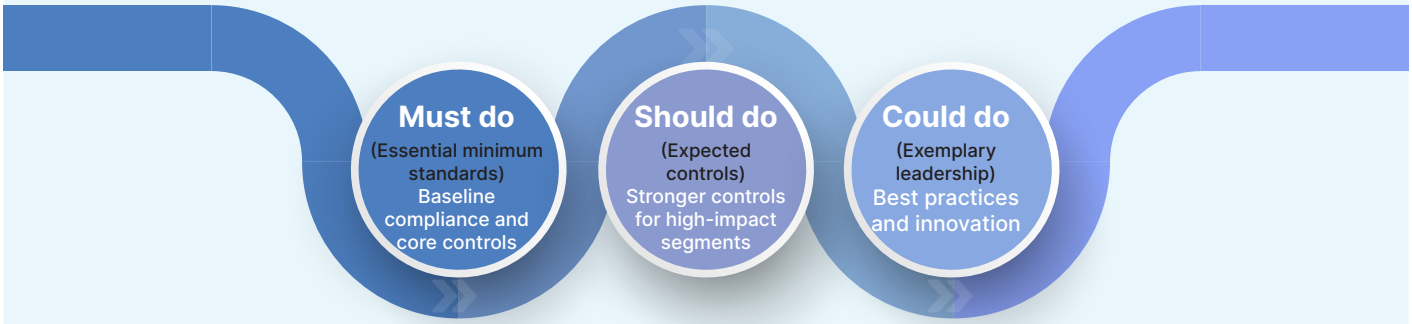
- Constructive engagement around operations and development initiatives
- Shared responsibility for social and environmental well-being
- Collaboration to support resilient and inclusive communities

GOVERNMENT AND REGULATORS

- Stable, transparent, and predictable regulatory frameworks
- Collaborative engagement on national development and sustainability priorities
- Policy consistency that supports long-term investment and resilience

THE SPENCE IMPACT: OUR SUSTAINABILITY VISION IN A NUTSHELL

Integrated Sustainability Policy and Spence IMPACT Strategy

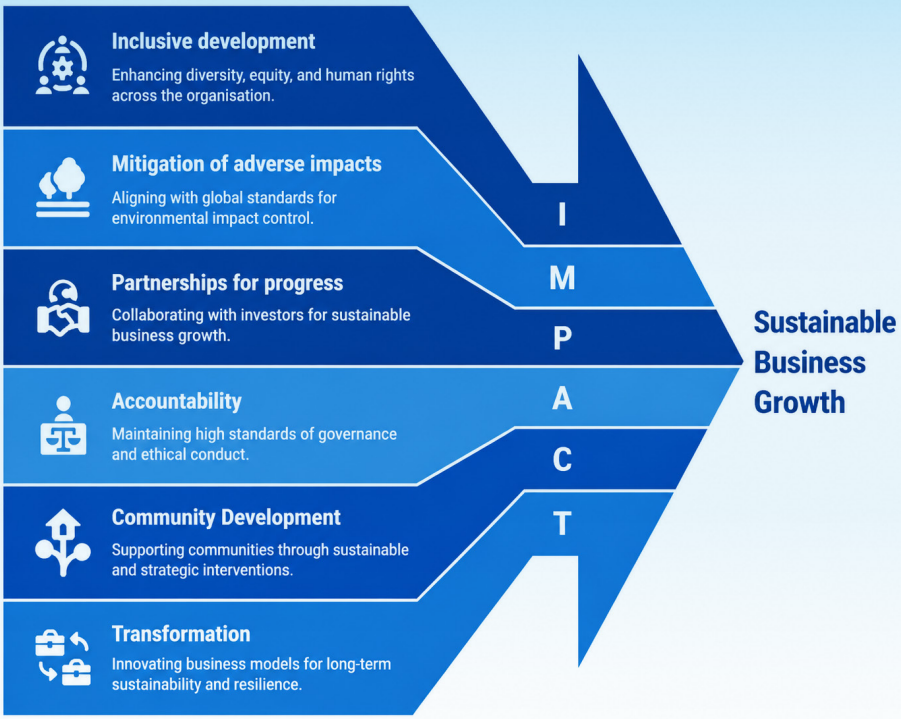


To ensure consistency across its diverse industries and operating geographies, Aitken Spence has established an Integrated Sustainability Policy that serves as the Group's overarching framework for identifying and managing material environmental, social, governance, and economic impacts. The policy outlines the Group's commitments relating to governance, ethical conduct, environmental impact control, stakeholder engagement, occupational health and safety, human rights, responsible supply chain management, disaster risk reduction, operational resilience, innovation, and community development.

The policy is supported by an implementation framework comprising "Must Do", "Should Do", and "Could Do" action points, enabling the Group to maintain minimum sustainability expectations across all business segments while allowing flexibility to strengthen controls and pursue strategic differentiation based on the nature, scale, and significance of impacts within each industry.

More details of this process are presented in the Corporate Governance section of this report. Please visit our website to access the Group's integrated sustainability policy in English, Sinhala or Tamil.

The Group's sustainability priorities and long-term strategic direction are further captured through the "Spence IMPACT" strategy for sustainability, which reflects the Group's impact-driven approach towards sustainable business growth. The strategy focuses on six interconnected priority areas:



These pillars guide the translation of material topics into policy commitments, operational controls, targets, management systems, and long-term strategic initiatives across the Group.

THE SPENCE IMPACT: OUR SUSTAINABILITY VISION IN A NUTSHELL

Aligning Value Creation and Corporate Reporting with Strategic Priorities

Material topics are embedded across our governance, strategy and operations, driving sustainable value creation for all stakeholders.

MATERIAL TOPICS

Inform value creation across the 6 capitals

Financial Capital
Strengthening financial performance and long-term returns

Manufactured capital
Investing in quality assets, infrastructure and technology

Intellectual capital
Driving innovation, digitalisation and knowledge creation

Human capital
Empowering our people and enhancing health, safety and well-being

Social & relationship capital
Building trust, partnerships and positive societal impact

Natural capital
Managing natural resources responsibly and minimising our environmental footprint

Integrated throughout our reporting and management

Integrated throughout the **annual report** and linked to the capitals-based approach we have aligned with under the Integrated Reporting framework.

Connection to value creation and strategic priorities

Governance and risk management process
Material topics inform our governance structure, enterprise risk management and internal controls supporting robust and ethical decision-making.

Sustainability related disclosures aligned with GRI standards
We disclose our material topics and performance in accordance with the Universal Standards of the Global Reporting Initiative (GRI).

Climate related and sustainability related assessments
Material topics guide our climate and sustainability related assessments, strengthening our readiness for SLFRS S1 and S2 disclosure requirements.

Target setting and performance monitoring
Material topics shape our targets and KPIs, enabling consistent monitoring, evaluation and continuous improvement.

Operational controls and management systems
We integrate material topics into operational processes and management systems to drive efficiency and effectiveness, resilience and responsible business practices.

Alignment with SDGs, SBTi and other global frameworks
Our approach to select material topics is informed by the local and global development priorities, best practices and benchmarks.

By integrating material topics into our strategy, operations and reporting, we create sustainable value, enhance resilience and contribute to a better future for people, planet and prosperity.

ON TRACK:

EXECUTING OPERATIONS WITH CONFIDENCE

Our efforts towards success lead to measurable progress – with discipline and focus, Aitken Spence PLC stays on track to achieve beyond expectation.

4

OUR MANAGEMENT

68 | Board of Directors
75 | Group Supervisory Board
78 | Management Council
84 | Senior Management Committee

BOARD OF DIRECTORS

Ms. D.S.T. Jayawardena
Executive Chairman/Chairperson and Interim Managing Director

Dr. R.M. Fernando
Executive Director

Mr. J.M.S. Brito
Non-Independent
Non-Executive Director

Mr. N.J. de Silva Deva Aditya
Non-Independent
Non-Executive Director

Mr. C.R. Jansz
Non-Independent
Non-Executive Director

Mr. C.H. Gomez
Non-Independent
Non-Executive Director

Mr. M.R. Mihular
Senior Independent
Non-Executive Director

Dr. R.A. Fernando
Independent
Non-Executive Director

Mr. P. Englisch
Independent
Non-Executive Director

Mr. C.J. Sevilla
Independent
Non-Executive Director

BOARD OF DIRECTORS

Ms. D.S.T. Jayawardena
Executive Chairman/Chairperson and Interim Managing Director

Appointed in December 2013

Qualifications and Areas of Expertise

Ms. Stasshani Jayawardena is a graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom, the Emeritus Institute of Management in Singapore, and an Associate Alumni of the University of Cambridge (Judge Business School) in the United Kingdom.

Experience

Ms. Stasshani Jayawardena marks several milestones for the Aitken Spence Group as the first female Chairperson in its 157-year history, with her appointment as Executive Chairperson in February 2025. She was also the youngest, and the first female to be appointed to the Board of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, and Browns Beach Hotels PLC, in December 2013.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and heads strategic business units across the Group. She leads several key strategic teams as the Interim Managing Director of Aitken Spence PLC, Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., as Deputy Chairperson of Lanka Milk Foods (CWE) PLC., and as a Member of the Board of Directors of Stassen Group, Melstacorp PLC, Distilleries Company of Sri Lanka PLC and Elpitiya Plantations PLC.

The youngest intern to work under US Senator Hilary Rodham Clinton and the Former US President Bill Clinton in 2003, Ms. Jayawardena was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019. She has served as a Member of the PwC Next-and Now-Generation Advisory Council since 2020.

Ms. Stasshani Jayawardena was appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL) and has represented THASL at the Ceylon Chamber of Commerce Committee since 2019. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka, since 2020, and currently serves as Vice Chairman and a Steering Committee Member of the Ceylon Chamber of Commerce, Tourism Sector. She served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group for the financial year 2020/21. She was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Ms. Jayawardena has represented the Company as the Ambassador for Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact since 2020.

In recognition of her work and commitment to inspire, she was recognised at The Top 50 Professional & Career Women Awards in Sri Lanka with the Gold Award in the Hotel & Hospitality Sector in 2017, and, in 2020, the Sri Lankan business magazine, Echelon, listed her among the most innovative and influential young leaders to have succeeded in business and in shaping the future of Sri Lanka.

Ms. Jayawardena was the award recipient of the Expatriate Contribution Award – Gold Category – Women in Management Maldives. The Professional and Career Women Awards Maldives 2022 presented this award to Ms. Jayawardena for her exceptional contributions and achievements in the field of Hotels & Hospitality.

Ms. Jayawardena was an award recipient at the Global CEO Leadership Excellence Awards 2024 (which honoured 50 top-tier CEOs and their teams who successfully navigated challenges in turbulent times) and was again recognised for Excellence in Corporate Leadership at the Global CEO Top Businesswomen Award 2025.
Ms. Jayawardena was also recognised with the 'Trailblazing Corporate Leader' Award at the 15th Top50 Professional and Career Women Global Awards 2025, organised by Women in Management, LMD's Emerging Businessperson of the Year for 2025, and accepted the Award for Trailblazing Leadership and Transformational Corporate Stewardship at the CEO of the Year Awards 2025.

BOARD OF DIRECTORS

Dr. R.M. Fernando
Executive Director

Appointed in April 2005

Qualifications and Areas of Expertise

Dr. R.M. Fernando holds a PhD and an MBA from the University of Colombo and is also a Chartered Marketer and a Fellow of the Chartered Institute of Marketing (CIM UK).

Experience

Dr. Fernando joined Aitken Spence Plantation Management in May 1994 and has served as the Managing Director of Aitken Spence Plantation Managements PLC and Elpitiya Plantations PLC since August 1997. He was subsequently appointed as the Chairman of both companies with effect from 1st April 2026. He has extensive experience in the plantation industry; both in the public and private sectors; corporate management, corporate strategy and has played a key role in the plantation privatisation programme. He was the Chairman of United Nations Global Compact Network, Sri Lanka, a former President of the Chartered Institute of Marketing Sri Lanka Chapter and a past Chairman of the Planters Association of Ceylon.

He is currently the President of the Palm Oil Industry Association which comprises growers, processors and refiners in the palm oil industry and also serves on the committee of the Asian Palm Oil Alliance (APOA).

Dr. Fernando was appointed as a member of the UNICEF Sri Lanka Business Council in 2023. He was also appointed under the Co-Chairmanship of Advisor to the President and Chairman of National Science Foundation, as a Member of the Expert Cluster on 'Perennial Crops' to achieve food security and nutrition in the country.

Dr. Fernando was appointed to the Main Board of Aitken Spence PLC on the 1st of April 2005 and is currently Head of the Plantations segment, Corporate Strategy and Sustainability for the Aitken Spence Group.

Mr. J.M.S. Brito
Non-Independent Non-Executive Director

Appointed in April 2000

Qualifications and Areas of Expertise

Mr. J.M.S. Brito holds a L.L.B. degree from University of London, MBA degree from London City Business School and is a Fellow of the Institute of Chartered Accountants of both Sri Lanka and England and Wales.

Experience

Mr. J.M.S. Brito is an acclaimed senior professional in both the private and the public sector industries in Sri Lanka.

He is a former Chairman of DFCC Bank, Employers' Federation of Ceylon and Sri Lankan Airlines.

Mr. Brito joined the Board of Aitken Spence PLC in April 2000, with a multi- discipline academic background and a wealth of experience from a career counting over 40 years that includes experience working with several international organisations. He was then appointed as the Managing Director of Aitken Spence PLC, in December 2001 and Deputy Chairman in April 2003 which position he held until his retirement on 15th March 2019. After retirement, Mr. Brito continues to be a Non-Executive Director of Aitken Spence PLC and Aitken Spence Hotel Holdings PLC.

BOARD OF DIRECTORS

Hon. Chevalier Thakur Niranjan Joseph de S. Deva Aditya DL FRSA

Non-Independent Non-Executive Director

Appointed in September 2006

Qualifications and Areas of Expertise

Hon. Chevalier Thakur Niranjan Joseph de S. Deva Aditya DL FRSA, President Commonwealth Union, a global cyber community, is a Fellow of the Royal Society of Arts FRSA established 1754, a Research Fellow of Loughbourough University of Technology, a Graduate of the Royal Aeronautical Society, and a Member Institution of Mechanical Engineers. He also holds a Bachelor of Technology (Honours) from the University of Loughborough and is a Professor at the Beijing University.

Experience

Hon. Chevalier Thakur Niranjan Joseph de S. Deva Aditya DL FRSA, President Commonwealth Union, a global cyber community, is a Fellow of the Royal Society of Arts Deputy Lieutenant for the Lord Lieutenantancy of Greater London representing HM King Charles III, Presidential Envoy of Sri Lanka to the EU and the Commonwealth of 56 Nations and Senior Advisor to the President of Sri Lanka, former Member of Parliament in the British House of Commons, and a Member of the European Parliament, joined the Board of Directors of Aitken Spence in September 2006.

He was the first Post War Asian-born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament representing over 8 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the annual Euro 25 billion European Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. He is now the President of the Commonwealth Union; the largest cyber community encompassing the Commonwealth.

For his Tsunami Relief work he was made MEP of the Year by the European, a Chevalier of the Catholic Church, Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka, and Gaurav Bharat by India. He is the Publisher of the http://www.commonwealthunion.com the global media platform, the first Commonwealth wide news and TV media reaching out to 2.6 billion people and seen regularly by 18 million. He was appointed Presidential Envoy and Senior Advisor in August 2022.

Mr. C.R. Jansz

Non-Independent Non-Executive Director

Appointed in February 2023

Qualifications and Areas of Expertise

Mr. Jansz holds a Diploma in Banking and Finance from London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Experience

Mr. Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd and the Deputy Chairman of Melstacorp Group. He is also the Director of Stassen Group and DCSL Group.

He has been the Chairman of DFCC Bank and the Sri Lanka Shippers Council.

Mr. Jansz specialises in the movement and finance of international trade.

BOARD OF DIRECTORS

Mr. C.H. Gomez

Non-Independent Non-Executive Director

Appointed in April 2025

Qualifications and Areas of Expertise

Mr. C.H. Gomez holds a Financial Planning Certificate from the Chartered Insurance Institute.

Experience

Mr. C.H. Gomez is a former Banker with over 40 years of experience in the finance industry. He has worked for major financial institutions including Barclays Bank PLC, Lloyds TSB Bank PLC and SG Hambros. He brings to the Company a wealth of experience in regard to international financial markets, financial services regulations, compliance and controls and it was through his intervention that major investors were brought into Aitken Spence PLC and to other business sectors in Sri Lanka. Mr. Gomez is a Director as well as a part owner of regulated financial services companies based in Gibraltar. He also serves on the Boards of foreign companies which have investments worldwide.

Mr. Gomez was appointed to the Board of Aitken Spence PLC, in 2002 and to the Board of Aitken Spence Hotel Holdings PLC, in 2010 and resigned from his position as a Director from these companies in 2024 in compliance with the Listing Rules of the Colombo Stock Exchange.

Mr. Gomez was subsequently appointed as a Non-Independent Non-Executive Director to the Board of Aitken Spence PLC and Aitken Spence Hotel Holdings PLC in April 2025.

Mr. M.R. Mihular

Senior Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Mr. Mihular is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK.

Experience

Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives from April 1, 2012 to March 31, 2022 and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Mr. Mihular previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Mr. Mihular is a Past President of the Institute of Chartered Accountants of Sri Lanka. He also served as the Chairman of the CIMA Sri Lanka Board. Mr. Mihular has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Mr. Mihular served as a Board Member of the International Accounting Standards Committee (IASC) from 1996 to 2000. Subsequently he served on the IASC's Standing Interpretations Committee and as a Member of the IFRS Advisory Council of the International Accounting Standards Board. He also served as a member of the International Ethics Standards Board for Accountants (IESBA) from 2012 to 2018.

Mr. Mihular presently serves as Chairman of Watawala Plantations PLC and Bairaha Farms PLC and as an Independent Non-Executive Director of Sunshine Holdings PLC, Melstacorp PLC, Balangoda Plantations PLC, Madulsima Plantations PLC, Sunshine Teas (Pvt) Ltd, Lonach Dairy (Pvt) Ltd, Agility Innovation (Pvt) Ltd, Marino Leisure Holdings Ltd and LTL Holdings Ltd. He also serves as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

BOARD OF DIRECTORS

Dr. R.A. Fernando

Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Dr. Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo.

He holds a Doctor of Business Administration Degree from the European Business School in 2016.

Experience

He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is also a member of the INSEAD Sustainability Initiative. He has served as a Member of the Board of Study at the Postgraduate Institute of Management (PIM) since March 2023. In April 2020, he created the '21st Century Board Leadership Model-MasterClass'© for the Institute of Directors of Luxembourg.

In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal point 2007 and set up the UNGC Sri Lanka Network.

He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Melstacorp PLC, Distilleries Company of Sri Lanka PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact, Ceylon Graphene Technologies Ltd.

In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

Mr. P. Englisch

Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Mr. Peter Englisch holds a Master's Degree in Economics and multiple certifications such as Certified Public Accountant (WP), US-CPA, and Certified Family Business and Family Wealth Advisor (CFBA / CFWA)

Experience

Mr. Peter Englisch is a seasoned executive with over three decades of experience in the fields of family business advisory, assurance, and tax services. Mr. Englisch has established himself as a thought leader and trusted advisor in the industry.

Throughout his career, he has held significant leadership roles at prestigious firms like EY and PwC, where he led global initiatives and established centers of excellence for family businesses. He has also contributed to academia as an Executive in Residence at IMD Business School and founded his own consulting firm, Peter Englisch Consulting GmbH & Co. KG.

Mr. Englisch's expertise spans across supporting family-owned businesses with succession planning, NextGen development, governance, and growth strategies. He is also well-versed in advising High Net Worth Individuals and Family Offices on long-term investment strategies, impact investing, and philanthropy.

Recognised for his contributions, Mr. Englisch has been inducted into the Family Business "Hall of Fame" and named one of the Top 10 Global Family Enterprise Advisors by Family Capital Magazine. He is a regular speaker at international conferences and has co-founded the Center for Family Business at the University of St. Gallen.

BOARD OF DIRECTORS

Mr. C.J. Sevilla
Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

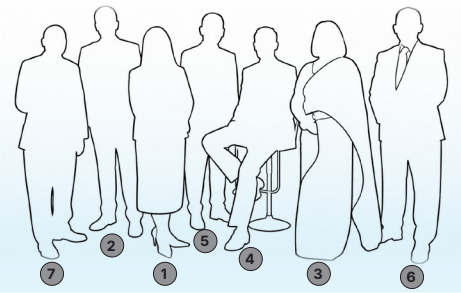
Mr. Sevilla holds a BA Hons in Politics and History of Ideas from Kingston University, London, a Professional Certificate of Competence in Gibraltar Taxation and is an Association of Accounting Technicians qualified Accountant.

Experience

Mr. Sevilla is a Director at FORM-A-CO (GIBRALTAR) LIMITED and FORM-A-TRUST (GIBRALTAR) LIMITED. He has a background in finance and accounting and has over 20 years of experience working in different roles within finance. Under his present role he oversees all company financial activities.

He also provides a range of service to clients specifically focused on accounting services and tax work. Additionally, Mr. Sevilla is a Regulated Individual regulated by the Gibraltar Financial Services Commission (GFSC).

GROUP SUPERVISORY BOARD



GROUP SUPERVISORY BOARD

1 Ms. D.S.T. Jayawardena
See Board of Directors Profile

2 Dr. R.M. Fernando
See Board of Directors Profile

3 Ms. N. Sivapragasam

Ms. Nilanthi Sivapragasam joined the Aitken Spence Group after completing her articles at Ernst & Young, Colombo, and has since built a distinguished career within the Group. She currently serves as Group Chief Financial Officer and Managing Director of Aitken Spence Corporate Services (Private) Limited.

She is also Joint Managing Director of CINEC Campus (Private) Limited, the largest maritime campus in South Asia, and serves on the boards of several subsidiaries and many joint venture companies of the Aitken Spence Group in Sri Lanka and overseas. In these capacities, she plays an important role in strengthening strategic relationships with joint venture partners and supporting the Group's broader governance and business objectives.

She has been closely involved in several key strategic initiatives of the Group, including acquisitions, divestments, business restructures, capital transactions, and investment projects. Her contribution has included providing financial and strategic leadership in relation to transaction structuring, valuation, funding, regulatory compliance, and stakeholder engagement across the Group's portfolio.

She is a Fellow Member of CA Sri Lanka and the Chartered Institute of Management Accountants, UK. She currently serves as a Board Member of UNGC Network Sri Lanka and as a Member of the Taxation Steering Committee of the Ceylon Chamber of Commerce.

Ms. Sivapragasam has been actively involved in several professional bodies and governance-related institutions over the years. She has served on the Statutory Accounting and Auditing Standards Committees of CA Sri Lanka and on the Financial Reporting Standards Implementation and Interpretation Committee and has also chaired the Financial Reporting Faculty. Her previous appointments include Board Member of the CIMA Sri Lanka Division (1997–1999 and 2010–2012), Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board (2009–2019), and Council Member of the Sri Lanka Institute of Directors (2011–2017). She also previously served as a Director of Women and Media Collective, a non-governmental organisation focused on the empowerment of women.

4 Mr. C.M.S. Jayawickrama

Mr. Susith Jayawickrama has had a career spanning over three decades with Aitken Spence and is the Managing Director of Aitken Spence Hotel Holdings PLC, the Hotel investment arm of Aitken Spence PLC and Aitken Spence Hotel Managements (Private) Limited, which manages the Group's hotel portfolio.

Mr. Jayawickrama serves on the Aitken Spence Group Supervisory Board, the Group Management Council and on the Boards of most hotel companies in the Group. He is a Fellow Member of the Chartered Institute of Management Accountants UK and the Chartered Global Management Accountants. He has more than three decades of experience in senior management positions in the Group's hotel sector and the tourism industry both in Sri Lanka and overseas.

Mr. Jayawickrama is a past Vice President of the Tourist Hotels Association of Sri Lanka (THASL).

5 Mr. N.A.N. Jayasundera

Mr. Nalin Jayasundera has had a career spanning four decades with Aitken Spence. Having successfully played different roles within the Tourism Sector he assumed leadership of Aitken Spence Travels (Private) Limited (ASTL) as the Managing Director in 2013. ASTL is the leading destination management company in Sri Lanka and is a joint venture with TUI AG, the largest integrated tourism company in the world. He was appointed to the Group Supervisory Board of Aitken Spence PLC in 2026.

With the vast experience in the Tourism Sector that he possesses and the extensive knowledge of the travel industry, Mr. Jayasundera has played an important role in developing the Tourism Sector by venturing into several new markets and creating new products, while seeking new opportunities from emerging new global trends. His best accolade in the recent years is leading his team to grow the Aitken Spence Travels business by guiding the tourism sector to handle 230,000 pax, which is the best ever in the history of the company and is also the highest pax count handled by any Destination Management Company in Sri Lanka during 2025/26. In addition to its presence in the Maldives, Aitken Spence Travels has expanded its business to Myanmar and Bangladesh.

Mr. Jayasundera is currently the President of the Sri Lanka Association of Inbound Tour Operators (SLAITO) and he has held the position of Secretary in the past. He was a member of the Sri Lanka Tourism Advisory Council, a Board Member of the Sri Lanka Conventions Bureau and currently serves as a Board Member of the Sri Lanka Tourism Promotion Bureau. He is a member of SLID and SKAL International. In 2025, he was appointed to the Presidential Task Force on Tourism to develop and promote the tourism industry.

6 Mr. I.S. Cuttilan

Mr. Iqram Cuttilan joined Aitken Spence Shipping Limited in 1983. He was appointed as a Director of the company in 2000, as Chief Operating Officer in 2014 and as the Managing Director/CEO of the maritime segment in 2017. He is a member of the Management Council of Aitken Spence PLC and was appointed to the Group Supervisory Board of Aitken Spence PLC in 2026.

He currently oversees the maritime, freight and insurance segments of the Group.

He was involved in setting up port management activities in Africa and Fiji and serves as a Director of Fiji Ports Terminal Limited and Fiji Ports Corporation Limited. He is also a Director of the CINEC Campus (Private) Limited.

Mr. Cuttilan served as Chairman of the Ceylon Association of Shipping Agents (CASA) between 2019 to 2021. Prior to this, he held the positions of Treasurer and Vice Chairman of CASA. He serves as a member of the Advisory Council of CASA.

GROUP SUPERVISORY BOARD

He served as a member of the Advisory Committee on Logistics of the Sri Lanka Export Development Board between 2015 to 2021. He serves as a member of the Maritime & Logistics Committee of the European Chamber of Commerce of Sri Lanka (ECCSL) and the German Chamber of Commerce (AHK). He is a Past President of the Sri Lanka Malaysia Business Council of the Ceylon Chamber of Commerce and a Past President of the Sri Lanka Indonesia Friendship Association (SLIFA). He currently serves as Vice Patron of the Mercantile Hockey Association.

He holds a Diploma in Marketing from the Chartered Institute of Marketing (CIM)] (UK), a Diploma in Business Management (SLBDC) and is a Chartered Member of CILT (UK). He is also a member of the Alumni of the National University of Singapore and the Open University of Sri Lanka.

7 Mr. J.E. Brohier

Mr. Jerome Brohier heads the agency representation and overseas operations segment within the Maritime & Freight Logistics Sector. He joined Aitken Spence Cargo in 2000 as the Manager of the express segment. He has over thirty-five years of experience in the express/logistics industry, a majority of which has been with Aitken Spence Cargo. He was appointed as a Director of the express segment in 2006 and also served as the Country Manager of TNT International Express in Sri Lanka and the Maldives from 2008 to 2011.

In 2011 he took over as the Vice President of the freight and courier segment. In 2022, he was promoted to Managing Director – Agency Representation and Overseas Operations with responsibility for freight, express and cargo aviation agencies in Sri Lanka, Bangladesh, Myanmar, Maldives and Cambodia.

He is a member of the Management Council of Aitken Spence PLC and was appointed to the Group Supervisory Board of Aitken Spence PLC in 2026.

Mr. Brohier holds an MBA from the Australian Institute of Business (AIB), Adelaide, is an alumnus of the NUS–Stanford Graduate School of Business, Singapore and a member of the Association of Business Executives (ABE), UK. He is an Executive Committee member of the Sri Lanka – Singapore Business Council, a past president of the Sri Lanka Association of Air Express Companies and a former committee member of the Ceylon Chamber of Commerce.

MANAGEMENT COUNCIL

Ms. D.S.T. Jayawardena

Dr. R.M. Fernando

Ms. N. Sivapragasam

Mr. C.M.S. Jayawickrama

Mr. N.A.N. Jayasundera

Mr. I.S. Cuttilan

Mr. J.E. Brohier

Mr. L. Wickremarachchi

Mr. A.J. Gunawardena

Mr. V.P. Kudaliyanage

Mr. D.R.C. Hindurangala

Mr. L.N.D. Silva

MANAGEMENT COUNCIL

Mr. S.N. Muttiah

Mr. K.L.L. Perera

Mr. A.G. Geethkumara

Ms. D.R. Alexander

Ms. Y. M. Randeni

MANAGEMENT COUNCIL

Ms. D.S.T. Jayawardena
See Board of Directors Profile

Dr. R.M. Fernando
See Board of Directors Profile

Ms. N. Sivapragasam
See Group Supervisory Board Profile

Mr. C.M.S. Jayawickrama
See Group Supervisory Board Profile

Mr. N.A.N. Jayasundera
See Group Supervisory Board Profile

Mr. I.S. Cuttilan
See Group Supervisory Board Profile

Mr. J.E. Brohier
See Group Supervisory Board Profile

Mr. L. Wickremarachchi

Mr. Leel Wickremarachchi joined Aitken Spence in February 2013 as the Deputy Chairman/Managing Director of its power segment. He also functions as CEO/ Managing Director of Western Power Company (Pvt) Ltd., a subsidiary of Aitken Spence PLC, which owns and operates the country's first waste to energy power plant with an installed capacity of 10 MW.

Mr. Wickremarachchi has held senior positions in both public and private sector organisations. Immediately before joining Aitken Spence PLC, Mr. Wickremarachchi worked as a consultant to the Government of Liberia, in West Africa, under a USAID funded project, in the renewable energy sector. He was Director General of the Public Enterprises Reform Commission (PERC) from 2004 to 2006. He also undertook a consultancy assignment in 2004 for the Ministry of Privatisation of the Government of Pakistan, funded by the Asian Development Bank, in establishing a Public-Private Infrastructure Financing Facility for Pakistan. He had also worked at USAID/Sri Lanka, from 1992 to 1998, managing its project on establishing a market for private sector infrastructure in Sri Lanka, which resulted in the Government of Sri Lanka approving the private sector to invest in thermal power projects, as Independent Power Producers (IPPs). Subsequently, he functioned as CEO of Private Sector Infrastructure Development Company (PSIDC), a subordinated debt financing company for private sector financed infrastructure, owned by the Government of Sri Lanka and funded by the World Bank and KfW of Germany.

Mr. Wickremarachchi holds an MSc in Engineering from the People's Friendship University of Moscow, Russia and has obtained his MBA from the Post Graduate Institute of Management of the University of Sri Jayewardenepura. He has attended many Executive Development Programmes including the programmes conducted by the John F. Kennedy School of Government at Harvard University, USA, on "Infrastructure in a Market Economy" and the National University of Singapore on "General Management".

Mr. A.J. Gunawardena

Mr. Janaka Gunawardena is a seasoned logistics and supply chain leader with over thirty-three years of senior management experience spanning integrated logistics, end-to-end supply chain management, FMCG, and real estate sectors. Since joining the Aitken Spence Group in 2016, he has been instrumental in advancing the Group's integrated logistics portfolio, driving strategic growth, operational excellence, and market expansion across key geographies.

He began his professional career with Unilever Sri Lanka, where he developed a strong foundation in commercial and operational disciplines within a global corporate environment. Over the course of his career, Mr. Gunawardena has held several high-impact leadership roles across South Asia and the Middle East, demonstrating a consistent track record in building scalable logistics operations and leading complex, multi-market businesses.

His previous appointments include Director of Mack International Freight (Pvt) Ltd (formerly the local agent for DB Schenker), Chief Executive Officer of Trans-Ware Logistics, and senior leadership roles within the John Keells Group. He has also served as Country Manager for DHL Nepal and held key operational leadership positions with the GAC Group, including General Manager at AICT Pakistan one of the country's largest dry ports and Head of Logistics for Abu Dhabi and Kuwait.

At Aitken Spence, Mr. Gunawardena currently leads the Group's integrated logistics sector, overseeing a diversified portfolio of logistics, warehousing, and supply chain solutions. His leadership is focused on driving business transformation, enhancing operational efficiencies, and positioning the organisation as a competitive regional logistics player.

He holds a Master of Business Administration from the University of Western Sydney, Australia, and is a Chartered Member of the Chartered Institute of Logistics and Transport (CILT).

Mr. V.P. Kudaliyanage

Mr. Vasantha Kudaliyanage, an accomplished and multifaceted leader in the aviation industry with comprehensive in-depth experience and knowledge of the aviation business, is the Managing Director of the General Sales Agency for Singapore Airlines.

Mr. Kudaliyanage's professionalism and systematic approach continue to ensure excellent service delivery for effective project completion. His outstanding service has been recognised by SIA, our longest GSA of 55 years and he was awarded, 2010 – CEO Award and several regional awards.

Joining Aitken Spence, he counts for forty years of service, marked by exemplary loyalty, dedication and reliability. His flexibility and adaptability in managing

MANAGEMENT COUNCIL

diverse services and delivering results while professionalism and systematic approach continues to ensure excellent service delivery. With the current position, a rapid overall growth was shown, with increased productivity at Aitken Spence Aviation, winning the GRIT award for Sales & Cargo in 2022 and CEO Excellence Award in 2023 followed by Regional VP Excellence Award 2023 and 2025 for Airport Operations.

Mr. D.R.C. Hindurangala

Mr. Chaminda Hindurangala has been with the Aitken Spence Group for over twenty-five years, joining initially in 1996 and then rejoining in 2018. Having successfully played significant roles within the power generation segment and the maritime segment, where he was head of operations of the port management business in Africa.

He assumed leadership of the elevators segment in 2018. Aitken Spence Elevators (Private) Limited is a joint venture with OTIS Company (Singapore) and serves as the agent for OTIS in Sri Lanka and the Maldives. OTIS is the leading elevator brand in the world.

In 2022 he was also given the leadership of MMBL Money Transfer (Pvt) Ltd, a joint venture with MMBL Pathfinder Group. MMBL Money Transfer (Pvt) Ltd is the largest representative for Western Union, RIA & MoneyGram in Sri Lanka

He is well experienced in business development and business process re-engineering to improve processes and increase efficiency. He is also a Director of Aitken Spence Ports International Limited and CINEC Campus (Private) Limited.

He is a Fellow of the Institute of Chartered Accountants (CA) Sri Lanka, and has completed CPA Australia, completed a Diploma in Marketing from CIM (UK), and holds an MBA from the University of Wales (UK) and is a Certified Lean Six Sigma Black Belt.

Mr. L.N.D. Silva

Mr. Deshantha Silva joined the Aitken Spence Group on 1st July 2021 and counts almost three decades of diverse management experience across multiple industries in manufacturing and service sectors. He serves Aitken Spence Group Management Council by heading the Printing & Packaging segment as Director/ Chief Executive Officer. His manufacturing industry exposure includes apparel, furniture and printing & packaging industries.

He formerly held Chief Executive Officer positions at Finco Trading (Private) Limited, The Lanka Hospitals Corporation PLC and at ACME Printing & Packaging PLC. He also held the position of Director / Chief Operating Officer at Alpha Industries (Private) whilst serving Finco Group of Companies for 15 years.

Mr. Silva is a qualified engineer, having graduated from University of Moratuwa and holds a Master of Business Administration with an Overall Merit Pass from University of Colombo. He completed his qualifications in accountancy in 1995 and got his membership from CIMA in 2001. With the completion of the Diploma in Marketing at CIM in 1999, he got his membership at CIM in 2002. Currently, Mr. Silva is an Associate Member of the Chartered Institute of Management Accountants (CIMA) in UK, an Associate Member of the Chartered Institute of Marketing (CIM) in UK and an Associate of the Institution of Engineering & Technology (IET) in UK. He is also a Lifetime Fellow Member of the Institute of Chartered Professional Managers in Sri Lanka (CPM) and a Fellow Member of the Institute of Certified Management Accountants (CMA) in Sri Lanka, the Institute of Public Accountants (IPA) in Australia and a Chartered Global Management Accountant.

He was a director of the Association of Laminated Flexible Packaging Manufacturers (ALFPM) for many years and is currently a member of the Council of Management and the Governing Body of the Sri Lanka Institute of Packaging (SLIP).

He also served the Executive Committee of Sri Lanka Association of Printers (SLAP) as a Committee Member and as the General Secretary until recently.

Mr. S.N. Muttiah

Mr. Suresh Muttiah, prior to joining Aitken Spence PLC was attached to John Keells Group for a period of 10 years, where he held positions of General Manager – Human Resources at Union Assurance PLC and Vice President Human Resources of the group's retail sector, where he played a key leadership role in implementing many business transformation HR strategies.

Suresh also worked at Dialog Axiata PLC for a period of 5 years and Carsons Cumberbatch Group for 7 years holding key HR leadership positions. Overall, Suresh counts 26 years in the field of Human Resources of which 22 years in leadership positions.

In recognition of his significant contributions in the field of HR, Suresh was recognised with the 'Outstanding HR Leadership of The Year Award' in 2016, 'Most Influential HR Leaders' in 2019, '501 Fabulous Global HR Leaders of the World' 2020 and 'Top Most HR Leaders Award, Sri Lanka' 2024 by World HRD Congress. Suresh was also recognised as the prestigious Alumnus of Year award by University of Southern Queensland – Australia in 2017. As the Chairperson of the HR sub-committee of Insurance Association of Sri Lanka (IASL) and the President of the University of Southern Queensland Alumni – Sri Lankan Chapter and as a member of the Executive Committee of the Association of HR Professionals, Sri Lanka, Suresh was instrumental in executing many pioneering initiatives.

Suresh holds an MBA and Post Graduate Diploma in Business Administration from the University of Southern Queensland– Australia, Chartered Qualification in HRM (CQHRM) from Institute of Personnel Management SL. Suresh is a Fellow of CIPD (UK), ExCo member AHRP (SL) and Chartered member of CIPM (SL).

MANAGEMENT COUNCIL

Mr. K.L.L. Perera

Mr. Lushan Perera joined the apparel industry in 1999 at LM Apparels (Brandix Casual Wear) in Sri Lanka as a Merchandiser for two years before moving to Next Sourcing Ltd, Sri Lanka (part of Next PLC UK), where he worked as a Merchandiser Controller, gaining five years of experience.

Between 2005 and 2008, he was attached to Melbourne Washing Plant Pvt Ltd., of the EAM Maliban Group, Sri Lanka as the Business Development and Customer Relationship Manager liaising with many global retailers and local manufacturing groups.

Subsequently, in 2008, Mr. Perera relocated to Bangladesh and assumed the position of Head Merchandiser at Regency Garments Ltd. His exceptional performance led to a promotion in 2014, when he was appointed as the General Manager Merchandising/ Country Manager at FR Apparel Trading, a Dubai-based company that is a member of the Hirdaramani Group. Throughout his nine-year tenure with the company, he achieved remarkable revenue growth.

In 2016, Lushan assumed the role of Chief Executive Officer/Director at Progress Apparels Bangladesh Ltd, where he was a founding member. During his tenure, he successfully led the company to achieve an accumulative sales turnover exceeding USD 60 million within a span of 3 years. He continued to oversee all operations in this capacity until 2021.

In May 2022, Lushan assumed the position of Head of the Aitken Spence Apparel segment.

He is a member of the Chartered Institute of Marketing UK and holds certifications as a Management Accountant and Global Business Analyst from ICMA Australia. Additionally, he pursued business studies at the National University of Singapore and obtained a Master's degree in Business Administration from Royal Roads University in Canada. Certificate, case studies of world's leading companies from Harvard Business School 2019 and obtained various Industrial studies & certifications from Textile Universities in Sri Lanka.

Mr. A.G. Geethkumara

Mr. Geethkumara, the Director/Chief Executive Officer of Elpitiya Plantations PLC, currently serves as a Director on the Boards of Aitken Spence Plantation Management PLC and Elpitiya Plantations PLC. Mr. Geethkumara joined Elpitiya Plantations Limited under the management of Messrs Carsons Agro Services (Pvt) Limited when the estates were privatised by the Government in June 1992 and has over 38 years of experience in the plantation sector.

Mr. Geethkumara is currently reading for a Doctor of Business Administration (DBA) at the Faculty of Management & Finance of the University of Colombo and holds a Master's degree in Conflict & Peace Studies from the Faculty of Graduate Studies of the University of Colombo.

He also holds a Diploma in Plantation Management from the National Institute of Plantation Management (NIPM) and a Diploma in Marketing from the London Business School.

Mr. Geethkumara has served as the Chairman of the Regional Scientific Committee of the Tea Research Institute of the Galle District and as the Honorary Secretary of the Galle District Planters' Association of Ceylon.

He has also held the positions of Secretary to the Forest and Timber Certification Foundation and Treasurer of the former Ceylon Cinnamon Geographical Indication Association.

Ms. D.R. Alexander

Ms. Dinali Alexander serves as the Group Chief Supply Chain Officer of Aitken Spence PLC and Chief Transformation Officer (Vice President) of Aitken Spence Hotels, with oversight of operations across Sri Lanka, the Republic of Maldives, India, and the Sultanate of Oman.

With over 25 years of professional experience, she has built a distinguished career marked by expertise in supply chain transformation, strategic leadership, and operational excellence across multiple industries. In addition to her executive responsibilities, she serves on the boards of several local and international companies within the Group.

She is also a Board Member of the International Chamber of Commerce Sri Lanka and currently serves as the Chairman of its Environment and Energy Committee, contributing to national and global dialogue on sustainability and responsible business practices.

She possesses extensive management experience spanning Procurement, Administration, Human Resources, and Sustainability, gained across a diverse portfolio of sectors. She holds a Master of Business Administration from Cardiff Metropolitan University. Renowned for her integrity and resilience, she is committed to fostering high performing teams and developing future leaders.

Ms. Y.M. Randeni

Ms. Yasangi Randeni is a sustainability practitioner with nearly two decades of experience integrating impact-driven sustainability into corporate strategy, governance and risk management. She steered a strategy-led sustainability model at Aitken Spence PLC, earning national and international recognition for policy excellence and strategic interventions. Building on earlier leadership, she played a central role in advancing the Group's Best Corporate Citizen journey, significantly contributing to 19 consecutive rankings among the Top Ten Corporate Citizens and entering the Hall of Fame of the Ceylon Chamber of Commerce with five wins as a Best Corporate Citizen of Sri Lanka.

An engineer by qualification, Yasangi is an alumna of Monash University. She also holds a postgraduate diploma in Sustainable Development from SOAS CeDEP, University of London and spearheaded the integration

of human rights and disaster risk reduction (DRR) into the Group's sustainability strategy. Yasangi played a key role in aligning the Group's public disclosures with global frameworks such as GRI, SASB and SLFRS S1 & S2, leveraging her knowledge and experience as a GRI Certified Professional. She also led the Group's engagement with the GRI Community, positioning Aitken Spence PLC among a limited number of Sri Lankan companies, enhancing access to global best practices, expert insights and evolving developments in sustainability standards.

She played a pivotal role in the Group's alignment with the Science Based Targets initiative (SBTi), leading the target-setting process that enabled Aitken Spence to become the first conglomerate in Sri Lanka with SBTi validated targets. She currently serves as the first Group Chief Sustainability Officer of Aitken Spence PLC.

Beyond the Group, Yasangi is an active voice in the dialogue on sustainability. She heads the Working Group on Business & Human Rights at UN Global Compact (UNGC) Sri Lanka, engages with the Asia Pacific Alliance for Disaster Management and the Sri Lanka Preparedness Partnership through their private sector consultation platforms and represents Aitken Spence in multiple UNGC working groups that advance responsible business practices, climate action, and inclusive growth. She also represents Aitken Spence PLC in the Climate Action Steering Committee of the Ceylon Chamber of Commerce and is a member of the Environment & Energy Committee of the International Chamber of Commerce Sri Lanka. A City & Guilds certified trainer, and the first Distinguished Toastmaster from Aitken Spence PLC, she delivers sustainability related programmes across all levels of the organisation and for external audiences, contributing to capability building for sustainability.

SENIOR MANAGEMENT COMMITTEE

TOURISM SECTOR

In alphabetical order

Mr. J.A.D.A.L.T. Appuhamy
Assistant Vice President - Maldivian Hotels Segment

Mr. A.R.C.C. Athapattu
Assistant Vice President - Hotels Segment

Mr. D.J. De Crusz
Vice President - Hotels Segment

Ms. L.M. Diaz
Assistant Vice President - Hotels Segment

Mr. C.C.S. Dissanayake
Assistant Vice President - Maldivian Hotels Segment

Mr. S.M.A.L. Gunasekare
Assistant Vice President - Maldivian Hotels Segment

Mr. M.D.B.J. Gunatilake
Vice President / Chief Operating Officer - Maldivian Hotels Segment

Mr. A.S. Hapugoda
Vice President - Destination Management Segment

Mr. M.T. Hapuarachchi
Assistant Vice President - Destination Management Segment

Mr. R. Kohler
Vice President - Hotels Segment

Ms. D.S. Kudaliyanage
Assistant Vice President - Airline GSA

Mr. M.K.P. Mahagedera
Assistant Vice President - Destination Management Segment

Mr. M. Mahdy
Assistant Vice President - Maldivian Hotels Segment

Ms. N. Mohamed
Assistant Vice President - Overseas Hotels Segment

Ms. N.M. Pelpola
Assistant Vice President - Hotels Segment

SENIOR MANAGEMENT COMMITTEE

TOURISM SECTOR

In alphabetical order

Mr. P.G.S. Pereira
Vice President -
Hotels Segment

Mr. D.A.M.J. Perera
Assistant Vice President -
Destination Management Segment

Mr. T.A.E.S. Ranasinghe
Assistant Vice President -
Sri Lankan Hotels Segment

Mr. R.S. Ratnayake
Vice President / Chief Operating Officer -
Destination Management Segment

Ms. B.R. Seneviratne
Assistant Vice President -
Airline GSA

Mr. S.N. de Silva
Vice President / Chief Executive Officer -
Oman Hotels Segment

Mr. L.B. Sumanasinghe
Vice President -
Destination Management Segment

Mr. D.L. Warawita
Vice President -
Destination Management Segment

Mr. K.S. Wijenayake
Assistant Vice President
- Destination Management Segment

Mr. B.G.D.L.P. Wijerathne
Assistant Vice President -
Sri Lankan Hotels Segment

SENIOR MANAGEMENT COMMITTEE

MARITIME & FREIGHT LOGISTICS SECTOR

In alphabetical order

Mr. C.A.S. Anthony
Vice President / Chief Operating Officer- Integrated Container Segment

Mr. M.S. Balasooriya
Vice President - Freight Segment

Mr. H. Dela Bandara
Vice President / Chief Operating Officer of Maritime Sector

Mr. M.A.M. Isfahan
Vice President - Maritime & Freight Logistics Sector

Mr. N.J.D.S. Jayawardena
Assistant Vice President - Freight Segment

Mr. C.J. Jirasinha
Assistant Vice President - Freight Segment

Mr. K.W.G.K. Kumarasinghe
Assistant Vice President - Maritime Segment

Mr. B.C. Mack
Assistant Vice President - Maritime Segment

Mr. M. L. A. Martis
Assistant Vice President - Maritime Segment

Mr. R.W.M.P.S. Rodrigo
Assistant Vice President - Cargo GSA Segment

Mr. G.R. Seilman
Assistant Vice President - Freight Segment

Mr. T.S. Weerasuriya
Assistant Vice President - Freight Segment

Mr. L.I. Witanachchi
Vice President - Maritime Sector

SENIOR MANAGEMENT COMMITTEE

STRATEGIC INVESTMENTS SECTOR

In alphabetical order

Mr. M.S.D. Cooray
Assistant Vice President - Corporate Services

Mr. P.S. Dissanayake
Assistant Vice President / Chief Operating Officer - Plantations - Engineering, Project Management & Business Strategies

Mr. J.R. Ekanayake
Assistant Vice President - Power Generation Segment

Mr. T.M.S. Fonseka
Vice President - Corporate Services

Mr. N.N. Gunawardena
Assistant Vice President - Corporate Services

Ms. W.K.D.M. Jayalath
Assistant Vice President - Corporate Services

Mr. R.W. Jayamaha
Assistant Vice President / Chief Operating Officer Knit Cluster - Apparel Manufacturing Segment

Ms. R.I.D. Katipearachchi
Vice President / Chief Operating Officer - Corporate Services

Ms. M.R.C. Moreas
Vice President / Deputy Chief Executive Officer - Power Generation Segment

Ms. R.D. Nicholas
Vice President - Corporate Services

Mr. J.A.R. Nissanka
Assistant Vice President / Chief Operating Officer - Plantations - Finance & IT

Mr. N.L.T. Perera
Vice President - Corporate Services

SENIOR MANAGEMENT COMMITTEE

STRATEGIC INVESTMENTS SECTOR

In alphabetical order

Mr. B.Y. Poopalapillai
Vice President -
Corporate Services

Mr. V.S. Premawardhana
Vice President -
Corporate Services

Mr. E.J.M. Robinson
Assistant Vice President -
Corporate Services

Mr. D.D.M.A. Saparamadu
Assistant Vice President -
Corporate Services

Ms. W.A.D.L. Silva
Vice President -
Corporate Services

Mr. J. R. VanDort
Assistant Vice President -
Corporate Services

ON GUARD:

MANAGING COMPLEXITY WITH CONFIDENCE

At Aitken Spence PLC, we understand risk and navigate it responsibly through strong, layered governance, logical forecasting and unwavering discipline.

5

GOVERNANCE AND RISK MANAGEMENT

90 | Governance Statement
128 | Risk Management
139 | Report of the Senior Independent Director
140 | Nominations and Governance Committee Report
142 | Remuneration Committee Report
144 | Audit & Risk Committee Report
148 | Related Party Transactions Review Committee Report
151 | The Board of Directors' Statement of Internal Controls
153 | Annual Report of the Board of Directors

CORPORATE GOVERNANCE

Chairperson's Statement on Governance *(GRI 2-22)*

Dear Stakeholders,

It is my pleasure to present to you the Corporate Governance Report of Aitken Spence PLC for the Financial Year 2025/2026. At Aitken Spence, responsible business practices remain central to our corporate philosophy and the Board firmly believes that a strong governance framework is fundamental in ensuring accountability, resilience and sustainable value creation across the Group. This commitment continues to underpin our growth as one of Sri Lanka's leading diversified conglomerates with an expanding regional footprint.

As the business environment continues to evolve amidst economic, environmental, technological and geopolitical challenges, the Board remains focused on balancing long-term strategic growth with responsible stewardship. During the year, particular emphasis was placed on strengthening governance structures and enhancing oversight mechanisms to ensure that the Group remains agile, resilient and future-ready. The establishment of a dedicated Investment Committee during the year marks an important step in further strengthening the Board's oversight of strategic investments, capital allocation, and long-term value creation initiatives across the Group.

The importance of sustainability and climate-related governance has continued to grow significantly, particularly in the light of emerging global and local reporting requirements. In this regard, the Board has actively strengthened its oversight role relating to sustainability-related risks and opportunities and the Group's readiness for compliance with SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards. The Board, together with management, engaged extensively during the year in reviewing the governance, strategy, risk management, metrics and targets required under these standards to ensure that sustainability considerations are appropriately embedded into the Group's decision-making processes and long-term strategic direction. During the year, the Board reviewed the Group's progress towards aligning with a net-zero pathway, including the validation of its near-term for 2030 by the Science Based Targets initiative (SBTi), further reinforcing the Group's sustainability leadership as the first diversified conglomerate in Sri Lanka to commit to the SBTi. The Board will continue to oversee progress against these targets and guide long-term plans towards achieving its net-zero ambitions.

The Group's digital transformation initiatives also continued to progress during the year, enabling greater operational efficiencies, improved analytics and enhanced decision-making capabilities. In parallel, we continued to strengthen our IT governance and cybersecurity frameworks to safeguard data privacy and operational resilience in an increasingly digital business landscape.

Risk Management remains a key pillar of organisational resilience at Aitken Spence. The Board continues to adopt a forward-looking approach in evaluating emerging risks and opportunities, with increasing focus on sustainability, climate resilience, regulatory developments, cybersecurity, talent retention, and long-term business continuity. This proactive approach supports the Group's ability to create sustainable value while navigating a rapidly changing global environment.

I firmly believe that the enduring strength of Aitken Spence lies in its values driven culture, built over generations of committed leadership and responsible corporate citizenship. A deep rooted commitment to ethics, integrity, transparency, and accountability continues to guide our conduct across the Group. As Sri Lanka advances towards long-term economic stability and sustainable development, the Board of Aitken Spence remains steadfast in upholding the highest standards of corporate governance while driving strategic growth, resilience and shared prosperity for all stakeholders. This commitment has been integral to our success over the years and will continue to guide the Group in the future.

Compliance Statement

On behalf of the Board of Aitken Spence PLC, I declare that the principles of good corporate governance are applied consistently across the Group and that the Corporate Governance Report provides a fair account of Corporate Governance practices within the Group. I am also pleased to report that the Group complies with the relevant sections of the Listing Rules of the Colombo Stock Exchange (CSE) pertaining to Corporate Governance and the provisions of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Ms. D.S.T. Jayawardena
Executive Chairman/Chairperson and
Interim Managing Director

05th June 2026
Colombo

CORPORATE GOVERNANCE

CHANGES TO THE BOARD

- Appointment of Mr. C.H. Gomez to the Board as a Non-Independent Non- Executive Director w.e.f. 01st April 2025.
- Mr. R.N. Asirwatham, Non-Independent Non-Executive Director ceased to hold office as a Director following his demise on 12th December 2025.
- Resignation of Dr. M.P. Dissanayake, Deputy Chairman and Managing Director on 31st March 2026.
- Appointment of Ms. D.S.T. Jayawardena, Chairman/Chairperson as the Interim Managing Director of the Company w.e.f. 01st April 2026.

CHANGES TO SUBCOMMITTEES

Following the demise of Mr. R.N. Asirwatham, the composition of the Audit and Risk Committee and the Related Party Transactions Review Committee was revised w.e.f. 12th December 2025. (Refer Page 94 for revised composition of the said Committees).

IMPROVEMENTS TO GOVERNANCE FRAMEWORK

During the year, we further enhanced our governance framework with the establishment of an Investment Committee to review and evaluate new investment proposals, to assess the future outlook and to recommend decisions on continuation of segments incurring sustained losses with limited prospects of recovery. The Committee will deliberate on such matters and make appropriate recommendations to the Board for approval. The role and composition of the Investment committee are given on page 94 of this report.

BOARD HIGHLIGHTS 2025/2026

CORPORATE GOVERNANCE

OUR APPROACH TO GOVERNANCE

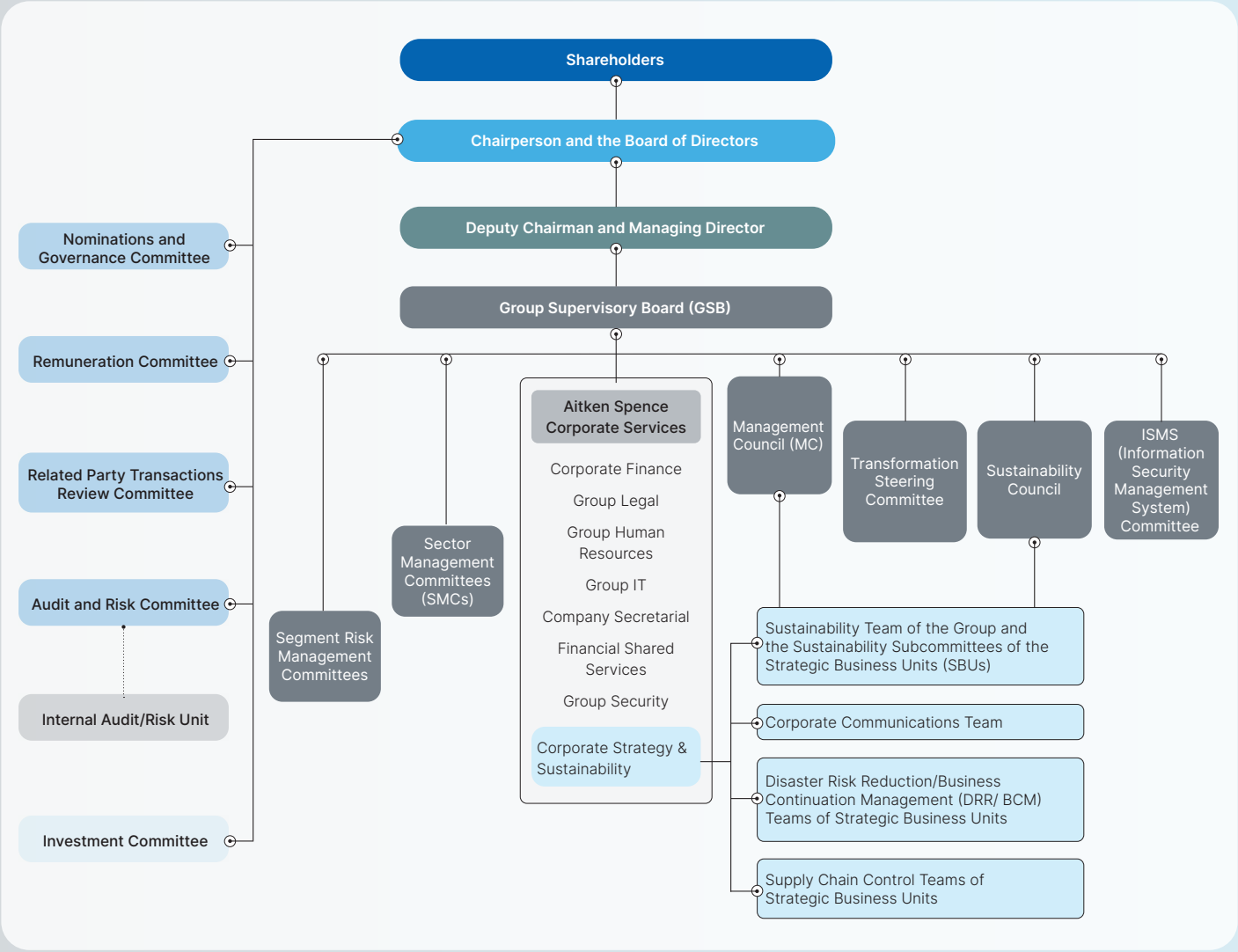
Aitken Spence PLC's governance framework is anchored in accountability, sound judgement and effective oversight. The Company continually reviews and strengthens its governance structures, policies and processes to support long-term sustainability, organisational resilience and disciplined decision-making in a rapidly evolving business environment. Our governance practices are designed to align the interests of key stakeholders, including shareholders, management and employees, while promoting ethical conduct, transparency and sound decision-making. Over the past 157 years, we have adapted our governance arrangements in response to changing regulatory requirements, emerging risks and stakeholder expectations, ensuring that the Group remains well governed, resilient and responsibly managed.

Our governance practices are designed to balance the interests of shareholders, management and employees, while upholding high standards of ethical conduct, transparency and compliance. Over the course of our history, we have adapted our governance arrangements in response to changing regulatory requirements, emerging risks and stakeholder expectations, ensuring that the Group remains well governed, resilient and responsibly managed.

GOVERNANCE STRUCTURE

(GRI 2-9)

The diagram below illustrates the Group's governance structure, which defines clear roles, responsibilities and lines of authority across the organisation. Through this structure, the Board provides strategic direction and oversight, supported by a comprehensive policy framework that guides management in day-to-day operations. The governance structure is underpinned by robust processes and effective internal controls, enabling sound decision-making, accountability and responsible stewardship.



CORPORATE GOVERNANCE

SEGREGATION OF RESPONSIBILITIES *(GRI 2-12)*

BOARD

Key responsibilities of the Board Include: *(GRI 2-12)*

- Providing directions and guidance to the Group in formulating and implementing corporate strategy for value creation in short, medium and long-terms and monitoring implemented strategies to ensure sustainability and impact control.
- Making decisions on Board appointments, evaluating Board performance and ensuring succession planning to ensure business continuity.
- Overseeing Company's financial performance and adopting appropriate accounting policies.
- Ensuring that the Company adheres to best practices in corporate governance including ethical business practices and compliance with rules, regulations and internal policies of the Group including concerns on ethics, bribery and corruption.
- Establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks.
- Ensuring that all business decisions consider environmental, social and governance (ESG) considerations.
- Building and improving stakeholder relationships.
- Reviewing and approving major investments, acquisitions, disposals and capital expenditure and considering their impacts on society and the environment.

CHAIRMAN/CHAIRPERSON

The key responsibilities of the Chairman/Chairperson include:

- Leading the Board, preserving good corporate governance and ensuring that the Board works effectively.
- Setting the Board's annual work plan and the agendas.
- Ensuring that the Board is in control of the affairs of the Company.
- Building and maintaining stakeholder trust and confidence.
- Ensuring effective participation of all Board members during Board meetings and ensuring efficient conduct of Board Meetings.

Ms. D.S.T. Jayawardena, Chairman/Chairperson of the Company was appointed as the Interim Managing Director of the Company with effect from 01st April 2026 following the resignation of Dr. M.P. Dissanayake.

DEPUTY CHAIRMAN/MANAGING DIRECTOR

The key responsibilities of the Deputy Chairman/Managing Director include:

- Implementing strategy and driving performance.
- Ensuring succession planning of the corporate management team and assessing their performance.
- Developing the Company/Group strategy for consideration and approval by the Board in line with guidance provided by the Board.
- Developing and recommending to the Board, budgets supporting the Company/Group long-term strategy.
- Setting the Board agenda in consultation with the Chairman/Chairperson and assisted by the Company Secretaries.
- Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- Establishing an organisational structure for the Company which is appropriate for the execution of strategy.
- Ensuring a culture that is based on the Company's values.
- Ensuring that the Company operates within the approved risk appetite.

Dr. M.P. Dissanayake served as the Deputy Chairman and Managing Director of the Company during the financial year 2025/26. Upon his resignation on 31st March 2026, Ms. D.S.T. Jayawardena was appointed as the Interim Managing Director of the Company with effect from 01st April 2026.

SENIOR INDEPENDENT DIRECTOR (SID)

The key responsibilities of the Senior Independent Director include:

- Exercising independent judgement on Board related matters.
- Ensuring that Independent Directors convene at least annually, without the presence of other Directors, to deliberate on governance matters and address any concerns related to the Company and its operations and to communicate the outcomes from these discussions to the Chairperson.
- Ensuring that Non-Executive Directors convene at least annually, without the presence of the Chairperson to appraise the Chairperson's performance.

COMPANY SECRETARIES

Key responsibilities of the Company Secretaries include:

- Ensuring the conduct of Board and General Meetings are in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Meetings, General Meetings and Subcommittee Meetings.
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.
- Monitoring and ensuring compliance with regulatory requirements and keeping the Board informed of any developments in these areas.

Aitken Spence Corporate Services (Private) Limited acts as the Company Secretaries and guides the Board in discharging its duties and responsibilities. The appointment and removal of the Company Secretaries is determined by the Board.

BOARD SUBCOMMITTEES - COMPOSITION AND ROLE

(GRI 2-9)

The Board has assigned specific responsibilities that require more focused attention to five subcommittees. This structure allows the Board to dedicate adequate time to matters reserved for its decision-making, particularly in executing strategy and addressing forward-looking issues, while ensuring that delegated matters receive thorough attention. Committee Chairmen are accountable for the effective operation of their respective committees and provide regular reports to the Board on their activities.

	Board Subcommittee	Composition		Areas of Focus
Mandatory Committees	**Nominations and Governance Committee** Report of the Nominations and Governance Committee is given on pages 140 to 141	**INED 3** » Mr. P. Englisch (Chairman) » Dr. R.A. Fernando » Mr. C.J. Sevilla	**NED 2** » Mr. J.M.S. Brito » Mr. C.R. Jansz	» Evaluate and recommend the appointment/re-appointment/ election/re-election of Directors to the Board. » Evaluate and recommend suitable internal and external candidates to higher levels of management. » Succession planning. » Ensuring Effectiveness of the Board and its Subcommittees.
Mandatory Committees	**Remuneration Committee** Report of the Remuneration Committee is given on pages 142 to 143	**INED 3** » Mr. P. Englisch (Chairman) » Dr. R.A. Fernando » Mr. C.J. Sevilla	**NED 2** » Mr. J.M.S. Brito » Mr. C.R. Jansz	» Determine the remuneration policy of the Directors and the Management Council. » Determine the overall individual remuneration packages which include compensation on termination of employment. » Evaluate the performance of the Managing Directors Executive Directors as well as the individual and collective performance of Directors and Senior Management of the Strategic Business Units.
Mandatory Committees	**Audit and Risk Committee** Report of the Audit and Risk Committee is given on pages 144 to 147	**INED 4** » Mr. M.R. Mihular (Chairman) » Dr. R.A. Fernando » Mr. P. Englisch » Mr. C.J. Sevilla	**NED 1** » Mr. J.M.S. Brito » Mr. R.N. Asirwatham*	» Risk management and internal control. » Financial reporting and financial control. » Internal audit. » External audit including assessing the independence of the external auditor. » Compliance with legal and regulatory requirements.
Mandatory Committees	**Related Party Transactions Review Committee** Report of the Related Party Transactions Review Committee is given on pages 148 to 150	**INED 4** » Mr. M.R. Mihular (Chairman) » Dr. R.A. Fernando » Mr. P. Englisch » Mr. C.J. Sevilla	**NED 1** » Mr. J.M.S. Brito » Mr. R.N. Asirwatham*	» Review all proposed Related Party Transactions and the post quarter confirmations in accordance with the requirements of the Listing Rules of the CSE. » Recommend appropriate action for compliance in respect of proposed Related Party Transactions or post quarter confirmations as applicable. » Annual Review of thresholds of transactions falling under the ambit of Rule 9.14.8 of the Listing Rules of the CSE based on the available Audited Financial Statements. » Set out criteria to determine Key Management Personnel.
Voluntary Committees	**Investment Committee**	**INED 2** » Mr. M.R. Mihular (Chairman) » Mr. P. Englisch	**NED 3** » Mr. J.M.S. Brito » Mr. C.H. Gomez » Mr. N.J. de S. Deva Aditya	» Review and evaluate proposals submitted by Group Companies from time to time in relation to future investments. » Assess companies incurring sustained losses with limited prospects of recovery. » Deliberate on above matters and make appropriate recommendations to the Group Supervisory Board.

INED - Independent Non-Executive Directors
NED - Non-Executive Director

** Deceased on 12th December 2025*

EXECUTIVE COMMITTEES- COMPOSITION AND ROLE

The Board has set up seven Executive Committees with oversight responsibility enabling efficient discharge of the executive functions of the Board.

	COMPOSITION	ROLE
Group Supervisory Board (GSB)	» Ms. D.S.T. Jayawardena » Dr. M.P. Dissanayake (Resigned w.e.f. 31st March 2026) » Dr. R.M. Fernando » Ms. N. Sivapragasam » Mr. C.M.S. Jayawickrama (Appointed w.e.f 16th February 2026) » Mr. N.A.N. Jayasundera (Appointed w.e.f. 16th February 2026) » Mr. I.S. Cuttilan (Appointed w.e.f 16th February 2026) » Mr. J.E. Brohier (Appointed w.e.f. 16th February 2026)	Formulates and oversees the execution of strategies within the policy framework set out by the Board of Directors
Management Council (MC)	» Managing Directors and Chief Executive Officers of the sectors including GSB	Executes strategies at operational level
Sector Management Committees (SMCs)	» GSB » Sectoral Managing Director/Chief Financial Officer of the sector » Senior Sectoral Management Team » Selected members from the cross functional Senior Management Team	Monitors and reviews operations at sector level
Sustainability Council	» Dr. R.M. Fernando » Ms. D.S.T. Jayawardena » Ms. N. Sivapragasam » Dr. R.A. Fernando » Managing Directors and Chief Executive Officers of the sectors » Selected Members of the cross functional Senior Management Team of Aitken Spence Corporate Services (Private) Limited	Oversees sustainability strategies, performance, and stakeholder engagement, ensuring compliance and promoting best practices within the Group
Transformation Steering Committee	» Dr. R.M. Fernando » Ms. D.S.T. Jayawardena » Selected members from the Senior Management Team	Monitors and reviews the Group transformation strategy, provides direction and implements necessary action
ISMS (Information Security Management System) Committee	» Dr. R. M. Fernando » Ms. N. Sivapragasam » Sectoral Managing Directors » Senior Sectoral Management Team	Provides governance, oversight, and strategic direction for the Information Security Management System (ISMS) of Aitken Spence Group IT. The Committee plays a key role in ensuring that information security is managed effectively in alignment with organisational objectives, regulatory requirements, and the ISO/IEC 27001 standard
Segment Risk Management Committees	» Managing Director and/or Chief Executive Officers of the segments » Selected Members of the cross-functional Senior Management Teams of each segment	Manages and oversees risks at the individual business segment-level, in line with the Group's overall risk management framework. Acts as the first line of structured risk oversight

CORPORATE GOVERNANCE

REGULATORY AND COMPLIANCE FRAMEWORK

(GRI 2-23, 2-27)

Corporate governance at Aitken Spence PLC is anchored in a robust framework that integrates mandatory regulatory requirements, a range of voluntary standards and internal codes of conduct. Strict compliance with these requirements ensures that we hold the highest standards in corporate governance across all aspects of our operations. The Group consistently adheres to applicable laws, regulatory requirements, and internal compliance standards, reflecting its commitment to responsible business conduct. We are pleased to confirm that during the year under review, there were no instances of non-compliance with applicable laws, regulations, or listing requirements.

(GRI 2-27)

	REGULATORY AREA	APPLICABLE LAWS, REGULATIONS AND STANDARDS
MANDATORY COMPLIANCE	Governance, Compliance & Risk	» Companies Act No. 7 of 2007 and amendments thereto » Continued Listing Requirements of the Colombo Stock Exchange (CSE) » Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and amendments thereto » Anti-Money Laundering Laws and Regulations » Financial Transactions Reporting Act No. 6 of 2006 and amendments thereto » Personal Data Protection Act No. 9 of 2022 » Anti-Corruption Act No. 9 of 2023
	Taxation & Financial Regulations	» Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 (SLFRS/LKAS) » Inland Revenue Act No. 24 of 2017 and amendments thereto » Foreign Exchange Act No. 12 of 2017 and amendments thereto » Finance Business Act No. 42 of 2011 and amendments thereto
	Labour & Operational Regulations	» Industrial Disputes Act No. 43 of 1950 » Shop and Office Employees Act No. 15 of 1954 » Factories Ordinance No. 45 of 1942
	Strategic/Emerging Regulations	» Port City Economic Commission Act No. 11 of 2021 » SLFRS Sustainability Disclosure Standards S1 and S2
VOLUNTARY CODES AND BEST PRACTICES	Corporate Governance	» Code of Best Practice on Corporate Governance (CA Sri Lanka, 2023) » Codes of regulatory authorities, professional institutions and trade associations
	Sustainability & Reporting Frameworks	» Global Reporting Initiative (GRI) Universal Standards 2021 » Integrated Reporting Framework
	Global Principles & Commitments	» United Nations Global Compact (UNGC) » UN Guiding Principles on Business and Human Rights » Women's Empowerment Principles
	Environmental & Social Standards	» Social and Environmental Certification Requirements

CORPORATE GOVERNANCE

INTERNAL GOVERNANCE FRAMEWORK

(GRI 2-23, 2-24, 2-26, 205-2)

A Board approved governance framework including internal codes and policies ensure adherence to both regulatory mandates and voluntary standards. The policies are reviewed periodically and updated, amended, altered and/or removed as deemed appropriate.

KEY INTERNAL CODES AND POLICIES *(GRI 2-23)*

Articles of Association

Terms of Reference (ToRs) of Board Subcommittees namely Audit and Risk Committee, Remuneration Committee, Nominations and Governance Committee, Related Party Transactions Review Committee

General Policies

Aitken Spence Group has adopted a suite of policies covering the following topics:

- Gender Equity
- Diversity, Equity and Inclusion
- Grievance Handling
- Parental Leave
- Adoption Leave
- Sexual Harassment Prevention
- Remote working

For more details, please refer Human Capital on pages 256 to 271 of this Annual Report.

Group Whistleblowing Policy *(GRI 2-26)*

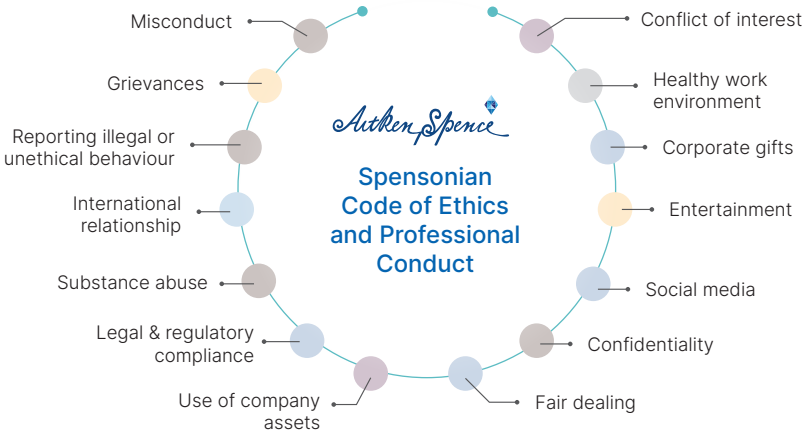
The Group has put in place a Whistleblowing Policy to report, investigate and address any concerns in employee behaviour that are illegal in the workplace. This policy encourages employees to promptly report any suspected illegal activities, assuring confidentiality and investigation by an independent custodian appointed by management. It ensures that whistleblowers are treated with utmost confidentiality and fosters two-way communication for necessary follow-up on raised concerns.

Scan the QR code to read our Whistleblowing Policy published on our website www.aitkenspence.com

Group Code of Ethics and Professional Conduct *(GRI 205-2)*

The Group prioritises integrity, professionalism, and respect for stakeholders' rights. All employees and Directors adhere to the Group Code of Ethics and Professional Conduct, which upholds corporate values and a reputation for integrity and fair dealing.

The Code is accessible on the intranet and reinforced through training and communication. Employees were given access to review it on the online learning platform "TARTAN." The Board is unaware of any significant violations of the Code by Directors or employees.



CORPORATE GOVERNANCE

Group Anti-Bribery and Anti-Corruption Policy

(GRI 205-1, 205-2, 205-3)

Group's Anti-Bribery and Anti-Corruption Policy articulates key principles aimed at eradicating bribery and corruption. With an unwavering commitment, the Company stands firm against all forms of bribery and corruption, recognising them as significant threats to its integrity and reputation.

All our operations are assessed for risks related to corruption and bribery. During the reporting period, there were no incidents of corruption reported.

"Aitken Spence Group operates in accordance with ethical guidelines and maintains a culture of integrity throughout its operations. The Group does not condone any form of bribery and/or corruption. The Group practices a zero-tolerance approach towards bribery and corruption in all its transactions. Further, the Group expects all employees, stakeholders and other third parties providing services to or on behalf of the Aitken Spence Group to refrain from engaging in any form of corruption."

Group Anti-Bribery and Anti-Corruption Policy

Scan the QR code to read our Anti -Bribery and Anti-Corruption policy published on our website www.aitkenspence.com

Policies formulated in compliance with Rule 9.2.1 of the Listing Rules of the Colombo Stock Exchange:

- Policy on the matters relating to the Board of Directors.
- Policy on Board Committees.
- Policy on Corporate Governance, Nominations and Re-election.
- Policy on Remuneration.
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in listed securities.
- Policy in Risk Management and internal controls.
- Policy on Relations with Shareholders and Investors.
- Policy on Control and Management of Company Assets and Shareholder Investments.
- Policy on Corporate Disclosures.

The above policies are subject to periodic review by the Board of Directors.

Sustainability Policy

The Board has implemented a comprehensive Integrated Sustainability Policy designed to cultivate a meaningful understanding and effective management of the organisation's environmental, social and governance (ESG) impacts. This policy is supported by a structured implementation framework and is overseen by an Executive Director. The Executive Director provides regular updates to the Group Supervisory Board (GSB), ensuring that progress aligns with the Group's sustainability objectives and goals.

For more details, please refer 'ESG Governance' on pages 106 to 108 of this Annual Report.

All policies are made available on the intranet and are systematically embedded across the organisation through continuous training and structured communication mechanisms.

THE BOARD COMPOSITION

The names of the Directors in office during the financial year are listed below, with detailed profiles appearing on pages 68 to 74. The Board consisted of 12 Directors at the beginning of the financial year and 11 Directors as at 31 March 2026.

Board of Directors	DoA to the Board	Directorship Status	Board Sub-Committee Membership			
			ARC	RPTRC	RC	NGC
Ms D.S.T. Jayawardena Chairman/Chairperson, (Appointed as Interim Managing Director w.e.f. 01st April 2026)	01/12/2013	ED	BI	BI	BI	BI
Dr. M.P. Dissanayake Deputy Chairman and Managing Director (Resigned w.e.f. 31st March 2026)	15/3/2019	ED	BI	BI	BI	BI
Dr. R.M. Fernando	01/4/2005	ED	-	-	-	-
Mr. J.M.S. Brito	01/4/2000	NID/NED	M	M	M	M
Mr. N.J. de S. Deva Aditya	15/9/2006	NID/NED	BI	BI	-	-
Mr. C.R. Jansz	14/2/2023	NID/NED	-	-	M	M
Mr. M.R. Mihular	2/12/2024	ID/NED	C	C	-	-
Dr. R.A. Fernando	30/12/2024	ID/NED	M	M	M	M
Mr. P. Englisch	30/12/2024	ID/NED	M	M	C	C
Mr. C.J. Sevilla	30/12/2024	ID/NED	M	M	M	M
Mr. C.H. Gomez (Appointed w.e.f. 01st April 2025)	01/4/2025	NID/NED	-	-	-	-
Mr. R.N. Asirwatham (Deceased on 12th December 2025)	01/9/2009	NID/NED	M	M	-	-

DoA - Date of Appointment | **ED -** Executive Director | **NED -** Non-Executive Director | **ID -** Independent Director
NID - Non-Independent Director | **ARC -** Audit and Risk Committee | **RPTRC -** Related Party Transactions Review Committee
RC - Remuneration Committee | **NGC -** Nominations and Governance Committee

C - Chairman M - Member BI - By Invitaion

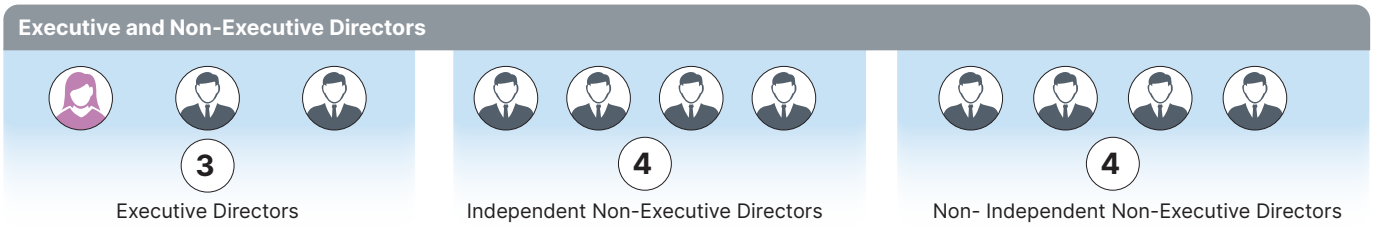
Board Independence

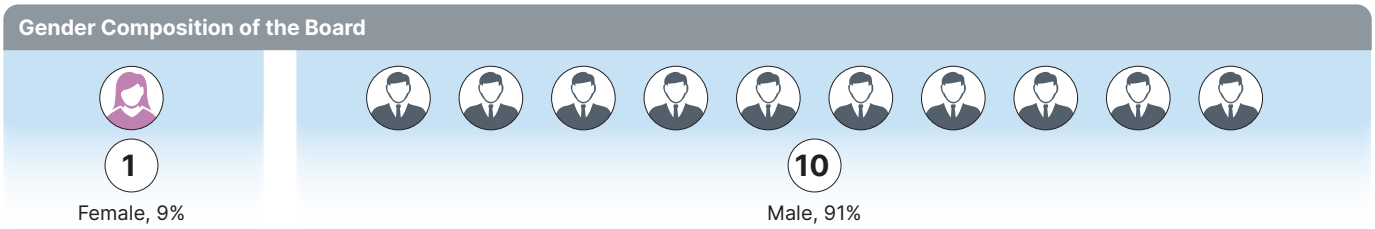
The Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

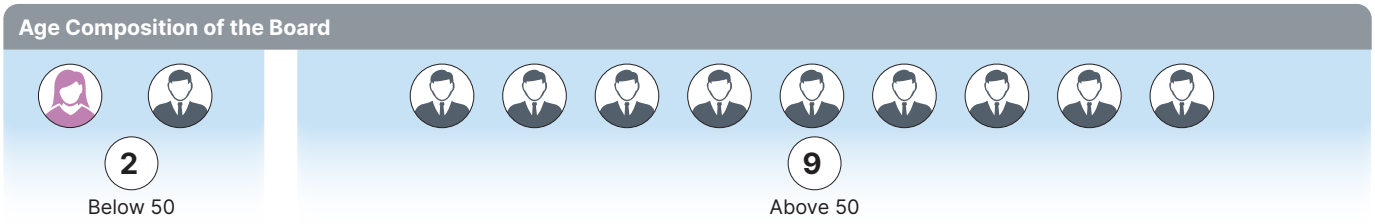
BOARD COMPOSITION ANALYSIS

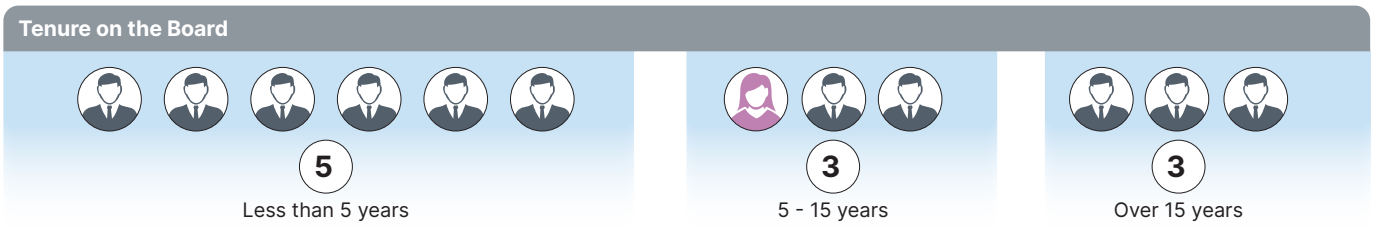
(GRI 2-9, 405-1)

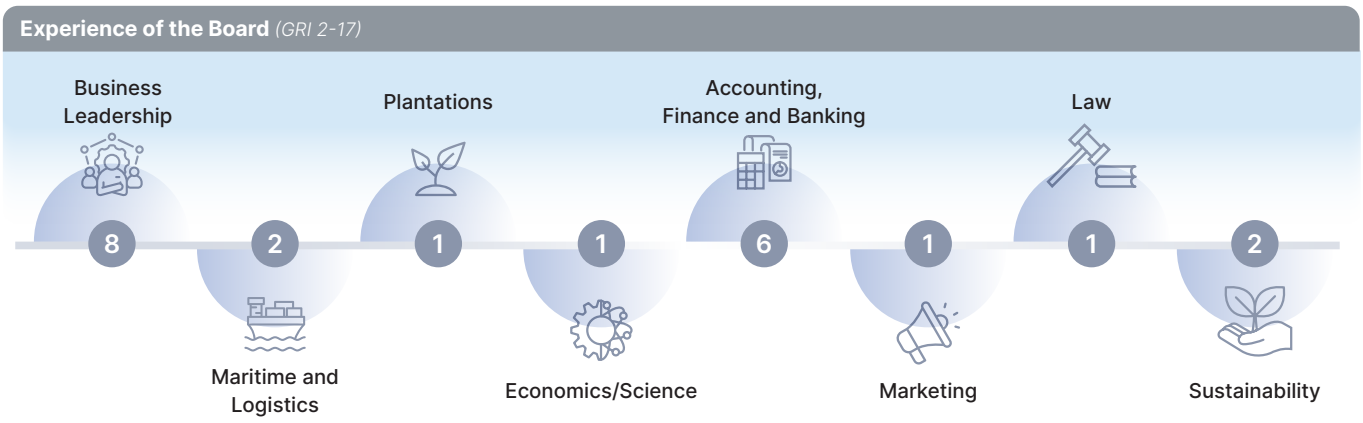
The Board comprises members with a diverse mix of skills, experience, age, and tenure, bringing a wide range of perspectives to boardroom. As at 31st March 2026, the Board consisted of 11 Directors, comprising 3 Executive Directors and 8 Non-Executive Directors, of whom 5 were independent. The composition of the Board is reviewed regularly to ensure an appropriate balance of diversity and that the collective skill set remains aligned with the Company's current and future strategic requirements (refer to pages 68 to 74 for detailed profiles of Directors).











CORPORATE GOVERNANCE

BOARD PROCESSES

Effective processes enable the Board to operate efficiently and fulfil its responsibilities with appropriate diligence and accountability. Set out below are the key processes that support the Board's governance and oversight functions.

Process for Conducting Board Meetings

Board meetings are conducted in a structured and efficient manner to facilitate informed discussion, effective decision-making and robust oversight. The Deputy Chairman and Managing Director together with the Company Secretaries, propose the agenda for the Board Meeting, which is then reviewed and approved by the Chairperson, who leads the meetings. Board papers are provided to Directors one week in advance to allow adequate time for review and clarification of the topics to be discussed. The Chairman/Chairperson ensures that all Board members are well-informed on the matters at hand and Senior Management is available to provide clarification if required.

Board meetings are held on a quarterly basis with the flexibility to increase the number of meetings based on the requirement. A total of five board meetings were held during the year with attendance of directors presented below.

Name of Director	Board Meetings							
	6/6/2025	4/7/2025	13/08/2025	19/12/205	11/2/2026	Mode of Participation		Overall Attendance
Ms. D.S.T. Jayawardena Chairman/Chairperson, (Appointed as Interim Managing Director w.e.f. 01st April 2026)	✓	✓	✓	✓	✓	-	5	5/5
Dr. M.P. Dissanayake Deputy Chairman/Managing Director (Resigned w.e.f. 31st March 2026)	✓	✓	✓	✓	✓	-	5	5/5
Dr. R.M. Fernando Executive Director	✓	✓	✓	✓	✓	-	5	5/5
Mr. J.M.S. Brito Non-Independent Non-Executive Director	✓	✓	✓	✓	✓	1	4	5/5
Mr. N.J. de S. Deva Aditya Non-Independent Non-Executive Director	✓	✓	✓	✓	✓	4	1	5/5
Mr. C.R. Jansz Non-Independent Non-Executive Director	✓	✓	✓	✓	✓	-	5	5/5
Mr. M.R. Mihular Independent Non-Executive Director	Ex.	✓	✓	✓	✓	-	4	4/5
Dr. R.A. Fernando Independent Non-Executive Director	✓	✓	✓	✓	✓	-	5	5/5
Mr. P. Englisch Independent Non-Executive Director	✓	✓	✓	✓	✓	3	2	5/5
Mr. C.J. Sevilla Independent Non-Executive Director	✓	✓	✓	✓	✓	-	5	5/5
Mr. C.H. Gomez Non-Independent Non-Executive Director (Appointed w.e.f. 01st April 2025)	✓	✓	✓	✓	✓	1	4	5/5
Mr. R.N. Asirwatham Non-Independent Non-Executive Director (Deceased on 12th December 2025)	✓	✓	✓	N/A	N/A	1	2	3/3

Ex. - Excused

N/A - Not applicable, meeting was held subsequent to the cessation

Appointment, Re-election, and Resignation of Directors

(GRI 2-10)

The Nominations and Governance Committee assists the Board in evaluating its structure and composition, recommending candidates for Board appointments. The Board reviews these recommendations and suggests candidates for appointment or re-election to the shareholders at the Annual General Meeting. The Committee carefully assesses the suitability of Directors for appointments vis-à-vis the requirements set out in the Listing Rules of the Colombo Stock Exchange and conducts annual evaluations of their continued service on the Board.

All new Board appointments are promptly announced to the Colombo Stock Exchange and these announcements include details of the Director's expertise, key appointments, shareholdings, other directorships or committee memberships and their independence status.

Directors are required to submit their resignations in writing, which are then promptly communicated to the Colombo Stock Exchange upon the Board's acceptance, along with details of any shareholding in the Group.

Fit and Proper Criteria

Annual declarations were obtained from the Directors in terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors have satisfied the set criteria.

Induction and Director Learning

(GRI 2-17)

Newly appointed Directors undergo a formal and customised induction program coordinated by the Deputy Chairman and Managing Director. They are introduced to the Group's values and culture, operating model, policies, governance framework, the Group's Code of Ethics and Professional Conduct and its operational strategies. Directors are also given the opportunity to hold one-on-one meetings with the management of each subsidiary and, where applicable, visit sites, factories or hotels.

The Board is regularly updated with presentations on the latest developments in corporate governance and the operating environment. Directors are encouraged to participate in seminars and webinars to broaden their knowledge and enhance their effectiveness. Additionally, they pursue personal training and professional growth through seminars, workshops, conferences and staying informed on regulatory updates.

Identifying and Managing Conflicts of Interest.

(GRI 2-15)

Stringent processes are in place to manage conflicts of interest and ensure director independence.

	Process	Regulatory Requirement/ Best Practice
✓	**Directors' interest in transactions** Annual Disclosures obtained from all Directors of the Company and its subsidiaries on interests in Related Party Transactions. (Refer Note 40 of the Financial Statements)	Section 192(2) of the Companies Act No. 7 of 2007
✓	**Directors' interests in shares** Directors of the Company and its subsidiaries who have relevant interests in shares disclose their holdings and any related transactions to their respective Boards and the CSE. Such interests and transactions are duly reported and recorded in the Company's Interests Register	Section 200 of the Companies Act No. 7 of 2007 Rule 7.8 of the Listing Rules of the CSE
✓	**Material Business Relationships with other Directors of the Company** Annual declarations obtained from all Directors of the Company and its subsidiaries on any material business relationships they or their close family members may have with other Directors of the Company	Rule 9.10.4(c) of the Listing Rules of the CSE
✓	**Interest in Related Party Transactions** Quarterly declarations are obtained from Key Management Personnel (including the Board; Directors, Vice Presidents and Assistant Vice Presidents of subsidiaries) to identify and confirm Related Party Transactions	Rule 9.14 of the Listing Rule of the CSE
✓	**Independence Declarations** Annual declarations are obtained from all Independent Directors confirming their independence or non-independence based on the criteria outlined in Rule 9.8.3 of the Listing Rules of the CSE	Rule 9.8.3 of the Listing Rules of the CSE Schedule C of the Code of Best Practice on Corporate Governance 2023
✓	**Related Party Transactions Review Committee** The Board has formed a Related Party Transactions Review Committee, consisting of four Independent Non-Executive Directors and one Non- Executive Directors, who meet quarterly to review Related Party Transactions	Rules 9.14 of the Listing Rules of the CSE

Evaluation of Performance of the Board

(GRI 2-18)

Performance of the Deputy Chairman and Managing Director and other Executive Directors are assessed at the end of each financial year against financial and nonfinancial objectives set out in consultation with the Board at the commencement of every financial year. The evaluation is carried out by the Chairperson, against the backdrop of the operating environment. Remuneration is revised based on performance. Areas identified for improvement are communicated to the respective Director, including training needs, and skills and knowledge gaps.

BOARD OVERSIGHT AND GOVERNANCE

Oversight of Group Risk Management

The Board through the Audit and Risk Committee is responsible for setting in place a system to identify, assess, measure, monitor and manage the principal risks of the Group and determining the level of risk it is willing to accept in relation to its strategic goals.

The Group adopts a centralised risk management process using a segment-wise risk register, which is updated on a quarterly basis by the business segments to enable the preparation of a merged segment-wise risk register for the Group. This was further strengthened with training and obtaining additional information to support the Group's journey in adopting the SLFRS Sustainability Standards. This ensures that business segments have a holistic approach in identifying and assessing risks from a continuously updated risk universe. A common taxonomy and classification are followed facilitating consolidation.

Additionally, central support services, such as HR and IT assess the specialised risks for the Group, thereby ensuring that the risks capture issues related to subsidiaries as well, through regular meetings with business segment heads. The Group Risk Unit reviews the risk management processes collating and aggregating risks prior to reporting to Group Supervisory Board and Audit and Risk Committee.

More information of the Group's risk management process are provided in the Risk Management Report on pages 128 to 138

Financial Oversight

The Board's financial oversight role is exercised through an integrated framework encompassing strategic direction, resource allocation, performance management, audit and compliance.

Financial Stewardship & Oversight Framework

Strategic Direction

The Board establishes clear goals and strategies by identifying key risks and opportunities as well as the resilience of the Group's business model in responding to changing internal and external dynamics.

Resource Allocation

With the establishment of the Investment Committee, a subcommittee of the Board, all new investments and projects are first referred to the Committee for its review and consideration. The Committee engages with the relevant subsidiary and the corporate services teams, following which a proposal is presented to the GSB for discussion.

The GSB considers these proposals and together with the input of the Investment Committee, formulates a recommendation to the Board. In addition to financial evaluation, environmental and social impacts, as well as long-term implications are carefully assessed. The final recommendation is then submitted by the GSB to the Board of Directors for its deliberation and decision.

Performance Management

The GSB and the Board periodically review Group performance, evaluating progress against strategic objectives, approved budgets, and agreed targets, encompassing both financial and non-financial measures. Explanations are obtained for over and under performance and resource allocation is deliberated for maximum value creation.

Managing Directors and CEOs of each of the business units make up the Management Council which reports to the Deputy Chairman and Managing Director. Sectoral Management Committee meetings are held quarterly with the participation of the senior management team of the subsidiary, appointed members of cross functional senior management team and the GSB who discuss in depth, the operational environment, risks, threats, opportunities and business strategy and performance related issues. These meetings are headed by the Deputy Chairman and Managing Director or another Executive Director.

Internal Controls, Accountability and Audit

Standard Operating Procedures (SOPs) are formulated by subsidiary companies and are reviewed by the internal audit division of the Group. All employees are required to follow these SOPs and any deviations are reported with corrective action agreed upon by the subsidiary management. Serious deviations trigger deeper investigations and root cause analysis, potentially leading to disciplinary action. Internal audit reports including audit findings, risk assessments and management responses, are reviewed by the Audit and Risk Committee, which may recommend additional measures to strengthen controls if deemed necessary.

The Audit and Risk Committee assists the Board in fulfilling its responsibilities regarding financial reporting, audit oversight and risk management. The Committee reviews performance, internal audit reports and risk management reports regularly while also assessing the adequacy of internal controls.

Further details are provided in the Audit and Risk Committee Report on pages 144 to 147.

Legal & Regulatory Compliance

All Head of Finance of the SBU's are required to sign off on adherence to compliance with the SLFRS and tax regulations on a quarterly basis. Operational compliance is monitored by the Sector Management Committee who keep the Board informed on matters of concern identified. Additionally, internal audit division also reviews compliance with regulatory and legal requirements and submit reports to the Audit and Risk Committee which convenes on a regular basis to discuss these reports. Any significant issues are further escalated to the Board of Directors. The Audit and Risk Committee signs off on an internal audit plan for the year and may request for additional reviews as and when required.

REMUNERATION GOVERNANCE

(GRI 2-19, 2-20)

Director Remuneration

The Remuneration Committee is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors and Key Management Personnel. It is determined based on well-defined performance goals that are appropriately challenging and benchmarked against the industry standards.

Remuneration of the Non-Executive Directors (NEDs) is determined by the Board. NEDs are remunerated based on their attendance at Board and/or Committee meetings. Remuneration for NEDs reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related incentive payments.

Further details are provided in the Remuneration Committee Report on pages 142 to 143

Remuneration Policy

Aitken Spence's remuneration policy is designed to incentivise employees in creating long-term value for the Group and aligning their interests with the Group's strategic direction. This policy ensures effective utilisation of Group resources and a continued focus on sustainability, growth and long-term value.

Employee Remuneration

The Group has established policies to ensure that employee remuneration and benefits are fair, transparent, competitive and cost-effective while also aligning with the Group's business goals. The implementation of this policy is overseen by the Group Chief Human Resource Officer.

A total reward philosophy is maintained within the Group, encompassing both monetary and non-monetary rewards.

Further details are provided in the Human Capital Report on pages 256 to 271

IT GOVERNANCE AND CYBERSECURITY

(GRI 418)

In today's increasingly digitalised landscape, robust IT and cybersecurity systems, processes and governance are critical to safeguarding organisational integrity and maintaining stakeholder confidence. Recognising the evolving and complex nature of technology-related risks, Aitken Spence has strengthened its IT and cybersecurity governance framework to ensure such risks are systematically identified, effectively managed and appropriately mitigated. The Board plays a leading role in this effort, providing oversight and strategic direction.

IT GOVERNANCE FRAMEWORK

Information Security Management System Committee (ISMSC), a dedicated governance committee, comprising cross-functional leaders is tasked with setting clear policies, standards and procedures that align with industry best practices and regulatory requirements. The ISMSC reports to the GSB, which in turn provides oversight and guidance to ensure alignment with the Group's strategic objectives, while the Board retains ultimate accountability for IT governance and information security across the Group.

IT Risk Management	IT Investments	IT Training and Awareness	IT Compliance and audit
Aitken Spence adopts a proactive risk management approach, prioritising the identification and mitigation of potential cybersecurity threats. We have integrated risk assessments into our project planning processes, ensuring that cybersecurity considerations are embedded from the outset. By employing advanced risk analysis tools and frameworks, we effectively evaluate vulnerabilities and develop tailored strategies to safeguard our digital assets.	We have invested in sophisticated security information and event management (SIEM) systems, intrusion detection systems (IDS) and endpoint protection solutions. These technologies not only enhance our ability to detect and respond to threats in real time but also improve our overall incident response capabilities.	Ongoing training programs aimed at enhancing employee awareness and responsiveness to cyber threats ensure that our staff remain informed about the latest security protocols, phishing schemes and best practices.	Regular audits and assessments are conducted to ensure compliance and identify areas for improvement, thus enabling us to continue to adapt to the evolving threat landscape.

ESG GOVERNANCE

(GRI 2-9, 2-13)

Our approach to ESG Governance

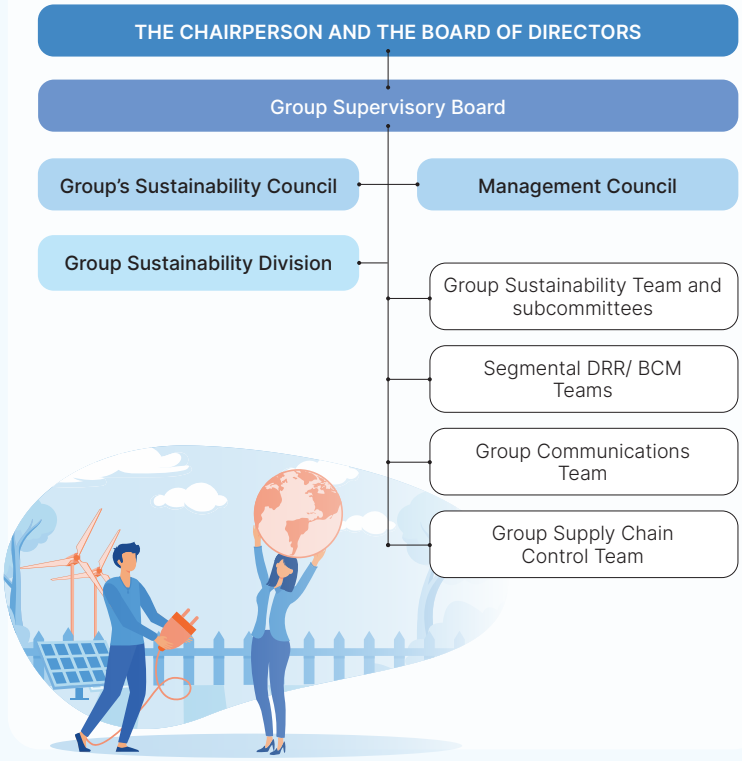
Aitken Spence was one of the first companies to strategically integrate sustainability into its business model and operations, with the Board providing strategic leadership and oversight to systematically strengthen its ESG governance, processes and practices over time. Building on this strong foundation, the Group continues to enhance its ESG governance framework to align with evolving regulatory and reporting requirements, including the adoption of the SLFRS S1 and S2 Sustainability Reporting Standards.

ESG Governance Structure

The Group has established a robust ESG governance framework, with Board-level oversight of ESG strategy and reporting, clearly defined roles and accountability across management and operational levels, and mechanisms to ensure transparent disclosure and effective implementation of ESG actions. This framework supports informed decision-making, responsible management of impacts and long-term value creation. Key aspects of the Group ESG structure are discussed below;

- The Board holds ultimate responsibility and oversight of the Groups sustainability agenda and strategy. To ensure focused and effective oversight, the Board has delegated day-to-day responsibility for sustainability related matters to the Sustainability Council. The Board is kept informed of progress through Sustainability Council deliberations held every two months and formal updates at each Board meeting, with material matters escalated as necessary through the Group Supervisory Board.
- Monthly Group Sustainability Team meetings, chaired by the Head of Sustainability (a Board Director), bring together representatives from each sector sustainability subcommittee to review performance, address pertinent issues and align on strategic priorities and the way forward.
- Periodic one-to-one meetings are held between Group's sustainability division and segmental sustainability subcommittees and respective sector MDs. Input from these subcommittees play a crucial role in the Group's sustainability strategy as they represent operational concerns of their respective industries.
- Sector-wise sustainability teams (17 sustainability subcommittees) are in place with independence to enhance the benchmarks and recommended action (essential/expected/exemplary) set across the Group.
- Over 600 team members across the Group maintain 196 diverse processes and management systems for ESG and impact control.

Sustainability Governance Structure



Communication of Critical Concerns

(GRI 2-16)

Clear and structured communication channels ensure that critical sustainability-related concerns are identified, escalated and communicated to the Board in a timely manner. During the year under review, while the Board of Directors reviewed performance on ESG, sustainability and disaster risk reduction (DRR), there were no critical concerns to be escalated to Board of Directors.

Periodic internal reviews, routine impact assessments and stakeholder engagement by segmental sustainability subcommittees → Ongoing review by Management (Sector MDs) to identify critical concerns → Group Sustainability Council meeting held every two months to discuss/highlight progress and concerns → Critical concerns highlighted to GSB through MD or Head of Sustainability → Escalation to BoD if required

CORPORATE GOVERNANCE

Role of the Board in Mitigating Impacts *(GRI 2-12)*

The Board holds ultimate responsibility of the Group's sustainability agenda, recognising that sustainability and climate-related risks and opportunities may materially impact the Group's financial performance, financial position, business continuity and long-term value creation. Accordingly, the Board;

- Provides policy direction, guidance on required action to ensure governance and impact control.
- Approves ESG targets and required resource allocation.
- Approves all policies and initiatives undertaken by the Group pertaining to economic, social and environmental sustainability.

Role of the Board in Sustainability Reporting *(GRI 2-14, 2-17)*

The Board exercises oversight over the Group's alignment with SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards. Accordingly, the Board;

- Provides strategic direction on sustainability priorities, including climate related risks and opportunities.
- Ensures the integration of sustainability considerations into the Group's overall business strategy and risk management framework.
- Oversight over the integrity and completeness of the Group's sustainability reporting, including alignment with SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards and other applicable regulatory requirements.
- Ensures connectivity between sustainability related disclosures and the Group's financial statements, strategy and risk reporting.
- Reviews reports provided by Sectoral Management Committees, the GSB on material sustainability matters.
- Evaluates the effectiveness of internal controls and governance structures relating to sustainability reporting.

Board competency in this area is supported through dedicated SLFRS S1 and S2 awareness sessions and briefings enabling Directors to understand how sustainability and climate-related risks and opportunities translate into financial, strategic and resilience implications. This ongoing capacity-building is led by the Chairperson through continuous engagement on emerging sustainability-related topics, supporting informed judgement and effective ESG oversight at Board level.

Management Level Sustainability Governance

Responsibility for the day-to-day management, implementation and monitoring of sustainability matters is delegated to management and coordinated through a Group level sustainability governance structure.

A Group Sustainability Council, comprising Board members and the senior management, oversees:

- The implementation of the Group's sustainability strategy and policies.
- The identification, assessment and management of sustainability related risks and opportunities.
- The development and monitoring of sustainability metrics and targets.
- The preparation of sustainability related information and reports for review by the Board and its Committees.

Sectoral management teams are responsible for implementing sustainability initiatives relevant to their operations and for reporting performance, risks and emerging issues to the Group Sustainability Council through defined reporting channels.

CORPORATE GOVERNANCE

Embedding Policy Commitments *(GRI 2-23, 2-24)*

The Group's Integrated Sustainability Policy encompasses 20 policy commitments. Each policy statement is supported by a corresponding action plan, integrated within a flexible framework that allows the Group's diverse segments to address their distinct priorities while remaining aligned with overall policy objectives. To ensure due diligence, the Group conducts annual reviews where the business segments are assessed on action points and benchmarks deemed as 'essential' as the minimum standard in the Group well as higher controls 'expected' for specific segments where higher impact controls are considered as a requirement. The segments are also advised to take 'exemplary' actions that are pertinent to their significant impacts or potential to create sustainable long-term value. All segments specified in our reporting boundary adhere to the Group's Sustainability Policy.

Our Policy Commitments

The Group aligns its sustainability strategy with several key local and global development priorities and remains committed to achieving their objectives.

Signatory to the UN Global Compact (UNGC) since 2002

Signatory to Women's Empowerment Principles since 2011

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Adherence to industry specific voluntary standards.

GRI COMMUNITY MEMBER 2026

Strategic alignment to seven of the Sustainable Development Goals (SDGs) where the targets within the goals directly relate to the Group's identified material issues

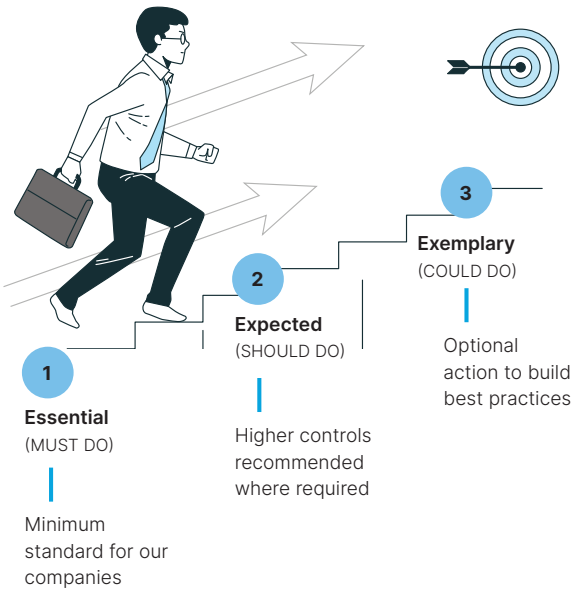
The Board has implemented an Integrated Sustainability Policy to effectively manage the Groups environmental, social, and governance (ESG) impacts.

Scan this QR code to read our Integrated Sustainability Policy published on the Aitken Spence website: www.aitkenspence.com/Sustainabilty

The Action Plan to Implement the Policy Commitments

The Spence IMPACT Strategy, more fully articulated in pages 65 to 66 of this report provides the Group a comprehensive action plan to implement our policy commitments. The strategy adopts a tiered framework with defined action points and benchmarks comprising of; Essential ("must do") minimum standards applicable to all companies; Expected ("should do") enhanced controls implemented where required; and Exemplary ("could do") voluntary actions aimed at building and demonstrating best-in-class practices. This tiered approach enables sectors to realistically achieve Group policy commitments by taking into account specific industry requirements and conditions. Supporting the achievement of these action points is a robust governance policy framework and 196 management systems which enable a systematic and integrated approach to identifying, assessing and managing environmental and social progress and impacts.

The implementation framework of Aitken Spence's integrated sustainability policy



SHAREHOLDER COMMUNICATIONS

Shareholder communications are handled by the Company Secretarial Division (CSD) and governed by the Group Policy on Relations with Shareholders and Investors. The Annual General Meeting (AGM) serves as the primary platform for communication with shareholders, providing them with the opportunity to engage directly with the Board and raise questions during the meeting. The Group has also provided a 'Shareholder Feedback Form' on the Group's Annual Report as well as the Group's website (www.aitkenspence.com/feedback) to provide any feedback directly to the Company. Any significant issues or concerns raised by shareholders are forwarded to the Board, along with the management's views and the responses are communicated to shareholders by the CSD. Shareholders can also ask questions, provide feedback, or make suggestions to the Board through the CSD.

Shareholders are kept updated on Group performance and key developments through regular reporting. On a quarterly basis, financial statements approved by the Board are disseminated to Shareholders through the CSE on or before the prescribed due date. All other price sensitive information such as major acquisitions or disposals and share transactions are also notified to the CSE as prescribed by the listing rules.

Engagement Mechanism	Frequency of Engagement					
	Annually	Quarterly	Periodically	Regularly	24 Hours 7 days	As and when Required
General meetings	✓					
Annual Report	✓					
Interim Financial Statements		✓				
Disclosures and announcements to the CSE			✓			✓
Corporate website					✓	
General correspondence				✓		
CSR projects				✓		

CORPORATE GOVERNANCE

AITKEN SPENCE PLC - CORPORATE GOVERNANCE COMPLIANCE LANDSCAPE

REGULATORY COMPLIANCE BACKBONE (Mandatory)

The following requirements form the core legal and regulatory compliance foundation:

- Section 168 of the Companies Act No. 7 of 2007
- Section 7.6 of the Listing Rules of the Colombo Stock Exchange
- Section 9 – Corporate Governance Rules of the Listing Rules of the Colombo Stock Exchange

GOVERNANCE EXCELLENCE (Voluntary/Best Practice)

- Code of Best Practice on Corporate Governance 2023 issued by CA Sri Lanka

Adopted voluntarily as part of the Company's commitment to elevated governance standards beyond regulatory minimums.

The Compliance levels with the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka are available on Company's website at https://aitkenspence.com/corporate-governance/corporate-governance-report and forms a part of this Corporate Governance Report.

REGULATORY COMPLIANCE BACKBONE (Mandatory)

» SECTION 168 OF THE COMPANIES ACT NO. 7 OF 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	✓
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	✓

CORPORATE GOVERNANCE

» SECTION 7.6 OF COLOMBO STOCK EXCHANGE CONTINUING LISTING RULES

CSE Rule	Requirement	Disclosure Reference for Compliance	Compliance Status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	✓
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors and the Group Directorate of this Annual Report	✓
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	✓
7.6 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	Refer Investor Information of this Annual Report	✓
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	✓
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Risk Management of this Annual Report	✓
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Human Capital of this Annual Report	✓
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 15.4 and 16.3 to the Financial Statements of this Annual Report	✓
7.6 ix)	Number of shares representing the stated capital	Refer Investor Information of this Annual Report	✓
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Investor Information of this Annual Report	✓
7.6 xi)	Ratios and market price information	Refer Investor Information of this Annual Report	✓
7.6 xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 15 and 16 to the Financial Statements of this Annual Report	✓
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As at date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	✓
7.6 xvi)	Related Party Transactions	Refer Note 40 to the Financial Statements and the declaration of the Board of Directors embodied in the Annual Report of the Board of Directors of this Annual Report	✓
7.6 xvii)	Additional disclosures where the Listed Entity has Foreign Currency denominated Securities listed on the Exchange	Not applicable, as the Company has no Foreign Currency denominated Securities listed on the Exchange	N/A

» SECTION 9 – CORPORATE GOVERNANCE RULES OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.1	**Corporate Governance Rules**		
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	✓	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance Rules is tabulated in the table given below. Also refer 'Chairman's Statement on Governance' in the Corporate Governance Report of this Annual Report.
9.2	**Policies**		
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	✓	The Company has formulated the policies referred to in a, b, c, d, e, f, g, h, i, j, k and l and the said polices are periodically reviewed by the Board.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	N/A	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	✓	Refer 'How We Comply' under Rule 9.2.1 above.
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	✓	Refer 'How We Comply' under Rule 9.2.1 above.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.3	**Board Committees**		
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	✓	The Company has in place a Nominations and Governance Committee, Remuneration Committee, Audit and Risk Committee and a Related Party Transactions Review Committee.
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	✓	Refer 'How We Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	✓	The Chairman/Chairperson of the Board does not serve as the Chairman of any Board Subcommittees.
9.4	**Principles of democracy in shareholder dealings**		
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	✓	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	✓	Refer "How We Comply" under Rule 9.2.1 above.
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	✓	Refer "How We Comply" under Rule 9.2.1 above.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	✓	Refer "How We Comply" under Rule 9.2.1 above.
9.6	**Chairperson and CEO** *(GRI 2-11)*		
9.6.1	The Chairperson of every listed company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	✓	Since the Chairman/Chairperson is an Executive Director, a Senior Independent Director has been appointed in compliance with Rule 9.6.3. The Chairman/Chairperson has been appointed to hold the position of Interim Managing Director of the Company w.e.f. 01st April 2026, consequent to the resignation of Dr. M.P. Dissanayake on the 31st of March 2026, however, the company is still compliant with this Rule as a Senior Independent Director has already been appointed w.e.f. 06th February 2025.
9.6.2	Where the Chairperson of a listed company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a market announcement within a period of one (1) month from the date of implementation of these Rules or an immediate market announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	✓	Prior market announcement was made to the Colombo Stock Exchange on 23rd February 2026 informing of the appointment of Chairman/Chairperson as the Interim Managing Director of the Company w.e.f. 01st April 2026, consequent to the resignation of Dr. M.P. Dissanayake on the 31st of March 2026
9.6.3	Senior Independent Director	✓	Mr. M. R. Mihular was appointed as the Senior Independent Director of the Board with effect from 06th February 2025 since the Chairman/Chairperson is an Executive Director.
9.6.4	Rationale for appointing Senior Independent Director	✓	Refer Report of the Senior Independent Director.
9.7	**Fitness of Directors and CEOs**		
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules	✓	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	✓	Declarations obtained from the Directors in terms of Rule 9.7.4 are presented to the Nominations and Governance Committee for determination prior to recommending the Director for appointment/ re-election.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if she or he does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	✓	Refer 'How We Comply' under Rule 9.7.1 above.
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	✓	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2026.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	✓	Refer the 'Annual Report of the Board of Directors' of this Annual Report. N/A
9.8	**Board Composition**		
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	✓	As of the date of the publication of this Annual Report, the Company consists of 10 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE.
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	✓	The Board consists of 4 Independent Directors as at the date of publication of this Annual Report.
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	✓	As at 31st March 2026, all the Independent Directors of the Company fulfil the criteria for determining independence under Rule 9.8.3 of the Listing Rules.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.8.5	(a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	✓	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE. Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report.
9.9	**Alternate Directors**		
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	N/A However, the Articles of Association of the Company were amended to incorporate the requirements set out under Rule 9.9 of the Listing Rules.
9.10	**Disclosures Relating to Directors**		
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules.	✓	Refer "How We Comply" under Rule 9.2.1 above.
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	✓	Refer 'Appointment, Re-election and Resignation of Directors' in the Corporate Governance Report of this Annual Report.
9.10.3	Listed Company shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors and Board Committees referred to in Rule 9.3 of the Listing Rules containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	✓	Changes to the Board and Board Subcommittees are promptly notified to the Colombo Stock Exchange.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply	
9.10.4	**Directors details** a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members has any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	✓	a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas d) whether Executive, Non-Executive and/or independent Director	Refer 'Board profiles' of this Annual Report.
			c) whether either the Director or Close Family Members has any material business relationships with other Directors	Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect will be included in the 'Annual Report of the Board of Directors' of this Annual Report.
			f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings	Refer in the Corporate Governance Report of this Annual Report.
			i) Terms of Reference and powers of Senior Independent Directors	Refer report of the Senior Independent Director.
			e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)	Refer Annexure I on pages 124 to 127 of the Corporate Governance Report.
9.11	**Nominations and Governance Committee**			
9.11.1 (GRI 2-10)	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	✓	The Company has a Nominations and Governance Committee that conforms with the requirements set out in Rule 9.11.	
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	✓	Refer "How We Comply" under Rule 9.2.1 above.	
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	✓	Refer "How We Comply" under Rule 9.2.1 above.	

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	✓	Refer 'Composition of the Committee' in the Nominations and Governance Committee Report.
9.11.5	The functions of the Nominations and Governance Committee	✓	Refer 'Nomination and Governance Committee Report' of this Annual Report.
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors (g) Details of directors re-appointed - Board Committees served - Date of first appointment - Date of last re-appointment - Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years - Any relationships – close family member, more 10% shareholding	✓	Refer 'Nomination and Governance Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
	(h) Performance of periodic evaluation of board (i) Process adopted to inform independent directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non- compliant reasons and remedial actions		
9.12	**Remuneration Committee**		
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	✓	The Company has a Remuneration Committee that conforms with the requirements set out in Rule 9.12.
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	✓	Refer 'Director Remuneration' in the Corporate Governance Report and the 'Remuneration Committee Report' of this Annual Report.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	✓	Refer 'How We Comply' under Rule 9.2.1 above.
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	✓	Refer 'Remuneration Committee Report' of this Annual Report.
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company 2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	✓	Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report.
9.12.7	The functions of the Remuneration Committee	✓	Refer 'Remuneration Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	✓	Refer 'Remuneration Committee Report' of this Annual Report. Refer Note 9 to the Financial Statements of this Annual Report.
9.13	**Audit Committee**		
9.13.1	Where a Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	✓	The Audit Committee of the Company also performs the risk functions and accordingly was renamed as the Audit and Risk Committee.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	✓	The Audit and Risk Committee has a written terms of reference clearly defining its scope, authority and duties.
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	✓	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.13.4	The functions of the Audit Committee	✓	Refer 'Audit and Risk Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2	✓	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.14	**Related Party Transactions Review Committee**		
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	✓	The Company has a Related Party Transactions Review Committee that conforms with the requirements set out in Rule 9.14.1.
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	✓	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.3	The functions of the Related Party Transactions Review Committee	✓	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	✓	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	✓	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	N/A	There were no Related Party Transactions during the year which required shareholder approval. The Company would comply with this Rule should a need arise.
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	N/A	There were no Related Party Transactions during the year which required an immediate Market Announcement. The Company would comply with this Rule should a need arise.
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)		Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/ income (in the specified format)	✓	Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8 (3)	Related Party Transactions Review Committee Report - Names of the Directors comprising the Committee - Statement that committee has reviewed RPTs and communicated comments/observations to the Board - Policies and procedures adopted by the Committee	✓	Refer 'Related Party Transactions Review Committee Report' of this Annual Report.
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	✓	Refer 'Annual Report of the Board of Directors' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	N/A	The Company has not acquired or disposed of any assets from/to Related Parties. The Company would comply with this Rule should a need arise.
9.17	**Additional Disclosures**		
9.17	Additional disclosures by Board of Directors Declaration on following - All material interests in contracts and have refrained from voting on matters in which they were materially interested - Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; - Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; - Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	✓	Refer 'Annual Report of the Board of Director' of this Annual Report.

Annexure I

Disclosure in terms of Rule 9.10.4(e) of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange:

Companies in which the Directors of Aitken Spence PLC serve as directors during the year under review (excluding directorships held in group companies, other than those in publicly listed companies).

Ms. D.S.T. Jayawardena Chairman/Chairperson	**Chairman/Chairperson** » Aiken Spence Hotel Holdings PLC » Browns Beach Hotels PLC **Deputy Chairperson** » Lanka Milk Foods (CWE) PLC » Lanka Dairies Limited » Ambewela Products (Private) Limited » Ambewela Livestock Company Limited » Pattipola Livestock Company Limited » United Dairies Lanka (Private) Limited **Non-Independent Non-Executive Director** » Melstacorp PLC » Distilleries Company of Sri Lanka PLC **Director** » Stassen Exports (Pvt) Ltd » Stassen Natural Foods (Pvt) Ltd » Stassen Foods (Pvt) Ltd » Milford Exports (Ceylon) (Pvt) Ltd » CBD Exports (Pvt) Ltd » Ceylon Garden Coir (Pvt) Ltd » DCSL Breweries Lanka Limited » DCSL Group Marketing (Private) Limited » Mels Automobiles (Private) Limited
Dr. M.P. Dissanayake Deputy Chairman and Managing Director (Resigned w.e.f. 31st March 2026)	**Chairman** » Elpitiya Plantations PLC » Aitken Spence Plantation Managements Limited (Formerly known as Aitken Spence Plantation Managements PLC - Status Changed w.e.f. 02.11.2025) » Sri Lanka Ports Authority (SLPA) (Assumed Office on 17.02.2026) **Managing Director** » Aitken Spence Hotel Holdings PLC **Executive Director** » Browns Beach Hotels PLC **Member** » Colombo Ports City Economic Commission

Dr. R.M. Fernando Director	**Managing Director** » Elpitiya Plantations PLC » Aitken Spence Plantation Managements Limited (Formerly known as Aitken Spence Plantation Managements PLC - Status Changed w.e.f. 02.11.2025)
Mr. J.M.S. Brito Non-Independent Non-Executive Director	**Non-Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC » Browns Beach Hotels PLC **Director** » Commonwealth Union (Private) Limited » International Distillers Limited » Nil Ralla (Private) Limited » Sozo Beverages (Private) Limited
Mr. N.J. de S. Deva Aditya Non-Independent Non-Executive Director	**Non-Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC » Melstacorp PLC » Browns Beach Hotels PLC » Distilleries Company of Sri Lanka PLC » The Kingsbury PLC (Retired w.e.f. 25.06.2025) **Director** » Commonwealth Union Holdings Ltd
Mr. C.R. Jansz Non-Independent Non-Executive Director	**Chairman** » Lanka Milk Foods (CWE) PLC » Ambewela Livestock Company Ltd » Ambewela Products (Pvt) Ltd » Lanka Dairies (Private) Limited » Pattipola Livestock Company Ltd » United Dairies Lanka (Pvt) Ltd » Melsta Hospital Ragama (Private) Limited » Melsta Hospital Colombo North (Private) Limited **Deputy Chairman** » Melstacorp PLC **Executive Director** » Distilleries Company of Sri Lanka PLC » Lanka Power Projects (Pvt) Ltd » Milford Holdings (Private) Limited

	Non-Independent Non-Executive Director » Balangoda Plantations PLC » Madulsima Plantations PLC **Director** » Stassen Exports (Pvt) Ltd » Stassen Natural Foods (Pvt) Ltd » Stassen Foods (Pvt) Ltd » Milford Exports (Ceylon) (Pvt) Ltd » CBD Exports (Pvt) Ltd » Ceylon Garden Coir (Pvt) Ltd » Indo Lanka Exports (Pvt) Ltd » Periceyl (Private) Limited » DCSL Brewery (Private) Limited » Melsta Health (Private) Limited » Bogo Power (Private) Limited » DCSL Breweries Lanka Limited » Mels Automobiles (Private) Limited
Mr. C.H. Gomez Non-Independent Non-Executive Director (Appointed w.e.f. 01.04.2025)	**Non-Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC **Director** » CR1000 Limited » F A C Subnom (No. 1) Limited » F A C Subnom (No. 2) Limited » Form -A Co (Gibraltar) Limited » Form -A -Trust (Gibraltar) Limited » The West Wing Limited
Mr. M. R. Mihular Independent Non-Executive Director	**Chairman** » Watawala Plantations PLC » Bairaha Farms PLC **Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC » Browns Beach Hotels PLC » Melstacorp PLC » Balangoda Plantations PLC » Madulsima Plantations PLC » Sunshine Holdings PLC **Director** » Sunshine Teas (Pvt) Ltd » Lonach Dairy (Pvt) Ltd » Agility Innovation (Pvt) Ltd » Marino Leisure Holdings (Private) Limited » LTL Holdings Ltd

Dr. R.A. Fernando Independent Non-Executive Director	**Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC » Browns Beach Hotels PLC » Elpitiya Plantations PLC » Melstacorp PLC » Distilleries Company of Sri Lanka » Balangoda Plantations PLC » Madulsima Plantations PLC » Dilmah Ceylon Tea Company PLC **Director** » Ceylon Graphene Technologies Ltd » Ceylon Asset Management Ltd **Honorary position** » Global Strategic Corporate Sustainability Pvt Ltd
Mr. P. Englisch Independent Non-Executive Director	**Independent Non-Executive Director** » Aitken Spence Hotel Holdings PLC » Browns Beach Hotels PLC » Milsped, Belgrade » Stockmeier Holding SE
Mr. C.J. Sevilla Independent Non-Executive Director	**Executive Director** » Form-A-Co (Gibraltar) Limited » Form-A-Trust (Gibraltar) Limited

RISK MANAGEMENT

Resilience is not built in calm waters, instead it is strengthened in adversities. The year under review brought both opportunities and evolving uncertainties across markets, regulation, technology, and stakeholder expectations. This report sets out the principal risks we monitor, the actions we take to manage them, and the way our risk appetite and tolerance guide decisions across the Group. By embedding enterprise risk management into planning and execution, we aim to respond faster, adapt smarter, and continue delivering value today and in the long-term.

GLOBAL RISK LANDSCAPE

The global economy is entering a period of heightened fragility, characterised by subdued growth, elevated financial vulnerabilities, intensifying geopolitical conflicts, persistent inflation risks, and structural shocks from climate change and technological transformation. While a near-term global recession is not the baseline forecast, downside risks are unusually high and increasingly correlated. The most acute threats stem from geopolitical escalation in the Middle East, renewed energy price shocks, and rising sovereign and corporate debt burdens.

According to the International Monetary Fund (IMF), global growth is expected to slow to approximately 3.1% in 2026, well below pre-pandemic averages, with risks tilted firmly to the downside.

Macroeconomic growth and demand

Global economic growth remains structurally weak due to ageing population, low productivity growth, and persistent policy uncertainty. Advanced economies are projected to grow at only 1.8%, while emerging markets, though stronger, face widening divergence and capital flow volatility.

Implications

- Lower corporate earnings growth.
- Higher unemployment sensitivity to shocks.
- Reduced fiscal space to absorb future crises.

Inflation and monetary policy

While headline inflation has moderated from its 2022 and 2023 peak, core inflation remains sticky, particularly in services and labour-intensive sectors. Central banks have entered a "higher-for-longer" rate regime, constrained by inflation re-acceleration risk.

Implications

- Prolonged high borrowing costs.
- Increased default risk for leveraged corporates and households.

Geopolitical and geo-economic situation

Geopolitical risk is now a primary macroeconomic driver rather than a tail risk. A defining near-term geopolitical risk has been the late February 2026 outbreak of war in the Middle East and its spillovers into energy and shipping, which the IMF explicitly flags as a major global macro shock. The Strait of Hormuz disruption manifests catastrophic implications for global oil and LNG flows and associated commodity markets.

A fragile calm: The current ceasefire should be understood as a temporary pause in direct hostilities rather than a durable settlement, because core political and security disputes remain unresolved and the parties have largely agreed only to stop immediate attacks, not to address root causes.

UAE's exit from OPEC: The UAE's decision to leave OPEC injects a new layer of uncertainty into global oil pricing, because it removes a major Gulf producer from the quota system that has helped coordinate supply and steady prices.

Implications

- Energy-driven inflation outcomes.
- Trade fragmentation and higher tariffs.
- Increased market volatility.

RISK MANAGEMENT

Climate change

Climate change has evolved into a systemic economic risk and a "threat multiplier" for inflation, trade, and financial stability. Extreme weather events are increasingly disrupting global supply chains with measurable macroeconomic effects, while climate change is driving transition risks in terms of policy, legal, technological, and market shifts associated with decarbonisation, which are materially altering competitive dynamics and capital allocation.

Implications

- Recurrent supply-side inflation shocks.
- Production downtime and inventory volatility.
- Rising insurance and adaptation costs.

Technology, AI, and structural transition

Globally, technology risks have moved from "operational issues" to strategic and systemic threats, with the World Economic Forum (WEF) highlighting the rise of unchecked technology and rapidly escalating AI anxiety as part of today's "age of competition." Investment in artificial intelligence is supporting near-term growth but also raising concerns of asset bubbles, labour displacement, and concentration risk.

Implications

- Concentration risk and possibility of asset bubbles.
- Uneven productivity gains across economies.
- Regulatory and ethical uncertainty.

DOMESTIC RISK LANDSCAPE

Sri Lanka enters mid 2026 with a fragile but improving recovery, supported by an IMF-backed reform programme, rising reserves, and restored growth momentum. However, the risk landscape has shifted from crisis stabilisation to resilience under external shocks, led by the Middle East conflict-driven energy shock, supply chain disruption and weakening airline connectivity.

Energy price shock

Sri Lanka's exposure to the Middle East conflict is explicitly highlighted by the International Monetary Fund (IMF) and Asian Development Bank (ADB), with energy costs as the central transmission channel into inflation and external balance stress.

Electricity tariffs were increased in April and May 2026, with higher increases for certain consumption blocks, alongside government energy conservation measures.

Implications

- Higher operational costs for businesses.
- Increasing energy costs will have a knock-on effect on inflation.

Tourism and aviation disruption

Tourism is vulnerable to disruptions through Gulf transit hubs. The Middle East conflict has impaired flight connectivity and narrowed travel demand, with warnings of arrival declines linked to airspace disruptions. The World Bank also flags tourism risks from Middle East disruptions, implying downside sensitivity for foreign exchange earnings and job markets.

Implications

- Demand volatility in key foreign exchange-earning industries.
- Uncertainty in employment markets related to the tourism industry.

External sector vulnerability

CBSL reports improved external performance, but IMF and ADB stress that external buffers remain shock-sensitive, especially to energy import bills. Remittances are strong and supportive of foreign exchange liquidity, yet the Middle East conflict remains a risk factor for workers abroad and related inflows.

Implication

- Foreign exchange, import bill, and liquidity pressure.

RISK MANAGEMENT

Climate change and natural disaster *(GRI 201-2)*

Cyclone Ditwah in late 2025 caused major disruption and losses, and Sri Lanka remains vulnerable to compound flooding, landslides, and drought, with systemic infrastructure weaknesses.

Implication

» Food security and agricultural impacts due to climate change can spill over into consumer inflation, wage pressures, and supply instability.

Subdued global growth and trade fragmentation

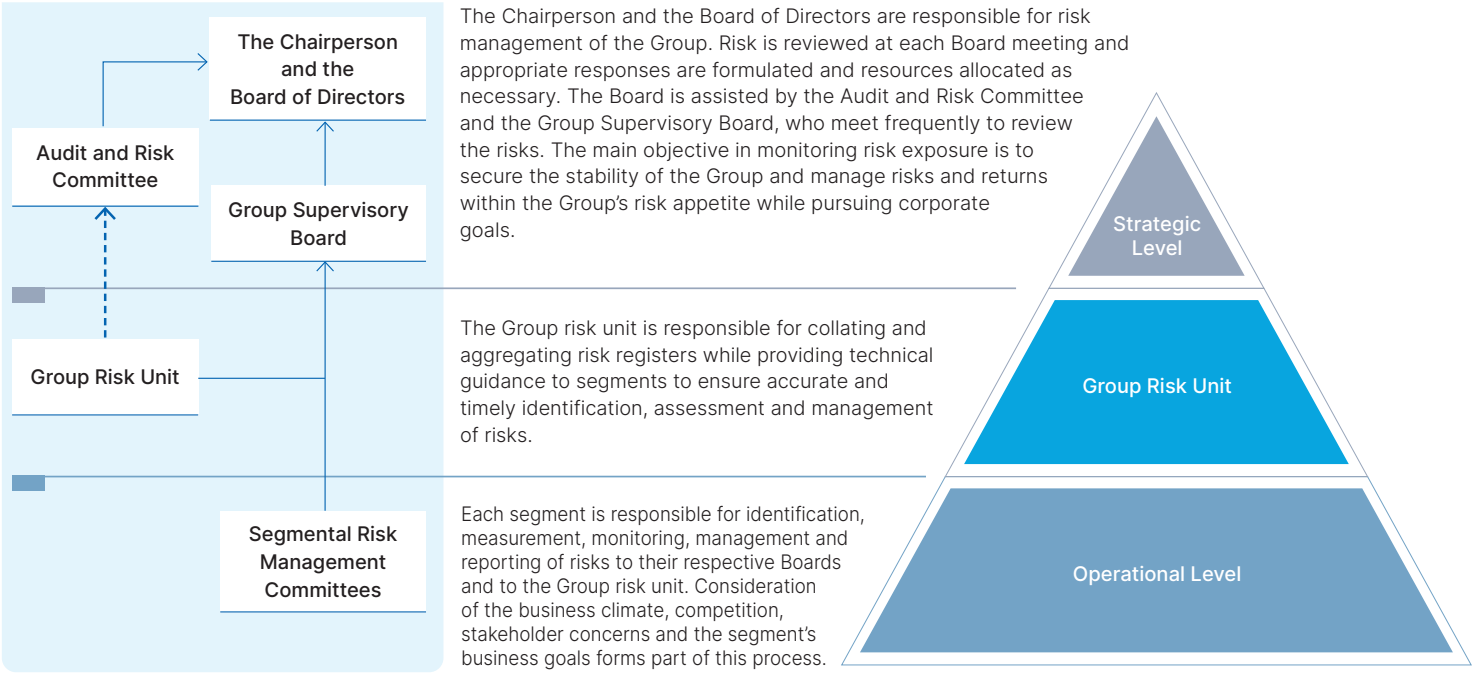
The IMF's World Economic Outlook highlights subdued growth and elevated uncertainty driven by policy shifts and protectionism.

Implication

» Elevated demand risk for Sri Lankan exporters and increased supply chain risk for importers.

RISK GOVERNANCE FRAMEWORK

Risk Management Structure



Segmental risk management committees, comprising cross-functional representatives are responsible for identifying and evaluating both existing and emerging risks, and for implementing appropriate mitigation strategies tailored to their operational context.

The Group risk unit plays a critical role in analysing significant risks, monitoring risk trends, and ensuring consistency in risk evaluation across segments. Key risks are periodically reviewed and escalated, where necessary, to the Group Supervisory Board and the Audit and Risk Committee for timely oversight and decision-making.

RISK MANAGEMENT

Approach to Risk Management

Our risk management approach covers the end-to-end cycle of identifying, analysing, evaluating, mitigating, and monitoring geopolitical, strategic, operational, financial, and environmental risks to support the achievement of our key business objectives. To enable this, the Group cultivates a strong culture of risk awareness, encouraging timely identification and proactive mitigation of risks across all segments.

The Group's risk management approach is structured around Enterprise Risk Management (ERM) and sustainability-related risk management. Together, they enable a comprehensive and forward-looking assessment of both financial and non-financial risks that may impact the achievement of strategic objectives.

The Group's risk management framework and the risk management policy both of which are guided by the COSO framework, provide a structured approach to the identification, assessment, mitigation and reporting of risks. The framework supports consistent risk oversight across the Group and ensures that risk management activities are integrated with strategic planning, performance management, and compliance responsibilities, including disclosures and governance expectations under SLFRS S1 and SLFRS S2.

Risks identified at the segment level are documented in segmental risk registers and evaluated by considering both likelihood and impact. These risks are then consolidated and reviewed by the Group risk unit, which maintains a centralised Group risk register to assess enterprise-wide risk exposure and alignment with strategic objectives.

Risk Appetite and Tolerance

Aitken Spence is a diversified Group with operations across multiple segments, each with distinct business models and risk profiles. As a result, a single risk appetite applied uniformly across the Group does not adequately reflect the differing risk dynamics within each segment. To address this, the Group Supervisory Board has established a baseline risk appetite and tolerance for the Group, providing a consistent foundation aligned to the Group's overall risk management approach. Segment Managing Directors and Chief Executive Officers, who are closest to the operational environment and risk exposures of their respective businesses, are responsible for defining and calibrating the segment specific risk appetite within these parameters, ensuring it remains appropriate to the segment's strategy and evolving risk landscape.

Baseline risk appetite set by the Group Supervisory Board in the following key domains:

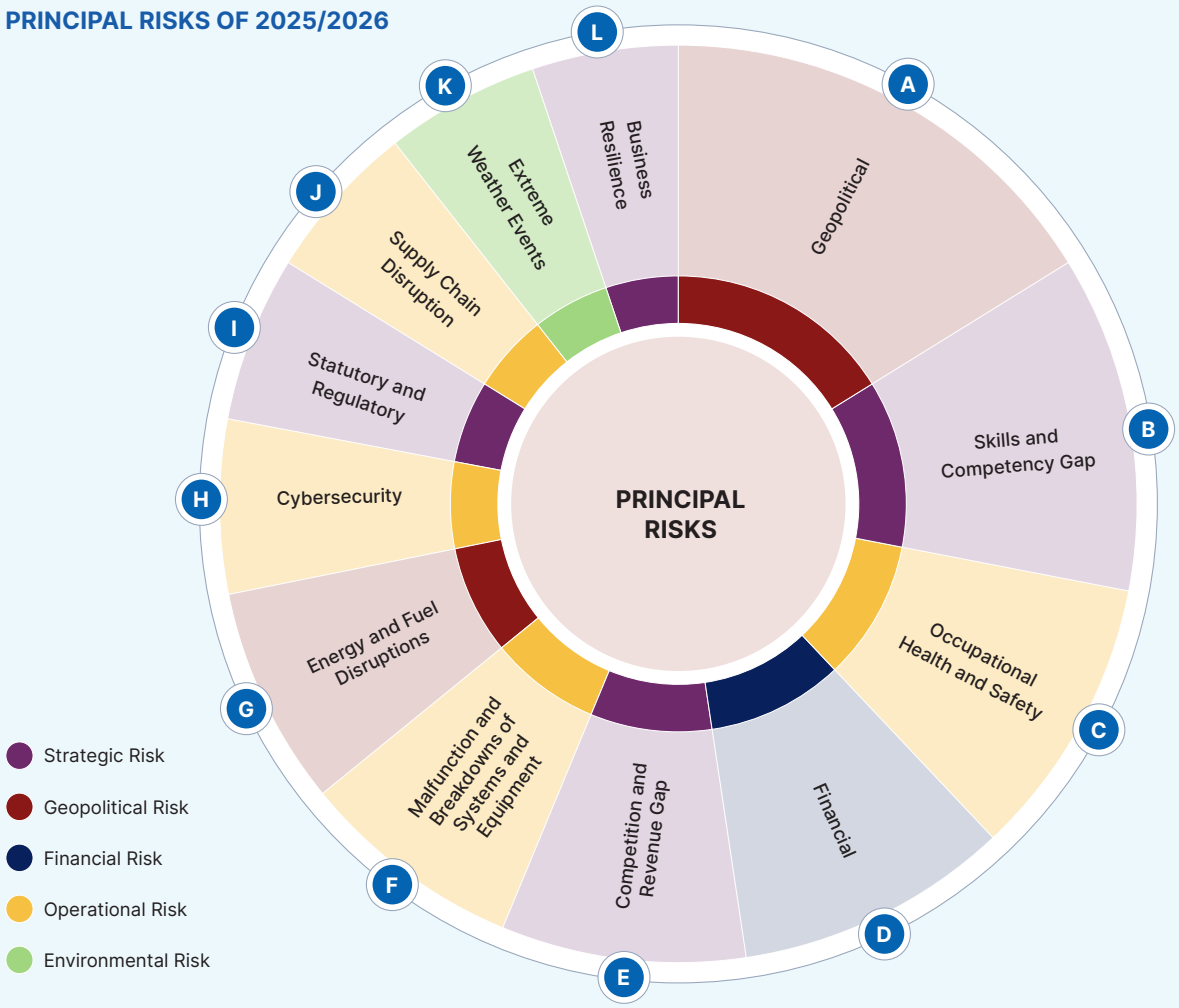
- ***Safety and people:*** Low tolerance for severe health and safety incidents; zero tolerance for wilful non-compliance.
- ***Financial resilience:*** Maintain adequate liquidity headroom, covenant compliance, and prudent leverage within Board approved limits.
- ***Ethics and compliance:*** Zero tolerance for bribery, corruption, and material regulatory breaches.
- ***Operations and quality:*** Low to moderate tolerance for downtime; strong focus on quality and customer service continuity.
- ***Technology and data:*** Low tolerance for loss of confidential data or prolonged critical system unavailability.
- ***Reputation:*** Low tolerance for events that could materially impair trust in the brand.

Integration of SLFRS S1 and S2 into the Enterprise Risk Management Framework

The integration of sustainability-related and climate-related risks into the Group's Enterprise Risk Management (ERM) framework remains a key priority, reflecting the increasing significance of environmental and social factors in long-term value creation. In line with sustainability related requirements, the Group has established a structured approach to identify, assess, and manage such risks within its overall risk governance framework. The Group sustainability division oversees the ongoing identification, assessment, and monitoring of sustainability-related and climate-related risks and opportunities (SRROs and CRROs), including those with potential strategic and financial implications. This is executed at segment level with the core teams formed for this function including inputs from the top management, the segmental sustainability teams and other cross functional teams within our operations. The consolidated sustainability risk profile is reported to the Sustainability Council for strategic oversight, while the Board retains overall governance responsibility. Also, SRROs and CRROs are systematically shared with the Group risk unit to ensure alignment and integration into the broader ERM framework, enabling consistent risk evaluation and prioritisation.

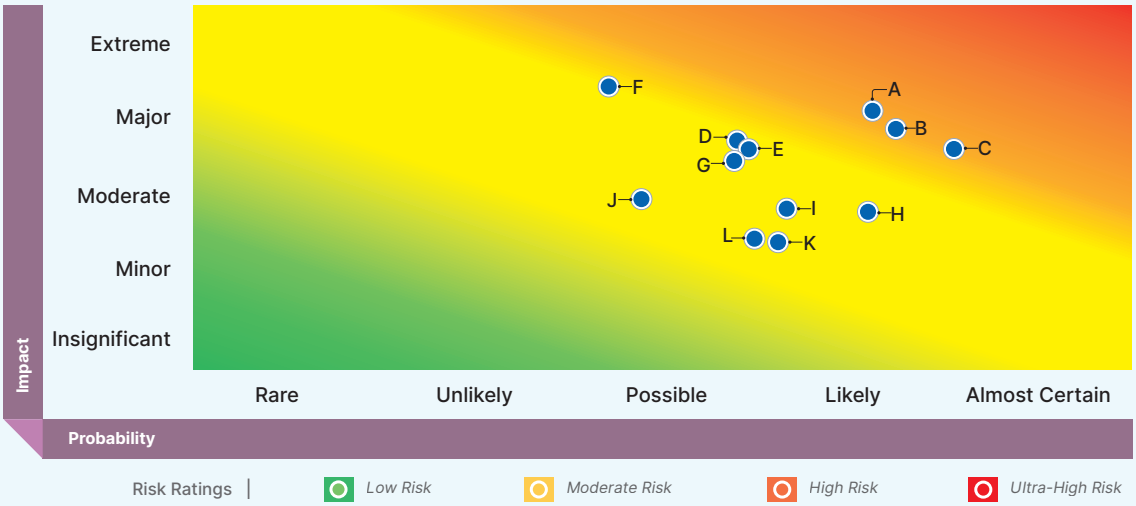
RISK MANAGEMENT

PRINCIPAL RISKS OF 2025/2026



RISK HEAT MAP

The risk heat map below provides a high-level view of the principal risks the Group is exposed to:



RISK MANAGEMENT

Principal Risk	Risk Rating and Mitigation Plans		Capitals
A Geopolitical	**2025/26**	2024/25	
Geopolitical risk is elevated as major powers increasingly weaponise trade and finance while imposing sanctions and trade barriers. The Middle East conflict has resulted in a global economic chokepoint elevating energy and shipping volatility.	» Explore new markets, destinations, and revenue streams to reduce exposure to any single region or geopolitical hotspot. » Maintain flexible operational arrangements, including alternative routes and adaptable contracts with suppliers and partners. » The Group closely monitors geopolitical developments and maintains communication with relevant authorities and industry bodies.		
B Skills and Competency Gap	**2025/26**	2024/25	
High employee turnover in key segments such as travels and hotels, coupled with skilled labour migration, rising remuneration expectations, and the limited availability of specialised talent in segments such as power and logistics, may adversely impact operational continuity, productivity, and service quality. Employee turnover rate 39%	» Invest in continuous training, upskilling, and cross-training programmes to build a flexible and competent workforce. » Strengthen employee retention through competitive compensation, career development opportunities, and an inclusive and supportive work culture. » Update recruitment processes to attract and select quality talent. » Enhance workforce planning through effective resource scheduling and proactive engagement with talent pipelines, including recruitment agencies and educational institutions.		
C Occupational Health and Safety	**2025/26**	2024/25	
The Group is exposed to occupational health and safety risks arising from its diverse operations. These include workplace incidents, fire hazards, hazardous material handling, food safety risks, and exposure to high-risk operating environments. Number of injuries: 314 Number of deaths: Nil	» Implementation of comprehensive health and safety, and food safety management systems aligned with international standards (e.g., ISO 45001, ISO 22000, HACCP), supported by regular audits and compliance monitoring. » Continuous employee training, safety awareness programmes, and strict enforcement of Personal Protective Equipment (PPE) and operational protocols to minimise workplace incidents. » Upgrade critical safety infrastructure, including fire detection and protection systems, alongside regular drills and emergency preparedness planning. » Strengthen governance through internal audits, incident and near-miss reporting mechanisms, and cross-functional safety oversight to ensure accountability and timely corrective actions.		

RISK MANAGEMENT

Principal Risk	Risk Rating and Mitigation Plans		Capitals
D Financial	**2025/26**	2024/25	
Foreign Exchange Risk: The Group's exposure to multiple currencies may result in financial variability arising from fluctuations in exchange rates. Currency movements may create mismatches between foreign currency earnings and local currency expenses, placing pressure on margins. Annual depreciation of LKR against the USD: 6.49%	» Close monitoring of forex markets by Group treasury to identify key factors affecting exchange rate fluctuations and identifying possible future trends. » Use of hedging mechanisms depending their availability to minimise the impact. » Diversify the currency composition of revenues and payments. » Incorporate pricing adjustments and contractual clauses to manage the effects of currency fluctuations.		
Credit Risk: The Group is exposed to credit risk arising from the extension of credit to customers and counterparties. Delays or failures in settlements could disrupt cash inflow and give rise to potential impairment losses. Percentage of trade debtors over 90 days: 9.41%	» Implement robust credit evaluation prior to onboarding customers. » Establish clear credit policies, limits, and approval frameworks for all counterparties. » Strengthen receivables monitoring by implementing continuous tracking mechanisms and periodic ageing analysis to enable early identification and resolution of overdue balances.		
Liquidity Risk: Liquidity risk for the Group stems from potential mismatches between cash inflows and outflows. Constraints on the availability of funds to meet financial obligations as they fall due may place pressure on operational continuity and financial headroom. Debt to equity ratio: 0.35 times Quick asset ratio: 1.31 times	» Strengthen cash flow forecasting, monitoring, and payment prioritisation to ensure timely settlement of financial obligations. » Optimise working capital through improved receivables collection, supplier term negotiations, and efficient inventory management. » Enhance financial discipline and cross-functional coordination to support effective cash management and operational resilience.		
E Competition and Revenue Gap	**2025/26**	2024/25	
Shifts in customer preferences across markets and industries may intensify competition from local and international players, including new entrants and alternative service providers. This may result in pricing pressures, impacting market share and customer retention, leading to reduced margins.	» Conduct ongoing competitor intelligence and market benchmarking to identify threats early and enable rapid strategic adjustments. » Collaborate closely with principals and key partners on joint sales planning, pricing strategies, and co-development of value-added offerings. » Diversify revenue streams, customer segments, and product portfolios while maintaining agile business models that allow quick pivots in response to competitive pressures. » Build strong customer relationships through excellent service, transparent communication, and tailored solutions that enhance loyalty and reduce customer attrition.		

RISK MANAGEMENT

Principal Risk	Risk Rating and Mitigation Plans		Capitals
F Malfunction and Breakdowns of Systems and Equipment	**2025/26**	2024/25	
Sri Lanka's international internet connectivity is highly dependent on undersea submarine cables, which are at risk of disruption or damage due to escalating geopolitical conflicts in the Middle East, potentially causing widespread internet outages, service degradation, and impact to national and organisational operations. Failure or malfunction of critical equipment and machinery may disrupt business activities and service delivery. Delays in repairs or replacement, particularly due to limited availability of spare parts, may further extend downtime and amplify operational and financial impacts.	» Ensure redundant international connectivity through multiple submarine cable routes and Internet Service Providers (ISP). » Maintain alternative connectivity options such as satellite links for critical systems. » Prioritise and manage network traffic to support essential business functions during outages. » Implement proactive maintenance plans to minimise downtime. » Comprehensive training is provided to employees on machine operation and handling.		
G Energy and Fuel Disruptions	**2025/26**	Emerging Risk	
Instability in global energy markets, particularly arising from geopolitical tensions in the Middle East, may constrain the availability of fuel and energy. This could lead to supply disruptions and price volatility, resulting in increased operating costs and margin pressure. Fuel constraint is likely to disrupt the operational momentum of Tourism and Maritime and Freight Logistics. Thereby adversely impacting the Group's overall business performance.	» Continuously monitor global fuel and energy market trends, including price movements and supply availability. » Maintain adequate fuel stocks and real-time price monitoring to mitigate the impact of supply disruption and price volatility. » Reduce dependency on vulnerable energy sources by adopting alternative sources and technologies and energy-efficient practices.		
H Cybersecurity	**2025/26**	2024/25	
The Group is exposed to numerous cybersecurity risks arising from its increasing reliance on digital platforms, online transactions, and sensitive data handling. Key risk exposures include data breaches, cyber-attacks, ransomware, phishing, malware incidents, etc. These risks may be exacerbated by system vulnerabilities, inadequate user awareness, challenges in integrating enterprise systems, and weaknesses in data backup and recovery processes. Total vulnerabilities treated and remediated 447	» Implement robust IT security controls, including secure network architecture, encryption of sensitive data, and regular system updates and patch management. » Strengthen access management through least-privilege principles and multi-factor authentication across critical systems. » Conduct regular employee awareness and training programmes to mitigate risks related to phishing, human error, and data handling. » Establish continuous monitoring and incident response capabilities to detect, respond to, and recover from cyber threats in a timely manner. » Maintain secure and resilient IT infrastructure through cloud-based solutions, regular data backups, and tested disaster recovery and business continuity plans.		

RISK MANAGEMENT

Principal Risk	Risk Rating and Mitigation Plans		Capitals
I Statutory and Regulatory	**2025/26**	2024/25	
The Group operates in a highly regulated environment across multiple sectors and jurisdictions, exposing it to evolving statutory and regulatory requirements. Non-compliance with laws relating to Anti-Money Laundering (AML), Counter-Terrorist Financing (CTF) and Proliferation Financing (PF), customer due diligence, regulatory reporting, and industry-specific regulations may result in penalties, legal liabilities, or loss of licenses. Changes in government policies, environmental regulations, and labour laws may also impact operations and increase compliance costs.	» Strengthen the compliance framework through continuous monitoring of regulatory changes and timely updates to policies, procedures, and internal controls. » Conduct regular, risk-based employee training on key compliance protocols while monitoring high-risk customers and activities. » Establish effective regulatory reporting processes with clear accountability, review mechanisms, and timelines to ensure accuracy and timeliness. » Enhance governance and oversight through periodic internal audits, compliance reviews, and use of structured monitoring tools.		
J Supply Chain Disruption	**2025/26**	2024/25	
The Group's dependence on global procurement and logistics networks exposes it to supply chain disruption risk arising from geopolitical developments, market disruptions, and resource scarcity. Such disruptions may result in delays, shortages, and interruptions in the movement of critical goods and materials, coupled with constrained fuel availability and increased energy costs. Consequently, these factors may lead to operational delays, increased costs, reduced efficiency, and potential impacts on business continuity and customer service.	» Build a resilient, multi-sourced supplier and carrier network with long-term contracts, alternative sourcing option. » Leverage integrated digital tools to enable real-time visibility, anticipate potential disruptions, and facilitate rapid response, while streamlining procurement processes through agile methodologies and digital integration. » Enhance terminal and yard operations with technology upgrades, capacity expansion, automation, and strategic engagement with port authorities to minimise congestion and volume volatility impacts. » Develop contingency plans, including buffer stocks, multi-modal options, and flexible capacity agreements, to maintain service continuity during global or local disruptions.		
K Extreme Weather Events *(GRI 201-2)*	**2025/26**	2024/25	
The Group's operations span to diverse locations geographically, exposing it to the risk of extreme weather events. This in turn impacts accessibility, supply chain, and operational continuity. River water levels and flood warnings issued: 449 Landslide warnings issued: 111	» Implement comprehensive Business Continuity Plans (BCP) and Disaster Risk Reduction (DRR) frameworks to ensure operational resilience during extreme weather events. » Establish early warning and monitoring systems by tracking real-time weather alerts and activating predefined response protocols. » Conduct regular emergency preparedness drills, including evacuation, first aid, and crisis communication training for employees and relevant stakeholders. » Strengthen infrastructure resilience and site selection processes by incorporating climate risk assessments and robust risk mitigation measures and strategies for climate change adaptation.		

RISK MANAGEMENT

Principal Risk	Risk Rating and Mitigation Plans		Capitals
L Business Resilience	2025/26	2024/25	
Unusual shifts in customer demands and preferences coupled with overwhelming negative market dynamism and geo-economic stress could adversely impact certain segments of the Group, challenging its ability to adapt and maintain operational strength. The loss of key partnerships, changes or termination of contractual arrangements, or substantial non-compliance could strain the Group's capacity to withstand and recover from disruptions.	» Strengthen relationships with key stakeholders, agents, principals, and partners through consistent performance and proactive engagement to support contract continuity. » Pursue diversification of operations, markets, and revenue streams to reduce dependency on single contracts, geographies, or business segments. » Develop and test business continuity plans, including contingency measures for potential disruptions.		

KEY OPPORTUNITIES AND THE GROUP'S RESPONSE

Opportunity	Group's Response	
Geographic expansion and market diversification	**Strengthening regional footprint** » The Maritime & Freight Logistics sector is pursuing geographic expansion across Asia, with a focus on further consolidating its dominance in the transshipment business. » The destination management segment continues to deepen and broaden its presence across regional markets, reinforcing its competitive positioning. » Global partnerships, agency networks, and joint ventures are being enhanced and diversified to improve service offerings, ensure operational continuity, and expand the Group's international reach.	**Market diversification** » Strategic partnerships are being established across the Group to accelerate key growth initiatives. » The agency representation and overseas operations unit is evolving beyond traditional agency representation toward a fully integrated model, with capabilities being developed in warehousing, cold storage, charter flight and vessel operations, pharma and healthcare logistics, e-commerce fulfilment, and digital archiving, positioning the segment as a comprehensive, end-to-end logistics solutions provider.
Accelerated advancement of digital technologies	» Group-wide digital transformation initiatives are being advanced on an ongoing basis, driving productivity improvements and generating deeper insights into revenue management across all business segments.	» The elevator segment is expanding its market offering through the introduction of advanced elevator and escalator solutions incorporating digital, Internet of Things-enabled, and sustainable technologies, complemented by value-added innovations such as rope-to-belt conversion systems.
Evolving consumer preferences	» The hotel segment is differentiating its properties and service offerings to align with shifting tourism trends and the evolving expectations of modern holiday makers.	» The financial services segment is introducing revolutionary solutions within its money transfer services to better address the changing needs of its customer base.

RISK MANAGEMENT

Opportunity	Group's Response	
Developing future talent channels	» The Maritime & Freight Logistics, education segment is strengthening its tertiary education and vocational training programmes to build industry-relevant skills and support long-term workforce development. » Internship programmes and management trainee initiatives are being expanded across the Group to attract, develop, and retain emerging talent.	» The Aitken Spence hotel school continues to create meaningful opportunities for youth, equipping the next generation with the skills and experience required for careers in the hospitality industry.
Transition to clean and renewable energy and other sustainable initiatives	» The Group is investing in renewable energy generation projects as part of a broader strategic commitment to clean energy transition and long-term sustainability. » A Group-wide transition to electric-powered machinery including forklifts and related equipment is ongoing across all business segments. » The Group is increasing its capacity and accelerating the adoption of clean energy solutions across all sectors, reinforcing its commitment to reducing its carbon footprint.	» The printing and packaging segment is actively seeking opportunities to offer sustainable packaging solutions, incorporating environmentally responsible materials such as Forest Stewardship Council (FSC)-certified paper and Low Volatile Organic Compound (Low-VOC) inks into its product portfolio.

Connectivity within the Annual Report

The following sections of this report are connected to the annual report, as set out below:

- **Corporate governance -** Refer to the corporate governance section on page 90, which provides context for the Group's approach to risk governance.
- **Capital reports -** These set out how the risks were managed and for each risk, the report provides references to the relevant capitals for more detailed information.
- **SLFR Sustainability - related financial disclosures –** Refer to the SLFR Sustainability - related financial disclosures section on page 317 for a detailed overview of sustainability-related risks and opportunities, climate-related risks and opportunities, and their associated implications.
- **Operating environment -** Refer to this section on page 34, which outlines the risk environment that prevailed during the year by providing an overview of the external macroeconomic factors influencing the Group's operations.
- **Sector reviews -** These set out the risks and opportunities identified by each sector, along with their strategic objectives, providing a clear linkage between sector-level insights and risk profile.
- **Determining materiality -** Materiality was considered as set out on page 53, when compiling the segment-wise risks and mapping them to the Group's principal risks.
- **Awards and Accolades for the Financial Year 2025–2026 –** Refer to page 25 for recognitions received at the Group level during the financial year 2025/26.

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

I was appointed by the Board as the Senior Independent Director (SID) in the financial year 2024/25 in compliance with Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange following the appointment of Ms. D.S.T. Jayawardena, an Executive Director as the Chairperson of the Company.

Subsequently, following the resignation of Dr. M.P. Dissanayake, the Deputy Chairman and Managing Director on 31st March 2026 and the Chairperson's assumption of the role of Interim Managing Director with effect from 1st April 2026, it has become necessary, in terms of the said Rule, for me to continue serving as the Senior Independent Director, as the positions of Chairperson and Managing Director/CEO are held by the same individual for an interim period.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The SID provides guidance to the Chairperson on matters of governance of the Company. The SID is mandated to ensure highest standards of transparency and calls for a review of the effectiveness of the Board. In effectively fulfilling this duty the SID is required to meet with the Non-Executive Directors and Independent Directors, enabling discussions and communication on governance related matters. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

ACTIVITIES DURING THE YEAR 2025/26

As the Senior Independent Director, I have presided over a meeting of the Non-Executive Directors, held without the presence of the Chairperson, in compliance with Rule 9.6.3(c) of the Listing Rules of the Colombo Stock Exchange. The meeting provided an opportunity to review matters relating to Board effectiveness, governance practices and the performance of the Chairperson. The Non-Executive Directors expressed their appreciation of the Chairperson's leadership and her ability to foster an environment that encourages open and constructive dialogue. The discussions were constructive and all matters were concluded by consensus without the need for a formal vote.

In compliance with Rule 9.6.3(b) of the Listing Rules of the Colombo Stock Exchange, a separate meeting was held with only the Independent Directors where matters relating to Board effectiveness and governance processes were discussed. The outcome of this meeting together with the views, suggestions and recommendations of the Independent Directors were informed to the Chairman/Chairperson and the Board.

I believe that I have met the obligations entrusted to me as the SID and have effectively discharged my duties and responsibilities towards the Chairman/Chairperson, the Board of Directors and the Shareholders of Aitken Spence PLC, in accordance with the Corporate Governance Rules.

M.R. Mihular
Senior Independent Director

Colombo
05th June 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

"Our focus this year was strengthening succession planning and governance oversight with evolving regulatory requirements of the Colombo Stock Exchange"

Mr. P. Englisch
Chairman

COMPOSITION OF THE COMMITTEE

Committee Members	Nature of Directorship Held	Date of Appointment to the Committee
Mr. P. Englisch - Chairman	Independent Non-Executive Director	30.12.2024
Dr. R.A. Fernando	Independent Non-Executive Director	30.12.2024
Mr. C.J. Sevilla	Independent Non-Executive Director	30.12.2024
Mr. J.M.S. Brito	Non-Executive Director	21.03.2023*
Mr. C.R. Jansz	Non-Executive Director	28.03.2025

The Board has an established Nominations and Governance Committee which complies with Section 9.11 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Committee comprises three Independent Non-Executive and two Non-Executive Directors. One of the Independent Non-Executive Directors chairs the Committee. Aitken Spence Corporate Services (Private) Limited, the Secretaries of the Company, functions as the Secretary to the Committee.

* Appointed to the Nominations Committee

60%
Independence

02
Meetings

ToR
The Board has approved well-defined terms of reference outlining the Committee's purpose, composition, quorum, authority, responsibilities and meeting related matters.

COMMITTEE MEETINGS *GRI 2-10*

The Committee met twice during the year under review with the participation of all the members and has provisions to transact business through Circular Resolutions as and when basis.

RESPONSIBILITIES OF THE COMMITTEE

The Terms of Reference of the Committee sets out the authority, composition, scope and responsibilities of the Committee taking into consideration the Corporate Governance requirements set out in the Listing Rules of the Colombo Stock Exchange.

- Evaluation of the quality and composition of the Board of Aitken Spence PLC and the subsidiary companies.
- The Committee is responsible for ensuring that the Board of Aitken Spence PLC have the appropriate balance of skills, experience, independence, diversity, and expertise to effectively discharge their respective duties and responsibilities. Refer Board Composition Analysis on page 100 for further information in this connection.
- Evaluation of the performance of the Board, its committees and individual Directors to ensure that their responsibilities are satisfactorily discharged.
- Review the policy governing the appointment, re-appointment, re-election, and election of Directors to the Board, as well as succession planning, and recommend amendments where necessary.

KEY FUNCTIONS OF THE COMMITTEE

The Committee reviews and makes recommendations that are fair, free from any bias and not influenced by personal or business relationships, thereby enabling the Company to make sound and measured judgments in order to attract the best talent to the Group. During the financial year 2025/2026 the Committee performed the following functions:

- Ensured the diversity and effectiveness of the Board of Aitken Spence PLC as well as the Key Management Personnel (KMPs),

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

- Evaluated the eligibility of the Directors who have offered themselves for re-appointment and re- election to the Board considering the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities and made necessary recommendations to the Board,
- Evaluated the combination of varied skills, knowledge and experience of the Directors of the Company,
- Ascertained that the competencies of Directors are adequate to meet the required strategic demands of the Group.
- Ensured that any significant issues concerning the Company were communicated to the Independent Directors and special board meetings convened as and when necessary to discuss important or critical matters with the Board.
- Updated the Board of Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations.
- Ensured that the Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange have been met.

INDEPENDENCE OF DIRECTORS

The Committee evaluated the independence of the current Board of Directors based on the declarations submitted by the respective Directors in accordance with the requirements of the revised Listing Rules of the Colombo Stock Exchange. The Committee determined that as at 31st March 2026, four out of eleven Directors were Independent as per the criteria set out in the Listing Rules of the Colombo Stock Exchange for determining independence.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

One Third (1/3) of all the directors except the Chairman, Chief Executive, Managing or Joint Managing Director, retire by rotation in terms of the Articles of Association of the Company and being eligible submit themselves for re-election at the AGM.

Accordingly, the Committee has recommended to re-elect Dr. R.A. Fernando to the Board at the Annual General Meeting to be held on 30th June 2026, based on his performance and the contribution made to achieve the objectives of the Board. Dr. R.A. Fernando was appointed to the Board on 30th December 2024 and last elected as a Director in July 2025. His directorships and other principal commitments are given in the profile on page 73. He serves on the Audit and Risk Committee, Nominations and Governance Committee, Related Party Transactions Review Committee and the Remuneration Committee of the Company. Either Dr. Fernando or his family members have no relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

Mr. J.M.S. Brito, Mr. N.J. de S. Deva Aditya, Dr. R.M. Fernando, Mr. C.R. Jansz and Mr. M.R. Mihular retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007. The said Directors were last re-appointed/ elected at the Annual General Meeting held on 04th July 2025. All of the said Directors except for Mr. C.R. Jansz have offered themselves for re-appointment. Having given due consideration to each Director's performance, the Committee recommended to the Board that Mr. J.M.S. Brito, Mr. N.J. de S. Deva Aditya, Dr. R.M. Fernando and Mr. M.R. Mihular are eligible for re-appointment.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own re-appointments.

The Committee affirms that the Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 110 to 123 of the Corporate Governance Report of this Annual Report.

P. Englisch
Chairman
Nominations and Governance Committee

Colombo
05th June 2026

REMUNERATION COMMITTEE REPORT

"The Committee is committed to maintaining a fair, transparent and performance-based remuneration framework that aligns rewards with the Group's strategic objectives and supports the attraction and retention of high-quality talent"

Mr. P. Englisch
Chairman

COMPOSITION OF THE COMMITTEE

Committee Members	Nature of Directorship Held	Date of Appointment to the Committee
Mr. P. Englisch - Chairman	Independent Non-Executive Director	30.12.2024
Dr. R.A. Fernando	Independent Non-Executive Director	30.12.2024
Mr. C.J. Sevilla	Independent Non-Executive Director	30.12.2024
Mr. J.M.S. Brito	Non-Executive Director	21.03.2023
Mr. C.R. Jansz	Non-Executive Director	28.03.2025

The Board has an established Remuneration Committee which complies with Section 9.12 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Committee comprises three Independent Non-Executive and two Non-Executive Directors. One of the Independent Non-Executive Directors chairs the Committee.

60%
Independence

02
Meetings

ToR
The Board has approved well-defined terms of reference outlining the Remuneration Committee's scope, authority, duties and matters pertaining to the quorum of the meetings.

INDEPENDENCE OF THE COMMITTEE

The Committee is composed of three Independent Non-Executive Directors and two Non-Independent Non-Executive Director as at the end of the financial year 2025/2026. They are independent of management and are completely free from any business, personal or other relationships that may interfere with the exercise of their independent, unbiased judgement. The members of the Committee refrain from taking part in determining their own remuneration.

REMUNERATION COMMITTEE MEETING ATTENDANCE

The Committee met twice during the year under review. Ms. D.S.T. Jayawardena, Chairperson together with Dr. M.P. Dissanayake, Former Deputy Chairman and Managing Director and Mr. S.N. Muttiah, Group Chief Human Resource Officer attended the meeting by invitation.

REMUNERATION COMMITTEE REPORT

Remuneration Committee Members	Remuneration Committee Meetings			Total Meetings Attended
	1st Meeting		2nd Meeting	
	03.07.2025	04.07.2025	10.02.2026	
Mr. P. Englisch (Chairman)	✓	✓	EX	1/2
Dr. R.A. Fernando	✓	✓	✓	2/2
Mr. C.J. Sevilla	✓	✓	✓	2/2
Mr. J.M.S. Brito	✓	✓	✓	2/2
Mr. C.R. Jansz	✓	✓	✓	2/2

EX — Excused

THE REMUNERATION POLICY

GRI - 2-19, 2-20

The Group follows a formal and transparent procedure to ascertain the remuneration packages for individual Directors and Key Management Personnel (KMPs). The Committee recognises the importance of formulating remuneration packages that effectively motivate, attract and retain the Directors and KMPs, taking into account the employment conditions of the Group Companies and the relevant industries.

The Group remuneration policy which was reviewed by the Committee remained unchanged during the year under review.

KEY RESPONSIBILITIES OF THE COMMITTEE

» Determine remuneration policy for Directors and KMPs.

» Decide individual remuneration packages, including termination compensation.

» Evaluate performance of Managing Directors, Executive Directors and KMPs.

» Review Committee's Terms of Reference regularly to ensure industry best practices.

FUNCTIONS OF THE COMMITTEE

The Committee's decisions were determined based on the following principles and policies:

» **Remuneration Policy**

- Evaluated the Group Remuneration Policy against the current market trends and industrial norms.
- Reviewed and ensured the implementation of the Group Remuneration Policy.
- Reviewed the policy of the remuneration package of the Directors and the KMPs.
- Reviewed the specific application of the Group Remuneration Policy to the Chairperson, Deputy Chairman and Managing Director and Executive Directors and general application of the Group Remuneration Policy to the KMPs below the Directorate of the Company.

» **Performance Based Remuneration**

- Evaluated the performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and Executives of the Strategic Business Units.
- Reviewed, monitored and evaluated performance of KMPs as well as their management development and succession planning.

» **Performance Incentives**

- Evaluated the achievements as well as unaccomplished targets and results which are considered to determine performance-based incentives.

» **Remuneration of Executive Directors**

- Evaluated the performance of the Executive Directors.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2025/2026 has been disclosed under Note 9 on page 400 of the Annual Report.

P. Englisch
Chairman
Remuneration Committee

Colombo
05th June 2026

AUDIT AND RISK COMMITTEE REPORT

"As Chairman of the Audit and Risk Committee of Aitken Spence PLC, I affirm that the Committee has diligently carried out its responsibilities throughout the year, maintaining strong oversight of financial reporting, internal controls and risk management processes. We remain committed to continuously strengthening governance practices and upholding transparency and accountability in the best interests of all stakeholders."

Mr. M.R. Mihular
Chairman

COMPOSITION OF THE COMMITTEE

Committee Members	Nature of Directorship Held	Date of Appointment to the Committee
Mr. M.R. Mihular - Chairman	Independent Non-Executive Director	30.12.2024
Dr. R.A. Fernando	Independent Non-Executive Director	30.12.2024
Mr. P. Englisch	Independent Non-Executive Director	30.12.2024
Mr. C.J. Sevilla	Independent Non-Executive Director	30.12.2024
Mr. J.M.S. Brito	Non-Executive Director	23.05.2019
Mr. R.N. Asirwatham*	Non-Executive Director	F/Y 2009/2010

The Board has an established Audit and Risk Committee which complies with Section 9.13 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Committee comprises four Independent Non-Executive and one Non-Executive Directors. An Independent Non-Executive Director who is a fellow of the Institute of Chartered Accountants of Sri Lanka is appointed as the Chairman of the Committee. Mr. D.D.M.A. Saparamadu – Chief Internal Auditor of Aitken Spence PLC acts as the Secretary of the Committee.

* Deceased on 12.12.2025

80%
Independence

11
Meetings

ToR
The Board has approved well-defined terms of reference outlining the Committee's purpose, composition, scope, authority and duties.

ROLE OF THE AUDIT AND RISK COMMITTEE

The primary responsibility of the Audit and Risk Committee is to support the Board in independently overseeing the accuracy and integrity of financial statements, internal control systems, compliance with Group policies as well as legal and regulatory requirements, adherence to the risk management policy and make recommendations on the risk mitigation and the risk appetite to the Board.

AUDIT AND RISK COMMITTEE REPORT

COMMITTEE MEETINGS

The Audit and Risk Committee functioned throughout the financial year and held eleven meetings in semi virtual mode. Ms. D.S.T. Jayawardena, Chairman/Chairperson, Dr. M.P. Dissanayake, Former Deputy Chairman and Managing Director, and Ms. N. Sivapragasam, Chief Financial Officer attended the meetings by invitation. Additionally, senior officers of the Group, as well as the partner from Messrs. KPMG, Chartered Accountants, responsible for the Group's external audit, attended the meetings when necessary. Attendance at the Audit and Risk Committee meetings during the year under review is as follows:

Audit and Risk Committee Members	Audit and Risk Committee Meetings											Total Meetings Attended
	27.05.2025	20.06.2025	02.07.2025	01.08.2025	12.08.2025	12.11.2025	18.12.2025	14.01.2026	10.02.2026	23.02.2026	11.03.2026	
Mr. M.R. Mihular - Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Dr. R.A. Fernando	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. P. Englisch	✓	✓	✓	✓	✓	✓	✓	EX	✓	✓	✓	10/11
Mr. C.J. Sevilla	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. J.M.S. Brito	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Mr. R.N. Asirwatham*	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	6/6

* Deceased on 12.12.2025

N/A — Not Applicable, Meeting was held subsequent to the cessation

EX — Excused

KEY RESPONSIBILITIES OF THE COMMITTEE

- Assisting the Board in carrying out its overall independent oversight functions in relation to the accuracy and integrity of the financial statements, internal control systems and compliance with Group policies, legal and regulatory requirements with a view to safeguard the interests of shareholders and other stakeholders. The scope of functions and responsibilities is adequately outlined in the Terms of Reference of the Committee, which have been approved by the Board and are regularly reviewed and updated.
- Ensuring the effectiveness of the internal controls systems, financial reporting, risk management, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance processes within the Group.
- Exercising its independent oversight on internal and external assurance functions and ensuring both internal and external auditor's independence, objectivity and the effectiveness of the audit process.
- Reviewing the internal audit reports and maintaining healthy relationships with the sector senior management to ensure that precautionary measures are taken to mitigate the risk that could arise due to reported control weaknesses, procedure violations, frauds and errors.
- Examining all matters relating to the Group's adopted accounting principles and policies and reviewing all material financial, operational and compliance controls.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

Risk Management and Internal Control

- Monitored the Group's risk management and internal control processes through detailed discussions with the Chief Internal Auditor, Executive Directors and Sector Senior Management.
- Assisted the Board in evaluating the adequacy, robustness and effectiveness of the Group's management of risk, in terms of identifying, managing and mitigating principal risks and emerging risks, in line with the risk management policy.
- Ensured that the Group adheres to and complies with all relevant laws, rules and regulations of the country, international laws and codes of ethics and standards of conduct required by regulatory authorities, professional bodies and trade associations.

Financial Reporting and Financial Control

- Reviewed the Group's quarterly and annual financial statements, focusing on the following aspects:
  - Adequacy of disclosures.
  - Uniformity and appropriateness of the accounting policies adopted.

AUDIT AND RISK COMMITTEE REPORT

- Major judgemental areas to ensure compliance with the Companies Act No. 7 of 2007.
- Adherence to applicable Sri Lanka Accounting Standards and other Accounting Standards of jurisdictions in which each subsidiary operates.
- Compliance with the Listing Rules of the Colombo Stock Exchange.
- Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.
- Meeting requirements of other regulatory bodies applicable to the Group.

» Discussed with the management any future accounting developments likely to affect the financial statements.

» Reviewed the budgets and strategic plans of the Group to ensure that all forward-looking statements in the annual report accurately reflect the Group's position.

» Reviewed the integrity of the Group's published financial information and all significant financial judgements and estimates made by the management.

External Audit

» Reviewed and monitored the relationship with the External Auditors including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner.

» Reviewed the non-audit services provided by the External Auditors to the Group to ensure that their independence as Auditors has not been compromised.

» Assessed the effectiveness and the progress of the External Auditors and the audit process.

» Discussed the audited financial statements with External Auditors and ensured that they were in conformity with the Sri Lanka Accounting Standards and other regulatory requirements.

» Reviewed and discussed the management letter and instructed the management to take appropriate follow up actions on matters highlighted therein.

Internal Audit

» Reviewed and approved the annual audit plan after considering its depth and coverage.

» Reviewed the operation and effectiveness of the Group Internal Audit function in terms of its independence, effectiveness, competency and resource adequacy.

» Continued to ensure the coordination between Group Internal Audit department and External Auditors.

» Reviewed and discussed the audit reports submitted by the internal audit department with the management responses on financial and operational audits, information security and risk assessments carried out in line with approved annual audit plan.

Reporting

» The Chairman of the Audit and Risk Committee reports to the Board at each meeting on the activities of the Committee. Minutes of the Audit and Risk Committee meetings are also tabled at the Board meetings.

» The annual report incorporates the Audit and Risk Committee report.

» The Chairman of the Audit and Risk Committee attends the Annual General Meeting.

» The Committee has obtained assurances from the Chairman/Chairperson/Interim Managing Director, Chief Financial Officer and other senior management personnel that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

COMPLIANCE

The Committee is of the view that the Group has complied with the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock Exchange, Securities and Exchange Commission Act, regulations and directions of Securities Exchange Commission, Colombo Stock Exchange and Sri Lanka Accounting Standards.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit and Risk Committee remains steadfast in its commitment to ensure that the Group adheres to the highest ethical standards in business dealings. In this regard, the Group has a code of ethics & professional conduct, robust policies such as the Whistleblowing Policy and an Anti-Bribery & Anti-Corruption Policy which mandates all staff members to be ethical, transparent and accountable and resort to whistleblowing if they suspect any wrongdoings or other improprieties.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. KPMG, CHARTERED ACCOUNTANTS

The Committee perused transactions with the External Auditors and ensured that there was no significant material transaction between the External Auditors and the companies in the Group. Furthermore, the Committee was reassured that the External Auditors do not hold any shares in the Group. The Committee also obtained written assurance from the External Auditors, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Committee having considered that there were no significant material transactions between the External Auditors and the Group companies, that there were no shares held by the External Auditors, the confirmation received from the External Auditors and the periodic rotation of the Audit Partner, noted that KPMG, Chartered Accountants are independent and are eligible for re-appointment as the External Auditors of the Group. The Committee further confirms that even though the External Auditor has been engaged from the inception of the Company, the Audit Partner overseeing the audit of the Company has been engaged for a period of two year.

AUDIT AND RISK COMMITTEE REPORT

Having noted the above, the Committee recommends to the Board that Messrs. KPMG, Chartered Accountants be re-appointed as the External Auditors of the Group for the current financial year, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking ahead to the financial year 2026/2027, the Committee's key priorities will include overseeing of the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group, continuing to monitor the impacts of climate change and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes.

M.R. Mihular
Chairman
Audit and Risk Committee

Colombo
05th June 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

"As Chairman of the Related Party Transactions Review Committee of Aitken Spence PLC, I confirm that the Committee has maintained effective oversight of related party transactions, ensuring transparency, fairness and compliance with applicable requirements. We remain committed to upholding strong governance standards in all such dealings."

Mr. M.R. Mihular
Chairman

COMPOSITION OF THE COMMITTEE

Committee Members	Nature of Directorship Held	Date of Appointment to the Committee
Mr. M.R. Mihular - Chairman	Independent Non-Executive Director	30.12.2024
Dr. R.A. Fernando	Independent Non-Executive Director	30.12.2024
Mr. P. Englisch	Independent Non-Executive Director	30.12.2024
Mr. C.J. Sevilla	Independent Non-Executive Director	30.12.2024
Mr. J.M.S. Brito	Non-Executive Director	23.05.2019
Mr. R.N. Asirwatham*	Non-Executive Director	F/Y 2009/2010

The Board has an established Related Party Transactions Review Committee which complies with Section 9.14 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The Committee comprises four Independent Non-Executive and one Non- Executive Directors. An Independent Non-Executive Director is appointed as the Chairman of the Committee. Aitken Spence Corporate Services (Private) Limited, the Secretaries of the Company, functions as the Secretary to the Committee.

* Deceased on 12.12.2025

80%
Independence

03
Meetings

ToR
The Board has approved well-defined terms of reference outlining the Committee's purpose, composition, quorum, authority, responsibilities and meeting related matters.

ROLE OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The role of the Related Party Transactions Review Committee is to advise the Board in relation to transactions with related parties as defined by Sri Lanka Accounting Standard - LKAS 24 and Listing Rules of the Colombo Stock Exchange. The Committee adheres to Rule 9.14 of the updated Listing Rules of the Colombo Stock Exchange, ensuring that the Company considers the interests of shareholders collectively when entering into related party transactions.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEETING ATTENDANCE

Related Party Transactions Review Committee Members	Related Party Transactions Review Committee Meetings			Total Meetings Attended
	20.06.2025	19.12.2025	11.03.2026	
Mr. M.R. Mihular - Chairman	✓	✓	✓	3/3
Dr. R.A. Fernando	✓	✓	✓	3/3
Mr. Peter Englisch	✓	✓	✓	3/3
Mr. C.J. Sevilla	✓	✓	✓	3/3
Mr. J.M. S. Brito	✓	✓	✓	3/3
Mr. R.N. Asirwatham*	✓	N/A	N/A	1/1

* Deceased on 12.12.2025

N/A — Not Applicable, Meeting was held subsequent to the cessation.

Matters scheduled for consideration during the second quarter of the financial year 2025/26 were duly transacted by way of a circular resolution, with the unanimous approval of all the members of the Committee.

HIGHLIGHTS DURING THE FINANCIAL YEAR 2025/2026

- Obtained quarterly disclosures from the Key Management Personnel and the Group related companies in relation to proposed related party transactions and post quarter confirmations and the Committee reviewed all such disclosures at its quarterly meetings.
- Communicated Committee's activities to the Board by tabling the minutes of the Committee meetings, at the Board meetings.
- Fixed the thresholds at the first meeting of the financial year for related party transactions which require either shareholders' approval or immediate market disclosures, as the case may be for the financial year 2026/2027 based on the Audited Financial Statements of the previous financial year.

RESPONSIBILITIES OF THE COMMITTEE

The Committee's key focus is to review all proposed related party transactions prior to entering into or completion of the transaction according to the procedures laid down by Rule 9.14 of the Listing Rules of the Colombo Stock Exchange. The responsibilities of the Committee are as follows:

- Evaluate any proposed related party transactions on a quarterly basis and recommend to the management and the Board, the appropriate course of action to be taken in order to be compliant with the regulations of the Listing Rules of the Colombo Stock Exchange,
- Review any post quarter confirmations on related party transactions,
- Review the threshold for related party transactions which require either shareholders' approval or immediate market disclosures, as the case may be,
- Review the criteria of Key Management Personnel,
- Regularly report to the Board on the Committee's activities.

KEY MANAGEMENT PERSONNEL

The Board of Directors of the Company, Directors, Vice Presidents and Assistant Vice Presidents of Subsidiary companies are construed as the Key Management Personnel of Aitken Spence to establish greater transparency and governance. Declarations from Key Management Personnel and from the Group companies are obtained quarterly for the purpose of identifying related party transactions and to determine related party transactions which ensures the compliance with the disclosure requirements of the Listing Rules.

KEY FUNCTIONS PERFORMED

- **Policies and Procedures:**
  - Quarterly disclosures were obtained from the Key Management Personnel of any proposed related party transactions and confirmations of any post-quarter transactions. All such disclosures are tabled at each Related Party Transactions Review Committee Meetings,
  - Quarterly disclosures were obtained from all Group companies of any proposed related party transactions and confirmations of any post-quarter transactions and all disclosures are tabled at each Related Party Transactions Review Committee Meeting,
  - Non-recurrent related party transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries,

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- Recurrent related party transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

» **Review of Related Party Transactions:**

- Reviewed all proposed related party transactions as well as post quarter confirmations,
- Activities of the Committee were communicated to the Board by tabling the minutes of the Related Party Transactions Review Committee Meetings,
- Reviewed thresholds for related party transactions which require either shareholders' approval or immediate market disclosure based on the Financial Statements for the year ended 31st March 2025.
- Confirmed that there were no occurrence of events to be disclosed in terms of Section 9.14.7(1) and 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.

M.R. Mihular
Chairman

Related Party Transactions Review Committee

Colombo
05th June 2026

THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The Board of Directors present this Statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

RESPONSIBILITY

The Board acknowledges the responsibility for the adequacy and effectiveness of the Group's system of Internal Controls, which is designed to provide assurance on the maintenance of proper accounting records and the reliability of financial information generated and safeguarding of the assets of the Group.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. This process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The Board is of the view that the systems of internal control over financial reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following five sub-committees ensuring the effectiveness of Group's daily operations and to ensure that these daily operations are within the corporate objectives, strategies and annual budget ratified by the Board.

- Audit and Risk Committee
- Nominations and Governance Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Investment Committee

These committees are chaired by Independent Non-Executive Directors and have the authority to examine particular issues and report back to the Board with their recommendations.

INTERNAL AUDIT

The internal audit department of the Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance.

Audits are carried out on all strategic business units (SBUs), the frequency of which are determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of SBUs. The annual audit plan is reviewed and approved by the Audit and Risk Committee and the findings of the audits are submitted to the Audit and Risk Committee for review at their periodic meetings.

POLICIES, PROCEDURES AND BUDGETS

Policies and procedures to ensure the compliance with internal controls and relevant laws and regulations are set out in operations manuals, which are updated from time to time.

Annual budgets are approved by the respective Boards and the subsidiaries' performance are assessed against the budgets and explanations are provided for significant variances periodically to the respective Boards.

WHISTLE BLOWING POLICY

The Group encourages a whistle-blowing policy which enables employees to bring irregularities in financial reporting, internal controls or other matters within the Group to the notice of the higher management.

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any.

The prevalence and effectiveness of this policy is monitored by the Audit and Risk Committee from time to time.

THE GROUP CODE OF ETHICS & PROFESSIONAL CONDUCT

The Group Code of Ethics and Professional Conduct which includes a strong set of corporate values and conduct, is circulated to Directors and all employees. The Board ensures that Directors and all employees strictly comply with the code in exercising their duties, communications, role modelling and in any other circumstance, so as to uphold the Group's integrity and image. Strict disciplinary actions are initiated for any violation of the Group code of ethics and professional conduct.

CYBER SECURITY

The Board has taken necessary precautions to minimise the risk of a security breach. During the year under review, necessary steps have been rolled out to curtail exposure to cyber-attacks by reducing the threat surface and addressing potentially exploitable vulnerabilities. These cybersecurity measures and controls are periodically reviewed and updated to ensure their continued effectiveness against evolving cyber threats.

GOING CONCERN

The statement of going concern is set out in the annual report of the Board Directors on page 154.

RISK MANAGEMENT

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Group.

An overview of the Group's risk management framework is set out on pages 128 to 138.

THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

ANNUAL REPORT

The Board is responsible for the preparation of the annual report and confirm that the quarterly reports, annual financial statements and the annual review of operations of the Group and its equity accounted investees that are incorporated in this annual report have been prepared and presented in a reliable manner based on a balanced and comprehensive assessment of the financial performance of the Group.

CONFIRMATION

Based on the above processes, the Board of Aitken Spence PLC confirms that the financial reporting system of the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and all relevant regulatory requirements.

Moreover, the Board has conducted an evaluation of Group's internal controls encompassing financial, operational and compliance controls, risk management and have obtained a reasonable assurance of their effectiveness and proper adherence.

Ms. D.S.T. Jayawardena
Chairman/Chairperson

Dr. R.M. Fernando
Director

M.R. Mihular
Chairman
Audit and Risk Committee

Colombo
05th June 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

1. GENERAL

The Board of Directors of Aitken Spence PLC has pleasure in presenting to the Shareholders the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2026. The details set out herein provide the pertinent information as required under Section 168 of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

2. PRINCIPAL BUSINESS ACTIVITIES AND THE GROUP STRUCTURE

Aitken Spence PLC is the holding company that directly or indirectly owns investments in companies which form the Aitken Spence Group. In addition to the above, the Company provides management and related services to the Group companies. During the year, there were no significant changes in the principal activities of the Company and the Group.

The activities of the Group are categorised into four main sectors namely Tourism, Maritime & Freight Logistics, Strategic Investments and Services. Companies within each sector and their principal activities are described on pages 512 to 523 of this Annual Report.

3. REVIEW OF OPERATIONS

A review of operational and financial performance, strategy of the Group and the future outlook of the Company and the Group are described in greater detail in the Chairperson's Message and the Management Discussion and Analysis of this Annual Report.

These reports together with the Audited Financial Statements of the Company and the Group reflect the respective state of affairs of the Company and the Group.

4. ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs). The Board of Directors wish to confirm that there were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 373 to 380 and under the respective notes to the Financial Statements given on pages 381 to 491 of this Report.

5. SYNOPSIS OF THE INCOME STATEMENT OF THE COMPANY AND THE GROUP

5.1. Group Performance

As at 31st March	2026 Rs. '000	2025 Rs. '000
Net profit before tax	12,812,278	10,826,315
Provision for taxation including deferred tax	(3,705,497)	(3,647,189)
Net profit after tax	9,106,781	7,179,126
Other comprehensive income/ (loss) (net of tax)	7,808,805	(153,252)
Total comprehensive income for the year	16,915,586	7,025,874
Total comprehensive income attributable to non-controlling interests	(3,811,296)	(2,033,776)
Total comprehensive income attributable to equity shareholders	13,104,290	4,992,098
Transactions directly recognised in the equity statement	159,473	131,091
Balance brought forward from the previous year	75,098,687	71,700,981
Amount available for appropriations	88,362,450	76,824,170
Final Dividend	(1,623,984)	(1,725,483)
Total reserves and earnings	86,738,466	75,098,687
Stated Capital	2,135,140	2,135,140
Balance attributable to equity holders of the Company at the end of the period	88,873,606	77,233,827

5.2. Revenue and Profits

Revenue generated by the Company during the year amounted to Rs. 1,660.4 million (2024/2025 – Rs. 1,579.2 million). The Group revenue was Rs. 96,591.5 million. (2024/2025 – Rs. 95,094.8 million). An analysis of Group revenue based on business and geographical segments and on revenue stream are disclosed in Notes 6 and 7 to the Financial Statements. The profit after tax of the Company was Rs. 1,114.0 million (2024/2025 – Rs. 1,646.5 million). The Group reported a profit after tax of Rs. 9,106.8 million. (2024/2025 – Rs. 7,179.1 million). The Group's profit attributable to the equity shareholders of the parent company for the year was Rs. 6,795.6 million (2024/2025 – Rs. 5,330.9 million). The segmental profits are disclosed in Note 6 to the Financial Statements

5.3. Donations

During the year donations amounting to Rs. 1.10 million (2024/2025 – Rs. 300,000.00) were made by the Company, while the donations made by the other Group entities during the year amounted to Rs. 10.6 million (2024/2025 – Rs. 2.1 million).

5.4. Taxation

A detailed statement of the income tax rates applicable to the individual companies in the Group and a reconciliation of the accounting profits with the taxable profits are provided in Note 12 to the Financial Statements. It is the policy of the Group to provide for deferred taxation on all known timing differences on the liability method. The deferred tax balances of the Group are given in Notes 22 and 32 to the Financial Statements. The deferred tax of the Company and the Group are calculated based on the tax rates that are specified in the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the tax rates specified in the foreign jurisdictions in which the Company and the Group operate.

5.5. Dividends

The Directors recommended a First and Final dividend payment of Rs. 4.00 per share for the year ended 31st March 2026. The Directors are satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment of the First and Final dividend.

6. SYNOPSIS OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND THE GROUP

6.1. Stated Capital and Reserves

As at 31st March 2026, the Company had issued 405,996,045 ordinary shares and the stated capital of the Company was Rs. 2.1 billion. The Company's retained earnings and reserves as at 31st March 2026 were Rs. 23.6 billion (2024/2025 - Rs. 24.1 billion) whereas the total Group's retained earnings and reserves as at 31st March 2026 were Rs. 86.7 billion (2024/2025 - Rs. 75.1 billion). The movement in these reserves is shown in the statement of changes in equity – Company and Consolidated on pages 378 and 376 respectively.

6.2. Property, Plant and Equipment, Investment Property, Intangible Assets, Biological Assets and Right-of-Use Assets

The details of property, plant and equipment, investment properties, intangible assets, biological assets and right of used assets of the Company and the Group where applicable, are given in Notes 15 to 19 to the Financial Statements on pages 410 to 425.

Information in respect of extent, location, valuation of land and building held by the Company and Group are detailed in Note 15.4 and Note 16.3 to the Financial Statements.

6.3. Contingent Liabilities

The details of contingent liabilities are disclosed in Note 39.1 to the Financial Statements.

7. EVENTS OCCURRING AFTER THE REPORTING DATE

No post balance sheet events of material significance that require adjustments to the Financial Statements have arisen other than that is disclosed in Note 43 to the Financial Statements.

8. GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and the Group is further described in Note 2.10 under Basis of preparation.

9. INFORMATION ON THE BOARD OF DIRECTORS AND THE BOARD SUBCOMMITTEES

9.1. Board of Directors

The names of the Directors who held office during the Financial Year 2025/2026 are given below. The brief profiles of the Board of Directors are given on pages 68 to 74 of this Annual Report.

Executive Directors

- Ms. D.S.T. Jayawardena – Chairman/ Chairperson (Appointed as the Interim Managing Director w.e.f 01st April 2026)
- Dr. M.P. Dissanayake - Deputy Chairman and Managing Director (Resigned w.e.f. 31st March 2026)
- Dr. R.M. Fernando

Non-Independent Non-Executive Directors

- Mr. J.M.S. Brito
- Mr. N.J. de S. Deva Aditya
- Mr. C.R. Jansz
- Mr. C.H. Gomez (Appointed w.e.f. 01st April 2025)
- Mr. R.N. Asirwatham (Deceased on 12th December 2025)

Independent Non-Executive Directors

- Mr. M.R. Mihular
- Dr. R.A. Fernando
- Mr. P. Englisch
- Mr. C.J. Sevilla

All of the above Directors held office during the entire year, with the exception of the Late Mr. R.N. Asirwatham who passed away on 12th December 2025. The Late Mr. Asirwatham served as a main Board Director of Aitken Spence PLC since 2009. He also served as Chairman of the Audit Committee, Related Party Transactions

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Review Committee, Remuneration Committee and the Nominations and Governance Committee of the Company until 30th December 2024; nevertheless, he continued to serve in these Committees as a member until his demise on 12th December 2025.

Dr. M.P. Dissanayake who served as the Deputy Chairman and Managing Director of the Company resigned from the Board with effect from 31st March 2026. Following the resignation of Dr. Dissanayake, Ms. D.S.T. Jayawardena, Chairman/Chairperson of the Company was appointed as the Interim Managing Director of the Company with effect from 01st April 2026.

Mr. C.H. Gomez was appointed as a Non Independent Non-Executive Director of the Company with effect from 01st April 2025.

The basis on which Directors are classified as Independent Non-Executive Directors is discussed on page 99 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation.

9.2 Board Subcommittees

To support effective governance and enable focused oversight, the Board has established five subcommittees, four of which are mandatory committees constituted in compliance with the requirements of the Listing Rules.

The following Directors served as members of these subcommittees during the year under review.

Mandatory Board Subcommittees

Nominations and Governance Committee

Mr. P. Englisch - Chairman

Dr. R.A. Fernando

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. C.R. Jansz

Remuneration Committee

Mr. P. Englisch - Chairman

Dr. R.A. Fernando

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. C.R. Jansz

Audit and Risk Committee

Mr. M.R. Mihular - Chairman

Dr. R.A. Fernando

Mr. P. Englisch

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. R.N. Asirwatham (Deceased on 12th December 2025)

Related Party Transactions Review Committee

Mr. M.R. Mihular - Chairman

Dr. R.A. Fernando

Mr. P. Englisch

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. R.N. Asirwatham (Deceased on 12th December 2025)

Voluntary Board Subcommittees

Investment Committee

Mr. M.R. Mihular - Chairman

Mr. J.M.S. Brito

Mr. N.J. de S. Deva Aditya

Mr. P. Englisch

Mr. C.H. Gomez

9.3 Recommendation for Re-Appointment and Re-election

Upon the recommendation of the Nominations and Governance Committee, the Board resolved to recommend that the following Directors who are over 70 years and vacate office in terms of Section 210(2) of the Companies Act, be re-appointed as Directors in terms of Section 211 of the Companies Act No. 7 of 2007:

- Mr. J.M.S. Brito
- Mr. N.J. de S. Deva Aditya
- Dr. R.M. Fernando
- Further it has been recommended by the Board that Mr. M.R. Mihular who is attaining the age of 70 years and vacate office in terms of Section 210(2) of the Companies Act, be re-appointed as a Director in terms of Section 211 of the Companies Act No. 7 of 2007 and in accordance with the recommendation made by the Nominations and Governance Committee.

The above re-appointments will be proposed at the forthcoming Annual General Meeting, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Directors.

Mr. M.R. Mihular, whose independence is deemed to have been impaired upon attaining the age of 70 years in terms of Rule 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, has been recommended by the Nominations and Governance Committee for re-appointment as an Independent Non-Executive Director, notwithstanding that he would have attained the age of seventy (70) years at the time of the forthcoming Annual General Meeting, based on a justification and rationale which has been confirmed by the Board of Directors. A Resolution to this effect will be proposed to the public shareholders of the Company at the forthcoming Annual General Meeting for the affirmative vote.

Dr. R.A. Fernando who retires by rotation in terms of Article 83 and 84 of the Articles of Association of the Company being eligible offers himself for re-election. Upon the recommendation of the Nominations and Governance Committee, the Board resolved to recommend that he be re-elected as a Director of the Company.

9.4 Directors' Shareholding

The Directors' shareholdings are provided in the Investor Information section on page 364 of this Annual Report.

9.5 Interest Register

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No. 7 of 2007 are duly recorded in the Interest Register.

9.6 Directors' Remuneration

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2026 are disclosed in Note 9 to the Financial Statements.

9.7 Related Party Transactions

Related Party Transactions of the Group are disclosed in Note 40 to the Financial Statements. These are Recurrent and Non-Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard - LKAS 24 – Related Party Disclosures. However, there were no Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2025.

There were no Non-Recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements as at 31st March 2025, which required additional disclosures in the Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

The Group companies and their Key Management Personnel have disclosed on a quarterly basis, the proposed Related Party Transactions (if any) falling under the ambit of Rule 9.14.8(1) and (2) of the Listing Rules of the Colombo Stock Exchange. The disclosures so made were tabled at the quarterly meetings of the Related Party Transactions Review Committee, in compliance with the requirements of the above mentioned rule.

The Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2026.

9.8 Subsidiary Board of Directors

The names of Directors of the subsidiaries and joint venture companies who held office as at 31st March 2026 and Directors who ceased to hold office during the accounting period are indicated on pages 512 to 523 of this Annual Report.

10. HUMAN RESOURCES

The human resources strategies applied and practiced by the Group in the regions in which the Group operates has translated into the creation of a dynamic and competent human resource team. The strategies adopted in motivating and retaining the Group's employees are discussed in "Human Capital" on pages 256 to 271 of this Annual Report.

11. GOVERNANCE

The Directors declare that:

- the Group has not intentionally engaged in any activity which contravenes national and international laws. The Group rigidly adheres to relevant national and international rules, regulations, and codes of Professional Institutes and Associations, Industrial Associations, Chambers of Commerce and other regulatory bodies.
- the Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 110 to 123 of the Corporate Governance Report of this Annual Report.
- the Group applies high standards to protect and nurture the environment in which it operates and ensures strict adherence to all environmental laws and practices. The Group's efforts to conserve non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on pages 296 to 314.
- the Company has no restrictions with regard to shareholders carrying out appropriate analysis or obtaining independent advice regarding their investment in the Company and has made all endeavours to ensure the equitable treatment of shareholders.
- they have declared all material interests in contracts involving the Company and the Group and refrained from voting on matters in which they were materially interested.
- they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and as at the date of such confirmation.
- none of the Directors or Close Family Members of the Directors have any material business relationships with other Directors of the Company.
- they have conducted an evaluation of the Group's Internal Controls encompassing financial, operational, and compliance controls, as well as risk management and have obtained a reasonable assurance of their effectiveness and proper adherence.
- they have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

12. RISK MANAGEMENT

The Board of Directors is responsible for the overall risk management of the Group. Risks are reviewed at each Board meeting, enabling the timely identification of emerging risks and the formulation of appropriate responses, with resources allocated as necessary. The Board is supported in this responsibility by the Audit and Risk Committee and the Group Supervisory Board, both of which meet regularly to review, monitor, and assess the Group's risk profile and the effectiveness of mitigation measures. The Risk Management Report of the Group is on pages 128 to 138 of this Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

13. INTERNAL CONTROLS

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Group are safeguarded and appropriate systems are in place to minimise and detect fraud, errors and other irregularities. The system ensures that the Group adopts procedures which result in financial and operational effectiveness and efficiency.

The Board of Directors' Statement on Internal Controls on pages 151 to 152, the Statement of Directors' Responsibilities on page 368 and the Audit and Risk Committee Report set out on pages 144 and 147 of this Report provide further information in respect of the above.

14. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory financial obligations to the Government and to the employees have been either duly paid or adequately provided in the Financial Statements. A confirmation of same is included in the Statement of Directors' Responsibilities on page 368 of this Annual Report.

15. INTEGRATED ANNUAL REPORT

The Board of Directors acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value. The Board is of the opinion that the Integrated Annual Report of Aitken Spence PLC for the Financial Year ended 31st March 2026 is presented in accordance with the GRI Universal Standards for Sustainability Reporting and the Guidelines set out in the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework.

16. CORPORATE SUSTAINABILITY

The Board of Directors provides oversight and support for the Group's integrated sustainability policy, implementation framework and the Spence IMPACT strategy, driven by a dedicated network across the organisation. During the year, the Board reviewed progress of the Group's efforts to align with a net zero pathway and acknowledged the validation of the Group's near-term net-zero targets for 2030 by the Science Based Targets initiative (SBTi) providing recommendations on priorities for action. The Board will be reviewing performance against the targets, as well as long-term plans for the Group's net zero ambitions in due course.

The Group's achievements in Key Performance Indicators, along with the awards and accolades received during the year, underscore its ongoing commitment to aligning with global standards across multiple areas influencing growth. Comprehensive insights into the Group's sustainability initiatives can be found in the executive reviews and the management discussion and analysis.

17. SHAREHOLDER INFORMATION

There were 5,316 shareholders as at 31st March 2026. The distribution schedule of the number of shareholders and their shareholdings are detailed on pages 362 to 363 of this Annual Report. The names of the twenty largest shareholders together with their shareholdings as at 31st March 2026 are given on page 363 of this Annual Report. The percentage of the shares held by the public as at 31st March 2025 was 47.5% which was in the hands of 7 public shareholders.

Information relating to earnings per share and the net assets per share for the Company and Group, the dividend per share and the closing price per share are given on pages 361 and 362 of this Annual Report.

18. AUDITORS

The independent Auditors' Report on the Financial Statements is given on pages 369 to 372 of the Annual Report. The retiring Auditors Messrs. KPMG, Chartered Accountants have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors and to authorise the Board to determine their remuneration will be proposed at the Annual General Meeting of the Company.

The audit fees payable for the year to the Company Auditors Messrs. KPMG, Chartered Accountants was Rs. 2.5 million (2024/2025 – Rs. 2.3 million). In addition to the above Rs. 2.2 million (2024/2025 – Rs. 4.3 million) was payable by the Company for permitted non-audit related services. Messrs. KPMG, Chartered Accountants, the Auditors of the Company are also the Auditors of certain subsidiaries, joint ventures and associate companies of the Group. The details of the subsidiaries, joint ventures and associate companies audited by them are included on pages 512 to 523 of this Annual Report.

The amount payable by the Group to Messrs. KPMG, Chartered Accountants as audit fees was Rs. 34.4 million (2024/2025 – Rs. 32.1 million) while a further sum of Rs. 15.3 million (2024/2025 – Rs. 16.0 million) was payable for permitted non-audit related services. In addition to the above Rs. 18.8 million (2024/2025 – Rs. 16.0 million) was payable to other

auditors for carrying out audits of the subsidiaries conducted by them. The amount payable to such other auditors for permitted non- audit related services was Rs. 27.6 million (2024/2025 – Rs. 26.5 million). As far as the Directors are aware, the Auditors have no other relationship with the Company or any of its subsidiaries, joint ventures and equity accounted investees that would have an impact on their independence.

19. ANNUAL GENERAL MEETING

The Seventy Fourth (74th) Annual General Meeting of the Company will be held at the Institute of the Chartered Accountants of Sri Lanka, 30A, Malalasekera Mawatha, Colombo 7, at 10.00 a.m. on Tuesday, June 30, 2026. The Notice of Meeting of the 74th Annual General Meeting is available on page 529.

By order of the Board of Directors,

Ms. D.S.T. Jayawardena
Chairman/Chairperson

Dr. R.M. Fernando
Director

Aitken Spence Corporate Services (Private) Limited
Company Secretaries

05th June 2026
Colombo

ON COURSE:

NAVIGATING PERFORMANCE WITH CONFIDENCE

Our performance at Aitken Spence PLC is measured across varying metrics; each outcome is assessed comprehensively to streamline future actions.

6

MANAGEMENT DISCUSSION AND ANALYSIS

SECTOR REVIEWS

160 | Tourism Sector
182 | Maritime & Freight Logistics Sector
200 | Strategic Investment Sector
225 | Services Sector

OUR CAPITALS

248 | Financial Capital
256 | Human Capital
272 | Intellectual Capital
279 | Manufactured Capital
285 | Social and Relationship Capital
296 | Natural Capital
312 | Our Climate Strategy
315 | Independent Practitioner's Assurance Report
317 | SLFRS Sustainability-Related Financial Disclosures
347 | Sustainability Accounting Standards Board Index

TOURISM SECTOR

SECTOR PROFILE

Aitken Spence Group operates across the full tourism value chain, encompassing premier destination management, airline representation for global carriers, and a diversified portfolio of 19 resorts across Sri Lanka, Maldives, India, and Oman. Delivering end-to-end solutions for leisure, MICE, and cruise segments, the sector leverages deep expertise and long-standing international alliances to maintain service excellence.

During the year, the sector significantly strengthened operational resilience, as evidenced by a surge in profitability driven by optimised yields and digitalisation. By transitioning toward regenerative tourism and sustainability led practices, the Group has successfully responded to evolving travel demands and global operating conditions.

This integrated approach ensures that the sector remains a dominant force in the South Asian hospitality landscape, fostering market diversification while restoring the cultural and environmental integrity of the destinations in which it operates.

Hotels

Aitken Spence Hotels is a leading hotel and resort operator with a diversified portfolio of ten properties in Sri Lanka, five in the Maldives, one in India, and three in Oman. Operating under Heritance Hotels & Resorts, Adaaran Resorts and Turyaa brands, the portfolio spans experiential and sustainable resorts to premium leisure and business hotels. The Group is recognised for destination led hospitality, operational excellence, and a commitment to sustainability, people development, and responsible tourism.

Operations in

- Sri Lanka
- Maldives
- India
- Oman

Number of keys (owned and managed)

Sri Lanka -	**1,431**
Maldives -	**762**
India -	**140**
Oman -	**343**

Destination Management

Aitken Spence Travels (ASTL) is Sri Lanka's premier destination management company, providing end-to-end inbound and outbound solutions. A market leader in cruise shore excursions and MICE tourism, ASTL manages every aspect of travel, from logistics to airline representation for partners like Emirates Holidays. Supported by a robust transportation network and a strategic alliance with TUI, the company leverages deep destination expertise to deliver high-quality, large-scale travel experiences that meet international standards.

Operations in

- Sri Lanka
- Maldives

Facilitator of the highest number of inbound tourists to the country

Airline GSA

Aitken Spence Aviation (Pvt) Ltd stands as a cornerstone of the Group's tourism value chain, distinguished as the longest-standing General Sales Agent (GSA) for Singapore Airlines, a partnership exceeding 50 years. Beyond this flagship alliance, the segment serves as the GSA for Jazeera Airways in Sri Lanka and represents SriLankan Airlines in the Maldives. By providing critical global connectivity and specialised airline representation, the company facilitates seamless international travel and strengthens regional tourism infrastructure.

Operations in

- Sri Lanka
- Maldives

Airlines represented

SINGAPORE AIRLINES | Jazeera | vietjetair.com

TOURISM SECTOR

AT A GLANCE

Aitken Spence is a recognised leader in the tourism industry, setting benchmarks that are widely referenced across the sector.

The Group operates a premier and diversified portfolio of hotels and resorts spanning four countries, underpinned by its market leading position in destination management in Sri Lanka. The sector also represents leading airlines connecting Sri Lanka as a destination to global hubs.

With a broad footprint across the tourism value chain, Aitken Spence continues to play a pivotal role in shaping and advancing the region's tourism landscape.

Rs. **68.7** Bn
Revenue

Rs. **7.9** Bn
Profit before Tax

OPERATIONAL HIGHLIGHTS

Strong sector performance with 4.3% revenue growth and 31.6% profit growth supported by recovery across hotels, destination management and airline GSA operations.

Commanding the largest market share in inbound tourism, the destination management segment facilitates the highest number of international visitors to Sri Lanka.

Sri Lanka hotels cluster maintained renewable energy contribution to ~5% though sustained efforts to transition to renewable energy sources.

Green Globe certification secured by all five Maldives properties.

Heritance Aarah, Maldives became the first Aitken Spence Hotels property to adopt Leading Quality Assurance (LQA) standards.

Global Sustainable Tourism Council (GSTC) certification for Aitken Spence Travels Limited.

SUSTAINABILITY IMPACT

100% properties embrace energy management systems/ SOPs.

Turyaa Hotel in Chennai, operates on 95% renewable energy (up from 70% last year) driven by electrification and efficiency improvement initiatives.

6% reduction in energy consumption intensity

10% reduction in emission intensity

15% reduction in water consumption intensity

3,978 Jobs supported

Direct employment across the tourism sector with extensive indirect livelihoods through suppliers and communities.

Hotel operations achieve **100% wastewater recycling and reuse,** reducing freshwater withdrawal in high use.

2025/2026 KEY RISKS AND MITIGATION

Risk
Geopolitical tensions in the Middle East particularly towards the latter part of the financial year caused a reduction in tourist arrivals.

Mitigation
Increased focus on revenue management, cost optimisation, stronger direct channels, alternative markets and strategic partnerships

Risk
Environmental, economic and operational volatility faced in supply chain.

Mitigation
Diversified sourcing
Strong supplier engagement
Proactive risk management strategies
Local procurement

WAY FORWARD

- Focus on value led growth across leisure, business, MICE, cruise and airline related segments.
- Accelerate digital transformation across segments for effective revenue and yield management.
- Embed sustainability across operations and position the brand as a leader in responsible tourism.
- Strategic diversification into heretofore untapped or under explored markets, alongside enhanced offerings tailored to attract these segments.

TOURISM SECTOR

CONTRIBUTION BY THE SECTOR

TO THE GROUP

55.5%
of Group Revenue

57.1%
of Group Profit Before Tax

56.4%
of Assets

TO THE INDUSTRY

94
Youth Graduated through Hotel School Programmes

631
7% Growth in Female Participation

Rs. 211.6 Mn
Investment in Destination Marketing Efforts

TO THE ECONOMY

Highest Number of Inbound Tourists Facilitated to Sri Lanka

Rs. 38.9 Bn
Facilitation of Foreign Currency Generation to the Country

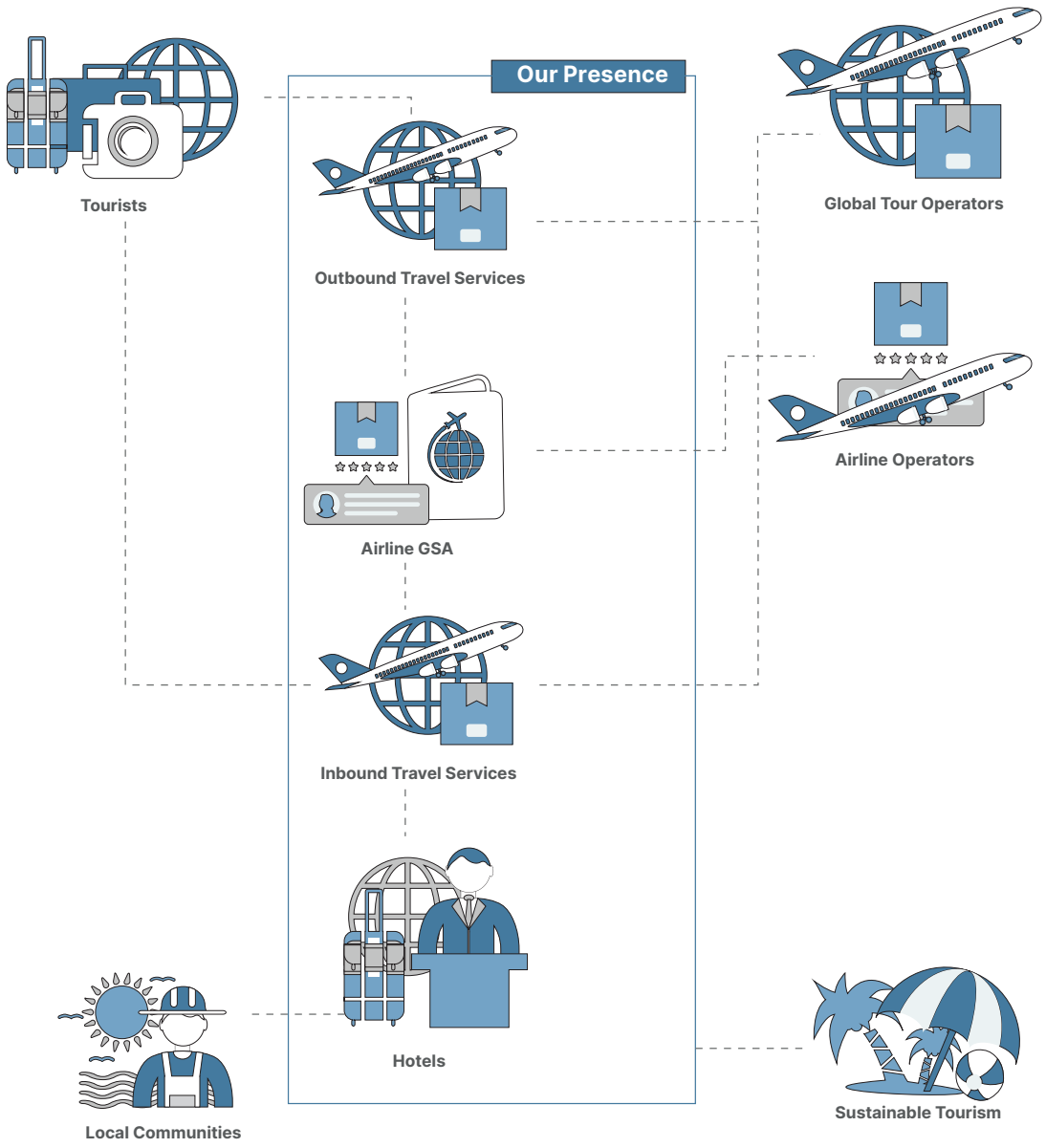
Rs. 11.3 Bn
Taxes Paid to Governments

3,978
Employment Generated

Rs. 45.3 Bn
Value Injected to the Economy Through Supplier Payments

TOURISM SECTOR

OUR PRESENCE ALONG THE VALUE CHAIN *(GRI 2-6)*



TOURISM SECTOR

OPERATING CONTEXT IN 2025

Global Tourism

International tourist arrivals rose by nearly 4% in 2025, reaching an estimated 1.52 billion, almost 60 million more than in 2024.

Across markets, rising operating costs including labour and utilities to food and beverage inputs kept tourism inflation elevated in 2025, compressing margins for hotels, airlines, and tour operators.

Strong demand from large source markets, increased air connectivity and the ongoing recovery of destinations in Asia and the Pacific supported growth across almost all destinations.

Europe	**4%** increase
Americas	**1%** Increase
Africa	**8%** Increase
Middle East	**3%** Increase
Asia and the Pacific	**6%** Increase

PERFORMANCE OF OUR KEY MARKETS

	No. of Visitors in 2025	YoY Growth
Sri Lanka	2.4 million	↑
Maldives	2.2 Million	↑
India	9.0 Million	↓ *
Oman	3.9 Million	↑

* Due to a sharp decline in visitors from Bangladesh following visa restrictions.

KEY INDUSTRY DEVELOPMENTS AND IMPACT

	Impact on Operation	
	High	Medium
Geopolitical tensions and supply chain vulnerability	Impact on occupancy rates due to fluctuations in tourism demand	
Persistent cost pressures and tourism inflation	Impact on operational costs and margins	
Aviation volatility due to capacity constraints and fuel prices	Impact on package tour prices, forward booking and logistics costs	
Shortages in skilled workers		High labour turnover and rising wage expectations
Changing customer preferences		Need to evolve offering in response to changing expectations
Climate change		Disruptions to travel patterns impact demand for destinations

TOURISM SECTOR

SECTOR PRIORITIES

Topics Material to the Tourism Sector

Material Topics for Impact Management (GRI Impact Materiality)

	Economical	Environmental	Social
HIGH	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes	» Energy consumption » Emission control » Effluent control » Water consumption » Land use and ecosystems » Solid waste management » Materials » Biodiversity	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility » Information security » Customer satisfaction » Supply chain control (environmental & social)
MEDIUM	» Innovation » Indirect economic value created » Market presence		» DE&I » Local purchasing and employment » Local community development

SECTOR SWOT ANALYSIS

The following SWOT analysis provides an overview of our strengths and weaknesses as well as the opportunities and threats, prioritised according to its potential impact on our performance and long term sustainability.

S

- Long-standing collaborations with global tour operators and airlines ensure consistent market visibility and volume.
- Competitive advantage in value-for-money luxury relative to regional peers.
- Strong sustainability leadership supported by eco tourism practices, renewable energy integration, and alignment with global sustainability standards.

W

- People dependent operating model limiting scalability.
- Exposure to high costs from import dependence in some markets.
- Talent attrition and skills shortages due to migration of experienced hospitality professionals.

O

- Untapped potential in South Asia, Southeast Asia, and the Middle East presents growth opportunities beyond traditional markets.
- Advancements in AI driven tools, customer management systems, and automated marketing create opportunities to strengthen customer engagement and improve operational responsiveness.
- Growth in global tourism
- Increasing demand in high-yield segments such as wellness tourism, eco-tourism, experiential travel, and boutique luxury.

T

- Prolonged geopolitical tensions and regional instability pose risks to traveller confidence and overall tourism demand.
- Climate change, extreme weather events, and rising sea levels pose significant risks to tourism infrastructure, destination stability, and long term sector viability.
- The rise of online travel agents, direct booking channels, and branded service apartments is intensifying pressure on traditional models.

IMPACT | High | Medium | Low

TOURISM SECTOR

STRATEGIC ALIGNMENT TO GROUP GOALS AND OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, and overall growth in market share in all business segments	Leverage digital capabilities to optimise revenue, yields and efficiency driving growth and market share. Shift from volume to value by positioning the sector to cater to experiential, wellness tourism, adventure tourism and other high value segments. Achieve leadership position in high value tourism segments across regions.

Key initiatives implemented by the sector in 2025/2026

Digitalisation efforts continued across segments contributing to improved operational efficiencies, stronger revenue management, and enhanced service delivery. Key developments during the year include;

- The hotel segment advanced its digital transformation journey during the year by modernising core systems, streamlining workflows, and strengthening operational efficiency across all properties through cloud migration, AI driven customer engagement, CRM and channel manager integration, and advanced analytics dashboards.
- The destination management segment strengthened its digitalisation efforts through the roll-out of CRM, the introduction of the Digital Concierge, enhanced data tracking capabilities, and process optimisation.
- The Airline GSA segment continued system upgrades aligned with the digital transformation agenda of its principals, ensuring seamless integration with world class operational and customer service systems.

Strategic Objectives	Time Bound Strategies
Expand the Aitken Spence reach into new geographies.	Consolidate presence in existing markets and establish presence in identified target markets. Leverage partnerships to expand operations into existing and new markets. Build regional brand recognition with strong value chain presence across region.

Key initiatives implemented by the sector in 2025/2026

- The hotel segment continued to expand presence in existing markets while strategically enhancing brand visibility in new source markets.
- The Airline GSA segment capitalised on heightened demand for direct travel to Europe during the Middle East crisis by introducing additional daytime services and increasing frequency to 10 weekly flights.
- The sector secured the passenger GSA for Qatar Airways in the Maldives.

TOURISM SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

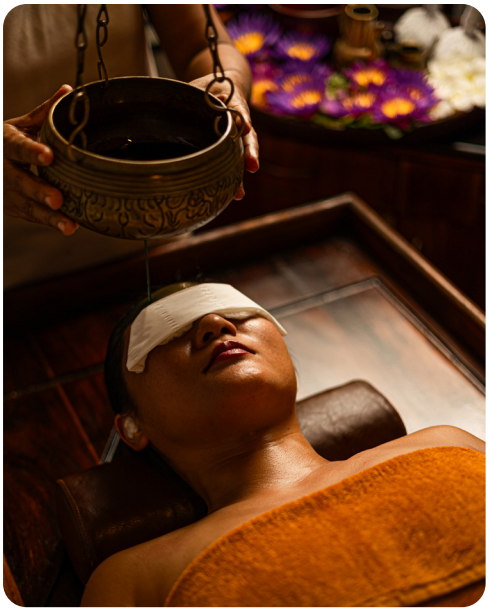
Venture into five new business segments by 2030

Time Bound Strategies

	Continue to elevate offering with value added services.
	Develop higher value experiential offerings, including premium and sustainability focused travel offerings.
	Positioning the group as a multi segment regional leader beyond traditional hotel operations.

Key initiatives implemented by the sector in 2025/2026

- Across the hotel segment, a curated range of wellness, cultural, dining, and experience led offerings was introduced to differentiate the properties and elevate their competitive positioning in a dynamic market.
- Aitken Spence Travels (Pvt) Ltd successfully secured and managed luxury cruise related ground handling operations effectively strengthening its presence in the high-end travel segment.



TOURISM SECTOR

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies
Reduce the resource footprint and achieve net-zero emissions by 2030	» Drive a low-carbon, resource-efficient hotel portfolio and destination management operation through the expanded adoption of renewable energy, reduced waste and water consumption, elimination of single-use plastics, enhanced emissions tracking across all regions, and the progressive transition to an electric vehicle fleet.
	» Invest in low-carbon infrastructure and sustainable resource management, including energy-efficient technologies, renewable energy solutions such as solar, and advanced waste and water management systems. » Integrate sustainability into the value chain by embedding criteria into procurement. Prioritising sustainable suppliers. And introducing lower emission transport options Including EV adoption and route optimisation.
	» Align with the Group's net-zero ambitions by scaling renewable energy adoption, reducing reliance on fossil fuels and contributing towards emission capture projects. » Embed circular and sustainable tourism models by moving towards zero waste operations, developing green certified assets and prioritising sustainability as a core part of the guest experience, and brand identity.

Key initiatives implemented by the sector in 2025/2026

As part of Aitken Spence PLC's net zero journey, the Tourism sector has established multiple emissions reduction and energy transition targets, including an overall 20% reduction in transport related emissions, and has continued to advance these commitments through targeted initiatives across its operations. Key highlights include:

» Renewable energy use in the Sri Lanka hotels segment maintained at ~5% (target: 12% by 2030) supported by operational decarbonisation and resource efficiency initiatives.

» Resorts in the Maldives continued to advance its renewable energy agenda by conducting detailed feasibility and engineering studies across all properties, exploring multiple solar deployment options including floating solar systems, rooftop PV, and battery supported solutions.

» India hotels segment increased renewable energy use from 70% to 95% supported by the full conversion of laundry steam operations from diesel to electric and the introduction of an electric heat pump that eliminated diesel consumption in steam boilers. In parallel, the segment achieved 100% wastewater recycling, with all treated water reused for garden irrigation and flushing systems, further strengthening overall resource efficiency.

» Digitalisation efforts across all segments supported reduced paper consumption and greater resource efficiency.

» In the destination management segment, Aitken Spence Travels (Pvt) Ltd strengthened monitoring and optimisation of transport operations to reduce fuel usage and mileage. The company also expanded its electric vehicle fleet as part of its efforts to reduce vehicle emissions and increased supplier engagement to align partners with sustainability standards.

TOURISM SECTOR

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies
Achieve 'Employer of Choice' status	Strengthen employee engagement levels and upskill through training and development.
	Build talent pipeline; strengthen leadership.
	Strengthen reputation as the leading employer in the tourism industry.

Key initiatives implemented by the sector in 2025/2026

- Addressing the ongoing industry challenge of skilled labour shortages, the Sri Lanka hotel cluster launched the Heritance Ascend Programme to systematically develop internal talent and prepare high potential associates to step into future leadership roles across the organisation.
- The Maldives hotel sector completed a comprehensive training needs analysis for executives, managers, and conducted the Heritance Ascend Programme as part of its efforts to build a strong leadership pipeline. This was complemented by training and development in a range of areas identified through the training needs analysis.
- Continued efforts across segments to strengthen performance management and career progression pathways.
- Promotion of inclusive work place culture through awareness and policy alignment. This included targeted initiatives to increase female participation in the industry.
- Ongoing initiatives across segments to enhance employee well-being, engagement and work life balance.

TOURISM SECTOR

SECTOR INTEGRATED PERFORMANCE

Statement of Financial and ESG Performance (GRI 102-5, 102-6; 103-2, 103-5; 201-1; 203-1; 302-1; 303-3,4)

	2025/2026	2024/2025	YoY(%)
Revenue (Rs. Mn)	68,733	65,882	4
EBITDA (Rs. Mn)	17,236	16,260	6
Profit before tax (Rs. Mn)	7,855	5,967	32
Profit after tax (Rs. Mn)	5,928	4,334	37
Total assets (Rs. Mn)	127,585	108,339	18
Total liabilities (Rs. Mn)	82,474	72,217	14
Total direct tax paid (Rs. Mn)	1,677	1,326	26
Total indirect tax paid (Rs. Mn)	9,663	9,255	4
SDGs towards which the sector's performance contributes: 4, 5 and 8			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 8.5, 8.6, 8.9			
Number of employees	3,978	3,868	3
Employee female representation	16%	15%	7
Employee benefits paid (Rs. Mn)	10,943	9,513	15
Training hours per employee	51	46	11
SDGs towards which the sector's performance contributes: 4, 5, 8 and 12			
Targets: 4.3, 4.4, 4.7, 5B, 8.6, 8.9, 12.2, 12.6, 12.b			
Investment in training (Rs. '000)	42,673	41,921	2
Brand stewardship	7	7	0
Number of certifications	21	21	0
SDGs towards which the sector's performance contributes: 8, 9 and 12			
Targets: 8.9, 9.1, 12.6, 12.8, 12.b			
Number of airline GSA relationship	2	6	(67)
Number of joint venture/equity partnerships	7	7	0
Number of suppliers screened on ESG within the year	123	261	(53)
Total funds channelled for community development (Rs. Mn)	8	2	>100
SDGs towards which the sector's performance contributes: 8, 9, 12 and 14			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 14.1, 14.2			
Total energy consumption (GJ)	437,525	438,017*	(0)
Total energy consumed from renewable sources (GJ)	22,479	19,596	15
Scope 1 emissions (tCO2e)	26,949	26,913*	0
Scope 2 emissions (tCO2e)	8,341	9,930*	(16)
Emissions reduced or offset (tCO2e)	2,778	3,729*	(26)
Total water withdrawn (m3)	912,755	1,012,622*	(10)
Total volume of water treated for reuse or safe disposal (m3)	767,484	839,882	(9)
Total amount of solid waste kept away from landfills			
(Tonnes)	1,659	1,738*	(5)
(Units)	70	20*	>100
(Litres, waste oil)	14,000	3,761*	>100
Total investment in sustainability driven processes (Rs. Mn)	2	11	(79)
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	66,784	63,282	6
Investment in manufactured capital (Rs. Mn)	2,132	1,700	25
Number of keys owned and managed	2,676	2,676	0

*NOTE: Due to realignment of reporting boundaries as well as corrections made to emission factors used in emission calculations, the applicable data has been restated to allow a more accurate representation of comparative data keeping with the reporting principles of the GRI Standard. The GRI Topic have also been updated to align with the new topics introduced under climate change (GRI102) and energy (GRI103). GRI 302 Energy 2016 has been revised and will be superseded by GRI 103: Energy 2025, which we have adopted early ahead of the effective date of 1 January 2027.

TOURISM SECTOR

PERFORMANCE

The Tourism sector, which accounted for 55.5% of Group revenue in FY 2025/26, delivered a strong improvement in performance during the year. Revenue increased by 4.3% to Rs. 68.7 Bn, while profit before tax grew by 31.6% to Rs. 7.9 Bn, marking the highest level of profitability recorded by the sector to date.

The hotels segment recorded a revenue growth of 4.9% and a profit after tax growth of 38.9% for the year ended 31st March 2026, with positive contributions from Sri Lanka, the Maldives, and India.

The Sri Lanka hotel portfolio delivered a robust performance during the year, continuing its recovery trajectory amid improving macroeconomic stability. Operations benefited from rising tourist arrivals and sustained demand for experiential, heritage led and nature based offerings. The segment focused on optimising market mix, strengthening direct distribution channels and enhancing operational efficiency through digitalisation and process improvements, while maintaining internationally benchmarked service standards across the portfolio. This resulted in growth in occupancy, revenue and profitability, supported by resilient demand across key source markets. The escalating geopolitical tensions in the Middle East began to weigh on performance, with a marked slowdown in occupancy observed through March 2026. Notwithstanding this uncertainty towards the latter part of the financial year, the Sri Lanka operation delivered an impressive performance, 17.3% growth in profit before tax during 2025/26.

During the year, the Sri Lanka hotels cluster advanced its digital transformation by shifting to a fully cloud based, integrated technology ecosystem, strengthening system reliability, real time data access, and operational efficiency. As part of its ongoing efforts to address the industry's skilled labour shortage, the Sri Lanka cluster expanded its internal talent pipeline through the Heritance Ascend Programme. Efforts to increase female participation in traditionally male dominated roles also continued, supported by a specialised women only training programme conducted by the Aitken Spence Institute of Hotel Management, which gained international recognition as the World's Leading Sustainable Female Empowerment Initiative.

Meaningful progress was also made in advancing the sector sustainability agenda, driven by strengthened governance through the Aitken Spence Hotel Holdings Sustainability Governance Council and continued movement toward net zero targets, with renewable energy use rising to 5–6%. Operational decarbonisation and resource efficiency initiatives further reduced fossil fuel reliance and energy, water, and waste intensity across properties. The phased roll-out of glass water bottling systems will support the elimination of single use plastics, reinforcing the sector's commitment to sustainable operations and responsible brand positioning.

The Maldives hotels segment delivered a strong and creditable performance during the year, with revenue growth driven primarily by improvements in Average Daily Rates (ADR) across most properties, supported by disciplined yield management and broader market diversification.

The segment continued to benefit from a well-diversified portfolio catering to premium and high-value leisure segments, enabling it to capture resilient demand across multiple source markets.

Notwithstanding persisting inflationary pressures and elevated operating costs arising from increased taxation, foreign exchange regulations and other cost escalations, the segment continued to exhibit resilience in its operating performance during the year.

This reflected robust ADR growth, financing efficiencies and selective cost controls implemented at resort level, underpinned by strong operating fundamentals. Effective demand management and operational discipline supported margin resilience in a highly competitive operating environment.

During the year, the segment further strengthened its sustainability and quality credentials. All five Maldives properties achieved Green Globe Certification, underscoring the segment's continued commitment to internationally recognised sustainability standards. In addition, Heritance Aarah became the first property within Aitken Spence Hotels to adopt Leading Quality Assurance (LQA) standards, reinforcing the Group's focus on service excellence and international benchmarking.

The Maldives cluster also made steady progress in its decarbonisation journey, actively evaluating potential solar energy deployment options across its locations as part of its longer term transition towards lower carbon operations. Sustainability leadership, quality certifications and continued investment in experience led product enhancements remained key differentiators for the segment, supporting its competitive positioning and long term value creation.

Turyaa Chennai recorded steady improvements in revenue and profitability, supported by higher average room rates and continued growth in food & beverage, banqueting and catering revenues, particularly within the corporate, MICE and medical tourism segments. Cost optimisation initiatives, including energy efficiency measures and improved working capital management, contributed positively to margins. Investments in renewable energy, wastewater recycling and digital infrastructure further strengthened operational resilience and sustainability outcomes.

Despite geopolitical tensions during the year, the Oman hotel segment witnessed an 32.6% increase in revenue and a substantial increase in EBITDA. Sustained occupancy rates, successful revenue management strategies and enhanced operational efficiency supported this impressive turn around compared to the loss incurred during the previous year. During the financial year, the hotel successfully secured a large-scale catering contract for a period of four years, which is expected to generate stable and long-term revenue streams. In addition, the hotel enhanced its cash flow by optimising the use of underutilised spaces within the property and renting them out, thereby creating additional income while improving overall asset utilisation.

TOURISM SECTOR

The Destination Management segment recorded a resilient performance during the year, supported by the broader recovery of the tourism industry and increased inbound travel to Sri Lanka. Improved destination confidence and strong demand for experiential and high value travel offerings contributed to 31.4% growth in profit before tax .

Aitken Spence Travels (Pvt) Ltd. (ASTL) maintained its position as the leading inbound tour operator, facilitating the highest number of tourist arrivals to Sri Lanka, driven by its strong global relationships, deep market insights, and comprehensive destination management capabilities.

During the year, the segment placed increased emphasis on operational efficiency, digitalisation and service quality, including the roll-out of customer relationship management systems, digital concierge solutions and enhanced data tracking across transport and supplier operations. These initiatives improved service responsiveness, operational visibility and consistency across destinations.

The segment further strengthened its sustainability leadership, with ASTL obtaining the Global Sustainable Tourism Council (GSTC) certification, reinforcing its positioning as a responsible and sustainable destination management company. Sustainability initiatives focused on improving efficiency in high impact operational areas such as transportation and embedding responsible practices across the value chain, particularly through supplier engagement and community based tourism.

Notwithstanding the strong performance for most of the year, escalating geopolitical tensions in the Middle East towards the latter part of the financial year affected travel flows, resulting in a softening of demand during the final month. However, proactive market diversification, disciplined execution and the strength of the segment's operating model helped mitigate the overall impact.

Overall, the destination management segment closed the year with a solid financial and operational performance, underpinned by its market leadership in Sri Lanka, growing its regional presence, sustainability leadership and a strong platform to capture future growth in experience led, higher value tourism.

The GSA operations of Singapore Airlines (SIA) delivered a stable performance during FY 2025/26, supported by a gradual recovery in passenger demand and the airline's strong premium positioning in the Sri Lankan market. The introduction of additional daytime services and increased frequencies toward the latter part of the year improved connectivity and scheduling flexibility, helping sustain demand despite intensified competition and fare sensitivity.

Cargo operations under the GSA mandate continued to play an important role, facilitating Sri Lanka's exports, particularly perishables and time sensitive shipments, supported by Singapore Airlines' reliable global network and hub efficiency. The GSA operations also leveraged the airline's extensive connectivity to support long haul and onward traffic, reinforcing its position as a preferred carrier for premium and corporate travellers.

Operational standards within the GSA operation remained strong, supported by continued investment in staff capability development and system enhancements aligned with Singapore Airlines' global benchmarks. While capacity expansion during the year was partly delayed and geopolitical developments created market volatility, disciplined capacity utilisation and yield management helped protect margins. Overall, the Singapore Airlines GSA operations remained dependable, underpinned by strong brand equity, operational reliability and a long standing partnership with the principal.

As General Sales Agent for Jazeera Airways and Passenger Sales Agent for VietJet Air, Royal Spence Aviation (Pvt) Ltd delivered a resilient performance in FY 2025/26 despite a challenging operating environment. Jazeera Airways remained the principal contributor, with the Colombo–Kuwait route sustaining strong and consistent demand, driven primarily by foreign employment traffic and supported by VFR (visiting friends and relations) and Umrah travel. The airline maintained robust daily operations, increasing capacity to double daily frequencies during peak summer months and achieving load factors exceeding 90%. Commercial performance surpassed budget across revenue, passenger volumes and gross profit, while operational excellence was reflected in strong on time performance, efficient baggage handling and zero controllable inadmissible passenger incidents. Notwithstanding heightened competition, adverse weather conditions and geopolitical pressures impacting Middle Eastern operations, the Sri Lanka station demonstrated operational agility and sustained market demand. However, as at March 2026, the escalation of conflict in the Middle East, resulted in the closure of Kuwait airspace from 28 February 2026, necessitating the suspension of all direct Jazeera Airways flights.

TOURISM SECTOR

VALUE CREATION HIGHLIGHT

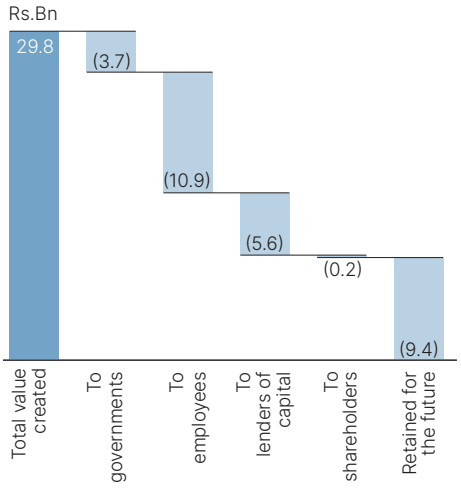
The Tourism sector continued to generate meaningful economic value during the year, with total value creation amounting to Rs. 29.8 Bn, reflecting its sustained contribution to the economy and its central role in advancing the tourism industry. Through its integrated activities, the sector continues to support value generation and destination development.

Employees received the largest share of this value, amounting to Rs. 10.9 Bn, representing 36.7%, underscoring the sector's important role in supporting employment and livelihoods while recognising the integral role played by human capital in this industry. Value distributed to governments accounted for 12.4% of the value generated, demonstrating the sector's contribution to public revenues.

A sum of Rs. 5.6 Bn was distributed to lenders of capital, reflecting the sector's ongoing commitment to servicing its financial obligations. Rs. 9.4 Bn was retained within the business, accounting for 31.7% of the value created, providing a strong base for reinvestment, future growth, and long-term sustainability.

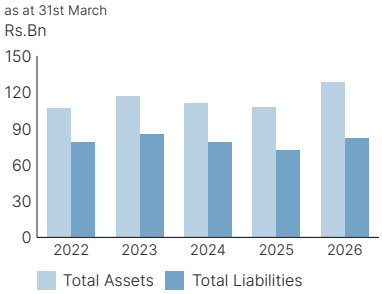
Overall, the distribution of value highlights the sector's broad-based contribution to key stakeholders while supporting continued resilience and development.

Distribution of Value Created

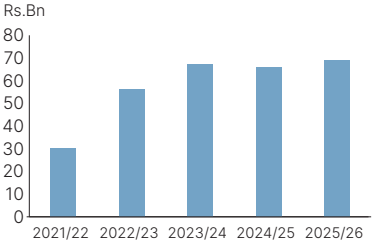


Financial

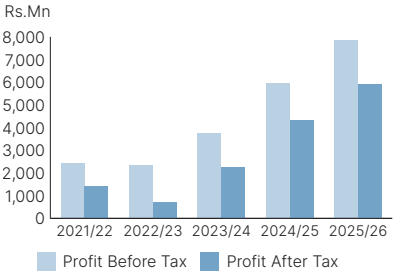
Stability



Revenue

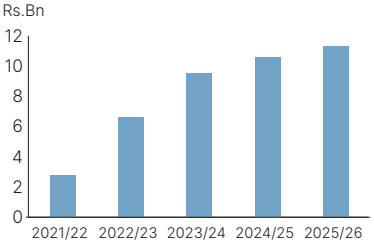


Profitability

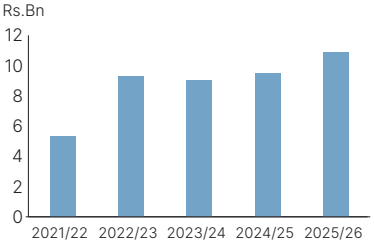


Social

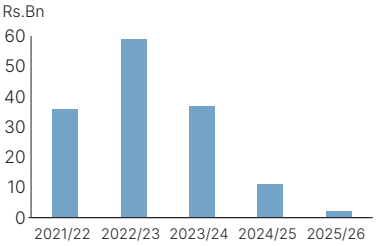
Taxes Paid to Government



Employee Benefits Paid

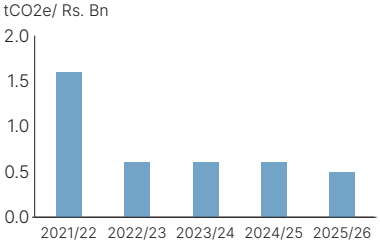


Total Investment in Sustainability Driven Processes

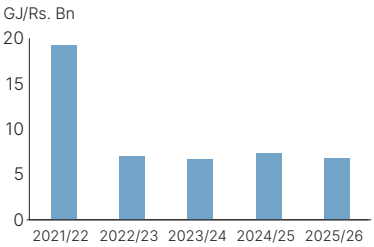


Environmental

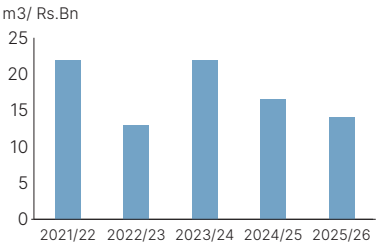
Total Emissions Per Unit Revenue



Total Energy Consumption Per Unit Revenue



Water Consumption Per Unit Revenue



TOURISM SECTOR

SECTOR SUSTAINABILITY IMPACT PROFILE

Sustainability Impacts

To the organisation

- Extreme weather continues to expose the tourism sector to operational and infrastructure disruptions
- Environmental expectations are rising across sourcing, compliance and partner accountability
- Growing attention to travel emissions is increasing importance of lower impact tourism

From the organisation

- Employment generation across regions
- Community empowerment and local economy development through local supplier integration to the tourism value chain
- Standards set for responsible tourism and cultural preservation
- Transport driven emissions associated with destination management services.

Support for local and global priorities

NDC's supported

- Climate change mitigation (energy & emissions reduction)
- Climate adaptation and resilience
- Low-carbon transition support (enabling role)
- Institutional capacity and systems strengthening
- Sustainable livelihoods
- Low-carbon transition support (enabling role)
- Institutional capacity and systems strengthening

The segment supports these NDCs through energy efficiency and renewable energy adoption, climate-resilient asset management, water stewardship, biodiversity conservation, local employment and supplier development.

(NDC – Nationally Determined Contributions towards the Paris Agreement)

Sector Net Zero Targets

		Target	Progress
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

SBTi Aligned Decarbonisation Progress and Stakeholder Value Creation

SBTi aligned progress reflects the Group's commitment to reducing emissions in line with global standards, while creating long term value through resilience, stakeholder trust, and sustainable operations.

SDG ALIGNMENT

SDG	Targets	How we Integrate	Our Contribution
4 QUALITY EDUCATION	**4.3** Ensure equal access to affordable, quality tertiary and vocational education for all by 2030. **4.4** Substantially increase youth and adult access to skills for decent jobs and entrepreneurship by 2030. **4.6** Ensure all youth and a significant number of adults achieve literacy and numeracy by 2030. **4.7** Ensure all learners gain the knowledge and skills to support sustainable development by 2030. (12.8 Ensure everyone has the knowledge/ awareness to live sustainably.)	Skills development is embedded across the sector through structured training needs assessments, certified learning programmes, and training extended beyond employees to local communities and youth.	» Sector wide training programmes reached over 1,300 associates and nearly 2,000 participants, covering service, wellness, leadership, and technical skills, strengthening employability across tourism operations. » Training and exposure visits were extended to school and university students from surrounding communities, supporting future talent pipelines for the tourism sector. » Trained over 100 local chauffeur guides, drivers, and activity providers on sustainability and service standards, improving quality and income potential for community-based operators.

TOURISM SECTOR

SDG	Targets	How we Integrate	Our Contribution
5 GENDER EQUALITY	**5.1** End all forms of discrimination against women and girls everywhere. **5.5** Ensure women's full participation and equal leadership opportunities in all areas of decision-making.	Gender inclusion is addressed through targeted hiring, safer living arrangements, leadership development, flexible work options, and awareness programmes for both employees and community-linked partners.	» Increased female participation in operations, with female workforce numbers growing by ~15% in hard-to-reach resort environments. » Expanded women's access to roles in guest services, front office, butler services, and community-facing functions, improving long-term career prospects. » Strengthened safe and respectful workplaces through POSH awareness and improved grievance mechanisms.
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, treating wastewater, and increasing safe reuse by 2030. **6.4** Increase water-use efficiency and ensure sustainable freshwater supply to address water scarcity by 2030.	Water stewardship is embedded through consumption tracking, wastewater treatment, reuse systems, and staff and community awareness on responsible water use.	» 100% wastewater treatment and reuse achieved at multiple properties, lowering dependence on local freshwater and groundwater resources. » Water consumption intensity per guest reduced through enhanced monitoring and operational controls
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve resource efficiency and decouple economic growth from environmental degradation by 2030. **8.5** Achieve full, productive employment and equal pay for all, including youth and persons with disabilities, by 2030. **8.8** Protect labour rights and ensure safe, secure working environments for all, including migrant and vulnerable workers. **8.9** Promote sustainable tourism that generates jobs and supports local culture and products by 2030.	Integrated through segmental renewable energy targets and energy efficiency initiatives. Local employment, SME sourcing, community-linked tourism experiences, and skills development are core to the sector's operating model.	» 3,978 direct jobs supported, with thousands of indirect livelihoods generated across tourism, transport, crafts, and related services. » Stable incomes strengthened for local communities and SMEs, including suppliers, Bedouin families in Oman, fishermen, farmers, guides, artisans, and service providers integrated into tourism value chains. » Expanded training and development pathways improved retention and career progression, supporting workforce stability, » 43% average local employment outside Colombo and Gampaha districts and zero reported labour or human rights grievances.

TOURISM SECTOR

SDG	Targets	How we Integrate	Our Contribution
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop sustainable, resilient infrastructure with equitable access to support economic growth and well-being. **9.4** Upgrade infrastructure and industries by 2030 to improve efficiency and adopt clean, sustainable technologies.	Ongoing investments in physical and digital infrastructure to modernise the tourism industry. Digital systems and process innovation are embedded to improve efficiency, transparency, and accessibility across operations and community-linked suppliers.	» 4 LEED certified properties including the first LEED certified hotel in the World and the first LEED certified property in the Maldives. » Rs. 76.2 Mn worth of electric vehicles added to the fleet. » Rs. 317.6 Mn invested in uplifting the intellectual capital of the sector. » Rolled out paperless guest registration, cloud-based systems, and digital maintenance platforms, reducing downtime and administrative burden. » Enabled faster service delivery and better data use across hotels and resorts, supporting more reliable tourism infrastructure in host destinations. » Improved digital access and process efficiency for community-linked service providers (guides, transport, excursions).
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** Achieve sustainable management and efficient use of natural resources. **12.5** Substantially reduce waste through prevention, recycling, and reuse. **12.6** Encourage adoption of sustainable practices and report performance. **12.b** Develop tools to monitor sustainable tourism's impact and promote local jobs/ culture.	Driven through the adoption of the 7R principle coupled with environmental and energy management systems to improve resource efficiency, sustainable use of natural resources, responsible sourcing, circular waste management, local procurement, and supplier capability building.	» Wastewater repurposed. » Over 20 diverse waste streams separately managed at the hotels to ensure circularity. » Processed over 850,000 kg of wet waste onsite into reusable soil additives, supporting circular waste practices. » Avoided over 1.2 million single-use plastic bottles, reducing waste leakage into local communities and ecosystems. » Strengthened income resilience for local suppliers through significant local purchasing of food, fish, agricultural produce, and materials. » Produced over 90,000 units of organic fruits, vegetables, coconuts, and bananas through onsite gardens, reducing pressure on local land systems. » Reused composted organic waste to support soil health and local landscaping, closing the resource loop.

TOURISM SECTOR

SDG	Targets	How we Integrate	Our Contribution
15 LIFE ON LAND	**15.2** Promote sustainable forest management, halt deforestation, and increase global deforestation. **15.5** Take urgent action to protect natural habitats, halt biodiversity loss, and prevent species extinction.	Addressed through sustainable tourism benchmarks, conservation efforts, capacity building, community-linked nature experiences, and regenerative waste practices.	» Partnerships established with the Department of Wildlife Conservation to protect leopards and elephants. » 213 Ha forest cover maintained in pristine condition to support conservation. » Customers educated on Dos and Don'ts to protect natural ecosystems. » Delivered biodiversity education initiatives for guests, staff, and surrounding communities, strengthening conservation awareness.
14 LIFE BELOW WATER	**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution **14.2** By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans **14.5** By 2020, conserve at least 10% of coastal and marine areas, consistent with national and international law and based on the best available scientific information **14.7** By 2030, increase the economic benefits to Small Island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	Marine protection is embedded through strict wastewater controls, plastic reduction, guest education, and community-linked conservation awareness. Efforts are integrated through initiatives aimed at protecting coral reefs, marine ecosystems, wastewater controls, and island biodiversity awareness.	» Prevented marine pollution through zero untreated wastewater discharge and sharp reductions in plastic use. » Engaged guests, staff, and local communities through marine and island biodiversity awareness programmes. » Supported livelihoods tied directly to healthy marine ecosystems, including local fishing communities.

TOURISM SECTOR

CAPITAL TRANSFORMATION DURING THE YEAR

	Value Drivers	Capital Allocation	Output	Outcomes
Financial Capital	Continued focus on yield optimisation, revenue growth and cost management.	**Rs. 127.6 Bn** Total Assets	**4.3%** Revenue Growth **31.6%** Profit before Tax Growth	» Operational resilience » Financial Strength
Manufactured Capital	Ongoing focus on enhancing physical and digital infrastructure	**Rs. 2.1 Bn** Investment in property plant & equipment	» Greener infrastructure » Improved guest facing infrastructure	» Improved guest satisfaction » Curated spaces
Intellectual Capital	Continuation of digital transformation and skill retention	**Rs. 317.6 Mn** Investment in Intellectual Capital	» Implementation of CRM in Destination Management and Hotels Segment	» Greater operational efficiency » Industry recognition » Revamping of the hotels segment website for better customer experience
Human Capital	Ongoing focus on employee skill development and welfare.	**Rs. 42.7 Mn** Investment in training and skills development	**1,551** New Hires **72.4%** Retention Rate **16%** Female Representation	» Stronger skills base and leadership pipeline » Improved retention and productivity
Social & Relationship Capital	Community empowerment efforts through supplychain integration	**Rs. 45.3 Bn** Supplier Payments	**4, 743** Local suppliers engaged	» Supply chain Resilience
Natural Capital	Efforts to increase use of renewable energy and increase resource efficiency	**Rs. 2.2 Mn** Investment in sustainability processes	**5%** dependence on renewable energy **6%** reduction in energy consumption intensity **10%** reduction in emission intensity **15%** reduction in water consumption intensity	» Stronger environmental stewardship

TOURISM SECTOR

OUTLOOK AND WAY FORWARD

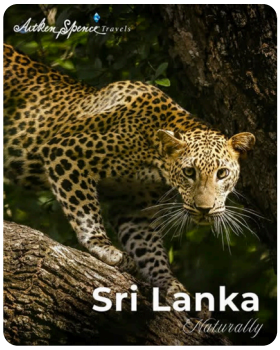
International tourism is forecast to grow by 3% to 4% in 2026 compared to 2025 assuming that Asia and the Pacific continues to recover, global economic conditions remain favourable and tourism service inflation continues to decline. Ongoing geo-political tensions in the Middle-East however pose potential risks in terms of disruptions to airline connectivity, fuel price volatility, fuel availability, increased air fares, and shifts in traveller sentiment, which impact global tourism and could result in a downward adjustment to growth prospects. Despite these developments, the sector's strong value driven positioning and diversified portfolio provide resilience, mitigating adverse impacts. To mitigate prolonged uncertainty, the sector is implementing a proactive strategy focused on market diversification, agile revenue and pricing management, strengthening direct channels, cost optimisation, strategic airline and trade partnerships, scenario based risk planning, and continued product and experience differentiation to sustain competitiveness and demand stability.

In the medium to long term, the sector remains focused on growing its geographical presence with an asset light approach, drawing-on its considerable expertise and reputation for building trusted partnerships. Deeper market diversification, accelerated digitalisation, enhanced service excellence through certifications and learning, and continued progress in sustainability-led operations will be the cornerstones of this strategy.

Across segments, digitalisation efforts will continue as we seek to drive revenue and lower cost and improve operational efficiency. We will therefore continue to build on our progress by investing cutting edge digital solutions that enhance in decision making speed, strengthen coordination across properties and tours, and unlock more robust revenue management capabilities.

Integrating sustainability more deeply into our value proposition will also continue to be a key focus. In the hotel segment we will continue to drive solarisation efforts across our properties. While in the destination management segment, decarbonisation efforts through the gradual transition to electric vehicles will be a priority.

As a sector that continues to be challenged by shortages of skilled labour, we will also continue to focus on building talent pipelines through training and development and employer branding efforts.



TOURISM SECTOR

AWARDS AND ACCOLADES

During the year, the sector was the recipient of multiple awards and recognitions

SEGMENT	KEY AWARDS
HOTELS	The sector received over 66 awards and recognitions during the year including: » Gold Award – Hotel companies (Group Assets Above LKR 10Bn) at the TAGS Awards, organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) » Silver Award - Leisure & Connected Services at ACCA Sustainability Reporting Awards » Best Employer Brand Awards 2025 awarded by Employer Branding Institute – India » Gold Award - Climate Adaptation and Resilience category – Heritance Kandalama ICRT Indian Subcontinent Responsible Tourism Awards 2025 » Silver Award - Climate Adaptation and Resilience category- Heritance Kandalama ICRT Global Responsible Tourism Awards 2025 » Sri Lanka's Leading Wedding Venue – Heritance Kandalama – World Travel Awards 2025 » Sri Lanka's Leading Heritage Hotel – Heritance Tea Factory – World Travel Awards 2025 » Sri Lanka's Leading Lodge – Rain Forest Ecolodge – World Travel Awards 2025 » World's Leading Sustainable Female Empowerment Initiative - World Sustainable Travel & Hospitality Awards 2025 » TripAdvisor Best of the Best Travellers Choice Award - All-Inclusive – Asia – Heritance Aarah » Best All-Inclusive Resort — Heritance Aarah – Travel Trade Maldives 2025 » Leading All-Inclusive Resort 2025 – Heritance Aarah – SATA 2025 » Best Fun & Friendly Resorts- Adaaran Club Rannalhi– Travel Trade Maldives 2025 » Best Surfing Resort – Adaaran Select Hudhuran Fushi – Travel Trade Maldives 2025
DESTINATION MANAGEMENT	Aitken Spence Travels (Pvt) Ltd » Chartered Professional Management (CPM) Best Management Practices Awards 2025 & 2026- Hospitality and tourism services category, also recognised & ranked among Sri Lanka's Top 40 Companies. » A South Asia's Best Inbound Travel Agent and Best Cruise Travel Agent at the South Asian Travel Awards (SATA) 2025 » GSTC & Travelife certifications. » Golden Business Excellence Award 2025. » Official Travel Agent for ICC T20 World Cup
AVIATION	Singapore Airlines recognised the Colombo Airport Team with the Fusion Award for their Coordinated Resilience & exceptional handling during Cyclone Ditwah

Please refer to the full list of Awards & Accolades on our website www.aitkenspence.com/sustainability

TOURISM SECTOR

INDUSTRY BENCHMARKS MAINTAINED

Sustainable Tourism	Food Safety Management	Environmental Management	Occupational Health and Safety	Quality Management
Global Sustainable Tourism Council (GSTC)	**ISO 22000**	**LEED Certification**	**ISO 45001**	**ISO 9001**
Aitken Spence Travels (certification received in FY 25/26)	All hotel properties	Heritance Kandalama (the World's first LEED certified hotel) Sentido Heritance Negombo Rainforest Ecolodge Heritance Aarah (the Maldives' first LEED certified property)	Aitken Spence Travels (Pvt) Ltd.	Aitken Spence Travels (Pvt) Ltd.
Travelife	**Organic Certification of Sri Lanka Standards Institute (SLSI)**	**ISO 14001 Environmental impact control**		
» Aitken Spence Travels (Pvt) Ltd. (only destination management company in Sri Lanka to be certified by Travelife) » Heritance Ahungalla » Heritance Ayurveda Maha Gedara » Heritance Kandalama » Sentido Heritance Negombo » Heritance Tea Factory » RIU Ahungalla	Heritance Tea Factory	Heritance Kandalama (Longest standing ISO 14001 certification in Sri Lanka) Heritance Tea Factory Aitken Spence Travels (Pvt) Ltd.		
Green Globe Certification		**Green Fins accredited members**		
All Maldives Properties		Dive Point, Adaaran Select Hudhuranfushi Dive Point, Adaaran Prestige Vadoo Dive Point, Adaaran Club Rannalhi		

MARITIME AND FREIGHT LOGISTICS SECTOR

SECTOR PROFILE

Aitken Spence is a leading player in the maritime and freight logistics industry, delivering an integrated logistics and maritime services platform spanning shipping liner representation, port management, bunker fuel supply, integrated container and inland logistics, regional freight forwarding, cargo airline representation and maritime education segments. With a presence across diverse regions, the sector continues to strengthen supply chain resilience, facilitate regional and global trade flows while advancing its strategic relevance within regional supply chains.

Freight Forwarding and Courier

The freight forwarding and courier segment provides international freight forwarding, courier and supply chain management services across Sri Lanka, Maldives, Bangladesh, Cambodia, and Myanmar.

Integrated Container Services

The integrated container services segment delivers end-to-end logistics solutions, including container freight stations (CFS), inland container terminals, transportation, warehousing, 3PL/4PL services and mobile storage solutions.

Maritime and Port Services

The maritime and port services segment provides shipping agency services to major global container carriers, passenger cruise operators and other vessels, oversees port management operations in Fiji and Mozambique, and supplies bunker fuel to vessels in Sri Lanka.

Airline GSA (Cargo)

The segment serves as the General Sales Agent (GSA) for Qatar Airways Cargo in Sri Lanka, and represents Pattaya Airways and Gulf Air Cargo operations in both Cambodia and Myanmar and Thai Air Asia Cargo in Myanmar.

Education

CINEC Campus is one of Sri Lanka's leading higher education and professional training providers, with over 27,000 student registrations. The campus offers vocational, technical, undergraduate, postgraduate, and doctoral programmes across maritime studies, management, engineering, health science, aviation, and hospitality.

MARITIME AND FREIGHT LOGISTICS SECTOR

AT A GLANCE

- An end-to-end maritime and logistics partner with a strong presence across the value chain, spanning shipping liner agencies, port operations and management, bunkering, freight solutions, inland logistics, air cargo representation, and maritime education.
- Diversified regional presence

Rs. **30.4** Bn
Revenue

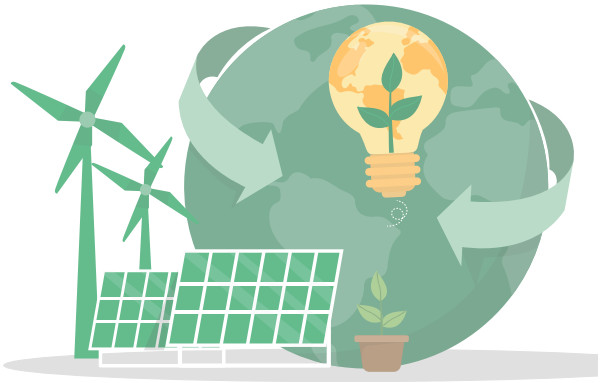
Rs. **4.7** Bn
Profit before Tax

OPERATIONAL HIGHLIGHTS

- Delivered profit before tax of Rs. 4.7 Bn, accounting for 33.9% of Group profits, with strong contributions from shipping liner agency representation, port management, integrated container services, and maritime education.
- Enhanced cold-chain logistics solutions and the commencement of work to develop cold storage capacity in Bangladesh
- Rs. 10.8 Mn invested in energy efficient equipment and more cleaner operations across the sector
- 10 industry awards and service recognitions

SUSTAINABILITY IMPACT

- 13% reduction in sector emissions
- 1,966 direct job opportunities created
- 3.4 ha mangroves replanted in Sri Lanka



2025/2026 KEY RISKS AND MITIGATION

Risk
Impact of geopolitical instability and trade disruptions on operations

Mitigation
Diversification of revenue streams across geographies and service lines to improve resilience

Risk
Exposure to volatility in fuel, energy, and labour costs, and impact on margins

Mitigation
Investments in renewable energy usage and generation options, end to end process automation and digitalisation to drive operational efficiencies.

WAY FORWARD

- Strategic capacity enhancement.
- Continued focus on end-to-end automation and digitisation.
- Sustainability integration.
- Shifting to higher margin value added services and expanding asset backed activities.
- Selectively pursuing overseas growth opportunities that align with our core business segments.

MARITIME AND FREIGHT LOGISTICS SECTOR

CONTRIBUTION BY THE SECTOR

TO THE GROUP

24.6 %
of Group Revenue

33.9 %
of Group Profit Before Tax

10.8%
of Assets

TO THE INDUSTRY

Rs. 232.1 Mn
Invested in Logistics Infrastructure

Rs. 54.5 Mn
Investment in Intellectual Capital

TO THE ECONOMY

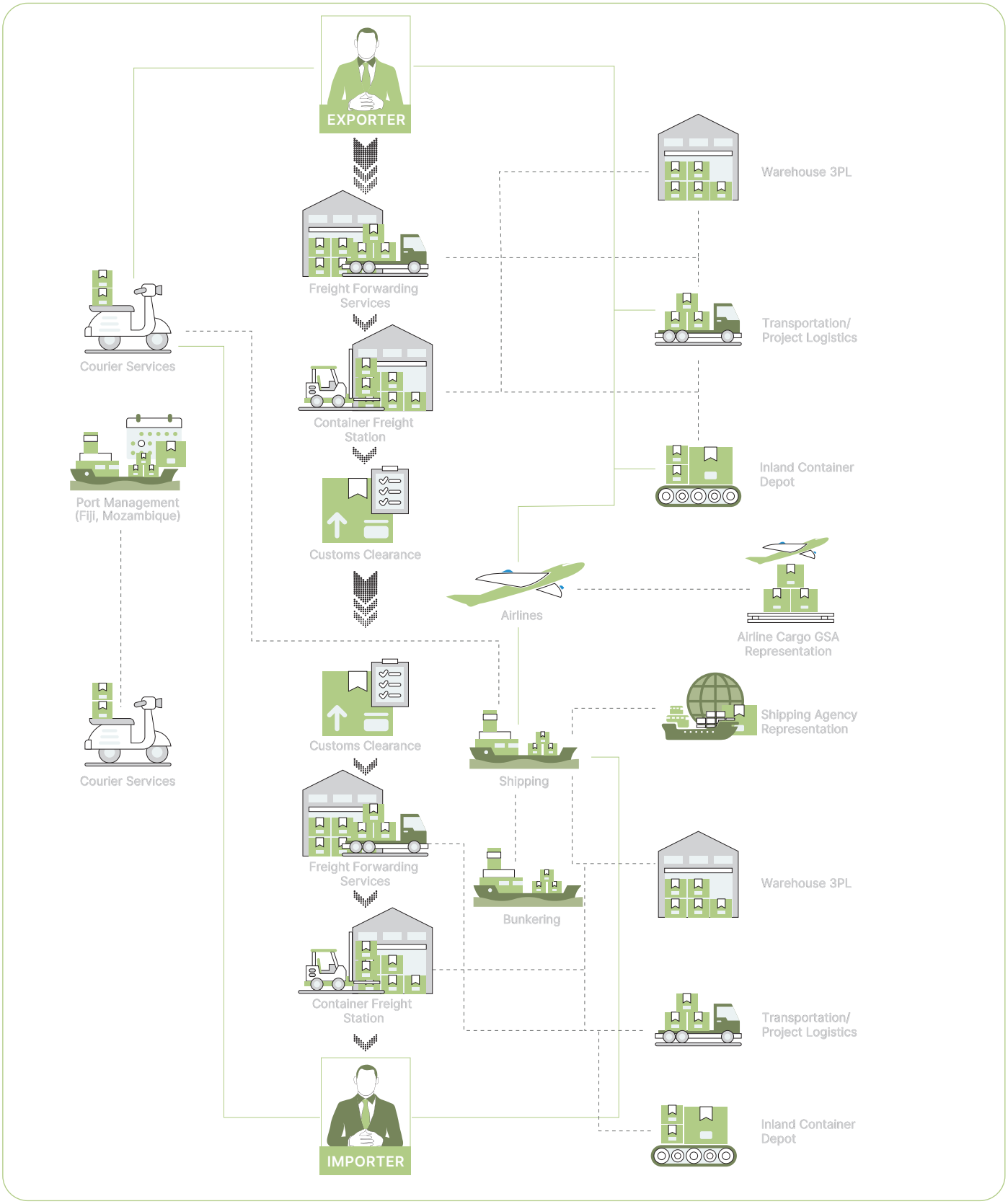
917,213 TEUs handled
Export, Import and Transshipment Facilitation

Rs. 6.0 Bn
Facilitation of Foreign Currency Generation to the Country

Rs. 2.0 Bn
Taxes Paid to Governments

MARITIME AND FREIGHT LOGISTICS SECTOR

OUR PRESENCE IN THE MARITIME AND FREIGHT LOGISTICS VALUE CHAIN (GRI 2-6)



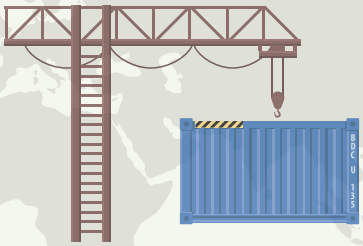
MARITIME AND FREIGHT LOGISTICS SECTOR

OPERATING CONTEXT IN 2025

Despite a gradual rise in global trade, 2025 remained challenging for the maritime and freight logistics sector as geopolitical tensions, freight rate volatility, evolving trade policies, and excess vessel capacity continued to pressure margins and operational planning.

Excess vessel capacity and frequent blank sailings continued to disrupt schedule reliability in 2025, as carriers adjusted deployments to manage weak demand, freight rate pressure, and evolving trade flows.

4.2%
YoY growth in International Air Cargo Demand
with Asia pacific driving much of the growth

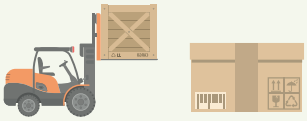


Global containerised trade is estimated* to have grown by **1.4%**
supported by a modest recovery in manufacturing output and consumer goods flows.

Freight traffic through the Port of Colombo increased by **6.4%**
to 8,291,178 TEUs in 2025

Freight rates in 2025 remained volatile and elevated, driven by geopolitical tensions, trade policy shifts, and port congestion.

4.6% YoY growth in World Trade.
Asian economies were the key driver of this growth accounting for 71% of total merchandise trade volume growth.



Key Industry Developments and Impact

	Impact on Operation	
	High	**Medium**
Economic recovery and export momentum in Sri Lanka	+ Positive impact on demand for CFS and logistics services	
Port congestion	− Impact on operational costs of port operations	
Geopolitical disruptions & re-routing of vessels	− Impact on freight rates	
Fuel price volatility	− Impact on operational costs	
Trade policy shifts and tariff uncertainty		− Demand volatility
High levels of labour migration		− Talent shortage
Climate change	− Disruptions to operations caused by natural disasters.	

MARITIME AND FREIGHT LOGISTICS SECTOR

SECTOR PRIORITIES

Topics Material to the Maritime and Freight Logistics Sector

Material Topics for Impact Management (GRI Impact Materiality)

	Economical	Environmental	Social
HIGH	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes	» Energy consumption » Emission control » Effluent control	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility » Information security » Customer satisfaction
MEDIUM	» Innovation » Indirect economic value created	» Water consumption » Land use and ecosystems	» Supply chain control (environmental & social) » DE&I
LOW	» Market presence	» Solid waste management » Materials » Biodiversity	» Local purchasing and employment » Local community development

MARITIME AND FREIGHT LOGISTICS SECTOR

SECTOR SWOT ANALYSIS

The following SWOT provides an analysis of our strengths and weaknesses as well as the opportunities and threats, prioritised according to its potential impact on our performance and long-term sustainability

S

- End to end supply chain capability with strong market presence across shipping, port services, cargo, integrated logistics and maritime studies.
- Operational expertise and scale, supported by investments in infrastructure, assets and digital platforms.
- Established relationships with global principals, port authorities, airlines and key customers.
- Diversified revenue streams across geographies and service lines, improving resilience.
- Growing focus on sustainability, safety, inclusion and skills development, strengthening long term competitiveness.

W

- Continued dependence on agency and principal driven businesses in certain segments.
- Exposure to cost volatility (fuel, energy, labour) affecting margins.
- Varying levels of digital maturity and talent depth across locations and business lines.
- Capital intensive operations requiring ongoing investment in assets, equipment and infrastructure.

O

- Growth in regional trade, transshipment and infrastructure development.
- Digitalisation and automation to improve efficiency, visibility and customer experience.
- Increasing demand for specialised logistics (pharma, project cargo, e-commerce, green logistics).
- Expansion into asset light and asset controlled models (ship operations, cold chain, 3PL/4PL, value added logistics).
- Sustained global demand for skilled Sri Lankan seafarers and industry-ready professionals
- Leveraging sustainability leadership to attract customers, partners and talent.

T

- Geopolitical instability and trade disruptions impacting shipping routes and cargo flows.
- Freight rate, fuel price and currency volatility affecting profitability.
- Regulatory tightening across maritime, environmental, labour and customs regimes.
- Intensifying competition from global logistics players and integrated operators.
- Climate related risks and increasing environmental compliance requirements.

IMPACT | High | Medium | Low

MARITIME AND FREIGHT LOGISTICS SECTOR

STRATEGIC ALIGNMENT TO GROUP GOALS AND OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Leverage automation, artificial intelligence, and digital tools to improve margins and volumes across segments Increase capacity utilisation through process improvements
	Shift focus to higher yield trade lanes, partnerships and services to drive margins Increase capacity including warehouses, inland container terminals, Electric Equipments/ MHEs and specialised facilities
	Develop proprietary platforms and asset-backed services in maritime and freight logistics, including chartering, terminal operations, and integrated inland logistics, to broaden capabilities and support sustainable growth.

Key initiatives implemented by the sector in 2025/2026

- Digital and process innovations including realtime tracking, automated operational workflows and data driven dashboards were introduced across maritime, cargo, logistics and education segments to drive greater efficiency and operational visibility.
- Certain non core or labour intensive activities were discontinued or realigned within segments to improve scalability, operational focus and capital efficiency.
- Extended long term operational and service agreements in port management, container services and logistics, to support stable revenue streams.
- A state-of-the art maritime simulator was commissioned at the MSTI Maritime Academy, a subsidiary of CINEC Campus elevating the status and the practical applications of the maritime related studies while reinstating the market leadership position of CINEC in maritime education.

Expand the Aitken Spence reach into new geographies	Leverage strategic partnerships to drive volumes across regions Cross sell across the multi country network
	Expand port management into new geographies
	Strengthen strategic alliances to introduce regional logistics solutions and enhance market reach

Key initiatives implemented by the sector in 2025/2026

- Strengthened presence and capabilities in existing markets
- Strategic evaluations of new markets and service lines, including cold chain logistics, specialised logistics and regional hubs
- Upheld consistent brand identity across geographies, particularly in overseas cargo and logistics operations which was invaluable in creating brand awareness in new geographies.
- Strengthened strategic partnerships with global shipping lines, airlines and major logistics customers, reinforcing market position and service depth.
- CINEC entered into several academic partnerships with leading overseas academic institutions to expand its local and global footprint. Meanwhile the expansion of the CINEC's operations in Jaffna was initiated during the year.

MARITIME AND FREIGHT LOGISTICS SECTOR

Short term — Medium Term — Long Term

Venture into new business segments by 2030

Short term	Pursue growth opportunities in cold chain logistics, reefer handling, and e-commerce-led last-mile distribution. Focus on high margin services such as CFS, specialised cargo, and value added logistics
Medium Term	Position company as preferred project cargo handler for renewables and infrastructure Expand 4PL and value added logistics services Expand bunkering operations through capacity enhancement
Long Term	Introduce green logistics offerings Expand marine asset ownership through tug and barge investments to strengthen charter capabilities.

Key initiatives implemented by the sector in 2025/2026

- Expanded specialised service offerings such as cold chain logistics, project cargo handling and integrated 3PL/4PL solutions
- Finalisation of plans for the investment in warehouse expansion and cold storage facilities in Bangladesh
- Strengthened cold chain logistics capabilities in Sri Lanka with increased reefer handling capacity and state of the art material handling equipment

Reduce the resource footprint and achieve net-zero emissions by 2030

Short term	Invest in energy and fuel-efficient equipment and technologies across port, marine and logistics operations, including electric vehicles and facility-level energy efficiency initiatives. Establish carbon measurement systems and baseline assessments across operations to strengthen emissions tracking and resource footprint management.
Medium Term	Scale up solar power initiatives to strengthen renewable energy generation. Continuous investments on equipment decarbonisation through increased use of electric vehicles and electric material handling assets.
Long Term	Embed sustainability across the value chain through responsible contracting and supplier collaboration.

Key initiatives implemented by the sector in 2025/2026

- Invested Rs. 73 Mn in energy and fuel-efficient equipment such as electric forklifts and Piloted electric vehicle initiative for domestic courier operations.
- Invested Rs. 11 Mn in solar panels in the integrated container services segment
- Integrated sustainability KPIs and shipment-level emissions tracking into operations across segments.
- Mangrove planting and shoreline clean ups in Sri Lanka and Fiji.

Achieve Employer of Choice status

Short term	Targeted development of specialised skills, including the cultivation of niche expertise and international exposure. Improve gender diversity in operational roles. Strengthen safety culture and employee well-being.
Medium Term	Continued development of strong leadership talent base and succession planning. Strengthen retention through structured career paths and talent rotation across countries.
Long Term	Strengthen its reputation as a preferred employer in the maritime and logistics sector.

Key initiatives implemented by the sector in 2025/2026

- Conducted structured training needs assessments across maritime, cargo, and integrated container services operations.
- Delivered technical, digital, safety, leadership, and specialised skills training
- Promoted female participation through inclusive recruitment, targeted training, and leadership development.
- Strengthened safety, role clarity, digital adoption, and employee engagement.
- Supported employee well-being through improved work practices and welfare measures.

MARITIME AND FREIGHT LOGISTICS SECTOR

SECTOR INTEGRATED PERFORMANCE

Statement of Financial and ESG Performance (GRI 102-5, 102-6; 103-2, 103-5; 201-1; 203-1; 302-1; 303-3,4)

	2025/2026	2024/2025	YoY(%)
Revenue (Rs. Mn)	30,429	29,619	3
EBITDA (Rs. Mn)	5,947	5,785	3
Profit before tax (Rs. Mn)	4,667	4,568	2
Profit after tax (Rs. Mn)	3,500	3,528	(1)
Total assets (Rs. Mn)	24,373	22,197	10
Total liabilities (Rs. Mn)	9,821	9,161	7
Total direct tax paid (Rs. Mn)	1,450	1,390	4
Total indirect tax paid (Rs. Mn)	560	531	5
SDGs towards which the sector's performance contributes: 4 and 5			
Targets: 4.3, 4.4, 4.7, 5.1, 5B			
Number of employees	1,966	1,908	3
Employee female representation	20%	19%	5
Employee benefits paid (Rs. Mn)	3,148	3,017	4
Training hours per employee	2	5	(60)
SDGs towards which the sector's performance contributes: 4, 5 and 12			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 12.b			
Investment in training (Rs. '000)	9,663	9,202	5
Number of student registrations at CINEC	27,061	22,000	23
Brand stewardship	4	4	0
Number of certifications	14	17	(18)
Number of joint venture/equity partnerships	10	12	(17)
Number of suppliers screened on ESG within the year	14	90	(84)
SDGs towards which the sector's performance contributes: 8, 9, 12 and 14			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 14.1, 14.2			
Total energy consumption (GJ)	42,906	51,975*	(17)
Renewable energy generated (GJ)	460	390	18
Scope 1 emissions (tCO2e)	2,916	3,436*	(15)
Scope 2 emissions (tCO2e)	543	805*	(32)
Emissions reduced or offset (tCO2e)	53	77	(31)
Total water withdrawn (m3)	31,434	30,205*	4
Total volume of water treated for reuse or safe disposal (m3)	6,354	6,360	(0)
Total amount of solid waste kept away from landfills			
(Tonnes)	6	5	13
(Units)	568	568	0
Total amount of effluents safely disposed (Litres)	-	10,802	100
Total investment in sustainability driven processes (Rs. Mn)	1	20	(95)
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	10,926	9,207	19
Warehouse space (sqft)	413,890	471,250	(12)
Yard capacity (TEUs)	6,500	6,500	0
Transportation fleet	112	112	0
Investment in manufactured capital (Rs. Mn)	744	784	(5)
Depreciation	913	829	10

*NOTE: Due to realignment of reporting boundaries as well as corrections made to emission factors used in emission calculations, the applicable data has been restated to allow a more accurate representation of comparative data keeping with the reporting principles of the GRI Standard. The GRI Topic have also been updated to align with the new topics introduced under climate change (GRI102) and energy (GRI103). GRI 302 Energy 2016 has been revised and will be superseded by GRI 103: Energy 2025, which we have adopted early ahead of the effective date of 1 January 2027.

MARITIME AND FREIGHT LOGISTICS SECTOR

PERFORMANCE

The Maritime & Freight Logistics sector delivered a resilient and commendable performance during FY 2025/26 amidst a volatile global operating environment characterised by geopolitical uncertainty, trade disruptions and competitive pressures across freight and cargo markets. The sector recorded revenue of Rs. 30.4 Bn and a profit before tax of Rs. 4.7 Bn, with profit before tax increasing by 2.2% compared to the previous year, underpinned by strong contributions from core maritime and integrated logistics operations.

Earnings growth was supported by improved profitability across shipping liner agency representation, port management operations, integrated container services, bunkering and the education segment. These gains more than offset the impact of softer performances recorded in freight forwarding, express and airline GSA representation, which were affected by geopolitical disruptions, political instability in certain overseas markets, and structural changes in agency relationships. Consequently, overall sector revenue increased marginally, reflecting lower volumes and pricing pressure in select agency-driven businesses, even as operational strength in businesses continued to improve.

The sector's diversified operating platform—spanning maritime services, port operations, integrated container operations, agency representation and education—continued to provide resilience, enabling the Group to absorb near-term volatility while maintaining profitability and operational momentum.

The freight forwarding, agency representation and overseas operations segment operated under challenging conditions during FY 2025/26, resulting in a decline in revenue and pressure on margins. Performance was impacted by a combination of weaker trade flows in select markets, heightened competition, and changes in global agency alignments.

The Sri Lanka freight forwarding business experienced a reduction in revenue during the year, largely attributable to the loss of the DB Schenker agency following its acquisition by DSV A/S and the subsequent global realignment of network and partnership structures. While this development resulted in lower attributable volumes, the Group proactively mitigated the impact by securing new alliances with other global freight forwarding networks and retaining the business of key customers who valued the high level of professionalism of DBS Logistics. This arrangement ensured continuity of service, preservation of long standing customer relationships and retention of operational relevance within key trade lanes.

Overseas freight forwarding operations recorded a decline in performance, primarily reflecting adverse conditions in Bangladesh and Myanmar, where prolonged political instability disrupted trade activity and constrained operating conditions. These pressures reduced shipment volumes and impacted profitability across these markets. In contrast, certain regional businesses delivered improved results during the year, with Cambodia operations returning to profitability, highlighting the benefits of geographic diversification within the network.

Air cargo GSA operations recorded a decline during the year against a backdrop of intensified competition and margin compression across key markets. Performance in the final quarter was further affected by the escalation of geopolitical tensions in the Middle East, which led to flight cancellations, reduced frequencies and disruptions to cargo routings. These impacts were partially mitigated through disciplined cost management, improved pricing control and operational efficiencies.

Overall, while the agency and cargo businesses faced near term headwinds, management continued to focus on stabilisation, cost discipline and selective capability enhancement, positioning the segment for improved resilience and margin recovery as market conditions normalise.

The shipping liner agency representation segment delivered a strong and consistent performance in FY 2025/2026, supported by higher container volumes and increased transshipment activity. The business benefited from sustained engagement with global shipping principals, effective commercial execution and high service reliability in a competitive market environment.

Operational discipline and efficiency initiatives enabled the segment to convert higher volumes into improved profitability, reinforcing its role as a key earnings contributor within the sector. The segment's performance also reflected the strategic importance of Colombo as a transshipment hub and the Group's long-standing expertise in liner agency representation across major trade routes.

Port management operations recorded a robust performance during the year, underpinned by higher domestic and transshipment volumes and improved utilisation of available infrastructure across ports operated by the sector. Performance improvements were driven by enhanced operational planning, higher throughput efficiency and improved reliability of port services.

Targeted capital investments during the year contributed to improved handling capability and operational continuity, enabling the segment to sustain growth despite infrastructure capacity constraints in certain locations. The segment's strong performance further reinforced its contribution to regional trade facilitation and the Group's overseas earnings profile.

The integrated container services segment delivered a standout performance during FY 2025/2026, driven by higher handling volumes across depot, container freight station (CFS) and warehousing operations. The segment also benefited from increased yard related income, expanded value added logistics services and a notable increase in reefer handling volumes, reflecting growing demand for specialised logistics solutions.

Profitability improved significantly during the year, supported by operating leverage from higher volumes, cost efficiencies realised through automation and energy efficiency initiatives, and lower interest costs. Strong operational execution, combined with investments in modern handling equipment,

MARITIME AND FREIGHT LOGISTICS SECTOR

infrastructure expansion and digital systems, enabled improved turnaround times, capacity utilisation and service reliability.

The segment maintained its market leadership position in Sri Lanka's Integrated container services and CFS , supported by modern infrastructure, an extensive depot network and strong operational expertise. These strengths continued to differentiate the business and support scalable growth.

The bunkering segment delivered a strong performance during FY 2025/2026, supported by increased vessel activity and a significant increase in bunker sales volumes in Sri Lanka. Bunkering volumes grew notably, reflecting higher demand and improved utilisation of capacity.

Despite fuel price volatility during the year, the segment maintained strong profitability through efficient execution, disciplined operational control and improved coordination with port and shipping agency operations. The segment continued to enhance its role as a complementary earnings contributor within the wider maritime platform.

The education segment, represented by CINEC Campus, delivered a strong performance during the year, to achieve its highest profit to date. This performance was driven by robust revenue growth arising from increased student registrations across a broad range of faculties. Beyond its financial contribution, CINEC plays a strategically important role in strengthening the nation's maritime, logistics and allied industries by developing industry-ready, professionally trained human capital, while also supporting a wide spectrum of other disciplines offered by the Campus. In addition, the provision of globally recognised qualifications within Sri Lanka contributes to retaining higher education expenditure domestically, thereby mitigating outward remittance of funds and enhancing the accessibility of internationally benchmarked education locally.

MARITIME AND FREIGHT LOGISTICS SECTOR

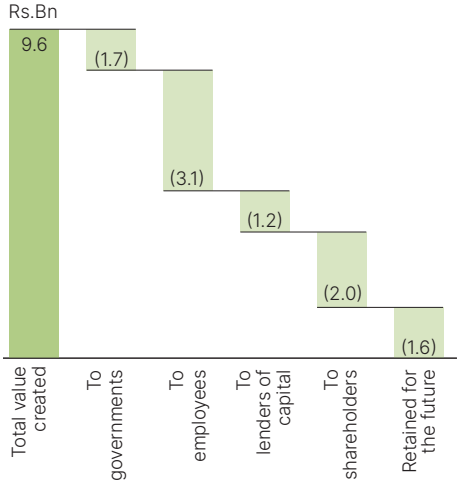
VALUE CREATION HIGHLIGHT

The Maritime & Freight Logistics sector continued to support trade and logistics networks across its markets of operation, generating a total value of Rs. 9.6 Bn during the year, reflecting the scale and breadth of its integrated logistics, freight and maritime services platform.

Value distribution during the year reflects the sector's commercially driven operating model, with Rs. 3.1 Bn attributed to employees, representing 32.8%, reinforcing its role in sustaining a skilled operational base. Demonstrating the sector's contribution to fiscal revenues within the jurisdictions it operates, 17.6% of the value created was distributed to governments. Rs. 1.2 Bn was channelled towards lenders of capital while shareholders were attributed 21.0% of the value created, reflecting the sector's ability to translate operational performance into returns. Rs. 1.6 Bn, representing 16.3%, was retained within the business, supporting reinvestment in capacity, network expansion, and service capability enhancements.

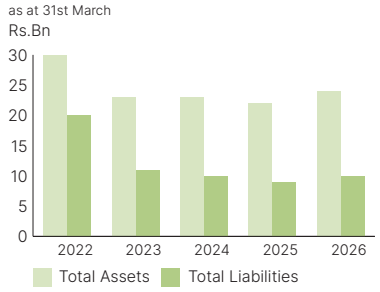
Overall, the allocation of value highlights the sector's role as an enabler of trade and economic activity, while maintaining a balanced distribution across key stakeholders.

Distribution of Value Created

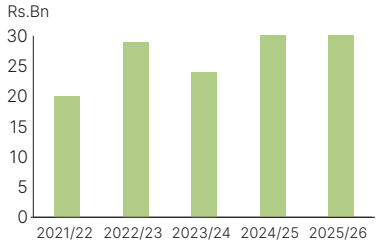


Financial

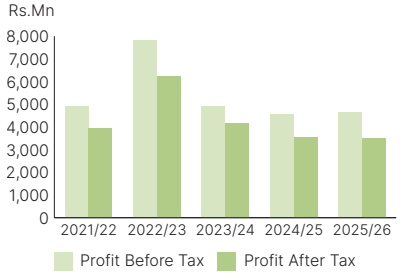
Stability



Revenue

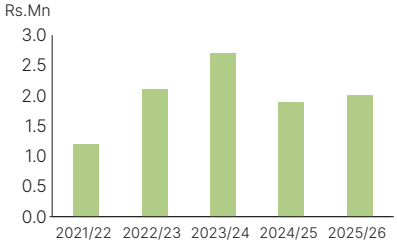


Profitability

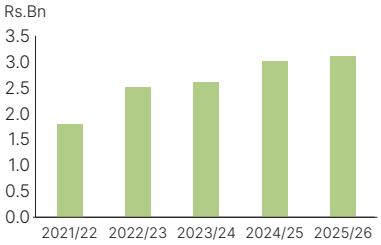


Social

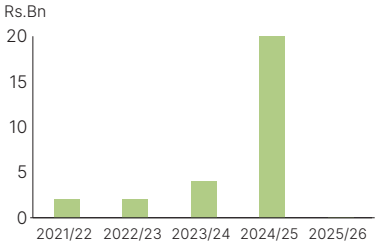
Taxes Paid to Government



Employee Benefits Paid

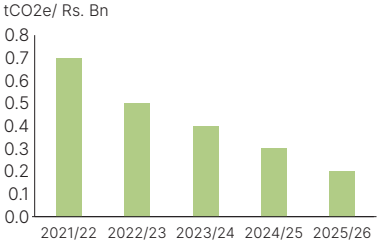


Total Investment in Sustainability Driven Processes

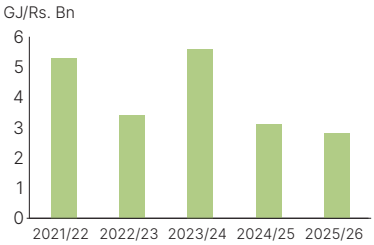


Environmental

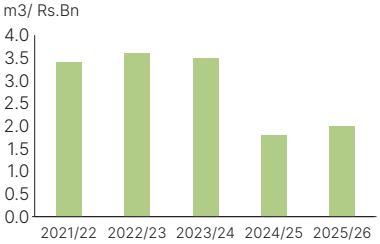
Total Emissions Per Unit Revenue



Total Energy Consumption Per Unit Revenue



Water Consumption Per Unit Revenue



MARITIME AND FREIGHT LOGISTICS SECTOR

SECTOR SUSTAINABILITY IMPACT PROFILE

Sustainability Impacts

To the organisation

- (+) Rising pressure to reduce emissions, manage noise and resource use, comply with environmental standards and invest in cleaner equipment, renewable energy and mitigation measures.
- (+) Changing workforce expectations around work–life balance, skills development and inclusion
- (−) Disruptions to shipping routes and port operations from Increased frequency of extreme weather

From the organisation

- (+) Reduction in GHG emissions from efforts to Increase adoption of electric equipment and solar energy across operation
- (+) Mangrove planting and shoreline clean-ups by maritime segment in Sri Lanka and Fiji supporting coastal ecosystems and climate resilience
- (+) Positive impact on communities due to community engagement including education support and environmental awareness programs carried out by maritime segment
- (−) Noise and vibration arising from depot and container handling operations
- (−) Emissions from fuel-intensive logistics and maritime operations

Support for local and global priorities

NDC's supported directly and indirectly

- Climate change mitigation (energy & emissions reduction)
- Climate adaptation and resilience
- Low-carbon transition support (enabling role)
- Institutional capacity and systems strengthening
- Sustainable livelihoods

(NDC – Nationally Determined Contributions towards the Paris Agreement)

Sector Net Zero Targets

		Target	Progress
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

SBTi Aligned Decarbonisation Progress and Stakeholder Value Creation

SBTi aligned progress reflects the Group's commitment to reducing emissions in line with global standards, while creating long term value through resilience, stakeholder trust, and sustainable operations.

MARITIME AND FREIGHT LOGISTICS SECTOR

SDG ALIGNMENT

SDG	Targets	How we Integrate	Our Contribution
4 QUALITY EDUCATION	**4.3** Ensure equal access to affordable, quality tertiary and vocational education for all by 2030. **4.4** Substantially increase youth and adult access to skills for decent jobs and entrepreneurship by 2030. **4.7** Ensure all learners gain the knowledge and skills to support sustainable development by 2030.	On the job training and skills development Capacity building on sustainability related topics CINEC campus enabling access to quality education	542 employees received training during the year Employees regularly briefed/trained on sustainability related topics during the year.
5 GENDER EQUALITY	**5.1** End all forms of discrimination against women and girls everywhere. **5.5** Ensure women's full participation and equal leadership opportunities in all areas of decision-making. **5.b** Promote women's empowerment through greater access to digital and communication technologies.	Inclusion is integrated into our HR policies, training programmes, and leadership development initiatives. We have also implemented targeted initiatives aimed at attracting more women into traditionally male-dominated sectors such as logistics and maritime operations	Increased participation of women in operational and leadership roles. 20% female representation in the sector 23% females in managerial roles.
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve resource efficiency and decouple economic growth from environmental degradation by 2030. **8.5** Achieve full, productive employment and equal pay for all, including youth and persons with disabilities, by 2030. **8.8** Protect labour rights and ensure safe, secure working environments for all, including migrant and vulnerable workers.	Enhancing employee productivity through training and performance linked KPIs, alongside workforce development and inclusion initiatives to enhance quality of work.	1,966 total employment generated 13% reduction in emissions Mangrove restoration projects taken in Fiji and Sri Lanka Measurable emissions reductions, mitigation measures implemented, and environmental compliance strengthened.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop sustainable, resilient infrastructure with equitable access to support economic growth and well-being. **9.4** Upgrade infrastructure and industries by 2030 to improve efficiency and adopt clean, sustainable technologies.	Ongoing investments in physical and digital infrastructure to modernise maritime and logistics sector.	Improved turnaround times and service reliability
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** Achieve sustainable management and efficient use of natural resources. **12.5** Substantially reduce waste through prevention, recycling, and reuse. **12.6** Encourage adoption of sustainable practices and report performance.	Resource efficiency, preventive maintenance, waste reduction and procurement controls are embedded into operational practices and KPIs.	13% reduction in water intensity 15% reduction in energy consumption

MARITIME AND FREIGHT LOGISTICS SECTOR

CAPITAL TRANSFORMATION DURING THE YEAR

	Value Drivers	Capital Allocation	Output	Outcomes
Financial Capital	Continued focus on revenue optimisation and cost management.	**Rs. 24.4 Bn** Total Assets	**2.7%** Revenue Growth **2.2%** Profit before Tax Growth	» Operational resilience » Financial Strength
Manufactured Capital	Ongoing investments in capacity enhancement, energy efficient infrastructure and fuel efficient machinery	**Rs. 743.6 Mn** Investment in property plant & equipment	» Upgraded plant, machinery and equipment » Investment in low emission material handling equipment	» Improved efficiency and service reliability » Support for net-zero initiatives » Strong foundation to scale green logistics
Intellectual Capital	Continuation of automation and digitalisation drive	**Rs. 54.9 Mn** investment in intellectual capital	» Improved operational processes and efficiencies » Improved customer experience through technology enabled solutions	» Optimisation of work flows and greater operational efficiency » Industry recognition
Human Capital	Ongoing focus on employee skill development and welfare.	**Rs. 9.7 Mn** Investment in training and skills development	**500** New Hires **84.7 %** Retention Rate **20%** Female Representation	» Stronger skills base and leadership pipeline » Improved retention and productivity
Social & Relationship Capital	Ongoing engagement with principles, customers and other key stakeholders	Human, financial and IT resources to strengthen partnerships	**7** Strategic relationships	» Stronger industry partnerships
Natural Capital	Gradual partial equipment decarbonisation	Investments in fuel efficient or electricity based equipment	**13%** Reduction in scope 1 and 2 emissions Partnership formed for mangrove restoration	» Lower emissions intensity across operations » Stronger environmental stewardship and stakeholder confidence

OUTLOOK AND WAY FORWARD

The Maritime & Freight Logistics sector enters the next phase from a position of resilience and strategic strength, underpinned by solid fundamentals in port management, integrated logistics, shipping liner agency and bunkering operations. Growth in regional trade flows, Colombo's role as a key transshipment hub and sustained demand for asset backed marine and logistics services provide a supportive platform for medium term performance.

The way forward is focused on enhancing earnings quality and structural resilience through improved operational efficiency, expansion of asset backed and value-added services, and continued investment in digitalisation, automation and energy efficient infrastructure. In parallel, the transformation of cargo and agency based activities toward specialised logistics, cold chain capability and integrated solutions is expected to reduce exposure to cyclical volatility and principal driven models.

While geopolitical uncertainty and evolving regulatory and sustainability expectations remain external challenges, these are mitigated through diversified geographic exposure, disciplined capital deployment, proactive stakeholder engagement and embedded sustainability practices across operations. Overall, the sector is well positioned to navigate near term volatility while strengthening its foundation for sustainable, long term growth.

MARITIME AND FREIGHT LOGISTICS SECTOR

AWARDS AND ACCOLADES

During the year, the sector was the recipient of multiple awards and recognitions that underscore the performance of its operating companies.

Segment	Key Awards
Freight Forwarding and Courier	**Aitken Spence Cargo (Private) Limited** » First Runners Up – Warehousing & Logistics Sector at the CILT Next Generation Quiz Master 2024/2025 Inter-Organisation Quiz Competition awarded by the Chartered Institute of Logistics & Transport (CILT) Sri Lanka » Top 5 at AMCHAM Quiz by American Chamber of Commerce Sri Lanka » Joint Runners Up – Freight Forwarding & Logistics Service Providers at the Global Commerce Quiz by Shippers Academy Colombo with International Quizzing Association and Central Bank Sri Lanka **DBS Logistics Ltd** » Bronze Award – Logistics Service Provider (Extra Large Category) by the National Chamber of Exporters of Sri Lanka. » Recognised among the Top 10 Cargo Agents by Gulf Air and Singapore Airlines. » Special Award for Compliance in Handling Sensitive Cargo by CMACGM
Airline GSA (Cargo)	**Sri Lanka station of Qatar Airways Cargo** » Best Station for eAWB Penetration (Indian Subcontinent & Middle East). » Maldives station of Qatar Airways Cargo » Velana International Airport, Maldives Awards –Highest contributor of Sea-to-Air and Air-to Air transshipment volumes
Integrated Container Services	**Aitken Spence Logistics (Pvt) Ltd** » Best Supply Chain Practicing Organisation (Medium Scale) at the National Supply Chain Excellence Awards (ISMM) 2025. » Best Corporation for Women Leadership at the Women in Management Awards 2025 » Winner- Sustainability (Medium Scale) category at the CILT Awards 2025. » Runnerup - Market Segment Customer Service (Medium Scale) at the CILT Awards 2024 and 2025
Maritime and Port Services	**Fiji Ports Terminal Ltd** » Fiji Business Excellence Award at the Fiji National Productivity Awards » Fiji Ports Terminal Ltd received the President's Business Excellence Award at the Fiji Business Excellence Awards (FBEA) » Green Sustainability Award 2025 at the 2025 Fiji Business Excellence Awards (FBEA) **Hapag Lloyd Lanka (Pvt) Ltd** » Best Customer Service Provider – Colombo/Europe Sector at the Institute of Chartered Shipbrokers (ICS) Awards » Best Customer Service Provider - Colombo/Mediterranean Sector at the ICS Awards Ceremony organised by the Institute of Chartered Shipbrokers – United Kingdom
Education	**CINEC** » Best Exporter Award in the Education Services Category at the Presidential Awards Ceremony for the fifth consecutive year. » Achieved the highest overall score of 83.28% among all non-state universities and several leading national universities in the Institutional Review by the Ministry of Higher Education.

MARITIME AND FREIGHT LOGISTICS SECTOR

INDUSTRY BENCHMARKS MAINTAINED

Our commitment to environmental stewardship, occupational health and safety, quality management, and operational excellence is reinforced by adherence to recognised benchmarks and international best practices, as reflected in the industry certifications and systems maintained across our businesses.

Environmental Management

ISO 14001: 2015

Ace Aviation Services (Pvt) Ltd.
Ace Cargo (Pvt) Ltd.
Aitken Spence Cargo (Pvt) Ltd.
Logilink (Pvt) Ltd.
Hapag-Lloyd Lanka (Pvt) Ltd.
Fiji Ports Corporation Ltd
Fiji Ports Terminal Ltd
CINEC Campus Pvt Ltd

Green Building Certification

Logilink (Pvt) Ltd. (In Progress)

Occupational health & safety

ISO 45001:2018

Logilink (Pvt) Ltd.
Ace Distriparks (Pvt) Ltd.
Hapag-Lloyd Lanka (Pvt) Ltd.
Ace Containers (Pvt) Ltd.
Fiji Ports Corporation Ltd

Quality Management

ISO 9001: 2015

Ace Aviation Services (Pvt) Ltd.
Ace Cargo (Pvt) Ltd.
Aitken Spence Cargo (Pvt) Ltd.
Ace Distriparks (Pvt) Ltd.
Hapag-Lloyd Lanka (Pvt) Ltd.
Fiji Ports Terminal Ltd.
Aitken Spence Shipping Ltd.
Fiji Ports Corporation Ltd
CINEC Campus Pvt Ltd
Global Parcel Delivery (Pvt) Ltd

Supply Chain security

C-TPAT (Customs-Trade Partnership Against Terrorism) certification

Ace Containers (Pvt) Ltd.
Ace Distriparks (Pvt) Ltd.
Logilink (Pvt) Ltd.

Authorised Economic Operator (AEO)

Fiji Ports Terminal Ltd

STRATEGIC INVESTMENTS SECTOR

SECTOR PROFILE

Aitken Spence Group has progressively expanded its presence across economically significant businesses, building a diversified portfolio of investments that supports long term resilience and national economic progress. The Strategic Investments sector spans four key segments of power generation, apparel manufacturing, printing and packaging, and plantations, each playing a vital role in driving productivity, employment, and value creation within Sri Lanka's economy.

Power Generation

The Group owns and operates a portfolio of power plants spanning wind, solar, hydro, and waste to energy.

Renewable energy generation capacity

10.75 MW of solar (Ground and rooftop)

3 MW of wind

9.1 MW of hydro

10 MW of waste to energy

Printing & Packaging

The printing and packaging segment, which includes Aitken Spence Printing & Packaging (Pvt) Ltd. and Ace Exports (Pvt) Ltd., is known for its high quality, sustainability focused printing capabilities spanning packaging, publications, tags, labels, and seasonal items.

Material conversion in the year **4,645 MT** (paper & boards)

Apparel Manufacture

Operating since 1977, the segment is one of the first apparel manufacturing businesses established in the country, which currently operates three companies engaged in manufacturing apparel for fashion brands.

3.5 Mn apparels manufactured

Plantations

Elpitiya Plantations PLC operates 13 estates and 8 factories spanning the low, mid, and up country regions, producing high quality tea, rubber, coconut, cinnamon, and oil palm as its primary crops, complemented by a diversified base of non core operations.

4,277 MT of tea

259 MT of rubber

26,958 MT of palm oil

212 MT of berries

5.96 GWh hydro and solar energy generated

STRATEGIC INVESTMENTS SECTOR

AT A GLANCE

- Strategic Investments segment comprises key investments across power generation, apparel manufacturing, printing & packaging, and plantations, reflecting sectors of strategic relevance to the broader economy.
- Waste to energy platform delivering dual value—clean energy generation and sustainable municipal waste disposal at lower cost than thermal alternatives.
- Strategic market expansion, re-entering exports by entering Australia and UK markets while strengthening customer portfolio and partnerships.
- Transition towards a diversified agribusiness model, expanding into renewable energy, regenerative tourism and international agri ventures.

SUSTAINABILITY IMPACT

- 100% renewable energy operations in the Power segment, directly supporting the Group's net zero pathway.
- FSC certified materials introduced for majority of high volume print customers, strengthening responsible sourcing and sustainable forestry practices.
- Regenerative agricultural practices expanded across plantation estates, including reduced agrochemical use, soil carbon improvement, and water conservation initiatives.

Rs. 15.8 Bn
Revenue

Rs. (940.5) Mn
Loss before Tax

OPERATIONAL HIGHLIGHTS

Power Generation

- The power generation segment generated 118.0 GWh of green energy for the national grid and facilitated the responsible disposal of 180,241 MT of municipal solid waste through its operations of the country's only waste-to-energy power plant.

Printing & Packaging

- The printing and packaging segment broadened its geographical reach with successful entry into the Australian and UK markets.

Apparel Manufacture

- The apparel segment experienced a challenging year, despite the implementation of several initiatives aimed at broadening its marketing approach and expanding its customer base. In response to this, the Group Management is currently undertaking a strategic review of the segment, carefully evaluating a range of options to address the challenges encountered in recent periods.

Plantations

- The plantation segment's profitability increased by 23% underpinned by its diversification strategy and efficiency gains that strengthened gross margins.

STRATEGIC INVESTMENTS SECTOR

2025/2026 KEY RISKS AND MITIGATION

Risk
Impact of geopolitical uncertainties in key markets, and availability and price of raw materials for the printing and packaging, plantations and apparel segments

Mitigation
Supplier diversification, maintaining buffer stocks of critical raw materials and strengthening in-house capabilities to reduce reliance on imported inputs while exploring alternative markets for products.

Risk
Risk of over-reliance on key products, buyers and markets which has narrowed margins due to cost escalations and competitive pressures.

Mitigation
Continued efforts to diversify products, buyers and markets while making efforts to reduce production costs and overheads, while improving efficiencies to preserve margins.

Risk
Increasing frequency, intensity, and severity of extreme weather events such as heavy rainfall and cyclones expose the company's power generation assets, including hydro, solar, and wind power plants, to natural disaster risks such as flooding, landslides, strong winds, and site access disruptions.

Mitigation
Extreme weather risks are managed through robust insurance coverage, preventive maintenance, and operational controls informed by real time weather forecasting. Climate resilience is increasingly embedded into asset design, capital planning, and long term investment decisions to ensure business continuity.

WAY FORWARD

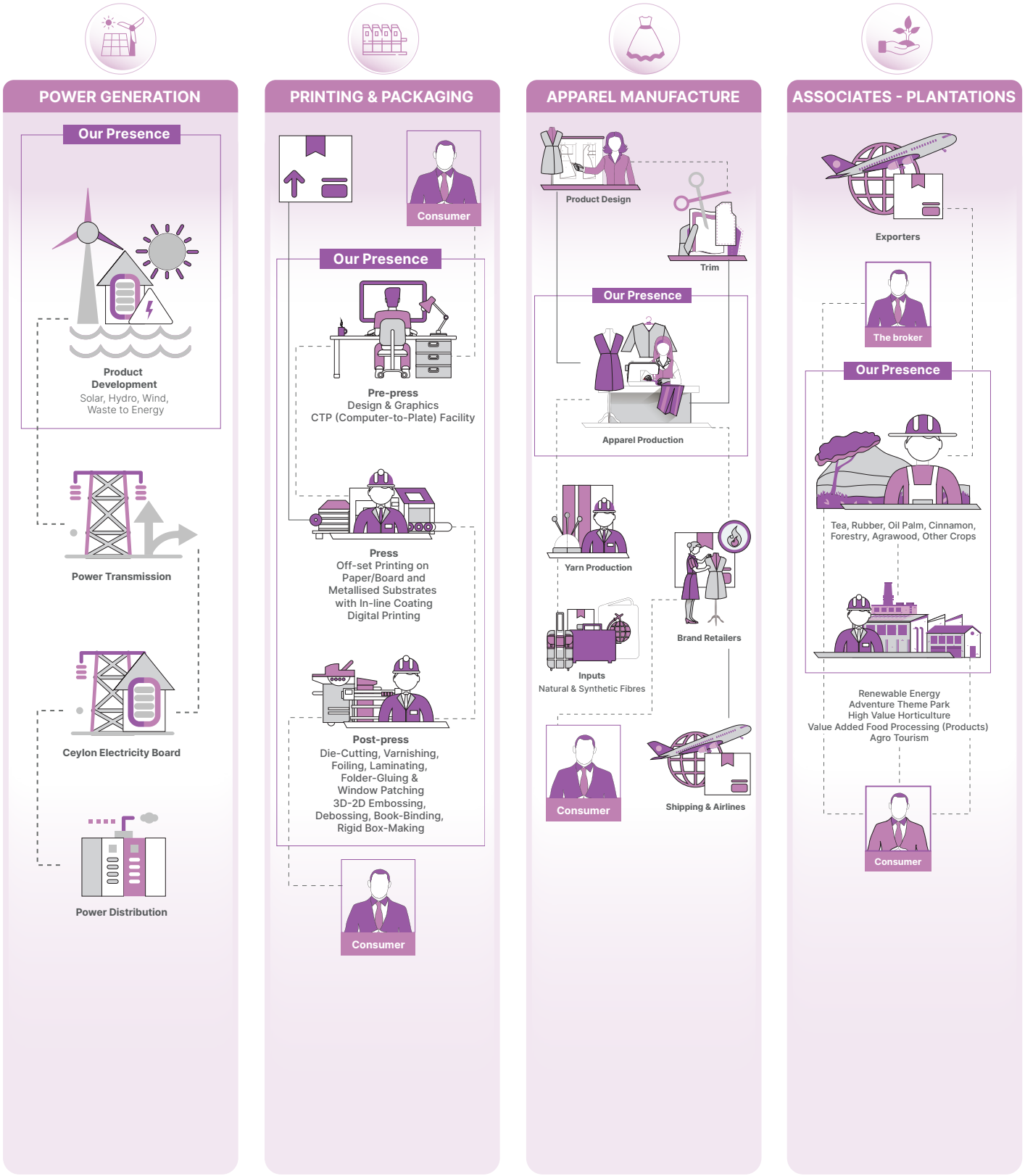
- Diversification remains a core strategic priority, with printing & packaging expanding product and market reach, while plantations continues its transition into a diversified business model.
- Power generation is focused on future growth, actively exploring renewable energy opportunities and emerging low carbon technologies across domestic and international markets.
- Sustainability integration is being deepened across all segments, embedding environmental and social considerations into both day to day operations and long term strategy.
- Collective focus on building resilient, future ready businesses, supported by expansion, innovation, and sustainability aligned transformation across the portfolio.

CONTRIBUTION BY THE SECTOR

TO THE GROUP	TO THE INDUSTRY	TO THE ECONOMY
12.7% of Group Revenue	**Rs. 659.4 Mn** Total Capital Expenditure	**123.9 GWh** Renewable Energy Generated
29.4% of Assets	**7,754** Employment Generated	**180,241** Municipality Solid Waste diverted from Landfill
		Rs. 6.8 Bn Facilitation of Foreign Currency Generation to the Country

STRATEGIC INVESTMENTS SECTOR

OUR PRESENCE ALONG THE VALUE CHAIN *(GRI 2-6)*



STRATEGIC INVESTMENTS SECTOR

OPERATING CONTEXT IN 2025

Movement of key macro indicators impacting sector operations

GDP

Marking a second consecutive year of expansion, the Sri Lankan economy grew by 5% in 2025, fuelling stronger demand across key segments.

Inflation

As energy and transport deflation eased and food inflation increased headline inflation turned positive in August 2025 and climbed gradually thereafter, adding fresh cost pressures for businesses.

Movement of Rupee

Following two consecutive years of appreciation, the Sri Lanka rupee recorded a 5.6% depreciation against the US dollar during 2025 helping improve margins and competitiveness across export industries although impacting costs of imported inputs.

Interest Rates

The Central Bank maintained its accommodative stance, driving interest rates steadily lower and unlocking stronger consumption momentum.

Power Generation

Electricity demand continued to rise in 2025, along with the improvement in economic activity. Amidst this increase in demand, the contribution of hydro, fuel, coal, and Non-Conventional Renewable Energy (NCRE) sources to overall electricity generation amounted to 35.5%, 12.5%, 27.4%, and 24.7%, respectively. Meanwhile within the renewable energy sector, capacity expansions were seen particularly in solar energy, driven by the rapid investments in rooftop solar panels during the year.

To support the sector's long term development, the Government introduced several structural reforms, including the restructuring of the CEB into six state owned entities responsible for generation, transmission, distribution, and system operations to enhance efficiency and governance. In addition, the approval of a new National Electricity Policy and tariff policy marked an important step toward transitioning to a more competitive electricity market.

The downward adjustment of electricity tariffs, together with higher generation costs driven by a relatively high share of thermal-based generation, placed significant pressure on the CEB's financial performance, resulting in continued losses in 2025. This, in turn, led to some delays in CEB payments to IPPs.

Printing and Packaging

The printing and packaging industry benefited from improving domestic economic conditions, with rising retail demand and higher export volumes driving stronger demand during the year.

The upward revision of electricity tariffs in June 2025, and the resulting rise in inflation, increased production costs towards the mid part of the year, although these pressures eased toward the end of the year.

Continuing margin pressure and rising sustainability expectations in end markets are driving buyers toward cost effective, eco friendly packaging solutions. In response, printing and packaging companies are accelerating investments in advanced technologies that enable the use of biodegradable, compostable, and recycled materials. These upgrades support the development of innovative, sustainable product lines, with paper based alternatives emerging as a key growth area and a viable replacement for traditional plastics.

STRATEGIC INVESTMENTS SECTOR

Plantations
(GRI 13.21.1)

Despite the impact of Ditwah Cyclone in November 2025, agriculture activities grew by 1.4% in 2025, compared to the 0.6% growth recorded in 2024. Agriculture exports meanwhile expanded by almost 10.7% in value terms reflecting a strong recovery in the export sector. Agriculture Exports were largely driven by strong performances in coconut-related products, tea, and minor agricultural products. Tea recorded higher earnings, supported by both elevated export prices and increased volumes, reflecting sustained demand in key international markets although demand for rubber remained subdued.

Effective January 1, 2026, the plantation sector daily wage was increased from Rs. 1,350 to Rs. 1,550, together with an additional daily attendance allowance of Rs. 200 to be borne by the Government on the 2025/2026 budget proposals.

Apparel Manufacture

Despite tariff shocks and policy uncertainties, Sri Lanka's textiles and garments sector remained resilient in 2025. As the country's largest export category, textiles and garments recorded 5.0% growth, supported by stronger demand from key markets. Exports to the European Union increased by 12.4%, while shipments to the United Kingdom rose marginally with exports to the United States also recording a 2.1% year on year increase despite policy uncertainty.

Persistent energy and wage cost pressures, alongside the strengthening of the Sri Lankan Rupee, have intensified competitiveness challenges for the industry, particularly when compared with lower cost regional markets such as Bangladesh and Vietnam.

SECTOR PRIORITIES

Topics Material to the Strategic Investments sector

Economical

	Power generation	Printing & Packaging	Plantations
HIGH	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes » Innovation » Indirect economic value created
MEDIUM	» Innovation » Indirect economic value created	» Innovation » Indirect economic value created	» Market presence
LOW	» Market presence	» Market presence	» Market presence

STRATEGIC INVESTMENTS SECTOR

Environmental

	Power generation	Printing & Packaging	Plantations
HIGH	» Solid waste management (disposal of fly ash and bottom ash generated from waste to energy)	» Energy consumption » Materials » Emission control » Effluent control » Solid waste management	» Water consumption » Land use and ecosystems » Biodiversity » Materials
MEDIUM	» Water consumption » Emission control (NOx, SOx and PPM from waste to energy) » Effluent control (WtE power plant)	» Water consumption	» Emission control » Energy consumption » Effluent control
LOW	» Energy consumption » Materials » Land use and ecosystems » Biodiversity	» Land use and ecosystems » Biodiversity	» Solid waste management

Social

	Power generation	Printing & Packaging	Plantations
HIGH	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility » Information security » Customer satisfaction	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility » Customer satisfaction » Local community development
MEDIUM	» Information security » Customer satisfaction » Local community development » DE&I	» Supply chain control (environmental & social) » DE&I » Local community development	» Local purchasing and employment » Supply chain control (environmental & social) » DE&I
LOW	» Supply chain control (environmental & social) » Local purchasing and employment	» Local purchasing and employment	» Information security

STRATEGIC INVESTMENTS SECTOR

SECTOR SWOT

The following SWOT provides an analysis of our key strengths and weaknesses as well as the opportunities and threats across each of the segments we operate in.

	S	W	O	T
POWER GENERATION	» Recognised as a pioneer private sector investor in Sri Lanka's renewable energy sector, the segment constructed and operates the sole waste-to-energy plant in Sri Lanka.	» Non-implementation of policies and regulations governing areas such as power wheeling, captive power plants, time of energy use tariff for domestic electricity consumers stagnates the market.	» Increasing demand for renewable energy and IPP opportunities due to governments focus on renewable energy sector.	» High cost of funds for capital investments and increasing costs of imported machinery due to depreciation of the Rupee.
PRINTING & PACKAGING	» Brand recognition of Aitken Spence Printing. » State of the art LEED certified factory complex.	» High dependence on the local market and inadequacy of customer diversification.	» Increased demand for sustainable packaging options. » Greater potential in export markets to provide eco-friendly and sustainable printing and packaging solutions	» Competition from small and medium scale printers. » Increasing costs of imported inputs.
PLANTATIONS	» Established leadership position in the plantation sector with a diversified crop base across tea, rubber, oil palm, and coconut. » Availability of a range of natural resources within estates which could be developed for the diversification of product range.	» Dependence on commodity-driven revenue streams, which are subject to price volatility. » Labour scarcity.	» Opportunities in high-value agriculture, value-added product segments and diversified product offerings including renewable energy and regenerative tourism.	» Increasing impact of climate change, including droughts, floods, and temperature variability, affecting crop yields and productivity. » Impact of geo-political tensions on the prices of major export crops.

STRATEGIC INVESTMENTS SECTOR

STRATEGIC ALIGNMENT TO GROUP GOALS AND OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives

Achieve year-on-year sustainable profit growth, overall growth in market share in all business segments.

Time Bound Strategies

	Power generation	Optimising operations across existing power plants through increasing operational efficiencies.
	Printing and packaging	Strengthen marketing team to drive volume growth and market share.
	Plantations	Focus on operational efficiency and margin improvement through mechanisation.
	Power generation	Expand the generation portfolio through competitive tenders and acquisitions.
	Printing and packaging	Upgrade existing machinery and technology to increase operational efficiencies and production capabilities.
	Plantations	Drive diversification-led growth.
	Power generation	Diversify into overseas territories where markets for IPPs are established.
	Printing and packaging	Build a scalable, diversified, and future-ready business model.
	Plantations	Transition into a multi-segment sustainable conglomerate.

Key initiatives implemented by segments in 2025/2026

- Deployment of enterprise wide inventory management capabilities to support improved process discipline and data visibility.
- Undertook a major plant overhaul to enhance efficiency and minimise unplanned stoppages at the waste-to-energy plant
- Continued process automation in the printing and packaging segment with investments in a fully automated rigid box making machine and automated platen machine during the year
- Enhanced operational efficiency by developing dashboards using Business Intelligence (BI) tools, enabling real time monitoring of key functional areas and supporting data driven decision making in the printing and packaging sector
- The plantations segment invested Rs. 268.2 Mn in field development, mechanisation and factory modernisation initiatives.
- Development and deployment of Power BI dashboards to support real-time monitoring of financial and operational performance in the plantations segment.
- The plantations segment continued to focus on strengthening its positioning as a premium, farm-to-fork Sri Lankan brand through a range of branding initiatives such as premium packaging enhancements, digital storytelling and brand communication, natural and health-focused positioning of products.

STRATEGIC INVESTMENTS SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

Expand the Aitken Spence reach into new geographies

Time Bound Strategies

Short term	Power generation	Identify IPP opportunities in new markets.
	Printing and packaging	Explore direct export opportunities via targeted partnerships in key international markets to expand the global reach.
	Plantations	Strengthen existing overseas presence and conduct feasibility studies for expansion into new agro-climatic regions.
Medium Term	Power generation	Explore IPP opportunities and partnerships in new markets.
	Printing and packaging	Explore business partnership opportunities in India, Middle East and African regions.
	Plantations	Scale overseas agricultural ventures and identify strategic partnerships in new geographies.
Long Term	Power generation	Develop identified overseas opportunities and become an established player in global markets.
	Printing and packaging	Enter into long term business contracts with partners in Asia Pacific, Middle East and African regions.
	Plantations	Establish a multi-country plantation and agri-business footprint.

Key initiatives implemented by segments in 2025/2026

- The printing and packaging segment entered the Australian and UK markets by supplying packaging solutions for the food and tea segments.
- The plantations segment initiated direct tea exports to Fiji, leveraging a contract packing arrangement to support market entry.

Strategic Objectives

Venture into five new business segments by 2030

Time Bound Strategies

Short term	Power generation	Develop EPC capabilities for installing rooftop solar installations.
	Printing and packaging	Introduce eco-friendly printing solutions to meet sustainability demands of customers.
	Plantations	Focus on expanding product scope and strengthening emerging business models (berry cultivation. regenerative tourism).
Medium Term	Power generation	Develop EPC capabilities for implementing a new waste to energy plant operating on municipal solid waste.
	Printing and packaging	Diversify into flexible packaging, label and tag manufacturing.
	Plantations	Expansion of horticulture operation and renewable energy business into new geographies.
Long Term	Power generation	Establishing waste-to-energy plants operating on municipal solid waste in different areas of Sri Lanka.
	Printing and packaging	Continue to explore opportunities for diversification and broader market expansion.
	Plantations	Focus on establishing new growth engines in value-added segments.

Key initiatives implemented by segments in 2025/2026

- Strategic investments in machinery were carried out in the printing and packaging segment to meet demand in new categories such as rigid board packaging.
- The plantations segment continued its diversification strategy by enhancing its value-added product portfolio with a series of premium, consumer focused innovations, including new high fruit formulations, recipe enhancements, upgraded packaging, and the expansion of artisanal and value added offerings.

STRATEGIC INVESTMENTS SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

Reduce the resource footprint and achieve net-zero emissions by 2030

Time Bound Strategies

	Power generation	Improve efficiency of existing plants.
	Printing and packaging	Strengthen mechanisms to calculate and measure annual carbon emissions.
	Plantations	Focus on baseline strengthening and early-stage reductions.
	Power generation	Invest in technologies like energy storage and carbon offset solutions.
	Printing and packaging	Drive energy efficiency in operations.
	Plantations	Invest in advanced technologies to enhance energy efficiency and ensure environmental compliance.
	Power generation	Focus on scaling decarbonisation and resource efficiency.
	Printing and packaging	Invest in green technologies, implementing energy management systems, and collaborating with stakeholders to lower emissions across the operations.
	Plantations	Set targets and objectives to reduce carbon emissions per impression by 5% and to continue carbon neutral status.
		Focus on achieving net-zero and climate-positive outcomes.

Key initiatives implemented by segments in 2025/2026

- The power generation segment generates 100% renewable energy to the national grid, aligning with the development priorities of Sri Lanka.
- The printing and packaging segment introduced Forest Stewardship Council (FSC) certified materials for some of high-volume customers, reinforcing its commitment to sustainable sourcing and responsible forestry practices.
- The plantations segment continued its efforts to expand the solar power generation with the installation of 3 new roof top solar projects.
- Fertiliser trial plots were conducted using slow release Yara formulations to reduce overall fertiliser usage and associated emissions in the plantations segment.

STRATEGIC INVESTMENTS SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

Achieve Employer of Choice status

Time Bound Strategies

Short term	Power generation	Identify training needs and conduct training initiatives to cultivate a culture of innovation.
	Printing and packaging	Identify training needs and provide required training and development to fill training gaps.
	Plantations	Focus on strengthening employee engagement, retention, and foundational HR processes.
Medium Term	Power generation	Enhance leadership continuity through a strategic and structured employee succession planning framework.
	Printing and packaging	Develop strong leadership pipeline and create a future ready workforce.
	Plantations	Focus on building leadership pipelines and strengthening talent development frameworks.
Long Term	Power generation	Outreach efforts to attract best talent from local universities.
	Printing and packaging	Enhance employer brand by building an organisational culture conducive to long term development of employee potential.
	Plantations	Focus on institutionalising a high-performance culture and sustainable workforce model.

Key initiatives Implemented by segments in 2025/2026

- Training needs assessment was carried out and a training work plan rolled out accordingly across the power generation segment.
- Continued efforts to build a strong talent pipeline including enhanced leadership capacities through targeted technical, soft skill and leadership training for employees in the printing and packaging segment.
- The printing and packaging segment has collaborated with the National Apprentice and Industrial Training Authority (NAITA) and the Vocational Training Authority (VTA) to support the development of future industry talent and strengthen the skilled labour pipeline.
- Ongoing efforts in the printing and packaging segment to onboard female employees to traditionally male dominated roles.
- The plantations segment continued to strengthen employee skills and welfare through key initiatives, including the drafting of a comprehensive health and safety policy, the roll-out of an online learning platform to expand training access, and community engagement efforts.

STRATEGIC INVESTMENTS SECTOR

SECTOR INTEGRATED PERFORMANCE

Statement of Financial and ESG Performance (GRI 102-5, 102-6; 103-2, 103-5; 201-1; 203-1; 302-1; 303-3,4)

	2025/2026	2024/2025	YoY%
Revenue (Rs. Mn)	**15,762**	15,272	3
EBITDA (Rs. Mn)	**1,946**	2,833	(31)
Profit before tax (Rs. Mn)	**(941)**	(36)	(>100)
Profit after tax (Rs. Mn)	**(1,358)**	(921)	(47)
Total assets (Rs. Mn)	**66,555**	63,109	5
Total liabilities (Rs. Mn)	**40,665**	38,749	5
Total direct tax paid (Rs. Mn)	**407**	280	45
Total indirect tax paid (Rs. Mn)	**540**	447	21
SDGs towards which the sector's performance contributes: 4, 5 and 8			
Targets: 4.3, 4.4, 4.7, 5.1, 5B,			
Number of employees	**7,754**	8,528	(9)
Employee female representation	**57%**	60%	(5)
Employee benefits paid (Rs. Mn)	**4,839**	4,157	16
Training hours per employee	**12**	10	20
SDGs towards which the sector's performance contributes: 4, 8 and 12			
Targets: 4.3, 4.4, 4.7, 8.4, 8.8, 12.2, 12.6, 12.8			
Investment in training (Rs. '000)	**29,879**	23,562	27
Brand stewardship	**7**	7	0
Number of management systems	**90**	91	(1)
Number of certified management systems	**44**	45	(2)
SDGs towards which the sector's performance contributes: 4, 8, 9 and 12			
Targets: 4.3, 4.4, 4.6, 8.5, 8.6, 9.1, 12.8			
Number of joint venture/equity partnerships	**8**	8	0
Number of suppliers screened on ESG within the year	**332**	32	>100
Total funds channeled for community development (Rs. Mn)	**75**	276	(73)
SDGs towards which the sector's performance contributes: 6, 7, 8, 9, 12 and 15			
Targets: 6.3, 6.4, 7.2, 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 15.2, 15.5			
Total energy consumption (GJ)	**310,319**	240,002*	29
Total energy consumed from non-renewable sources and indirect energy (GJ)	**45,685**	44,222*	3
Total energy consumed from renewable sources (GJ)	**234,895**	195,780	20
Total energy generated from renewable sources (GJ)	**678,577**	645,523	5
Scope 1 emissions (tCO2e)	**10,357**	7,062*	47
Scope 2 emissions (tCO2e)	**3,447**	3,704*	(7)
Emissions reduced or offset (tCO2e)	**186,086**	205,078	(9)
Total water withdrawn (m3)	**281,468**	241,041*	17
Total volume of water treated for reuse or safe disposal (m3)	**19,299**	22,030	(12)
Total amount of solid waste kept away from landfills			
(Tonnes)	**20,943**	25,131	(17)
(Units)	**-**	54	(100)
(Litres, waste oil)	**2,380**	38,680	(94)
Total investment in sustainability driven processes (Rs. Mn)	**32**	40	(19)
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	**24,130**	22,386	8
Investment in manufactured capital (Rs. Mn)	**659**	806	(18)

*NOTE: Due to realignment of reporting boundaries as well as corrections made to emission factors used in emission calculations, the applicable data has been restated to allow a more accurate representation of comparative data keeping with the reporting principles of the GRI Standard. The GRI Topic have also been updated to align with the new topics introduced under climate change (GRI102) and energy (GRI103). GRI 302 Energy 2016 has been revised and will be superseded by GRI 103: Energy 2025, which we have adopted early ahead of the effective date of 1 January 2027.

STRATEGIC INVESTMENTS SECTOR

PERFORMANCE

The Strategic Investments sector recorded revenue of Rs. 15.8 Bn in FY 2025/2026, compared to Rs. 15.3 Bn in the previous year. The sector reported a loss before tax of Rs. 940.5 Mn, compared to a loss before tax of Rs. 36.0 Mn in the prior year.

The overall loss for the year was primarily driven by the apparel manufacturing segment, which remained the principal contributor to the sector's under performance. A combination of lower revenue, a sharp increase in operating and finance costs, and a decline in operating efficiency resulted in a significant segment level loss. This performance outweighed improvements recorded in other segments, leading to the sector ending the year with a substantial loss.

Power Generation

The power generation segment recorded a decline in reported revenue and profitability during the year compared to FY 2024/2025. While underlying operational performance improved year on year, comparative results were impacted by a one off reversal of provisions recognised in the previous year, relating to delayed payments received from the Ceylon Electricity Board (CEB). Consequently, performance in FY 2025/2026 reflects more normalised operating outcomes rather than a deterioration in underlying operations.

Total electricity generation amounted to 118 GWh, supported by contributions across the diversified renewable energy portfolio, including hydro, solar, wind, and waste to energy assets. Hydropower operations remained resilient despite adverse weather conditions, with no material impact on generation or financial performance, and capital expenditure was limited to routine maintenance given the stable condition of the asset base.

Solar power assets continued to operate reliably within prevailing grid and regulatory constraints, reinforcing the segment's strategic focus on clean energy, despite limitations on large scale expansion arising from grid capacity constraints and daytime demand curtailments.

Notably, the segment continues to operate Sri Lanka's only municipal waste to energy power plant. While modest in installed capacity, the facility holds strategic importance by addressing municipal solid waste challenges while supplying renewable energy to the national grid. The plant also reflects the successful localisation of specialised waste to energy technology and operations, strengthening long term capabilities in this niche renewable energy segment.

Printing & Packaging

The Printing & Packaging segment delivered an exceptional performance in FY 2025/2026, recording revenue growth of 10.3% compared to the previous year.

Performance was supported by resilient demand from the FMCG sector, particularly core food, dairy, and confectionery customers, alongside the gradual improvement in macroeconomic conditions.

While top line growth remained measured, profitability improved significantly, driven by stronger gross margins and disciplined cost management. Operational efficiencies benefited from stable raw material prices, leaner processes, and improved preventive maintenance practices that enhanced throughput and reduced downtime. Targeted capital investments further strengthened cost competitiveness and margin performance.

During the year, the segment commissioned several automation focused investments to enhance production capacity and efficiency. These included a fully automated rigid box making machine to support higher margin packaging volumes, an automated platen machine to enhance die cutting capabilities and reduce outsourcing, and an in house lamination facility that reduced reliance on imported metallised boards and lowered material costs. These initiatives collectively improved operating efficiency, product quality, and delivery lead times.

The segment also recommenced direct exports after nearly two decades, successfully entering the Australian and UK markets with packaging solutions for the food and tea industries. This expansion was supported by the appointment of an exclusive sales promoter in Australia to strengthen regional market development.

Sustainability initiatives progressed during the year, with the completion of a carbon emissions assessment and the development of further reduction plans aligned with the Group's SBTi commitments. Responsible sourcing was strengthened through the introduction of Forest Stewardship Council (FSC) certified materials across most high volume customers, reinforcing the segment's commitment to ethical forestry and environmentally responsible production.

Apparel Manufacturing

During the year, the Apparel Segment of Aitken Spence Group faced significant operational and financial challenges amid internal restructuring and subdued external market conditions. The exit of a major customer, which previously contributed approximately 80% of business volume, necessitated a rapid shift towards customer diversification and operational recovery. New international customers were onboarded, initially at lower Earnings Per Minute (EPM), to sustain capacity utilisation and workforce stability. During the first half, underutilised capacity, lower plant efficiencies, workforce shortages, and start-up disruptions increased unit costs and compressed margins. Financial performance was further impacted by weakening global demand, US reciprocal tariffs, higher finance and overhead costs, and slower order conversions, resulting in lower revenue realisation and increased operating losses.

Plantations (Associate Company)

The plantations segment operated in a challenging environment marked by elevated cost pressures, regulatory developments, and sector wide structural constraints. A key challenge during the year was the statutory wage revision across the industry, which resulted in a material increase in labour costs and related gratuity provisions. As the wage revision had only a partial year impact, its full financial effect is expected to be more pronounced in the following financial year.

Despite these headwinds, the plantations segment delivered a strong performance,

STRATEGIC INVESTMENTS SECTOR

recording revenue growth of approximately 18% to Rs. 9 billion and a PBT increase of 23% to Rs. 2.47 billion year on year. Performance was underpinned by strong crop growth across tea, rubber, and oil palm, alongside improved net sales averages for oil palm and rubber.

Sustained gains from mechanisation, productivity enhancements, and operational efficiencies supported margin expansion, with oil palm delivering particularly strong results. Continued diversification into non plantation and value added activities, including berries, renewable energy, and emerging agribusiness ventures, further strengthened earnings resilience and improved the overall portfolio mix.

Investments in modern agricultural practices, field development, factory and estate infrastructure, and digital enablement supported improvements in productivity, sustainability, and risk management. The segment also continued to expand its value added product portfolio and strengthen brand presence through improved packaging, product innovation, and broader distribution in modern trade channels.

Employee welfare and community development remained key priorities, with initiatives focused on health and safety, skills development, education, and workforce inclusion. Sustainability efforts progressed through expanded solar usage, exploration of electric mobility, fertiliser optimisation trials, and the launch of a community based plastic waste collection initiative in partnership with the MAS Foundation.

STRATEGIC INVESTMENTS SECTOR

VALUE CREATION HIGHLIGHT

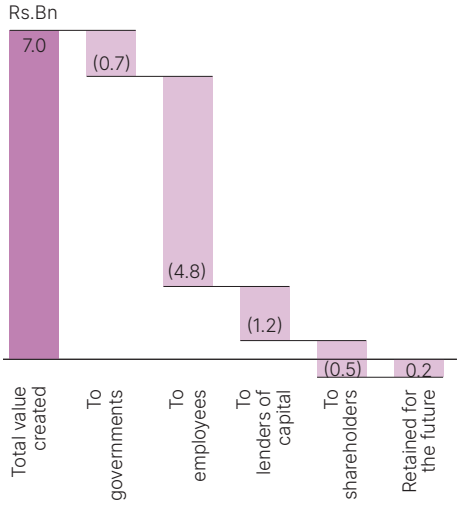
The Strategic Investments sector continued to play a complementary role within the Group's portfolio, generating a total value of Rs. 7.0 Bn during the year, reflecting the performance of its diversified investment base.

The distribution of value was primarily directed towards employees, who accounted for 69% of the value created, amounting to Rs. 4.8 Bn. Governments received 9% of the value generated, contributing to fiscal revenues.

Rs. 1.2 Bn was allocated to lenders of capital, consistent with the funding structures underpinning certain investments within the sector. Given the strategic mix of businesses with the sector, not withstanding the losses made by the apparel manufacturing segment, the remaining segments were able to contribute towards a Rs. 0.5 Bn value distribution to shareholders.

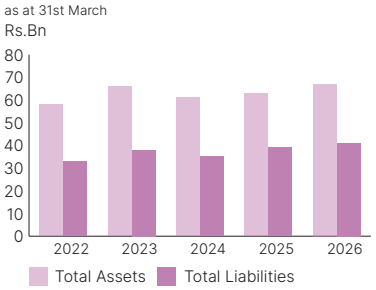
Primarily due to the losses incurred by the apparel manufacturing segment, the value retained within the sector reflected a marginal net absorption, with Rs. 0.2 Bn, representing -4% draw down from value retained for future use.

Distribution of Value Created

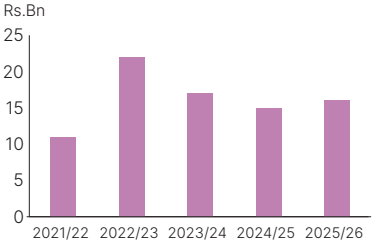


Financial

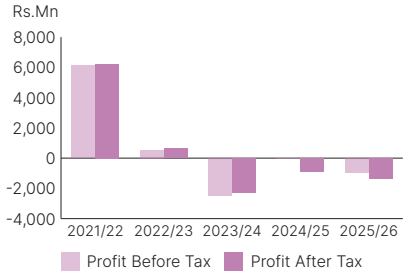
Stability



Revenue

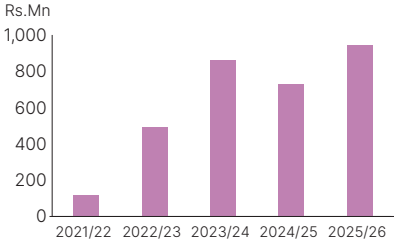


Profitability

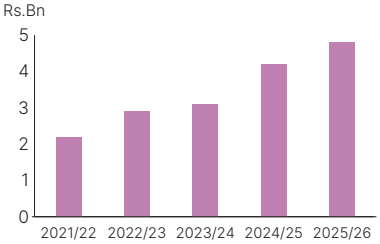


Social

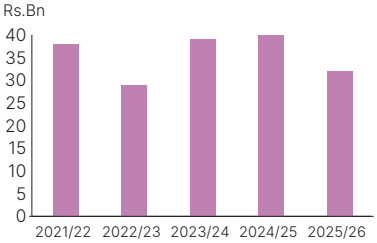
Taxes Paid to Government



Employee Benefits Paid

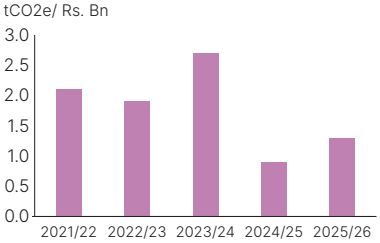


Total Investment in Sustainability Driven Processes

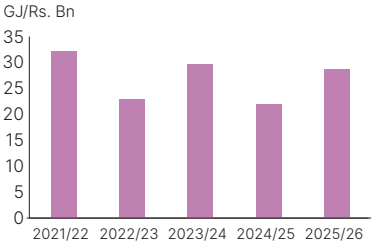


Environmental

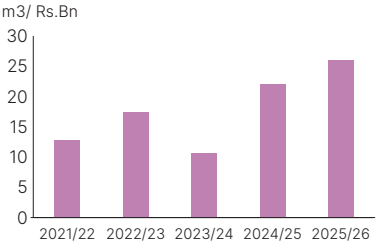
Total Emissions Per Unit Revenue



Total Energy Consumption Per Unit Revenue



Water Consumption Per Unit Revenue



STRATEGIC INVESTMENTS SECTOR

SECTOR SUSTAINABILITY IMPACT PROFILE

Segment	To the Organisation	From the Organisation
	» Variability in wind, solar and hydrological conditions affecting generation output and revenue stability. » Community concerns related to land use, visual impact, noise, or emissions from waste-to-energy operations » Labour availability risks for specialised technical roles required to operate renewable assets	» Generated 118.0 GWh of renewable energy contributing to emissions reduction and national clean energy goals » Reduced landfill burden and improved city cleanliness through municipal waste-to-energy processing » Enabled transfer of waste-to-energy technology to Sri Lanka
	» Disruptions to raw material availability due to climate-related impacts on global pulp production » Increasing environmental and packaging regulations requiring sustainable sourcing	» Supporting the country's transition towards sustainable packaging » Strengthening local sourcing and supplier development
	» Exposure to climate-related disruptions including rainfall variability, droughts, floods and pest outbreaks » Labour shortages due to declining youth interest in estate work	» Approximately 42% of procurement sourced from local suppliers supporting SMEs » Empowerment of estate communities » Adoption of sustainable agricultural practices supporting resource regeneration

NDC'S SUPPORTED BY THE SECTOR

The Strategic Investments sector supports Sri Lanka's nationally determined contributions (NDC 3.0) by contributing to priority mitigation sectors and adaptation outcomes through renewable energy generation, waste-sector methane reduction, climate-resilient infrastructure, and land-use-based ecosystem benefits.

Key contributions aligned to NDC 3.0 priorities include:

Renewable energy transition:	Waste sector methane mitigation:	Climate resilience and adaptation:	Land use and forestry (LULUCF):	Technology transfer and capacity building:
Renewable energy investments within the sector supports Sri Lanka's NDC 3.0 commitment to achieving 70% renewable energy share in the electricity generation mix by 2030 and cutting GHG gas emissions by 20.09% by 2035 through investments in solar, wind, hydro, and biomass.	Waste to energy operations align with NDC 3.0 waste sector targets to reduce methane emissions from landfills by diverting municipal solid waste from unmanaged disposal.	Climate informed asset design, disaster risk reduction (DRR) mechanisms support NDC 3.0 adaptation priorities for resilient energy and urban infrastructure.	Sustainable plantation management, efforts towards biodiversity protection, and increase green cover contribute to NDC 3.0 goals to enhance carbon sequestration and ecosystem resilience in the land sector.	Localisation of renewable and circular economy technologies supports NDC 3.0 cross cutting commitments on domestic capability development and a just transition to a low carbon economy.

STRATEGIC INVESTMENTS SECTOR

SBTI ALIGNED DECARBONISATION PROGRESS AND STAKEHOLDER VALUE CREATION

SBTi aligned progress reflects the Group's commitment to reducing emissions in line with global standards, while creating long term value through resilience, stakeholder trust, and sustainable operations.

Power Generation

Sector Net Zero Targets

		Target	Progress
» Reduce scope 1 GHG emissions from power generation 95% per MWh by FY2030 from a FY2020 base year			
» Increase active annual sourcing of renewable electricity from 0% in FY2020 to 100% by FY2030			
» Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

Printing and Packaging

Sector Net Zero Targets

		Target	Progress
» Reduction in transport emissions		20%	
» Reduction in emissions per impression		4%	
Progress	Ahead of Target	On Track	Behind Schedule

Plantations

Sector Net Zero Targets

		Target	Progress
» Reduction in transport emissions		20%	
» 50% reduction in nitrogenic chemical fertiliser by 2030		50%	
Progress	Ahead of Target	On Track	Behind Schedule

STRATEGIC INVESTMENTS SECTOR

SDG ALIGNMENT

SDG	Targets	How we Integrate	Our Contribution
4 QUALITY EDUCATION	**4.3** Ensure equal access to affordable, quality tertiary and vocational education for all by 2030. **4.4** Substantially increase youth and adult access to skills for decent jobs and entrepreneurship by 2030. **4.7** Ensure all learners gain the knowledge and skills to support sustainable development by 2030.	Structured approaches enabled to provide opportunities for training, upskilling, apprenticeship partnerships, and knowledge transfer. Collaboration with vocational institutions, universities, and industry bodies to build future ready talent pipelines.	Strengthened domestic skills base through knowledge transfer and industry exposure: 8,335 employees trained during the year. Student from the local communities supported for education in 2025/26. Enhanced technical and operational capabilities across renewable energy, manufacturing, and plantation operations.
5 GENDER EQUALITY	**5.1** End all forms of discrimination against women and girls everywhere. **5.5** Ensure women's full participation and equal leadership opportunities in all areas of decision-making. **5.b** Promote women's empowerment through greater access to digital and communication technologies.	Inclusion and equal opportunity embedded into recruitment, remuneration, and career development policies. Focused initiatives to increase female participation in traditionally male-dominated operational roles.	56.7% female representation in the sector 22.7% females in managerial roles. Female owned businesses encouraged within the supply chain.
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, treating wastewater, and increasing safe reuse by 2030. **6.4** Increase water-use efficiency and ensure sustainable freshwater supply to address water scarcity by 2030.	Water stewardship is embedded through consumption tracking, wastewater treatment, reuse systems, rainwater harvesting and staff and community awareness on responsible water use.	Lower environmental impact from wastewater discharge. Reduced freshwater dependency through increased reuse, treatment, and rainwater utilisation.
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve resource efficiency and decouple economic growth from environmental degradation by 2030. **8.5** Achieve full, productive employment and equal pay for all, including youth and persons with disabilities, by 2030. **8.8** Protect labour rights and ensure safe, secure working environments for all, including migrant and vulnerable workers. Indirect: 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Systemic interventions for resource efficiency; X% reduction in energy intensity Enhancing employee productivity through training and performance linked KPIs, alongside workforce development and inclusion initiatives to enhance quality of work. Regional employment generation, inclusive hiring, and community development initiatives across estates and operational sites.	Sustained livelihoods and stable, inclusive employment across regional and rural areas. Improved resource efficiency, supporting economic growth with lower environmental impact. Safer and more secure working environments across operations, equitable access to jobs and career progression opportunities. More equitable economic participation across operating areas.

STRATEGIC INVESTMENTS SECTOR

SDG	Targets	How we Integrate	Our Contribution
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop sustainable, resilient infrastructure with equitable access to support economic growth and well-being. **9.4** Upgrade infrastructure and industries by 2030 to improve efficiency and adopt clean, sustainable technologies.	Capital investment decisions prioritise process automation, clean technologies, resilient infrastructure, and locally adaptable innovation.	Enhanced productivity and resilience through climate informed, modern infrastructure, processes and management systems. Enhanced national capability in specialised renewable energy technologies.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** Achieve sustainable management and efficient use of natural resources. **12.5** Substantially reduce waste through prevention, recycling, and reuse. **12.6** Encourage adoption of sustainable practices and report performance.	Resource efficiency, preventive maintenance, waste reduction and procurement controls are embedded into operational practices and KPIs.	Enabled critical circular economy infrastructure and reduced landfill reliance for municipal waste management, improving urban cleanliness through efficient utilisation of municipal solid waste as a resource.
15 LIFE ON LAND	**15.2** Promote sustainable forest management, halt deforestation, and increase global deforestation. **15.5** Take urgent action to protect natural habitats, halt biodiversity loss, and prevent species extinction.	Sustainable land use, sourcing, and operational standards are embedded across the sector to minimise deforestation risks and protect natural habitats. Biodiversity conservation and ecosystem protection are integrated into operational and infrastructure development decisions to reduce habitat loss and environmental degradation.	Reduced pressure on land and ecosystems through sustainable waste management and landfill diversion. Improved soil health and ecosystem resilience through more sustainable land use practices. Enhanced protection of biodiversity and natural habitats within operational landscapes.
7 AFFORDABLE AND CLEAN ENERGY	**7.2** By 2030, increase substantially the share of renewable energy in the global energy mix. **7.3** By 2030, double the global rate of improvement in energy efficiency.	Expansion and operation of renewable energy assets including hydro, solar, wind, and waste-to-energy are embedded into capital allocation and portfolio strategy.	Increased contribution of renewable energy to the national power mix. Reduced reliance on fossil-fuel-based electricity generation. Improved energy security through diversified cleaner energy sources.
13 CLIMATE ACTION	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. **13.2** Integrate climate change measures into national policies, strategies and planning.	Integration of climate resilience into asset design, operational SOPs, insurance coverage, preventive maintenance, and scenario planning. Carbon assessments, emissions reduction plans, and renewable energy adoption aligned with the Group's SBTi commitments.	Improved resilience of assets and operations to climate related risks. Better management of operational disruption from extreme weather events. Reduced emission intensity across the sector.
17 PARTNERSHIPS FOR THE GOALS	**17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.	Collaboration with government entities, municipalities, training institutions, industry bodies, and community organisations to deliver shared sustainability outcomes.	Stronger public-private collaboration in energy, waste management, and infrastructure. More effective delivery of sustainability outcomes through shared capabilities.

STRATEGIC INVESTMENTS SECTOR

CAPITAL TRANSFORMATION IN THE SECTOR DURING THE YEAR

	Value Drivers	Capital Allocation	Output	Outcomes
Financial Capital	Rigorous cost control, competitive raw material sourcing, and timely customer price revisions. Continued focus on productivity, cost discipline, operational efficiencies and optimisation of outputs. Diversification of revenue sources.	**Rs. 66.6 Bn** Total Assets	**3.2 %** of Revenue Growth	» Operational resilience » Improved financial flexibility and capacity for reinvestment, supporting diversification initiatives and long-term growth in printing & packaging., power and plantations.
Manufactured Capital	Improved production capabilities with ongoing investments in plant/ factory/ machinery maintenance. Field development and mechanisation and factory modernisation in the plantations segment.	**Rs. 659.4 Mn** Investment in property plant & equipment	**2.4%** growth in tea crop **8.1%** growth in rubber crop **9.8%** growth in oil palm crop	» Enhanced efficiencies » Enhanced plant reliability and reduced unplanned stoppages » Ability to cater to emerging requirements » Higher NSA » Increased crop volumes » Increased labour productivity
Intellectual Capital	Development of technical expertise, particularly in waste-to-energy operations. Use of BI tools to provide deeper insights for continuous improvement. Acquisition of Ceylon Agro Food Technologies (Pvt) Ltd (CAFT).	**Rs. 26.9 Mn** Investment in digital infrastructure **Rs. 150.0 Mn** invested in acquisition of Ceylon Agro Food Technologies (Pvt) Ltd (CAFT)	**3** New products introduced during the year	» Greater operational efficiency and innovations. » Greater capacity to handle specialised skills. » Efficiency and productivity gains leading to higher yields. » Leadership position in sustainable agriculture practices.

STRATEGIC INVESTMENTS SECTOR

	Value Drivers	Capital Allocation	Output	Outcomes
Human Capital	Ongoing focus on employee skill development, health, safety, welfare, and leadership development. Engagement with employees to ensure work-life balance.	**Rs. 29.9 Mn** Investment in training and skills development **Rs. 74.1 Mn** in Profit share distributed to employees in the plantations segment	**2,852** New Hires **70.8%** Retention Rate **57%** Female representation	» Zero grievances on wellness indicators Stronger skill base and leadership pipeline. » Improved retention and productivity. » Increased labour productivity and employee satisfaction. »
Social & Relationship Capital	Strategic partnerships maintained to ensure inclusive and sustainable development. Integration of local suppliers into value chains. Strategic interventions to ensure community development.	**Rs. 8.1 Bn** Supplier Payments **Rs. 75.4 Mn** direct funds channelled and **Rs. 72.5 Mn** funds channelled through partners towards community development.	**1, 887** Local suppliers engaged **1,059** Customers	» Empowered local communities including estate communities Supply chain resilience. » Stronger license to operate.
Natural Capital	Ongoing initiatives are in place to reduce resource footprint, control the impacts from waste, effluents and emissions and to ensure net-positive impacts on natural ecosystems.	**Rs. 32.3 Mn** invested in sustainability driven processes, including low carbon technologies, emission reduction efforts and non-market approaches to climate change mitigation and adaptation.	**186,086 tCO2e** Emissions reduced / offset **5.96 GWh** Renewable energy generated **47,183 m3** Rainwater harvested **180,241 MT** Municipal solid waste diverted from landfills	» Increased green cover Sustainable use of land and the environment which supports local economic growth.

STRATEGIC INVESTMENTS SECTOR

OUTLOOK AND WAY FORWARD

The Group's outlook is shaped by a deliberate and measured approach to sustainable growth, sectoral diversification, and long term resilience, against a backdrop of policy uncertainty, funding constraints, climate risks, and evolving market expectations. While near term operating conditions are expected to remain challenging, the Group is focused on strengthening the quality of earnings, optimising asset utilisation, and selectively deploying capital into areas that support future ready value creation

Across all operating segments, priority will continue to be placed on operational excellence and disciplined cost management. Existing businesses will be strengthened through process optimisation, targeted automation, improved maintenance practices, and tighter working capital management. These efforts are intended to enhance operational reliability, protect margins, and improve cash generation, while preserving the flexibility required to respond to changing market and regulatory conditions.

A core element of the Group's way forward is the progressive diversification of revenue streams, both within and across sectors. This diversification strategy is aimed at reducing exposure to single markets, commodities, customers, or policy regimes, while creating a more balanced portfolio of mature, cash generating businesses and emerging growth areas.

Power Generation

As part of the Group's transition towards a more sustainable energy portfolio, the Power segment reached a key milestone with the decision to divest its interest in the Embilipitiya thermal power plant, with the divestment process currently underway.

This shift reflects the Group's intensified focus on expanding its renewable energy portfolio, prioritising domestic growth while selectively exploring overseas opportunities that leverage its technical expertise and operational capabilities. In parallel, the Group will pursue targeted investments in adjacent clean energy segments, including energy storage, carbon offset initiatives, and other emerging low carbon technologies.

The Power sector outlook is increasingly shaped by the shift away from fossil fuels, driven by cost volatility and evolving policy frameworks. Within this context, waste to energy remains a key focus due to its ability to address municipal waste challenges while supporting cleaner electricity generation. However, future investments will be approached selectively, with disciplined evaluation of tender competitiveness, regulatory clarity, and access to cost efficient funding.

In the near to medium term, the focus will remain on optimising the performance and efficiency of existing assets, while strengthening resilience to grid constraints, supply chain disruptions, and regulatory uncertainties.

Printing and packaging

Leveraging its recent performance momentum, the Printing and packaging segment is driving a focused growth strategy centred on diversification and targeted capacity expansion. In line with this direction, the business is actively evaluating entry into adjacent packaging segments, including flexible packaging and labels and tags, alongside exploring the establishment of a trading arm to broaden revenue streams and mitigate concentration risk.

To support these growth ambitions, plans are underway to expand production capacity through the development of additional factory space. This is expected to alleviate existing operational constraints while enhancing scalability, throughput, and overall operational efficiency.

The segment is well positioned to strengthen its standing as an efficient and sustainability driven manufacturer, underpinned by a progressive shift towards higher value, diversified packaging solutions that align with evolving customer requirements and sustainability expectations.

All expansion initiatives will be undertaken in a phased and disciplined manner, aligned with demonstrated demand and export opportunities, ensuring capital efficient and margin enhancing growth. At the same time, continued focus on in house capability development and responsible sourcing will remain key to sustaining competitiveness in both domestic and international markets

STRATEGIC INVESTMENTS SECTOR

Apparel Manufacture

The segment will remain agile in responding to evolving trade dynamics, customer sourcing patterns, and shifting market demand, while continuing to align its operating model with emerging industry realities. Management will maintain a strong focus on improving productivity, strengthening margin discipline, and enhancing the overall quality of the order book to support a more sustainable earnings profile. At the same time, in light of the sustained losses incurred by the segment, the Group is carefully evaluating a range of strategic alternatives with the objective of optimising the portfolio, strengthening capital allocation, and improving long-term value creation for shareholders. This review is being undertaken with due consideration to market conditions, the segment's strategic positioning, and the best interests of all stakeholders.

Plantations

While the operating environment for the plantations segment is expected to remain challenging, driven by climate variability, rising cost pressures, and potential market volatility from global geopolitical developments, the segment remains well positioned to navigate these challenges, supported by its diversified crop portfolio, resilient operating model, and forward looking strategic initiatives.

The segment continues to drive yield and efficiency gains through mechanisation, factory modernisation, and digitalisation, the segment remains focused on increasing the contribution from non plantation businesses in line with its long term diversification agenda. Strategic emphasis will be placed on expanding value added product lines in tea, cinnamon, and beverage based offerings and scaling horticulture initiatives, particularly berries and other high value crops. The segment will also continue to pursue overseas expansion opportunities through the development of international agri ventures to broaden its geographic footprint and revenue base.

Across the Group, sustainability considerations are embedded as a strategic enabler rather than a standalone initiative. The way forward includes sustained investment in climate resilience, resource efficiency, emissions reduction, and responsible land and resource management, aligned with the Group's longer term net zero and environmental commitments. These initiatives are expected not only to mitigate environmental and regulatory risks, but also to enhance long term asset value, stakeholder confidence, and access to capital.

Overall, while external uncertainty related to policy direction, funding costs, climatic volatility, and macroeconomic conditions is expected to persist, the Group's diversified portfolio, prudent capital allocation approach, and long term strategic orientation position it to navigate near term challenges while steadily building a more resilient, sustainable, and future ready business.

AWARDS AND ACCOLADES

SEGMENT	KEY AWARDS
PRINTING & PACKAGING	**WorldStar Award Winner 2026 in Luxury Category** » Aitken Spence Printing Wins WorldStar Award 2026 in the Luxury Category, Becoming the First and Only Offset Printing Company in Sri Lanka to Receive This Recognition **Platinum Trophy winner at the Lanka Star 2025** » Secured the top honour for the third time and the second consecutive year by achieving the highest cumulative score, having won 4 Gold, 7 Silver, and 8 Bronze Awards across multiple categories.
PLANTATIONS	» Gold Award at Green Productivity Award conducted by Sri Lanka Association for the Advancement of Quality & Productivity » Elpitiya Plantations PLC was recognised among the Top Ten Best Corporate Citizens of Sri Lanka and received several awards at the Best Corporate Citizens Sustainability Awards 2025 conducted by the Ceylon Chamber of Commerce. • 1st Runner-up – Category B (less than Rs. 15 Bn turnover) • Category Award Winner – Community Relations • Merit Award – Best Project Sustainability Awards (Project: Best Harvest) » Bronze Award at TAGS Awards 2025 conducted by CA Sri Lanka

STRATEGIC INVESTMENTS SECTOR

INDUSTRY BENCHMARKS MAINTAINED

Power generation

- Environmental and social management systems (ESMS) maintained

Printing and Packaging

- ISO 14001: 2015 (environmental impact control)
- ISO 9001:2015 (quality management)
- ISO 45001:2018 (OHS)
- ISO 14064-1 : 2018 (GHG Inventory Verification)
- Forest Stewardship Council Chain of Custody Certification
- Compliant with Sedex Members Ethical Trade Audit (SMETA – 4 Pillar)

Apparel

- SEDEX registered supplier
- ISO 9001:2015 (quality management)
- Compliance+ certified (awarded by the Employers' Federation of Ceylon for exemplary employment standards)
- WRAP gold for compliance (Worldwide Responsible Accredited Production)
- Global Organic Textile Standard (GOTS) – version 6.0
- GMP (Good Manufacturing Practices) certified
- C-TPAT (Customs-Trade Partnership Against Terrorism) certified
- Higg Index compliant
- OEKO-TEX® Organic Cotton New regulations 2025 compliant
- European Flax certified
- The Business Social Compliance Initiative (BSCI) certified
- Facility and Merchandise Authorisation (FAMA) compliant

Plantations

- Seven of our estates are Forestry Stewardship Council certified
- Six of our estates are Rainforest Alliance certified
- Seven of our factories are ISO 22000/HACCP certified for food safety
- Elpitiya Plantations PLC has obtained SLS1324:2018 (Sri Lanka organic agriculture production and processing)

SERVICES SECTOR

SECTOR PROFILE

The Services sector brings together a diverse portfolio spanning money transfer, insurance, elevator agency operations, BPO, and property management businesses. Leveraging strong relationships with global principals, the sector continues to scale specialised services in these strategically important service industries.

Insurance

Provides specialised marine cargo and general insurance services, including surveys, claims management, and insurance brokerage and advisory solutions for corporate and individual clients. The segment comprises Aitken Spence Insurance Brokers (Pvt) Ltd (ASIB) and Aitken Spence International Consulting (Pvt) Ltd (ASIC). ASIB focuses on insurance brokering and risk advisory, arranging general and long-term solutions and supporting effective claims resolution. ASIC represents Lloyd's of London and W.K. Webster, undertaking surveys, claims settlement, and marine cargo recovery, while also serving as Superintendent for the UN World Food Programme.

Principals: Lloyds of London, W.K. Webster

Sri Lanka | Maldives

Elevators

As the sole agent for Otis-branded vertical transportation systems in Sri Lanka and the Maldives, the segment operates within a specialised market, serving clients who prioritise safety, reliability, and quality. Its solutions are embedded in several of Colombo's landmark developments, underscoring a strong reputation for excellence in engineering and service delivery.

Backed by its global principal, Otis, the segment continues to enhance its offering through advanced technologies, preventive maintenance capabilities, and responsive after sales service, delivering consistent performance and elevated customer experience.

Principal: Otis

Sri Lanka | Maldives

Money Transfer

MMBL Money Transfer (Pvt) Ltd operates one of Sri Lanka's most extensive remittance networks, supported by an islandwide base of over 3,000 sub representatives providing. extended operating hours. This network of micro-entrepreneurs is seamlessly linked to the global remittance ecosystem through established partnerships with Western Union, MoneyGram, and Ria.

Leveraging these relationships with leading international principals, MMBL has built a strong position in facilitating both inward and outward remittances for Sri Lankan migrant workers, ensuring speed, reliability, and accessibility across its service offering.

Sri Lanka

Property Management

The Property Management segment owns and operates Aitken Spence Towers, which houses the Group's head office and several strategic business units. Located in Colombo's central business district, the development comprises two towers with approximately 200,000 square feet of premium office space, supported by ample parking and proximity to key commercial and government institutions. A portion of the space is leased to external tenants, generating a stable rental income stream underpinned by high occupancy and disciplined asset management.

Sri Lanka

SERVICES SECTOR

BPO Services

Port City BPO (Pvt) Ltd is an Authorised Person approved by the Colombo Port City Economic Commission (CPCEC), specialising in Business Process Outsourcing (BPO) services. Commencing operations in 2024, it represents the Group's entry into a new segment, operating as an offshore entity with an innovative delivery model. Serving clients across multiple Asian markets, the business has delivered strong initial performance, created employment opportunities for youth, and offers an integrated value proposition encompassing talent sourcing, operational infrastructure, and international market access.

Sri Lanka

SERVICES SECTOR

AT A GLANCE

- Services sector portfolio consists of money transfer, insurance, elevator agency operations, BPO operations, and property management segments.
- Key segments are backed by long standing partnerships with global principals.

Rs. **8.9** Bn
Revenue

Rs. **1.2** Bn
Profit before Tax

SUSTAINABILITY IMPACT

- Zero non-compliances or non-conformities with regulations or voluntary standards.
- Access to financial services enabled across the country, and primarily in rural areas.
- 6,602 direct job opportunities created.
- Energy consumption at the corporate office maintained below national mean consumption benchmark for commercial buildings by roughly 20%.

OPERATIONAL HIGHLIGHTS

Insurance
- Obtained Life Insurance Brokerage License from the IRCSL, making the segment well poised to explore opportunities in this new segment.

Elevators
- Introduced the Otis ONE IoT device to enable real time monitoring and predictive maintenance and rolled out a branded VIP service model enhancing the segment's value proposition.

Money Transfer
- During the year, the segment reviewed its operating model and sharpened its focus on higher-performing lines of business.

BPO Services
- Achieved significant operational expansion, growing the workforce to over 6,000.

WAY FORWARD

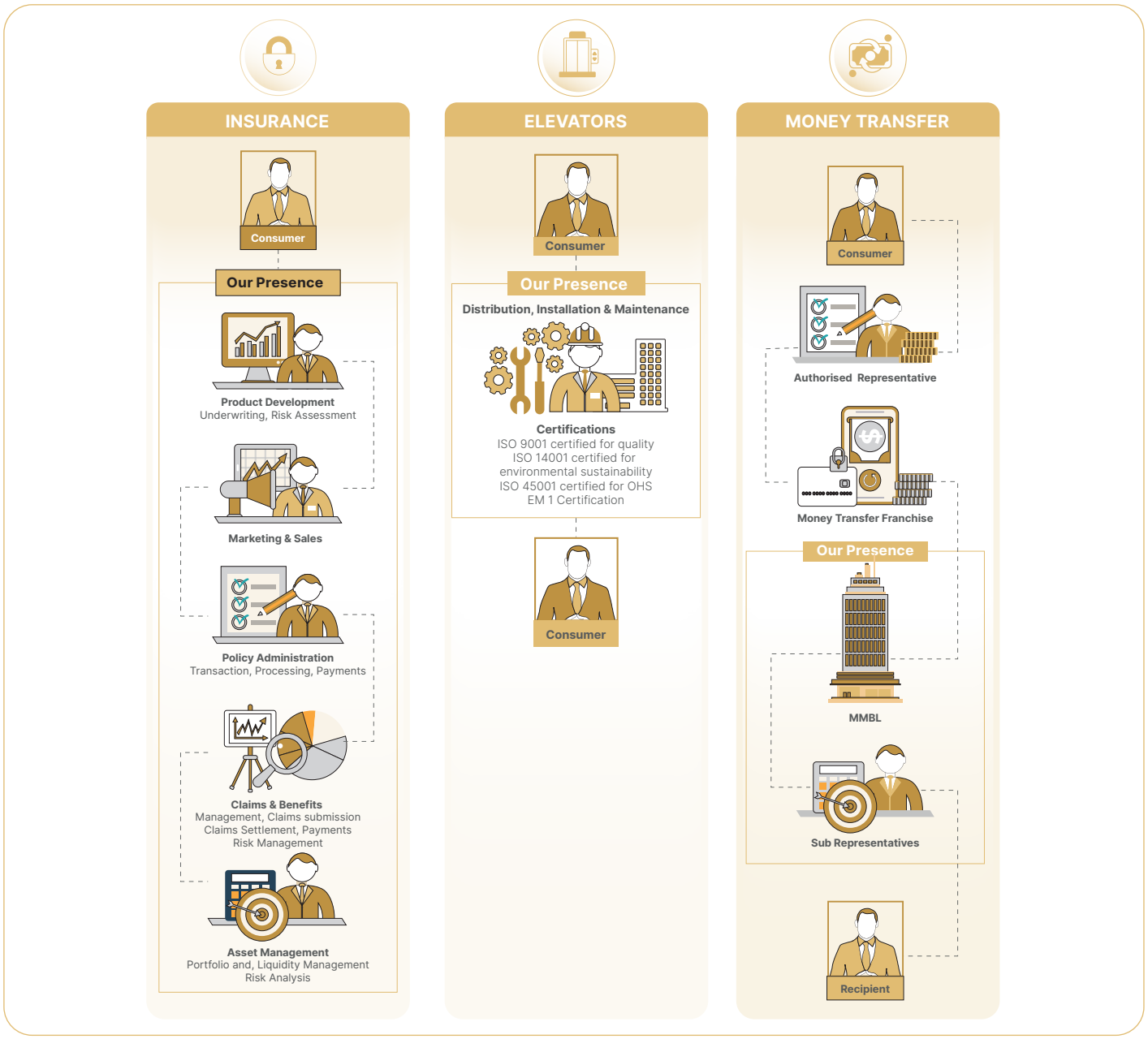
- Expand BPO operation through increased team strength and client base
- Strengthen presence in life insurance segment and continue to diversify offering
- Widen money transfer network by expanding its sub representative network and onboarding new service partners
- Drive margins in the elevator segment by enhancing value proposition
- Continued focus on enhancing capacity across segments through skill enhancement and digitalisation.

SERVICES SECTOR

CONTRIBUTION BY THE SECTOR *(GRI 2-6)*

TO THE GROUP			TO THE ECONOMY		
7.2% of Group Revenue	**8.9%** of Group Profit Before Tax	**3.4%** of Assets	**6,602** Employment Generated	**Rs.62.1Bn** Facilitation of Foreign Currency Generation to the Country	**Rs.545.6Mn** of Taxes Paid

OUR PRESENCE ALONG THE VALUE CHAIN *(GRI 2-6)*



SERVICES SECTOR

OPERATING CONTEXT IN 2025

The services sector remained the primary driver of Sri Lanka's economic activity in 2025, accounting for 58.4% of GDP and providing employment to around 50% of the national workforce.

Services activities in 2025 recorded a robust growth of **3.3%** in 2025

primarily supported by continued expansion in financial services and transport activities.

INSURANCE

The insurance sector in Sri Lanka continued to show robust growth during 2025, with strengthening market activity across both long-term and general insurance segments as indicative from an increase in Gross Written Premiums (GWP), and steady and sustained growth in total assets.

CONSTRUCTION

Construction activities continued to gain traction during the year, with the sector recording a 9% growth during the year. Growth was supported by a steady increase in construction projects underpinned by the resumption of previously stalled projects and the gradual strengthening of investment and development activities. This growth positively impacted the elevator segment.

REMITTANCES

Workers' remittances recorded a historic high in 2025, increasing by 22.8% yoy to USD 8.1 bn, compared to USD 6.6 bn in 2024. The continued improvement in official remittance inflows and sustained migrant worker departures supported this strong performance.

BPO

Sri Lanka's Knowledge Process Outsourcing (KPO) industry is emerging as a strategic contributor to the global digital transformation landscape, supported by the steady expansion of the Business Process Outsourcing (BPO) sector, which has recorded ICT/BPM export earnings in the range of USD 1.1–1.3 billion in recent years.

SERVICES SECTOR

SECTOR PRIORITIES

Topics Material to the Services Sector

Economical

	Insurance	Elevators	Money Transfer	Property Management	BPO Services
HIGH	» Financial governance » Anti-corruption, anti-bribery and anti-competitive behaviour » Compliance & ESG » Direct economic value created and distributed » Taxes				
MEDIUM	» Innovation	» Innovation » Indirect economic value created	» Innovation » Indirect economic value created	» Indirect economic value created	» Medium » Innovation » Indirect economic value created
LOW	» Indirect economic value created » Market presence	» Market presence	» Market presence	» Market presence » Innovation	» Market presence

Environmental

	Insurance	Elevators	Money Transfer	Property Management	BPO Services
HIGH	» Energy consumption	» Energy consumption » Solid waste management	» Energy consumption	» Energy consumption » Solid waste management » Water consumption » Emission control	» Energy consumption
MEDIUM	» Emission control	» Emission control » Materials	» Emission control	» Materials » Effluent control	» Solid waste management » Water consumption » Emission control
LOW	» Water consumption » Solid waste management	» Water consumption	» Water consumption » Solid waste management		» Effluent control » Materials

SERVICES SECTOR

Social

	Insurance	Elevators	Money Transfer	Property Management	BPO Services
HIGH	» Occupational health & safety (OHS) » Employee welfare » Human rights & labour standards » Learning & development » Product and service responsibility » Information security				
MEDIUM	» Customer satisfaction » Local community development » Diversity, Equity & Inclusion (DE&I)	» Customer satisfaction » Local community development » DE&I	» Customer satisfaction » Local community development » Supply chain control (environmental & social)	» Customer satisfaction » Supply chain control (environmental & social)	» Information security » Customer satisfaction » Local community development » DE&I
LOW	» Supply chain control (environmental & social) » Local purchasing and employment	» Supply chain control (environmental & social) » Local purchasing and employment	» DE&I » Local purchasing and employment	» DE&I » Local community development » Local purchasing and employment	» Supply chain control (environmental & social) » Local purchasing and employment

SERVICES SECTOR

SECTOR SWOT

The following SWOT provides an analysis of our key strengths and weaknesses as well as the opportunities and threats across each of the sectors we operate in.

	S	W	O	T
Insurance	A strong reputation backed by solid principal partnerships.	Limited diversification of the customer base.	Increased demand for insurance solutions. Segment is now able to do life insurance business.	Growing levels of competition.
Elevators	Well-known brand (Otis) in Sri Lanka and regional markets with a strong reputation for reliability and safety.	High dependence on imports for components and systems.	Potential markets in South Asia and the Middle East.	Local and international competitors entering the market with competitive pricing.
Money Transfer	Strong partnerships with the world's leading remittance principals and extensive island wide network of sub representatives.	Customer dependence on non-digital channels and slow adaptation of digital platforms.	Digitalisation of operations.	Increased financial literacy and adoption of banking and digital channels, reducing reliance on agent-based remittance services.
Property Management	Integrated facility management expertise and Well-defined operational systems (service level agreement-based work order management, and preventive maintenance).	Dependence on existing buildings with limited immediate expansion prospects within current portfolio.	Growing demand for high-quality office spaces with professional facility management.	Economic instability and changing work patterns affecting demand for office space and tenant affordability.
BPO Services	First mover advantage	Decentralised locations due to unavailability of large, high-quality office spaces.	Growing industry	Cyber security risks High employee turnover

SERVICES SECTOR

STRATEGIC ALIGNMENT TO GROUP GOALS AND OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives

Achieve year-on-year sustainable profit growth, overall growth in market share in all business segments

Time Bound Strategies

Short term	Insurance	Consolidate all Group insurance requirements while shifting focus toward non personal insurance lines, supported by partnerships with local insurers to deliver customised package solutions.
	Elevators	Strengthen relationships with property developers and construction companies by improving service quality and operational efficiency.
	Money Transfer	Accelerating the shift toward seamless, technology enabled customer experiences.
	Property Management	Optimise operational efficiency through cost control and preventive maintenance of building services while providing an enhanced customer service.
	BPO Services	Diversify service offerings by expanding into new markets and onboarding new clients.
Medium Term	Insurance	Strengthen life insurance business and acquire more large and medium sized corporate clients.
	Elevators	Enhance product offerings and differentiate from competitors through the adoption of advanced elevator technologies, including smart IoT enabled monitoring systems, energy efficient solutions and improved safety features.
	Money Transfer	Enhance digital customer experience to drive digital transactions.
	Property Management	Upgrade infrastructure (elevators, HVAC systems, common areas) to enhance property value.
	BPO Services	Implement ERP/AI in back-office tasks to reduce cost per transaction.
Long Term	Insurance	Strengthen engagement in reinsurance business to drive volumes
	Elevators	Strengthen brand positioning as a diversified engineering solutions provider.
	Money Transfer	Build an integrated digital ecosystem spanning customers, principals and the segment.
	Property Management	Continuous portfolio enhancement through refurbishment and modernisation of existing buildings and integrate advanced sustainability practices to reduce long-term operational costs.
	BPO Services	Move up the value chain from outsourcing to specialised services to improve margins.

Key initiatives implemented by segments in 2025/2026

- The insurance segment commenced building a broker front end system and a surveyor workflow platform, which are expected to significantly improve operational efficiency.
- The elevators segment focused on operational efficiency, process standardisation, digital adoption, cybersecurity, data-driven decision-making, and enhancing customer experience through multiple initiatives.
- MMBL strengthened the presence in higher margin businesses while advancing its digitalisation agenda.
- Ongoing efforts by the property management segment to reduce long term operational costs (e.g.: through energy and water efficiency initiatives).

SERVICES SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

Expand the Aitken Spence reach into new geographies

Time Bound Strategies

	Insurance	Expand presence in the Maldives by partnering with local insurers and brokers for hull and machinery assessments, while strengthening alliances with specialised risk assessors to deliver resort and corporate risk surveys.
	Elevators	Expand operations in the Maldives and Sri Lanka markets.
	Money Transfer	Enhance presence in the GCC corridor.
	BPO Services	Launch targeted marketing campaigns and establish strategic alliances with local business partners for on-ground presence.
	Insurance	Offer broker related services to customers in the Maldives.
	Elevators	Strengthen brand recognition in regional construction markets.
	Money Transfer	Establish presence in the EU corridor.
	BPO Services	Widen customer base in current markets.
	Insurance	Expand service offering in the Maldives.
	Elevators	Establish long-term partnerships with global infrastructure developers.

Key initiatives implemented by segments in 2025/2026

- Strengthened elevator segment presence in the Maldives by enhancing regional brand visibility through updated corporate profiling
- Ongoing brand building initiatives across geographies by MMBL to access the Sri Lankan diaspora in EU and USA

Strategic Objectives

Venture into five new business segments by 2030

Time Bound Strategies

	Insurance	Explore new opportunities in life insurance business.
	Elevators	Introduce smart elevator technologies and energy-efficient systems.
	Property Management	Identify and evaluate potential new business segments related to property and facility management such as integrated facilities management services, energy management and smart building solutions.
	Insurance	Explore new opportunities in reinsurance business.
	Elevators	Invest in advanced technologies such as smart elevators and predictive maintenance solutions.
	Property Management	Integrate smart technologies and digital platforms into operations and support Group initiatives in entering adjacent sectors such as sustainable building solutions and property-related services.
	Insurance	Explore new opportunities in risk management academy and actuarial services.
	Elevators	Expand into new infrastructure sectors (airports, smart cities, mega developments).
	Property Management	Scale successful services across multiple properties and future developments to position the company as a provider of integrated and technology-driven property solutions.

Key initiatives implemented by segments in 2025/2026

- Insurance segment obtained its Life Insurance License from the IRCSL, marking its entry into the life insurance segment and expanding its portfolio.
- The elevator segment strengthened its presence in the residential apartment segment.
- Property management segment continued to explore integration of smart building technologies.

SERVICES SECTOR

Short term — Medium Term — Long Term

Strategic Objectives

Reduce the resource footprint and achieve net-zero emissions by 2030

Time Bound Strategies

Short term	Insurance	Digitalisation of core operations to reduce resource consumption.
	Elevators	Strengthen systems to measure and monitor carbon emissions, energy consumption, and waste generation across operations.
	Money Transfer	Improve operational efficiency by reducing paper usage and managing fuel consumption.
	Property Management	Conduct energy, water, and waste audits to establish accurate baselines.
	BPO Services	Digitalisation to reduce resource footprint.
Medium Term	Insurance	Gradual transition towards paperless operations (e-policies, digital documentation).
	Elevators	Introduce energy-efficient elevator technologies and eco-friendly equipment.
	Money Transfer	Strengthen monitoring systems and expand digital processes to further reduce resource use.
	Property Management	Improve and strengthen building management systems (BMS) for real-time monitoring and control.
	BPO Services	Implement a policy to prioritise procurement of eco-certified office supplies and hardware.
Long Term	Insurance	Increase digital client servicing capabilities including secure online portal access for customers and principals.
	Elevators	Lower emissions through renewable energy, energy-efficient technologies, and carbon offset programmes.
	Money Transfer	Drive digitalisation agenda to reduce resource consumption.
	Property Management	Integrate smart and digital solutions for continuous sustainability monitoring and align operations with green building standards and certifications where applicable.
	BPO Services	Integrate Environmental, Social, and Governance (ESG) standards into service delivery.

Key initiatives implemented by segments in 2025/2026

- The insurance segment continued initiatives such as adopting flexible work from home arrangements, increasing virtual meetings, and applying basic energy saving practices in office operations as part of its efforts to strengthen environmental sustainability and reduce operational resource consumption
- The elevator segment continued to progress in its transition to energy efficient technologies, such as Gen2 and ReGen solutions
- Paper and fuel saving initiatives were carried out by the money transfer segment.
- The property management segment continued to invest in water and energy efficiency across managed properties

SERVICES SECTOR

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies		
Achieve Employer of Choice status	Short term	Insurance	Focus on technical skill enhancement of staff.
		Elevators	Strengthen recruitment strategies to attract young talent and skilled professionals.
		Money Transfer	Strengthening foundational HR systems, deepening employee engagement and accelerate the development of critical skills.
		Property Management	Strengthen employee engagement through recognition programmes and welfare initiatives.
		BPO Services	Review and align salary structures with top-tier BPO benchmarks and introduce wellness initiatives.
	Medium Term	Insurance	Advance gender equality by strengthening pathways for women to assume leadership positions across the insurance division.
		Elevators	Invest in advanced HR technologies for talent management and workforce analytics.
		Money Transfer	Deepening talent strength, strengthening leadership, and elevating employer branding.
		Property Management	Strengthen leadership development programs for supervisors and middle management and enhance recruitment strategies to attract skilled talent.
		BPO Services	Establish structured career paths, mentorship programmes, and leadership training to improve employee skills.
	Long Term	Insurance	Build strong leadership pipeline.
		Elevators	Position the company as a top employer in the engineering and infrastructure sector.
		Money Transfer	Build a future ready workforce by strengthening learning, benefits, succession, and culture.
		Property Management	Build a strong employer brand within the property and facility management sector.
		BPO Services	Become an Employer of Choice recognition.

Key initiatives implemented by segments in 2025/2026

- Advanced staff technical expertise by facilitating professional qualifications and encouraging participation in industry learning and knowledge sharing sessions in the insurance industry.
- Enhanced workforce capability in the elevators segment, with over 80% of employees completing technical competence and safety training programmes.
- Ongoing focus on enhancing technical knowledge of the money transfer segment.
- Technical training sessions in MEP systems for maintenance staff in the property management sector were conducted.

SERVICES SECTOR

SECTOR INTEGRATED PERFORMANCE

Statement of Financial and ESG Performance (GRI 102-5, 102-6; 103-2, 103-5; 201-1; 203-1; 302-1; 303-3,4)

	2025/2026	2024/2025	YoY(%)
Revenue (Rs. Mn)	8,939	3,498	156
EBITDA (Rs. Mn)	1,461	573	155
Profit before tax (Rs. Mn)	1,231	327	276
Profit after tax (Rs. Mn)	1,036	238	336
Total assets (Rs. Mn)	7,674	7,658	0
Total liabilities (Rs. Mn)	3,523	4,438	(21)
Total direct tax paid (Rs. Mn)	268	147	82
Total indirect tax paid (Rs. Mn)	277	217	28
SDGs towards which the sector's performance contributes: 4 and 5			
Targets: 4.3, 4.4, 4.7, 5.1, 5B			
Number of employees	6602	2,209	>199
Employee female representation	32%	36%	(11)
Employee benefits paid (Rs. Mn)	631	609	4
Training hours per employee	1	2	(50)
SDGs towards which the sector's performance contributes: 4, 5 and 12			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 12.b			
Investment in training (Rs. '000)	4,822	4,304	12
Brand stewardship	5	5	0
Number of certifications	3	3	0
SDGs towards which the sector's performance contributes: 8 and 12			
Targets: 8.5, 8.8, 8.10, 12.b			
Number of joint venture/ equity partnerships	5	4	25
Number of suppliers screened on ESG within the year	42	7	>100
SDGs towards which the sector's performance contributes: 8, 9 and 12			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b			
Total energy consumption (GJ)	4,007	4,149*	(3)
Scope 1 emissions (tCO2e)	173	194	(11)
Scope 2 emissions (tCO2e)	376	360*	5
Emissions reduced or offset (tCO2e)	5	7	(30)
Total water withdrawn (m3)	19,888	19,942*	(0)
Total amount of solid waste kept away from landfills			
(Tonnes)	11	13	(19)
(Units)	10	-	>100
Total investment in sustainability driven processes (Rs. Mn)	0.23	3	(91)
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	4,066	3,141	29
Investment in manufactured capital (Rs. Mn)	90	30	198

*NOTE: Due to realignment of reporting boundaries as well as corrections made to emission factors used in emission calculations, the applicable data has been restated to allow a more accurate representation of comparative data keeping with the reporting principles of the GRI Standard. The GRI Topic have also been updated to align with the new topics introduced under climate change (GRI102) and energy (GRI103). GRI 302 Energy 2016 has been revised and will be superseded by GRI 103: Energy 2025, which we have adopted early ahead of the effective date of 1 January 2027.

SERVICES SECTOR

INTEGRATED PERFORMANCE

The Services sector recorded an exceptional growth during the year, with revenue increasing by 156% to Rs. 8.9 Bn and profit before tax rising by 276% to Rs. 1..2 Bn. The stronger growth in earnings relative to revenue reflects the sector's improved profitability and operational effectiveness.

Consequently, the sector's contribution to Group revenue increased from 3.1% in 2024/25 to 7.2% in 2025/26. Performance was underpinned by broad-based growth across the portfolio, supported by disciplined cost management, portfolio optimisation initiatives, and continued operational improvements.

Growth within the sector was primarily driven by the BPO segment, which recorded significant expansion in both scale and profitability, alongside notable contributions from the elevator and property management segments. These segments benefited from improved demand conditions, high asset utilisation, and targeted strategic initiatives.

Performance within the insurance and money transfer segments reflected a more mixed outcome. While both segments demonstrated progress in strengthening operational fundamentals and business volumes, profitability was impacted by portfolio adjustments and margin pressures, respectively

During the year, the sector also expanded its operational footprint with the addition of approximately 4,000 employees, driven primarily by the scaling of BPO operations. At the same time, continued digitalisation across segments improved process efficiency, productivity, and service delivery, while supporting long-term cost optimisation.

In line with the Group's sustainability agenda, the sector advanced initiatives aimed at reducing resource consumption and improving energy efficiency, reflecting its ongoing commitment to achieving net-zero targets and enhancing responsible business practices.

The elevator segment recorded an improved performance during the year, supported by a gradual recovery in the construction sector. Revenue increased by 30.9%, driven by new installation projects and the continued contribution from recurring maintenance contracts, while profitability improved by 171.3% through enhanced operational efficiencies.

Performance was, however, moderated by delays in construction activity and fluctuations in import costs, reflecting ongoing external pressures within the sector.

Strategically, the segment strengthened its presence in the residential apartment market, capitalising on growing urbanisation trends through partnerships with leading developers. Concurrently, it rationalised its project portfolio by reducing exposure to low-margin projects and phasing out legacy product configurations, enhancing margin quality and cash flow predictability.

The segment also advanced its transition towards technology-led solutions, including the pilot deployment of the Otis ONE IoT platform for predictive maintenance, alongside increased adoption of energy-efficient technologies such as Gen2 and ReGen systems.

Operational efficiencies were further strengthened through digitalisation, process automation, and technical capability development, enabling improved service responsiveness and customer experience.

The property management segment delivered a stable and resilient performance, supported by high occupancy levels and strong tenant retention across its portfolio. Revenue remained stable, while Profit Before Tax reflected moderate improvement driven by cost discipline and efficient operational management.

Performance was underpinned by continued focus on service quality and tenant engagement, resulting in sustained tenant satisfaction and continuity of occupancy.

During the year, the segment prioritised asset enhancement initiatives aimed at maximising the value of its existing portfolio. Investments were directed towards infrastructure upgrades, including central air conditioning system improvements, replacement of split AC units, and upgrades to communication systems, enhancing both energy efficiency and tenant experience.

The segment also progressed its energy optimisation and sustainability initiatives, improving resource efficiency and supporting long-term cost reductions in line with Group ESG objectives.

Overall, the segment continues to provide stable earnings and strong cash flow generation, supported by disciplined asset management and high service standards.

The money transfer segment recorded a challenging performance during the year, with revenue declining compared to the previous year, primarily due to the strategic withdrawal from lower-margin business lines.

During the year, the segment undertook a critical review of its operations, implementing targeted corrective actions and cost rationalisation measures aimed at strengthening financial performance and transitioning the business towards profitability.

The segment also strengthened its principal network, with the addition of Instant Cash, while deepening existing relationships by increasing wallet share with Ria and enhancing performance in Western Union cash-to-cash transactions.

In parallel, the segment advanced its digital transformation agenda, including the development of a centralised Agent Pay Network (APN) platform, automation of compliance processes, and enhancements to digital reporting and monitoring systems, improving operational efficiency and decision-making capabilities.

SERVICES SECTOR

Despite the decline in revenue, the segment achieved a reduction in loss before tax, reflecting the impact of cost control measures, operational efficiency improvements, and portfolio rebalancing initiatives.

While margins remain under pressure due to prevailing industry dynamics, the corrective measures implemented during the year have strengthened the operational foundation, with performance expected to improve in the coming year. The insurance segment recorded a mixed performance during the year, with business volumes improving but financial performance impacted by portfolio changes due to reduction in margins . Revenue declined by 8.4% while Profit Before Tax reduced by 16.3%.

A key milestone during the year was the obtaining of the Life Insurance License from the IRCSL, enabling the segment to diversify into long-term insurance solutions and broaden its product offering.

The segment also continued to enhance its capabilities through investment in human capital, strengthening technical expertise, and advancing digital initiatives, including the development of broker-facing platforms and workflow systems to improve service delivery and operational efficiency.

Overall, the segment remains well-positioned for future growth through diversification, digital transformation, and expansion into life insurance, despite short-term profitability pressures.

The BPO segment delivered a robust performance during the year, emerging as the primary driver of growth within the Services sector. Revenue and Profit Before Tax increased reflecting strong operating leverage driven by rapid scaling of operations and an expanding client portfolio.

The segment's performance was underpinned by client acquisition and service expansion and existing clients broadening the range of services outsourced. Headcount expanded significantly to approximately 6,300 employees, enhancing operational capacity and supporting sustained growth.

A strategic partnership was also established during the year, further strengthening its expansion and capability development initiatives.

Overall, the segment's strong performance reflects its scale-driven growth strategy, diversified service offering, and increasing contribution to export-oriented earnings, positioning it as a key growth engine for the Group.

SERVICES SECTOR

VALUE CREATION HIGHLIGHT

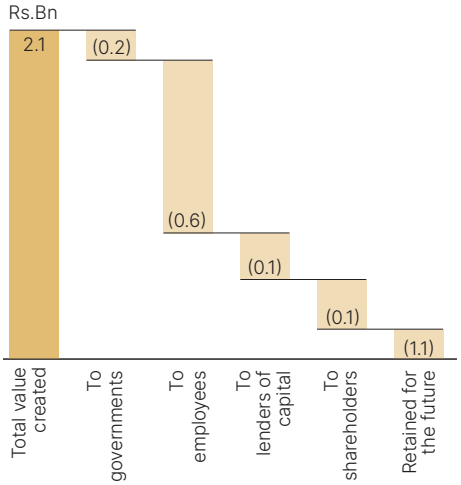
The Services sector generated a total value of Rs. 2.1 Bn during the year, reflecting the continued contribution of its specialised capabilities across its areas of operation.

Employees were attributed Rs. 0.6 Bn, accounting for 30.0% of the value generated, demonstrating the sector's role in supporting its professional and technical talent base. Governments received 10.1% of the value created, contributing to statutory obligations and public finances. Given to low debt financing of the sector, the value distributed to lenders of capital amounted to only 2.8% of the value created amounting to Rs. 0.1 Bn, while shareholders were attributed 5.0% of the value created.

A significant portion of the value created was retained within the business at Rs. 1.1 Bn, representing 52.2%, supporting ongoing reinvestment, service development, and the strengthening of operational capacity.

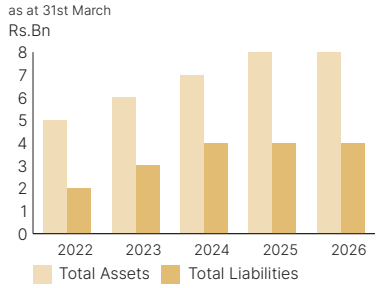
Overall, the value distribution reflects a disciplined approach, with a clear emphasis on business efficiency to support sustainability, capability enhancement, and future growth.

Distribution of Value Created

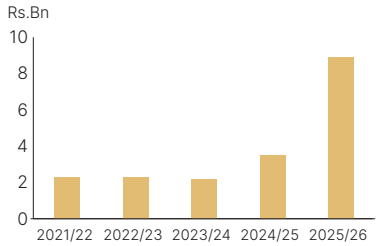


Financial

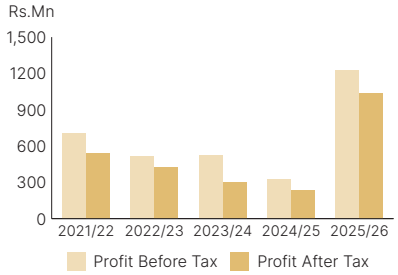
Stability



Revenue

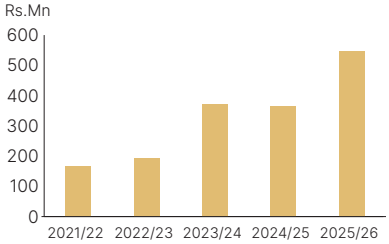


Profitability

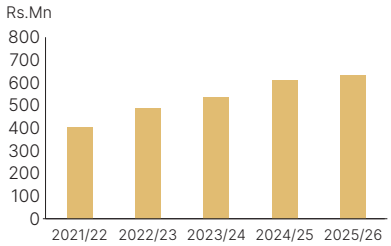


Social

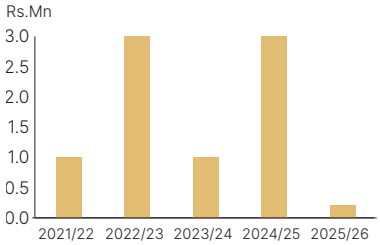
Taxes Paid to Government



Employee Benefits Paid

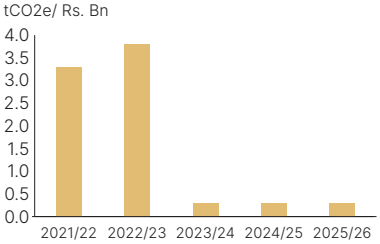


Total Investment in Sustainability Driven Processes

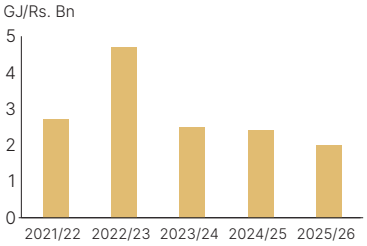


Environmental

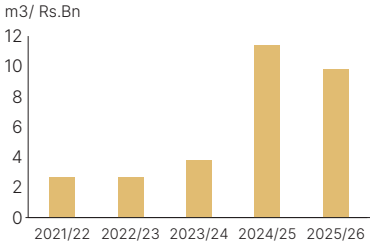
Total Emissions Per Unit Revenue



Total Energy Consumption Per Unit Revenue



Water Consumption Per Unit Revenue



SERVICES SECTOR

SECTOR SUSTAINABILITY IMPACT PROFILE

Segment	To the Organisation	From the Organisation
Insurance	» Increased frequency and severity of climate events (floods, storms, droughts, wildfires) driving higher claims and reinsurance costs » Pricing volatility and pressure on underwriting margins	» Provides access to risk protection and financial security for individuals and SMEs » Enables economic recovery and resilience through insurance coverage
Elevators	» Talent shortages and rising service costs affecting service quality and pricing » Regional instability impacting continuity of operations » Climate-related disruptions affecting suppliers, workforce and data centres » Increasing demand for eco friendly and IoT-enabled solutions » Pressure to meet environmental and net-zero expectations	» Vocational training, internships, and technical capability development » Promotes local sourcing for maintenance and repairs » Strengthens Sri Lankan engineering capability in regional markets
Property Management	» Rising utility and maintenance costs impacting profitability » Changing work patterns reducing demand for conventional office space » Regulatory and compliance risks (safety, environmental, labour)	» Provides safe and well-managed environments for tenants » Promotes responsible resource consumption (energy, water, waste) » Supports local suppliers and service providers (MEP, cleaning, construction, etc.)
Money Transfer	» Climate-related disruptions (floods, landslides and extreme weather) may affect physical access to locations and service continuity. » Dependence on migrant worker flows and global remittance corridors exposes the business to geopolitical and economic volatility impacting transaction volumes. » Operational reliance on an extensive sub representative network may create challenges in maintaining consistent service quality and compliance across locations.	» Financial inclusion and remittance support – Enables migrant workers to support families and enhances financial stability, access to essential services, and livelihood continuity » Employment generation and livelihood support – Supports employment across the organisation and an extensive network of sub representatives and service providers » Community awareness and financial literacy initiatives – Programmes such as Divi Saviya strengthen financial awareness and support the well-being of remittance receiving communities
BPO Services	» Talent shortages and challenges in retaining skilled workforce » Rising energy costs increasing operational overheads	» Employment generation and career opportunities for youth » Development of digital, technical and service-related skills

SERVICES SECTOR

Support for local and global priorities

Sector net zero targets

SBTi Aligned Decarbonisation Progress and Stakeholder Value Creation

SBTi aligned progress reflects the Group's commitment to reducing emissions in line with global standards, while creating long term value through resilience, stakeholder trust, and sustainable operations.

Insurance segment

		Target	Progress
Improve energy efficiency		Proposed targets under review	
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

Elevator segment

		Target	Progress
Improve energy efficiency		Proposed targets under review	
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

Money Transfer segment

		Target	Progress
Improve energy efficiency		Proposed targets under review	
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

Property Management segment

		Target	Progress
Improve energy efficiency		Proposed targets under review	
Reduction in transport emissions		20%	
Progress	Ahead of Target	On Track	Behind Schedule

SERVICES SECTOR

SECTOR'S CONTRIBUTION TO SUSTAINABLE VALUE CREATION

Sri Lanka's Nationally Determined Contributions (NDCs) supported by the sector

The Services sector supports nationally determined contributions (NDC 3.0) by enabling financial resilience, supporting efficient urban systems, and contributing to economic stability through service-based operations that underpin the country's broader climate transition.

KEY CONTRIBUTIONS ALIGNED TO NDC 3.0 PRIORITIES INCLUDE:

Energy efficiency in the built environment:

Through the introduction and support of energy-efficient building systems and the management of commercial office spaces, the sector contributes to reducing energy consumption in urban infrastructure, aligning with NDC 3.0 mitigation priorities for the buildings sector.

Technology transfer and service modernisation:

Exposure to global service standards and technologies supports local capacity development and modernisation of service infrastructure, contributing to NDC 3.0 cross-cutting priorities on technology and institutional strengthening.

Foreign exchange generation and economic stability:

The sector contributes to foreign currency earnings, supporting macroeconomic stability, which is critical for financing climate commitments and achieving NDC 3.0 targets.

Access to formal financial systems and economic resilience:

Financial service operations enable access to formal remittance channels and financial services, supporting household resilience and contributing to stable foreign exchange inflows which is an important enabler for sustained national climate action.

Reduced environmental footprint of service operations:

Ongoing efforts to improve resource efficiency and reduce environmental impacts support incremental emissions reductions in line with NDC 3.0 objectives.

Climate resilience and risk transfer:

The sector contributes to strengthening adaptive capacity by facilitating access to insurance and risk management solutions, supporting NDC 3.0 priorities on managing climate-related risks and enhancing recovery mechanisms.

SDG ALIGNMENT WITHIN THE SECTOR

SDG	Targets	How we Integrate	Our Contribution
4 QUALITY EDUCATION	**4.3** Ensure equal access to affordable, quality tertiary and vocational education for all by 2030. **4.4** Substantially increase youth and adult access to skills for decent jobs and entrepreneurship by 2030. **4.7** Ensure all learners gain the knowledge and skills to support sustainable development by 2030.	Skills development, certification, and professional learning are embedded across service businesses through structured training needs analysis, industry-recognised qualifications, vocational training centres, public institutions and university–industry linkages.	» Trained 2,100+ employees across BPO, financial services, elevators, insurance, and property management through structured TNA led programmes. » Awarded NVQ level certificate level training to elevator 46 technicians, investing approximately Rs. 3.5 Mn, strengthening local technical employability. » Supported 45 primary school students through a structured reading and literacy programme delivered with school authorities. » Engaged university students and graduates through internships, career fairs, and entry level hiring pathways in IT/BPO and services.

SERVICES SECTOR

SDG	Targets	How we Integrate	Our Contribution
5 GENDER EQUALITY	**5.1** End all forms of discrimination against women and girls everywhere. **5.5** Ensure women's full participation and equal leadership opportunities in all areas of decision-making. **5.b** Promote women's empowerment through greater access to digital and communication technologies.	Equal opportunity hiring, leadership progression, flexible work arrangements, safe workplace policies, and digital enablement are embedded across HR frameworks.	» Achieved 50% female representation at Head of Department level in Money Transfer operations. » Maintained 50% female workforce participation in Money Transfer. » Expanded flexible shifts, hybrid work, and safe workplace practices supporting women's retention and progression.
6 CLEAN WATER AND SANITATION	**6.3** Improve water quality by reducing pollution, treating wastewater, and increasing safe reuse by 2030. **6.4** Increase water-use efficiency and ensure sustainable freshwater supply to address water scarcity by 2030.	Water stewardship is embedded through consumption tracking, wastewater treatment, reuse systems, rainwater harvesting and staff and community awareness on responsible water use.	» Improved water-use efficiency in managed commercial buildings through preventive maintenance and system optimisation. » Reduced contamination in wastewater and chemical load through supplier engagement and due diligence checks.
8 DECENT WORK AND ECONOMIC GROWTH	**8.4** Improve resource efficiency and decouple economic growth from environmental degradation by 2030. **8.5** Achieve full, productive employment and equal pay for all, including youth and persons with disabilities, by 2030. **8.8** Protect labour rights and ensure safe, secure working environments for all, including migrant and vulnerable workers. **8.10** Expand access to financial services by strengthening domestic financial institutions.	Skills development and job creation embedded into service delivery, with structured training as well as certification and career progression pathways enabled that build long-term technical careers, particularly outside Colombo. Inclusive economic participation and financial inclusion are enabled through island wide service and partner networks, expanding access to income opportunities, financial services, and local SME participation in value chains beyond major urban centres Decent work and safety are integrated into operational governance, including ISO 45001 aligned safety systems in technical services and structured HR, welfare, and retention frameworks across the sector.	» Created employment for 7,111 BPO professionals as at March 2026, supporting service exports and foreign exchange earnings. » Employed 150+ technicians in elevator operations, with over 40% of the workforce based outside Colombo. » Zero major accidents reported. » Facilitated international remittances through a 3,000+ branch and agent network, supporting financial stability for migrant families. » Supported 50+ local SMEs through elevators supply chain contracts and high levels of local procurement (up to 100% in selected service lines).

SERVICES SECTOR

SDG	Targets	How we Integrate	Our Contribution
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**9.1** Develop sustainable, resilient infrastructure with equitable access to support economic growth and well-being. **9.4** Upgrade infrastructure and industries by 2030 to improve efficiency and adopt clean, sustainable technologies.	Digitalisation, smart infrastructure, operational automation, and energy efficient technologies are embedded and enabled to modernise service delivery.	» Delivered 64.21% of elevator installations using energy-efficient technologies, reducing lifecycle energy demand. » Secured five regional infrastructure and service projects, achieving 15% growth in export revenue for elevator services. » Implemented IoT-enabled monitoring, cloud workflows, predictive maintenance, and automation across key service platforms.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2** Achieve sustainable management and efficient use of natural resources. **12.5** Substantially reduce waste through prevention, recycling, and reuse. **12.6** Encourage adoption of sustainable practices and report performance.	Resource efficiency, waste reduction, sustainable procurement, and employee awareness are embedded into daily operations.	» Achieved 44.64% reduction in paper consumption in money transfer operations. » Money transfer segment reduced fuel consumption from 10,024 litres to 6,181 litres against the annual target through route planning and monitoring. » Delivered Rs. 26 Mn in biannual savings through repair-over-replacement in elevator operations, extending asset life and reducing waste. » Ensured 100% licensed e-waste recycling for replaced elevator components.

CAPITAL TRANSFORMATION IN THE SECTOR DURING THE YEAR

	Value Drivers	Capital Allocation	Output	Outcomes
Financial Capital	Continued focus on high premium high growth segments. Portfolio rationalisation to enhance margin quality. Strategic withdrawal from D2B business. Cost optimisation.	Staff allocated to high growth segments Resources deployed to bring in new business Resources re-allocated from D2b Business.	**155.5%** Revenue growth **276.5%** Profit before tax growth	» Steady returns to shareholders » Improved financial performance » Improved profitability
Intellectual Capital	Developing a broker front end system and a surveyor workflow platform. Digital process improvements. Digitalisation efforts including development of Central APN. Implementation of preventive maintenance systems and operational process efficiencies.	**Rs. 29.9 Mn** Investment in digital infrastructure	Reduction in turn around times Preventive maintenance: 100% compliance	» Enhanced service delivery » Process efficiencies » Improved service quality » Improved customer trust » Maintained stable occupancy and tenant retention levels » Improved operational efficiency and system reliability

SERVICES SECTOR

	Value Drivers	Capital Allocation	Output	Outcomes
Human Capital	Continued efforts to strengthen technical skills of knowledge of team. Sri Lanka's first Elevator Technician Training Centre (NVQ Level 3). Strengthening internal capabilities through training and development.	**Rs. 4.8 Mn** Investment in training and development.	**7,158** New Hires **12.5%** Retention Rate **32.4%** Female Representation	» Strong talent pipeline » Improved staff engagement » Skilled engineers, technicians, safety personnel » Digitally enabled employees » Reduced regulatory risk. » Improved employee satisfaction and engagement levels.
Social & Relationship Capital	Continued engagement with Principles and other partners Community engagement activities Engagement of local suppliers and service providers for maintenance, repairs, and operational needs.	Increased engagement activities. Investment in supplier and principal engagement. **Rs. 0.8 Mn** funds channelled for community development.	Growth in customer base Strong principle relationships Onboarding of new principle Instant Cash	» Strong principle relationships » Access to advanced, globally proven technologies » Boost to brand credibility » Enhanced reputation
Natural Capital	Continued focus on digitalisation and paperless operation Adoption of energy-efficient technologies (Gen2 & ReGen) Fleet fuel management and e-waste disposal	Operational adjustments. Marketing spend to promote greener products.	15% reduction in water consumption per unit revenue. 27% reduction in fuel consumption. 64.21% of 2024–2025 installations used energy-efficient technologies.	» Reduced energy consumption and waste, extended asset lifecycles. » Savings from leaner operation

SERVICES SECTOR

OUTLOOK AND WAY FORWARD

The Services sector is expected to deliver a gradual improvement in performance in the year ahead, supported by continued momentum in growth segments and the impact of corrective actions implemented across under-performing businesses. This recovery, however, will remain subject to evolving macroeconomic and geopolitical conditions, including ongoing developments in the Middle East, which may influence the pace and sustainability of growth.

Growth within the sector will be underpinned by the sustained expansion of the BPO business, driven by continued client acquisition, diversification of service offerings, and the scaling of delivery capacity, strengthening its contribution to overall performance.

Within the construction-linked businesses, a gradual recovery in activity, particularly across residential and mixed-use developments, is expected to support demand. The Group's vertical transportation operations are well positioned to benefit from this trend, supported by structural drivers such as urbanisation and a steady development pipeline. In response, the segment will continue to prioritise higher-quality residential and mid-rise projects, while progressively exiting lower-margin developments to enhance portfolio quality. This will be complemented by the expansion of maintenance portfolios, greater technology adoption, and a continued emphasis on service excellence. Strong principal partnerships and established brand credentials will further support the delivery of compliant, value-engineered, and space-efficient solutions, reinforcing the Group's position as a trusted technical partner within the construction sector.

The property management business is expected to maintain stable performance, underpinned by high occupancy levels, strong tenant retention, and ongoing asset enhancement initiatives focused on improving operational efficiency and service quality.

Performance within the money transfer segment is expected to improve gradually, supported by corrective measures undertaken during the year, including cost rationalisation, operational restructuring, and portfolio rebalancing. Strengthened principal relationships and continued digitalisation will further support performance. In parallel, efforts to expand the sub-representative network and onboard new service partners are expected to enhance market reach and competitiveness. However, the segment remains highly sensitive to external factors, particularly trends in remittance flows, with potential risks arising from geopolitical developments in key corridors such as the Middle East.

The insurance business is expected to benefit from continued portfolio diversification, including expansion into the life insurance segment, alongside sustained investments in digital capabilities and technical expertise. These initiatives are expected to enhance operational efficiency and service delivery, while supporting the expansion of the client base beyond the Group. The segment will also focus on broadening insurer panels to secure competitive capacity, strengthening advisory capabilities, and delivering more comprehensive risk transfer solutions. At the same time, it will continue to adapt to evolving industry dynamics, including digital transformation, increasing cybersecurity risks, heightened regulatory requirements, and growing demand for personalised services, supported by ongoing capability building and digital investments.

Notwithstanding these positive drivers, the sector remains exposed to global and domestic uncertainties. A slowdown in economic activity, particularly through its impact on labour migration and foreign currency inflows, may adversely affect remittance volumes, while any moderation in construction activity could dampen demand within construction-linked businesses.

Accordingly, while the overall outlook for the Services sector remains cautiously positive, performance will depend on the trajectory of economic recovery and the evolution of external conditions. Continued focus on operational efficiency, cost discipline, digital transformation, and portfolio optimisation will remain critical in sustaining resilience and supporting long-term value creation across the sector.

SERVICES SECTOR

INDUSTRY BENCHMARKS MAINTAINED

Insurance

- Licensed by Insurance Regulatory Commission of Sri Lanka
- Member of Sri Lanka Insurance Brokers Association
- Surveyors approved and registered by the Ceylon Chamber of Commerce

Elevators

- ISO 14001: 2015 Environmental Management System
- ISO 9001: 2015 Quality Management System
- ISO 45001:2018 – Occupational Health & Safety Management System
- EM1 Certification - Electromagnetic Compatibility Compliance

Money Transfer

- ISO 14001: 2015 Environmental Management System (certification pending)
- ISO 9001: 2015 Quality Management System (re-certification pending)
- ISO 45001:2018 – Occupational Health & Safety Management System (certification pending)

Property Management

- ISO 14001: 2015 Environmental Management System
- ISO 50001:2018 Energy Management System
- ISO 45001:2018 – Occupational Health & Safety Management System (certification to be completed in 2026)

FINANCIAL CAPITAL

Financial Capital represents the Group's ability to generate, allocate, and deploy funds to sustain operations, support strategic investments, maintain asset integrity, meet financial obligations, and deliver sustainable returns to shareholders.

Rs. 96.6 Bn

Revenue generated across 17 business segments

Rs. 26.6 Bn

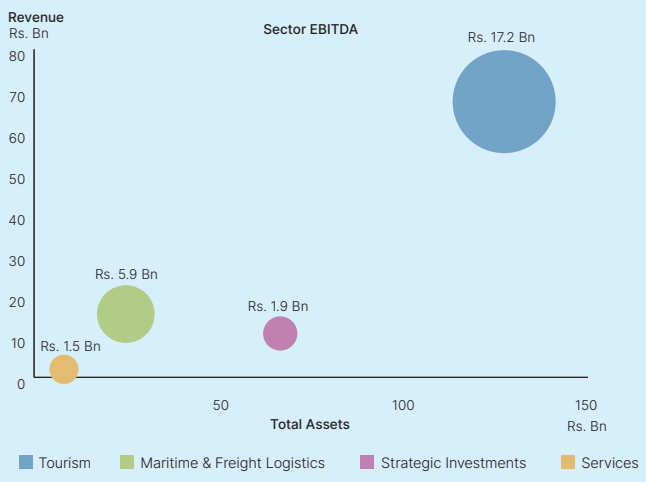
EBITDA reflecting operational resilience and disciplined cost management

Rs. 227.6 Bn

Total assets highlight the Group's solid resource base and operational scale

Rs. 104.3 Bn

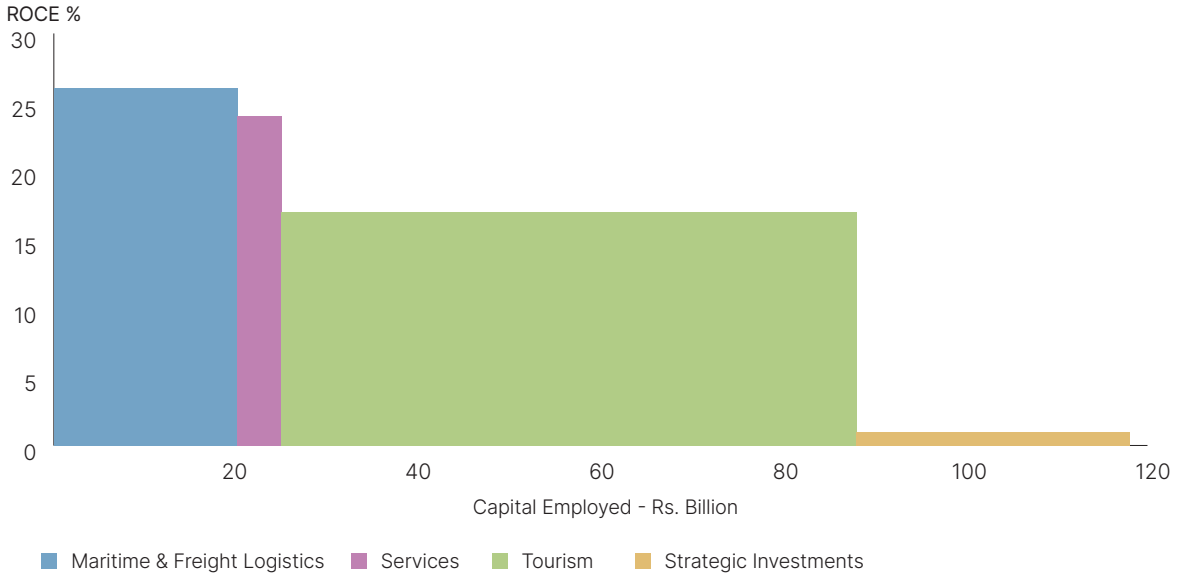
Total equity supporting a fundamentally strong and robust financial structure.

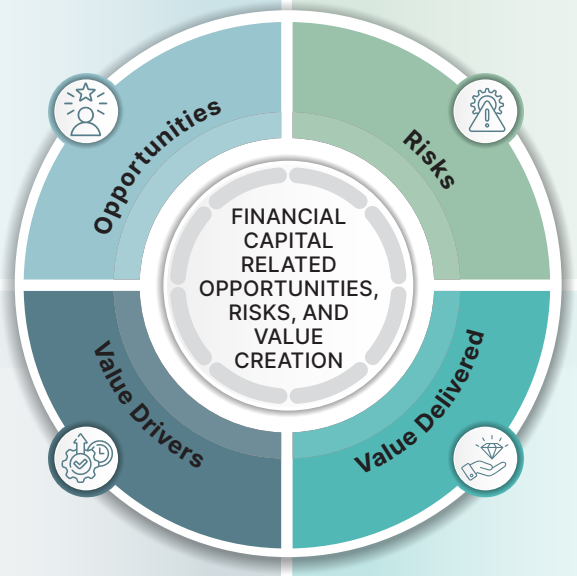


FINANCIAL CAPITAL

During the year, Aitken Spence PLC demonstrated continued financial resilience in a challenging global environment characterised by geopolitical uncertainty, inflationary pressures, foreign exchange volatility, and elevated funding costs. The strength of the Group's diversified portfolio across Tourism, Maritime & Freight Logistics, Strategic Investments, and Services supported earnings growth, liquidity, and long-term value creation. Management maintained a disciplined approach to capital allocation, liquidity management, and operational optimisation, while continuing to invest selectively in growth opportunities and resilience-enhancing initiatives.

Portfolio Returns





Opportunities

- Strong balance sheet position
- Healthy equity-to-debt profile
- Robust operational cash generation
- Diversified earnings streams
- Geographic diversification
- Treasury optimisation opportunities

Risks

- Foreign exchange volatility
- Interest rate fluctuations
- Inflationary cost escalation
- Margin compression
- Liquidity and funding pressures
- Global trade uncertainty
- Tax and regulatory changes
- Asset impairment risks

Value Drivers

- Financial governance and risk management frameworks
- Rigorous fiscal, regulatory, and financial reporting discipline
- Strong banking and investor relationships
- Prudent capital management
- Disciplined treasury and liquidity management
- Cost efficiency and margin optimisation

Value Delivered

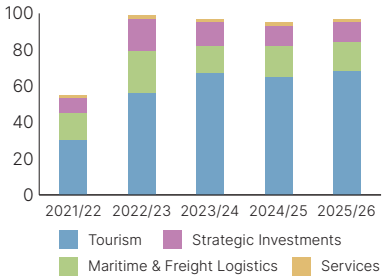
- Profit before tax increased to **Rs. 12.8 Bn**
- EBITDA reached **Rs. 26.6 Bn**, with a margin of **27.5%**
- Profit from operations remained strong at **Rs. 14.8 Bn**
- Cash and short-term deposits closed at **Rs. 20.4 Bn**
- Net Cash Generation of **Rs. 1.9 Bn** during the year
- Finance expenses declined by **17.7%** year on year to **Rs. 6.1 Bn**

FINANCIAL CAPITAL

REVENUE AND OPERATING PERFORMANCE

Revenue performance for the year was supported by growth in Tourism and Services, while EBITDA amounted to Rs. 26.6 Bn with a margin of 27.5%, and profit before tax grew by 18.3% to Rs. 12.8 Bn. The Group share of profits from equity accounted investees stood at Rs. 2.3 Bn, a 45.8% improvement over last year and a notable contributor towards the Group's returns.

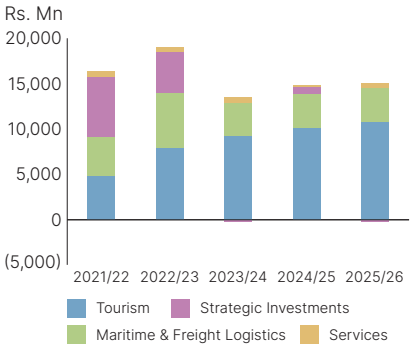
Revenue



Group revenue amounted to Rs. 96.6 Bn, representing an increase of 1.6% over the previous year. Growth was driven primarily by the Tourism sector, where the revenue from external customers increased by 4.2%, and the Services sector, which recorded strong growth albeit on a smaller base, while performance in Maritime & Freight Logistics and Strategic Investments remained below the previous year.

- The Tourism sector remained the principal revenue driver, with external revenue increasing to Rs. 67.9 Bn, supported by improved travel demand, higher occupancy, and stronger average room rates.
- The Maritime & Freight Logistics sector generated external revenue of Rs. 15.8 Bn, lower than the previous year, reflecting continued pricing pressure and volatility in global freight markets.
- The Services sector recorded strong growth, with external revenue increasing to Rs. 2.0 Bn, supporting the Group's overall revenue momentum.

Profit from Operations

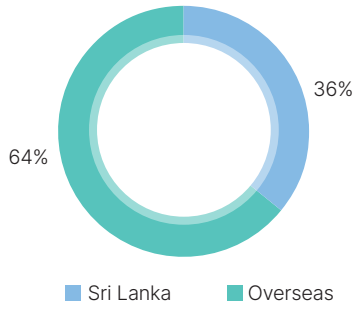


EXTRACTS FROM CONSOLIDATED INCOME STATEMENT

For the year ended 31st March	2026 Rs.Mn	2026 Rs.Mn
Revenue	**96,591**	95,095
Revenue taxes	**(2,118)**	(1,463)
Net revenue	**94,473**	93,632
Other operating income	**1,117**	(362)
Operating Expenses	**(80,775)**	(78,490)
Profit from operations	**14,814**	14,779
Finance income	**1,829**	1,920
Finance expenses	**(6,131)**	(7,451)
Net finance expense	**(4,302)**	(5,530)
Share of profit / (loss) of equity-accounted investees (net of tax)	**2,300**	1,577
Profit before tax	**12,812**	10,826
Income tax expense	**(3,705)**	(3,647)
Profit for the period	**9,107**	7,179
Earnings per share (Rs.)	**16.74**	13.13

The Groups' profit from operations remained strong at Rs. 14.8 Bn. This reflects the Group's ability to sustain operating earnings despite higher employee costs, depreciation, amortisation, and impairment charges.

Geographical Analysis of EBIT

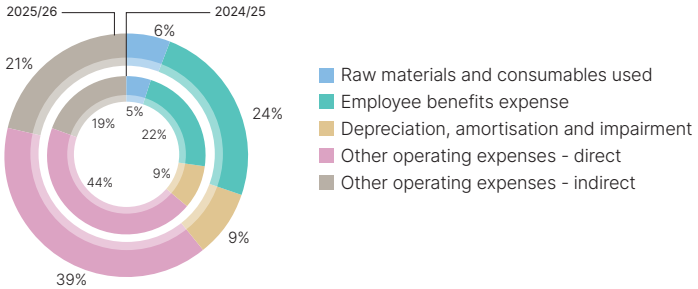


FINANCIAL CAPITAL

Operating costs increased to Rs. 80.8 Bn from Rs. 78.5 Bn in the previous year, reflecting higher employee costs, increased depreciation and amortisation, indirect operating costs, and the impact of higher revenue taxes.

- Inflation-driven wage adjustments and higher employee-related costs.
- Higher depreciation and amortisation arising from ongoing capital investment and asset additions.
- A 44.8% increase in revenue taxes due to the increase of green tax paid in the Maldives from USD 6 per person per night to USD 12 per person per night with effect from January 2025 which increase was seen for the full financial year under review.

Analysis of Operational Expenses



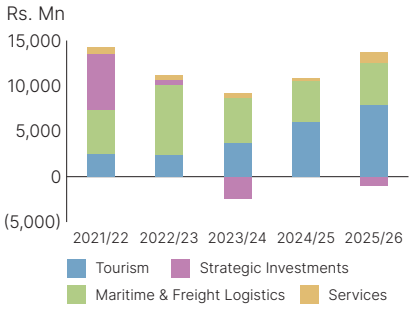
PROFITABILITY AND SHAREHOLDER RETURNS

- **Profit before tax increased by 18.3% to Rs. 12.8 Bn**
- **Profit for the year increased by 26.9% to Rs. 9.1 Bn**
- **Share of profit from equity-accounted investees rose to Rs. 2.3 Bn**
- **Net profit attributable to equity holders Rs. 6.8 Bn up by 27.5%**
- **Earnings per share increased by 27.5% to Rs. 16.74**

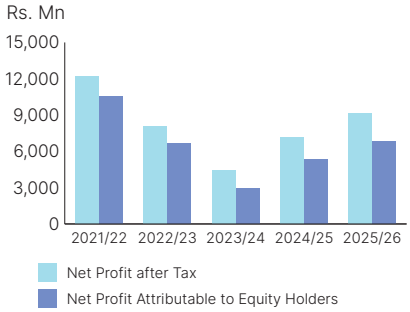
Profit before taxation reached Rs. 12.8 Bn, representing an 18.3% increase over the previous year. The improvement was driven mainly by stronger earnings in the Tourism sector, steady profitability in Maritime & Freight Logistics, and a higher contribution from equity-accounted investees.

- The Tourism sector recorded profit before tax of Rs. 7.9 Bn, up significantly from the previous year, supported by stronger demand and improved operating performance.
- The Maritime & Freight Logistics sector contributed profit before tax of Rs. 4.7 Bn, broadly in line with the previous year despite challenging market conditions.
- Share of profit from equity-accounted investees increased to Rs. 2.3 Bn, providing additional support to Group profitability.
- The Strategic Investments sector reported a loss after tax of Rs. 1.4 Bn for the year, mainly due to the weak performance of the apparel segment. This was partially offset by an exceptional performance in printing and packaging and plantations segments, which recorded substantial improvements in profits. The power segment also delivered stronger operational performance than in the previous year though the profits remained at a lower level due to the previous year including a one-off reversal of provisions due to long outstanding payments received from the CEB.

Profit before Taxation



Net Profit after Tax & Net Profit Attributable to Equity Holders



FINANCIAL CAPITAL

TAXATION

The Group reported a total income tax expense of Rs. 3.7 Bn for the year ended 31st March 2026, reflecting a marginal increase of 1.6% compared to Rs. 3.6 Bn in the previous year. The effective tax rate declined to 28.9% from 33.7%, supported by the earnings mix across jurisdictions and the composition of current and deferred tax charges.

The total tax expense comprised a current tax expense of Rs. 3.4 Bn (2024/25: Rs. 2.9 Bn) and a deferred tax expense of Rs. 0.3 Bn (2024/25: Rs. 0.7 Bn). Current tax expense increased by 17.9%, reflecting higher taxable profits generated across the Group. The introduction of a 15% income tax in Sri Lanka on foreign-sourced income and on services rendered for use outside Sri Lanka, which was previously exempted, also contributed to this increase. A significant 61.4% of the Group's pre-tax profits was generated outside Sri Lanka, highlighting its strategic regional diversification across South Asia, the Middle East, and the Pacific. This geographic diversification enhances earnings resilience and reduces reliance on a single market. Accordingly, Rs. 1.5 Bn (2024/25: Rs. 1.2 Bn) was incurred as current tax expense across foreign jurisdictions, in compliance with applicable tax regulations, reinforcing the Group's commitment to responsible tax practices globally.

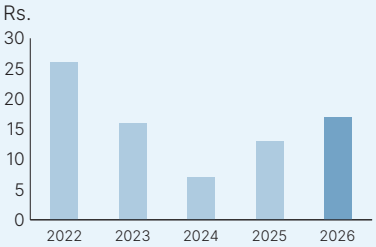
Withholding tax on intra-group dividend distributions amounted to Rs. 0.3 Bn, compared to Rs. 0.4 Bn in the previous year. Deferred tax expense decreased to Rs. 0.3 Bn from Rs. 0.7 Bn in the prior year, primarily due to the impact of temporary differences related to tax losses (Rs. 0.5 Bn) following higher utilisation during the year and accelerated depreciation (Rs. 0.1 Bn). These were partially offset by temporary differences relating to unrealised foreign exchange gains (Rs. 0.2 Bn), right-of-use assets (Rs. 0.1 Bn), and defined benefit obligations (Rs. 0.1 Bn).

Income tax attributable to the Group's equity-accounted investees, amounting to Rs. 0.7 Bn (2024/25: Rs. 0.6 Bn), is recognised within the 'share of profit of equity-accounted investees' and is not included in the Group's direct tax expense.

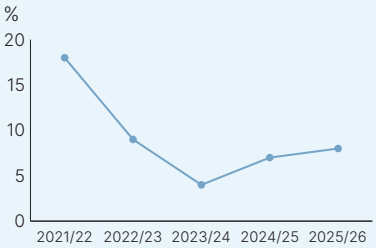
SHAREHOLDER VALUE CREATION

The Group remained focused on creating sustainable shareholder value through stronger earnings growth, disciplined capital allocation, and the preservation of balance sheet strength. Profit attributable to equity holders for the financial year 2025/2026 increased to Rs. 6.8 Bn, while earnings per share improved to Rs. 16.74, reflecting improved operating performance and a stronger contribution from core sectors and equity-accounted investees. The return on equity stood at 8.2% for the year, up from 7.1% the previous year. From a Balance Sheet perspective, total equity attributable to equity holders increased by Rs. 11.6 Bn to Rs. 88.9 Bn, reinforcing the Group's stronger capital base and net asset position. The Board has also proposed a dividend of Rs. 4.00 per share, similar to the dividends per share as in the previous year, while the Company's share price increased by 8.8% during the year to end the year at Rs. 139.00 per share. Total shareholder return for the year was 11.9%, underscoring the Group's focus on delivering long-term value through a combination of earnings growth, dividend capacity, and capital appreciation.

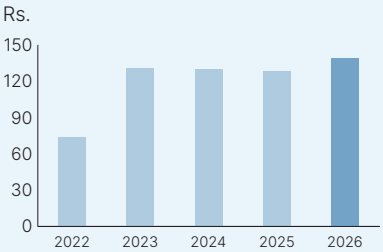
Earnings per Share
as at 31st March



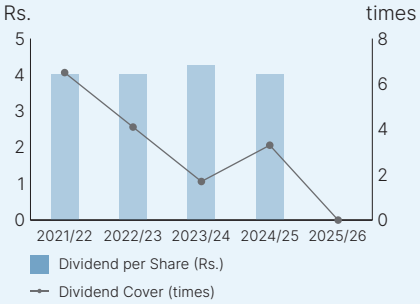
Return on Equity



Market Price per Share
as at 31st March



Dividend per Share and Dividend Cover



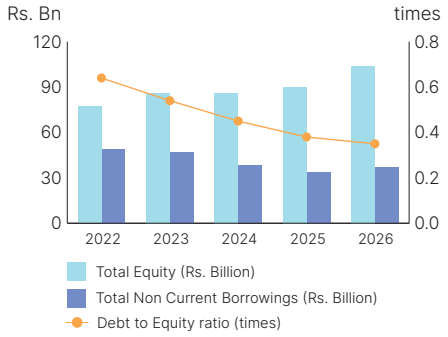
FINANCIAL CAPITAL

TREASURY AND FUNDING MANAGEMENT

Finance expenses declined by 17.7% to Rs. 6.1 Bn; with the Groups' interest cover improving to 3.76 times from 2.82 times the previous year. The debt-to-equity ratio of the Group stood at 0.35 times as at end of the financial year under review. The Group being a net foreign exchange earner recorded total foreign exchange gains of Rs. 1.0 Bn in its other operating income owing to its exposure to USD linked transactions.

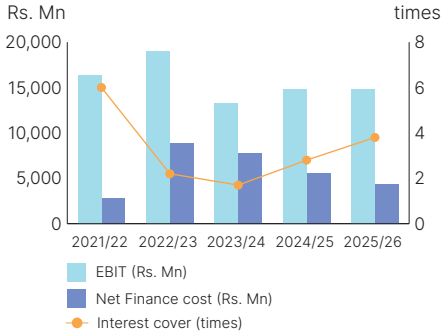
Debt to Equity Comparison

as at 31st March



The Group continued to actively manage its funding structures to preserve liquidity, maintain financial flexibility, and optimise financing costs. Cash generated from operations declined marginally to Rs. 23.1 Bn from Rs. 23.6 Bn in the previous year, primarily due to a weaker working capital contribution. Compared with the prior year, the Group recorded a smaller inflow from receivables, a higher inventory build-up, a reduction in trade and other payables, and a lower benefit from deposits and prepayments. In aggregate, these movements reduced the working capital contribution to a negative Rs. 0.08 Bn from a positive Rs. 1.7 Bn in the previous year. Despite this, net cash generated from operating activities improved to Rs. 14.3 Bn from Rs. 13.2 Bn, mainly due to interest paid declining materially to Rs. 5.5 Bn from Rs. 7.3 Bn, more than offsetting the softer working capital performance and higher tax payments. This demonstrates the Group's continued ability to convert earnings into operating cash flows while preserving liquidity.

Net Interest Cost and Interest Cover



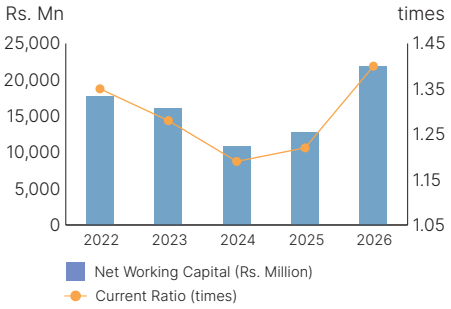
LIQUIDITY AND WORKING CAPITAL

- **Strong year-end cash and short-term deposit position.**
- **Improved operating cash flow generation.**
- **Disciplined working capital management despite softer year-on-year working capital conversion.**
- **Enhanced treasury oversight and funding flexibility.**

The Group maintained stable liquidity, supported by disciplined working capital management and a year-end cash and short-term deposit balance of Rs. 20.4 Bn. Treasury focus remained on receivables and inventory management, working capital cycle optimisation, and cash flow forecasting and monitoring. Finance costs amounted to Rs. 6.1 Bn, with treasury priorities focused on preserving liquidity, optimising funding structures, and managing foreign exchange exposure.

Net Working Capital & Current Ratio

as at 31st March



Group Treasury continued to play a central role in safeguarding liquidity, centralising cash oversight, and optimising the deployment of surplus funds while maintaining access to short-term funding lines. Treasury also supported the refinancing of term facilities and broader funding structure alignment, helping reduce the overall cost of funds during the year.

Improved cash generation from the Tourism sector supported overall cash flow visibility and funding flexibility, while disciplined funding decisions and market placements helped Treasury respond to interest rate differentials and preserve liquidity.

Foreign exchange risk was managed primarily through the alignment of foreign currency assets and liabilities, supplemented by the selective use of forward contracts and disciplined timing of conversions within regulatory requirements. Treasury also continued to manage banking relationships, electronic banking platforms, and funding support for key projects and operations.

Collectively, these actions strengthened financial resilience and supported stable liquidity management amid continuing macroeconomic uncertainty.

FINANCIAL CAPITAL

BALANCE SHEET AND CAPITAL STRUCTURE

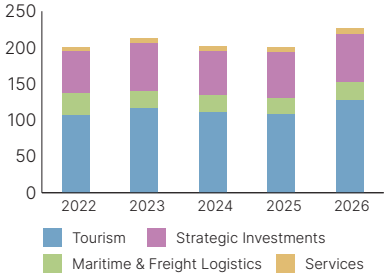
- Total assets increased to **Rs. 227.6 Bn**, up **12.7%** year on year.
- Total equity rose to **Rs. 104.3 Bn**, reflecting growth of 16.0%.
- Property, plant and equipment increased to **Rs. 105.9 Bn**, up **8.1%**.
- Cash and short-term deposits improved to **Rs. 20.4 Bn**, an increase of **22.8%**.

The Group maintained a strong balance sheet and stable capital structure during the year, supported by improved earnings, a solid equity base, and continued focus on financial flexibility. This strength remains a key enabler of the Group's ability to support operations, fund strategic investments, and sustain long-term value creation.

- Asset base: Total assets amounted to Rs. 227.6 Bn, reflecting the scale of the Group's investment base and the significance of its operating asset portfolio.
- Equity base: Total equity stood at Rs. 104.3 Bn with Rs. 88.9 Bn of the total equity being attributable to equity holders, underlining the Group's capital strength and its capacity to support future growth and investment requirements.
- Operating assets: Property, plant and equipment remained a significant component of the asset base, reflecting the capital-intensive nature of the Group's tourism, infrastructure, and related operating businesses.

This asset profile highlights the importance of disciplined investment decisions, effective asset utilisation, and long-term capital planning in sustaining operational performance and future earnings growth.

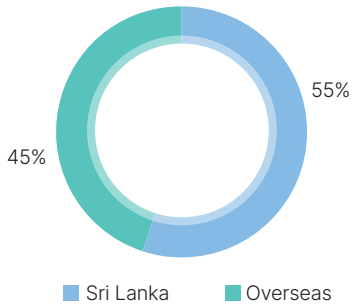
Total Assets
as at 31st March
Rs. Bn



EXTRACTS FROM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at	31.03.2026 Rs.Mn	31.03.2025 Rs.Mn
Non-current assets	**150,366**	129,493
Property, plant and equipment	**105,907**	98,016
Right-of-use assets	**25,761**	14,673
Investments in equity-accounted investees	**12,451**	10,929
Current assets	**76,395**	71,612
Inventories	**4,879**	4,441
Trade and other receivables	**17,407**	19,169
Other current assets	**29,655**	26,739
Cash and short-term deposits	**20,391**	16,601
Assets classified as held for sale	**857**	922
Total assets	**227,618**	202,027
Equity attributable to shareholders	**88,874**	77,234
Non-controlling interests	**15,379**	12,655
Total equity	**104,253**	89,889
Non-current liabilities	**68,834**	53,260
Interest-bearing loans and borrowings	**36,562**	33,908
Lease liabilities	**21,845**	11,216
Current liabilities	**54,531**	58,878
Interest-bearing loans and borrowings	**6,020**	11,621
Lease liabilities	**1,575**	1,534
Trade and other payables	**23,651**	24,725
Bank overdrafts and other short-term borrowings	**21,758**	19,895
Total equity and liabilities	**227,618**	202,027

Geographical Analysis of Total Assets

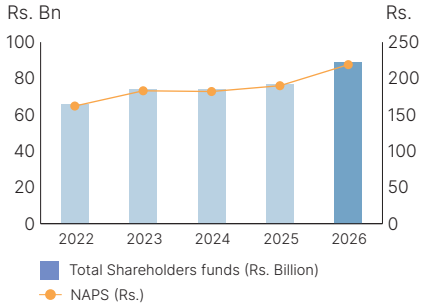


FINANCIAL CAPITAL

Property, plant and equipment amounted to Rs. 105.9 Bn at year end, underscoring the scale of the Group's operating asset base and the continued investment required to maintain and strengthen this platform for long-term value creation. The Group revalued its land-based assets due to the material change in the value of land experienced in recent times and this has brought in a revaluation gain of Rs. 8.0 Bn to the Groups' Other comprehensive income statement during the year.

Total Shareholder Funds & NAPS

as at 31st March



FINANCIAL RESILIENCE AND RISK MANAGEMENT

The Group operates in a dynamic environment shaped by macroeconomic and sector-specific risks, including global economic uncertainty, inflation, foreign exchange and interest rate volatility, freight market fluctuations, and climate-related risks. Management mitigates these exposures through a combination of sector and geographic diversification to reduce concentration risk, disciplined capital allocation to protect returns and preserve balance sheet strength, active treasury management to oversee liquidity, funding structures, interest rate exposure and foreign exchange risk, and strong governance frameworks to support risk oversight, decision-making discipline, and timely responses to emerging challenges. Collectively, these measures help preserve financial resilience, enable the Group to respond to market volatility, and maintain the flexibility required to support operations and long-term investment priorities.

SUSTAINABILITY INTEGRATION

The Group is progressively embedding sustainability into financial decision-making by integrating climate resilience, energy transition, and long-term infrastructure considerations into risk management, capital allocation, and strategic planning. This approach is reinforced by the first-year application of SLFRS S1 and SLFRS S2, which strengthen the linkage between sustainability-related risks and opportunities, governance oversight, strategy, metrics, and financial reporting. In practice, this means sustainability-related matters are assessed over short, medium, and long-term horizons and considered alongside operational priorities, liquidity planning, asset resilience, and investment decisions. As these processes mature, the Group expects sustainability considerations to play an increasingly explicit role in shaping capital deployment, resilience-building initiatives, and future financial disclosures.

- Climate resilience investments.
- Renewable energy and energy efficiency.
- Sustainable infrastructure development.

This integration has improved the alignment of sustainability considerations with capital allocation, enhanced the Group's preparedness for evolving disclosure requirements, and strengthened the long-term resilience lens applied to investment and risk decisions.

OUTLOOK

Looking ahead, Aitken Spence PLC remains focused on strengthening profitability, enhancing cash generation and liquidity resilience, optimising capital allocation, and pursuing selective growth opportunities while proactively managing macroeconomic and climate-related risks.
The Group's diversified portfolio, strong asset base, and disciplined financial management provide a solid foundation to navigate evolving market conditions and support sustainable long-term shareholder value. As sustainability-related financial disclosures continue to develop, the Group will further refine its processes, data, and analysis to strengthen decision-useful reporting and reinforce the connection between resilience, strategy, and financial performance.

HUMAN CAPITAL

> THE ONLY TRUE MEASURE OF SUCCESS IS THE IMPACT YOU HAVE ON OTHERS.
>
> - Simon Sinek
> *(Author & Inspirational Speaker)*

REFLECTION OF SPENSONIANS IN 2025/2026

20,300 Spensonians
driving performance across the Group's 4 sectors, 17 segments, and in 12 countries.

7,561 SpenceWomen@Work
contributing across operational, leadership and specialist roles Group-wide.

7 Years
of average Spensonian tenure reflecting long-term career progression.

Across five transformative years, the Spensonian journey unfolds - growing from firm foundations toward new horizons - an enduring testament to trust, opportunity and the quiet power of collective purpose and progress.

HUMAN CAPITAL

Human capital is central to long-term value creation at Aitken Spence, with 20,300 Spensonians contributing to performance, resilience and innovation across the Group's diversified portfolio. Guided by the purpose "Inspire to Create Great Futures for All", the Group continues to strengthen its employee value proposition to attract, develop and retain talent, reinforcing its aspiration to be recognised as an 'Employer of Choice'.

In the context of ongoing economic volatility, cost pressures and increasing operational complexity, this focus on human capital supports the Group's ability to sustain performance, manage risk and advance strategic priorities across its diversified operations. By investing in its people, the Group strengthens the everyday capability, judgement and commitment required to operate effectively in a dynamic environment.

ALIGNING THE HR STRATEGY TO ACHIEVE SBTi

The HR strategy supported the Group's SBTi commitments through a Green HR approach focused on reducing the environmental impact of people-related activities and reinforcing employee understanding of sustainability priorities.

- **Digital/remote solutions reduced travel, paper consumption and associated emissions.**
- **Learning and development initiatives strengthened employee awareness.**

INDUSTRY RECOGNITION

During the year, the Group received several HR-related awards recognising its commitment to a progressive, people-first workplace.

Aitken Spence PLC was recognised among the **TOP 10 COMPANIES** at the inaugural **EFC NATIONAL BEST EMPLOYER AWARDS 2025** organised by The Employers' Federation of Ceylon (EFC).

Aitken Spence PLC was recognised with the **SRI LANKA BEST EMPLOYER BRAND AWARD** at the Sri Lanka **LEADERSHIP AWARDS 2025** organised by the World HRD Congress & World Leadership Congress.

Opportunities

- Improved talent availability due to unfavourable conditions for skilled migration.
- Increased talent diversity through expansion of Port City BPO.

Risks

- Climate and geopolitical disruptions affecting workforce well-being.
- Increased cost of living driven by global inflation.

Value Drivers

- Build talent pipelines with robust succession and continuous development
- Energise performance through competitive rewards and recognition
- Enhance well-being via engagement and flexible arrangements
- Power excellence with Lean, Kaizen and innovation

Value Delivered

- **12,061** new hires
- **398** promotions
- **65%** employee retention rate
- **Rs. 19.6 Bn** value distributed to employees
- **309,577** training hours

HUMAN CAPITAL

Strategic Priorities	Key Achievements in 2025/26	Strategies for the Future
Cultivate a Transformative Culture	» Completed Culture Survey » Launched digital/AI recruitment platforms	» Create Culture Canvas » Revise Employee Value Proposition (EVP)
Elevate Employee Experience	» Implemented Organisational Development (OD) initiatives after an Organisational Health Survey (OHS) » Launched Employee Assistance Programme (EAP) with counselling » Conducted sexual harassment prevention campaign » Provided opportunities for people with disabilities (PWD)	» Roll out Group-wide OHS » Introduce Chairman/Chairperson's Awards » Enhance female empowerment » Strengthen Diversity, Equity & Inclusion (DE&I) governance
Enable High Performance Through Talent Management	» Upgraded KPI monitoring » Identified top talent » Launched Talent and Succession Planning Policy	» Launch new Performance Management (PM) architecture
Strengthen Leadership Pipeline	» Expanded succession planning coverage » Commenced Management Trainee Programme - Elevate 2.0 » Introduced Talent Management HRIS module	» Establish talent council » Enhance KPI monitoring » Conduct stay discussions
Develop Future-Ready Talent	» Introduced AI, Kaizen and creative thinking initiatives » Created a community of Lean Six Sigma champions	» Recognise digital and innovation champions

Together, these overarching strategic priorities shape the Group's people practices to strengthen culture, capability, performance and leadership depth, ensuring that human capital directly supports the execution of the Group's long term strategy.

OUR MANAGEMENT APPROACH

(GRI 3-3, 2-23, 2-24, 406-1)

Human capital management is governed by a robust HR policy framework aligned with labour laws, regulations and best practices, along with dedicated HR teams at Group, sector and segment levels. A zero-tolerance approach to sexual harassment, child labour and forced labour reinforces ethical conduct, human rights protection, inclusion and sustainable organisational performance.

LABOUR LAW COMPLIANCE

» Complies with all applicable labour laws, including the Factories Ordinance, Shop and Office Employees Act and the Employment of Women, Young Persons and Children Act.

» No incidents of discrimination or labour law non-compliance were reported during the year.

HUMAN CAPITAL

KEY HR POLICIES

- Code of Ethics and Professional Conduct
- Anti-Bribery and Anti-Corruption Policy
- Group Whistleblowing Policy

(for more details on these three policies, please refer the Corporate Governance section of this Annual Report)

Policies related to Employee Conduct, Ethics and Labour Practices

- Sexual Harassment Prevention Policy
- Grievance Handling Policy
- Group Disciplinary Policy
- Policy on External Professional Engagements
- Corporate Gifts Policy

Policies related to Employee Development

- Group Training and Development Policy
- Performance Improvement and Individual Development Planning Policy

Policies related to Employee Well-being and Other

- Reward and Recognition Policies
- Group Remote Working Policy
- FlexTime Work Policy
- Integrated Sustainability Policy
- Parental Leave Policy
- Adoption Leave Policy
- Diversity, Equity and Inclusion Policy
- Gender Equity Policy

Changes to the HR Policy Framework in 2025/26

New policies:

- Group Succession Planning and Top Talent Policy
- Group Instant Messaging & Private Communication Apps Policy

Policy revisions:

- Social Media Policy
- Surgical and Hospital Expense (SHE) Insurance Policy

HR policies are periodically reviewed with the Group Supervisory Board (GSB) to ensure compliance and strategic alignment, with updates communicated and tracked through the Learning Management System (LMS)/Human Resources Information System (HRIS). This management approach enables the disciplined stewardship of human capital, supports regulatory compliance, mitigates people-related risks and underpins sustainable organisational performance across the Group's diversified operations.

HR GOVERNANCE STRUCTURE

The HR governance structure supports the disciplined and strategic management of the Group's human capital, covering leadership expectations, employee well-being, labour law compliance and alignment with global best practices. Oversight is exercised through established Group level governance arrangements, with detailed roles and responsibilities outlined in the Corporate Governance section of this Annual Report.

GROUP HR

Talent Management and HR Transformation	Aitken Spence School of Management (Talent Development), Employee Engagement and Internal Communication	HR Services Delivery, Compensation and Benefits, and Operations

↓

HR BUSINESS PARTNERS AT SEGMENT LEVEL

HUMAN CAPITAL

THE SPENSONIAN TEAM

(GRI 2-7, 2-8, 202-2, 405-1)

The Group's 20,300 employees form the foundation of its sustained excellence supporting operations across a diverse portfolio of sectors and geographies.

As an equal-opportunity employer, Aitken Spence fosters an inclusive, equitable and diverse workforce through fair employment practices and a strong emphasis on merit and development.

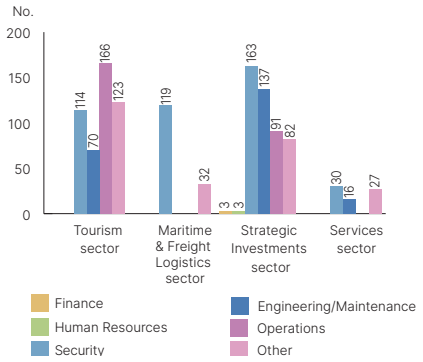
An extensive geographic and industry footprint support talent mobility and long-term career development, strengthening workforce capability and supporting leadership continuity across the Group.

- All employees of Aitken Spence are full-time employees - No seasonal employment.
- 48% of recruitments in Sri Lanka were located outside the Colombo and Gampaha districts, supporting regional development.
- 100% of newly recruited senior management were hired from the local community (Western Province).

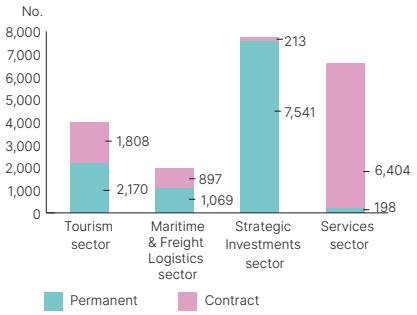
The profile of our team is presented below:

	Employee Contract Type		Total
	Permanent	Contract	
Total	10,978	9,322	20,300
By Gender			
Female	5,110	2,451	7,561
Male	5,868	6,871	12,739
By Age Group			
Under 30	2,794	5,848	8,642
30 – 50	6,136	3,011	9,147
Over 50	2,048	463	2,511
By Region			
Sri Lanka	9,724	8,366	18,090
Maldives	787	607	1,394
Other Countries	467	349	816

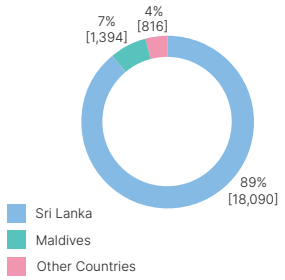
Outsourced Workers by Sector and Function



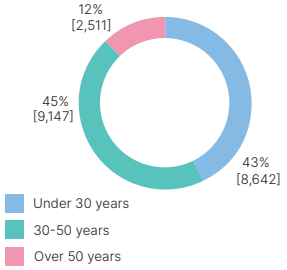
Employees by Type and Sector



Geographical Analysis

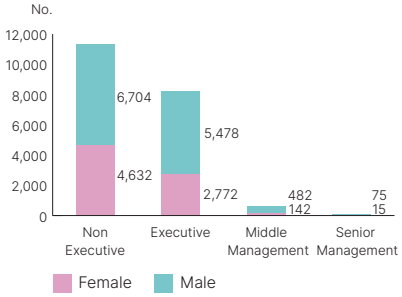


Age Analysis

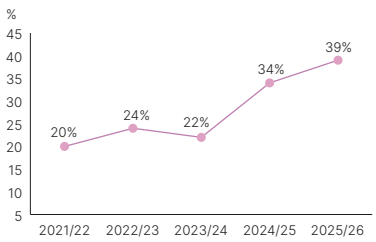


New Hires

Employee Category by Gender



Turnover Rate



HUMAN CAPITAL

TALENT ATTRACTION, RETENTION AND TURNOVER

(GRI 401-1)

The Group adopts a merit-based and inclusive recruitment approach aligned with its DE&I objectives, supported by a strong employer brand built over 157 years. Talent acquisition has been strengthened through diversified sourcing, benchmarked selection methodologies, and digital and AI-enabled recruitment platforms.

Alongside external hiring, increased emphasis is placed on internal talent mobilisation and retention, supporting workforce stability, moderating turnover and building future-ready capability.

This integrated approach to attraction and retention supports workforce stability and underpins efforts to manage turnover across the Group.

Key initiatives during the year included:

- Enhanced remuneration and benefits
- Identified top talent with Individual Development Plans
- Promoted Respect@Work
- Extended succession planning to Manager level and above
- Launched Group Management Trainee Programme Elevate 2.0
- Launched culture transformation

THE SPENSONIAN INDUCTION EXPERIENCE

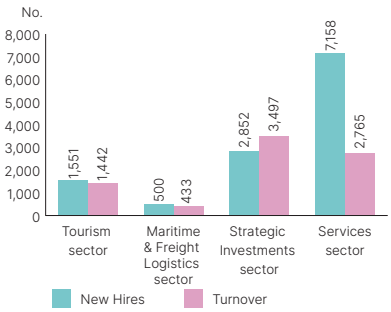
- A monthly 'Roots to Excellence' (RTE) programme introduces the Group's history, values, and code of ethics.
- RTE is complemented by subsidiary-level inductions.

A periodic 'Chat with GCHRO' enables onboarding feedback and leadership engagement.

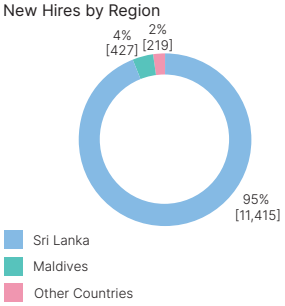
12,061 New Hires | **65%** Retention Rate | **39%** Turnover Rate

Roots to Excellence

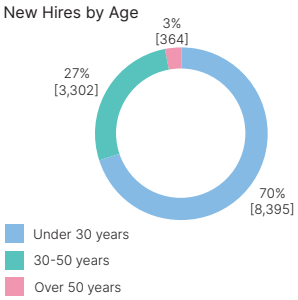
New Hires & Turnover by Sector



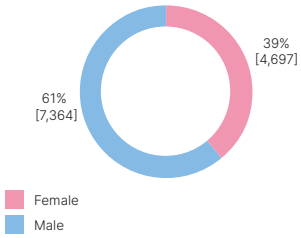
New Hires by Region



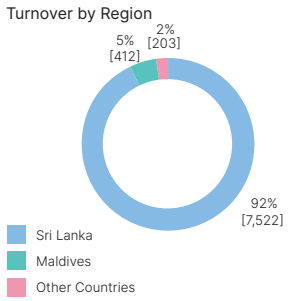
New Hires by Age

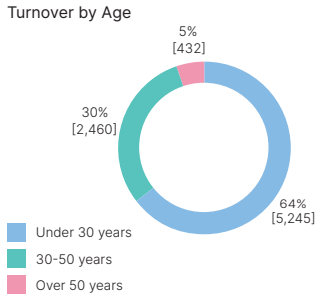


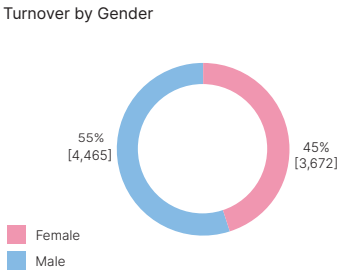
New Hires by Gender



HUMAN CAPITAL







REMUNERATION, REWARDS AND RECOGNITION

(GRI 401-2, 202-1)

The Group adopts a total rewards approach combining financial and non-financial incentives to attract, motivate and retain employees. The compensation framework integrates fixed and performance-linked pay aligned to individual and business outcomes.

During the year, remuneration and benefits were reviewed in response to inflationary pressures to support employee well-being while maintaining market competitiveness.

(GRI 13.21.1)

- Employee benefit expenses amounted to Rs. 19.6 Bn during the year.
- The Group ensures that compensation for all employees meets or exceeds the local minimum wage in every location of operation.

Rewards and Benefits

Health
- Reimbursement of outdoor medical expenses
- Indoor health insurance
- Critical illness cover
- Subsidised meals in select segments
- Telemedicine facility
- Awareness programmes by medical professionals
- Medical officers dedicated to certain segments

Education
- Financial assistance for educational pursuits
- Professional membership subscriptions

Work Life Balance
- Semi-Virtual Mobility (remote working)
- FlexiTime arrangements
- Enhanced parental leave (maternity and paternity)
- Adoption leave
- Club memberships

Leisure
- Free holiday vouchers at Aitken Spence Hotels
- Holiday bungalows for executives
- Discounted rates for travel and hotel stays

Child and Elder Care
- Subsidised childcare facility
- Crèche facility for plantation workers
- Elders' home for retired plantation staff

Welfare
- Aitken Spence Sports and Welfare Society
- Wedding gifts
- Donations on death of employee or immediate family members
- Transport facilities/travel reimbursements

Enhancements during the year

- Increase and extension of indoor health insurance coverage
- Launch of EAP offering confidential counselling services

HUMAN CAPITAL

PERFORMANCE MANAGEMENT

(GRI 404-3)

The Group applies a structured, development-focused performance management framework to align individual contributions with business objectives for all Executives. Accessibility and efficiency were strengthened during the year through a cloud based system and HRIS upgrade, with manual processes retained for select non-executive segments.

Goal Setting ▶ Mid-Year Review ▶ Annual Appraisal

EMPLOYEE RECOGNITION

The Group's special employee recognition programmes acknowledge outstanding performance, values-led behaviour and long service, reinforcing a culture of appreciation, accountability and excellence across the organisation.

Recognition is designed to motivate sustained performance, celebrate contributions aligned with the Group's values and strengthen engagement at all levels. In addition to Group-wide programmes, segment level recognition initiatives enable timely and context specific acknowledgement of individual and team achievements.

Individual and Team Performances

- Internal congratulatory flyers
- Industry award acknowledgements

The SpenceInnova Awards

- New products/services
- New processes
- New ventures

The 7S and Lean Productivity Awards

- Organisational standards
- Continuous improvement standards

Corporate Values

The Spence Diamonds Awards

- Champions of 5 values
- Highlights service excellence

Long-Service Milestones

- 25 years of service
- Monetary rewards
- Internal congratulatory flyers
- Staff Convention awards

RELATIONSHIPS WITH TRADE UNIONS

(GRI 2-30, 402-1, 407-1)

The Group upholds employees' rights to freedom of association and collective bargaining, with approximately 14% of the workforce represented by 15 trade unions, primarily within the plantations segment.

Collective agreements, Worker Councils and Joint Consultative Committees support transparent labour practices, with a minimum four-week notice period in place for significant operational changes.

During the year, constructive union relationships were maintained, with no industrial action or identified risks to freedom of association or collective bargaining.

Workforce Representation in Trade Unions by Sector

- 5% Tourism sector
- 10% Maritime & Freight Logistics sector
- 85% Strategic Investments sector
- 0% Services sector

NURTURING TALENT

(GRI 404-1, 404-2)

Talent Development is a core pillar of the Group's human capital strategy, centrally coordinated by Group HR and delivered through the Aitken Spence School of Management. It is also facilitated at segment-level based on specific operational requirements.

Development Interventions focus on building skills, mindset and leadership potential aligned to organisational objectives.

During the year, talent development was anchored on four transformation pillars to build a future-ready workforce and support the Group's broader transformation agenda. These initiatives strengthen leadership depth, functional capability and readiness for transformation.

HUMAN CAPITAL

THE AITKEN SPENCE SCHOOL OF MANAGEMENT (ASSM)

ASSM identifies training needs through multiple channels to design targeted learning interventions aligned with the Aitken Spence Behavioural Competency (ABC) framework and strategic priorities.

Talent Development initiatives are guided by the 4D model - Diagnose, Design, Deliver and Derive - ensuring a structured and impact-driven approach.

Leadership Transformation

Delivered a structured Executive Development Programme for the entire Deputy General Manager - General Manager community, integrating assessments, workshops, coaching and applied projects.

Digital/AI Transformation

Launched the Algnite curriculum to build digital and AI capabilities.

Culture Transformation

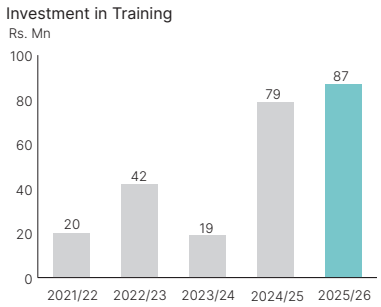
Strengthened values-led behaviour via competency-based programmes focused on resilience, agility and emotional intelligence.

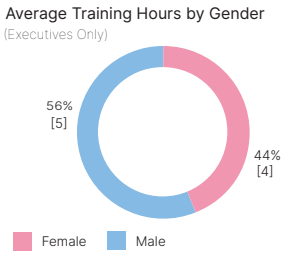
Lean/Kaizen Transformation

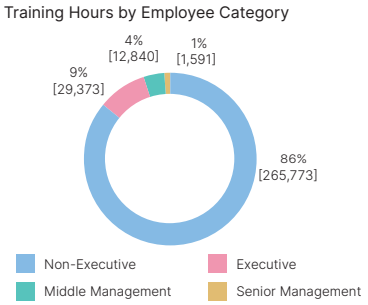
Nurtured a culture of continuous improvement through Lean and Kaizen training Group-wide. A dedicated team of individuals representing all sectors were certified as Lean Six Sigma Black Belts to champion Lean transformation across Aitken Spence.

Three flagship curriculum-based programmes - Transcend Aspire, Spence LEAP 360° and the New Manager Programme - were continued during the year to strengthen leadership capability and equip employees to navigate complexity and drive sustainable performance.

Learning and Development Record for 2025/26







16
Average Training Hours per Employee

135,338
Training Participation

309,577
Total Training Hours

SEGMENT-LEVEL TRAINING PROPOSITION

- Industry-specific technical training is primarily delivered at segment level to meet operational needs.
- Dedicated training teams support key segments, including hotels, plantations, and apparel.
- Youth employability is strengthened through dedicated training institutes (Aitken Spence Institute of Hotel Management) and partnerships (NVQ Level 6 elevator maintenance programme with CINEC Campus),

HUMAN CAPITAL

Spensonian Convention

Children's Day

Halloween Night

Photography Exhibition

Karaoke Night

Sports Fiesta

Avurudu Ulela

Vesak Bathi Gee

HUMAN CAPITAL

EMPLOYEE SURVEYS AND FOCUS GROUP DISCUSSIONS

Employee surveys and focus group discussions provide insights into workplace conditions, engagement, work-life balance and overall satisfaction. During the year, Group HR focused on:

- Spence Culture Survey
- Organisational Health Survey
- Employee Well-being Survey

The Service Quality Survey was reintroduced to capture feedback from key internal stakeholders reinforcing Group HR's role as a Centre of Excellence.

MAINTAINING ACTIVE ENGAGEMENT

The Group maintains multiple employee engagement mechanisms to enhance the overall employee experience. Year-round engagement initiatives - including sports, welfare and family events - support work-life balance, foster camaraderie and reinforce connection with employees' evolving needs.

Spensonian Convention

The Group's flagship town hall is organised bi-annually in hybrid form with the participation of all executives. This forum highlights Company performance and future outlook, while engaging in a constructive dialogue with the audience.

MOTIVATION

- Sports Fiesta
- Chillax Evenings
- Children's Day (Boss Babies)
- Avurudu/Vesak/Halloween celebrations
- Bowling Tournament
- Quizzes
- Karaoke
- Comic Strips
- Photography Club
- Commemorative Days

INSPIRATION

- Spensonian Conventions
- #WorkZen
- Daily Reflections
- Weekly #WellnessWednesdays
- Weekly Unwinds

RECOGNITION

- Spence Diamonds
- Service Awards
- Spence Innova Awards
- 7S and Lean Productivity Awards
- Spensonian achievements
- Social media challenges

VISIBILITY

- International Women's Day
- Competitions
- Mercantile basketball/swimming/cricket/badminton/tennis
- Ace Magazine
- Spence Disaster Relief Drive

Spence Disaster Relief

Group HR coordinated relief efforts to support employees and communities affected by cyclone Ditwah, in partnership with The Ceylon Chamber of Commerce. Support included monetary and non-monetary assistance, logistical distribution of dry rations, and a special relief scheme funded through both organisational resources and employee contributions.

HUMAN CAPITAL

ENSURING HEALTH, SAFETY AND WELL-BEING

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

The Group's health and safety framework is guided by the Integrated Sustainability Policy and supported by robust Occupational Health & Safety (OHS) management systems aligned with international standards, including ISO 45001, with controls and practices operationalised by each segment at a level commensurate with the nature and scale of their respective OHS risks.

As an essential requirement, a systematic Hazard Identification, Risk Assessment and Control (HIRAC) approach is applied across all operations to identify and manage risks appropriately, supported by proactive risk management, targeted training, and continuous monitoring to safeguard employee health, safety and well-being. The Group promotes employee well-being by fostering an enabling work environment and prioritising both physical and mental health.

OHS processes actively involve employees across all levels to support effective risk identification and control.

OHS management systems cover 100% of employees and on-site stakeholders across all operations.

During the year, the #WorkZen campaign was expanded, informed by insights from the Employee Well-being Survey. This included the introduction of a confidential Employee Assistance Programme (EAP) offering multilingual counselling, supported by ongoing wellness initiatives (webinars, online yoga/meditation/journalling etc.) and data-driven mood reports. A mental health awareness workshop was held for AGMs, DGMs, and GMs, to ensure managers were equipped with the skills to ensure team well-being. A Health Check-Up Camp was also conducted for all staff.

Measures to Ensure Competency and Continuous Improvement in OHSMS

Key Measures Taken

- Fire safety training provided to MDs
- Due diligence on HIRAC processes including hazard and incident reporting, worker awareness/ownership, incident monitoring and investigation, corrective/preventive action taken reviewed and strengthened
- OHS/DRR committees and a network of trained fire wardens and first aid officers maintained across all business segments
- Risk assessments conducted at priority business segments to ensure safety related compliance, and machinery safety assurance
- Ambulance access arranged for Aitken Spence Towers through a reputed hospital in the vicinity to avoid delays in the event of an emergency

Training and Awareness

Routine training provided on

- First aid
- Fire safety
- Machine safety
- Disaster risk reduction
- DRR and emergency response mechanisms (fire drills, night-time drills, earthquake drills)
- Basic awareness of related essential SOPs for all new recruits

Employee Well-being

- Engagement initiatives
- Medical awareness sessions
- Tele-medicine access
- EAP counselling
- On-site medical support

91 systems maintained across the Group that ensure OHS, out of which certification has been awarded aligned to international best practices to **46 systems**

HUMAN CAPITAL

HEALTH AND SAFETY RECORD FOR 2025/26

	Tourism	Maritime	Strategic	Services
Number of Spensonians working on OHS systems/procedures	207	24	445	48
Number of management systems/processes maintained for OHS	25	7	55	3
Number of management systems certified	9	3	32	1
To employees and non-employees whose work is controlled by the operation;				
Workplace related injuries to employees	90	46	176	2
Rate of workplace related injuries	2%	2%	2%	0.03%
Workplace related ill-health	6	1	63	0
Workplace related high-consequence injuries	0	3	0	1
Rate of workplace related high-consequences injuries from injuries	0%	7%	0%	50%
Fatalities due to workplace related injuries	0	0	0	0
Fatalities due to workplace related ill-health	0	0	0	0
Rate of workplace related fatalities from injuries	0%	0%	0%	0%
No. of lost workdays due to workplace related injuries	80	363	295	33

ENHANCING WORKFORCE EXPERIENCE THROUGH DIGITALISATION

The Group's HR operations are supported by robust, internationally certified systems, including continued ISO/IEC 27001 compliance. An upgraded cloud-based HRIS, a new digital document management platform and a revamped LMS enhanced data security, efficiency and learning enablement.

In line with the Group's transformation agenda, HR processes continued to be digitalised to improve efficiency, enhance the employee experience and enable data-driven decision-making.

Key developments during the year included:

- AI-enabled recruitment
- HR Service Desk
- HR Chatbot

PRESERVING HUMAN RIGHTS

(GRI 410-1, 2-25, 2-26, 408-1, 409-1)

The Group is committed to upholding internationally recognised human rights in line with the UN Guiding Principles on Business and Human Rights.

Accessible grievance mechanisms, including an open-door policy and designated HR Business Partners, enable employees to raise concerns confidentially.

Preventive measures addressing child labour and forced labour are embedded across operations, supported by annual human rights briefings for security personnel, with 100% of the Group Security Division executive team trained on the UN Global Compact's Ten Principles, the UN Guiding Principles on Business and Human Rights and key statements from the Universal Declaration of Human Rights.

Sri Lanka has ratified 8 core conventions of the International Labour Organisation (ILO) on child labour, forced labour and freedom of association, all of which the Group fully upholds through compliance with the laws and regulations of the country and enforced across all operations within our operational control. No incidents or high-risk operations were identified during the reporting period, with enhanced management systems in place across higher-risk sectors in alignment with international best practices.

FORMAL GRIEVANCE HANDLING PROCESS *(GRI 2-25)*

- Structured grievance handling framework supported by whistleblowing, anti-harassment and disciplinary procedures
- Clear escalation pathways from Immediate Supervisor to Managing Director and GSB-appointed Grievance Committee
- Harassment cases handled with diligence, supported by preventive training
- 11 formal grievances reported during the year

GENDER PARITY AT AITKEN SPENCE

Aitken Spence is committed to advancing gender parity and ensuring equal opportunities for all employees through inclusive HR and organisational practices. As an early global endorser of the UN Women's Empowerment Principles, the Group continues to champion women's participation and empowerment, reinforced through its DE&I agenda, 'freedom to be me'.

POLICY AND STRUCTURAL ENABLERS THAT PROMOTE GENDER PARITY

Equal opportunity is ensured through an inclusive DE&I policy framework that eliminates gender bias across the employee lifecycle, from recruitment to retention.

Conducive Policy Framework

Equal Opportunity

- Diversity, Equity and Inclusion Policy
- Gender Equity Policy

Inclusion

- Enhanced Parental Leave Policy
- Adoption Leave Policy
- Semi-Virtual Mobility Policy
- FlexTime Work Policy

Grievance Mechanisms

- Grievance Handling Policy
- Sexual Harassment Prevention Policy

Workplace Initiatives

SpenceAscend

A targeted talent programme focused on building capabilities of high-potential SpenceWomen@Work preparing them for future leadership roles.

SpenceInspire

A mentorship programme connecting junior female employees with senior women leaders to enable knowledge-sharing.

Respect@Work

The Group's sexual harassment prevention campaign, strengthened during the year through:

- Leadership sensitisation
- Train the trainer sessions
- Executive training
- New joiner induction

SpenceKids

A subsidised childcare facility enables Spensonian parents to balance professional and personal aspirations.

International Women's Day (IWD) – #GiveToGain

Celebrated Group-wide through a main event featuring leadership reflections, a keynote address and a cross-sector panel, complemented by month-long engagement initiatives promoting female empowerment and well-being. The segments conducted their own sessions to further engage SpenceWomen@Work.

IWD Panel Discussion

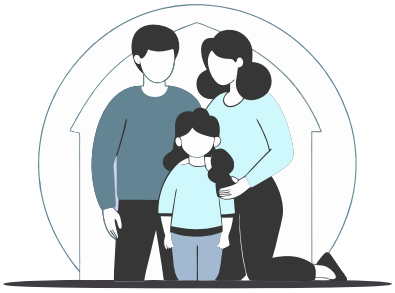
IWD Art Therapy Workshop

IWD Office Celebrations

HUMAN CAPITAL

ENCOURAGING FEMALE REPRESENTATION *(GRI 2-25)*

The Group encourages female representation across all levels through inclusive policies, progressive practices and supportive benefits that enable continued workforce participation and advancement.



Parental Leave
(GRI 401-3)

The Group offers comprehensive parental leave, including 100 days of paid maternity leave, 5 days of paid paternity leave, and equivalent paid adoption leave, supporting a smooth transition into parenthood.

Scan the QR code for more details on parental leave and workforce diversity *(GRI 401-3, 405-1)*

PARENTAL LEAVE	
ENTITLEMENT	
100 days	5 days
7,561 employees	12,739 employees
AVAILED BY	
67	42
Employees that returned to work in the reporting period after parental leave ended	
97% (65)	100% (42)
Employees that were still employed 12 months after their return to work	
85% (55)	90% (38)

(GRI 405-2)

7,561 (37%)
Female Representation

4,697 (39%)
New Recruits

125 (31%)
Promotions

3,672 (45%)
Exits

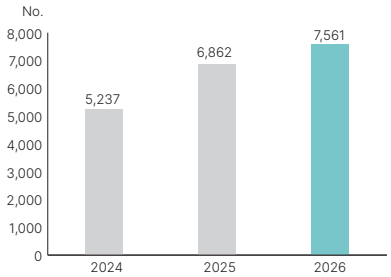
12,739 (63%)
Male Representation

7,364 (61%)
New Recruits

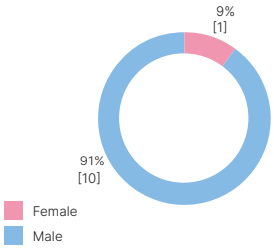
273 (69%)
Promotions

4,465 (55%)
Exits

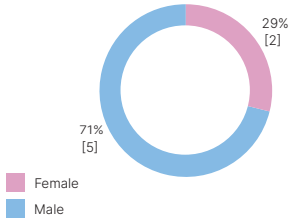
Female Employees
As at 31st March



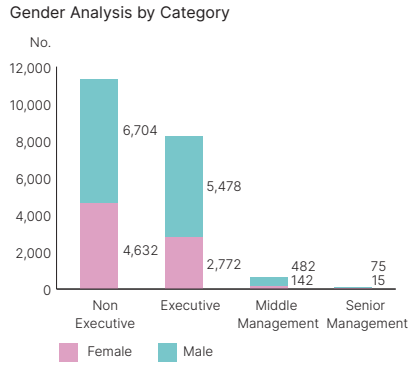
Gender Representation of the Main Board

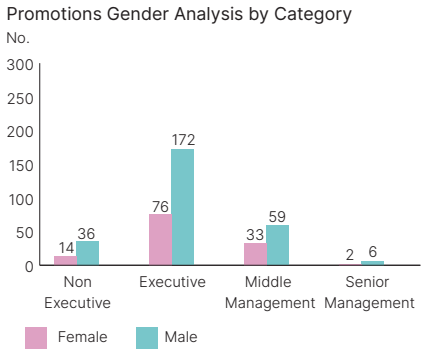


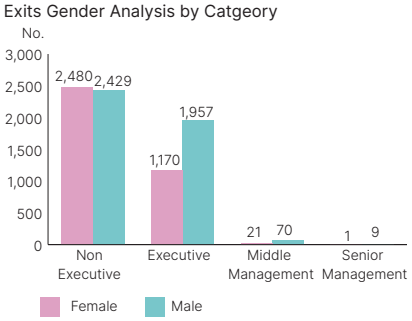
Gender Representation of the Group Supervisory Board



HUMAN CAPITAL







CLOSING THE GENDER GAP

The Group is committed to addressing gender bias and ensuring zero gender-based discrimination in rewards, promotions and training.
Gender Pay Gap *(GRI 2-25, 405-2)*

Employment Category	Ratio of Male to Female Pay in Sri Lanka	
	2025/2026	2024/2025
Non-Executive	1 : 0.93	1 : 0.73
Executive	1 : 0.81	1 : 0.80
Middle Management	1 : 0.97	1 : 0.95
Senior Management	1 : 0.93	1 : 0.87

GRI Topic	The Performance Indicator	2025/2026	2024/2025
(None)	Total number of harassment related grievances reported to HRBPs	11	02
(None)	Total number of harassment related grievances resolved	10	01
GRI 402-1	Minimum notice periods	4 weeks	4 weeks
GRI 406-1	Total number of incidents of discrimination and corrective action taken	None	None
GRI 407-1	Operations in which the right to freedom of association and collective bargaining may be at risk	None	None
GRI 408-1	Operations at significant risk for incidents of child labour and/ or young workers exposed to hazardous work	None	None
GRI 409-1	Operations at significant risk for incidents of forced or compulsory labour	None	None
GRI 2-25	Total number of grievances filed through formal grievance mechanisms during the reporting period	11	01

Communicating a Gender Positive Narrative

As a responsible brand, the Group makes a concerted effort to ensure communications are inclusive, respectful and free from gender bias.

Collectively, these approaches strengthen workforce capability, engagement and leadership depth across the Group, supporting disciplined execution and operational resilience in a dynamic business environment. By continuing to invest in its people, the Group reinforces its ability to adapt, manage people related risks and sustain long term value creation across its diversified operations.

OUTLOOK

The Group's HR strategies will remain closely aligned with the overall business strategy, emphasising on building future-ready capabilities, enhancing employee well-being and fostering a deeply engaged workforce. Building on the solid foundations established over 157 years, HR will evolve in step with the Group's strategic direction, nurturing a skilled, resilient, engaged and values aligned workforce that supports sustainable growth and the successful delivery of the Group's transformation agenda.

INTELLECTUAL CAPITAL

VALUE CREATED IN 2025/26

Rs. 429 Mn
Investments in Digital Infrastructure

196
Total Management Systems

Rs. 87 Mn
Training Spend

Intellectual Capital represents the Group's collective organisational knowledge, proprietary systems, brands, innovation capability and governance frameworks that enable sustainable value creation beyond the contribution of individual employees. It encompasses the know-how embedded in our processes, digital platforms, data architectures, operating models and innovation ecosystems, which together support consistent performance, scalability and resilience across our diversified portfolio.

INTELLECTUAL CAPITAL

In a rapidly evolving business environment shaped by technological change, regulatory complexity and shifting stakeholder expectations, the effective mobilisation of intellectual capital has become a critical source of competitive advantage.

During the year, the Group continued to strengthen this capital base by advancing product and process innovation, enhancing digital and data-driven capabilities, reinforcing brand stewardship and embedding robust systems and standards across operations. These investments enable informed decision-making, accelerate innovation, support risk management and enhance the Group's ability to adapt to emerging challenges and opportunities.

ALIGNING OUR STRATEGY TO ACHIEVE SBTI TARGETS

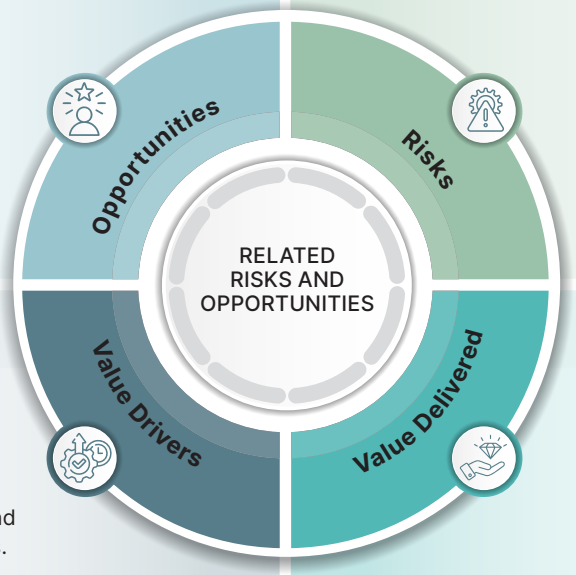
Achieving Science Based Targets requires the development of robust internal capabilities, including consistent emissions baselining methodologies, science aligned target setting frameworks and governance processes that enable independent verification. Given the Group's diversified operational footprint and exposure to differing regulatory environments, continued investment is being made in strengthening emissions data architecture, analytical frameworks and oversight mechanisms to support consistent measurement, target setting and execution across business segments.

Opportunities

- Consistent Group branding can unlock cross-sector synergies.
- Digital engagement can improve brand reach and relevance.
- Collaborative culture strengthens informal learning and mentoring.
- Data-driven insights can improve strategic decision-making.
- Strengthening digital resilience and trust by accelerating investments in cybersecurity.

Risks

- Greater digital visibility increases exposure to reputational risks.
- Talent mobility across markets may weaken long-term knowledge retention.
- Intellectual property protection risks.
- Cyber threats to digital and knowledge assets.
- Crisis-related loss of tacit knowledge and brand resilience.
- Reduced agility in mobilising intellectual capital due to complexities in a rapidly evolving environment.



Value Drivers

- Rs. 2.6 Bn was allocated towards enhancing brand value through targeted brand-building initiatives and campaigns.
- Nurturing a culture of knowledge sharing through programmes that support continuous improvement and investments in learning propositions.
- Leveraging our R&D capabilities to develop new products and services that address evolving market needs.
- Integrating advanced technologies to fine-tune systems, drive operational efficiencies and enable data driven decision-making.

Value Delivered

- **SBTi Validated Targets (Science Based Targets initiative)**
  First and only diversified holdings company in Sri Lanka
- **196 Management Systems**
  Aligned to International Standards across all business segments
- **91 Awards and Accolades**
  Received across the Group
- **Gold+ Top 10**
  Annual Report recognition at the TAGS Annual Report Awards 2025, Diversified Holdings
- **Rs. 429.0 Mn**
  Investments in digital infrastructure

INTELLECTUAL CAPITAL

OUR MANAGEMENT APPROACH

The Aitken Spence Group's approach to managing intellectual capital is anchored in robust governance structures, strong leadership oversight and Group-wide capability building. The expansion of the Group Supervisory Board and Management Council to include members with diverse expertise and perspectives has strengthened governance oversight and enhanced the depth of institutional knowledge guiding strategic and operational decision making.

Our partnerships and collaborations with leading global brands have strengthened the Group's intellectual capital by embedding international management benchmarks, governance disciplines, and best-practice standards across our operations.

The Sustainability Council and the Transformation Steering Committee provide dedicated oversight and cross functional expertise to guide sustainability priorities, organisation wide transformation and long-term value creation.

THE AITKEN SPENCE BRAND

The Aitken Spence brand is the Group's most visible intellectual asset and a key source of long-term value. Our brand portfolio reflects a heritage of excellence and innovation, comprising trusted brands that reinforce Aitken Spence's reputation as a catalyst for progress in Sri Lanka and beyond.

Tourism

Aitken Spence Hotels | Heritance Hotels & Resorts | Adaaran Maldives | turyaa | Aitken Spence Travels | Aitken Spence Aviation | Royal Spence Aviation An Aitken Spence Company

Maritime & Freight Logistics

Aitken Spence Maritime | Aitken Spence Logistics | Aitken Spence Freight | Aitken Spence Express

Strategic Investments

Aitken Spence Printing | Aitken Spence Apparel | Aitken Spence Power | Aitken Spence Plantations | Berry Much Keeping it Real | tropifrut From the House of Elpitiya | Harrow Ceylon Choice | Harrow House | Aitken Spence International

Services

Aitken Spence Elevators | Aitken Spence Insurance | Aitken Spence Property | MMBL Money Master | Port City BPO

Operating across Tourism, Maritime and freight logistics, Strategic investments and Services in 12 countries, creates sustained demands on brand consistency and credibility. In response, the Group has established brand governance that is both structurally sound and culturally embedded, ensuring disciplined stewardship and alignment of values across geographies and business segments.

INTELLECTUAL CAPITAL

BRAND STEWARDSHIP

A central corporate communications and branding unit, supported by SBU level representatives, ensures consistent brand stewardship while maintaining sensitivity to diverse markets, audiences and operating contexts. The following initiatives further strengthened brand stewardship during the year:

- The Group's RTE (Roots to Excellence) onboarding programme embedded brand stewardship into the employee journey by introducing new recruits to the Aitken Spence brand, its values, communications guidelines and behavioural standards from the outset.
- The development of a crisis communication policy and the establishment of a dedicated crisis response team.
- Targeted capacity-building initiatives and cross-learning across the Group to enhance preparedness and resilience in safeguarding brand and reputational capital.

STRENGTHENING BRAND PRESENCE

The Aitken Spence brand is continuously reinforced through external storytelling that articulates the Group's long-term value creation philosophy, balancing commercial performance with environmental stewardship, social impact and strong governance. Consistent narratives across print and digital platforms, including corporate publications, social media and leadership platforms, positioned the Group as a forward-looking conglomerate with a clear strategic identity, strengthening stakeholder confidence and brand recall.

Key branding interventions to position Aitken Spence as a sustainable brand and enhance employer reputation.

Collaboration with the Sri Lanka Air Force Seva Vanitha Unit

In partnership with the Sri Lanka Air Force Seva Vanitha Unit, the 'Clean Today, Green Tomorrow' programme generated sustained national media visibility, strengthening the Aitken Spence brand's association with environmental stewardship and sustainability leadership.

Inaugural Sustainability Strategy Townhall

The Group hosted its inaugural Sustainability Strategy Townhall, providing a public platform for articulating the Spence IMPACT strategy. By convening the Sustainability Council, Group sustainability teams and external experts, the Group moved from asserting its sustainability credentials to demonstrating the institutional architecture behind them.

Group's Management Trainee Programme – targeting Gen Z

Aitken Spence strengthened its employer brand as an intellectual asset through a targeted, digital-first social media campaign for the Group's Management Trainee Programme, designed to connect with Gen Z audiences. Authentic, story-led content showcased the Group's values, culture and career pathways, reinforcing brand relevance and recall among emerging talent segments (more details in the Human Capital report.)

Brand Visibility and Recognition

Independent external recognitions underscored the strength, credibility and enduring reputation of the Aitken Spence brand.

- Rose to **8th rank** among the **top 20 movers and shakers in the LMD's Hall of Fame**
- Featured among **LMD's Most Respected Entities.**
- **Top 10** companies, **EFC National Best Employer Awards** 2025.
- Included in the **Business Today Top 40** , with the edition carrying a tribute to the legacy of the late Chairman Deshamanaya D.H.S. Jayawardena.
- Recognised among top-ranked corporates across multiple prominent Sri Lankan business publications and ranking exercises during 2025/2026

INTELLECTUAL CAPITAL

Awards, Accolades and Certifications bear testimony to our commitment in maintaining high standards of excellence, further strengthening the Aitken Spence brand and enhancing visibility.

» **4 awards won by the Group and 91 awards won across the Group.**

The Group is the first and only diversified holdings company in Sri Lanka to get climate targets validated by **SBTi**

The Group continued to strengthen its digital presence with a social media strategy focused on building authentic awareness of the breadth and diversity of the Aitken Spence portfolio, which has also enhanced brand visibility.

Ongoing alignment and brand consistency across digital channels was ensured through the Group's cross-functional branding team, which meets quarterly to coordinate and guide digital engagement efforts.

For a complete list of Awards, Certifications and Accolades, refer to the Group's Sustainability Disclosures at aitkenspence.com/sustainability

ORGANISATIONAL CAPITAL AND TACIT KNOWLEDGE

The Group's presence across 17 business segments and twelve countries, sustained over decades, has cultivated a depth of organisational tacit knowledge that is difficult to replicate. With over 19% of employees having more than a decade of service, the Group benefits from a substantial reservoir of experience in sector-specific operations and diverse regulatory environments. This knowledge base is reinforced through centralised coordination, collaborative teams, targeted training programmes and structured cross-functional learning initiatives.

Knowledge Transfer and Continuity

The Group has established formal mechanisms to support the transfer of operational and institutional knowledge across the organisation.

Lean Six Sigma training and Kaizen programmes promote continuous improvement by equipping teams with the tools and mindset to identify inefficiencies, develop solutions and embed improved practices.

These efforts are supported by regular process reviews that standardise and document proven approaches, ensuring that individual expertise is retained as organisational capability that persists beyond specific roles.

Systems and Standards

The Group maintains 196 management systems aligned with international standards and global best practices across its business segments.

These systems provide the framework for codifying organisational knowledge, assuring quality and maintaining compliance across geographies and operating environments.

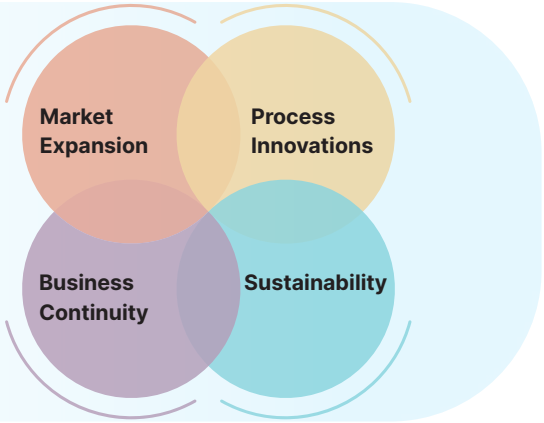
Thought Leadership and External Collaboration

The Group's transformation and technology teams maintain active engagement with global industry leaders and academic professionals. Participation in industry associations and forums is encouraged across all levels of the organisation.

INTELLECTUAL CAPITAL

RESEARCH AND DEVELOPMENT

Research and development activities at Aitken Spence are decentralised across the Group's Strategic Business Units, with each SBU carrying capabilities specific to the industries and markets in which it operates. This approach ensures that R&D initiatives are closely connected to operational realities and that resulting innovations directly address the challenges and opportunities faced by each SBU. During the year, R&D initiatives were clustered around the following strategic themes:



A CULTURE OF INNOVATION

The Group's innovation capability is anchored in a culture that encourages ideas to emerge from across the organisation, supported by governance structures that translate those ideas into business impact. By embedding innovation into everyday ways of working, Aitken Spence converts distributed expertise and organisational learning into practical insights that strengthen resilience, adaptability and long-term competitiveness.

Internal innovation programmes led by the Group's business transformation division together with the relevant SBUs launched several new products and services during the year. These include:

New experiential experiences for guests and tourists.	Automated compliance and operational systems	Automated manufacturing solutions.	IoT-enabled predictive maintenance system piloted.
Dedicated R&D unit.		Launched technology adaptation and innovation unit.	Development of the front-end system for a client-facing digital portal providing real-time visibility of insurance claims and settlement progress that will enable clients to engage with real-time data and access information seamlessly, enhancing transparency and turnaround times.
Digital enabled specialised services for customers.		AI enabled no code workflow platform.	

DIGITAL TRANSFORMATION

Digital First | **Automation** | **Data and AI**

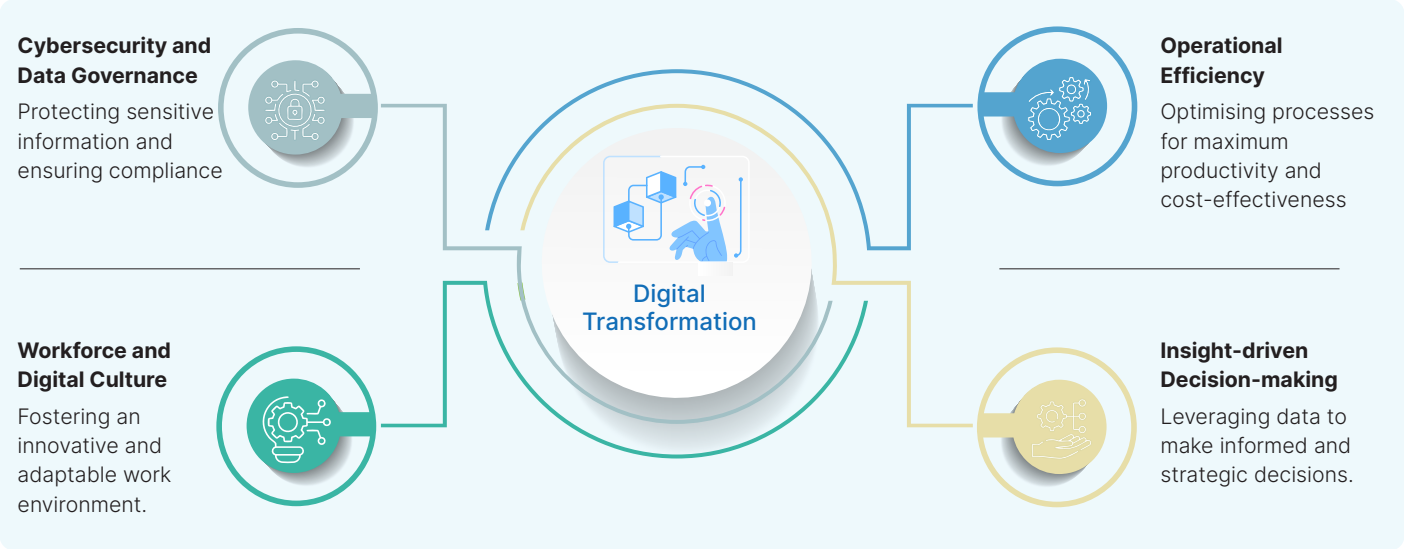
Digital transformation at Aitken Spence is guided by three strategic pillars, Digital First, Automation and Data and AI. All initiatives undertaken during the year were aligned to the Group's core objective of delivering sustainable year-on-year profit growth and expanding market share across business segments. The effectiveness of this agenda is measured through tangible business outcomes including process efficiency, decision-making quality and customer experience.

The Group's Digital Blueprint for 2030 is currently in development, providing the strategic horizon against which current digitisation initiatives are being evaluated and prioritised.

INTELLECTUAL CAPITAL

Key initiatives during the year are mentioned below:

- The Group advanced its digital maturity through scalable automation and analytics initiatives that improved efficiency, strengthened insight generation and supported more consistent and responsive stakeholder engagement.
- Advancements in analytics focused on improving performance visibility and decision support across the Group through relevant digital tools, enabling timely, insight-led management.
- The Group's business transformation unit also initiated a structured framework to guide the progressive development of data and advanced analytics capabilities across business segments.



WORKFORCE AND DIGITAL CULTURE

Digital transformation has begun to reshape the way work is conducted across the organisation. To support this transition, the Group has invested in workforce upskilling through on-the-job training and workshops aimed at enhancing digital and AI literacy. Adoption across SBUs is tracked through dashboards, enabling measurable progress and targeted enablement.

CYBERSECURITY AND DATA GOVERNANCE

With the growth of the Group's digital footprint, the protection of information assets, systems and digital infrastructure has assumed increasing strategic importance. The Group's IT security infrastructure in place includes advanced encryption protocols, controlled access mechanisms, regular cyber drills and vulnerability assessments and detailed audit trails.

The Group has established data governance frameworks and policies aligned with the **ISO 27001 Cybersecurity standard**

Third-party computer emergency response teams and security operations centres have been integrated into the Group's infrastructure to strengthen threat detection and incident response capability. The Group continuously monitors the evolving threat landscape and updates its security posture in response to emerging risks.

OUTLOOK

Looking ahead, the Group's focus on intellectual capital will transition from blueprint to disciplined execution. A Group-wide data and AI strategy, supported by a clear roadmap, will guide the responsible use of information and advanced analytics to enhance strategic decision-making. This will be reinforced by leveraging shared platforms and management systems across the Group, enabling consistent, scalable and effective mobilisation of knowledge, capabilities and insight.

MANUFACTURED CAPITAL

Aitken Spence Group's manufactured capital forms the backbone of its diverse and geographically dispersed operations. It comprises high-quality physical infrastructure, advanced technological systems, and energy-efficient facilities that collectively support seamless service delivery and production excellence across multiple industries and regions.

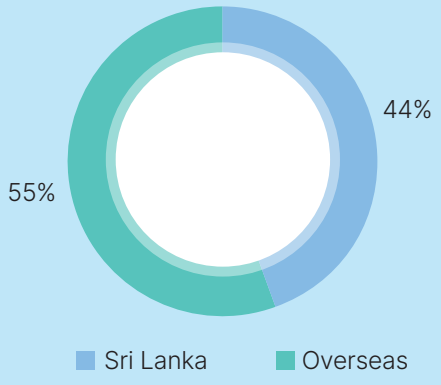
VALUE CREATED IN 2025/26

Rs. 1.7 Bn
Investment in capacity expansion

Rs. 162.1 Mn
Investment in IT infrastructure

Rs. 86.9 Mn
Investment in Sustainability-related CAPEX

Geographical Distribution of Group Manufactured Capital



MANUFACTURED CAPITAL

Manufactured capital forms a critical driver in the Aitken Spence Group's ability to deliver consistent operational performance across its diversified and geographically dispersed portfolio. The Group's asset base, comprising of strategically located hotels and resort portfolio, logistics infrastructure, power generation facilities and manufacturing operations, supports scalable growth, enhances service delivery, and drives operational efficiency. During the year, continued investment in asset optimisation, capacity expansion and digital and energy-efficient infrastructure strengthened asset productivity, improved reliability and advanced progress towards the Group's sustainability and decarbonisation objectives.

ALIGNING OUR STRATEGY TO ACHIEVE SBTI TARGETS

Aitken Spence aligns its manufactured capital strategy with its SBTi targets by prioritising investments in energy-efficient and low-carbon infrastructure across its asset base. The Group advances its decarbonisation and resource efficiency agenda through the integration of renewable energy solutions such as solar, wind and biomass systems, thereby reducing reliance on fossil fuels and lowering operational emissions.

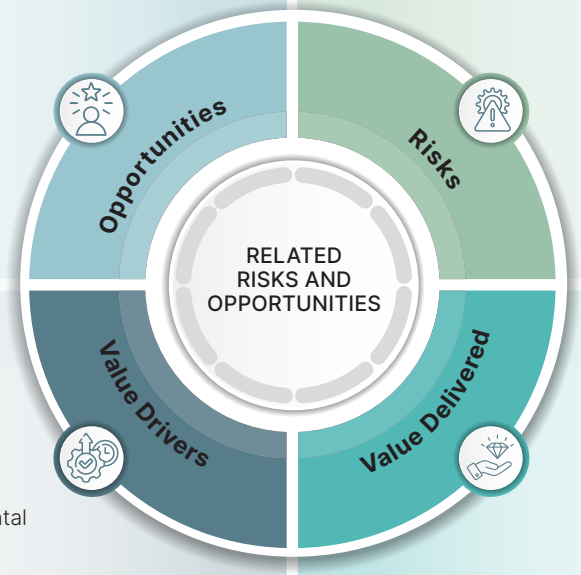
Targeted upgrades and modernisation of existing assets during the year enhanced energy efficiency and optimised resource utilisation, improving overall asset performance. These capital investments are structured to support measurable progress towards the Group's science-based emissions reduction targets, strengthening alignment between infrastructure development and long-term climate commitments.

Opportunities

- Phased and prioritised CAPEX improves asset utilisation, efficiency and service quality.
- Investment in advanced machinery and systems enhances productivity, cost efficiency and operational reliability.
- New capacity, particularly in hotels and logistics, supports long-term revenue growth when aligned with demand.

Risks

- Continuous investment is needed across hotels, plantations, printing and logistics to sustain and upgrade the asset base.
- Exposure to climate vulnerability including flooding, cyclones and rising sea levels in key markets could impact infrastructure and operations.
- Rapid advancements in technology, particularly in printing and automation, may render existing equipment outdated.



Value Drivers

- Strategic asset allocation and capacity expansion to support scalable growth across key sectors and geographies.
- Investment in energy-efficient, low carbon and climate resilient infrastructure to reduce environmental impact.
- Upgrading and maintaining assets to enhance productivity, reliability and service standards.
- Adoption of advanced technologies, automation and digital systems, strengthening operational capabilities and enabling performance improvement.

Value Delivered

0.45 times
Asset turnover ratio

Rs. 162.1 Mn
Investment in IT infrastructure

Rs. 3.6 Bn
Total CAPEX investment

Rs. 1.7 Bn
Investment in capacity expansion

37.8 MW
Solar energy capacity

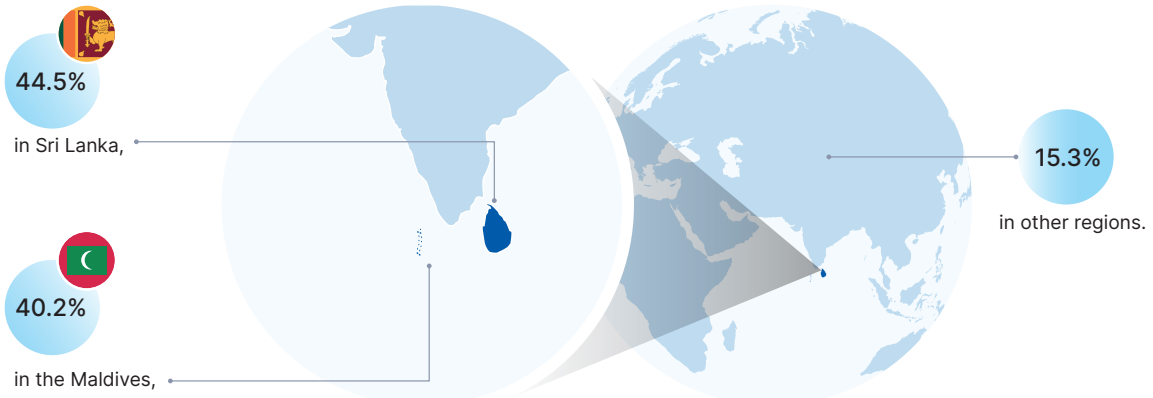
MANUFACTURED CAPITAL

THE BACKBONE OF OUR OPERATIONS

As at 31 March, the Group's manufactured capital stood at a net book value of Rs. 75.1 Bn, representing 33.0% of total assets. This asset base provides the operational foundation required to support capacity, service delivery and sector-specific growth across the Group's diversified portfolio.

The Group's manufactured capital is strategically distributed across key geographies and sectors, reflecting its investment priorities and market presence. A significant proportion remains concentrated within the Tourism sector, supported by a portfolio of hotel properties across the Maldives, Sri Lanka, India and Oman, while logistics infrastructure, power generation facilities and manufacturing operations further enhance operational scale and diversification.

An geographical overview of the Group's manufactured capital is presented below:



SECTOR-WISE DISTRIBUTION OF THE GROUP'S MANUFACTURED CAPITAL

Tourism

69.1%, Rs. 51.8 Bn

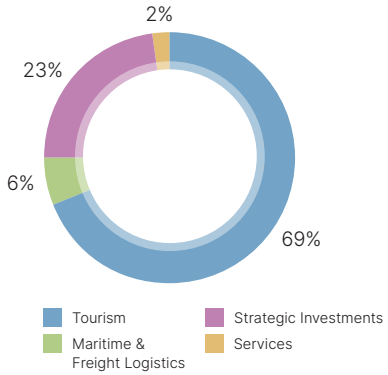
19 strategically located hotel properties across the Maldives, India, Sri Lanka and Oman represent a major portion of the sector's manufactured capital, strengthening the Group's regional presence and competitive positioning.

Maritime & Freight Logistics

6.4%, Rs. 4.8 Bn

The Maritime and Freight Logistics sector is supported by a well established infrastructure base, including container yards, extensive warehousing facilities and a comprehensive logistics fleet operating across global markets, enabling efficient and reliable operations.

Group Manufactured Capital



Services

1.8%, Rs. 1.4 Bn

Investments in digital infrastructure, including system enhancements and improved data tracking, supported more agile, data-driven decision-making and operational coordination, particularly in the Services sector.

Strategic Investments

22.7%, Rs. 17.0 Bn

Power Generation

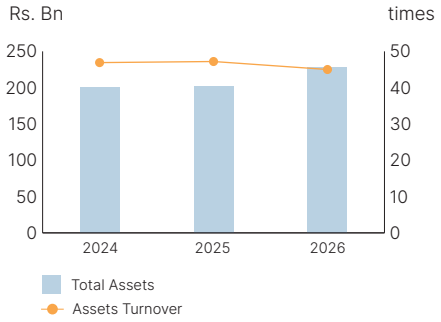
The segment comprises a diversified portfolio anchored by Sri Lanka's only waste to energy power plant, complemented by a 10 MW ground mounted solar facility, alongside wind and hydro power assets. Ongoing investments enhance operational efficiency, strengthen resilience and support the Group's decarbonisation and transition to cleaner energy sources.

Printing and Packaging

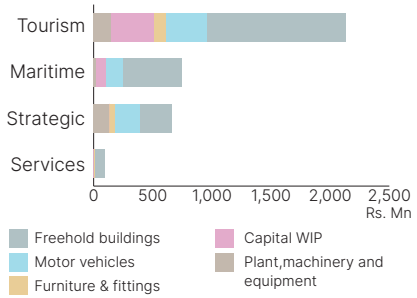
The segment is South Asia's first LEED-certified printing plant, with automated equipment and capacity for industrial-scale output.

MANUFACTURED CAPITAL

Assets Turnover



FY 2025/26 CAPEX by Asset category



MANUFACTURED CAPITAL STRATEGY

The Group's strategic priorities for manufactured capital are aligned with evolving business needs, ensuring that investments in infrastructure continue to drive operational efficiency, resilience and value creation across all sectors.

Strategic Priorities	Future Plans	
Supporting Business Growth	Short-term	Investing in cold storage facilities at key geographies. (Maritime & Freight logistics sector)
	Medium-term	Geographical expansion of port management services. (Maritime & Freight logistics sector)
	Long-term	Prioritising investments in high impact physical infrastructure, including hotels, logistics platforms, manufacturing facilities and energy assets to strengthen capacity, improve asset quality and support scalable growth (across the Group).
Driving Sustainability	Short-term	Transition towards low-emission transport solutions, including alternative fuel and electric mobility technologies, to enhance efficiency, reduce environmental impact and respond to evolving regulatory and customer requirements.
	Medium-term	Expansion of renewable energy adoption across warehouses, logistics hubs and office premises through the installation of solar infrastructure, supporting the reduction of Scope 2 emissions. Integrate sustainable practices into supply chain and procurement decisions including eco-friendly packaging and greener container handling. Transition of material handling equipment towards electric-powered alternatives and optimisation of fleet operations to improve energy efficiency, alongside the development and promotion of energy-efficient solutions within the Group's product and service portfolio.
	Long-term	Develop sustainable and green logistics solutions to align with global environmental standards. Establish market leadership in key corridors and build a future-ready, digitally enabled sales ecosystem. (Airlines GSA)
Improving quality and efficiency	Short-term	Obtaining Green Building certifications. (Integrated container services)
	Medium-term	Strengthen owned fleet capacity by 30% to deliver a better service experience. (Tourism sector)
Driving innovation	Short-term	Invest in energy efficient machinery to reduce fossil fuel consumption.
	Medium-term and Long -term	Adopting advanced technologies, digital systems and sustainable solutions, including next generation infrastructure and alternative energy applications. (across the Group)

MANUFACTURED CAPITAL

STRENGTHENING RESILIENCE THROUGH CAPEX

The Group's growth and operational resilience are supported through disciplined capital expenditure, with a focus on strengthening and optimising its manufactured capital base. During the year, total CAPEX of Rs. 3.6 Bn was deployed across capacity expansion, digital integration and sustainability initiatives.

These investments enhanced asset productivity, improved operational efficiency and strengthened infrastructure resilience across key sectors, while supporting the Group's transition towards more sustainable and technology-enabled operations.

Investments in capacity expansion

Rs. 1.7 Bn

Capital expenditure undertaken to expand capacity, modernise infrastructure and enhance operational efficiency across the Group.

CAPEX related to digital infrastructure

Rs. 162.1 Mn

Investments in digital infrastructure, including system enhancements and improved data tracking, supporting more agile, data-driven decision-making and operational coordination.

Sustainability-related CAPEX

Rs. 86.9 Mn

Includes investments in sources of renewable energy and the procurement of electric equipment, which reduce energy costs, lower carbon emissions and improve environmentally efficient operations.

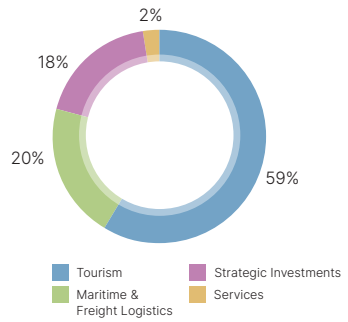
CAPEX BY SECTOR

Tourism

58.8% of Group CAPEX

Capital expenditure in the Tourism sector during the year focused on asset enhancement and digital transformation initiatives to strengthen service quality and operational efficiency. Investments included hotel refurbishments and targeted infrastructure upgrades, such as enhancements to core systems and facilities, alongside fleet expansion within the destination management segment to support capacity and improve service delivery.

CAPEX by sector for FY 2025/26



Strategic Investments

18.2% of Group CAPEX

Plantations segment:

Focused on improving productivity through investments in field development, enhancement of estate infrastructure and procurement of motor vehicles to strengthen field mobility.

Power segment:

Capital expenditure was directed towards enhancing operational efficiency and reliability, including a major overhaul of the Western Power Plant, enabling more sustainable and efficient operations, improving plant stability and reducing operational disruptions.

Printing Segment:

Investments in a fully automated box making machine, automated platen machine for die cutting operations Investments in a fully automated box making machine, automated platen machine for die cutting operations and a laminating machine to produce metallised laminated boards in house enhanced production efficiency, strengthened capacity and enabled greater value addition across operations.

MANUFACTURED CAPITAL

Services

2.5% of Group CAPEX

The Services sector operates on an asset light model with relatively lower reliance on manufactured capital, supporting efficient capital utilisation and operational flexibility. During the year, capital expenditure focused on strengthening essential communication infrastructure, including upgrades to PABX systems, enhancing operational reliability and supporting efficient service delivery across managed operations.

Maritime & Freight Logistics

20.5% of Group CAPEX

The sector focused on expanding capacity, improving efficiency and enhancing sustainability. Investments included cold storage and warehouse facilities in Bangladesh, procurement of trailers and material handling equipment and upgrades to container tracking and gate movement systems for real-time visibility.

Additionally, spending on fuel-efficient equipment, electric forklifts and solar panels reflect a growing emphasis on cost efficiency and environmentally sustainable operations by the sector.

ALIGNING MANUFACTURED CAPITAL WITH SBTI AND NET ZERO COMMITMENTS

Aitken Spence remains committed to decarbonising its asset base in line with its Science Based Targets initiative (SBTi)-approved targets and its aspiration to achieve net zero emissions by 2030. Sustainability considerations are embedded across the Group's manufactured capital, with all sectors aligned towards achieving these targets through coordinated investment and operational initiatives.

As a diversified conglomerate, the Group actively evaluates and manages the environmental impact of its operations, investing in energy-efficient and low-carbon infrastructure to minimise resource consumption and reduce emissions. Sustainability principles are integrated into both capital allocation and asset management decisions, supported by the Group's Integrated Sustainability Policy and its 'Build Better Before' philosophy, ensuring that all asset enhancements contribute to long-term environmental resilience and sustainable growth.

During the year, the Group continued to embed sustainability into its manufactured capital through targeted investments and initiatives, as outlined below:

OUTLOOK

The Group's outlook for manufactured capital remains focused on strengthening its asset base to support long term competitiveness, operational efficiency and sustainable growth across its diversified sectors. Strategic investments will be aligned with the Group's digital capital priorities, ensuring the integration of advanced technologies, automation and data driven systems to enhance performance, scalability and service delivery.

Capital allocation is guided by robust governance frameworks, with oversight from the Board Investment Committee and Group management committees, ensuring that investments are prioritised and deployed effectively. This disciplined approach supports the optimisation of returns across the short, medium and long term, while maintaining a strong commitment to sustainable business practices.

The Group will continue to advance its sustainability agenda through investments in energy efficient infrastructure, renewable energy adoption and resource optimisation, ensuring that its manufactured capital base remains resilient, future ready and aligned with its strategic and environmental commitments.

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital plays a central role in enabling the Group's business model, with the strength of these relationships directly influencing its ability to operate effectively across sectors and geographies.

VALUE CREATED IN 2025/26

64
New product and service enhancements

Rs. 63.6 Bn
Payments to suppliers

Rs. 85.7 Mn
Investment towards community development

47%
Average NPS (Net Promoter Score) of across all Sectors.

OUR SOCIAL AND RELATIONSHIP CAPITAL

Over 11,000+
Customers across 12 geographies

26
Strategic relationships

14,000+
Total suppliers

11,000+
Local suppliers over 80% of the total suppliers

SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital plays a central role in enabling the Group's business model, with the strength of these relationships directly influencing its ability to operate effectively across sectors and geographies. The Group has built long-standing relationships with collaborators, joint venture partners, and the communities in which it operates, grounded in trust, shared objectives, and responsible business practices.

These relationships enable the Group to leverage complementary capabilities, local market knowledge, and operational expertise, supporting effective coordination and execution across business segments. Joint venture partnerships facilitate access to new markets, capital, and capabilities, while allowing for risk sharing and strategic alignment. Collaboration with suppliers and service partners further supports operational continuity and compliance with required standards.

Engagement with local communities remains critical to maintaining the Group's social license to operate. Ongoing dialogue supports alignment with community expectations, mitigates social risks, and contributes to local development, while also supporting workforce stability in specialised operating environments.

Collectively, these relationships strengthen operational resilience and support the consistent delivery of sustainable value over the long term.

ALIGNING OUR STRATEGY TO ACHIEVE SBTI TARGETS

The Group's approach to achieving its Science Based Targets (SBTi) is supported by the strength of its social and relationship capital, recognising that meaningful emissions reductions cannot be delivered in isolation. Progress towards the Group's emission reduction targets as well as aspirational targets extending to the value chain are enabled through active engagement with partners, collaborators, joint venture partners, suppliers, and the communities in which the Group operates.

The Group works closely with its value chain partners to improve environmental performance, particularly in areas such as energy consumption, resource efficiency, and responsible sourcing. This includes aligning expectations with suppliers, encouraging the adoption of sustainable practices, and fostering collaboration to address shared climate-related challenges. Joint venture partnerships further support the integration of low-carbon strategies across operations, enabling consistency in approach while leveraging shared expertise and resources.

Aitken Spence PLC actively engages customers and suppliers to advance shared climate responsibility and support the achievement of the Group's Science Based Targets. By setting clear value chain engagement targets, the Group reinforces its collaborative approach to climate action recognising that long-term emissions reduction depends on strong, aligned and mutually accountable stakeholder relationships.

Aspirational targets;

- By FY2030, the Group aims for 46.4% of its suppliers to have science-based emission reduction targets in place.
- In parallel, the Group seeks to engage with customers representing 80% of emissions arising from the use of sold products, encouraging the adoption of science-based targets.

BUSINESS AMBITION FOR 1.5°C

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SOCIAL AND RELATIONSHIP CAPITAL

Opportunities

- Strong stakeholder relationships across customers, suppliers and communities reinforce brand equity and competitive advantage.
- Local sourcing and livelihood development initiatives enhance supply chain resilience.
- Deepening engagement with local communities can enhance social license to operate.

Risks

- Evolving customer expectations for personalised, digital and sustainable offerings may impact satisfaction.
- Rising expectations around responsible business practices, inclusive growth and sustainability may pose reputational risks if not proactively managed.
- Dependence on supplier networks increases exposure to community impact risks

RELATED RISKS AND OPPORTUNITIES

Value Drivers

- Consistent delivery of high quality, reliable and differentiated products and services strengthens customer loyalty and brand equity across sectors.
- Leveraging eco-system partnerships and industry collaborations to drive greater synergies, address challenges faced by the industry and enhance the Group's social license to operate.
- Ethical and collaborative relationships with suppliers enhances supply chain resilience and operational continuity.
- Empowering communities through local sourcing, livelihood development and social investments that create shared value.

Value Delivered

- **64**
  New product and service enhancements
- **47%**
  Average NPS (Net Promote Score) across all sectors
- **Rs. 63.6 Bn**
  Payments to suppliers
- **63%**
  Proportion of spending on local suppliers *(GRI 204-1)*
- **Rs. 85.7 Mn**
  Investment in strategic CSR initiatives

Our Management Approach

	Customers	Business Partners	Supply Chains	Communities	Customers
	Over **11,000** customers across 12 geographies	**26** Strategic relationships **76%** of our business partnerships exceed 10 years	Over **14, 000** Suppliers out of which **80%** are local suppliers	Rs. **162.3** Mn direct and indirect funds channelled	Other Key Industry Stakeholders
Value Created	Enhanced CRM and engagement platforms	Strengthened JV network	Improved ESG screening and governance	Increased investment and outreach	Active industry participation
Strategic Shift for 2026/27	Advancing personalisation and digital integration	Expansion into new markets	Greater traceability and supplier integration	Enhanced impact measurement and scale	Deeper policy engagement

SOCIAL AND RELATIONSHIP CAPITAL

The Group's operating model is built on a disciplined and consistent approach to managing stakeholders across 12 geographies. A comprehensive framework of policies, systems and processes guides the Group's relationships and ensures that interactions are conducted with integrity and transparency. This approach is grounded in trust, accountability and shared value creation, and is embedded across all engagements with customers, business partners, suppliers and other stakeholders.

RELATIONSHIPS WITH CUSTOMERS

Strong customer relationships enhance satisfaction and loyalty, strengthen brand equity, support revenue diversification, and enable sustained value creation through consistent, high-quality and responsive service delivery.

63%
Repeat customers / retention rate

11,006
Customer base across 12 geographies

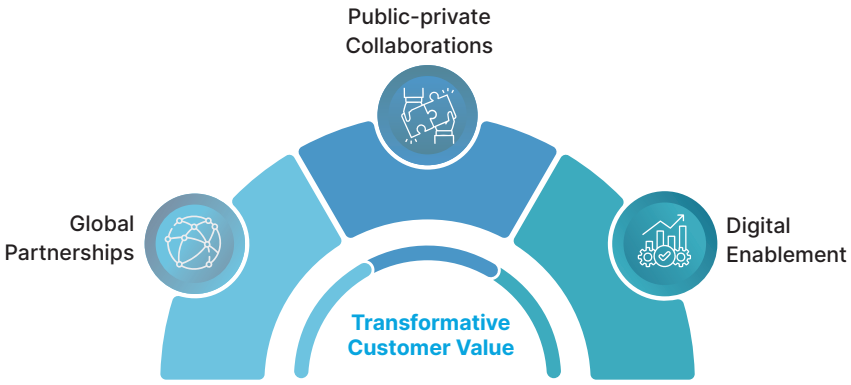
64
New product and service enhancements introduced

Across the Group's diversified portfolio, Aitken Spence engages with a broad and evolving customer base encompassing global principals, institutional partners, business clients and individual consumers. Recognising the diversity of customer needs across multi-sectors and geographies, the Group adopts a unified customer engagement philosophy anchored in trust, responsiveness and long-term value creation while allowing the flexibility at business-unit level to tailor delivery models and service propositions to specific market and customer requirements.

Strengthening our Customer Value Proposition

We create value for our customers by combining extensive industry knowledge, strong governance and an unwavering commitment to reliability, sustainability and service excellence. As markets, technologies and customer expectations continue to evolve, we are strengthening our value proposition to better anticipate customer needs and deliver more personalised solutions.

Public-private partnerships and industry collaborations supported the Group's contribution to national priorities, industry development and the delivery of responsible and sustainable services.



Airline and cruise line collaborations extended market access across tourism and travel services.

Automation and CRM improved feedback resolution, service visibility and operational efficiency.

SOCIAL AND RELATIONSHIP CAPITAL

BUILDING CAPABILITIES ALIGNED TO CUSTOMER NEEDS

Customer feedback and engagement across the Group inform the continuous strengthening of key organisational capabilities, enabling us to respond to evolving customer expectations while enhancing the value delivered to our customers.

Received over 5,000 customer feedback responses

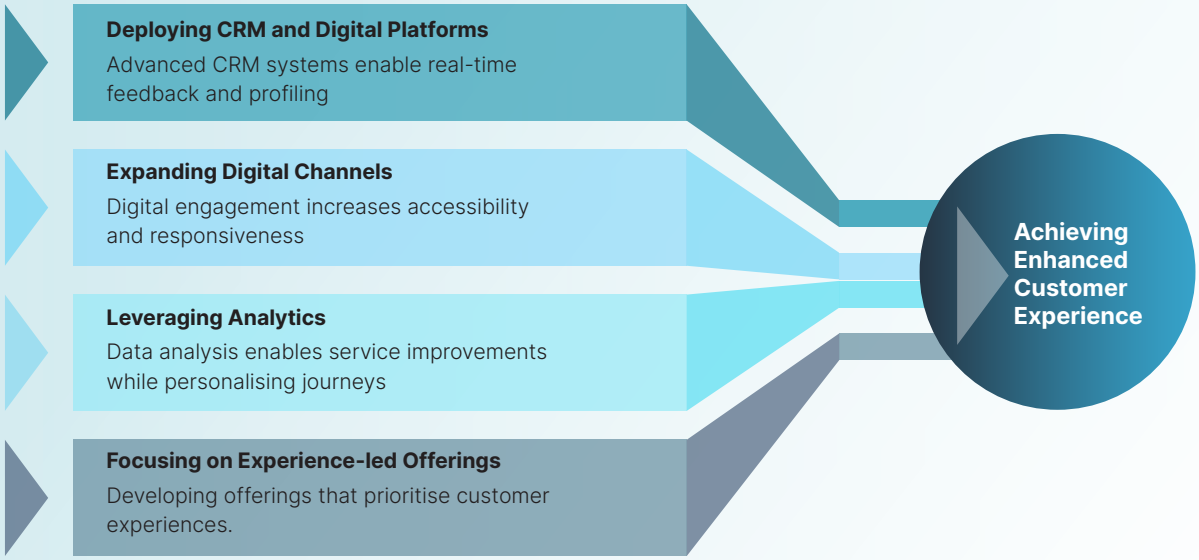
Customer Feedback → Strengthening Organisational Capabilities → Value to Customers

CAPABILITY	HOW IT IS STRENGTHENED	VALUE TO CUSTOMERS
Digital engagement	Digital platforms including CRM and analytics	Faster response and personalised service
Service reliability	ISO-certified management systems	Consistent quality across sectors
Partnership-led growth	Global principals, public-private partnerships	Access, trust, long-term continuity
Responsible conduct	Strong governance, compliance oversight	Customer confidence and reputational trust
Sustainability alignment	Engagement driven by awareness and education on SBTi	Shared climate action and collaboration

CUSTOMER ENGAGEMENT

Across sectors, the Group adopts tailored engagement strategies that respond to the distinct needs and expectations of each customer segment, while consistently upholding high standards of service excellence. The Group is constantly implementing measures to capture real-time feedback, anticipate customer needs, personalise engagement and continuously refine its value proposition.

During the year, customer engagement was strengthened through the following key initiatives.



SOCIAL AND RELATIONSHIP CAPITAL

(GRI 416-1)

ENHANCING CUSTOMER REACH

Strategic partnerships play a key role in extending the Group's customer reach, enhancing customer experience and reinforcing brand relevance across its diversified portfolio. During the year, collaborations with airlines, global travel brands, sports and lifestyle partners, technology providers and financial services networks enabled access to new customer segments, strengthened service capabilities and amplified market visibility across key geographies.

EMBEDDING SUSTAINABILITY CONSIDERATIONS

Aitken Spence's commitment to responsible business practices is reflected in product and service design, ethical marketing practices and active engagement on climate action, we work closely with customers to advance shared sustainability objectives.

- Product and service responsibility through regular policy and procedure updates
- R&D for more innovative and eco-friendly product offering
- Improved sustainable packaging
- Creative strategies that highlight sustainability and safety features of our products
- Continuous customer engagement to better align our offerings with customer needs and environmental trends

The Group is committed to achieving net-zero emissions, a net positive biodiversity impact and reduced resource consumption by 2030 which shapes the development of our sustainability-focused product portfolio. By integrating inclusive frameworks, systems focused on ethical production, low-emission alternatives, eco-friendly practices and innovative solutions across our offerings, we enable customers to make responsible choices while strengthening trust and minimising environmental and social impacts.

Reinforcing Customer Trust *GRI 417-1*

Customer trust is reinforced through a disciplined and principled approach to marketing communications, data privacy, information security and service quality. The Group ensures that all external communications are accurate, transparent and aligned with applicable regulatory requirements as well as internal governance standards. Marketing content across the Group is subject to structured review and approval processes designed to ensure compliance with legal, ethical and brand guidelines. These controls are complemented by robust data privacy and information security frameworks, together with ongoing monitoring of feedback channels, enabling timely identification, escalation and resolution of issues.

Product and Service Responsibility *GRI 416-1*

The Group's commitment to product and service responsibility is centred on ensuring that its offerings do not adversely impact the health, safety or well-being of customers or society at large. Rigorous adherence to both internal and externally recognised standards underpin the consistent delivery of high quality, safe and reliable products and services across all business segments. This commitment is supported by compliance with nearly 200 globally recognised management systems related to social sustainability, including occupational health and safety, quality control, food safety and Environmental, Social and Governance (ESG) criteria. Robust quality control procedures, supported by regular audits, are conducted to ensure ongoing compliance, continuous improvement and effective management of product and service-related risks. As a conglomerate with a diverse portfolio of products and services, ascertaining the percentage of products and services evaluated for health and safety impacts is a complex task. However, this objective is met with the internal and external assessments done according to the certified management systems maintained by the operations.
(For a comprehensive list of certifications obtained across each segment, refer to the respective segment reviews)

Compliance		Status in 2025/2026
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	None
GRI 417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	None
GRI 418-1	Total number of substantiated complaints received concerning breaches of customer privacy	None

SOCIAL AND RELATIONSHIP CAPITAL

A SUSTAINABLE SUPPLY CHAIN *GRI 2-6*

Aitken Spence strengthens supply chain resilience through responsible sourcing, proactive risk management and close collaboration with suppliers and partners. Sustainability and ethical considerations are embedded across supplier selection, performance monitoring and engagement, overseen by a dedicated supply chain control team. This approach promotes high standards of environmental stewardship, social and human rights practices across the value chain, supporting long-term value creation and reliable outcomes for customers and stakeholders.

KEY IMPROVEMENTS IN 2025/2026

- Reinforcement of the Group's Sustainable Supply Chain Code of Conduct and due diligence assessment on ESG criteria
- Development of supply chain maps in key sectors
- Workshops conducted on ESG and due diligence for the supply chain team

SECTOR RELATIONSHIPS

Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Builds strong relationships by integrating livelihoods, culture, and environment.	Plays a critical role through collaboration with regulators and trade bodies.	Fosters long-term partnerships with government, suppliers, and communities.	Strengthens social capital by expanding access to financial services.

SUPPLIER RELATIONSHIPS *(GRI 308-1, 308-2, 414-1, 414-2)*

Strong supplier partnerships enhance supply chain resilience, ensure operational continuity, improve cost efficiency, and support sustainable, compliant sourcing across the Group's diverse business segments.

Rs. 63.6 Bn	511	14,200
Payments to suppliers	Suppliers assessed on ESG criteria	Suppliers in network

Our extensive supplier network, comprising over 14,000 suppliers across the regions in which we operate, represents a critical component of the Group's value creation process. Strengthening supply chain resilience and advancing towards a greener supply chain remain key priorities, underpinning our strategic objectives of increasing market share, expanding our geographic footprint and progressing towards net-zero emissions.

GROUP PROCUREMENT FRAMEWORK

The Group follows a structured and transparent procurement framework designed to ensure efficiency, quality and strong governance across all operations.

SUPPLIER SCREENING FOR ESG

We ensure that all suppliers adhere to high environmental and social standards through robust compliance and due diligence processes. These include comprehensive document reviews to verify compliance, such as the validation of relevant licenses prior to engagement. In addition, on-site inspections are conducted for key suppliers and newly onboarded vendors.

There were no adverse environmental or social impacts or reported incidents of non-compliance with laws, regulations or minimum standards relating to product responsibility during the reporting period.
(GRI 308-2, 414-2)

SOCIAL AND RELATIONSHIP CAPITAL

(GRI 308-1, 407-1, 414-1)

SUPPLIER SELECTION

- Guided by multi-quote evaluations to ensure competitiveness and value
- Assessments consider compliance with environmental and social standards
- Preference is given to ISO-certified suppliers, where relevant

SUPPLIER ONBOARDING AND ENGAGEMENT

- Formally onboarded under standard contractual agreements and required to comply with the Group's Supplier Code of Conduct
- Quality and compliance are monitored through ongoing performance reviews
- Annual evaluations and performance linked contractual provisions help maintain consistent service standards and supply continuity

During the year, the Group did not identify any suppliers that were considered to be at significant risk of forced, compulsory or child labour, or where the right to freedom of association and collective bargaining may be at risk

Tourism	Maritime & Freight Logistics	Strategic Investments	Services
123	14	332	42

New Suppliers Screened using Social and Environmental Criteria in 2025/2026

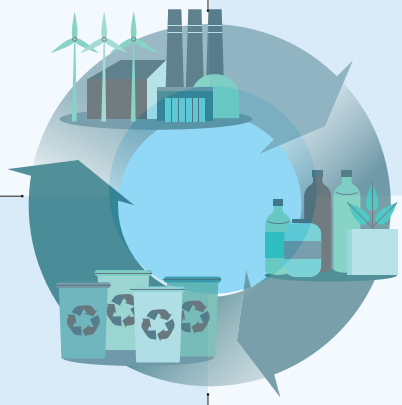
A total of new 511 suppliers were screened during the year using our revised 'social and environmental governance due diligence evaluation guide' for suppliers. Significant impacts identified, together with the actions taken to address them, are outlined below. We currently do not measure supplier screening as a percentage figure. Key suppliers contribute to a larger proportion of the supplies and a percentage figure would not reflect the comprehensiveness of the screening process accurately. We hope to improve on this metric moving forward.

High fuel consumption in cargo transportation

- Transitioning to sea freight
- Evaluating renewable fuels
- Lower emission modes

Service delays affecting reliability

- Supplier accountability
- Enhanced protocols
- Performance monitoring



Food wastage and product spoilage

- Cold chain optimisation
- Distribution planning
- Waste reduction promotions

Operational waste from production

- Lean manufacturing
- Carbon neutral operations
- LEED Gold certified

SOCIAL AND RELATIONSHIP CAPITAL

Business Partner Relationships

We collaborate with over 20 joint venture partners and principals across the Group, who play a critical role in supporting our long-term growth strategy by connecting us with customers, suppliers, specialist expertise and international networks across our key markets. These strategic partnerships enhance our operational capabilities and market reach, enabling us to co-create sustainable value, strengthen resilience and maintain competitiveness in an increasingly complex and interconnected global marketplace.

28
Strategic relationships

15 +
Relationships over 10 years

Industry Engagement *(GRI 2-28, 407-1)*

We are active participants in over 130 industry associations across the sectors in which we operate. Through these memberships, the Group engages constructively in industry dialogue and contributes to initiatives that support the sustainable development of our industries. Participation in these forums enables us to stay informed of emerging trends, regulatory developments and best practices at both local and global levels which in turn strengthens our operational frameworks, enhances our environmental and social governance practices and supports the responsible delivery of our product and services.

Please visit our website aitkenspence.com/sustainability for details of our memberships and affiliations)

Value to Communities

We remain committed to creating meaningful and lasting social value to the communities in which we operate through inclusive, sustainable and responsible practices. In conducting our operations, we maintain strict compliance with all applicable laws and regulations and uphold high standards of integrity and transparency, placing strong emphasis on environmental stewardship, social empowerment and constructive community engagement.

Rs. 85.7 Mn
investment towards community development initiatives

8,833
employed from 8 provinces

SOCIAL AND RELATIONSHIP CAPITAL

(GRI 3-3, 413-1, 413-2)

Local Sourcing and Livelihood Development

Through a strong emphasis on local sourcing, the Group strengthens supply chain resilience while empowering local communities and enabling inclusive economic growth. Across all sectors, local suppliers are actively integrated into the Group's value chain, creating employment opportunities within surrounding communities, contributing to shared value creation and sustainable socio-economic development.

	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Local suppliers engaged	4, 743	2, 472	1, 887	479
Proportion of senior management hired from the local community *(GRI 202-2)*	6%	23%	4%	N/A

Note: 'Local' refers to the community within 35-45km radius of the property for operations outside Colombo (or urban cities) in Sri Lanka. For locations outside Sri Lanka, 'local' refers to local employees of the country of operation.

Strategic Community Development

The Group adopts a strategic approach to community development and CSR, moving beyond traditional philanthropy to initiatives developed and implemented in collaboration with relevant stakeholders. These initiatives are designed to address genuine community needs and national priorities, guided by the Group's purpose of "Inspire to Create Great Futures for All" and aligned with the United Nations Sustainable Development Goals (SDGs).

The Group's community initiatives contribute directly and indirectly to the following SDGs (for the relevant sectoral alignment to SDGs , please refer the Sector reports):

During the reporting period, the Group did not identify any operations with significant actual or potential adverse impacts on local communities.

SOCIAL AND RELATIONSHIP CAPITAL

(GRI 3-3, 413-1)

Key community development interventions undertaken by each sector during the year are outlined below.

Community Development Framework

Community Integration

- Local sourcing
- Skills development
- Youth employment
- Cultural engagement
- Enhance well-being for essential services, education, and social protection

Financial Inclusion and Community Empowerment

- Enabling entrepreneurship
- Strengthening local supply chains
- Improving income-generating opportunities
  - Focus on small suppliers
  - Targeting vulnerable groups
  - Supporting estate communities

Infrastructure-led Community Impact

- Investment in social infrastructure
- Enhance quality of life
- Supportive workplace practices
- Improved access to:
  - Healthcare
  - Early childhood care
  - Financial services

  Aligned with inclusive welfare standards

OUTLOOK

Looking ahead, the Group remains focused on deepening stakeholder trust and strengthening long-term partnerships by consistently upholding ethical practices, enhancing transparency and engaging meaningfully with customers, suppliers and the communities in which it operates. By embedding shared value creation into our strategy, we will continue to ensure that business growth translates into tangible social and economic benefits across the Group's operating communities.

Advance science-based climate action across the value chain by driving SBTi alignment with key suppliers and customers, supported by strengthened due diligence under the revised Integrated Sustainability Policy.

Strengthen supply chain resilience through enhanced disaster risk reduction measures and clear crisis communication protocols to manage climate-related and systemic disruptions.

NATURAL CAPITAL

"AITKEN SPENCE PLC ADOPTS A PRECAUTIONARY APPROACH TO MANAGING NATURAL CAPITAL, RECOGNISING THE CRITICAL ROLE ENVIRONMENTAL RESOURCES PLAY IN SUSTAINING OPERATIONS. WITH THE DIRECTION OF THE SPENCE IMPACT STRATEGY, THE GROUP IS COMMITTED TO MINIMISING ENVIRONMENTAL IMPACTS ACROSS ITS OPERATIONS AND VALUE CHAIN, REDUCING RESOURCE USE AND ACHIEVING NET ZERO BY 2030."

VALUE CREATED IN 2025/26

188,922 tCO2e

Emissions reduced through the emission control strategies of the Group.

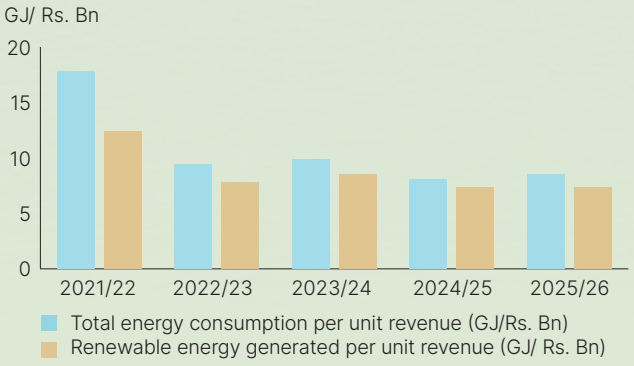
180,241 MT

of municipal solid waste kept away from landfills protecting wetland ecosystems and reducing emissions.

Over **8,100** ha

of habitat-rich green cover protected to conserve Sri Lanka's biodiversity

Total energy consumed per unit revenue (GJ/ Rs. Bn) and Total renewable energy generated per unit revenue (GJ/ Rs. Bn)



NATURAL CAPITAL

At Aitken Spence, natural capital is recognised as a strategic asset underpinning long-term success, with resources such as energy, water, land, energy and biodiversity supporting operational continuity and value creation. Guided by a precautionary approach, the Group focuses on efficient resource use and responsible management of emissions, effluents and waste to protect assets, strengthen resilience and support sustainable growth across its diversified operations.

ALIGNING OUR CLIMATE STRATEGY TO ACHIEVE SBTI TARGETS

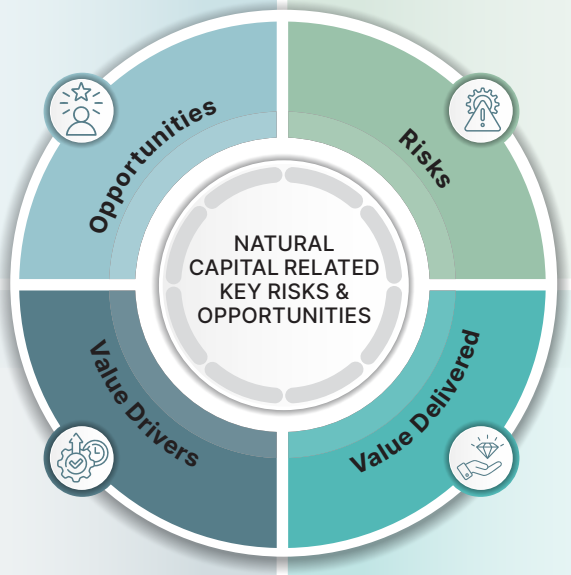
The Group has aligned its climate change mitigation ambitions with the Science Based Targets initiative (SBTi) and embedded climate action into strategic planning, capital allocation and transformation planning. The Group's near-term targets were approved by SBTi, a first for a diversified conglomerate in Sri Lanka, with work ongoing with the Spence IMPACT strategy driving effective pathways to achieve 'net zero' in a manner that supports a just transition and long-term value creation.

Opportunities

- Improved energy, water and material efficiency to reduce operating costs.
- Increased renewable energy use to lower emissions and long-term energy costs, supporting energy security.
- Sustainable land and water management to enhance long-term productivity and climate resilience.
- Alignment with SBTi to strengthen credibility for sustainable financing.

Risks

- Competition for energy, water and materials may increase costs and disrupt operations.
- Extreme weather may impact assets and supply chains.
- Stricter environmental regulations may increase compliance costs.
- Land degradation, pollution and biodiversity loss may affect ecosystems services risking business continuity.



Value Drivers

- Continuous measures to optimise energy usage, transition to renewable sources of energy and reduce emissions.
- Monitoring and optimisation of water use, wastewater treatment and water recycling.
- Long-term actions to protect biodiversity and ecosystems.
- Improved resource efficiency and cost control through material, supply chain and waste management.
- Application of 7R principles and waste-to-energy solutions for solid waste management.

Value Delivered

- **188,922 tCO2e** emissions reduced/ offset
- **138,787MWh** renewable energy generated supporting Sri Lanka's NDCs.
- **7%** reduction in the Group's water consumption per unit revenue.
- **180,241 MT** of municipal solid waste diverted from landfills, protecting wetland ecosystems and reducing pollution.
- **Over 8,100 ha** of habitat rich green cover protected to conserve Sri Lanka's rich biodiversity and Sri Lanka's NDCs.

NDC – Nationally determined contributions

NATURAL CAPITAL

OUR MANAGEMENT APPROACH

(GRI 2-23, 3-3, 101-1, 102-1, 102-2, 103-1, 13.3.1, 13.4.1, 13.20.1)

Aitken Spence PLC adopts a precautionary approach to managing natural capital, recognising the critical role environmental resources play in sustaining operations. The Group is committed to minimising impacts across its operations and value chain, while integrating environmental considerations into strategy, decision-making and investments. Aligned with its goal of reducing resource use and achieving net zero by 2030, the Spence IMPACT strategy defines priority areas based on material environmental topics. These guide policies, targets and actions to manage impacts, strengthen resilience and support long-term value creation.

AITKEN SPENCE: A BLUEPRINT FOR ENVIRONMENTAL SUSTAINABILITY

STRATEGIC FRAMEWORK & CORE PHILOSOPHY

The Precautionary Principle

Proactively identify and mitigate adverse environmental impacts. **One integrated sustainability policy:** Guided by a unified policy for consistent environmental standards.

Science-Based Action

All operational decisions are guided by data-driven approaches with science-based insights and a focus on enhancing natural capital.

Tiered Operational Controls

Environmental Management Systems (EMS) track performance with controls scaled to the specific level of environmental exposure in each business segment.

GLOBALLY ALIGNED & VALIDATED

First SBTi Validated Conglomerate in Sri Lanka

Secured Group-wide validation from the Science Based Targets initiative (SBTi), aligning the Group's climate change mitigation ambitions with a global benchmark.

International Benchmarks & Certifications

Adherence to ISO 14001, ISO 50001, Travelife, Rainforest Alliance, FSC and many other national and international standards

THE 2030 VISION: WHAT SUCCESS WOULD LOOK LIKE BY 2030

Net Zero Emissions by 2030

Reduce emissions through energy efficient operations and renewable energy generation.

Secure & Sustainable Resource Use

Optimised water, land and resource use to reduce impacts, build resilience and support net zero and long-term value creation.

Net Positive Impacts on Natural Ecosystems

Sustaining a culture of creating net positive impacts on biodiversity and ecosystems.

GOVERNANCE FRAMEWORK

(GRI 101-1, 102-2, 103-1)

The management of natural capital is embedded within the Group's overall sustainability and risk management framework, with oversight provided by the Board of Directors, and the Group's Sustainability Council. Implementation is carried out through segmental leadership and operational teams across the Group.

NATURAL CAPITAL

OVERALL IMPACT CONTROL FRAMEWORK

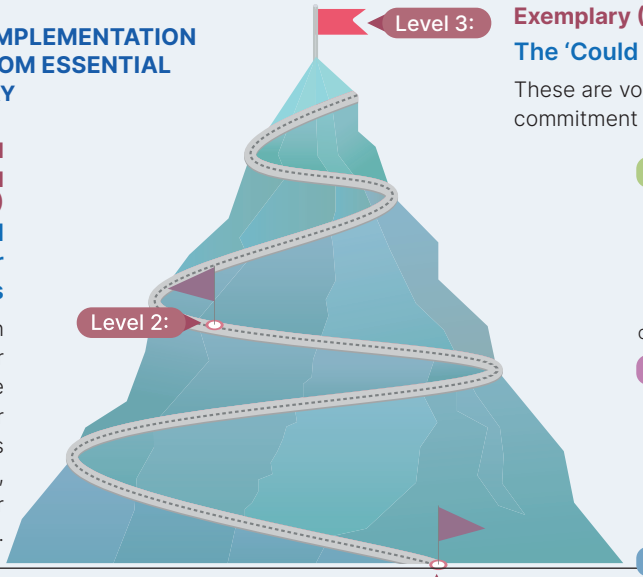
- Business segments implement tailored management systems based on operational priorities, resource use and environmental risks
- All systems align with the Group's unifying integrated sustainability policy, along with segment-specific policies and systems as applicable
- The Group maintains 106 environmental management systems, with 45 certified

THE TIERED IMPLEMENTATION JOURNEY: FROM ESSENTIAL TO EXEMPLARY

Expected (Risk based controls)

The 'Should Do' for Higher Impacts

Implementation is required for operations where risks, impacts, or stakeholder needs are significant, requiring higher due diligence.



Exemplary (Leadership & Innovation)

The 'Could Do' for Leadership

These are voluntary, high-level actions that showcase a company's commitment to innovation and environmental stewardship.

EX: INNOVATION AND RESTORATION

Seeking external certifications; winning awards; performing restoration projects; and engaging in advocacy.

EX: TARGETED RESOURCE MANAGEMENT

Water, energy, land use, biodiversity, and emission management.

CORE OPERATIONAL OBJECTIVES

Focuses on identifying impacts, maintaining regulatory compliance, tracking KPIs, and conducting annual reviews.

Essential (The foundation)

The 'Must Do' Minimum Standards

These are foundational action points that every company in the conglomerate is required to implement at their specific operational scale.

NATURAL CAPITAL

JUST TRANSITION IN NATURAL CAPITAL MANAGEMENT

(GRI 102-3, 13.4.1)

Aitken Spence adopts a just transition approach to natural capital, ensuring environmental actions support employees, communities and value chain partners. The Group applies data-driven, science-based practices, supported by capacity building and stakeholder engagement across sectors.

This approach extends to the value chain through phased supplier screening, awareness and due diligence, enabling improvement rather than exclusion. The next phase will focus on targeted supplier engagement to align with science-based net zero pathways, supporting an inclusive and resilient transition.

Examples of operational controls implemented across the Group for priority areas (material topics).

	Level 01 Essential Minimum requirements	Level 02 Expected Higher controls where business segments have higher impacts.	Level 03 Exemplary Action to transform operational controls into strategic movements for advocacy, and positive influence.
Energy and emissions *GRI 102* *GRI 103*	» Internal reviews track energy efficiency improvements and emission reductions. » All operations monitor and report energy use by source monthly. » All business segments have emission reduction targets.	» The Group signed commitment to the Science Based Targets initiative to align with a credible standard to ensure emission reduction targets create meaningful positive impacts.	» Several segments actively participate in the public discourse on decarbonisation to share insights and support national efforts.
Water and effluents *GRI 303*	» All operations monitor water use and implement controls to improve efficiency and prevent waste and pollution.	» Wastewater is treated at all manufacturing operations, hotels and the plantations. » Rainwater is harvested in the plantations, hotels and printing segments.	» Plantations segment ensured water security for the estate community through harvested rainwater.
Resource use & solid waste *GRI 301* *GRI 306* *GRI 308*	» All operations follow 7R-based resource use and waste management. » Efforts are monitored for regulatory and voluntary compliance.	» Plantations segment has set targets to reduce dependence on artificial fertiliser. » Controls are integrated into supplier screening procedures of the Group.	» The power generation segment owns and operates the country's first and only waste to energy power plant.
Land use, biodiversity and ecosystem health *GRI 101*	» All operations assess direct and value chain impacts on ecosystems and biodiversity. » Requirements are integrated into supplier screening procedures.	» The destination management segment educates tour guides and safari drivers in national parks etc. about required best practices to protect wildlife and natural ecosystems.	» Hotels and destination management are Travelife certified; plantations hold RA and FSC certifications. » Biodiversity surveys completed in hotels and plantations. » Several segments support conservation initiatives.

NATURAL CAPITAL

REVIEW OF OUR KEY ENVIRONMENTAL IMPACTS AND ASSOCIATED RISKS

(GRI 3-3, 101-4, 101-6, 101-8, 103-1, 306-1, 308-2)

Environmental dependencies and associated risks vary across Aitken Spence's diversified business segments. By systematically identifying and understanding these impacts across the value chain, the Group is able to prioritise natural capital stewardship initiatives and targeted risk mitigation measures in areas where environmental impacts and vulnerabilities are most material to long-term value creation.

Natural capital input	Nature of impact	Potential risks of not managing impacts	Tourism	Maritime	Strategic	Services
Energy resources	» Generating GHG emissions » Depletion of non-renewable resources	» Rising operating costs » Exposure to carbon pricing and tighter regulations » Dependence on imported fossil fuels (energy insecurity)	●●●	●●●	●●	●●
Water resources	» Depletion of natural resources » Generation of effluents » Potential impacts on water bodies	» Possible operational disruptions in water stressed areas » Compliance risk	●●●	●●	●●●	●
Land, ecosystem services and biodiversity	» Pressure on ecosystems and habitats » Possible land conversion/ degradation » Potential biodiversity loss	» Land use restrictions » Increased regulations » Stress on ecosystem services » Loss of license to operate » Potential operational restrictions or site closures	●●●	●●	●●●	-
Resource use (materials)	» Depletion of resources » Generation of waste/ effluents » Possible land conversion/ degradation » Impacts on biodiversity and ecosystems	» Compliance risks » Reputational risks from unsustainable sourcing/ waste management » Rising regulatory and customer expectations » Supply chain disruptions » Higher procurement costs » Increased waste management costs	●●●	●	●●●	●

Legend: ●●● High dependence ●● Moderate dependence ● Lower dependence

ENERGY CONSUMPTION AND GHG EMISSIONS

(GRI 102-4, 102-10, 103-1)

Outcomes in 2025/26

Making progress towards net zero;

8.5	188,922	6 x	1st
GJ/unit revenue energy intensity maintained	tCO_2e emissions reduced	more renewable energy generated than electricity consumed	conglomerate to get near term SBTi validated

Energy management and emissions reduction efforts have improved energy productivity across the Group. Our investments in energy efficiency, fleet electrification initiatives and renewable energy generation have supported the Group to remain on track with our Scope 1 emission reduction targets. Regulatory constraints currently limit internal consumption of renewable energy; however, the Group hopes to convert the renewable energy generated to I-RECs to support Scope 2 decarbonisation in alignment with the Group's net zero pathway.

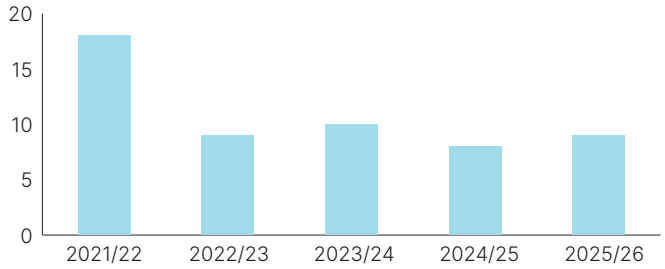
Performance against targets

(GRI 102-4, 102-10)

Our near-term targets	Progress
» **Aitken Spence PLC commits to reduce scope 1 GHG emissions from power generation 95% per MWh by FY2030 from a FY2020 base year.**	Achieved
» **Aitken Spence PLC also commits to reduce all remaining absolute scope 1 GHG emissions 42% by FY2030 from a FY2020 base year.**	On track, with current performance at 59% reduction from the FY2020 baseline. Progress is supported by EV adoption across segments. The hotels segment is also advancing renewable energy transition efforts (target: 12% of energy needs to be met from renewables), though practical challenges are slowing progress and are being actively addressed.
» **Aitken Spence PLC further commits to increase active annual sourcing of renewable electricity from 0% in FY2020 to 100% by FY2030.**	The Group generates over 600% more renewable energy than we consume. However, regulatory constraints limit internal use. This generated energy is being converted into I-RECs to match Scope 2 emissions with renewable energy generated by Aitken Spence.

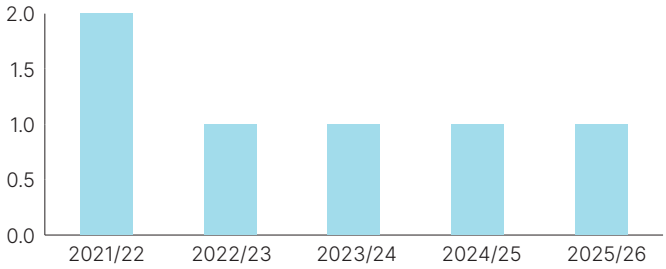
Energy Consumption Per Unit Revenue

(GJ/Rs. Bn)



Emissions Per Unit Revenue

(tonnesCO2e/ Rs. Bn)



Aitken Spence remains committed to reducing energy intensity and GHG emissions by expanding renewable energy use and implementing energy efficiency initiatives across operations, supported by process optimisation, technology upgrades and best practices in energy management.

These efforts have improved energy productivity across operations. Progress towards near-term science-based targets is driven by investments in efficiency measures, fleet electrification and increased renewable energy generation capacity, while recognising ongoing dependencies on conventional energy sources in certain operating environments.

TOTAL DIRECT AND INDIRECT ENERGY CONSUMPTION WITHIN THE ORGANISATION

(GRI 103-2, 103-3, 103-4, 103-5)

	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic	Services	Group 2024/25
Non-renewable sources							
Petrol	(GJ)	4,689	1,615	809	1,916	349	5,201
Diesel	(GJ)	405,704	324,426	37,410	43,455	413	378,021
Furnace Oil/ HFO	(GJ)	-	-	-	-	-	-
LPG	(GJ)	16,694	16,379	-	314	-	15,463
Kerosene	(GJ)	-	-	-	-	-	2
Total energy consumed from non-renewable sources	(GJ)	427,086	342,419	38,219	45,685	762	398,686
Renewable sources							
Biomass/fuel wood	(GJ)	192,891	12,274	-	180,617	-	152,463
Briquettes	(GJ)	860	-	-	860	-	877
Hydro power	(GJ)	-	-	-	-	-	977
Solar energy	(GJ)	2,073	2,073	-	-	-	2,032
Wind energy	(GJ)	8,268	8,133	-	135	-	6,251
Municipal solid waste	(GJ)	53,283	-	-	53,283	-	52,774
Total energy consumed from renewable sources	(GJ)	257,375	22,479	-	234,895	-	215,375
Total indirect energy consumption within the organisation	(GJ)	110,297	72,626	4,687	29,738	3,245	120,082
Total energy consumption within the organisation	(GJ)	794,758	437,525	42,906	310,319	4,007	734,143
Total energy generated from non-renewable sources for external consumption	(GJ)	-	-	-	-	-	-
Total energy generated from renewable sources for external consumption	(GJ)	497,560	-	460	497,100	-	448,582
Energy consumption per unit revenue (Rs. Bn)	(GJ/ Rs. Bn)	8.5	6.8	2.8	28.6	2.0	8.1
Reductions achieved in energy consumption i.e. change in energy consumption within the organisation based on energy used per unit revenue		5%	-6%	-12%	31%	-17%	

It should be noted that we currently do not monitor upstream and downstream energy consumption of our value chain. However, estimations are made on potential emissions across our value chain.

NATURAL CAPITAL

OUR EMISSIONS

(GRI 102-5, 102-6, 102-7, 102-8)

	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic	Services	Group 2024/25
Scope 1							
Petrol (mobile combustion)	tCO2e	333	115	57	136	25	333
Diesel (stationary combustion)	tCO2e	23,161	22,757	14	360	30	23,161
Diesel (mobile combustion)	tCO2e	7,088	1,379	2,802	2,906	1	7,088
HFO (stationary combustion)	tCO2e	-	-	-	-	-	-
LPG (stationary combustion)	tCO2e	1,061	1,041	-	20	-	1,061
Kerosene (stationary combustion)	tCO2e	-	-	-	-	-	-
Fugitive emissions - refrigerants	tCO2e	2,030	1,634	43	237	117	2,030
Fugitive emissions - fire suppressants	tCO2e	49	0	0	49	0	49
Fugitive emissions - fertilisers	tCO2e	6,310	-	-	6,310	-	6,310
Non-biogenic emissions from biomass	tCO2e	362	23	-	339	-	362
Total Scope 1 emissions	tCO2e	40,395	26,949	2,916	10,357	173	40,395
Biogenic emissions from biomass	tCO2e	21,700	1,375	-	20,325	-	21,700
Biogenic emissions from fertiliser	tCO2e	537			537		537
Scope 2							
Energy purchased from the grid		12,708	8,341	543	3,447	376	12,708
Total Scope 2 emissions		12,708	8,341	543	3,447	376	12,708
Scope 3							
1. Purchased goods & services	tCO2e	11,746	5	773	10,967	1	
2. Capital goods	tCO2e	343	124	1	-	218	
3. Fuel and energy related activities	tCO2e	14,866	8,651	823	1,717	3,675	
4. Upstream transport & distribution	tCO2e	2,139	197	74	1,845	22	
5. Waste generated in operations	tCO2e	14	6	0	7	0	
6. Business travel	tCO2e	285	81	44	144	16	
7. Employee commuting	tCO2e	755	337	168	160	90	
8. Upstream leased assets	tCO2e	-	-	-	-	-	
9. Downstream transportation and distribution	tCO2e	81,086	81,086	-	-	-	
10. Processing of sold products	tCO2e	864	-	-	864	-	
11. Use of sold products	tCO2e	16,112	14,268	-	-	1,844	
12. End of life treatment of sold products	tCO2e	3,440	41	2	107	3,290	
13. Downstream leased assets	tCO2e	-	-	-	-	-	
14. Franchises	tCO2e	-	-	-	-	-	
15. Investments	tCO2e	3,603	1,497	1,557	-	549	
Total Scope 3 emissions	tCO2e	190,516	120,211	3,481	57,115	9,710	
Total emissions (Scopes 1,2, and 3)	tCO2e	243,620	155,501	6,940	70,919	10,259	
Emission intensity (emissions per unit revenue	(tCO2e / Rs. Bn)	1	1	0	1	0	
Difference		-	(0)	(0)	0	(0)	
Emissions Reduce	tCO2e	188,922	2,778	53	186,086	5	

NOx and SOx emissions are no longer applicable as the thermal power generation has ceased operations in line with our net zero pathway.

NATURAL CAPITAL

The Group has designated FY 2019/20 as its base year for emission reduction targets, as it represents the most appropriate and comparable benchmark following a period of change in the Group's energy portfolio, after which operations stabilised under the recent structure of the Group. This provides a consistent baseline for tracking emission performance and supports alignment with our SBTi ambitions. Base year emissions for Scope 1 and Scope 2 are reported for FY 2019/20 at 360,994 tCO_2e and 27,436 tCO_2e respectively (aligned with revised reporting boundaries for SBTi and in accordance with the GHG Protocol under an operational control approach). For Scope 3, the Group has adopted FY 2023/24 as the base year, with emissions of 73,360 tCO_2e, as robust and sufficiently complete data was not available for FY 2019/20 to support reliable estimation, making the later year a more accurate and representative benchmark. Scope 2 emissions are calculated using the location-based method, applying grid emission factors relevant to the jurisdictions in which the Group operates. Emission factors are primarily sourced from DEFRA and IPCC guidelines as mentioned previously in this report, supplemented where necessary with factors published by locally authorised bodies to ensure geographic relevance and accuracy. While no removals have been accounted for within the value chain, the Group has set aspirational targets to engage with stakeholders to support and encourage emissions reductions over time. In line with SBTi requirements, the Group does not rely on carbon credits to meet its targets; instead, it intends to convert eligible renewable energy generation into I-RECs where feasible and to develop emission removal initiatives over time, as outlined in the SLFRS disclosures.

(GRI 102-9, 102-10, 103-3)

WATER CONSUMPTION AND EFFLUENT MANAGEMENT

(GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5)

Outcomes in 2025/26

100%
wastewater from hotels (Sri Lanka and Maldives), manufacturing facilities and plantations is treated for reuse or safe discharge.

Only two hotel properties operate in water stressed areas.
↓
Zero grievances
recorded on water use.

Reduce dependence on freshwater sources:
64%
water requirements in plantations met through harvested rainwater.

TARGETS
100% of effluents and wastewater treated and safely reused or disposed

PROGRESS AGAINST TARGETS
Achieved and maintained

Aitken Spence manages water as a critical form of natural capital, essential to operations, ecosystems and community well-being. The Group's approach is guided by an understanding of water-related impacts, dependencies, risks and opportunities, supported by data, local context and evolving scientific insights.

Water use is monitored across operations to drive efficiency, inform conservation measures and support decision-making. Only two hotel properties operate in water-stressed areas, while other locations experience seasonal fluctuations in availability. Initiatives such as rainwater harvesting, recycling and reuse reduce reliance on shared freshwater resources, while wastewater is treated to required standards prior to reuse or discharge, ensuring compliance and minimising environmental impact.

These efforts strengthen water security, reduce pressure on shared sources and support community relationships, while enhancing resilience to water-related risks. Despite business growth, water intensity has been reduced by 7%, demonstrating progress in decoupling water use from financial growth.

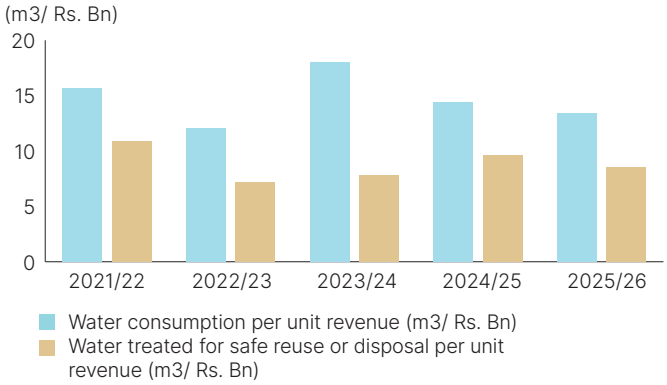
NATURAL CAPITAL

WATER CONSUMPTION AND EFFLUENT MANAGEMENT

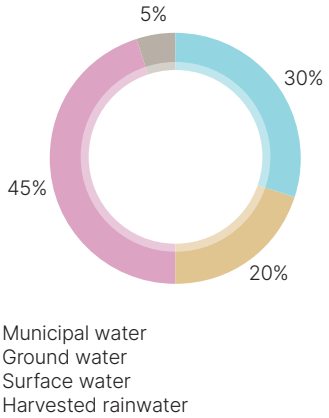
(GRI 303-3, 303-4, 303-5)

Water usage	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic	Services	Group 2024/25
Water composition by sector			73.3%	2.5%	22.6%	1.6%	
Total water withdrawn	(m3)	1,245,545	912,755	31,434	281,468	19,888	1,303,811
Municipal water consumption	(m3)	378,154	249,977	31,434	76,977	19,766	567,544
	%	30	27	100	27	99	44
Ground water Consumption	(m3)	254,486	243,310	-	11,176	-	157,614
	%	20	27	-	4	-	12
Surface water consumption	(m3)	554,952	408,819	-	146,133	-	521,536
	%	45	45	-	52	-	40
Harvested rainwater consumption	(m3)	57,954	10,649	-	47,183	122	57,117
	%	5	1	-	17	1	4
Water recycled and re-used/ safely disposed	(m3)	793,259	767,484	6,354	19,299	122	793,259
% of water recycled and re-used/ disposed	%	64	84	20	7	1	67
Water sources significantly affected by withdrawal of water		None	None	None	None	None	
Water withdrawn from areas in water distress		None	None	None	None	None	
Water consumption per unit revenue	m3/unit revenue	13	14	2	26	10	14
Difference	%	(7)	(15)	(11)	18	(15)	

Water Consumption



Our water consumption profile



NATURAL CAPITAL

LAND USE AND ECOSYSTEM PRESERVATION

(GRI 3-3, 101-1, 101-2, 101-4, 101-5, 101-6, 101-7, 101-8, 13.4.1, 13.5.1, 13.6.1)

Outcomes in 2025/26

Strengthened capacity for sustainable development (SDG 4.7) and ecosystem stewardship: Delivered targeted training to Sri Lanka Air Force personnel through the Clean Sri Lanka Green Tomorrow collaborative project, building capabilities in land mapping, conservation, reforestation, and sustainable design.

Zero significant adverse impacts on ecosystems.

Zero operations within protected areas.

TARGETS

Maintain a 'Net Positive Impact' on biodiversity and sensitive ecosystems.

PROGRESS AGAINST TARGETS

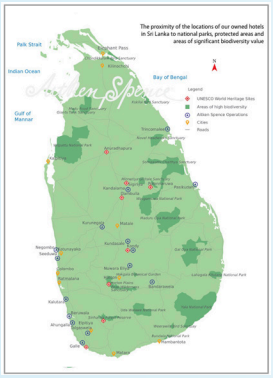
Achieved and maintained

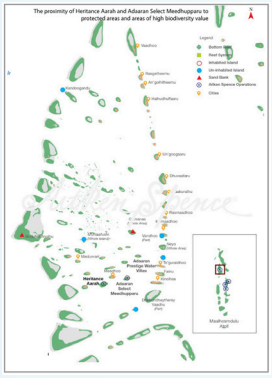
Aitken Spence operates across diverse geographies with varying ecological sensitivities and climate risks. This context informs the identification of key natural capital dependencies and enables targeted, location-specific management responses.

While not directly aligned with the Kunming-Montreal Global Biodiversity Framework, operations follow recognised standards such as Travelife and Rainforest Alliance to ensure adequate controls for protecting ecosystems and biodiversity. The Group also engages relevant experts where needed, supporting ecosystem conservation, operational resilience and community well-being.

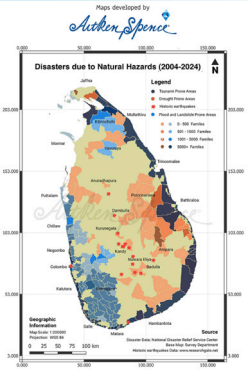
Our locations mapped against protected areas and areas of high biodiversity value

(Please click on the images or use the QR codes to view the full maps)





Our locations mapped against areas prone to natural disasters



Aitken Spence adheres to national regulations governing access to biological resources, including the Fauna and Flora Protection Ordinance, which restricts unauthorised access and commercial use of biodiversity; accordingly, the Group does not engage in access and benefit sharing (ABS) arrangements, and instead supports conservation through responsible operations and community engagement initiatives across sectors such as tourism and plantations in coordination with the relevant authorities.

Operating in and adjacent to areas of biodiversity value, as mapped out, the Group applies management controls to avoid significant impacts, resulting in no activities that drive land- or sea-use change. Internationally recognised certifications such as Travelife across hotel operations and Rainforest Alliance and FSC in plantations, further support proactive identification and management of biodiversity-related risks and impacts.

NATURAL CAPITAL

Examples of the Group's 'exemplary efforts' for biodiversity conservation and building capacity for sustainability across the wider community:

The destination management segment works extensively with the Department of Wildlife Conservation. The segment fosters two baby elephants being cared for at the Ath Athuru Sevana elephant transit home.

Hapag-Lloyd Lanka partnered with the Wildlife and Nature Protection Society of Sri Lanka and other key stakeholders to embark on a mangrove restoration initiative. The project comprises 29 plots, with Plot No. 04 (3.4 ha) allocated to the segment.

The plantations segment partnered with the destination management segment in their Green Paws project to educate estate communities about wild cats/ leopards and to guide them on how to protect themselves as well as our wildlife.

Aitken Spence PLC partnered with the Sri Lanka Air Force (SLAF) to advance the "Clean Today – Green Tomorrow" initiative. Aligned with SDG target 4.7, the project was implemented as a long-term sustainability programme, encouraging SLAF establishments and over 20,000 personnel across the island to assess their environmental footprint and implement practical, measurable solutions in the areas of camp cleaning and waste management, tree planting and reforestation, eco gardening and sustainable cultivation and water and energy conservation.

URLs for a video synopsis:

https://www.instagram.com/p/DOf5mevgmVz/

https://www.instagram.com/p/DOx9GqBjDpu/

https://www.instagram.com/p/DUFNqYUDWJ-/

NATURAL CAPITAL

RESOURCE EFFICIENCY, WASTE MANAGEMENT & THE VALUE CHAIN

(GRI 3-3, 301-1, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5)

Outcomes in 2025/26

Group-wide application of the 7R principles strengthened material circularity across operations.

Facilitated sustainable urbanisation by diverting **180,241** MT municipal solid waste (approximately the same weight of 45,000 adult elephants) from landfill to generate energy.

HOTELS: Solid waste segregated into 20+ waste categories to reclaim resources and support circularity.

PLANTATIONS: Over 60% of total fertiliser use replaced with oil palm bunches and refuse tea reused as organic fertiliser improving soil health.

TARGETS

Zero waste dumping to landfill

PROGRESS AGAINST TARGETS

Achieved and maintained

Diverted from landfills;

22,618MT and 648 units of solid waste from our own operations

180,241 MT of residual municipal solid waste from the Western Province

The Group monitors resource use to improve material efficiency across operations. While raw material sourcing impacts are relatively limited, responsible sourcing and continuous improvement remain priorities at moderate levels.

Guided by the 7R principle (Reject, Reduce, Reuse, Reclaim, Replace, Repair, and Recycle), initiatives focus on waste reduction, circularity and minimising environmental pollution. The waste-to-energy plant diverts municipal solid waste (MSW) from landfill, using 100% MSW as input. Across segments, materials are repurposed to reduce reliance on virgin inputs, including packaging reused in freight operations, organic fertiliser from oil palm bunches and refuse tea in plantations (over 60% of fertiliser use), and the use of fruit peels in hotel operations for in-house products, strengthening alignment with circular economy principles.

NATURAL CAPITAL

(GRI 13.6.1)

USE OF RESOURCES

	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic	Services	Group 2024/25
Agricultural chemicals	MT	54			54		59
Fabrics	MT	798	15		783		764
Fertiliser: Inorganic	MT	4,326			4,326		4430
Fertiliser: Organic	MT	5,643			5,643		7374
Glass	MT	7	3		4		2
Ink	MT	75			75		71
Lubricating oil/ grease	L	30,175		25,363	2,791	2,022	30082
Packing material: biodegradable	MT	642		597	45		669
	Nos	-		-	-		42858
Packing material: Non-biodegradable	MT	97	46	0	51		59
Paper		8,480	4	9	8,467	1	808382
Pesticides Intensity; » Extremely hazardous: 0 » Highly hazardous: 0 » Moderately hazardous: 1,478 kg » Slightly hazardous (weedicides): 15,045L » Unlikely to present an acute hazard: 0	MT	1,478			1,478		2
Metals	MT	1		0	1		
Residual municipal solid waste repurposed	MT	180,241			180,241		
Wood	MT		110				110

MANAGEMENT OF WASTE RESOURCES

Total waste recycled	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic	Services	Group 2024/25
Total hazardous waste (tonnes)	MT	209	9	-	200		71
	Nos	74	64	-	-	10	54
	Litres	-	-	-	-	-	36,300
Total non-hazardous waste	MT	78	57	0	16	5	1,231
	Nos	-	-	-	-	-	-
Total waste incinerated							
Total hazardous waste (tonnes)	MT	2	-	-	-	2	90
Total non-hazardous waste	MT	179	-	-	179	-	156
Total waste sold for reuse or repurposed							
Total hazardous waste (tonnes)	MT	3,127	5	-	3,121	-	2,983
	Nos	-	-	-	-	-	-
Total non-hazardous waste	MT	18,974	1,588	2	17,379	4	22,333
	Nos	574	6	568	-	-	588
	Litres	16,380	14,000	-	2,380	-	16,943
Total hazardous waste (tonnes)	MT	3,337	14	-	3,321	1	3,143
	Nos	74	64	-	-	10	54
	Litres	-	-	-	-	-	36,300
Total non-hazardous waste (tonnes)	MT	19,230	1,645	3	17,574	9	23,719
	Nos	574	6	568	-	-	588
	Litres	16,380	14,000	-	2,380	-	16,943
Total waste sent to landfill	MT	52	0	3	48	-	25

NATURAL CAPITAL

CASCADING OUR COMMITMENT ACROSS THE VALUE CHAIN

(GRI 3-3, GRI 301-1, 301-2, 301-3, 306-1, 306-2, 306-3, 306-4, 306-5, 308-2)

Aitken Spence cascades our environmental commitments across the value chain through supplier policies, codes of conduct, due diligence processes, and ongoing engagement, screening suppliers for environmental risks and alignment with the Group's standards. This includes integrating environmental criteria into supplier onboarding, conducting periodic assessments, and building awareness and capacity among partners to support responsible practices. Further details on value chain engagement and related initiatives are provided in the Social & Relationship Capital Review

TARGETS	PROGRESS AGAINST TARGETS
Screen 100% of key suppliers on ESG and environmental criteria	**511** suppliers screened during the year Zero suppliers identified as having significant actual and potential negative environmental impacts. We currently do not measure supplier screening as a percentage figure. Key suppliers contribute to a larger proportion of the supplies and a percentage figure would not reflect the comprehensiveness of the screening process accurately. We hope to improve on this metric moving forward.
Aspirational Value-Chain Targets (Net Zero) for Engagement, Awareness & Shared Commitments	
46.4% of suppliers (by emissions)	Commenced
80% of customers (by emissions)	Commenced
90% of investments (by emissions)	Commenced

OUR CLIMATE STRATEGY *(GRI 102-1, 102-2)*

Mitigating the environmental impacts of our operations, particularly our contribution to climate change, is a key priority within the Group's sustainability strategy. Through the Spence IMPACT framework, climate considerations are embedded into operational planning, investment decisions and long-term business strategy. A summary of our approach is presented here, with a more comprehensive overview provided in the 2024/ 2025 Annual Report.

CLIMATE RELATED RISKS AND OPPORTUNITIES

Guided by the Group's integrated sustainability policy (Commitment E), climate related risks are addressed as a core strategic priority, with our efforts further strengthened through the alignment with the SLFRS sustainability disclosure frameworks. While the Group's climate change mitigation measures are addressed in the Natural Capital section, this section focuses on climate change adaptation and related risk mitigation measures implemented to enhance resilience.

In line with SLFRS S1 and S2 requirements, Aitken Spence identifies and integrates sustainability and climate-related risks and opportunities into strategy and governance, building on established Group-wide ERM, sustainability and disaster risk reduction (DRR) frameworks, supported by Board and management oversight and cross functional coordination.

(This approach and the related disclosures are discussed in the SLFRS Sustainability related financial disclosures section.)

SBTI VALIDATION AND DECARBONISATION PATHWAYS

Aitken Spence has established a benchmark for corporate climate ambition by becoming the first diversified conglomerate in Sri Lanka to secure Group wide validation from the Science Based Targets initiative (SBTi). This milestone confirms that the Group's emissions reduction targets are aligned with a 1.5°C pathway, reinforcing the credibility of its holistic climate strategy.

Aitken Spence PLC has rolled out a unified, and mature decarbonisation strategy across its operations, with a long term approach to climate action.

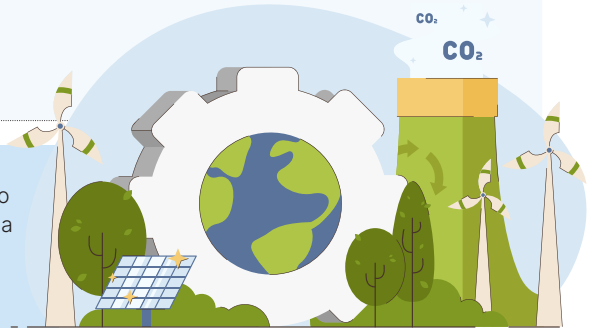
This achievement reflects strong Board oversight, an integrated strategic approach and the maturity of the Group's systems for managing climate related risks and transition planning consistently across our business units. It also demonstrates early alignment with SLFRS S2, with climate related risk mitigation and transition considerations embedded within governance, strategy and decision making processes.

TWO-HORIZON CLIMATE STRATEGY

A key feature of the Group's climate strategy is the clear distinction between near term targets and net zero targets, which directly informs capital allocation and transition planning.

Near-term Targets (Next 5 years): Driving action now	Net-zero Targets (Long term): Defining the end state
» Reducing emissions to minimal levels » Deliver measurable emissions reductions by 2030 » Short to medium term capital allocation **Focus Areas:** • Process improvements prioritising energy efficiency • Operational changes • Increasing renewable energy generation and sourcing • Energy transition expanding renewable energy usage	Neutralising residual emissions through removals. **Focus Areas:** • R&D on meaningful emission removal interventions (conservation projects, methane capture projects etc.) • Progressive decarbonisation of operations

While the Group's near term targets have been approved by SBTi, work is ongoing to identify the most effective pathways to achieve net zero in a manner that supports a just transition, engages communities and creates sustainable value, in line with the Spence IMPACT strategy.



OUR CLIMATE STRATEGY

SBTi-Validated Target Boundary

Our SBTi-validated target boundary was determined aligned with the GHG Protocol under the operational control approach. Accordingly, the emissions we have accounted (aligned with the benchmarks of IPCC's AR6), and our decarbonisation efforts extend to include land-related emissions and removals, reflecting the Group's exposure through our plantations segment.

Decarbonisation

The Group's decarbonisation pathway is primarily driven by operational efficiency improvements, energy transition and technology adoption. Decarbonisation measures are prioritised within energy intensive and climate sensitive segments to achieve sustained emissions reductions while strengthening operational resilience.

Key constraints and considerations	Regulatory frameworks	Technology readiness	Capital requirements
Financial implications of climate related risks in FY 2026	Please refer to the SLFRS Sustainability Related Financial Implications section.		

Through a measured and phased transition approach, the Group balances ambition with practicality, continuing to explore solutions that address prevailing constraints.

CLIMATE CHANGE ADAPTATION AND RESILIENCE

Aitken Spence's approach to climate change adaptation is closely linked to its natural capital management. The Group established a structured DRR framework in 2017/18, embedding preparedness, response planning and business continuity into its sustainability strategy, well ahead of emerging climate related disclosure requirements.

A Structured Disaster Risk Reduction Framework (DRR)

With the support of the Asia Pacific Alliance for Disaster Management Sri Lanka (APAD SL)

DRR teams were established across the Group, supported by regular training and business continuity planning.

The framework was rolled out through structured awareness and capability building programmes for Managing Directors and Heads of Departments, ensuring clear accountability and readiness at leadership and operational levels.

The effectiveness of this approach was demonstrated during the reporting period when Cyclone Ditwah impacted several operating regions. Pre-defined response protocols enabled coordinated action across business units, minimising operational disruption while safeguarding employees, surrounding communities and critical assets. This reinforces the value of integrating disaster risk planning amid growing climate-related risks.

OUR CLIMATE STRATEGY

JUST TRANSITION AND SOCIAL IMPACTS OF CLIMATE ACTION

(GRI 102-3)

A Just and Inclusive Transition

As climate-related actions and environmental management practices evolve, Aitken Spence recognises the importance of ensuring that the transition toward more sustainable operations supports employees, local communities and value chain partners.

CAPACITY BUILDING	**The Group's sustainability approach emphasises capacity building and engagement through:** » Training and awareness programmes across all levels of management » Targeted awareness building campaigns to reach key stakeholders » Employee engagement initiatives » Responsible business practices embedded across operations
VALUE CHAIN ENGAGEMENT	**Supply Chain Sustainability** » Screening and due diligence using defined sustainability criteria » Ongoing engagement to strengthen environmental and social performance » Awareness building on SBTi and alignment towards net zero pathways » Aspirational targets set to engage key suppliers on science-based targets » Supporting a broader value chain wide low-carbon transition
STRENGTHENING TRANSPARENCY	**SLFRS S1 and S2 Adoption** » Improved identification of climate-related risks and impacts across the value chain » More informed, forward-looking decision-making

While practical challenges exist in transitioning to more sustainable models, the Group remains focused on long-term sustainability and takes a measured approach to change, seeking solutions that are both feasible and enduring, while avoiding unintended adverse impacts on communities and stakeholders.

OUTLOOK

Aitken Spence's path forward is guided by our commitment to achieving sustainable growth while reducing our resource footprint and progressing toward net zero emissions by 2030. As climate risks continue to evolve, the Group will further strengthen its approach through science-based targets, using SBTi to guide and verify our decarbonisation pathways, value chain engagement and long-term transition planning. Building on a long-standing legacy of integrating sustainability into decision-making, the Group is well-positioned to respond to evolving regulatory, market and climate-related expectations in a deliberate and meaningful manner. As we move forward, the Group will further strengthen its approach through the Spence IMPACT strategy, balancing ambition with practicality while ensuring that growth remains responsible, inclusive and sustainable over the long term, while safeguarding the natural and social systems that underpin its businesses.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

EY
Shape the future with confidence

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

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

Independent practitioner's assurance report to the Board of Directors of Aitken Spence PLC on the SLFRS Sustainability-related Financial Disclosures presented in the Integrated Annual Report 2025/26

SCOPE

We have been engaged by Aitken Spence PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Aitken Spence PLC's SLFRS Sustainability-related Financial Disclosures (the "Subject Matter") contained in Aitken Spence PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

CRITERIA APPLIED BY AITKEN SPENCE PLC

In preparing the Subject Matter, Aitken Spence PLC applied the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – Climate-related Disclosures ("Criteria").

Such Criteria were specifically designed for the disclosure of material information on climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity; As a result, the subject matter information may not be suitable for another purpose.

AITKEN SPENCE PLC'S RESPONSIBILITIES

Aitken Spence PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

ERNST & YOUNG'S RESPONSIBILITIES

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with Aitken Spence PLC on 03rd June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we 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.

DESCRIPTION OF PROCEDURES PERFORMED

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

Shape the future with confidence

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with selected key management personnel and relevant staff to understand the business, value chain and sustainability reporting process of the Company.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Performed procedures to understand the Company's disclosures in relation to the Conceptual Foundation of SLFRS S1, including fair presentation, materiality, reporting entity, and connected information
- Conducted procedures to understand the governance processes, controls and procedures employed by the Company to monitor, manage and oversee climate-related risks and opportunities, supported by relevant evidence.
- Perused the minutes of the Board of Directors meetings from the financial year to ensure alignment with the content of governance related disclosures.
- Conducted procedures to comprehend the Company's strategy for managing identified climate-related risks and opportunities, supported by relevant evidence and calculations.
- Performed analytical procedures to obtain explanations and supporting evidence regarding the Company's processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities, including their integration into the overall risk management framework.
- Conducted analytical procedures to gather explanations and supporting evidence to evaluate the Company's performance in relation to its identified climate-related risks and opportunities, including progress towards any targets the Company has set during the assurance engagement.
- Performed procedures to assess the Company's disclosures and compliance with the General Requirements of SLFRS S1.
- Conducted procedures to evaluate the disclosures regarding judgments and uncertainties in the process of preparing the Company's sustainability-related financial disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

EMPHASIS OF MATTER

There are inherent limitations in the identification, measurement and disclosure of underlying Subject Matter against the applicable Criteria due to forward looking information, uncertainties and management judgements. For clarity, our engagement does not extend to providing assurance on the accuracy or achievability of these forward-looking information, uncertainties and management judgements.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to SLFRS Sustainability-related Financial Disclosures for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

RESTRICTED USE

This report is intended solely for the information and use of Aitken Spence PLC for the purpose of providing an assurance conclusion on the Subject Matter based on the Criteria and is not intended to be and should not be used by anyone other than those specified parties.

Ernst + Young

Chartered Accountants
05 June 2026

Colombo

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

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) – MIS Msc – IT, V Shaktivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

1. STATEMENT OF COMPLIANCE

This report represents the Group's sustainability-related financial disclosures for Aitken Spence PLC and its subsidiaries (the "Group") for the year ended 31 March 2026. This is the first year in which the Group has adopted the Sri Lanka Sustainability Disclosure Standards, namely SLFRS S1 and SLFRS S2, as issued by the Institute of Chartered Accountants of Sri Lanka. Where applicable, the Group has applied the transitional provisions permitted under the Standards in the year of initial adoption.

2. REPORTING ENTITY, ORGANISATION BOUNDARY AND VALUE CHAIN

Aitken Spence PLC operates across four sectors and 17 segments in 12 countries, creating a complex value chain with varied exposure to sustainability-related risks and opportunities. Key dependencies include energy availability and cost, workforce capability, climate-exposed assets, and third-party suppliers and service providers across operations.

Although the Group's revenue base is geographically diversified, some operations face greater climate-related and regulatory exposure because of location, asset intensity or reliance on natural resources. These differences inform the prioritisation of sustainability-related risks and the allocation of mitigation actions. The Group continues to improve its understanding of upstream and downstream value-chain impacts to strengthen future risk assessments and disclosures.

Refer to the Group's Value Creation Model for more information.

Sectors	Reporting boundary/ operational segments	Geographical locations	The value chain	% of revenue
Tourism	» Hotels » Destination management » Airline GSA	Sri Lanka Maldives India Oman British Virgin Islands	Aitken Spence's tourism value chain brings together hotel ownership and management, destination services, GSA and travel agents, employees, suppliers, and local communities to deliver seamless end-to-end hospitality experiences for international travellers and tour operators.	55.5%
Maritime & Freight Logistics	» Maritime & Port Services » Freight Forwarding & Courier » Integrated Container Services » Airline GSA (Cargo) » Education	Sri Lanka Maldives Fiji Myanmar Bangladesh Cambodia United Arab Emirates Mozambique Singapore	This sector connects shipping lines, ports, customs authorities, transport providers, warehouses and corporate clients to enable efficient movement of cargo from origin to final destination.	24.6%
Strategic investments	» Apparel Manufacture » Printing & Packaging » Power Generation » Plantations	Sri Lanka Fiji Singapore	The value chain centres on identifying, developing and operating long-term assets by aligning suppliers, regulators, financiers, employees and customers to generate stable, sustainable returns across power, plantations, printing and packaging and apparel manufacture	12.7%
Services	» Insurance » Money Transfer » Property Management » BPO Services » Elevators	Sri Lanka Maldives	The services value chain brings together principals, technology partners, regulators, skilled professionals and corporate customers to deliver specialised agency, financial, insurance, BPO and property solutions.	7.2%

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

2.1 Reporting Boundary

Reporting entity (excluding GHG emissions)

(SLFRS S1.20, B38)

The entities, assets and operations included in Aitken Spence PLC's sustainability report are consistent with the reporting entity used in the Group's consolidated financial statements. Accordingly, the disclosures cover all subsidiaries and operations controlled by the Group in line with financial consolidation principles.

Within this boundary, the scope and emphasis of sustainability-related disclosures are informed by the Group's materiality assessment, which considers both impact and financial materiality to identify and prioritise relevant risks and opportunities. Further details are provided in the About this Report and Determining Materiality sections. The reporting boundary for GHG emissions is defined separately herewith.

It should be noted that Elpitiya Plantations PLC was included in the boundary for identification of climate related risks due to the nature and scale of the operation as well as sufficient management influence to roll our mitigation strategies and control measures.

Reporting boundary for GHG emissions

(SLFRS S2.29(a)(iii)(1), B26(a), B27)

The reporting boundary for greenhouse gas (GHG) emissions differs from the financial reporting boundary and is based on an operational control approach, consistent with SLFRS S2 and the Greenhouse Gas Protocol. Scope 1 and Scope 2 emissions are reported for operations over which the Group can implement operating and environmental management policies, while Scope 3 emissions are reported for relevant material value-chain categories, including activities outside the financial consolidation boundary.

This boundary is applied consistently in setting the Group's science-based emissions-reduction targets, which have been validated by the Science Based Targets initiative (SBTi). GHG emissions are measured using emission factors aligned with the IPCC Sixth Assessment Report (AR6), the latest UK DEFRA databases, publications of the Sri Lanka Sustainable Energy Authority and other relevant national sources. Where direct data are unavailable, reasonable estimates and proxy data are used, with material assumptions disclosed where relevant.

3. MATERIALITY

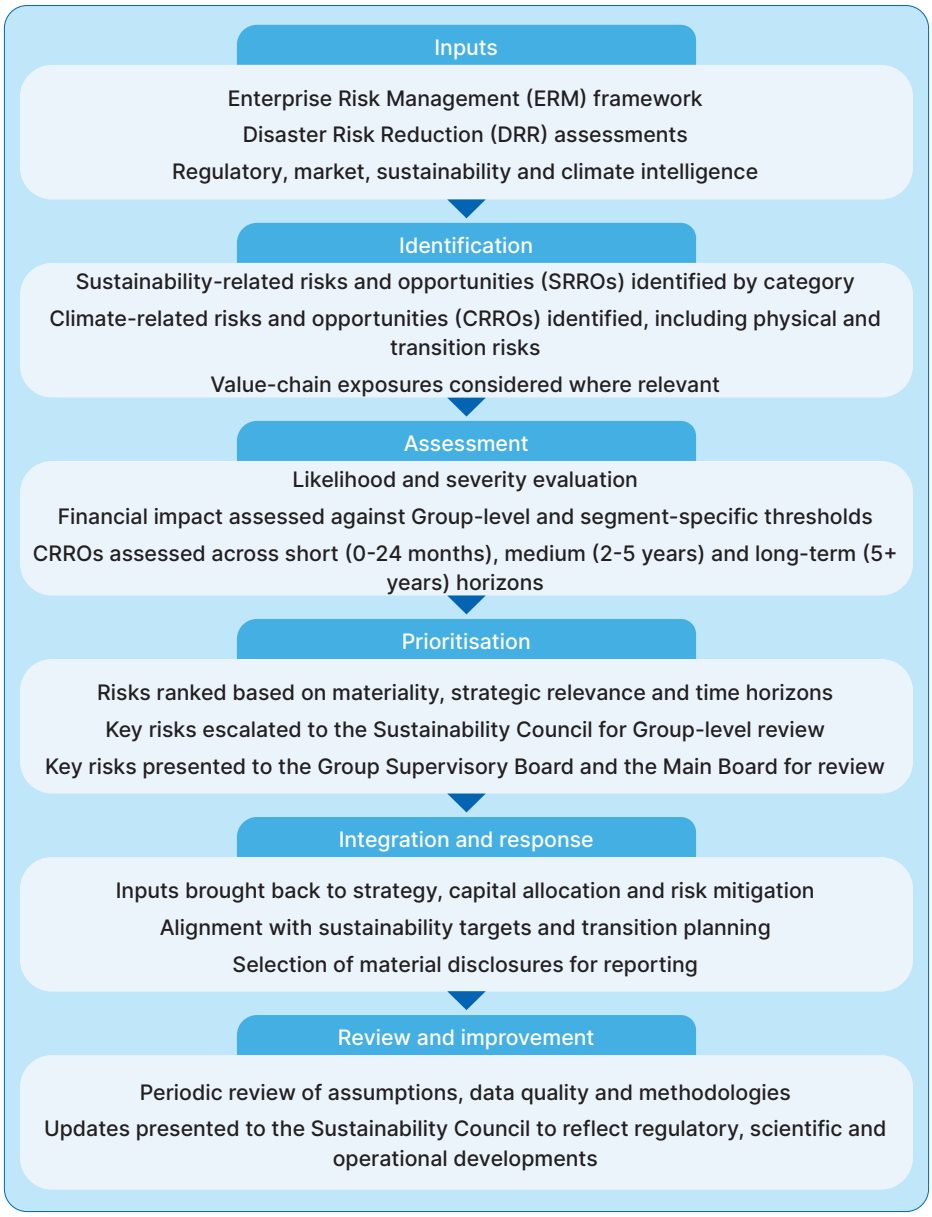
3.1 Basis of Materiality

Having identified the Group's material impacts on the economy, environment and society, Aitken Spence PLC applies financial materiality in accordance with SLFRS when preparing its financial statements. Information is material if its omission, misstatement or obscuring could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures . In applying this principle, the Group considers quantitative thresholds together with qualitative factors such as the nature of transactions, geographic diversity, regulation and investor expectations. This assessment guides recognition, measurement, presentation and disclosure.

The Group applies a structured process to identify, assess and prioritise sustainability-related risks and opportunities, informed by its enterprise risk management (ERM) framework and disaster risk reduction (DRR) assessments in place since 2017/18. Long-standing sustainability governance arrangements were further strengthened following adoption of the SLFRS Sustainability Disclosure Standards (SDS) in Sri Lanka.

Following the introduction of the SLFRS SDS requirements, the Group established cross-functional teams from operations, sustainability, risk, finance and strategy. Supported by workshops and capacity-building, these teams used existing ERM and DRR assessments to identify and evaluate sustainability-related and climate-related risks in their operations and value chains.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES



3.2 Financial materiality thresholds

Financial materiality is guided by thresholds set and approved by the Board of Directors. Financial impacts are considered material where they meet or exceed the following thresholds:

» **Profit Before Tax (PBT):**

- An impact equivalent to 5% of average PBT, calculated using the PBT of the financial year under review and the two immediately preceding financial years.

» **Total Assets:**

- An impact equivalent to 0.5% of total assets, measured using the balance sheet as at end of the financial year under review.

In addition to Group-level thresholds, business segments apply segment-specific financial materiality thresholds that reflect the nature, scale and risk profile of their operations.

3.3 Functional currency

Given the geographic diversity of Aitken Spence PLC's operations, the Group transacts and manages risk across multiple currencies. However, all financial materiality assessments for sustainability-related risks and opportunities are evaluated and consolidated in Sri Lankan Rupees (LKR), the Group's functional and reporting currency.

3.4 Sources of guidance

In applying SLFRS S1 and SLFRS S2, Aitken Spence PLC exercised judgement to identify sustainability-related information relevant to users of general-purpose financial reports and to faithfully represent the Group's climate-related risks and opportunities. The Group relied primarily on SLFRS S1 and SLFRS S2, supplemented by relevant international and national guidance, scientific research and public data where consistent with the standards, including six applicable SASB Standards (Version 2023-12):

» Hotels & Lodging Standard (Version 2023-12)

» Road Transportation Standard (Version 2023-12)

» Air Freight & Logistics Standard (Version 2023-12)

» Agricultural Products Standard (Version 2023-12)

» Apparel, Accessories & Footwear Standard (Version 2023-12)

» Electric Utilities & Power Generators Standard (Version 2023-12)

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

The Group also considered climate science and scenario information published by the IPCC, hazard data issued by the Disaster Management Centre and other public authorities in Sri Lanka, and relevant sectoral, regulatory and policy information. These sources were used alongside internal risk assessments, operational data and stakeholder inputs to support a consistent, evidence-based evaluation of climate related risks and opportunities.

3.5 Assessment and prioritisation of material risks and opportunities

Identified climate-related risks and opportunities are assessed based on potential financial effects, likelihood and time horizon, including impacts on cash flows, income statement, balance sheet and long-term resilience. Climate-related risks and opportunities are evaluated across short, medium and long-term horizons in line with SLFRS S2 and the Group's DRR strategies, informing strategic decision making, capital allocation, risk mitigation and disclosure.

These processes are reviewed periodically to reflect changes in the operating environment, regulation, climate science and stakeholder expectations.

3.6 Connected Information

Climate-related risks and opportunities at Aitken Spence are assessed in an integrated way so the Group can understand how they connect and affect prospects. For example, net zero ambitions respond to transition risks such as rising energy costs, supply disruption and regulatory change, while also creating opportunities to improve efficiency, reduce long-term costs and strengthen market positioning. Likewise, disaster risk reduction strategies address physical risks from extreme weather while supporting resilience investments that enhance continuity and long-term value.

These risks and opportunities are embedded in the Group's governance, strategy and risk management processes. The Spence IMPACT strategy sets Group level sustainability priorities that are translated into sector-specific strategies and reinforced through the enterprise risk management framework, linking governance oversight with strategic action, risk assessment and performance monitoring.

These sustainability-related financial disclosures should be read together with the Group's consolidated financial statements prepared in accordance with SLFRS/LKAS. They cover the same reporting entity and explain how climate-related risks and opportunities may influence financial performance, position and cash flows over time.

3.7 Reporting period and time horizon

Aitken Spence PLC reports sustainability related information for the same period as its financial statements and applies consistent short, medium and long-term horizons when assessing climate-related risks and opportunities, including climate related impacts, transition pathways and adaptation responses. The time horizons as detailed below were approved by the Main Board on the recommendation of the Sustainability Council and are applied across strategy, and climate-related projections.

Short term: 0 – 24 months	Medium term: 2 – 5 years	Long term: Beyond 5 years
Context: » Risks can reasonably be expected to materialise in the short term. » Risk can be treated as a higher priority, on the basis of having a shorter timespan to implement mitigation measures and strengthen resilience. » Focus would be on operational impact controls and short-term strategic responses.	Context: » Risks can reasonably be expected to materialise within 2-5 years. » Risk can be treated as a moderately high priority, on the basis that they are expected to allow more time to implement adaptation measures. » Focus would be on intermediate strategic planning and transition pathway assessments.	Context: » Risks can reasonably be expected to materialise beyond years. » Risk may require more fundamental changes to business models rather than operational adjustments. However, given the longer timeframe, there is greater opportunity as well as expectation to plan and implement appropriate responses. » Focus would be on addressing long-term climate- and sustainability-related impacts, focusing on strategic adaptation and future-proofing.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

The sustainability disclosures cover the 12-month period ended 31 March 2026, consistent with the reporting period of the consolidated financial statements. Assessment horizons are based on the period over which climate-related risks and opportunities could reasonably arise, aligned with strategic planning and decision-making.

Sustainability-related financial disclosures are integrated into the Group's financial planning, risk management and capital allocation processes. Management considers these risks and opportunities over relevant time horizons alongside budgets, forecasts and long-term plans to assess implications for cash flows, asset values, access to finance and cost of capital.

At the reporting date, no climate-related risks or opportunities had resulted in material adjustments to the carrying values of assets or liabilities in the consolidated financial statements. However, identified climate-related risks, including physical risks from extreme weather and transition risks from evolving policy and regulation, are considered where relevant in impairment assessments, capital investment appraisals and business continuity planning. As methods for quantifying financial effects develop, the Group expects sustainability-related considerations to play a more explicit role in future financial estimates, assumptions and disclosures.

3.8 Transitional reliefs and proportionality

This is the first year in which the Group has adopted the SLFRS Sustainability Disclosure Standards, namely SLFRS S1 and SLFRS S2, for the year ended 31 March 2026. Accordingly, the Group has applied SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures.

In first-time application, the Group used the transitional reliefs permitted under SLFRS S1 and SLFRS S2 to support a proportionate and practicable initial adoption.

3.8.1 SLFRS S1 – Transitional Reliefs

» For the purpose of applying the reliefs in paragraphs E3 and E5 of SLFRS S1, the Group set 1 April 2025 as the date of initial application, being the beginning of the annual reporting period ended 31 March 2026 in which it first applies SLFRS S1.

» **Comparative information relief**

In accordance with SLFRS S1:E3, the Group has not presented comparative sustainability-related financial information for the reporting period immediately preceding the date of initial application.

Further, consistent with the transition relief in SLFRS S1:E5 and in accordance with SLFRS S1:E6, the Group has not disclosed comparative information for climate-related risks and opportunities in its first annual reporting period of application.

» **Climate-only disclosure transition relief**

In its first annual reporting period under SLFRS S1, the Group applies the transition relief in paragraph E5 and limits its disclosures to climate-related risks and opportunities in accordance with SLFRS S2.

» **Use of reasonable and supportable information without undue cost or effort**

As permitted by SLFRS S1:37 and reinforced by SLFRS S1:B8, B9 and B10, the Group used reasonable and supportable information available at the reporting date when it assessed sustainability-related risks and opportunities.

3.8.2 SLFRS S2 – Transitional Reliefs

In the first year of applying SLFRS S2 – Climate-related Disclosures, Aitken Spence PLC used the transitional reliefs permitted under the Standard, as outlined herewith.

» **Relief period for climate resilience disclosures (SLFRS S2:22)**

In accordance with paragraph 22 of SLFRS S2, the Group commenced climate-related disclosures while using the permitted two-year relief period to progressively enhance climate resilience disclosures, including the assessment of the resilience of its strategy under different climate-related scenarios. During this period, the Group focused on identifying material climate-related risks and opportunities and their current financial implications, and it will refine climate resilience disclosures further as methodologies, data and analytical capabilities develop.

» **Comparative information relief (SLFRS S2:C3)**

In line with SLFRS S2:C3, the Group has not disclosed comparative climate-related information in the first annual reporting period in which it applies SLFRS S2. The climate-related disclosures therefore relate solely to the current reporting period.

» **Transition relief on anticipated financial effects (SLFRS S2:15(b))**

In accordance with the transition relief available under SLFRS S2, the Group focused its disclosures on the current financial effects of climate-related risks and opportunities in line with paragraph 15(a). The Standard permits entities to defer the disclosure of anticipated financial effects under paragraph 15(b) for a two year period following initial application. Accordingly, the Group has not disclosed anticipated financial effects in the current reporting period and will progressively incorporate those disclosures in subsequent reporting periods as data, methodologies and internal capabilities develop.

3.9 Significant Judgements, Uncertainties and Proportionality

In preparing these disclosures, Aitken Spence PLC exercised significant judgement in identifying climate-related risks and opportunities, determining materiality and selecting appropriate metrics and methodologies. The Group applied proportionality by using reasonable and supportable information available without undue cost or effort while considering the scale, complexity and geographic diversity of its operations. Estimates and assumptions, including those related to climate impacts and greenhouse gas emissions, remain subject to uncertainty because of data limitations, evolving methodologies and forward-looking assumptions, and will be refined over time.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

The Group's sustainability-related risk identification is supported by long-standing practices and institutional knowledge built over more than two decades of sustainability integration, reinforced by the Spence IMPACT framework and DRR efforts initiated in 2017 through the partnership with the Asia Pacific Alliance for Disaster Management – Sri Lanka (APAD-SL). These internal processes, external collaborations and knowledge networks inform the Group's assessment of sustainability-related risks and opportunities, although not all guidance sources are listed exhaustively in this report.

4. GOVERNANCE

4.1 Board Oversight Role

Sustainability Governance in Action: The Aitken Spence Framework

Hierarchical Oversight and Strategic Leadership

Board Oversight

Board of Directors of Aitken Spence PLC holds ultimate authority and responsibility for climate- related risks, opportunities, and alignment with long-term risk appetite.

The Group Supervisory Board (GSB)

Primary governance body for operational decision-making, including two Board Directors of the Company, CFO, and Managing Directors from key sectors.

The Sustainability Council (SC)

Chaired by an Executive Board Director, meets bi-monthly for focused oversight, escalating critical issues to GSB and the Board of Directors.

Skills, Competencies, Expertise and Capacity Building

Effective oversight of sustainability-related risks and opportunities is supported by the Group's strong leadership capabilities, sector expertise and access to specialised knowledge. The Sustainability Council comprises senior leaders across key functions, bringing together sustainability, finance, risk and operational perspectives. This multidisciplinary approach enables climate-related matters to be evaluated in terms of environmental impact, financial materiality, operational feasibility and strategic relevance.

The Group continues to strengthen these competencies through structured capability-building, targeted briefings and engagement with external experts. Governance and management forums receive regular updates on regulatory developments, market trends and emerging sustainability issues, supporting informed and timely decision-making.

Through ongoing engagement with management and established reporting channels, the Board, GSB and Sustainability Council maintain visibility over climate-related developments and response priorities. This ensures continuous learning, reinforces accountability and aligns sustainability oversight with the Group's strategy, risk management practices and broader governance framework.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Continuous Capacity Building

Senior management and core teams receive capacity-building on emerging topics.

Ex.:

- Brief awareness session conducted for the Main Board on the SLFRS S1 and S2 standards
- Sustainability Council provided insights and awareness through the Council meetings and the Sustainability Strategy Townhall.
- Sustainability Council is consulted on the adoption of the SLFRS S1 and S2 standards through bi-monthly Council meetings

Top-Down Governance and Operational Synergy

Framework enabling direct connection between operational teams and the Head of Sustainability (Executive Board Director with cross-industrial expertise as well as local and global exposure) for real-time discussion of operational challenges and emerging opportunities.

Operational Management and Policy

Delegated Implementation

Responsibility for executing initiatives delegated to senior management across functions, and segmental sustainability teams while the strategic efforts are guided and coordinated by the Group's Sustainability Division.

Integrated Policy Framework

Approach governed by an integrated policy framework and a tiered implementation framework which includes sustainability related due diligence procedures and impact assessments and DRR vulnerability assessments and mitigation strategies.

Sector-Level Alignment

Operational experience and external partnerships enable consistent identification and management of risks across the organisation.

4.2 Inform, Address and Monitor

4.2.1 Inform

The Board and the GSB are informed of sustainability-related matters through established reporting channels that draw on enterprise risk management processes, sector reviews, sustainability assessments and management reporting. These mechanisms provide visibility over key developments, material risks, strategic responses and performance indicators. The Sustainability Council serves as an important forum for discussing these matters in greater depth and escalating significant issues to the GSB and the Board where further oversight or decision-making is required.

4.2.2 Address

Sustainability-related risks and opportunities are addressed through integration into strategy, business planning, capital allocation and operational management processes across the Group. This includes the application of the Spence IMPACT strategy, sectoral strategic priorities, transformation initiatives and operational improvement programmes. By embedding these considerations within mainstream planning processes, the Group is able to respond to emerging risks, strengthen resilience and capture opportunities linked to efficiency, innovation and long-term value creation.

At the management level, segmental leadership teams are responsible for translating Group priorities into actions appropriate to their operating context, including risk mitigation initiatives, operational controls, resilience measures and targeted investments. Material matters are reviewed by the Sustainability Council and elevated through the governance structure where broader strategic consideration or Board oversight is required.

The Board also considers significant trade-offs associated with major sustainability- and climate-related decisions, including investment timing, transition pathways, operating model changes and resilience-related capital expenditure. This helps ensure that short-term financial considerations are balanced against longer-term strategic resilience, regulatory expectations and stakeholder interests.

4.2.3 Monitor

The Group monitors sustainability-related performance through governance reviews, management reporting, metrics, targets and risk indicators used across its businesses. Monitoring covers both the effectiveness of response actions and the evolution of underlying risks and opportunities. Where performance trends, control gaps or changing external conditions warrant further attention, matters are escalated to the appropriate governance forum for review and action.

4.2.4 Remuneration

The Group currently does not link climate related performance directly to remuneration structures. The approach reflects the view that sustainability related priorities, including climate considerations, should be institutionalised as part of core management and operational practices, rather than treated as discrete performance incentives. Oversight and accountability for climate related matters are embedded within governance structures, as described in the Governance section.

More details of how SRROs and CRROs are considered in strategies, decisions on major transactions, risk management and the trade-off of capitals are discussed in the following sections of this report;

- Corporate Governance
- Sector Reviews
- Our Strategy
- Climate Strategy

4.3 Management Role

4.3.1 Delegation

Implementation responsibility is delegated across management levels and business segments, reflecting the Group's diversified operating model. For example, segmental leadership teams are accountable for integrating sustainability-related considerations into day-to-day decision-making, while all functional teams as well as cross-functional teams formed for specialised tasks such as environmental management systems, disaster risk reduction, occupational health and safety, quality etc. support execution through risk management, finance, operations, sustainability and technical expertise. The Group's Sustainability Council is required to discuss priorities with the senior leadership teams that form the Council and escalate material matters to the GSB or the Board of Directors. This distributed model allows responses to be tailored to local operating realities while remaining aligned with Group-level expectations and governance oversight.

4.3.2 Policies and Procedures

Management's response is guided by the Group's policy framework and implemented through established procedures that include enterprise risk management, sustainability reviews, impact assessments, business continuity planning and disaster risk reduction initiatives. These processes help ensure that sustainability-related matters are identified consistently, assessed appropriately and embedded into operational controls, investment decisions and continuous improvement efforts across the organisation.

5. RISK MANAGEMENT

5.1 Identification

5.1.1 Inputs and Parameters the Group Uses

The Group identifies climate-related risks using a structured process that combines internal assessments with external reference points. Internal inputs include enterprise risk management registers, sector-level reviews, disaster risk reduction assessments, operational experience and management insight from across the Group's businesses. External inputs include climate science, hazard information, regulatory developments, market trends and other relevant public data. This combination enables the Group to identify climate-related issues that are relevant to its asset base, operating model and value chain across multiple sectors and geographies.

External inputs such as climate science (including IPCC guidance), national hazard data (e.g. Disaster Management Centre), regulatory developments, market trends, and stakeholder insights are also considered. These are complemented by operational data, past climate events and sector specific experience, ensuring that identified risks reflect the Group's diversified geographic and sectoral exposure.

5.1.2 Preliminary Action for Climate Related Scenario Analysis

In the current reporting period, the Group has not yet completed a full quantitative climate resilience scenario analysis and continues to apply the transitional reliefs available under SLFRS S2. Nevertheless, climate-related projections of the IPCC (Regional Synthesis, AR6) already informs the Group's risk identification and assessment process. Management considers published climate projections and other credible external reference points as part of its effort to understand the plausibility, timing and direction of key climate-related risks affecting the Group's businesses. The Group intends to strengthen this work progressively as data quality, analytical tools and internal capabilities continue to mature.

At this stage, climate projections from the regional synthesis of the IPCC are used primarily as an analytical reference to support management judgement rather than as a standalone resilience-testing model. This approach provides a practical foundation for identifying material exposures while the Group develops more formal scenario-analysis capabilities for future reporting periods.

5.2 Assessment

5.2.1 How the Group Assesses Risks

Once identified, climate-related risks are assessed using a consistent methodology that considers the nature of the risk, its likelihood of occurrence, the severity of potential impacts and the time horizon over which those impacts may arise. This methodology is aligned with the Group's broader risk management approach and supports comparability across sectors while allowing for differences in business model, asset exposure and operating context.

NATURE

In our assessment, climate related risks are categorised using a structured classification framework to ensure consistency and alignment with SLFRS S2. Risks were classified as:

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Physical risks

» Acute physical risks (event driven risks such as extreme weather events)

» Chronic physical risks (long term shifts in climatic patterns)

Transition risks

» Policy, political or governance related transition risks

» Legal or compliance related transition risks

» Technology related transition risks

» Market related transition risks

» Reputation related transition risks

This classification enables the Group to distinguish between different drivers of risk and ensures alignment with climate related disclosure requirements.

» **Likelihood of occurrence**

Each identified risk is first assessed based on its likelihood of occurrence, that is, the probability of the risk materialising. The likelihood of occurrence is assessed on a five-point scale, ranging from Negligible to Very High. This scale is intentionally kept concise to support clarity and uniform application across assessments. Please refer to the climate-related risk heat map to review the likelihood rating.

» **Potential impact**

The potential impact of each risk is then evaluated across seven asset categories which are: inventory, equipment, buildings, people, data, business operations, and the supply chain. The potential impact of risks on each of these assets is assessed using a five-point scale, ranging from Negligible to Very High. An overall impact score is derived by calculating the average of the impact ratings across all asset categories. Please refer to the climate-related risk heat map to review the likelihood rating.

5.3 Prioritisation Using Risk Levels

Given that risk assessments are inherently based on past data, events and experience rather than purely on forward-looking projections, risks are evaluated using a combined view of likelihood and potential impact. This approach considers both the probability of occurrence and the extent of potential consequences if the event materialises. Based on the resulting scores, risks are categorised as Low (1.0–3.0), Moderate (3.1–8.0), High (8.1–14.0) or Very High (14.1–25.0). This methodology is aligned with the Group's Enterprise Risk Management (ERM) framework, ensuring consistency and comparability across all risk assessments.

Climate-Related Risk heat map

Probability						
Almost certain	5	5	10	15	20	25
Likely	4	4	8	12	16	20
Possible	3	3	6	9	12	15
Unlikely	2	2	4	6	8	10
Rare	1	1	2	3	4	5
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Extreme

Impact on Assets

Priority is generally given to risks that:

» demonstrate high likelihood of occurrence and/or significant impact

» pose potentially significant (material) implications for operations, financial performance or assets

» affect multiple parts of the value chain

» influence strategic decision making or capital allocation

Segmental teams identify key risks for escalation, including those considered most relevant for Group level governance review.

Guidance on the risk rating

Risk level	Risk score	Description
Low risk	1 to 3	The risk is unlikely to materialise or even if the risk materialises, it is expected to have only limited consequences. These risks are considered low priority.
Moderate risk	3.1 to 8	Either; the identified risk is more likely to occur, but the impact is limited even if they do, or the identified risk is unlikely or has a low probability to occur, but if it does, the impacts could have considerable consequences if they do materialise. These risks are not typically the highest priority but should not be overlooked, particularly where potential impacts could result in notable financial or operational implications.
High risk	8.1 to 14	The likelihood of occurrence and the potential impact are moderate, which together can result in considerable financial or operational implications as the risks can reasonably be expected to occur and cause damage. These risks require timely attention and proactive management.
Ultra-high risk	14.1 to 25	For the identified risk, the predicted likelihood of occurrence as well as the potential impact are significant. These risks could present substantial financial and/or operational consequences and are considered top priority, requiring immediate attention and decisive mitigation action.

5.3 Monitoring

5.3.1 Monitoring of Climate related Risks

Climate-related risks are monitored through regular management reporting, sector-level reviews, overall risk management processes and governance oversight forums. Monitoring focuses on changes in exposure, effectiveness of controls, operational impacts and emerging external developments. This allows the Group to respond to changing risk conditions in a timely manner and to refine mitigation and resilience actions as needed.

Monitoring includes tracking key risk indicators, operational and financial impacts, and evolving external conditions. These processes are supported by DRR mechanisms, early warning systems and continuous engagement across management levels, enabling timely responses to emerging risks.

5.4 Changes in the Process

5.4.1 Changes Compared with Previous Period

During the current reporting period, the Group continued to formalise and strengthen its climate-related risk processes in response to the requirements of SLFRS S1 and SLFRS S2. Enhancements included greater structure in risk identification, stronger alignment with financial materiality considerations and closer integration with governance, strategic planning and management reporting processes. These developments reflect the Group's ongoing progression from established sustainability practices toward a more formal sustainability-related financial disclosure framework.

These processes continue to evolve as part of the Group's first year adoption and ongoing refinement of sustainability related disclosures.

5.5 Processes and Policies Relating to Climate related Opportunities

5.5.1 Identification, Assessment, Prioritisation and Monitoring of Opportunities

Climate-related opportunities are identified and assessed through the same integrated processes used for climate-related risks, supported by strategic planning, management review and sector-level analysis. These opportunities include resilience investments, efficiency gains, innovation, renewable energy initiatives, portfolio diversification and other areas where climate response can create long-term business value. Opportunities are prioritised based on their potential to strengthen resilience, improve competitiveness, support growth and align with the Group's broader strategic objectives.

- climate resilient operations and infrastructure
- resource efficiency and cost optimisation
- diversification and innovation
- renewable energy and low carbon transition initiatives
- enhanced market positioning and access to capital

Monitoring of opportunities takes place through governance reviews, strategic initiatives and management processes that track implementation progress, business relevance and changing external conditions. This helps ensure that promising opportunities are translated into practical actions and aligned with capital deployment, operational priorities and market developments.

Monitoring is carried out through management reviews, strategic initiatives and governance oversight mechanisms to ensure alignment with Group priorities.

5.5.2 Alignment with the Overall ERM Process

The Group's climate-related risk and opportunity processes are aligned with our ERM framework, by leveraging existing risk registers, management reviews and segment-level controls to identify and assess material climate-related matters. This process supports consistent

escalation, evaluation and incorporation of risks into financial, operational and strategic decision-making, while ensuring climate considerations are assessed in line with sustainability-related disclosure requirements.

This approach combines established risk insights with a structured, organisation-wide sustainability process, ensuring alignment with broader financial, operational and strategic risk considerations in accordance with SLFRS SDS requirements. Further details are provided in the Risk Management section of this report.

6. STRATEGY

The Group's strategy focuses on building long-term resilience, maintaining competitiveness and creating value in a business environment increasingly shaped by sustainability and climate-related factors. Guided by the Group's overall strategic direction, segmental strategies and broader business planning processes, including the Spence IMPACT sustainability strategy, our ongoing effort is to embed climate considerations into key decision-making areas such as operations, asset planning, capital allocation and growth, rather than being treated as standalone initiatives. The sections that follow outline the Group's key climate-related risks and opportunities and their potential implications for future strategy and financial performance, with further details on the Spence IMPACT strategy and sector actions provided elsewhere in this report.

6.1 Climate related risks (CRRs)

The Group has identified a range of climate-related risks relevant to its operations, assets, people and supply chains, which may affect long-term business resilience. In this first year of applying the standards, these risks have been assessed primarily on a qualitative basis, reflecting evolving methodologies for quantifying financial impacts, while current-period effects are addressed through existing financial controls. Over time, these risks are expected to influence operating costs, capital allocation, business continuity and strategic decisions.

These risks have been evaluated across defined time horizons, considering their likelihood, potential impact and strategic relevance. Key risks identified include extreme weather disruptions, rising operating costs linked to climate and transition factors, long-term asset viability concerns and climate-related impacts on agricultural productivity within the plantations sector.

- **Climate-related risk 1:** Extreme weather related risks, including operational disruptions, impacts on supply chains and impacts on employees and workforce safety
- **Climate-related risk 2:** Increases in operational costs arising from climate related impacts and policy or regulatory changes
- **Climate-related risk 3:** Long term climate risks affecting business continuity, asset viability and strategic resilience
- **Climate-related risk 4:** Agricultural and biological risks, which are material to the plantations segment

6.1.1 Climate-related risk profile 1:

Extreme weather events

a) Operational disruptions and damage to assets
b) Impacts on supply chain
c) Impacts to employees

Risk description:	Increased frequency and severity of extreme weather events, including floods, droughts and heat stress, with potential impacts on operations, supply chains and employee safety.
Nature of the risk:	Acute physical risk (e.g.: a risk emanating from climate change that is event driven)
Business models and the value chain:	The Group operates a diversified business model across tourism, maritime and freight logistics, strategic investments and services sectors, with value creation dependent on physical assets, supply chains, workforce availability and customer demand across multiple geographies. Climate-related risks and opportunities are embedded across the value chain, affecting upstream inputs, operational activities and downstream service delivery, as outlined in the Risk Management section.
Impacts of the risk on the prospects of the business:	Extreme weather can disrupt operations, damage assets, increase costs and reduce revenue, thereby weakening competitiveness and increasing cash flow volatility. Over time, this may require greater resilience investment, diversification and stronger risk management to sustain growth. These effects may increasingly influence strategic choices, capital allocation and long-term resilience across exposed sectors.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.1 Climate-related risk profile 1:

Significance and time horizons:

Risk level and score	Description
Moderate risk (risk score between 3.1 – 8)	Short term (0–24 months): The Freight segment has identified exposure to supply chain disruptions driven by extreme weather events. Medium term (2–5 years): Airline GSA, shipping operations and port operations in Fiji have highlighted risks related to operational disruptions and workforce impacts from extreme weather, while the Printing segment has identified potential disruptions to employee commuting and the Insurance segment has noted possible constraints on policy coverage. Long term (beyond 5 years): Shipping and Printing segments have identified longer-term risks relating to operational and supply chain disruptions, as well as challenges affecting employee mobility, arising from sustained exposure to climate-related factors.
High risk (risk score between 8.1 – 14)	Short term (0–24 months): Hotels, Power Generation, MMBL Money Transfer and Elevators segments have identified risks relating to asset damage, operational and service disruptions, occupational health and safety concerns, and supply chain interruptions driven by extreme rainfall, heatwaves and similar weather events. Medium term (2–5 years): Port operations in Fiji and the Agency Representation & Overseas Operations segment have highlighted risks of operational and supply chain disruptions from cyclones, flooding and other extreme weather events. Long term (beyond 5 years): The Agency Representation & Overseas Operations segment has also identified potential disruptions arising from recurring earthquake exposure in certain markets.
Ultra-high risk (risk score between 14.1 – 25)	Short term (0–24 months): The Destination Management, Plantations, Elevators and Property Development segments have identified immediate risks primarily relating to operational and service disruptions, asset damage and workforce impacts arising from extreme weather events such as heavy rainfall and flooding. These also include challenges to guest and service mobility, field accessibility, labour deployment and occupational health and safety.

The Group recognises that identified climate-related physical and transition risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected.

Anticipated effects on business model and value chain:

More frequent and severe extreme weather events may increase operational downtime and costs, affect long-term asset performance, disrupt supply chains and logistics, influence demand patterns and increase insurance and capital requirements. The extent of these impacts is likely to vary by sector, with asset-intensive and climate-sensitive operations such as plantations, power and logistics being more exposed.

Where the risk is concentrated:

Exposure is primarily associated with certain assets, infrastructure, operations and supply chains that are located in areas more susceptible to climate-related events. This includes physical assets such as estates, power plants, ports and hotels, as well as key transport routes and supply chain networks. Labour-intensive operations may also experience sensitivity to weather conditions where workforce availability is a factor. Overall, exposure is higher in regions that occasionally experience extreme rainfall, flooding, cyclones, landslides or heat; however, these factors are actively considered within operational planning and risk management processes to support continuity and resilience.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.1 Climate-related risk profile 1:	
Strategy and decision making:	The Group has ongoing efforts to integrate climate considerations into operational strategies, investment decisions and operational planning through structured assessments of potential financial implications, alongside resilience requirements for assets and value chains. This approach ensures alignment with long-term sustainability and transition objectives, supporting informed decision-making while embedding climate factors into sector strategies and day-to-day operations.
Response and action taken:	To address the impact of extreme weather events, the Group responds through both adaptation and mitigation efforts . Adaptation measures include DRR frameworks, emergency planning, climate exposure reviews, resilient infrastructure, route and supplier diversification, flexible operations, monitoring tools and strategic partnerships; mitigation actions are addressed in the Metrics and Targets section. **Adaptation actions (Direct and indirect)** Key measures implemented across sectors include: » disaster risk reduction (DRR) frameworks and response teams • Locations of operation in Sri Lanka mapped against locations vulnerable to flooding, earthquakes and landslides aid DRR planning. • Emergency response planning » ongoing review of climate exposure through ERM processes and business continuity planning (BCP) and emergency response protocols » investment in resilient infrastructure (e.g. drainage systems, slope stabilisation, equipment protection) » diversification strategies (e.g. markets, suppliers, crops, logistics routes) adopted » operational adjustments, including remote working and flexible service delivery » use of technology, including monitoring systems and predictive tools » strategic partnerships established for capacity building and guidance on DRR strategies For example, in plantations, climate-smart agriculture and infrastructure upgrades have been adopted, while logistics and service sectors are implementing route diversification, contingency planning and realtime monitoring systems.
Resource allocation:	Resources are allocated through existing financial, operational and governance structures. Capital supports resilience investments, maintenance and insurance; cross-functional teams and DRR personnel support implementation; and technology investment focuses on monitoring, predictive tools and process improvements, applied on a sector-specific, risk-based basis. **Financial resources** Capital is deployed towards resilience related investments, maintenance programmes, and infrastructure upgrades. Insurance coverage is also utilised to mitigate financial impacts of extreme events in certain sectors. **Human resources** Cross functional teams, including DRR teams and operational personnel, are responsible for risk identification and management, response and implementation of resilience measures. Training and awareness programmes are conducted to enhance preparedness. **Technological resources** Investments are being made in: • monitoring systems (e.g. weather tracking, AgriMet systems) • operational technologies (e.g. logistics systems, predictive tools) • process enhancements to improve efficiency and resilience These resources are allocated on a sector specific and risk based basis.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.1 Climate-related risk profile 1:	
Current assessment of the risk (Progress)	Current assessments indicate moderate resilience, supported by sector-level analyses, existing controls, disaster risk reduction practices and ongoing investments. This reflects the Group's ability to manage operational continuity under current conditions while continuing to strengthen resilience through targeted improvements. Looking ahead, outcomes may vary as climate patterns evolve and weather events become less predictable, and resilience will continue to be monitored and enhanced over time. **Adaptation actions implemented in 2025/26 (Direct and indirect)** Key measures implemented across sectors include: » Disaster risk reduction (DRR) frameworks and response teams • Emergency response drills conducted for night-time emergencies, and earthquake drills • Fire safety briefings conducted for Senior Management • Access to ambulance services strengthened through strategic partnerships **Key measures still in the pipeline (implementation in the preliminary stages):** » DRR efforts • Landslide drills to be planned • Emergency response play books under development. • Early warning technologies under assessment.
Key assumptions:	Key assumptions include more frequent and intense extreme weather, continued exposure of assets in climate-sensitive locations and gradual shifts in sector risk profiles. » increasing frequency and intensity of extreme weather events » continued exposure of assets in climate sensitive locations » gradual changes in operating conditions and risk profiles across sectors
Judgements and uncertainties	Assessment of impacts and resilience involves significant judgement, particularly regarding the timing and severity of climate events, financial consequences, effectiveness of adaptation measures and future regulatory and market conditions. » timing, frequency and severity of future climate events » magnitude of financial impacts across different sectors » effectiveness of adaptation measures over time » evolving regulatory and market conditions These uncertainties are managed through the Group's risk management processes, continuous monitoring and periodic reassessment, as outlined in the Risk Management section.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

(GRI 201-2)

6.1.1 Climate-related risk profile 1:

» Financial effects

Current year financial effects:

» Operational disruptions at asset and site level (e.g.: service interruptions, reduced productivity, asset damage and maintenance costs etc.)

» Supply chain disruptions affecting logistics, agriculture and tourism operations

» Health and safety risks to employees in climate exposed locations (e.g.: accessibility constraints particularly during severe weather events)

» Financial implications in the current year;

Sector	Impact on financial performance Rs. Mn	Impact on cashflows Rs. Mn	Impact on financial position Rs. Mn
Tourism sector	(79.4)	(79.4)	(79.4)
Strategic investments sector	(444.7)	(509.6)	(444.7)
Services sector	(0.3)	(0.3)	(0.3)
Total	(524.5)	(589.3)	(524.5)

During the financial year, the estimated impact on the Group's operating profit arising from exposure to extreme weather events, primarily due to reduced revenue, amounted to approximately Rs. 524.5 Mn, with a corresponding impact on operating cash flows. These effects are also reflected in the financial position, with lower cash balances contributing to a reduction in total assets by Rs. 589.3 Mn. The financial statements for the year ended 2025/2026 in pages 373 to 491 have been prepared after considering the above impacts.

Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities

At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.

Anticipated financial effects:

Refer transition relief for anticipated financial effects.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.2 Climate-related risk profile 2:

Increases in operational costs due to climate related impacts and policy changes

Risk description:	Rising energy, input and compliance costs resulting from climate-related impacts and evolving regulatory and policy measures.
Nature of the risk:	Risk emanating from the outcomes of physical risks (both acute and chronic) and changing dynamics of transitional risks related to climate.
Business models and the value chain:	The Group's diversified service-led model is currently affected mainly through higher cost bases and reduced operational efficiency rather than fundamental revenue model change, with energy, insurance, compliance and technology costs pressuring margins and competitiveness. Currently, rising energy and insurance costs are increasing operating expenses and compressing margins, while ESG compliance and technology adoption pressures could affect competitiveness and client retention.
Impacts of the risk on the prospects of the business:	Rising energy, insurance, compliance and technology costs can compress margins, strain cash flows and affect access to capital, driving decisions on pricing, efficiency, resilience investment and ESG compliance.
Significance and time horizons:	**Risk level and score:** Moderate risk (risk score between 3.1 – 8) » **Short term (0–24 months):** The hotels segment has identified potential increases in energy costs driven by climate-related policy changes and supply constraints. » **Medium term (2–5 years):** The printing segment has highlighted potential cost implications arising from the implementation of new compliance standards and regulatory requirements. » **Long term (beyond 5 years):** The freight, agency representation & overseas operations and integrated logistics segments have identified risks linked to rising insurance costs, increased compliance and ESG-related expenditure, and competitive pressures from faster technology adoption, which may influence cost structures and market positioning over time. The Group recognises that identified climate-related transition risks have the potential to impact its operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, the impacts of the climate related risks on the financial statements have not been material as per the Group's defined materiality thresholds.
Anticipated effects on business model and value chain:	Sustained cost escalation, higher investment needs and changing client expectations are likely to increase reliance on a more resilient, technology-enabled value chain, especially in energy-intensive and compliance-dependent operations.
Where the risk is concentrated:	The risk is concentrated in operational performance and supply-chain activities where rising input and compliance costs directly affect margins and continuity.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.2 Climate-related risk profile 2:

Strategy and decision making:	The Group is integrating climate considerations into strategy through energy efficiency, renewable energy, resilience, ESG compliance and digital transformation, balancing near-term cost pressures against long-term resilience and competitiveness. Strategic decisions balance near-term cost pressures with long-term resilience and competitiveness, including trade-offs between capital investment and operational risk reduction.
Response and action taken:	» Energy efficiency and renewable energy initiatives » Monitoring of policy and regulatory developments » Cost management integrated into operational planning Please refer to the Sector Reviews and the Capital Reviews for more information.
Resource allocation:	Resources are directed to transition and compliance capex, strengthened ESG and operational capabilities, and digital and automation investments, with implementation ongoing. » **Financial resources –** capital expenditure on energy transition, compliance, and system upgrades » **Human resources –** strengthening ESG, risk management, and operational capabilities » **Technological resources –** digital transformation and automation initiatives These actions are being implemented on an ongoing basis.
Current assessment of the risk: (Progress)	Current resilience is assessed as moderate, supported by ongoing mitigation and adaptation initiatives. Progress includes validated SBTi targets, a stronger shift toward renewable energy, phasing out thermal generation and exploration of suitable technologies for low-carbon operations. Examples of actions taken over years; » Making a stronger shift towards investments into renewable energy generation Example of progress made during the year; » Group's SBTi targets were validated during the year. Strategies to reduce dependence on fossil fuels and increase fuel efficiency are serving the dual purpose to strengthening resilience against risks of volatile costs associated with transition risks. » Phasing out thermal power generation keeping with the targets set towards achieving net zero. » Explored available technology to overcome practical challenges of installing floating solar units in the Maldives More details of actions rolled out during the year can be perused in the Sector Reviews.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.2 Climate-related risk profile 2:

Key assumptions:	Assumptions include gradual policy tightening, continued increases in energy and insurance costs, and moderate likelihood of occurrence.
Judgements and uncertainties:	Judgement is required to estimate probabilities, timing and financial effects given uncertainty in regulation, technology adoption, insurance trends, market responses and supply-chain conditions. Key uncertainties relate to cost escalation, insurance trends, compliance requirements, and supply chain availability, all of which may materially affect outcomes.
Financial effects:	
Current year financial effects:	Current exposure is reflected in higher energy and fuel costs, transition spending and potential compliance costs. » Transition cost to shift to low carbon solutions » Potential costs from carbon related regulation and environmental compliance No material financial implications in the current year.
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.3 Climate-related risk profile 3:

Long-term climate impacts on business continuity and viability

Risk description:	Structural climate changes affecting long-term asset viability, market demand and operating environments.
Nature of the risk:	Chronic physical risk (i.e. a risk emanating from longer term shifts in climatic patterns)
Business models and the value chain:	The Group's asset-intensive tourism and logistics businesses rely on physical infrastructure, continuity and location-specific operations, making long-term climate change a risk primarily to asset reliability, service continuity and cost structures.
Impacts of the risk on the prospects of the business:	Risks such as coastal erosion and sea-level rise can threaten assets, disrupt operations, reduce revenues, increase insurance and capex, and drive decisions on relocation, site selection and resilience investment.
Significance and time horizons:	

Risk level and score	Description
Moderate risk (risk score between 3.1 – 8)	» **Short term (0–24 months):** The Hotels segment has identified risks related to coastal erosion, including potential asset damage, service disruptions affecting revenue, higher maintenance costs and near-term capital expenditure to mitigate impacts. » **Medium term (2–5 years):** No material risks within this category have been identified under the current assessment. » **Long term (beyond 5 years):** Port operations in Fiji have identified potential exposure to sea level rise, which could affect operational areas such as storage facilities and vessel handling, potentially leading to disruptions over time.

The Group recognises that identified climate-related physical risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, climate-related risks have been assessed as not material against the Group's defined materiality thresholds.

Anticipated effects on business model and value chain:	Over time, these risks may require relocation or redesign of critical infrastructure, greater resilience investment and more flexible operating arrangements.
Where the risk is concentrated:	Exposure is concentrated in low-lying coastal hotels, ports, yards, storage areas and related infrastructure vulnerable to flooding, erosion and sea-level rise.
Strategy and decision making:	Our strategy focuses on strengthening asset resilience and supporting operational adaptation through upgrades, operational improvements and, where appropriate, adjustments in asset use or location. Capital allocation and planning increasingly consider climate exposure and continuity needs, with an emphasis on balancing long-term resilience with operational and financial practicality.
Response and action taken:	Responses are mainly adaptation-led and include infrastructure strengthening, drainage and resilience improvements, operational adjustments and evaluation of relocation where risks become unmanageable. » Long-term risk identification through strategic planning cycles » Capacity building and data monitoring on potential risk identification » Governance oversight through Board and senior management forums

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.3 Climate-related risk profile 3:

Resource allocation:	» Resources are being directed towards resilient infrastructure, feasibility studies, technical expertise and engineering assessments, with implementation supported by ongoing technical and operational reviews. » Human resources include technical expertise and coordination with authorities. » Technological inputs focus on engineering assessments and infrastructure planning. Implementation is ongoing, with feasibility and technical reviews currently in progress
Current assessment of the risk: (Progress)	Overall resilience is assessed as moderate, with greater vulnerability in port and coastal tourism assets. Progress includes past relocation of flood-exposed facilities, stronger communication resilience and partnerships to support emergency response. Examples of actions taken over years; » Shifting the Group's printing and packaging facility to Mawaramandiya to prevent impacts of flooding Example of progress made during the year; » The assessment of assets in relation to Cyclone Ditwah highlighted connectivity access during the event as a key area for improvement. The Group is currently taking steps to enhance the stability and resilience of communication channels. » Strengthening strategic partnerships to enhance emergency response capabilities across vulnerable assets. More details of actions rolled out during the year can be perused in the Sector Reviews.
Key assumptions:	Moderate likelihood of occurrence, gradual worsening of physical risks, and estimated disruption durations based on operational conditions
Judgements and uncertainties:	Judgement is required in estimating likelihood, timing and financial impact because of uncertainty around climate severity, infrastructure performance and the cost, timing and effectiveness of adaptation measures.
Financial effects:	
Current year financial effects:	Current exposure is reflected in rising maintenance needs, service disruption and insurance pressure in climate-sensitive assets, with potential longer-term effects on impairment risk and demand patterns. » Changes in rainfall patterns observed » Potential asset impairment risks in climate sensitive locations » Long-term shifts in customer behaviour and demand patterns No material financial implications in the current year.
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

6.1.4 Climate-related risk profile 4:

Long-term climate impacts on the natural environment affecting agricultural productivity.

Risk description:	Climate induced impacts on crop yields, biological assets and agricultural productivity.
Nature of the risk:	Chronic physical risk (i.e. a risk emanating from longer term shifts in climatic patterns)
Business models and the value chain:	The plantations business depends on climate-sensitive agricultural productivity, biological assets and stable field operations, making agricultural conditions a key determinant of performance.
Impacts of the risk on the prospects of the business:	Climate-driven pests and diseases can reduce yields and quality, disrupt supply continuity and increase costs, driving higher investment in R&D, precision agriculture and resilience planning.
Significance to segment and time horizon:	**Risk level and score:** Moderate risk (risk score between 3.1 – 8) **Description:** » **Medium term (2–5 years):** The Plantations segment has identified risks related to increased pest and disease incidence driven by changing temperature and humidity patterns, which may affect crop yields, quality and long-term sustainability across key crops, with potential implications for productivity and financial performance. The Group recognises that identified climate-related physical risks have the potential to impact its assets and operations. The identified climate-related vulnerabilities are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the proportion of operations that may be affected. Based on the analysis conducted during the current reporting period, climate-related risks have been assessed as not material against the Group's defined materiality thresholds.
Time horizon:	Considered reasonably likely to materialise within the medium-term time horizon (2-5 years)
Anticipated effects on business model and value chain:	Over the medium term, increased pest and disease pressure may affect yields, quality and input costs, pushing the business toward more technology-enabled and research-driven agriculture.
Where the risk is concentrated:	Exposure is concentrated in biological assets, cultivation conditions and upstream supply continuity across climate-sensitive crop operations.
Strategy and decision making:	These risks are increasingly embedded into plantation strategy through science-based agronomy, resilience planning and data-driven decision-making.
Response and action taken:	Responses include integrated pest management, biological controls, selective chemical use, precision agriculture, stronger internal R&D and pilot technologies to support more resilient plantation operations. Current action rolled out: » Agricultural risk monitoring and adaptive management practices » Integration of climate considerations into plantation level planning

6.1.4 Climate-related risk profile 4:

Resource allocation:	Resources are being allocated to innovation, agri-technology, trained field teams, monitoring systems and precision agriculture to strengthen adaptive capacity.
Current assessment of the risk: (Progress)	Resilience is assessed as moderate and improving, supported by proactive pest management, stronger R&D, rainwater harvesting, rooftop solar, environmental protection measures, diversification and research partnerships. Examples of actions taken over years; » Investments in rainwater harvesting to ensure water security » Investments in rooftop solar » Adoption of strategies to protect the natural environment Example of progress made during the year; » New opportunities explored for diversification » Strategic partnerships established for product diversification and research More details of actions rolled out during the year can be perused in the Sector Reviews.
Key assumptions:	Key assumptions include a high probability of occurrence and medium term materialisation (2–5 years), with impacts concentrated on biological assets and supply chain continuity.
Judgements and uncertainties:	The assessment involves significant judgement, particularly in estimating the timing and severity of pest outbreaks and their financial implications. Uncertainties remain around the pace of climate change, effectiveness of mitigation measures and scalability of pilot technologies, which may influence the extent of future impacts and the success of adaptation strategies.
Financial effects:	
Current year financial effects:	No material financial effect is currently observed, but the risk may lead to higher monitoring, pest-control and R&D costs, together with yield and quality impacts over time. Key impacts expected: » Yield variability and productivity risks » Increased vulnerability to pests, diseases and climatic stress Financial implications in the current year: None
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising solely from this risk. The Group continues to monitor this assessment as methodologies and data quality evolve and future projections will be disclosed in the 2026/2027 annual report.
Anticipated financial effects:	Refer transition relief for anticipated financial effects.

Further detail on the Group's climate mitigation and adaptation approach is provided in the Climate Strategy section, while sector specific risk responses and management actions are described in the Sector Reviews section of this report.

6.1.5 Key opportunities identified

- Low carbon/ renewable energy solutions, sustainability driven products and services (Nature based solutions, methane capture/ carbon capture projects etc.)
- Investments in climate resilience (infrastructure, modernisation and retrofitting projects etc.)
- Market expansion and portfolio diversification

Description of the opportunities:	These opportunities reflect the Group's shift toward a climate-resilient, low-carbon and diversified model through three linked pathways: low-carbon and sustainability-led products and services; climate-resilient infrastructure and modernisation; and market expansion and portfolio diversification. Together they support both risk reduction and long-term value creation. (i) developing low-carbon and sustainability-driven products and services, including renewable energy, nature-based solutions, and carbon management initiatives, to capture emerging demand and strengthen market positioning; (ii) investing in climate-resilient infrastructure and modernisation, enhancing operational continuity, reducing exposure to physical risks, and improving long-term cost efficiency; and (iii) expanding into new markets and diversifying the portfolio, enabling the Group to reduce dependence on climate-sensitive business lines while unlocking new revenue streams and growth opportunities. Together, these initiatives support both risk mitigation and value creation by aligning the business with evolving regulatory, investor, and customer expectations.
Nature of the risk creating the opportunities:	Risk emanating from the outcomes of physical risks (both acute and chronic) and changing dynamics of transitional risks related to climate create opportunities.
Business models and the value chain:	The business model is gradually shifting from traditional, asset-heavy activities toward a more diversified, climate-resilient and sustainability-led portfolio, with greater upstream resilience and downstream value addition.
Impacts of the opportunities on the prospects of the business:	These opportunities can improve competitiveness, open new revenue streams, support access to capital and strengthen long-term cash flows, while requiring upfront investment.

6.1.5 Key opportunities identified

	Description
Relevance to segment and time horizons:	» **Short term (0–24 months):** Hotels, plantations and MMBL money transfer segments have identified opportunities focused on climate resilient positioning and operational efficiency, including low carbon offerings, diversified agriculture and resource optimisation, with varying potential for value creation. At the same time, service disruptions to sold products such as elevators also provides added benefit to the organisation as it necessitates more frequent service schedules. However, the segment sees opportunities in preventive maintenance and proactive engagement with clients to prevent damage. » **Medium term (2–5 years):** The integrated logistics and insurance segments have identified opportunities to enhance market positioning through access to sustainability-focused capital and the development of specialised climate-related insurance solutions and advisory services. These are expected to support competitive advantage and new revenue streams over time. » **Long term / unspecified (beyond 5 years):** The freight and printing segments have identified opportunities linked to investment in climate-resilient infrastructure and the expansion of low-carbon printing and sustainable packaging solutions, supporting transition readiness and longer-term value creation. The Group recognises that identified climate-related opportunities have the potential to create positive value to the organisation. The identified climate-related vulnerabilities as well as opportunities resulting from risks are presently under assessment and will be disclosed in due course to reflect the extent of the vulnerabilities with more clarity. However, as this is the first year of reporting and the assessment of future financial impacts, including scenario analysis, is still in progress, it would be premature to quantify the trade-off in capitals to explore these opportunities.
Anticipated effects on business model and value chain:	Over time, these initiatives are expected to embed resilience, low-carbon offerings and diversified revenue streams into the core business model, reducing dependence on climate-sensitive activities and improving competitiveness.
Where the opportunities are concentrated:	Opportunities are concentrated in three key areas: » climate resilient assets and infrastructure, » innovation in products and services, and » strategic diversification into climate aligned segments. These include investments to strengthen asset resilience, the development of low carbon and sustainable solutions, and efforts to expand into higher-value, sustainability-driven markets. Collectively, these opportunities are most prominent in sectors such as logistics, plantations and emerging service lines linked to sustainability trends.
Strategy and decision making:	Opportunities are increasingly embedded into strategic decision-making, with investment and operational planning aligned to resilience, diversification and sustainability-led differentiation.
Plans to integrate opportunities (Strategy, Risk Management, Transition Plans & Targets):	Integration is being formalised through transition plans that combine mitigation, adaptation, risk management and measurable targets for diversification, emissions reduction and growth in sustainable segments.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

6.1.5 Key opportunities identified

Resource allocation:	Financial resources are being directed toward resilience, diversification and sustainability capex, including green financing where relevant; human resources are being strengthened through specialised capability building; and technology investment supports digitalisation, renewable energy and controlled-environment systems. » **Human resources:** Human capital is being strengthened through specialised teams and capability building in areas such as sustainability, innovation, and risk assessment. » **Technological resources:** Technological investments, ranging from digitalisation and monitoring tools to renewable energy and controlled-environment systems, are enabling scalable and efficient implementation of these initiatives.
Progress	Please refer to the Sector Reviews.
Key assumptions:	Moderate to high probability of climate impacts, gradual policy tightening, increasing market preference for sustainable products and services, and ongoing technological advancement.
Judgements and uncertainties:	The assessment involves inherent uncertainties, particularly relating to the pace of climate change, regulatory evolution, market adoption of sustainable solutions, and technological scalability. Key judgements include assumptions on demand growth, cost recovery periods, and effectiveness of resilience investments. While these uncertainties may influence the timing and magnitude of impacts, the overall strategic direction remains robust under a range of plausible future scenarios.
Financial effects:	
Current year financial effects:	At present, the Group is in a transition phase, with early-stage integration of climate-related opportunities into core operations. This is evidenced by incremental investments in resilience, resource efficiency, low-carbon products, and diversification initiatives, which are beginning to enhance operational reliability, optimise resource use, and strengthen customer value propositions without fundamentally altering the core revenue model. In addition to the identified risks, corresponding opportunities have been recognised, with segments adopting a measured approach to exploration the financial impact of these opportunities, as well as the costs incurred in converting them into viable revenue streams, is not material given prevailing challenges. In accordance with SLFRS disclosure requirements, the actual costs incurred during the reporting period in relation to these matters are presented below.
Significant risk of material adjustment within the next annual reporting period to the carrying value of assets and liabilities	At the reporting date, management has not identified a specific material adjustment within the next annual reporting period to the carrying values of assets and liabilities arising from these opportunities. Expected effects are currently considered over a longer implementation horizon.
Anticipated financial effects of exploring opportunities:	Refer transition relief for anticipated financial effects.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

7. METRICS & TARGETS

Aitken Spence PLC uses a combination of quantitative and qualitative indicators to monitor climate related risks and opportunities in line with SLFRS S1 and SLFRS S2. These metrics are aligned with the Group's risk management processes, operational monitoring and strategic priorities.

7.1 Greenhouse Gas (GHG) Emissions

The Group measures and discloses Scope 1, Scope 2 and Scope 3 greenhouse gas emissions in accordance with internationally recognised methodologies and its SBTi validated targets. The Group uses the GHG Protocol to calculate emissions while the emission factors are sourced from the IPCC and the DEFRA database as previously explained. Our emission disclosures are aligned with the SLFRS S2 standard.

Basis for determining the organisational and operational boundaries is consistent with the operational control approach, as described earlier in this section, and is applied across all relevant Group entities and activities.

Methodology for measurement and disclosure of GHG emissions is aligned with established international frameworks, ensuring consistency, comparability and completeness of reported emissions.

» Emissions are calculated using the Greenhouse Gas Protocol as the primary framework, supported by emission factors and guidance from the IPCC, DEFRA, the Sustainable Energy Authority of Sri Lanka, and other relevant national and international sources.

» **Scope 3 GHG emissions**

The Group has disclosed its Scope 3 greenhouse gas emissions aligned with the methods outlined in the GHG Protocol meets the requirement for SLFRS S2, it should be noted that these disclosures remain subject to external verification in 2026 to reduce uncertainties as far as practicable. Any refinements arising from this process will be incorporated into the disclosures in 2026/2027 onwards with applicable restatements if and where necessary. For this reason, for the disclosure requirements under SLFRS S2.

» Scope 3 disclosures include Category 15 (Investments), comprising estimated emissions relating to joint ventures and other investees where the Group does not have operational control. These estimates are derived using reasonable and supportable assumptions based on available data and the scale and nature of the underlying operations, in accordance with the GHG Protocol, and will be progressively refined as data availability improves.

Emission factors and assumptions are derived from authoritative sources, with emission factors obtained from the IPCC and DEFRA databases, and Global Warming Potential (GWP) values applied in accordance with the IPCC Sixth Assessment Report (AR6).

Key assumptions reflect the use of the most relevant and available data for the Group's operating contexts and are subject to ongoing refinement as data quality improves.

A summary of the Group's emissions is provided below, while more detailed information on methodologies, assumptions and data sources is presented in the Natural Capital section.

	Unit of Measure	Scope 1	Scope 2	Total
Consolidated accounting group *(Note 1)	tCO2e	32,982	11,342	44,324
Other investee (investment in associate, joint ventures) *(Note1)	tCO2e	7,413	1,366	8,779
Total	tCO2e	40,395	12,708	53,103

Note 1: This includes Aitken Spence PLC and subsidiary companies within the financial reporting boundary.

Note 2: Scope 2 emissions are calculated using the location-based method. Contractual instruments or power purchase agreements entered into by a subsidiary of the group are considered not material and therefore not disclosed.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Summary of GHG Emissions *(GRI 102-7)*

	Unit of Measure	Group 2025/26	Tourism	Maritime	Strategic Investments	Services	Sources of Emission Factors/ GWP
Scope 1	tCO2e	40,395	26,949	2,916	10,357	173	IPCC (AR6), DEFRA
Scope 2 (location based)	tCO2e	12,708	8,341	543	3,447	376	Sustainable Energy Authority, Sri Lanka Central Electricity Authority, India National Inventory Report - Fiji, DEFRA
Scope 3							
Category 1: Purchased goods and services	tCO2e	67,009	13,922	811	52,270	6	IPCC (AR6), DEFRA
Category 2: Capital goods	tCO2e	343	124	1	-	218	IPCC (AR6), DEFRA
Category 3: Fuel and energy related activities	tCO2e	14,866	8,651	823	1,717	3,675	IPCC (AR6), DEFRA
Category 4: Upstream transportation and distribution	tCO2e	2,139	197	74	1,845	22	IPCC (AR6), DEFRA
Category 5: Waste generated in operations	tCO2e	14	6	0	7	0	IPCC (AR6), DEFRA
Category 6: Business travel	tCO2e	285	81	44	144	16	IPCC (AR6), DEFRA
Category 7: Employee commuting	tCO2e	755	337	168	160	90	IPCC (AR6), DEFRA
Category 8: Upstream leased assets (None)	tCO2e	-	-	-	-	-	IPCC (AR6), DEFRA
Category 9: Downstream transportation and distribution	tCO2e	81,086	81,086	-	-	-	IPCC (AR6), DEFRA
Category 10: Processing of sold products	tCO2e	864	-	-	864	-	IPCC (AR6), DEFRA
Category 11: Use of sold products	tCO2e	16,112	14,268	-	-	1,844	IPCC (AR6), DEFRA
Category 12: End-of-life treatment of sold products	tCO2e	3,440	41	2	107	3,290	IPCC (AR6), DEFRA
Category 13: Downstream leased assets (None)	tCO2e	-	-	-	-	-	IPCC (AR6), DEFRA
Category 14: Franchises (None)	tCO2e	-	-	-	-	-	IPCC (AR6), DEFRA
Category 15: Investments	tCO2e	3,603	1,497	1,557	-	549	IPCC (AR6), DEFRA
Total		243,620	155,501	6,940	70,919	10,259	

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

7.2 Climate related Physical Risks

Climate related physical risks have been identified and assessed through the Group's structured risk management processes, as described in the Risk Management section. These include both acute and chronic risks arising from climate variability and extreme weather events. The assessment of these risks involves considerable judgement, particularly in estimating the likelihood, timing and magnitude of impacts across diverse geographic locations and operations. It is to be expected that there would also be considerable uncertainty due to the evolving nature of climate patterns, limitations in historical data, and reliance on forward looking assumptions informed by external climate projections and internal operational experience. The operations that currently identify vulnerabilities to climate related physical risks are mentioned in the risk profiles described above.

7.3 Climate related Transition Risks

Transition risks are identified through the Group's integrated risk assessment framework, including regulatory, market, technological and reputational drivers, as outlined in the Risk Management section. Judgements are applied in assessing the extent and timing of such risks, particularly in relation to policy developments, market responses and technological changes associated with the transition to a low carbon economy. These assessments involve inherent uncertainty due to the pace of regulatory change, evolving stakeholder expectations and variability in sector specific transition pathways. The operations that currently identify vulnerabilities to climate related transitional risks are mentioned in the risk profiles described above.

7.4 Climate-Related Opportunities

Climate-related opportunities are assessed alongside risks through the Group's structured processes, as described in the Risk Management and Strategy sections. These include opportunities linked to diversification, renewable energy, resource efficiency and market positioning. Judgement is required in determining the potential scale and timing of benefits, including impacts on revenue growth, cost optimisation and access to capital. Uncertainty arises from external factors such as market adoption, regulatory support and technological advancements.

We are currently quantifying the percentage of business activities aligned with climate-related opportunities, with disclosures to follow in future reports.

7.5 Capital Expenditure and Resource Allocation

Capital expenditure related to climate related risks and opportunities is considered through the Group's strategic planning and investment processes, as outlined in the Risk Management and section and in other sections of this report. Judgements are applied in allocating resources towards resilience, efficiency and climate aligned initiatives across sectors. Uncertainty arises in estimating the future financial returns, cost implications and risk mitigation benefits of such investments, particularly where outcomes depend on organisation priorities, evolving climate conditions, regulatory frameworks and market dynamics. Effective use of available resources requires robust monitoring, planning and investment processes. Given the Group's current stage of SLFRS S2 adoption, climate related metrics continue to evolve, with a focus on improving consistency, data quality and comparability across sectors.

As this is the first year of adoption, financing allocated to CRROs has not yet been quantified.

7.6 Climate-related targets

The Group has established greenhouse gas (GHG) emissions reduction targets aligned with the GHG Protocol, Sri Lanka's NDCs and the Science Based Targets initiative (SBTi), supporting local and global efforts under the Paris Agreement.

- **Metric:** Absolute GHG emissions (tCO_2e)
- **Objective:** Climate change mitigation through science-based decarbonisation
- **Scope:** Operations under operational control. Emission targets primarily apply to scope 1 emissions. Targets set for scope 3 emissions are aspirational targets.
- **Base year:** FY2020
- **Target year:** FY2030
- **How it aligned with the Paris Agreement:** By aligning emission reduction targets with the SBTi's 1.5°C pathway, Aitken Spence PLC supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
- **Alignment with net zero:**

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Near term targets	+	Long term targets	+	Neutralise remaining emissions	=	Net zero
i.e. Reduce most significant emissions now		i.e. Reduce emissions further over time		i.e. plan projects for emission removal		No later than 2050
Validated by SBTi		Pending				

The Group's near-term targets for absolute emission reductions have been validated by SBTi. Aitken Spence is currently exploring avenues to plan long term decarbonisation projects where possible and emission capture projects to match residual emissions. The Group will be submitting these targets to SBTi by 2027.

Our near-term targets	Applicable segments	Progress
Aitken Spence PLC commits to reduce scope 1 GHG emissions from power generation 95% per MWh by FY2030 from a FY2020 base year.	Power generation	Achieved
Aitken Spence PLC also commits to reduce all remaining absolute scope 1 GHG emissions 42% by FY2030 from a FY2020 base year.	All However, it should be noted that the applicability to the following segments is higher as their emissions are higher and hence, are required to set independent targets as well; » Hotels » Destination management » Integrated logistics » Plantations	On track, with current performance at 59% reduction from the FY2020 baseline. Progress is supported by EV adoption across segments. The hotels segment is also advancing renewable energy transition efforts (target: 12% of energy needs to be met from renewables), though practical challenges are slowing progress and are being actively addressed.
Aitken Spence PLC further commits to increase active annual sourcing of renewable electricity from 0% in FY2020 to 100% by FY2030.	All	The Group generates over 500% more renewable energy than we consume. However, regulatory constraints limit internal use. This generated energy is being converted into I-RECs to match Scope 2 emissions with renewable energy generated by Aitken Spence.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

GRI 102-10

Our near-term targets	Applicable segments	Progress
Aitken Spence PLC further commits that 46.4% of its suppliers by emissions covering purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations and business travel will have science-based targets by FY2030.	All However, it should be noted that the applicability to the following segments is higher as their value chains are more extensive and hence more concerted action is expected;	Commenced (aspirational targets)
Aitken Spence PLC further commits that 80% of its customers by emissions covering use of sold products will have science-based targets by FY2030. Aitken Spence PLC finally commits that 90% of its investments by emissions will have science-based targets by FY2030.	» Hotels » Destination management » Integrated logistics » Plantations	Commenced (aspirational targets)
Aitken Spence PLC finally commits that 90% of its investments by emissions will have science-based targets by FY2030.	All	Commenced (aspirational targets)

*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

7.7 Use of Carbon Credits, RECs, Removals and Internal Carbon Pricing

The Group's decarbonisation strategy prioritises direct emission reductions across operations and the value chain, in line with its SBTi validated near term targets. The use of carbon credits or offsets is not relied upon for the achievement of these targets.

As part of its longer term transition towards net zero, the Group continues to evaluate emission removal initiatives, which may play a role in addressing residual emissions where appropriate.

In specific segments such as Power and Plantations, the Group is also exploring mechanisms to enhance the commercial viability of renewable energy and carbon related initiatives. This includes the potential generation of Renewable Energy Certificates (RECs) and associated environmental attributes from eligible projects.

Given current regulatory constraints, including limitations on power wheeling, the Group is assessing approaches to utilise such instruments for internal energy attribution purposes, with any surplus potentially being monetised. These initiatives are at a developmental stage and are intended as financing and value creation mechanisms, and not as substitutes for emission reductions or for achieving the Group's targets.

7.8 Industry Specific Metrics – SASB Index

The Group has considered the Sustainability Accounting Standards Board (SASB) Standards and has reported against six applicable industry standards relevant to its diversified operations. Sector specific SASB disclosures, including relevant metrics and activity indicators, are presented within the respective sector reviews of this report. Please refer to the disclosures at the end of this section.

7.9 Linkages and Consistency

The metrics and targets disclosed above are:

- aligned with identified climate related risks and opportunities
- informed by the Group's structured risk assessment processes (CRRO/SRRO framework)
- integrated into overall disaster risk and vulnerability identification and strategic planning
- consistent with disclosures in the Natural Capital and other sustainability sections

This ensures that metrics and targets provide a coherent, connected and decision useful view of the Group's climate related performance and progress in line with SLFRS requirements.

8. Forward looking approach

The Group will continue to enhance climate related risk identification, assessment and disclosure practices as data availability, analytical capabilities and regulatory expectations evolve. More detailed disclosures, including quantified financial effects and scenario analysis, will be introduced progressively in future reporting periods in line with the SLFRS Sustainability Disclosure Standards.

The Group recognises that sustainability related disclosures are inherently forward looking and subject to uncertainty. Management applies judgement in determining the level of information disclosed, balancing the need for decision useful insight with the limitations of available data and evolving methodologies.

As sustainability reporting practices continue to develop, the Group is committed to enhancing transparency, incorporating greater quantification and providing clearer insight into how sustainability related risks and opportunities may influence future performance, strategy and financial outcomes.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Hotels & Lodging Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ)	SV-HL-130a.1	428,348
	Percentage grid electricity		Percentage (%)		17%
	Percentage renewable				5%
2. Water Management	Total water withdrawn; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	SV-HL-140a.1	907,301
	Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				Sri Lanka, Oman and India - 100% (498,122m^3) Maldives - An estimated 60% of the surface water withdrawn (245,291m^3) is released back into the ocean. As this quantity is estimated, we consider all water withdrawn is consumed.
3. Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Quantitative	Number	SV-HL-160a.1	None of the owned properties Please refer to the Natural Capital report for details (Page 296)
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	N/A	SV-HL-160a.2	Please refer to the Natural Capital report for details (Page 296)
4. Labour Practices	(1) Voluntary turnover rate for lodging facility employees	Quantitative	Rate	SV-HL-310a.1	27
	(2) Involuntary turnover rate for lodging facility employees				14
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	Presentation currency	SV-HL-310a.2	None
	(1) Average hourly wage	Quantitative	Presentation currency	SV-HL-310a.3	Not reported due to reasons of confidentiality

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Labour Practices	(2) Percentage of lodging facility employees earning minimum wage, by region		Percentage (%)		100% of employees earned above the local stipulated minimum wage in regions of operation
	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	N/A	SV-HL-310a.4	Human Capital report for details *(GRI 2-26, 3-3, 414-1)*
5. Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	Quantitative	Number	SV-HL-450a.1	2

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Number of available room-nights	Quantitative	Number	SV-HL-000.A	856,655
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	69%
Total area of lodging facilities	Quantitative	Square metres (m^2)	SV-HL-000.C	316,423
Number of lodging facilities and the percentage that are: Managed	Quantitative	Number, Percentage (%)	SV-HL-000.D	19, of which 95% are managed
Number of lodging facilities and the percentage that are: Owned and leased				0
Number of lodging facilities and the percentage that are: Franchised				0

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Road Transportation Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-RO-110a.1	2,916
	(Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis		TR-RO-110a.2	Please refer to page 302 for details.
	(1) Total fuel consumed	Quantitative	Gigajoules (GJ)	TR-RO-110a.3	38,219
	(2) Percentage of natural gas fuel consumed		Percentage (%)		0
	(3) Percentage renewable fuel consumed				0
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-RO-120a.1	Negligible
3. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) - (a) Direct employees	Quantitative	Rate	TR-RO-320a.1	0 (Cannot separate the into contract and direct employees)
	(1) Total recordable incident rate (TRIR) - (b) Contract employees				
	(2) Fatality rate - (a) Direct employees				0
	(2) Fatality rate - (b) Contract employees				0
	(1) Voluntary turnover rate for all employees	Quantitative		TR-RO-320a.2	26.33
	(2) Involuntary turnover rate for all employees				0.6
	Description of approach to managing short-term and long-term driver health risks	Discussion and Analysis	N/A	TR-RO-320a.3	Please refer to the Human Capital report on page 267-268.
6. Accident & Safety Management	No. of Road accidents and incidents	Quantitative	Number	TR-RO-540a.1	23
	(1) Aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic metres (m^3)	TR-RO-540a.3	0
	(2) Number of spills and releases to the environment				0

Table 2. Activity Metrics

Activity Metrics	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres	Quantitative	RTK	TR-RO-000.A	Not reported
Load factor	Quantitative	Number	TR-RO-000.B	Not reported
1) Number of employees 2) Number of truck drivers			TR-RO-000.C	1) 1,014 2) Prime mover drivers - 76 Other drivers - 0 Helpers - 16

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Air Freight & Logistics Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-AF-110a.1	109.08
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets			TR-AF-110a.2	Please refer to page 302 for details.
	(1) Fuel consumed by Road transport, percentage - (a) Natural Gas (b) Renewable	Quantitative	Gigajoules (GJ) Percentage (%)	TR-AF-110a.3	(a) 1,484 (b) 0
	(2) Fuel consumed by Air transport, percentage - (a) alternative, (b) sustainable				Not within our reporting boundary.
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-AF-120a.1	Negligible
3. Labour Practices	Percentage of drivers classified as independent contractors	Quantitative	Percentage (%)	TR-AF-310a.1	0
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations		Presentation currency	TR-AF-310a.2	0
4. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) (a) Direct employees (b) Contract employees	Quantitative	Rate	TR-AF-320a.1	(a) 0 (b) 0
	(2) Fatality rate (a) Direct employees (b) Contract employees				(a) 0 (b) 0
5. Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	Metric tons (t) CO2-e per ton kilometre	TR-AF-430a.2	21 tCO2e.
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	N/A	TR-AF-430a.3	Please refer the Social & Relationship Capital report on page 285
6. Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	N/A	TR-AF-540a.1	Please refer to the Human Capital report on page 256.
	Number of aviation accidents	Quantitative	Number	TR-AF-540a.2	Out of boundary.
	Number of road accidents and incidents	Quantitative	Number	TR-AF-540a.3	12

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres (RTK) for: (1) road transport, (2) air transport	Quantitative	RTK	TR-AF-000.A	Not reported
Load factor for: (1) road transport, (2) air transport	Quantitative	Number	TR-AF-000.B	Not reported
1) Number of employees 2) Number of truck drivers	Quantitative		TR-AF-000.C	1) 415 2) Other drivers - 5 Helpers - 1

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Electric Utilities & Power Generators Sustainability Accounting Standards (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO2- e, Percentage (%)	IF-EU-110a.1	5,794
	(2) Percentage covered under emissions limiting regulations				Stack emissions apply only to Ace Power Embilipitiya (Pvt) Ltd and Western Power Company (Pvt) Ltd
	(3) Percentage covered under emissions reporting regulations				No regulations stipulated at present
	Greenhouse gas (GHG) emissions associated with power deliveries		Metric tonnes (t) CO2-e	IF-EU-110a.2	16 (transmission and distribution losses)
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	IF-EU-110a.3	Please refer to the Strategic Objectives and Outlook sections in the segment review presented earlier on page 208 and 222.
2. Air Quality	(1) NOx (excluding N2O), (2) SOx, (3) Particulate matter (PM10), (4) Lead (Pb), (5) Mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-120a.1	Not disclosed due to reasons of confidentiality. Metrics such as NOx, SOx and PPM levels are regularly tested and are within stipulations regulated by the CEA.
3. Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	IF-EU-140a.1	(1) 29,922 (2) Total water withdrawn is consumed (3) None
	Number of incidents of non-compliance associated with water quality permits, standards and regulations		Number	IF-EU-140a.2	None
	Description of water management risks; discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-EU-140a.3	Please refer Natural Capital report on page 296.
4. Coal Ash Management	(1) Amount of coal combustion products (CCPs) generated, (2) Percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-150a.1	None Coal is not used to generate energy.
	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	Discussion and Analysis	N/A	IF-EU-150a.3	
5. Energy Affordability	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	All energy generated is sold to the national grid.
	(1) Number of residential customer electric disconnections for non-payment (2) percentage reconnected within 30 days		Number Percentage (%)	IF-EU-240a.3	
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-EU-240a.4	

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metric	Category	Unit of measure	Code	Disclosure
6. Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) for -(a) direct employees, (b) contract employees	Quantitative	Rate	IF-EU-320a.1	(1) 0 (2) 0 (3,a) 0 (3,b) 0
7.End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	None
	Customer electricity savings from efficiency measures, by market		Megawatt hours (MWh)	IF-EU-420a.3	All energy generated is sold to the national grid.
8. Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	Quantitative	Number	IF-EU-540a.1	None
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	N/A	IF-EU-540a.2	Nuclear sources are not used to generate energy.
9. Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	None
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), (3) Customer Average Interruption Duration Index (CAIDI) inclusive of major event days		Minutes, Number	IF-EU-550a.2	The standard is not in use in Sri Lanka

Table 2. Activity Metrics

Activity Metric	Category	Units of measure	Code	Disclosure
Number of customers served: (1) Residential	Quantitative	Number	IF-EU-000.A	0
Number of customers served: (2) Commercial				1
Number of customers served: (3) Industrial				0
Total electricity delivered to: (1) Residential	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	0
Total electricity delivered to: (2) Commercial				132,121
Total electricity delivered to: (3) Industrial				0
Total electricity delivered to: (4) All other retail customers				0
Total electricity delivered to: (5) Wholesale customers				0
Length of transmission and distribution lines	Quantitative	Kilometres (km)	IF-EU-000.C	Not within our operational boundary
Total electricity generated, percentage by major energy source, percentage in regulated markets		Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	Renewable energy sources: 132,121 MWh (100% of the electricity generated) Non-renewable energy sources - 0
Total wholesale electricity purchased		Megawatt hours (MWh)	IF-EU-000.E	525

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Apparel, Accessories & Footwear Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	Manufacturing Process: Fabric cutting, embroidering, sewing, e-flow washing, pressing, and packing.
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products			CG-AA-250a.2	Chemical Usage: Detergent is used only at the e-flow washing stage. No chemicals are used in other production stages. Compliance: The detergent used complies with applicable Restricted Substances Lists (RSL) and is free from restricted substances. Risk assessment has been carried out and the process is acceptable level.
2. Environmental Impacts in the Supply Chain	(1) Percentage of Tier 1 supplier facilities in compliance with wastewater discharge permits or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	NA
	(2) Percentage of supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements				100%
	(1) Percentage of Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module			CG-AA-430a.2	NA
	(2) Percentage of supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module				100%

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
3. Labour Conditions in the Supply Chain	(1) Percentage of Tier 1 supplier facilities that have been audited to a labour code of conduct	Quantitative	Percentage (%)	CG-AA-430b.1	NA
	(2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labour code of conduct				100%
	(3) Percentage of total audits conducted by a third-party auditor		Rate		50%
	(1) Priority non-conformance rate	Quantitative		CG-AA-430b.2	No critical non-compliances were reported during the audit period.
	(2) Associated corrective action rate for suppliers' labour code of conduct audits				Acceptable rating as per the 3rd party audit reports.
	(1) Description of the greatest labour risk	Discussion and Analysis	N/A	CG-AA-430b.3	No critical non-compliances were reported during the period.
	(2) Description of the greatest environmental, health and safety risks in the supply chain				No significant environmental/ Health and Safety issues were identified in the supply chain. Systems are in place to monitor wastewater, chemical usage, and environmental compliance in line with applicable standards.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material	Discussion and Analysis	N/A	CG-AA-440a.3	Fabrics: Cotton, Linen, Polyester Accessories: Buttons, Zippers, Labels, Sewing Threads
	(2) Environmental or social factor(s) most likely to threaten sourcing				Environmental and social risks related to raw material sourcing include potential impacts such as resource consumption (water and energy use in cotton and polyester production), chemical usage in textile processing, and labour conditions within upstream supply chains.
	(3) Discussion on business risks or opportunities associated with environmental or social factors				Please refer the Risk Report.
	(4) Management strategy for addressing business risks and opportunities				ASG and ACE Apparels mitigates these risks by sourcing materials from approved suppliers, requiring compliance with Restricted Substances Lists (RSL), and obtaining supplier declarations and/or third-party certifications where applicable. Supplier compliance is further supported through customer audits and third-party verification processes.
	(1) Amount of priority raw materials purchased, by material	Quantitative	Metric tonnes (t)	CG-AA-440a.4	Total fabrics purchased - 783
	(2) Amount of each priority raw material that is certified to a third-party environmental or social standard, by standard				783 However, it should be noted that Ace Apparels (Private) Limited is certified within the OEKO-TEX® Organic Cotton New regulations 2025 while Aitken Spence Garments Ltd. is certified within the Global Organic Textile Standard (GOTS) - Version 6.0.

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
(1) Number of: Tier 1 suppliers	Quantitative	Number	CG-AA-000.A	0 (including fabric suppliers)
(2) Number of: Suppliers beyond Tier 1				51

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Agricultural Products Sustainability Accounting Standard (Version 2023-12)

Table 1. Sustainability Disclosure Topics & Metrics

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions	Quantitative	Metric tons (t)	FB-AG-110a.1	7,413
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-AG-110a.2	The company's strategies and targets are discussed in the Sector Review and Natural Capital section of the report. More details can also be found in the Elpitiya Plantations PLC annual report of 2024/2025.
	(1) Fleet fuel consumed, (2) Percentage renewable	Quantitative	Gigajoules (GJ) Percentage (%)	FB-AG-110a.3	(1) Energy consumed; - Petrol: 130 GJ - Diesel: 470 GJ (2) 0%
2. Energy Management	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-130a.1	(1) 203,570 GJ (2) 6% (3) 89%
3. Water Management	(1) Total water withdrawn	Quantitative	Thousand cubic metres (m^3), Percentage (%)	FB-AG-140a.1	77,353
	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				No water withdrawn from regions in high or extremely high-water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-AG-140a.2	Please refer to the Natural Capital report Page 296 - 301
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	None
4. Food Safety	(1) Global Food Safety Initiative (GFSI) audit - non-conformance rates	Quantitative	Rate	FB-AG-250a.1	Our operations are ISO 22000/ HACCP certified. No non-conformities identified.
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (a) major				
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (b) minor non-conformances				

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	%	FB-AG-250a.2	Currently, our suppliers are mostly small-scale farmers who do not have any certifications. However, the segment aligns with the Group's requirements to screen suppliers for ESG related due diligence. More details about this can be perused in the Social & Relationship Capital on page 291 to 295
	(1) Number of recalls issued	Quantitative	Number MT	FB-AG-250a.3	0
	(2) Total amount of food product recalled				0
5. Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	FB-AG-320a.1	1.58
	(2) Fatality rate				0
	(3) Near miss frequency rate (NMFR) for - (a) direct employees				0.23
	(3) Near miss frequency rate (NMFR) for - (b) seasonal and migrant employees				0
6. Environmental & Social Impacts of Ingredient Supply Chain	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, (2) Percentages by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	(1) 0 (2) While due diligence procedures and verification processes are followed by these institutions to ensure compliance and ESG, currently there is no certification applied to them. The GAP (Good Agricultural Practices) certification from the Department of Export Agriculture is currently being introduced to these networks.
	(1) Suppliers' social and environmental responsibility audit - non-conformance rate	Quantitative	Rate	FB-AG-430a.2	Zero non - compliances
	(2) Suppliers' social and environmental responsibility audit - associated corrective action rate (a) major non-conformances				Zero non - compliances or non - conformities

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Topic	Metrics	Category	Unit of measure	Code	Disclosure
6. Environmental & Social Impacts of Ingredient Supply Chain	(3) Suppliers' social and environmental responsibility audit - associated corrective action rate (b) minor non-conformances	Quantitative	Rate	FB-AG-430a.2	In the plantations segment, 140 suppliers were screened during the year on environmental and social impacts. The company regularly visits suppliers and conducted awareness building sessions to maintain expected standards.
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	N/A	FB-AG-430a.3	Please refer the Risk Report on page 128 to 138 and the Business and Sustainability Risks and Mitigation Strategies section of the segment review above.
7. GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	N/A	FB-AG-430b.1	Our operations do not handle GMOs.
8. Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	Percentage	FB-AG-440a.1	The company has comprehensive strategies to identify and mitigate sustainability and climate change related risks. Please refer to the Risk Report and the Sustainability Strategy review of the Elpitiya Plantations PLC annual report of 2025/2026 for more details
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	(%) by cost	FB-AG-440a.2	None

Table 2. Activity Metrics

Activity Metric	Category	Unit of measure	Code	Disclosure
Production by principal crop - Tea	Quantitative	Metric tonnes(t)	FB-AG-000.A	4277
Production by principal crop - Rubber				259
Production by principal crop - Palm oil				26,958
Number of processing facilities		Number	FB-AG-000.B	19 factories
Total land area under active production		Hectares	FB-AG-000.C	1772.2 (Tea) 508.94 (Rubber) 1709.25 (Oil Palm) 1528.55 (Other)
Cost of agricultural products sourced externally		Rs. Mn	FB-AG-000.D	1,194

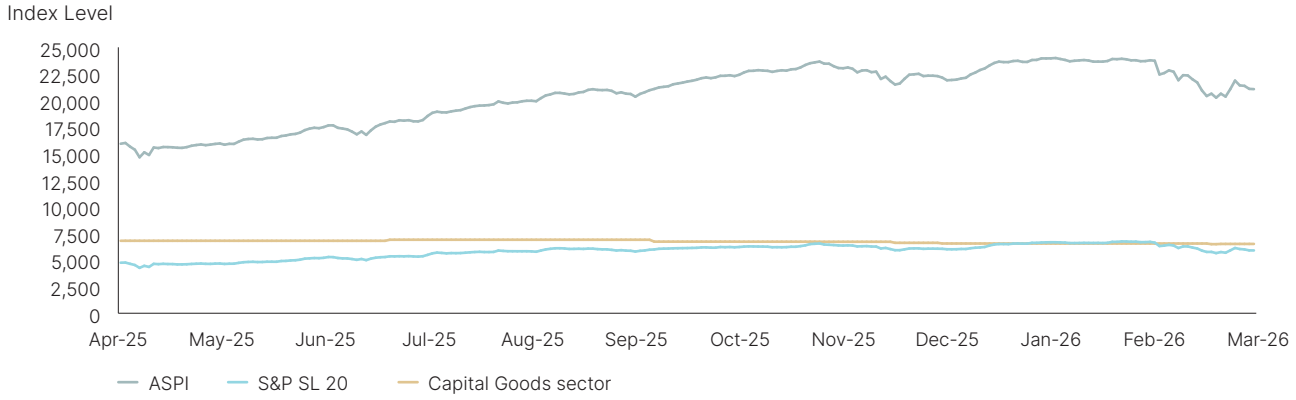
INVESTOR INFORMATION

Company Name	:	Aitken Spence PLC
Stock Symbol	:	SPEN.N0000
ISIN	:	LK0004N00008
Security Type in Issue	:	Quoted Ordinary Shares
Listed Exchange	:	The Colombo Stock Exchange (CSE) Main Board
Market Sector	:	Capital Goods Sector
Featured Stock Indices	:	All Share Price Index (ASPI) Capital Goods Sector Index (SPCSECCGP)

The Colombo Stock Market's All Share Price Index (ASPI) delivered an exceptional performance during the year, recording a remarkable growth of 33.21% on 31st March 2026. ASPI also recorded an all time high of 23,992.11 within the financial year. Further, the S&P SL 20 Index, which tracks the top 20 leading companies on the exchange, grew by an impressive 34.90%, marking it as the highest year to date return for the period ended 31st March 2026. S&P SL 20 also reached the highest value of 6,750.50 during this period. Adding to these milestones, the Colombo Stock Exchange (CSE) achieved a record-breaking market capitalisation of Rs.8,561.91 billion within the financial year.

CSE MARKET PERFORMANCE

Key Market Indices
12 Months Trend



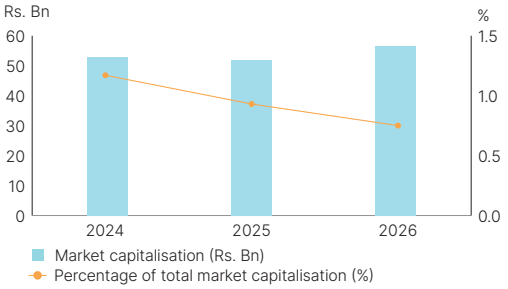
MARKET CAPITALISATION

As at 31st March	2026	2025	2024
Market capitalisation (Rs. Bn)	56.43	51.87	52.88
Total Market Capitalisation of CSE (Rs. Bn)	7,522.00	5,606.37	4,534.65
Percentage of total market capitalisation (%)	0.75	0.93	1.17

The float adjusted market capitalisation as at 31st March 2026 was Rs.26.81 billion with reference to Rule No. 7.6 (iv)(a) of the Continuing Listing Requirements of the CSE.

As the float-adjusted market capitalisation exceeds Rs. 10 billion, Aitken Spence PLC complies with Option 1 of the minimum public holding requirement, in accordance with Rule 7.13.1(i)(a)(1) of the Continuing Listing Requirements of the CSE.

Market Capitalisation
As at 31st March



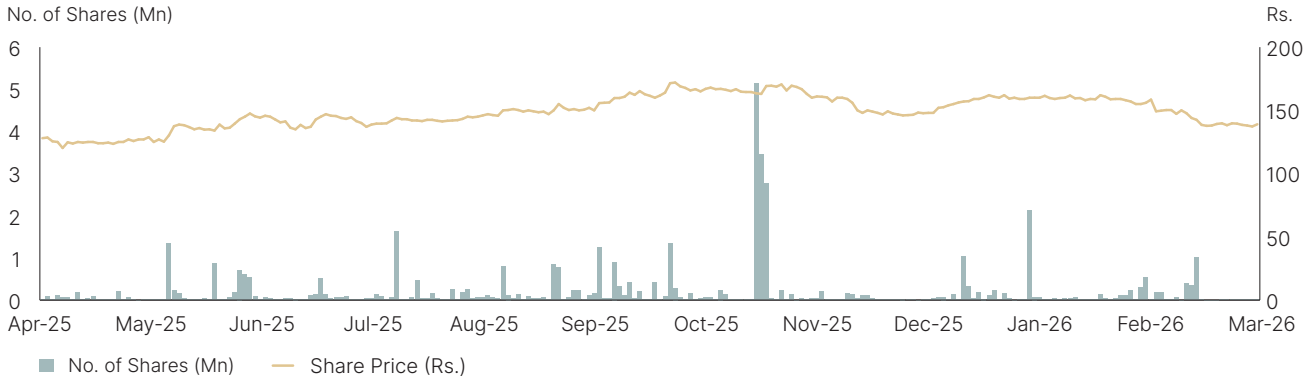
INVESTOR INFORMATION

SHARE TRADING INFORMATION

For the year ended 31st March	2026	2025	2024
Share Trading Information			
Value of shares traded during the year (Rs. Mn)	6,574.4	4,091.4	2,602.9
Number of shares traded during the year ('000)	42,744	29,517	18,930
Number of transactions	14,465	10,396	7,875
Percentage of total value transacted in CSE (%)	0.49	0.59	0.53

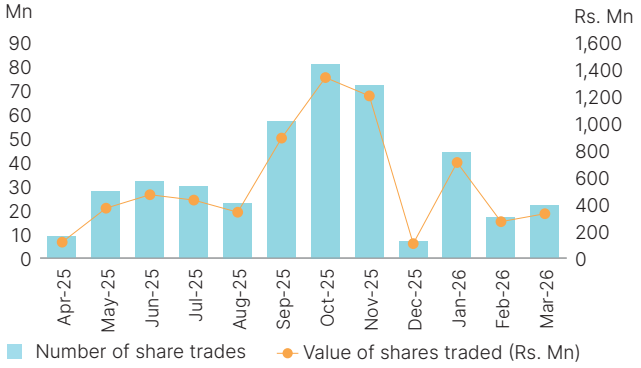
Share Price vs Share Volume

12 Months Trend



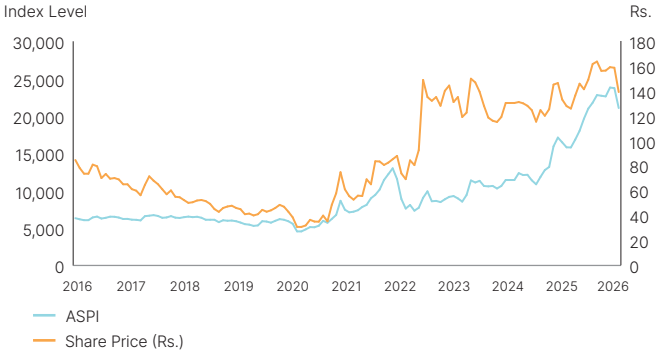
Shares Traded vs Turnover

12 Months Trend



Share Price vs ASPI - 10 Year Trend

1st April 2016 to 31st March 2026

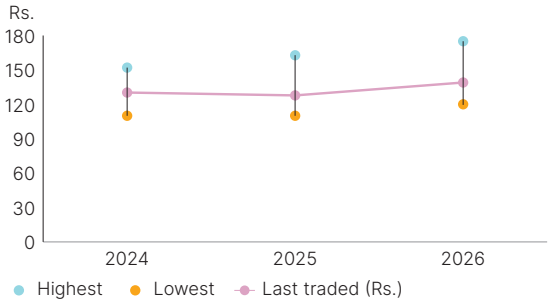


SHARE PRICE INFORMATION

For the year ended 31st March	2026	2025	2024
Market Value Per Share			
Highest (Rs.)	175.00	162.75	152.00
Lowest (Rs.)	120.00	110.00	110.00
Closing Price (Rs.)	139.00	127.75	130.25

Market Value Per Share

For the year ended 31st March



INVESTOR INFORMATION

FINANCIAL INDICATORS

Net Asset Per Share

As at 31st March	2026	2025	2024
The Group (Rs.)	218.90	190.23	181.86
The Company (Rs.)	63.34	64.65	64.88

Rs. 218.90
Net Asset per Share

Earnings

For the year ended 31st March	2026	2025	2024
Earnings per share - Basic/Diluted (Rs.)	16.74	13.13	7.21
Price earnings ratio (P/E) (Times)	8.30	9.73	18.06
Closing Price (Rs.)	139.00	127.75	130.25

Rs. 16.74
Earnings per Share

Return On Equity

For the year ended 31st March	2026	2025	2024
Return on Equity (%)	8.18	7.06	3.95

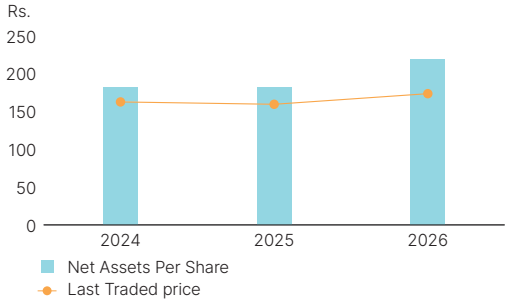
8.18 %
Return on Equity

Dividends

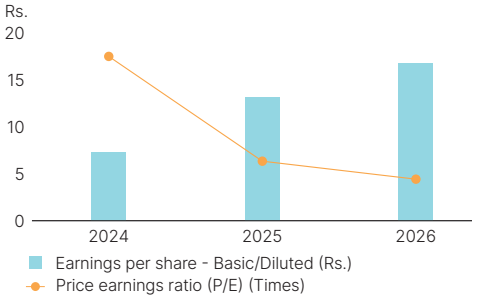
For the year ended 31st March	2026	2025	2024
Dividend per share (Rs.)	4.00	4.00	4.25
Dividend cover (Times)	4.18	3.28	1.70
Dividend payout ratio	0.24	0.30	0.59

Rs. 4.00
Dividend per Share

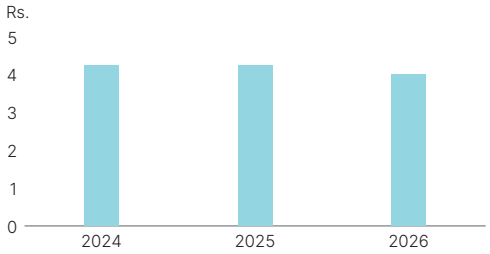
Net Assets vs Share Price
As at 31st March



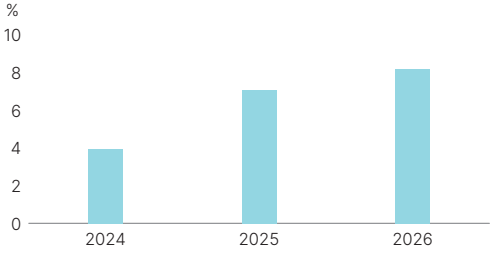
Earnings per Share vs P/E Ratio
For the year ended 31st March



Dividend Per Share
For the year ended 31st March



Return On Equity
For the year ended 31st March



INVESTOR INFORMATION

HISTORY OF DIVIDEND PER SHARE, DIVIDEND COVER AND DIVIDEND PAYOUT RATIO FOR THE PAST 10 YEARS

Year	Dividends per share (Rs.)	Dividends cover (Times)	Dividend payout ratio
2016/2017	1.75	4.07	0.25
2017/2018	2.00	4.38	0.23
2018/2019	2.50	4.02	0.25
2019/2020	1.25	4.69	0.21
2020/2021	1.00	(4.00)	(0.25)
2021/2022	4.00	6.49	0.15
2022/2023	4.00	4.09	0.24
2023/2024	4.25	1.70	0.59
2024/2025	4.00	3.28	0.30
2025/2026	**4.00**	**4.18**	**0.24**

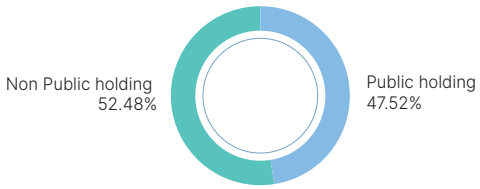
SHAREHOLDER COMPOSITION

Public Holding

As at 31st March 2026, the percentage of public holding was 47.52%, represented by 5,309 shareholders (31st March 2025 - 47.52%, represented by 4,628 shareholders), in compliance with Rule 7.6(iv) of the Continuing Listing Requirements of the CSE.

	%	No of Shares
Public holding	47.52	192,910,909
Non Public holding	52.48	213,085,136
Total	100.00	405,996,045

Ownership Structure
As at 31st March 2026



Distribution of shareholding

As at 31st March	2026			2025		
Share holder category	No of shareholders	No of shares	%	No of shareholders	No of shares	%
1 - 1,000	3,723	826,085	0.20	3,021	754,495	0.19
1,001 - 10,000	1,132	4,100,514	1.01	1,151	4,204,972	1.04
10,001 - 100,000	354	11,402,242	2.81	374	11,368,347	2.80
100,001 - 1,000,000	82	21,989,986	5.42	70	20,030,359	4.93
1,000,001 - above	25	367,677,218	90.56	20	369,637,872	91.04
Total	5,316	405,996,045	100.00	4,636	405,996,045	100.00

There were 5,316 registered shareholders as at 31st March 2026 and they are entitled for one vote per share. (31st March 2025 - 4,636)

INVESTOR INFORMATION

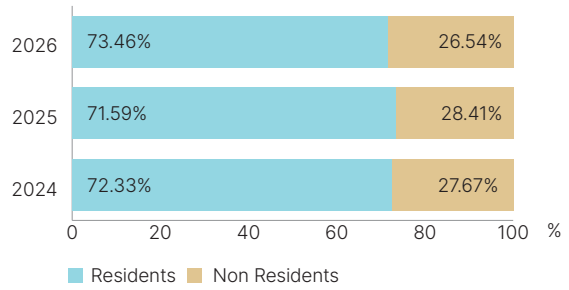
Residents/Non-Residents

As at 31st March	2026		2025	
	No of shareholders	%	No of shareholders	
Residents	298,237,382	73.46	290,661,080	71.59
Non-Residents	107,758,663	26.54	115,334,965	28.41
Total	405,996,045	100.00	405,996,045	100

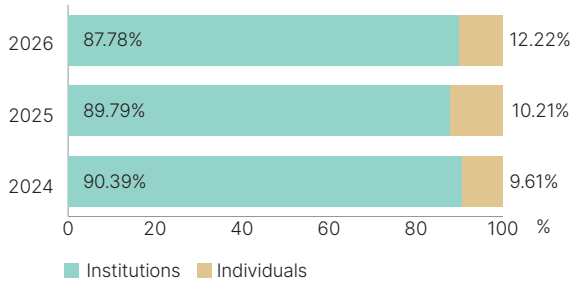
Institutions/Individuals

As at 31st March	2026		2026	
	No of shareholders	%	No of shareholders	
Institutions	356,391,843	87.78	364,556,246	89.79
Individuals	49,604,202	12.22	41,439,799	10.21
Total	405,996,045	100.00	405,996,045	100.00

Residents/Non-Residents
As at 31st March



Institutions/Individuals
As at 31st March



TWENTY LARGEST SHAREHOLDERS AS AT 31ST MARCH 2026

	Name	No of Shares	%
1	Melstacorp PLC	208,410,213	51.33
2	Rubicond Enterprises Limited	65,990,145	16.25
3	Employee's Provident Fund	20,590,978	5.07
4	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	13,463,493	3.32
5	SSBT-Sunsuper Pty. Ltd. As Trustee For Sunsuper Superannuation Fund	9,422,167	2.32
6	Mrs. K. Fernando	5,571,150	1.37
7	Placidrange Holdings Limited	5,521,500	1.36
8	Mrs. A.T. Wickremasinghe	4,648,055	1.15
9	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	4,057,692	1.00
10	Mr. R.P. Weerasooriya	2,468,582	0.61
11	Finco Holdings (Private) Limited	2,420,130	0.60
12	JPMCB NA - Government Institutions Pension Fund	2,395,490	0.59
13	Mr. J.J. Hosking	2,250,000	0.55
14	Milford Exports (Ceylon) (Private) Limited	2,232,978	0.55
15	Mrs. T.T.A. De Silva Weerasooria	2,200,000	0.54
16	Mr. M.A. Yaseen	2,171,288	0.54
17	CACEIS Bank Ireland Branch S/A Bridge UCITS Funds ICAV - Hosking Global Equity Fund	2,043,162	0.50
18	Stassen Exports (Private) Limited	2,029,980	0.50
19	Mr. S.C. Weerasooria	1,852,581	0.46
20	Northern Trust Company S/A Hosking Global Fund Plc	1,693,992	0.42
	Total	361,433,576	89.04

INVESTOR INFORMATION

SHAREHOLDING OF DIRECTORS TOGETHER WITH THEIR SPOUSES

As at 31st March	2026	2025
Mr. J.M.S. Brito	374,126	374,126
Ms. D.S.T. Jayawardena	27,839	27,839
Mr. R.N. Asirwatham*	1,000	1,000
	402,965	402,965

*Deceased on 12th December 2025

DIRECTORS' INDIRECT HOLDING IN AITKEN SPENCE PLC

As at 31st March		2026	2025
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz / Mr. N.J. de S. Deva Aditya / Mr. M.R. Mihular / Dr. R.A. Fernando	Melstacorp PLC	208,410,213	208,410,213
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz	Milford Exports (Ceylon) (Pvt) Limited	2,232,978	2,232,978
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz	Stassen Exports (Private) Limited	2,029,980	2,029,980
Total		212,673,171	212,673,171

DIRECTORS' SHAREHOLDING IN GROUP COMPANIES

As at 31st March		2026	2025
Aitken Spence Hotel Holdings PLC	Mr. J.M.S. Brito	172,387	172,387
	Ms. D.S.T. Jayawardena	16,000	16,000
	Mr. R.N. Asirwatham*	1,000	1,000
Total		189,387	189,387

* Deceased on 12th December 2025

ON RECORD:

DELIVERING VALUE WITH CONFIDENCE

At Aitken Spence PLC, value is built through principled activity and sustained focus. Our financials reflect strength, stability, and the realisation of a future-forward vision.

7

FINANCIAL STATEMENTS

366 | Financial Information
368 | Statement of Directors' Responsibilities
369 | Independent Auditor's Report
373 | Financial Statements and Notes to the Financial Statements
492 | Consolidated Financial Statements in USD

FINANCIAL INFORMATION

FINANCIAL CALENDAR 2025 /2026

Interim Financial Statements

Interim financial statements for the three months ended on 30th June 2025	Approved on 13th August 2025
Interim financial statements for the six months ended on 30th September 2025	Approved on 14th November 2025
Interim financial statements for the nine months ended on 31st December 2025	Approved on 11th February 2026
Interim financial statements for the year ended on 31st March 2026	Approved on 28th May 2026

Audited Financial Statements

Audited financial statements for year ended on 31st March 2026	Approved on 05th June 2026

Dividends

First and final dividend for the year ended on 31st March 2026	Recommended on 28th May 2026

Annual General Meeting

74th Annual General Meeting	30th June 2026

FINANCIAL HIGHLIGHTS

Q1 - 2025/2026 (Rs. Millions)	
Revenue	19,189
Profit from operations	1,537
Profit for the period	405
Profit Attributable to Equity holders	534
Earnings per share (Rs.)	1.31
Net assets per share (Rs.)	192.11

Q2 - 2025/2026 (Rs. Millions)	
Revenue	21,469
Profit from operations	1,259
Profit for the period	16
Profit Attributable to Equity holders	397
Earnings per share (Rs.)	0.98
Net assets per share (Rs.)	189.61

Q3 - 2025/2026 (Rs. Millions)	
Revenue	25,921
Profit from operations	4,447
Profit for the period	2,932
Profit Attributable to Equity holders	2,060
Earnings per share (Rs.)	5.07
Net assets per share (Rs.)	196.06

Q4 - 2025/2026 (Rs. Millions)	
Revenue	30,012
Profit from operations	7,571
Profit for the period	5,754
Profit Attributable to Equity holders	3,805
Earnings per share (Rs.)	9.37
Net assets per share (Rs.)	218.90

Year - 2025/2026 (Rs. Millions)			
Revenue	96,591	Profit from operations	14,814
Profit for the year	9,107	Profit Attributable to Equity holders	6,796
Earnings per share (Rs.)	16.74	Net assets per share (Rs.)	218.90

INDEX TO THE FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITIES 368

INDEPENDENT AUDITOR'S REPORT 369

FINANCIAL STATEMENTS

Income statements 373
Statements of profit or loss and other comprehensive income 374
Statements of financial position 375
Consolidated statement of changes in equity 376
Company statement of changes in equity 378
Statements of cash flows 379

NOTES TO THE FINANCIAL STATEMENTS

Note		Page
1	Reporting entity	381
2	Basis of preparation	381
3	Use of accounting judgements estimates and assumptions	383
4	Summary of material accounting policies	384
5	New and amended standards issued but not effective as at the reporting date	387
6	Operating segments	388
7	Revenue	394
8	Other operating income	399
9	Profit from operations	400
10	Other operating expenses-direct	400
11	Finance income and finance expenses	401
12	Income tax expense	402
13	Earnings per share	409
14	Dividends per share	410
15	Property, plant and equipment	410
16	Investment properties	416
17	Intangible assets	418
18	Biological assets	422
19	Right-of-use assets	423
20	Investments in subsidiaries	426
21	Investments in equity-accounted investees	432
22	Deferred tax assets	437
23	Other financial assets - non-current	439
24	Inventories	441
25	Trade and other receivables	442
26	Other current assets	442
27	Cash and cash equivalents	444
28	Assets classified as held for sale	445
29	Stated capital and reserves	446
30	Interest-bearing loans and borrowings	448
31	Lease liabilities	453
32	Deferred tax liabilities	455
33	Employee benefits	456
34	Other liabilities - non-current	460
35	Trade and other payables	460
36	Fair value measurement	461
37	Financial instruments	464
38	Contracts for capital expenditure	485
39	Provisions and contingent liabilities	485
40	Related party transactions	486
41	Foreign currency translation	491
42	Number of employees	491
43	Events occurring after the reporting date	491
44	Comparative information	491

CONSOLIDATED FINANCIAL STATEMENTS IN USD 492

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act No. 7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibilities of the Directors in relation to the Financial Statements of Aitken Spence PLC and the Consolidated Financial Statements of the Group are set out in this Report.

The Directors confirm that the Financial Statements and other statutory reports of the Company and its subsidiaries for the year ended 31st March 2026 incorporated in this Report have been prepared in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the companies within the Group maintain adequate and accurate records which reflect the true financial position of each such company and hence the Group. The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company and the Group. The Directors have instituted appropriate systems of internal control in order to minimise and detect fraud, errors and other irregularities. The Directors, in maintaining a sound system of internal control and safeguarding the assets of the Company and the Group, have further adopted risk management strategies to identify and evaluate the potential risks to which the Company and the Group could be exposed, as well as their impact.

The Directors having considered the Group's business plans and a review of its current and future operations are of the view that the Company and the Group have adequate resources to continue in operation. The Directors have adopted the going concern basis in preparing the Financial Statements.

The Financial Statements presented in this Annual Report for the year ended 31st March 2026 have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKASs). The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the Financial Statements.

The Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2026 and the Comprehensive Income Statements for the Company and the Group for the Financial Year ended 31st March 2026 reflect a true and fair view of the Company and the Group.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their duties. The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Independent Auditors' Report.

The Directors confirm that to the best of their knowledge all payments to employees, regulatory and statutory authorities due and payable by the Company and its subsidiaries have been either duly paid or adequately provided for in the Financial Statements. The Directors further confirm that they promote the highest ethical, environmental and safety standards within the Group. The Directors also ensure that the relevant national laws, international laws and codes of regulatory authorities, professional institutes and trade associations have been complied with by the Group.

By order of the Board,
Aitken Spence PLC

Aitken Spence Corporate Services (Private) Limited
Secretaries

Colombo
05th June 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
+94 - 11 244 6058
Internet www.kpmg.com/lk

TO THE SHAREHOLDERS OF AITKEN SPENCE PLC

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Aitken Spence PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit and loss and other 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 373 to 491.

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

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revaluation of freehold land

Refer to Note 15 to the financial statements

Risk Description	Our response
As at 31st March 2026, freehold land is carried at fair value and classified as property, plant and equipment. The Group has recorded a net gain on revaluation of Freehold Land amounting to Rs. 7,971 Mn as at 31st March 2026. Freehold land is measured at revalued amounts in the statement of financial position. The Group has engaged independent professional valuers with appropriate expertise in valuing properties, in locations of properties being valued to determine the revalued amounts of the lands in accordance with recognised industry standards. We identified revaluation of freehold land as a key audit matter because of the significant judgement and estimates involved in assessing the fair value of the Freehold Land.	Our audit procedures included, » Assessing the objectivity, independence, competence, and qualification of the external valuers. » Assessing the key assumptions applied and conclusions made by the valuers in deriving the fair value of the properties and comparing the same with evidence of current market values and consultation with internal specialist. » Reviewing the work carried out by component auditors where necessary. » Assessing the adequacy of the Group disclosures in the financial statements

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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. Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

INDEPENDENT AUDITOR'S REPORT

KPMG

Impairment assessment of Goodwill, Investments in subsidiaries, and Investments in equity-accounted investees

Refer to Notes 17, 20, and 21 to the financial statements

Risk Description	Our response
The Company hold investments in subsidiaries and investments in equity accounted investees amounting to Rs. 14,086 Mn and Rs. 2,658 Mn respectively as at 31st March 2026. Further, the Group holds investments in equity-accounted investees amounting to Rs. 12,451 Mn and goodwill amounting to Rs. 1,410 Mn as at 31st March 2026. The carrying amount of each investments in subsidiary and investments in equity accounted investees have been tested for impairment as individual Cash Generating Units. The carrying amount of these investments could be materially misstated if inappropriate judgments and estimates were used by the Directors in calculating the recoverable amount for each cash generating unit ('CGU') and recoverable amounts of the identified CGUs have been determined based on the value in use calculation. Investments that do not generate adequate returns may be an indication of impairment. Due to the investments being material it will have a significant impact on financial performance of the Company/ Group. We considered the management's impairment assessment of goodwill, investments in equity accounted investees, and investments in subsidiaries to be a key audit matter due to the magnitude of the carrying value, and management impairment assessment is based on forecasting and discounting cash flows, which are inherently judgmental.	Our audit procedures included, » Obtaining an understanding of management's impairment assessment process. » Assessing the impairment indications of investments in subsidiaries, investment in equity accounted investees and Goodwill and reviewing of value in use computations for recoverable amounts with impairment indications and discussion with the management of the Group. » Evaluating the reasonableness of the Group's key assumptions for its cash flow projections such as discount rates, forecast revenue and direct cost with reference to the internally and externally derived sources, and evaluating the reasonableness of historical forecasts. » Assessing the adequacy of disclosures in the financial statements.

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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group 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 and the Group'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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

» Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

» Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related 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

INDEPENDENT AUDITOR'S REPORT

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 2618.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
05th June 2026

INCOME STATEMENTS

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Revenue	7	96,591,471	95,094,844	1,660,378	1,579,190
Revenue taxes		(2,118,309)	(1,463,065)	(32,939)	(30,887)
Net revenue		94,473,162	93,631,779	1,627,439	1,548,303
Other operating income	8	1,116,559	(362,409)	3,882,200	2,602,274
Changes in inventories of finished goods and work-in-progress		(119,813)	(98,717)	-	-
Raw materials and consumables used		(4,802,734)	(4,201,441)	-	-
Employee benefits expense		(19,560,962)	(17,296,261)	(1,592,122)	(1,348,735)
Depreciation, amortisation and impairment losses of non-financial assets	9	(7,647,205)	(7,173,756)	(177,487)	(77,096)
Other operating expenses - direct	10	(31,459,009)	(34,525,390)	-	-
Other operating expenses - indirect		(17,185,612)	(15,194,464)	(2,339,537)	(747,674)
Profit from operations	9	14,814,386	14,779,341	1,400,493	1,977,072
Finance income	11	1,828,846	1,920,330	1,904,827	1,895,966
Finance expenses	11	(6,130,528)	(7,450,560)	(2,170,846)	(2,208,861)
Net finance expense		(4,301,682)	(5,530,230)	(266,019)	(312,895)
Share of profit of equity-accounted investees (net of tax)	21	2,299,574	1,577,204	-	-
Profit before tax		12,812,278	10,826,315	1,134,474	1,664,177
Income tax expense	12	(3,705,497)	(3,647,189)	(20,506)	(17,722)
Profit for the year		9,106,781	7,179,126	1,113,968	1,646,455
Attributable to:					
Equity holders of the company		6,795,585	5,330,919	1,113,968	1,646,455
Non-controlling interests		2,311,196	1,848,207	-	-
Profit for the year		9,106,781	7,179,126	1,113,968	1,646,455
Earnings per share - basic/diluted (Rs.)	13	16.74	13.13	2.74	4.06

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Profit for the year		9,106,781	7,179,126	1,113,968	1,646,455
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of freehold land	15	7,970,871	-	-	-
Actuarial losses on defined benefit obligations	33	(64,303)	(70,326)	(25,019)	(15,480)
Equity investments at FVOCI – net change in fair value	23.2	(1,935)	(3,325)	(4,892)	(2,667)
Share of other comprehensive loss of equity-accounted investees (net of tax)	21.1	(18,860)	(6,993)	-	-
Income tax on other comprehensive income	12.4	(2,250,301)	5,265	8,973	3,107
		5,635,472	(75,379)	(20,938)	(15,040)
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		1,834,342	(636,979)	-	-
Net movement on cash flow hedge	37.2	(42,609)	679,261	-	-
Share of other comprehensive income/(loss) of equity-accounted investees (net of tax)	21.1	381,600	(120,155)	-	-
		2,173,333	(77,873)	-	-
Other comprehensive income / (loss) for the year, (net of tax)		7,808,805	(153,252)	(20,938)	(15,040)
Total comprehensive income for the year		16,915,586	7,025,874	1,093,030	1,631,415
Attributable to:					
Equity holders of the company		13,104,290	4,992,098	1,093,030	1,631,415
Non-controlling interests		3,811,296	2,033,776	-	-
Total comprehensive income for the year		16,915,586	7,025,874	1,093,030	1,631,415

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENTS OF FINANCIAL POSITION

As at	Notes	GROUP 31.03.2026 Rs.'000	GROUP 31.03.2025 Rs.'000	COMPANY 31.03.2026 Rs.'000	COMPANY 31.03.2025 Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	105,907,205	98,015,886	90,645	97,134
Investment properties	16	1,649,502	1,651,793	3,430,176	3,434,288
Intangible assets	17	1,483,156	1,542,567	8,430	26,251
Biological assets	18	67,670	67,104	-	-
Right-of-use assets	19	25,761,407	14,672,688	-	-
Investments in subsidiaries	20	-	-	14,085,881	14,211,447
Investments in equity-accounted investees	21	12,450,572	10,928,868	2,657,955	2,657,955
Deferred tax assets	22	1,168,079	1,619,108	643,565	643,565
Other financial assets	23	1,878,733	994,672	71,120	5,126
		150,366,324	129,492,686	20,987,772	21,075,766
Current assets					
Inventories	24	4,879,168	4,441,154	6,599	6,043
Trade and other receivables	25	17,406,728	19,169,392	9,278,847	7,612,761
Current tax receivable		440,364	332,871	274,646	212,679
Deposits and prepayments		3,623,058	4,329,242	249,304	177,535
Other current assets	26	29,654,637	26,738,648	21,498,963	19,771,072
Cash and short-term deposits	27	20,390,627	16,600,685	4,232,699	5,223,529
		76,394,582	71,611,992	35,541,058	33,003,619
Assets classified as held for sale	28	857,481	922,243	72,237	72,237
Total assets		227,618,387	202,026,921	56,601,067	54,151,622
EQUITY AND LIABILITIES					
Equity					
Stated capital	29.1	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	29.2	45,772,132	38,598,848	18,171,889	17,364,959
Retained earnings		40,966,334	36,499,839	5,409,548	6,747,432
Total equity attributable to equity holders of the company		88,873,606	77,233,827	25,716,577	26,247,531
Non-controlling interests		15,379,411	12,655,284	-	-
Total equity		104,253,017	89,889,111	25,716,577	26,247,531
Non-current liabilities					
Interest-bearing loans and borrowings	30	36,561,687	33,907,662	5,679,720	5,926,400
Lease liabilities	31	21,844,666	11,215,519	-	-
Deferred tax liabilities	32	8,138,765	6,058,178	-	-
Employee benefits	33	2,194,601	1,899,009	263,208	200,886
Other liabilities	34	94,685	179,589	-	-
		68,834,404	53,259,957	5,942,928	6,127,286
Current liabilities					
Interest-bearing loans and borrowings	30	6,020,005	11,621,372	637,517	1,211,029
Lease liabilities	31	1,575,310	1,534,497	-	-
Trade and other payables	35	23,651,120	24,724,519	12,770,783	12,374,323
Current tax payable		1,526,319	1,102,504	-	-
Bank overdrafts and other short-term borrowings	27	21,758,212	19,894,961	11,533,262	8,191,453
		54,530,966	58,877,853	24,941,562	21,776,805
Total equity and liabilities		227,618,387	202,026,921	56,601,067	54,151,622

The above statements of financial position are to be read in conjunction with the notes to the financial statements on pages 381 to 491.
I certify that the financial statements for the year ended 31st March 2026 are in compliance with the requirements of the Companies Act No. 7 of 2007.

Ms. N. Sivapragasam
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.
For and on behalf of the Board:

Ms. D.S.T. Jayawardena
Chairman/Chairperson

Dr. R. M. Fernando
Director

05th June 2026
Colombo, Sri Lanka

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company			
	Stated capital	Revaluation reserve	Other capital reserves	General reserves
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2024	2,135,140	11,531,294	148,440	17,502,119
Profit for the year	-	-	-	-
Other comprehensive income /(loss) for the year (note 29.3.1)	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	-
Share of net assets of equity-accounted investees	-	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-
Direct cost on share issue	-	-	-	-
Transfer from reserves	-	-	-	(75,921)
Final dividends for 2023/2024 (note 14)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total contributions and distributions recognised directly in equity	-	-	-	(75,921)
Balance as at 31st March 2025	2,135,140	11,531,294	148,440	17,426,198
Profit for the year	-	-	-	-
Other comprehensive income / (loss) for the year (note 29.3.1)	-	4,821,746	-	-
Total comprehensive income / (loss) for the year	-	4,821,746	-	-
Share of net assets of equity-accounted investees	-	-	-	-
Unclaimed dividends transferred to reserves	-	-	-	-
Transfer from reserves	-	-	-	810,355
Final dividends for 2024/2025 (note 14)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total contributions and distributions recognised directly in equity	-	-	-	810,355
Balance as at 31st March 2026	2,135,140	16,353,040	148,440	18,236,553

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company					Non-controlling interests	Total equity
	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
	11,435,146	(14,293)	(1,644,911)	32,743,186	73,836,121	11,883,848	85,719,969
	-	-	-	5,330,919	5,330,919	1,848,207	7,179,126
	(581,950)	(4,665)	303,589	(55,795)	(338,821)	185,569	(153,252)
	(581,950)	(4,665)	303,589	5,275,124	4,992,098	2,033,776	7,025,874
	-	-	-	131,533	131,533	-	131,533
	-	-	-	-	-	1,584	1,584
	-	-	-	(442)	(442)	-	(442)
	-	-	-	75,921	-	-	-
	-	-	-	(1,725,483)	(1,725,483)	-	(1,725,483)
	-	-	-	-	-	(1,263,924)	(1,263,924)
	-	-	-	(1,518,471)	(1,594,392)	(1,262,340)	(2,856,732)
	10,853,196	(18,958)	(1,341,322)	36,499,839	77,233,827	12,655,284	89,889,111
	-	-	-	6,795,585	6,795,585	2,311,196	9,106,781
	1,561,581	(1,354)	(19,044)	(54,224)	6,308,705	1,500,100	7,808,805
	1,561,581	(1,354)	(19,044)	6,741,361	13,104,290	3,811,296	16,915,586
	-	-	-	158,532	158,532	-	158,532
	-	-	-	941	941	275	1,216
	-	-	-	(810,355)	-	-	-
	-	-	-	(1,623,984)	(1,623,984)	-	(1,623,984)
	-	-	-	-	-	(1,087,444)	(1,087,444)
	-	-	-	(2,274,866)	(1,464,511)	(1,087,169)	(2,551,680)
	12,414,777	(20,312)	(1,360,366)	40,966,334	88,873,606	15,379,411	104,253,017

COMPANY STATEMENT OF CHANGES IN EQUITY

	Stated capital	General reserves	Fair value reserve	Retained earnings	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2024	2,135,140	17,472,455	(27,371)	6,761,375	26,341,599
Profit for the year	-	-	-	1,646,455	1,646,455
Other comprehensive loss for the year (note 29.3.2)	-	-	(4,204)	(10,836)	(15,040)
Total comprehensive profit/(loss) for the period	-	-	(4,204)	1,635,619	1,631,415
Transfer to general reserve	-	(75,921)	-	75,921	-
Final dividends for 2023/2024 (note 14)	-	-	-	(1,725,483)	(1,725,483)
Total contributions and distributions recognised directly in equity	-	(75,921)	-	(1,649,562)	(1,725,483)
Balance as at 31st March 2025	2,135,140	17,396,534	(31,575)	6,747,432	26,247,531
Profit for the year	-	-	-	1,113,968	1,113,968
Other comprehensive loss for the year (note 29.3.2)	-	-	(3,425)	(17,513)	(20,938)
Total comprehensive profit/(loss) for the period	-	-	(3,425)	1,096,455	1,093,030
Transfer from general reserve	-	810,355	-	(810,355)	-
Final dividends for 2024/2025 (note 14)	-	-	-	(1,623,984)	(1,623,984)
Total contributions and distributions recognised directly in equity	-	810,355	-	(2,434,339)	(1,623,984)
Balance as at 31st March 2026	2,135,140	18,206,889	(35,000)	5,409,548	25,716,577

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENTS OF CASH FLOWS

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
Cash flows from operating activities					
Profit before tax		12,812,278	10,826,315	1,134,474	1,664,177
Adjustments for					
Finance expenses	11	6,130,528	7,450,560	2,170,846	2,208,861
Depreciation and amortisation	9	7,412,268	6,979,388	51,921	52,104
Impairment of intangible assets	9	99,111	81,816	-	-
Impairment losses / (reversals) of inventories	9	128,148	112,552	-	(8)
Impairment losses / (reversals) and write offs of trade and other receivables	9	113,671	(775,901)	1,507,770	(1,903)
Impairment losses of assets classified as held for sale	9	7,678	-	-	-
Impairment losses of investments in subsidiaries and equity-accounted investees	9	-	-	125,566	25,000
Write off of property, plant and equipment	9	51,543	-	-	-
Gain on disposal of property, plant and equipment	8	(24,469)	(13,037)	-	(12,573)
Net gain on termination of lease	8	-	(2,392)	-	-
Loss on partial disposal of equity accounted investee	8	77,535	-	-	-
Gain on retirement of assets held for sale	8	(2,514)	-	-	-
Gain on disposal of equity securities – at FVTPL	8	-	(158)	-	(158)
Finance income	11	(1,828,846)	(1,920,330)	(1,904,827)	(1,895,966)
Share of profit of equity-accounted investees (net of tax)	21	(2,299,574)	(1,577,204)	-	-
Movement in assets held for sale		20,972	(36,112)	-	-
Net foreign exchange (gain) / loss		586,679	908,806	(610,753)	693,984
Provision for retirement benefit obligations	33	368,414	336,745	40,446	37,879
		10,841,144	11,544,733	1,380,969	1,107,220
Operating profit before working capital changes		23,653,422	22,371,048	2,515,443	2,771,397
(Increase)/decrease in trade and other receivables		942,080	1,428,923	(3,173,856)	(1,226,235)
(Increase)/decrease in inventories		(566,162)	(570,531)	(556)	1,746
(Increase)/decrease in deposits and prepayments		706,184	1,338,620	(71,769)	(12,147)
Increase/(decrease) in trade and other payables		(1,080,875)	(421,131)	387,768	750,973
Increase/(decrease) in other liabilities		(84,904)	(98,276)	-	-
		(83,677)	1,677,605	(2,858,413)	(485,663)
Cash generated from /(used in) operations		23,569,745	24,048,653	(342,970)	2,285,734
Interest paid		(5,986,012)	(7,762,960)	(2,189,603)	(2,224,308)
Income tax paid		(3,121,799)	(2,875,476)	(73,500)	(72,811)
Retirement benefit obligations paid	33	(142,802)	(184,634)	(3,143)	(16,716)
		(9,250,613)	(10,823,070)	(2,266,246)	(2,313,835)
Net cash generated from / (used in) operating activities		14,319,132	13,225,583	(2,609,216)	(28,101)

(carried forward to next page)

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

STATEMENTS OF CASH FLOWS

For the year ended 31st March	Notes	GROUP 2026 Rs.'000	GROUP 2025 Rs.'000	COMPANY 2026 Rs.'000	COMPANY 2025 Rs.'000
(brought forward from previous page)					
Cash flows from investing activities					
Interest received		1,777,926	1,875,121	1,881,380	1,876,939
Investment in subsidiaries		-	-	-	(30,374)
Investment in equity accounted investees		(182,216)	(15,295)	-	-
Investment in equity securities and debt		(250,765)	(3,260)	(150,765)	(2,447)
Proceeds from partial disposal of a subsidiary		-	(56,219)	-	-
Acquisition of property, plant and equipment *	15	(3,618,943)	(3,288,913)	(23,499)	(43,917)
Acquisition of investment properties	16	-	(22,282)	-	(22,282)
Acquisition of intangible assets	17	(37,387)	(38,245)	-	-
Acquisition of biological assets	18	(5,274)	(6,862)	-	-
Proceeds from disposal of property, plant and equipment		486,494	58,241	-	15,000
Proceeds from retirement of equity securities and debt		46,609	42,279	46,609	42,279
Proceeds on retirement of assets held for sale		38,626	-	-	-
Proceeds/(purchase) of other financial assets and liabilities (net)		(1,631,551)	(2,471,125)	(512,373)	(2,165,178)
Dividends paid to non-controlling interests		(1,087,444)	(1,263,924)	-	-
Dividends received from equity accounted investees		1,403,823	614,853	-	-
Net cash generated from / (used in) investing activities		(3,060,102)	(4,575,631)	1,241,352	(329,980)
Cash flows from financing activities					
Proceeds from interest-bearing loans and borrowings	30	11,342,859	20,683,883	-	5,882,600
Repayment of interest-bearing loans and borrowings	30	(17,068,774)	(22,025,548)	(1,220,220)	(1,198,620)
Payment of lease liabilities	19.3	(1,998,688)	(1,790,460)	-	-
Operating leases pre-paid		-	(7,128)	-	-
Issue of shares by subsidiary companies		-	8,120	-	-
Direct cost on share issue by a subsidiary company		-	(442)		
Dividends paid to equity holders of the parent		(1,615,292)	(1,713,615)	(1,615,292)	(1,713,615)
Net cash generated from / (used in) financing activities		(9,339,895)	(4,845,190)	(2,835,512)	2,970,365
Net increase / (decrease) in cash and cash equivalents		1,919,135	3,804,762	(4,203,376)	2,612,284
Cash and cash equivalents at beginning of the year		(3,294,276)	(7,256,207)	(2,967,924)	(5,539,572)
Effect of movements in exchange rates		7,556	157,169	(129,263)	(40,636)
Cash and cash equivalents at end of the year	27	(1,367,585)	(3,294,276)	(7,300,563)	(2,967,924)

* Acquisition of property, plant and equipment includes capitalised borrowing cost paid by the Group of Rs. 47.4 million (2024/2025 - Rs. 82.9 million), where as there is no capitalised borrowing cost on acquisition of biological assets for 2025/2026 and 2024/2025. (Company-nil).

The notes on pages 381 through 491 form an integral part of these financial statements.

Figures in brackets indicate deductions.

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Aitken Spence PLC., (the "Company") is a public limited liability company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is located at "Aitken Spence Tower II", 315 Vauxhall Street, Colombo 02.

The consolidated financial statements of the Group as at, and for the year ended 31st March 2026 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Company and the other entities consolidated with it are disclosed in pages 512 to 523 of this report. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The immediate parent of Aitken Spence PLC is Melstacorp PLC, and the ultimate parent is Milford Exports (Ceylon) (Private) Ltd.

2 BASIS OF PREPARATION

2.1 Statement of compliance

Financial Statements of the Company and the Group have been prepared in accordance with the Sri Lanka Accounting Standards (the "Accounting Standards"), as issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Accounting Standards comprise:

- Sri Lanka Financial Reporting Standards (SLFRS);
- Sri Lanka Accounting Standards (LKAS);
- Statements of Recommended Practices (SoRPs);
- Statement of Alternate Treatment (SoATs); and
- Financial Reporting Guidelines issued by the CA Sri Lanka.
- The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com.

These financial statements, except for information on cash flows and items measured at fair value as described in note 2.5 have been prepared following the accrual basis of accounting.

The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs and regulations governing the preparation and presentation of the Financial Statements.

2.2 Statement of presentation

The Financial Statements of the Group have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3 Responsibility for financial statements

The Board of Directors of the Company acknowledges its responsibility for the Financial Statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities" and the Certification on the Statement of Financial Position.

2.4 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors on the 05th June 2026. These financial statements include the following components:

- an Income Statement and a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer pages 373 and 374;
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 375;
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company. Refer pages 376 and 378;
- a Statement of Cash Flows providing the information to the users on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 379;
- notes to the financial statements comprising material accounting policies and other explanatory information. Refer pages 381 to 491.

2.5 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following material items stated in the Statement of Financial Position.

Item	Basis of measurement	Note number
Land (recognised under property, Plant and Equipment)	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation.	15
Financial assets classified as fair value through profit or loss	Measured at fair Value	26.1.1 and 37
Financial assets classified as fair value through other comprehensive income	Measured at fair Value	23.1.1 and 37
Assets classified as held for sale	Measured at the lower of carrying amount and fair value less cost to sell	28
Retirement benefit obligations	Measured at the present value of the defined benefit obligation	33
Lease liabilities	Measured at amortised cost using effective interest method	31

2.6 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees which is the currency of the primary economic environment in which the Company operates (the functional currency). All financial information presented in Rupees has been rounded to the nearest thousand except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Each companies of the Group determines its own functional currency and items included in the financial statements of these companies are measured using that functional currency. There were no changes in the presentation or functional currency of the Group companies during the year under review.

Functional currency of all the Group companies is Sri Lankan Rupees other than the following companies whose functional currency is either based on the country of incorporation of the respective company or circumstances that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	United States Dollar
Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	United States Dollar
Port City BPO (Private) Ltd	Sri Lanka	United States Dollar
A.D.S. Resorts Private Ltd	Maldives	United States Dollar
Ace Aviation Services Maldives Private Ltd	Maldives	United States Dollar
Cowrie Investment Private Ltd	Maldives	United States Dollar
Interlifts International Private Ltd	Maldives	United States Dollar
Jetan Travel Services Company Private Ltd	Maldives	United States Dollar
Unique Resorts Private Ltd	Maldives	United States Dollar
Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	United States Dollar
Crest Star (B.V.I) Ltd	British Virgin Islands	United States Dollar
Aitken Spence International Pte. Ltd	Singapore	United States Dollar
Fiji Ports Corporation Ltd	Fiji	Fijian Dollars
Fiji Ports Terminal Ltd	Fiji	Fijian Dollars
Fiji Ships Heavy Industries Ltd	Fiji	Fijian Dollars
Serendib Investments Ltd	Fiji	Fijian Dollars
Aitken Spence Hotel Managements (South India) Ltd	India	Indian Rupee
Aitken Spence Hotel Services Private Ltd	India	Indian Rupee
Perumbalam Resorts Private Ltd	India	Indian Rupee
PR Holiday Homes Private Ltd	India	Indian Rupee

NOTES TO THE FINANCIAL STATEMENTS

Company	Country of Incorporation	Functional Currency
Ace Aviation Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Travels Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Resorts (Middle East) LLC	Oman	Omani Riyal
Ace Bangladesh Ltd	Bangladesh	Bangladeshi Taka
Aitken Spence Cargo Singapore Pte Ltd	Singapore	United States Dollar

2.7 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period.

Or

Is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period.

Or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

The Group classifies deferred tax assets and liabilities under non-current assets and liabilities.

2.8 Materiality and aggregation

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'.

Notes to the financial statements are presented in a systematic manner which ensures the understandability and comparability of financial statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.9 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the income statement, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the material accounting policies of the Company.

2.10 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of any business unit of the Group other than those disclosed in the notes to the financial statements.

3 USE OF ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The preparation of financial statements of the Group and the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, expenses and accompanying disclosures including contingent liabilities. Estimates and judgements which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Items that have a significant effect on Judgements, estimates and assumptions and the respective notes that they are included in are as follows,

Item	Note number
Going concern	2.10
Valuation of freehold land	15
Impairment of non-financial assets	4.3
Recognition of deferred tax assets	12 and 22
Measurement of fair value of unquoted investment	36
Measurement of loss rate to compute ECL allowance for trade receivables	37
Measurement of assets classified as held for sale	28
Measurement of defined benefit obligations: key actuarial assumptions	33
Contingent liabilities	39.1
Recognition of subsidiaries based on de facto control over an investee	4.1.2 and 20.6

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 Group.

Changes in material accounting policies

There were no changes in material accounting policies used by the Group during the financial year. Further, there were no significant impact to the financial statements of the Group from new or amended accounting standards and interpretations that were required to be incorporated into the financial statements with effect from 01st April 2025.

Other material accounting policies not disclosed with individual notes

Set out below are material accounting policies, which have been applied consistently by the Group, but not covered in any other sections.

4.1 Basis of consolidation

4.1.1 Business combinations and Goodwill

Business combinations are accounted for applying the acquisition method on the acquisition date, which is the date on which control is transferred to the Group.

In determining whether a particular set of activities and assets acquired is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input substantive process and its ability to produce outputs. The Group has an option to apply a 'concentration test 'that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date, as excess of the aggregate of the fair value of the consideration transferred; the recognised amount of any non-controlling interests in the acquiree; the fair value of the pre-existing interest in the acquiree if the business combination is achieved in stages; and the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed; measured at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, there after it is not re-measured and settlement is accounted within equity, or else subsequent changes in the fair value of the contingent consideration is recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually as at 31st March or when circumstances indicate that the carrying value of the goodwill may be impaired. For the purpose of impairment testing, from the acquisition date, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the

surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

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

4.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

- The Group controls an investee if, and only if, the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

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

Entities that are subsidiaries of another entity which is a subsidiary of the company are also treated as subsidiaries of the company.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

4.1.3 Non-controlling interest

The proportion of the profits or losses after taxation and each component in the other comprehensive income applicable to outside shareholders of subsidiary companies are included under the heading "Non – controlling interests" in the Consolidated Income Statement and the Statement of Profit or Loss and the Other Comprehensive Income. Losses and negative balances applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "non-controlling interests" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with the equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Changes to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

4.1.4 Loss of control

On a loss of control of a subsidiary, the Group immediately derecognises the assets including goodwill, liabilities, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4.1.5 Reporting date

All subsidiaries, and equity accounted investees of the Group have the same reporting period as the parent company other than the following companies. Financial reporting dates differ across countries, reflecting variations in national fiscal frameworks and regulatory practices. However the Group incorporates the results of these companies up to 31st March in the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Company	Reporting Period
A.D.S. Resorts Private Ltd	31st December
Ace Aviation Services Maldives Private Ltd	31st December
Aitken Spence Cargo (Cambodia) Co. Ltd	31st December
Cowrie Investment Private Ltd	31st December
Fiji Ports Corporation Ltd	31st December
Fiji Ports Terminal Ltd	31st December
Fiji Ships Heavy Industries Ltd	31st December
Interlifts International Private Ltd	31st December
Jetan Travel Services Company Private Ltd	31st December
Unique Resorts Private Ltd	31st December
Serendib Investments Ltd	30th June

4.1.6 Intra-group transactions

Transfer prices between Group entities are set on an arms-length basis in a manner similar to transactions with third parties.

4.1.7 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.2 Foreign currencies

4.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on re-translation are recognised in the income statement, except for differences arising on the re-translation of FVOCI equity investments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign currency gains and losses are reported on a net basis in the income statement.

4.2.2 Foreign operations

Group companies incorporated outside Sri Lanka or Sri Lankan companies in which the reporting currency is other than Sri Lankan Rupees are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at the rate of exchange prevailing on the reporting date. Income and expenses of the foreign entities are translated at the rate of exchange approximating to the actual rate at the dates of the transactions. For practical purposes this is presumed to be the average rate during each month.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity except to the extent the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of in a manner that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. If the Group disposes of only part of its interest in the subsidiary but retains control, the relevant portion of the translation reserve is transferred to non-controlling interest. When the Group disposes of only part of its interest in an equity accounted investee that includes a foreign operation while retaining significant influence or joint-control, the relevant proportion of the cumulative amount of the translation reserve is reclassified to the income statement.

4.3 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

The recoverable amount of goodwill is estimated at each reporting date, or as and when an indication of impairment is identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and

then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.3.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

4.3.2 Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses other than for land carried at revaluation are recognised in the income statement. Reversal of impairment loss on a revalued land, other than for a land where impairment loss has been previously recognised in the income statement, is recognised in other comprehensive income and increases the revaluation surplus for that land. For a land where previous impairment loss has been recognised in the income statement the reversal of that impairment loss is also recognised in the income statement.

4.4 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit/loss for the year.

4.5 Cash flow

The Statement of Cash Flow has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of Cash Flow', whereby operating activities, investing activities and financing activities are separately recognised.

5 NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Group has not early adopted them in preparing these financial statements.

The following amended standards are not expected to have a significant impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other Accounting Standards

The following new and amended accounting standards are not expected to have a significant impact on the group's consolidation financial statements:

Classification and Measurement of Financial Instruments (Amendments to SLFRS 9 and SLFRS 7)

6 OPERATING SEGMENTS

ACCOUNTING POLICY

An operating segment is a distinguishable component of the Group that engages in business activities from which it earns revenue and incurs expenses, including revenue and expenses that relate to transactions with the Group's other segments.

The operations of the Group are categorised under four operating segments based on the nature of the products or services provided by each segment and the risks and rewards associated with the economic environment in which these segments operate. The performance of the Group is evaluated based on the performance of these four main segments by the Group's Managing Director (chief operating decision maker). The internal management reports prepared on these segments are reviewed by the Group's Managing Director on a monthly basis. Details of the Group companies operating under each segment and the products and services offered under each segment are provided under Group Companies in pages 512 to 523.

6.1 Business segments

The Group operates in four business segments namely Tourism sector, Maritime and freight logistics sector, Strategic investments sector and Services sector, segregated based on the nature of the products or services provided and risk and returns of each segment. Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All transactions between group companies whether inter-segmental or intra-segmental are on an arms length basis and in a manner similar to the transactions with third parties.

6.1.1 Business segment analysis of group revenue and profit

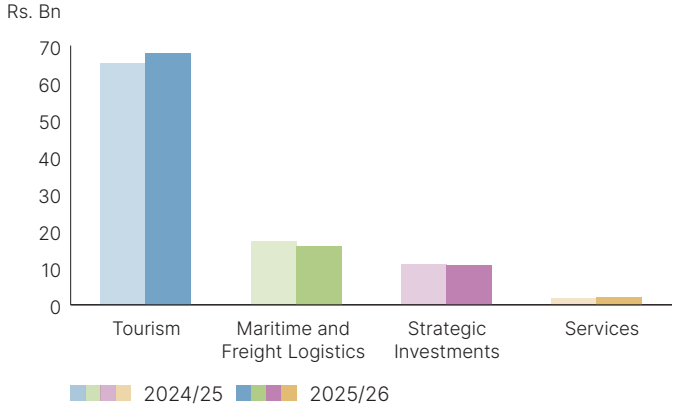
For the year ended 31st March	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Total revenue generated	75,598,834	70,998,526	31,042,871	30,420,476	16,313,727	16,493,025	9,029,297	3,594,154	131,984,729	121,506,181
Intra-segmental revenue	(6,866,268)	(5,116,356)	(613,881)	(801,896)	(552,186)	(1,221,158)	(89,971)	(95,658)	(8,122,306)	(7,235,068)
Total revenue with inter - segmental revenue	68,732,566	65,882,170	30,428,990	29,618,580	15,761,541	15,271,867	8,939,326	3,498,496	123,862,423	114,271,113
Inter - segmental revenue	(65,278)	(81,360)	(159,785)	(161,286)	(922,358)	(905,658)	(380,215)	(320,487)	(1,527,636)	(1,468,791)
Total revenue with equity-accounted investees	68,667,288	65,800,810	30,269,205	29,457,294	14,839,183	14,366,209	8,559,111	3,178,009	122,334,787	112,802,322
Share of equity-accounted investees' revenue	(757,108)	(617,659)	(14,456,635)	(12,258,878)	(4,007,197)	(3,395,359)	(6,522,376)	(1,435,582)	(25,743,316)	(17,707,478)
Revenue from external customers	67,910,180	65,183,151	15,812,570	17,198,416	10,831,986	10,970,850	2,036,735	1,742,427	96,591,471	95,094,844
Profit/(loss) from operations	10,735,124	10,121,946	3,713,493	3,705,874	(212,652)	727,110	578,421	224,411	14,814,386	14,779,341
Finance income	903,170	823,408	192,474	247,564	655,039	780,932	78,163	68,426	1,828,846	1,920,330
Finance expenses	(3,781,844)	(4,978,367)	(366,763)	(387,404)	(1,857,311)	(1,917,787)	(124,610)	(167,002)	(6,130,528)	(7,450,560)
Share of profit/(loss) of equity-accounted investees (net of tax)	(1,563)	-	1,127,919	1,002,385	474,379	373,721	698,839	201,098	2,299,574	1,577,204
Profit/(loss) before tax	7,854,887	5,966,987	4,667,123	4,568,419	(940,545)	(36,024)	1,230,813	326,933	12,812,278	10,826,315
Income tax expense	(1,927,379)	(1,632,870)	(1,166,628)	(1,040,455)	(417,100)	(884,598)	(194,390)	(89,266)	(3,705,497)	(3,647,189)
Profit/(loss) for the year	5,927,508	4,334,117	3,500,495	3,527,964	(1,357,645)	(920,622)	1,036,423	237,667	9,106,781	7,179,126
Depreciation and amortisation	5,480,004	5,217,692	905,081	828,641	941,595	854,019	85,588	79,036	7,412,268	6,979,388
Impairment losses/(reversals) and write offs	118,260	311,285	75,811	(80,978)	202,796	(833,565)	3,284	21,725	400,151	(581,533)
Other non-cash expenses	161,229	119,121	74,878	83,818	113,063	116,855	19,244	16,951	368,414	336,745

There were no impairment losses or any reversals of impairment losses recognised directly in equity during the year.

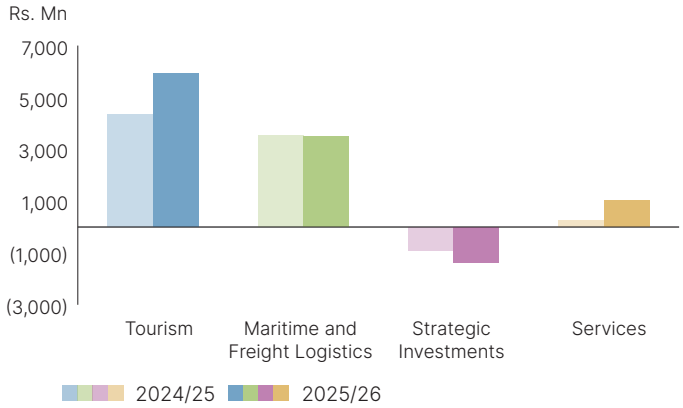
There was no single customer recording revenue from transactions to the value exceeding 10% of the Group revenue during the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS

Business Segment Analysis - Revenue from External Customers



Business Segment Analysis - Profit/ (Loss) for the Year



6.1.2 Business segment analysis of group assets and liabilities

6.1.2.1 Segment assets

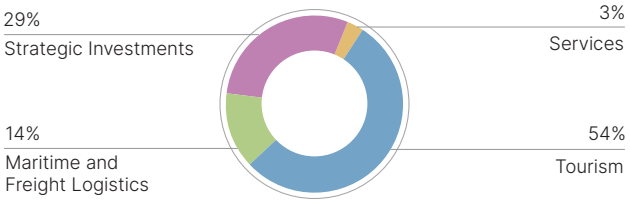
As at	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Non-current assets										
Property, plant and equipment	66,784,294	63,282,367	10,926,350	9,207,266	24,130,152	22,385,509	4,066,409	3,140,744	105,907,205	98,015,886
Investment properties	72,000	72,000	-	-	1,577,502	1,579,793	-	-	1,649,502	1,651,793
Intangible assets (other than goodwill)	44,891	20,858	3,512	4,129	18,530	43,187	5,955	5,961	72,888	74,135
Biological assets	-	-	-	-	67,670	67,104	-	-	67,670	67,104
Right-of-use assets	24,153,762	12,884,189	838,745	984,532	761,730	803,490	7,170	477	25,761,407	14,672,688
Deferred tax assets	601,946	470,636	361,430	452,940	111,460	564,746	93,243	130,786	1,168,079	1,619,108
Other financial assets	1,787,456	972,346	19,097	16,140	72,180	6,186	-	-	1,878,733	994,672
Segment non-current assets	93,444,349	77,702,396	12,149,134	10,665,007	26,739,224	25,450,015	4,172,777	3,277,968	136,505,484	117,095,386
Investments in equity-accounted investees	180,117	-	8,800,780	7,789,131	3,151,220	2,896,562	318,455	243,175	12,450,572	10,928,868
Intangible assets - goodwill on consolidation	-	-	-	-	-	-	-	-	1,410,268	1,468,432
Total non-current assets	93,624,466	77,702,396	20,949,914	18,454,138	29,890,444	28,346,577	4,491,232	3,521,143	150,366,324	129,492,686
Current assets										
Inventories	1,815,578	1,549,584	1,080,080	848,023	1,602,867	1,709,926	380,643	333,621	4,879,168	4,441,154
Trade and other receivables	13,925,902	13,969,527	5,398,745	5,765,881	9,454,565	8,648,726	1,914,135	3,380,778	30,693,347	31,764,912
Current tax receivable	31,053	18,325	94,743	53,518	290,043	236,245	24,525	24,783	440,364	332,871
Deposits and prepayments	2,648,820	3,303,350	445,500	419,734	437,751	562,107	90,987	44,051	3,623,058	4,329,242
Other current assets	6,120,024	5,525,086	1,534,692	1,420,176	21,985,423	19,780,356	14,498	13,030	29,654,637	26,738,648
Cash and short-term deposits	9,598,824	6,270,777	3,670,084	3,024,647	6,045,084	6,721,815	1,076,635	583,446	20,390,627	16,600,685
Segment current assets	34,140,201	30,636,649	12,223,844	11,531,979	39,815,733	37,659,175	3,501,423	4,379,709	89,681,201	84,207,512
Eliminations / adjustments	-	-	-	-	-	-	-	-	(13,286,619)	(12,595,520)
Total current assets	34,140,201	30,636,649	12,223,844	11,531,979	39,815,733	37,659,175	3,501,423	4,379,709	76,394,582	71,611,992
Assets classified as held for sale	-	-	-	-	-	-	-	-	857,481	922,243
Total assets	127,764,667	108,339,045	33,173,758	29,986,117	69,706,177	66,005,752	7,992,655	7,900,852	227,618,387	202,026,921
Total segment assets	127,584,550	108,339,045	24,372,978	22,196,986	66,554,957	63,109,190	7,674,200	7,657,677	226,186,685	201,302,898
Additions to non-current assets	2,165,531	1,717,228	744,855	785,634	658,583	820,818	92,635	32,622	3,661,604	3,356,302

NOTES TO THE FINANCIAL STATEMENTS

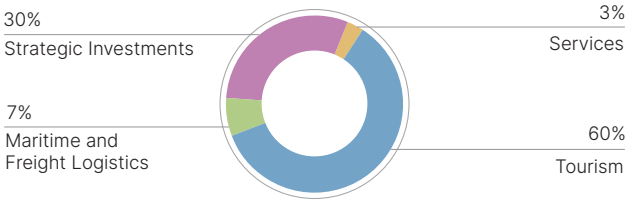
6.1.2.2 Segment liabilities

As at	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Non-current Liabilities										
Interest-bearing loans and borrowings	24,125,779	19,568,451	1,275,000	458,320	11,160,908	13,880,891	-	-	36,561,687	33,907,662
Lease liabilities	20,774,585	9,849,444	633,977	941,557	436,104	424,518	-	-	21,844,666	11,215,519
Deferred tax liabilities	4,623,577	3,438,616	1,571,152	1,217,757	862,404	559,522	912,366	673,017	7,969,499	5,888,912
Employee benefits	968,421	814,406	561,603	502,448	573,748	496,892	90,829	85,263	2,194,601	1,899,009
Other liabilities	-	-	94,685	179,589	-	-	-	-	94,685	179,589
Segment non-current liabilities	50,492,362	33,670,917	4,136,417	3,299,671	13,033,164	15,361,823	1,003,195	758,280	68,665,138	53,090,691
Eliminations / adjustments	-	-	-	-	-	-	-	-	169,266	169,266
Total non-current liabilities	50,492,362	33,670,917	4,136,417	3,299,671	13,033,164	15,361,823	1,003,195	758,280	68,834,404	53,259,957
Current liabilities										
Interest-bearing loans and borrowings	3,710,692	9,925,296	278,416	1,679	2,030,897	1,694,397	-	-	6,020,005	11,621,372
Lease liabilities	1,057,278	1,134,808	498,711	386,737	12,378	12,382	6,943	570	1,575,310	1,534,497
Trade and other payables	20,600,555	20,222,925	4,303,337	5,009,534	11,257,524	11,324,238	776,323	763,342	36,937,739	37,320,039
Current tax payable	1,020,090	709,671	283,520	291,675	171,503	33,796	51,206	67,362	1,526,319	1,102,504
Bank overdrafts and other short-term borrowings	5,593,057	6,552,913	320,397	171,684	14,159,915	10,322,405	1,684,843	2,847,959	21,758,212	19,894,961
Segment current liabilities	31,981,672	38,545,613	5,684,381	5,861,309	27,632,217	23,387,218	2,519,315	3,679,233	67,817,585	71,473,373
Eliminations / adjustments	-	-	-	-	-	-	-	-	(13,286,619)	(12,595,520)
Total current liabilities	31,981,672	38,545,613	5,684,381	5,861,309	27,632,217	23,387,218	2,519,315	3,679,233	54,530,966	58,877,853
Total liabilities	82,474,034	72,216,530	9,820,798	9,160,980	40,665,381	38,749,041	3,522,510	4,437,513	123,365,370	112,137,810
Total segment liabilities	82,474,034	72,216,530	9,820,798	9,160,980	40,665,381	38,749,041	3,522,510	4,437,513	136,482,723	124,564,064

Business Segment Analysis - Segment Assets



Business Segment Analysis - Segment Liabilities



6.2 Geographical information

The geographical information is stated based on the country where the sale occurred, the service rendered and / or the location where assets and liabilities are held.

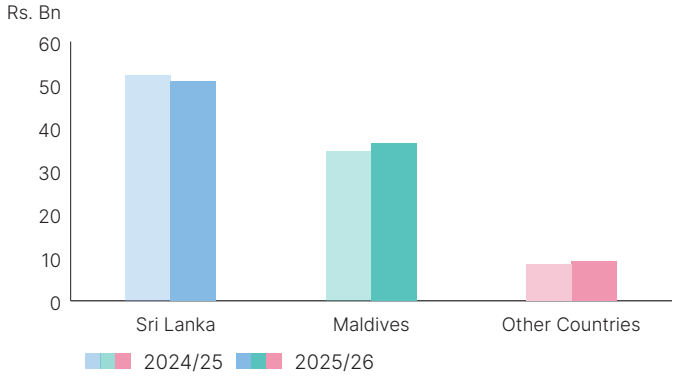
6.2.1 Geographical analysis of group revenue and profit

For the year ended 31st March	Sri Lanka		Maldives		Other countries		Total	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue	50,888,705	52,183,177	36,511,582	34,490,956	9,191,184	8,420,711	96,591,471	95,094,844
Profit from operations	5,285,014	5,936,384	6,743,926	6,709,832	2,785,446	2,133,125	14,814,386	14,779,341
Profit before tax	4,943,268	4,717,006	4,985,287	4,071,973	2,883,723	2,037,336	12,812,278	10,826,315
Profit for the year	2,928,022	2,374,335	4,357,050	3,527,953	1,821,709	1,276,838	9,106,781	7,179,126
Depreciation and amortisation	2,130,198	1,950,157	4,281,554	4,068,918	1,000,516	960,313	7,412,268	6,979,388
Impairment losses / (reversals) and write offs	273,186	(889,350)	(38,936)	224,084	165,901	83,733	400,151	(581,533)
Other non-cash expenses	331,304	302,284	2,951	2,601	34,159	31,860	368,414	336,745

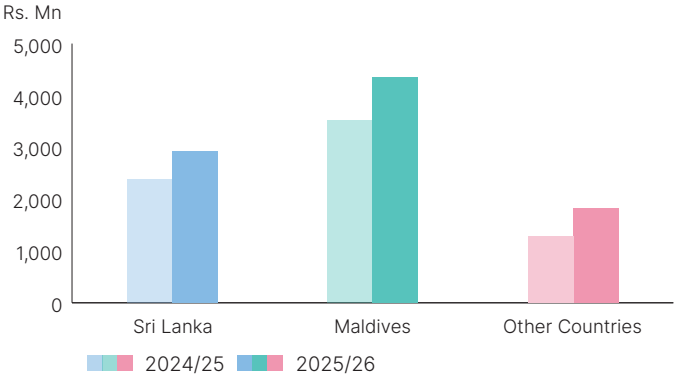
6.2.2 Geographical analysis of group assets and liabilities

As at	Sri Lanka		Maldives		Other countries		Total	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Segment non-current assets	60,549,247	53,140,491	55,092,356	43,662,314	20,863,881	20,292,581	136,505,484	117,095,386
Segment current assets	56,342,553	56,279,931	16,721,835	13,329,856	4,572,966	3,292,027	77,637,354	72,901,814
	116,891,800	109,420,422	71,814,191	56,992,170	25,436,847	23,584,608	214,142,838	189,997,200
Investments in equity-accounted investees	-	-	-	-	-	-	12,450,572	10,928,868
Goodwill on consolidation	-	-	-	-	-	-	1,410,268	1,468,432
Assets classified as held for sale	-	-	-	-	-	-	857,481	922,243
Eliminations / adjustments	-	-	-	-	-	-	(1,242,772)	(1,289,822)
Total assets	116,891,800	109,420,422	71,814,191	56,992,170	25,436,847	23,584,608	227,618,387	202,026,921
Segment non-current liabilities	30,808,615	26,049,561	33,653,532	23,395,976	4,202,991	3,645,154	68,665,138	53,090,691
Segment current liabilities	35,588,802	39,501,892	15,015,035	14,846,674	4,976,632	5,562,518	55,580,469	59,911,084
	66,397,417	65,551,453	48,668,567	38,242,650	9,179,623	9,207,672	124,245,607	113,001,775
Eliminations / adjustments	-	-	-	-	-	-	(880,237)	(863,965)
Total liabilities	66,397,417	65,551,453	48,668,567	38,242,650	9,179,623	9,207,672	123,365,370	112,137,810
Additions to non-current assets	1,937,160	1,954,361	1,172,257	932,876	552,187	469,065	3,661,604	3,356,302

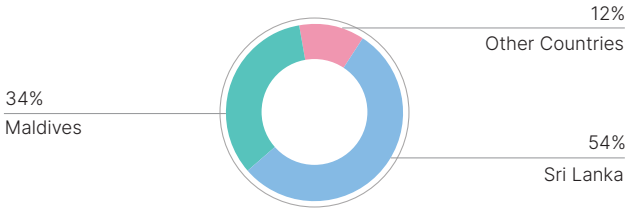
Geographical Analysis - Revenue from External Customers



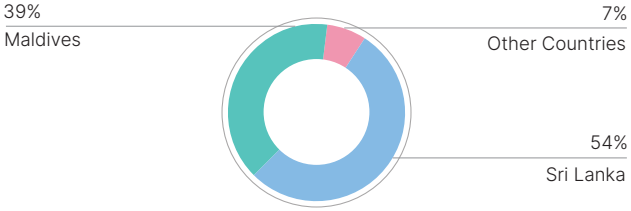
Geographical Analysis - Profit for the Year



Geographical Analysis - Segment Assets



Geographical Analysis - Segment Liabilities



6.3 Geographical analysis of segmental information

6.3.1 Geographical analysis of group revenue and profit in reported segments

For the year ended 31st March	Revenue		Profit /(loss) from operations		Profit /(loss) before tax		Profit /(loss) for the year	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Tourism sector								
- Local	28,319,864	28,460,905	3,785,313	3,472,251	3,207,596	2,696,311	2,139,601	1,783,883
- Overseas	39,590,316	36,722,246	6,949,811	6,649,695	4,647,291	3,270,676	3,787,907	2,550,234
Maritime and freight logistics sector								
- Local	9,842,128	11,167,597	1,170,519	1,530,275	1,485,518	1,746,606	1,035,380	1,284,104
- Overseas	5,970,442	6,030,819	2,542,974	2,175,599	3,181,605	2,821,813	2,465,115	2,243,860
Strategic investments sector								
- Local	10,831,986	10,970,850	(231,552)	717,781	(963,027)	(44,741)	(1,266,992)	(922,985)
- Overseas	-	-	18,900	9,329	22,482	8,717	(90,653)	2,363
Services sector								
- Local	1,894,727	1,583,825	560,734	216,077	1,213,181	318,830	1,020,033	229,333
- Overseas	142,008	158,602	17,687	8,334	17,632	8,103	16,390	8,334
	96,591,471	95,094,844	14,814,386	14,779,341	12,812,278	10,826,315	9,106,781	7,179,126

6.3.2 Geographical analysis of group assets and liabilities segment wise

As at	Non-current assets		Current assets		Total assets	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Tourism sector						
- Local	20,014,585	16,232,841	13,694,255	13,539,633	33,708,840	29,772,474
- Overseas	73,429,764	61,469,555	16,014,803	12,732,685	89,444,567	74,202,240
Maritime and freight logistics sector						
- Local	9,647,873	8,202,665	7,292,431	7,477,551	16,940,304	15,680,216
- Overseas	2,501,261	2,462,342	3,479,763	2,743,314	5,981,024	5,205,656
Strategic investments sector						
- Local	26,720,840	25,431,632	32,880,805	31,563,459	59,601,645	56,995,091
- Overseas	18,384	18,383	634,042	48,372	652,426	66,755
Services sector						
- Local	4,165,949	3,273,353	2,142,069	3,303,819	6,308,018	6,577,172
- Overseas	6,828	4,615	256,414	203,159	263,242	207,774
	136,505,484	117,095,386	76,394,582	71,611,992	212,900,066	188,707,378
Investments in equity-accounted investees	-	-	-	-	12,450,572	10,928,868
Goodwill on consolidation	-	-	-	-	1,410,268	1,468,432
Assets classified as held for sale	-	-	-	-	857,481	922,243
Total assets	136,505,484	117,095,386	76,394,582	71,611,992	227,618,387	202,026,921

As at	Non-current liabilities		Current liabilities		Total liabilities	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Tourism sector						
- Local	13,426,093	7,818,326	10,623,590	17,305,553	24,049,683	25,123,879
- Overseas	37,066,269	25,852,591	16,601,331	17,880,335	53,667,600	43,732,926
Maritime and freight logistics sector						
- Local	3,346,163	2,111,132	2,940,555	2,629,393	6,286,718	4,740,525
- Overseas	790,254	1,188,539	2,225,806	1,526,086	3,016,060	2,714,625
Strategic investments sector						
- Local	13,033,164	15,361,823	19,553,216	15,906,681	32,586,380	31,268,504
- Overseas	-	-	103,108	515	103,108	515
Services sector						
- Local	1,003,195	758,280	2,452,209	3,584,943	3,455,404	4,343,223
- Overseas	-	-	31,151	44,347	31,151	44,347
	68,665,138	53,090,691	54,530,966	58,877,853	123,196,104	111,968,544
Eliminations / adjustments	169,266	169,266	-	-	169,266	169,266
Total liabilities	68,834,404	53,259,957	54,530,966	58,877,853	123,365,370	112,137,810

7 REVENUE

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a good or service to a customer, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Group Revenue is presented net of value added tax (VAT), rebates and discounts and after eliminating intra-group sales.

Sale of goods

Revenue from the sale of goods is recognised on accrual basis at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties and free maintenance).
In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period irrespective of whether the service is billed.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and records the revenue at the net amount that it retains for its agency services.

Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the agreement.

Other Revenue

Rental income

Rental income arising from renting of property, plant and equipment and investment properties is recognised as revenue on a straight-line basis over the term of the hire.

Contract Balances

Contract Assets

Contract Assets represent group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liabilities

Contract Liabilities represent group's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer (or the amount is due).

7.1 Revenue analysis based on revenue streams

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue from contracts with customers				
Rendering of services	88,785,313	87,593,750	1,480,333	1,390,697
Sale of goods	7,312,615	7,060,565	-	-
Royalty income	-	-	125,740	134,219
	96,097,928	94,654,315	1,606,073	1,524,916
Other revenue				
Other revenue	493,543	440,529	54,305	54,274
	493,543	440,529	54,305	54,274
	96,591,471	95,094,844	1,660,378	1,579,190

7.2 Timing of revenue recognition

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Revenue recognised at a point in time	70,558,211	72,199,061	1,606,073	1,524,916
Revenue recognised over time	26,033,260	22,895,783	54,305	54,274
	96,591,471	95,094,844	1,660,378	1,579,190

7.3 Disaggregation of revenue

7.3.1 Business segment analysis of Group revenue

For the year ended 31st March	2026			2025		
	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000
Tourism sector	67,899,002	11,178	67,910,180	65,172,110	11,041	65,183,151
Maritime and freight logistics sector	15,812,570	-	15,812,570	17,198,416	-	17,198,416
Strategic investments sector	3,530,549	7,301,437	10,831,986	3,921,326	7,049,524	10,970,850
Services sector	2,036,735	-	2,036,735	1,742,427	-	1,742,427
	89,278,856	7,312,615	96,591,471	88,034,279	7,060,565	95,094,844

7.3.2 Geographical segment analysis of Group revenue

For the year ended 31st March	2026			2025		
	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000
Sri Lanka	43,576,090	7,312,615	50,888,705	45,122,612	7,060,565	52,183,177
Maldives	36,511,582	-	36,511,582	34,490,956	-	34,490,956
Other countries	9,191,184	-	9,191,184	8,420,711	-	8,420,711
	89,278,856	7,312,615	96,591,471	88,034,279	7,060,565	95,094,844

7.4 Contract balances

As at	Notes	GROUP		COMPANY	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Trade receivables	25	13,364,350	15,030,030	2,224	1,051
Contract assets	25	319,269	310,551	-	-
Contract liabilities	35	(5,508,406)	(4,582,525)	-	-

7.4.1 Carrying value of contract liabilities

For the year	GROUP	
	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	4,582,525	3,124,805
Advances received from customers during the period	50,722,653	43,776,210
Recognised as revenue during the year		
- From contract liabilities at the beginning of the period	(3,875,845)	(2,473,069)
- From performance obligations satisfied during the period	(46,087,668)	(39,360,759)
- Write-back of unutilised old reservation advances	(45,298)	(125,884)
Exchange difference	212,039	(358,778)
Balance as at 31st March	5,508,406	4,582,525

7.5 Performance obligations

Information about the Group's performance obligations are summarised below;

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
Rendering of services		
Tourism sector		
» Hotel operations	The main revenue of the Group's hotel operations is the provision of rooms for guest accommodation (apartment revenue). Apartment revenue is recognised on rooms occupied on a daily basis over the period of the stay, while the revenue from other sources such as food and beverage sales, provision of laundry, telephone, water sports, spa services and transfer and excursion services in the Maldives are accounted for at the time of consumption of the service. Invoices to customers are raised on completion of the hotel stay.	Revenue recognition for the Group's apartment revenue is over the period and other hotel operations is at a point in time.
» Hotel management services	Consists of fees for providing management and marketing services to hotels. Fees for Hotel management services are calculated as a percentage of revenue and operating profit of the hotels.	Revenue for hotel management services is recognised at each month end.
» Inbound and outbound travels	The main activities of the group companies in the inbound and outbound travel segment include selling inbound and outbound tour packages, air tickets, vehicle rentals, managing exhibitions and conventions, and providing other related services. For tour packages and vehicle rentals, customers are invoiced at the commencement of the tour. For air tickets and other services, customers are invoiced at the start of the respective service. Revenue from exhibitions and conventions is recognised upon the completion of the event.	Revenue recognition at a point in time.
» Airline General Sales Agent (GSA)	Overriding commission from the Airlines is recognized on flown basis whereas the ticketing commission from the airline is recorded on the date of the sale.	Revenue recognition at a point in time.

NOTES TO THE FINANCIAL STATEMENTS

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
Maritime and freight logistics sector		
» Maritime and port services	Operations of the Group's maritime segment includes provision of services of a shipping agent, supply of marine lubricants, representation of liner shipping agencies and global container services as an agent of the principal shipping line. Revenue for the segment represents the commission derived from the services rendered to the shipping lines.	Commission income is recognised upon the departure of the vessel.
	Revenue from port operation and management services performed by the Group is recognised on completion of the operation.	Revenue is recognised at a point in time on completion of the port services.
» Freight forwarding and courier	Revenue from the Group's freight forwarding and courier operations is recognised upon fulfilment of the related contractual obligations and excludes amounts collected on behalf of third parties.	Revenue recognition for the freight forwarding and courier operation is at point in time.
» Integrated logistics	Revenue for the Group's Integrated Logistics sector, the Container Freight Station (CFS) and Inland Container Depot (ICD) is recognized when a container departs the facility. For the Transport, Distribution, and Special Operations (SPO) divisions, revenue is recognized upon completion of the agreed contractual activity. Revenue from the Warehousing and Mobile Storage Solutions (MSS) divisions is recognized over time, whereas the Container Repair division records revenue once the service is confirmed as complete and ready.	At a point in time for CFS, depot, transport, distribution, container repair and other special operations and over the period of time for warehouse and mobile storage solutions.
» Airline GSA (Cargo)	Commission income from airline GSA is recognised when cargo is handed over to the airline.	Revenue recognition at a point in time.
Strategic investments sector		
» Power generation	Revenue from renewable power, namely wind, hydro and waste, is recorded based on a fixed or variable tariff in terms of the respective power purchase agreements. Invoices for the generation of power are raised on a monthly basis.	Revenue is recognised on the last day of the month based on the power generated during the month.
Services sector		
» Inward money transfer	The inward money transfer segment of the Group acts as a representative of the Western Union Network (France) SAS, Dandelion Payments, Inc. dba Ria Money Transfer, MoneyGram Payment Systems, Inc. and Muthoot Finserve USA Inc. Representative base compensation is recognised by the company upon the completion of the inward money transfer.	Revenue is recorded at a point in time when inward money transfer is completed.
» Elevator agency	Revenue on equipment sales of elevators is recognised in the income statement by reference to the date of delivery of the equipment to the site. Revenue on installation of elevators is recognised by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to the percentage of work done to date. Revenue for free maintenance inbuilt in the contract is deferred until installation is completed and there after recognised monthly once the maintenance period commences. Revenue for stand alone maintenance agreements are recognised in the income statement on a monthly basis while the revenue for repairs of elevators is recognised upon completion of the repair. However invoices to customers for all above revenue types are raised as per the contract terms.	Revenue on equipment sales of elevators is recognised when the equipments are delivered to the site. Revenue on installation of elevators and maintenance contracts is recognised over time as the services are provided while the revenue for repairs is recognised at a point in time. The stage of completion for determining the amount of revenue to recognise is assessed based on estimate of work completed.

NOTES TO THE FINANCIAL STATEMENTS

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
» Insurance	Commission income of the sale of Insurance policies is recognised upon settlement of the premium to the respective Insurance Companies while revenue from survey and other Insurance services is recongnised upon completion of the professional service.	Revenue recognised for commission income and fees for professional services is at a point in time.
» Property management (Renting of property)	Income for the property management companies is derived from renting of properties owned by them. Invoices for renting of property are issued on a periodical basis over the period of the rental agreement.	Revenue is recognised over time during the period of the rent agreements.
Sale of goods		
Tourism sector		
» Water bottling operation for use in the hotel sector	Customers obtain control of bottled water upon sale of the item. Invoices are generated and revenue is recognised when the bottles are dispatched from the Group's warehouse.	Revenue recognition at a point in time.
Strategic investments sector		
» Printing and packaging (supply of value added printing and packaging products and services)	Customers obtain control of goods when the goods are delivered to them. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods. Invoices are generated and revenue is recognised when the goods are delivered and have been accepted by customers at their premises.	Revenue recognition at a point in time.
» Manufacturing of apparels	Customers obtain control of goods when the garments are handed over to the nominated freight forwarding company who is an agent of the customer. Invoices are generated and revenue is recognised when the manufactured garments are handed over to the freight forwarding company.	Revenue recognition at a point in time.

Payment terms - The Group provides credit to its customers based on normal industry terms which is generally 30 days or as specified in individual contracts with the customers. In certain instances advance payments are obtained from customers prior to commencement of the performance obligation.

8 OTHER OPERATING INCOME

ACCOUNTING POLICY

Dividend income

Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which is generally when the dividend is declared.

Gains and losses from disposal of non-current assets

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non- current assets, including investments in subsidiaries, joint ventures and associates, are accounted in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Net foreign exchange gain /(loss)

Foreign currency differences arising on re-translation of foreign currency monetary items other than the differences arising on the re-translation of FVOCI equity investments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges are recognised in the income statement on a net basis.

Other income categories

All other categories of other operating income are recognised on an accrual basis.

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Dividends from Group subsidiaries and equity-accounted investees		-	-	2,861,521	2,852,658
Dividends from equity securities – at FVTPL		10,865	5,900	3,224	2,201
Net foreign exchange gain / (loss)		1,025,743	(502,707)	1,016,311	(268,915)
Insurance claims received		74,852	78,387	-	-
Gain on disposal of property, plant and equipment		24,469	13,037	-	12,573
Loss on partial disposal of equity accounted investee	21	(77,535)	-	-	-
Gain on retirement of assets held for sale		2,514	-	-	-
Net gain on termination of lease		-	2,392	-	-
Gain on disposal of equity securities – at FVTPL		-	158	-	158
Sundry income		55,651	40,424	1,144	3,599
		1,116,559	(362,409)	3,882,200	2,602,274

9 PROFIT FROM OPERATIONS

Profit from operations is stated after charging the following:

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost of inventories and services	58,060,828	57,584,873	1,551,676	1,310,856
Directors' remuneration and fees	1,294,067	965,768	582,533	514,226
Auditors' remuneration				
- KPMG	34,388	32,050	2,460	2,278
- Other auditors	18,821	15,985	-	-
Fees paid to auditors for non-audit services				
- KPMG	15,309	16,046	2,222	4,298
- Other auditors	27,633	26,524	-	-
Depreciation, amortisation and impairment losses of non-financial assets				
- Depreciation of property, plant and equipment, investment property, right-of-use assets and biological assets	7,364,891	6,934,187	34,100	32,032
- Amortisation of intangible assets	47,377	45,201	17,821	20,072
- Impairment of intangible assets	99,111	81,816	-	-
- Impairment of inventories	128,148	112,552	-	(8)
- Impairment of assets classified as held for sale	7,678	-	-	-
- Impairment losses of investments in subsidiaries and equity-accounted investees	-	-	125,566	25,000
Total of depreciation, amortisation and impairment losses of non-financial assets	7,647,205	7,173,756	177,487	77,096
Impairment losses / (reversals) and write offs of trade & other receivables	113,671	(775,901)	1,507,770	(1,903)
Write off of property, plant and equipment	51,543	-	-	-
Legal Expenses	59,018	80,490	4,106	28,339
Defined contribution plan cost - Sri Lanka	831,502	805,649	112,248	90,226
Defined contribution plan cost - Overseas (Maldives, South India, Fiji and Oman)	225,281	212,408	-	-
Defined benefit plan cost - Retirement benefits	368,414	336,745	40,446	37,879

10 OTHER OPERATING EXPENSES-DIRECT

Direct operating expenses as disclosed in the income statement refers to the cost of services other than staff costs which are directly related to revenue.

Since most of the companies in the Group operate in service industries, other direct operating expenses represents a substantial portion of the total operating costs.

11 FINANCE INCOME AND FINANCE EXPENSES

ACCOUNTING POLICY

Finance income

Finance income comprises of interest income on funds invested, net changes in fair value of financial assets classified as fair value through profit or loss, and gains on the disposal of interest generating investments whether classified under FVTPL or FVOCI financial assets.

Interest income is recognised as it accrues in the income statement. For all financial instruments measured at amortised cost and interest bearing financial assets classified as FVOCI the interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. For interest bearing financial assets carried at fair value, interest is recognised on a discounted cash flow method. Interest income is included under finance income in the income statement.

Finance expenses

Finance expenses comprise interest expense on borrowings and leases, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the asset. Borrowing costs capitalised are disclosed in notes 15 and 18 to the financial statements

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Finance income				
Interest income on financial assets measured at amortised cost	1,781,723	1,874,687	1,882,521	1,876,506
Net change in fair value of equity securities classified as FVTPL	47,123	45,643	22,306	19,460
	1,828,846	1,920,330	1,904,827	1,895,966
Finance expenses				
Interest expense on financial liabilities measured at amortised cost	(5,636,262)	(7,010,236)	(2,160,135)	(2,199,230)
Net impairment (charge) / reversal of financial assets measured at amortised cost	(3,645)	251	(1,331)	192
Other finance charges	(490,621)	(440,575)	(9,380)	(9,823)
	(6,130,528)	(7,450,560)	(2,170,846)	(2,208,861)
Net finance expenses	(4,301,682)	(5,530,230)	(266,019)	(312,895)

12 INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expense comprises of current and deferred taxes. The income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

IFRIC 23 "Uncertainty over income tax treatments" provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. However, the application of IFRIC 23 did not have an impact on the income tax expense for the year.

The Group established that any interest and penalties related to income taxes, including uncertain tax treatments do not meet the definition of income taxes and therefore accounted for them as per LKAS 37 - Provisions, contingent liabilities and contingent assets.

Current tax

The current tax represents the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted, any taxes on dividends received and any adjustment to tax payable in respect of previous years.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

Companies incorporated in Sri Lanka

Provision for current tax for companies incorporated in Sri Lanka has been computed where applicable in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments there to.

Companies incorporated outside Sri Lanka

Provision for current tax for companies incorporated outside Sri Lanka have been computed in accordance to the relevant tax statutes in the country of incorporation.

Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

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

The Group applied deferred tax related to assets and liabilities arising from a Single Transaction where a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets has been recognised.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group statement of financial position and are not offset against each other.

Transfer Pricing

As prescribed in the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the Gazette notifications issued on transfer pricing, companies in the Group have complied with the arm's length principles relating to transfer pricing.

12.1 Sri Lankan Operations

The income tax provision for Aitken Spence PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

In terms of the above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%, except for Companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

» Companies with specified sources exempt from income tax are given in note 12.1.1

» Companies with specified sources liable to income tax at concessionary rates are given in note 12.1.2

» Companies incorporated in Sri Lanka and operating outside Sri Lanka are given in note 12.1.3

Income tax expense for the year includes, Advance Income Tax (AIT) of 15% deducted on the dividend distributions made by resident companies of the Group from their taxable profits.

Deferred tax expense on companies resident in Sri Lanka are calculated based on the tax rates specified in Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The deferred tax expense associated with the revaluation of non-depreciable assets, such as land, takes into account the tax implications that would arise upon the sale of those assets. Furthermore, the Group recognises deferred tax expense for the taxes that are applicable to the undistributed profits of its subsidiary companies.

Tax losses carried forward

The Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies that any unclaimed tax losses incurred during the year from business or investment could be carried forward for further six years under Section 19. In addition, the Investment Incentives specified under Second Schedule to the Act, grants unrelieved tax losses due to enhanced capital allowances to be carried forward for an extended period of 10 years.

Companies in the Group have evaluated the recoverability of unclaimed losses through taxable profit forecasts and deferred tax assets have been recognised accordingly. Deferred tax assets recognised on tax losses would be reviewed at each reporting date based on the taxable profit forecasts and would be reduced to the extent of recoverable amount.

IFRIC 23 “Uncertainty over income tax treatments” provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. The Group has applied significant judgement in identifying uncertainties over income tax treatments for the year and the Group has determined that there were no uncertainties in tax treatments that has an impact on the income tax expense or warrants any disclosure.

12.1.1 Companies with specified sources exempt from income tax

Company	Basis	Statute Reference	Period
Port City BPO (Pvt) Ltd	BPO services to offshore clients	Section 53 of the Colombo Port City Economic Commission Act No. 11 of 2021 and the Extraordinary Gazette issued to the company thereon	25 years ending 2049/2050
Ahungalla Resorts Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Negombo Beach Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Sagasolar Power (Pvt) Ltd	Construction and operation of a solar power plant	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	10 years ending 2027/2028

In addition, the Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies the following income tax exemptions, which are available to companies operating in the Group.

Company	Basis	Statute Reference	Period
All companies incorporated in Sri Lanka	Interest derived in foreign currency on any foreign currency account opened in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka.	Paragraph (i)(iii) of the Third Schedule – Exempt Amounts	Open ended
	Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company.	Paragraph (ooo)(ii) of the Third Schedule – Exempt Amounts	
	Dividends remitted to Sri Lanka from and gains on the realisation of shares in a non-resident company with substantial participation in the non-resident company	Paragraph (r) of the Third Schedule – Exempt Amounts	

12.1.2 Companies with specified sources liable to income tax at concessionary rates

12.1.2.1 Concessionary rates under the BOI Law

Company	Basis	Income Tax Rate*
Ace Power Embilipitiya (Pvt) Ltd	Construction and operation of a thermal power generation plant	15%
Aitken Spence Apparels (Pvt) Ltd	Set up and operate a project to manufacture garments and exports	15%
Logilink (Pvt) Ltd	Operation of a warehousing facility	20%
Ace Wind Power (Pvt) Ltd	Construction and operation of a wind power plant	20%
Aitken Spence Property Developments (Pvt) Ltd	Construction and operation of a luxury office building complex	20%
Branford Hydropower (Pvt) Ltd	Construction and operation of a hydro power plant	20%

** Concessionary income tax rates referred to above are granted after the initial tax exemption period, in terms of Section 17 of BOI Law No. 4 of 1978.*

12.1.2.2 Concessionary rates under the Inland Revenue Act and its amendments thereto

Company	Basis	Income Tax Rate
Aitken Spence Elevators (Private) Limited Aitken Spence Hotel Managements (Pvt) Ltd Aitken Spence Hotel Managements Asia (Pvt) Ltd Aitken Spence Hotels International (Pvt) Ltd Aitken Spence International Consulting (Pvt) Limited Aitken Spence PLC Aitken Spence Ports International Ltd Aitken Spence Travels (Pvt) Ltd Royal Spence Aviation (Pvt) Ltd	Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank. Gains and profits from any foreign source (other than above) derived in foreign currency and remitted to Sri Lanka through a bank.	15%

The companies referred to above are entitled to claim any income tax or withholding tax paid in foreign jurisdictions as foreign tax credits, which may be set off against the corresponding tax liabilities arising from such profits and income in Sri Lanka.

12.1.3 Companies incorporated in Sri Lanka and operating outside Sri Lanka

Company	Countries Operated	Tax Status
Aitken Spence Hotels International (Pvt) Ltd	Maldives	Income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Maldives, Oman	Business profits arising in Oman is liable to tax at 15% and income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Ports International Ltd	Mozambique, Fiji	Income derived from Fiji and Mozambique are subject to withholding tax at 15% and 20% respectively.

12.2 Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to the respective companies. Set out below are the Income tax rates applicable for the companies in the relevant foreign jurisdictions.

Country	Company	Income Tax Rate
British Virgin Islands	Crest Star (B.V.I.) Ltd	Nil
Oman	Aitken Spence Resorts (Middle East) LLC	15%
Maldives	Ace Aviation Services Maldives Pvt Ltd	15%
	A.D.S. Resorts Pvt Ltd	15%
	Cowrie Investment Pvt Ltd	15%
	Interlifts International Pvt Ltd	15%
	Jetan Travel Services Company Pvt Ltd	15%
	Unique Resorts Pvt Ltd	15%
Singapore	Aitken Spence International Pte. Ltd	17%
	Aitken Spence Cargo Singapore Pte. Ltd.	17%
Cambodia	Aitken Spence Cargo (Cambodia) Co., Ltd	20%
Fiji	Fiji Ports Terminal Ltd	25%
	Fiji Ports Corporation Ltd	25%
	Fiji Ships Heavy Industries Ltd	25%
Myanmar	Aitken Spence Travels Myanmar Ltd	22%
	Ace Aviation Myanmar Ltd	22%
India	Aitken Spence Hotel Services Pvt Ltd	25.17%
	PR Holiday Homes Pvt Ltd	25.17%
	Perumbalam Resorts (Pvt) Ltd	25.17%
	Aitken Spence Hotel Managements (South India) Pvt Ltd	25.17%
Bangladesh	Ace Bangladesh Ltd	27.50%

» Dividends paid by companies registered in India, Maldives, Cambodia and Bangladesh are subject to withholding tax of 7.5%, 10%, 14% and 15% respectively as per provisions of the respective Tax Treaties between countries, Income Tax Acts and the regulations issued thereto.

» Dividends paid by companies registered Fiji, Singapore, Oman, Myanmar and British Virgin Islands are not subject to withholding tax as per provisions of the respective Income Tax Acts and the regulations/directives issued thereto.

12.3 Tax recognised in income statements

For the year ended 31st March	Notes	GROUP		COMPANY	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Current tax expense					
Tax on current year profits	12.5	3,146,879	2,569,925	11,397	14,823
Changes in estimates related to prior years		8,269	(12,436)	136	(208)
Withholding tax on dividends paid by subsidiaries		287,479	363,699	-	-
		3,442,627	2,921,188	11,533	14,615
Deferred tax expense / (income)					
Impact of changes in tax rates	12.3.1	-	(17,027)	-	-
Origination of temporary differences		262,870	743,028	8,973	3,107
Deferred tax expense	12.6	262,870	726,001	8,973	3,107
		3,705,497	3,647,189	20,506	17,722
Effective tax rate (including deferred tax)		28.9%	33.7%	1.8%	1.1%
Effective tax rate (excluding deferred tax)		26.9%	27.0%	1.0%	0.9%

Income tax expense excludes, the Group's share of tax expense of the equity-accounted investees recognised in profit/(loss) of Rs. 695.8 million (2024/2025 - Rs. 609.9 million) which is included in 'share of profit of equity-accounted investees (net of tax)'.

12.3.1 Impact of changes in tax rates

For the year ended 31st March	GROUP	
	2026 Rs.'000	2025 Rs.'000
Related to reversal of temporary differences during the year	-	(17,027)
	-	(17,027)

During the year there was no change in the income tax rates in the countries in which the Group operates.

For the year ended 31st March 2025, the impact of change in tax rates reflect the imposition of 15% income tax in Sri Lanka, effective from 01st April 2025 on the foreign sourced income and the service providers rendering services in or outside Sri Lanka, to persons to be utilised outside Sri Lanka, earning in foreign currency. Such income was exempt up to 31st March 2025 and the deferred tax impact reflect the impact of substantially enacted tax rate change.

12.4 Tax recognised in other comprehensive income

12.4.1 Group

For the year ended 31st March	2026			2025		
	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000
Items that will not be reclassified to profit or loss						
Revaluation of freehold land (2024/2025 - tax impact of rate change)	7,970,871	(2,274,909)	5,695,962	-	(13,457)	(13,457)
Actuarial gains / (losses) on defined benefit obligations	(64,303)	24,026	(40,277)	(70,326)	20,062	(50,264)
Equity investments at FVOCI – net change in fair value	(1,935)	582	(1,353)	(3,325)	(1,340)	(4,665)
Share of other comprehensive income of equity-accounted investees (net of tax)	(18,860)	-	(18,860)	(6,993)	-	(6,993)
	7,885,773	(2,250,301)	5,635,472	(80,644)	5,265	(75,379)
Items that are or may be reclassified to profit or loss						
Exchange differences on translation of foreign operations	1,834,342	-	1,834,342	(636,979)	-	(636,979)
Net movement on cash flow hedges	(42,609)	-	(42,609)	679,261	-	679,261
Share of other comprehensive income of equity-accounted investees (net of tax)	381,600	-	381,600	(120,155)	-	(120,155)
	2,173,333	-	2,173,333	(77,873)	-	(77,873)
Other comprehensive income for the year	10,059,106	(2,250,301)	7,808,805	(158,517)	5,265	(153,252)

Tax recognised in other comprehensive income excludes, the Group's share of tax expense of the equity-accounted investees recognised in the other comprehensive income of Rs. 4.4 million (2024/2025 - Rs. 3.4 million) which has been included in 'share of other comprehensive income of equity-accounted investees (net of tax)'.

12.4.2 Company

For the year ended 31st March	2026			2025		
	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000
Items that will not be reclassified to profit or loss						
Actuarial gains / (losses) on defined benefit obligations	(25,019)	7,506	(17,513)	(15,480)	4,644	(10,836)
Equity investments at FVOCI – net change in fair value	(4,892)	1,467	(3,425)	(2,667)	(1,537)	(4,204)
Other comprehensive income for the year	(29,911)	8,973	(20,938)	(18,147)	3,107	(15,040)

12.5 Reconciliation of the accounting profits and current year tax

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Profit before tax	12,812,278	10,826,315	1,134,474	1,664,177
Consolidation adjustments	(2,299,574)	(1,577,204)	-	-
Profit after adjustments	10,512,704	9,249,111	1,134,474	1,664,177
Income not liable for income tax	(2,018,601)	(2,867,119)	(1,088,368)	(1,146,877)
Effect of revenue subject to tax at source	1,165,373	1,997,456	113,974	148,237
Adjusted profit	9,659,476	8,379,448	160,080	665,537
Non - taxable receipts / gains	(10,865)	(20,589)	(2,864,745)	(2,854,859)
Aggregate disallowed expenses	10,733,540	7,526,472	2,211,008	149,841
Capital allowances	(5,744,099)	(7,671,626)	(47,633)	(43,274)
Aggregate allowable deductions	(3,871,905)	(2,539,035)	(1,283,901)	(209,843)
Utilisation of tax losses	(3,876,647)	(2,874,042)	(228,358)	(187,139)
Current year tax losses not utilised	7,184,515	9,164,809	2,167,524	2,627,974
Taxable income	14,074,015	11,965,437	113,975	148,237
Income tax charged at;				
Standard rate- 30%	1,536,371	1,276,090	-	-
Concessionary rates	158,589	52,897	-	-
Varying rates on off - shore profits	1,451,919	1,240,938	11,397	14,823
Tax on current year profits	3,146,879	2,569,925	11,397	14,823
Changes in estimates related to prior years	8,269	(12,436)	136	(208)
Withholding tax on dividends paid by subsidiaries	287,479	363,699	-	-
	3,442,627	2,921,188	11,533	14,615

12.6 Deferred tax expense

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Origination / (reversal) of temporary differences arising from ;				
Accelerated depreciation for tax purposes on property, plant and equipment	115,315	324,235	(1,286)	(2,222)
Right-of-use assets	(58,233)	(63,376)	-	-
Biological assets and others	170	1,690	-	-
Unrealised exchange gain/(loss)	(227,747)	94,314	(126,311)	(7,083)
Undistributed profits of consolidated entities	-	39,540	-	-
Retirement benefit obligations	(52,311)	(46,429)	(11,191)	(6,349)
Tax losses carried forward	497,012	73,485	148,160	18,703
Expected credit losses	(46,728)	231,758	(399)	58
Obsolete stocks	(32,529)	(8,225)	-	-
Lease liabilities	67,921	79,009	-	-
	262,870	726,001	8,973	3,107

12.7 Tax losses carried forward

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Tax losses brought forward	56,483,118	50,037,226	9,638,464	7,342,666
Adjustments to tax loss brought forward and tax losses arising during the year	4,263,995	9,693,357	2,267,279	2,482,937
Utilisation of tax losses	(3,876,647)	(2,874,042)	(228,358)	(187,139)
Write off of unclaimable tax losses	(1,447,630)	(373,423)	-	-
Tax losses carried forward	55,422,836	56,483,118	11,677,385	9,638,464

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 11,314.8 million (2024/2025 - Rs. 11,130.6 million) since utilization against future taxable profits are not probable. For Aitken Spence PLC, deferred tax assets unaccounted on losses as at 31.03.2026 amounted to Rs. 2,895.2 million (2024/2025 - Rs. 2,135.3 million).

12.7.1 Tax losses for which no deferred tax asset was recognised expire as follows.

	2025/2026 Rs.'000	Expiry date	2024/2025 Rs.'000	Expiry date
Group	11,314,810	2026/2027 - 2033/2034	11,130,552	2025/2026 - 2033/2034
Company	2,895,152	2028/2029 - 2031/2032	2,135,315	2028/2029 - 2030/2031

13 EARNINGS PER SHARE

ACCOUNTING POLICY

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares.

Basic Earnings per Share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

For the year ended 31st March	GROUP		COMPANY	
	2026	2025	2026	2025
Net profit attributable to equity holders of the company (Rs.)	6,795,584,545	5,330,918,543	1,113,967,775	1,646,455,255
Weighted average number of ordinary shares in issue	405,996,045	405,996,045	405,996,045	405,996,045
Earnings per share (Rs.)	16.74	13.13	2.74	4.06

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

14 DIVIDENDS PER SHARE

For the year ended 31st March	2026 Rs.'000	2025 Rs.'000
First and final ordinary dividend of Rs. 4.00 per share* (2024/2025 - Rs. 4.00 per share)	1,623,984	1,623,984
	1,623,984	1,623,984

* The Directors have recommended a first and final dividend of Rs. 4.00 per share for the year ended 31st March 2026 to be approved at the Annual General Meeting on 30th June 2026. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company will satisfy the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and will obtain a certificate from the auditors, prior to the payment of the first and final dividend on or before 20th July 2026.

In compliance with Sri Lanka Accounting Standard LKAS 10 - Events after the reporting period, the first and final dividend recommended is not recognised as a liability in the financial statements as at 31st March 2026.

15 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Recognition and measurement

All items of property, plant and equipment are recognised initially at cost.

The cost of an item of property, plant and equipment comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use, and the attributable borrowing costs if the recognition criteria are met. The cost of an item also includes an initial estimate of the cost of dismantling and removing the items and restoring the site on which it is located.

Items of property, plant and equipment other than land, are measured at cost less accumulated depreciation and accumulated impairment losses.

The Group recognises land owned by it in the statement of financial position at the revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land does not change other than by an insignificant amount at each reporting period the Group will revalue such land every 5 years.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation of land is recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same land.

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land owned by the Group based on market values, which 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.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Significant components of property, plant and equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

Subsequent cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

The estimated useful lives are as follows

Asset	Useful Life
Freehold buildings	08 - 50 years
Plant and machinery	10 - 20 years
Equipment	04 - 15 years
Power generation plants	10 - 20 years or over the period of the power purchase agreement
Motor vehicles	04 - 10 years
Furniture and fittings	10 - 20 years
Computer equipment	03 - 05 years
Crockery, cutlery and glassware	03 - 05 years
Motorboats	05 years
Soft furnishing	03 - 05 years
Swimming pool equipment	15 - 30 years

Power generation plants of some of the Group companies in the renewable energy segment that are not depreciated as above are depreciated on the unit of production basis.

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

The cost of major planned overhauls capitalised are depreciated over the period until the next planned maintenance.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic, benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised by the Group upon disposal (i.e., at the date the recipient obtains control).

NOTES TO THE FINANCIAL STATEMENTS

15.1 Group

	Freehold Land Rs.'000	Freehold buildings Rs.'000	Plant machinery and equipment Rs.'000	Motor vehicles Rs.'000	Furniture and fittings Rs.'000	Capital work-in-progress Rs.'000	Total 2025/2026 Rs.'000	Total 2024/2025 Rs.'000
Cost or revaluation								
Balance as at 01st April								
- Recognised under non-current	22,565,936	73,295,633	44,189,671	4,487,629	6,375,648	1,446,140	152,360,657	150,987,202
- Recognised under current	-	305,997	-	46,480	5,507	-	357,984	1,971,451
Surplus on revaluation	7,970,871	-	-	-	-	-	7,970,871	-
Companies disposed during the year	-	-	-	-	-	-	-	(19,216)
Exchange difference	291,663	2,972,167	1,265,103	85,962	234,774	2,090	4,851,760	(1,497,469)
Additions	-	298,382	2,030,339	442,687	167,344	680,191	3,618,943	3,288,913
Capitalisation of depreciation (right-of-use assets)	-	-	-	-	-	6,078	6,078	8,558
Classified as held for sale	-	-	-	-	-	-	-	(1,614,799)
Reclassified to intangible assets	-	-	(40,405)	-	-	-	(40,405)	(18,341)
Other transfers	-	521,218	390,132	15,542	18,977	(945,869)	-	-
Write-offs	-	-	-	-	-	(51,543)	(51,543)	-
Disposals	-	(424,181)	(371,554)	(76,974)	(25,547)	-	(898,256)	(387,658)
Balance as at 31st March	30,828,470	76,969,216	47,463,286	5,001,326	6,776,703	1,137,087	168,176,088	152,718,641
- Recognised under non-current	30,828,470	76,663,219	47,463,286	4,954,846	6,771,196	1,137,087	167,818,104	152,360,657
- Recognised under current	-	305,997	-	46,480	5,507	-	357,984	357,984
Accumulated depreciation								
Balance as at 01st April								
- Recognised under non-current	-	22,777,556	23,429,519	3,433,111	4,704,585	-	54,344,771	49,958,507
- Recognised under current	-	305,997	-	37,197	5,507	-	348,701	1,420,954
Companies disposed during the year	-	-	-	-	-	-	-	(17,032)
Exchange difference	-	1,102,699	983,823	72,349	164,610	-	2,323,481	(568,435)
Charge for the year	-	2,402,086	2,663,253	171,008	482,580	-	5,718,927	5,331,381
Classified as held for sale	-	-	-	-	-	-	-	(1,074,589)
Reclassified to intangible assets	-	-	(40,049)	-	-	-	(40,049)	(14,860)
Other transfers	-	8,453	(2,280)	(19,031)	12,858	-	-	-
Disposals	-	(63,118)	(280,073)	(72,633)	(20,407)	-	(436,231)	(342,454)
Balance as at 31st March	-	26,533,673	26,754,193	3,622,001	5,349,733	-	62,259,600	54,693,472
- Recognised under non-current	-	26,227,676	26,754,193	3,584,804	5,344,226	-	61,910,899	54,344,771
- Recognised under current	-	305,997	-	37,197	5,507	-	348,701	348,701
Carrying amount as at 31st March 2026	30,828,470	50,435,543	20,709,093	1,379,325	1,426,970	1,137,087	105,916,488	
- Recognised under non-current	30,828,470	50,435,543	20,709,093	1,370,042	1,426,970	1,137,087	105,907,205	
- Recognised under current *	-	-	-	9,283	-	-	9,283	
Carrying amount as at 31st March 2025	22,565,936	50,518,077	20,760,152	1,063,801	1,671,063	1,446,140		98,025,169
- Recognised under non-current	22,565,936	50,518,077	20,760,152	1,054,518	1,671,063	1,446,140		98,015,886
- Recognised under current	-	-	-	9,283	-	-		9,283

* Consequent to the expiry of the short term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024 and the direction received from the Board of Directors of Aitken Spence PLC (refer note 28) the financial statements of Ace Power Embilipitiya (Pvt) Ltd., have been prepared on a non-going concern basis, and therefore the remaining property, plant and equipment of the company continue to be treated under current assets.

Capital work-in-progress represents the amount of expenditure recognised under property plant and equipment during the construction of a capital asset.

The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign operations which are accounted for in foreign currencies and translated to the reporting currency at the balance sheet date.

In compliance with the accounting policy, land owned by Group companies are revalued by independent professional valuers at least once in every five years unless there is an indication of a significant change in the market rates. Details of the revalued land are given in the note 15.4.2 to the financial statements. Tax impact on revaluation of land is given in note 12 to the financial statements.

On re-assessment of the fair value of the Group's assets, it has been identified that there is no impairment of property plant and equipment which requires provision in the financial statements.

15.2 Company

	Plant machinery and equipment Rs.'000	Motor vehicles Rs.'000	Furniture and fittings Rs.'000	Total 2025/2026 Rs.'000	Total 2024/2025 Rs.'000
Cost					
Balance as at 01st April	272,517	104,315	80,496	457,328	427,971
Additions	19,287	-	4,212	23,499	43,917
Disposals	-	-	-	-	(14,560)
Balance as at 31st March	291,804	104,315	84,708	480,827	457,328
Accumulated depreciation					
Balance as at 01st April	197,819	83,309	79,066	360,194	343,862
Charge for the year	29,238	6	744	29,988	28,465
Disposals	-	-	-	-	(12,133)
Balance as at 31st March	227,057	83,315	79,810	390,182	360,194
Carrying amount as at 31st March 2026	64,747	21,000	4,898	90,645	
Carrying amount as at 31st March 2025	74,698	21,006	1,430		97,134

15.3 Usage of fully depreciated assets, security on assets pledged and borrowing cost capitalised

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost of fully depreciated property, plant and equipment still in use	26,331,826	20,447,607	373,002	346,210
Property, plant and equipment pledged by the Group as security for banking facilities	41,762	49,745	-	-
Borrowing cost capitalised during the year on qualifying assets on;				
- Interest-bearing loans and borrowings (capitalisation rate for 2025/2026 10.35%)	37,919	64,232	-	-
- Lease liabilities (capitalisation rate for 2025/2026 10.65%)	9,529	13,425	-	-
- Short-term borrowings	-	5,261	-	-

15.4 Freehold land

15.4.1 Carrying amount of land

As at	Notes	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Land carried at revalued amount	15.4.2	30,828,470	22,517,814
Land carried at cost (fair value)		-	48,122
		30,828,470	22,565,936

15.4.2 Land carried at revalued amount

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs. / Equivalent Rs.	Extent	Carrying amount as at 31.03.2026 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence PLC (a)	Vauxhall Street, Colombo 02	20.03.2026	18,500,000	1 A 0 R 12.78 P	3,195,848	3,194,691	1,157
	K. Cyril C. Perera Mw., Colombo 13	26.03.2026	4,600,000	1 A 0 R 20.37 P	832,936	827,945	4,991
	Sri Wickrema Mw., Colombo 15	26.03.2026	1,600,000	3 A 3 R 31.00 P	1,004,500	961,539	42,961
	Moragalla, Beruwala	06.03.2026	1,000,000	10 A 1 R 23.97 P	1,663,970	1,663,016	954
	Inner Harbour Road, Trincomalee	17.03.2026	650,000	0 A 1 R 4.95 P	29,000	29,000	-
Ace Containers (Pvt) Ltd (a)	Negombo Road, Wattala	10.03.2026	700,000	22 A 0 R 24.88 P	2,480,000	2,385,447	94,553
	Colombo Road, Welisara	10.03.2026	1,000,000	8 A 1 R 3.20 P	1,356,000	1,269,327	86,673
	Negombo Road, Welisara, Ragama	10.03.2026	1,000,000	1 A 0 R 34.30 P	185,000	97,935	87,065
Ace Distriparks (Pvt) Ltd (a)	Negombo Road, Wattala	05.03.2026	2,250,000	2 A 2 R 17.03 P	938,000	568,438	369,562
Ahungalla Resorts Ltd (b)	"Ahungalla Resorts", Galle Road, Ahungalla	31.03.2026	600,000 - 900,000	12 A 3 R 35.21 P	1,760,877	861,000	899,877
Aitken Spence (Garments) Ltd (c)	Agalawatte Road, Matugama	08.10.2025	850,000	2 A 2 R 31.94 P	367,149	361,989	5,160
Aitken Spence Hotel Holdings PLC (b)	"Heritance Ahungalla", Galle Road, Ahungalla	31.03.2026	900,000	11 A 3 R 34.02 P	1,722,618	1,704,416	18,202
	"Heritance Ahungalla", Galle Road, Ahungalla	31.03.2026	700,000	0 A 0 R 39.26 P	27,500	22,293	5,207

NOTES TO THE FINANCIAL STATEMENTS

Company	Location	Last revaluation date	Estimated price per perch (Significant unobservable inputs) Rs. / Equivalent Rs.	Extent	Carrying amount as at 31.03.2026 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence Hotel Managements (South India) Ltd (d)	Rajiv Gandhi Salai, Kottivakkam, OMR, Chennai, India	12.08.2025	16,000,000	0 A 3 R 14.40 P	2,114,318	1,387,044	727,274
Aitken Spence Property Developments Ltd (a)	St.Rita's Estate, Mawaramandiya	10.03.2026	700,000	3 A 1 R 26.75 P	378,800	354,372	24,428
	St.Rita's Estate, Mawaramandiya	10.03.2026	600,000	1 A 0 R 0.00 P	96,000	41,761	54,239
Aitken Spence Resorts (Middle East) LLC (e)	Al Hamriya, Sultanate of Oman	25.03.2026	7,000,000	5 A 0 R 7.87 P	5,731,041	171,926	5,559,115
Branford Hydropower (Pvt) Ltd (a)	Gangabada Road, Kaludawela, Matale	17.03.2026	80,000	2 A 0 R 14.00 P	26,720	16,187	10,533
Clark Spence and Company (Pvt) Ltd (a)	Church Street, Galle	10.03.2026	12,500,000	0 A 1 R 26.60 P	832,500	832,465	35
Heritance (Pvt) Ltd (b)	Moragalla, Beruwala	31.03.2026	1,000,000	5 A 3 R 6.80 P	926,800	915,720	11,080
Kandalama Hotels Ltd (b)	Kandalama, Dambulla	31.03.2026	625	169 A 2 R 22.00 P	16,964	9,580	7,384
	Kandalama, Dambulla	31.03.2026	30,000	13 A 3 R 38.00 P	66,840	18,718	48,122
Logilink (Pvt) Ltd (a)	Negombo Road, Welisara	10.03.2026	800,000	2 A 1 R 9.50 P	295,000	212,509	82,491
Meeraladuwa (Pvt) Ltd (b)	Meeraladuwa Island, Balapitiya	31.03.2026	60,000-225,000	29 A 2 R 9.00 P	354,950	254,688	100,262
Neptune Ayurvedic Village (Pvt) Ltd (b)	Ayurvedic village - Moragalla, Beruwala	31.03.2026	350,000	0 A 0 R 19.30 P	6,750	2,686	4,064
Perumbalam Resorts (Pvt) Ltd (f)	Cochin - Kerala, India	28.03.2026	165,000	4 A 0 R 11.39 P	106,846	93,030	13,816
PR Holiday Homes (Pvt) Ltd (f)	Cochin - Kerala, India	28.03.2026	360,000	13 A 2 R 10.05 P	797,597	637,457	160,140
Turyaa (Pvt) Ltd (b)	Parallel Road, Kudawaskaduwa, Kalutara	31.03.2026	700,000-1,000,000	5 A 1R 37.90 P	853,630	833,865	19,765
	Sea Beach Road, Kalutara	31.03.2026	1,000,000	0 A 1R 26.47 P	66,470	64,982	1,488
	Kudawaskaduwa, Kalutara	31.03.2026	600,000-1,000,000	1 A 3 R 33.20 P	309,200	252,421	56,779
	Kudawaskaduwa, Kalutara	31.03.2026	900,000	0 A 1 R 32.70 P	65,430	56,256	9,174
Vauxhall Investments (Pvt) Ltd (a)	K. Cyril C. Perera Mw., Colombo 13	26.03.2026	4,600,000	0 A 1 R 21.08 P	282,064	260,225	21,839
Vauxhall Property Developments Ltd (a)	Vauxhall Street, Colombo 02	20.03.2026	18,500,000	0 A 2 R 24.73 P	1,937,152	1,922,421	14,731
					30,828,470	22,285,349	8,543,121

The above lands have been revalued on the basis of current market value by independent, qualified valuers who have recent experience in the location and category of property being valued.

a Valuation of the land was carried out by Mr. K.C.B Condegama, F.I.V [Sri Lanka].

b. Valuation of the land was carried out by Mr. S.Sivaskantha , F.I.V [Sri Lanka].

c Valuation of the land was carried out by Sunil Fernando and Associates (Pvt) Ltd, Chartered Valuation Surveyors [Sri Lanka].

d Valuation of the land was carried out by CBRE South Asia Pvt. Ltd, [India].

e. Valuation of the land was carried out by R. Tulsian Global, [Oman].

f. Valuation of the land was carried out by Er. MAYA R, M. Tech, M.I.E., C. E(I), F.I.V., BEEE [India].

The level at which fair value measurement is categorised and the summary description of valuation techniques can be found in fair value measurement disclosures in note 36.1 and 36.3 respectively.

16 INVESTMENT PROPERTIES

ACCOUNTING POLICY

Recognition and measurement

A property that is held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, by the Group are accounted for as investment properties.

An investment property is measured initially at its cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is measured at its cost at the date when the construction or development is complete.

The Group applies the cost model for investment properties in accordance with Sri Lanka Accounting Standard (LKAS 40) - "Investment Property". Accordingly, land classified as investment properties are stated at cost less any accumulated impairment losses and buildings classified as investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

No depreciation is provided on land treated as investment property.

Depreciation of other investment property of the Group is provided for on a consistent basis, over the period appropriate to the estimated useful lives of the assets on a straight-line method as follows:

Asset	Useful Life
Buildings	08 - 50 years

In the consolidated financial statements, properties which are occupied by companies within the Group for the production or supply of goods and services or for administrative purposes are treated as property, plant and equipment, while these properties are treated as investment property in the financial statements of the company owning the asset, if such company has rented out the property to other Group companies.

16.1 Movement during the year

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Cost				
Balance as at 01st April	1,656,313	1,634,031	3,516,952	3,494,670
Additions	-	22,282	-	22,282
Balance as at 31st March	1,656,313	1,656,313	3,516,952	3,516,952
Accumulated depreciation				
Balance as at 01st April	4,520	2,773	82,664	79,097
Charge for the year	2,291	1,747	4,112	3,567
Balance as at 31st March	6,811	4,520	86,776	82,664
Carrying amount as at 31st March	1,649,502	1,651,793	3,430,176	3,434,288

16.2 Amounts recognised in profit or loss

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Rental income earned	-	-	54,305	54,274
Direct operating expenses generating rental income	-	-	1,278	1,454
Direct operating expenses that did not generate rental income	16,601	40,393	16,601	40,393

There were no restrictions on the realisability of any investment property or on the remittance of income or proceeds of disposal.

16.3 Details of land and buildings classified as investment property

Company	Location	Extent		Significant unobservable inputs *		Carrying amount as at 31.03.2026		Number of buildings
		Land	Building	Estimated price per perch of land Rs.	Estimated price per square foot of building Rs.	Group Rs.'000	Company Rs.'000	
Aitken Spence PLC	Vauxhall Street, Colombo 02	1 A 0 R 12.78 P	-	18,500,000	-	-	900,000	-
	K. Cyril C. Perera Mw., Colombo 13	1 A 0 R 20.37 P	7,988 sq.ft	4,600,000	2,500 - 3,500	-	223,650	2
	Sri Wickrema Mw., Colombo 15	3 A 3 R 31.00 P	7,282 sq.ft	1,600,000	3,750 - 5,750	-	188,000	7
	Moragalla, Beruwala	10 A 1 R 23.97 P	125,349 sq.ft	1,000,000	12,500	-	528,324	6
	Inner Harbour Road, Trincomalee	0 A 1 R 4.95 P	1,970 sq.ft	650,000	3,500	-	12,700	1
	Irakkakandi Village, VC Road, Nilaweli	108 A 1 R 0.00 P	325 sq.ft	80,000 - 275,000	2,000	1,577,502	1,577,502	1
Aitken Spence Hotel Managements (Pvt) Ltd	Irakkakandi Village, VC Road, Nilaweli	5 A 0 R 1.00 P	-	80,000 - 275,000	-	72,000	-	-
Aitken Spence Developments (Pvt) Ltd	Park Road Kerawalapitiya, Wattala	-	1,680 sq.ft	-	1,500	-	-	8
						1,649,502	3,430,176	

* The level at which fair value measurement is categorised and the summary description of valuation techniques can be found in fair value measurement disclosures in note 36.1 and 36.3 respectively.

16.4 Market value

Investment properties in the Group are accounted for on the cost model. The open market value of these properties as at 31st March 2026 based on valuation carried out by an independent, qualified valuer who has recent experience in the location and category of investment property being valued, are for the Group, Rs. 2,922 million (2024/2025 - Rs.2,652 million) and for the company, Rs. 10,533 million (2024/2025 - Rs.8,212 million).

17 INTANGIBLE ASSETS

ACCOUNTING POLICY

Initial Recognition and measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use.

The cost of an intangible asset acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

Subsequent costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Subsequent measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life of the asset and assessed for impairment. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets recognised by the Group

Computer software

All computer software costs incurred and licensed for use by the Group, which do not form an integral part of related hardware, and can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

Website Costs

Costs incurred on development of websites are capitalised as intangible assets when the entity is satisfied that the web site will generate probable economic benefits in the future.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The policy on measurement of goodwill at initial recognition is given in note 4.1.1.

Goodwill is subsequently measured at cost less accumulated impairment losses.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is allocated to the carrying amount of the equity accounted investee.

In accordance with the above, the Group assess the useful life of the computer software and website costs have a finite useful life:

Intangible Asset	Useful Life
Computer Software	3-5 years
Website Cost	3-5 years

NOTES TO THE FINANCIAL STATEMENTS

17.1 Group

	Goodwill Rs.'000	Software Rs.'000	Other intangibles Rs.'000	Total 2025/2026 Rs.'000	Total 2024/2025 Rs.'000
Cost					
Balance as at 01st April	1,748,606	823,408	10,020	2,582,034	2,541,840
Exchange difference	48,937	23,769	-	72,706	(16,392)
Additions	-	37,387	-	37,387	38,245
Reclassified from property, plant and equipment	-	40,405	-	40,405	18,341
Disposals	-	(288,403)	-	(288,403)	-
Balance as at 31st March	1,797,543	636,566	10,020	2,444,129	2,582,034
Accumulated amortisation / impairment					
Balance as at 01st April	280,174	749,700	9,593	1,039,467	901,791
Exchange difference	7,990	15,382	-	23,372	(4,201)
Amortisation for the year	-	47,377	-	47,377	45,201
Impairment during the year (note 17.1.1.2)	99,111	-	-	99,111	81,816
Reclassified from property, plant and equipment	-	40,049	-	40,049	14,860
Disposals	-	(288,403)	-	(288,403)	-
Balance as at 31st March	387,275	564,105	9,593	960,973	1,039,467
Carrying amount as at 31st March 2026	1,410,268	72,461	427	1,483,156	
Carrying amount as at 31st March 2025	1,468,432	73,708	427		1,542,567

There were no intangible assets pledged by the Group as security for facilities obtained from banks (2024/2025- nil).

Intangible assets as at 31st March 2026 includes fully amortised assets having a gross carrying amount (cost) of Rs. 398.8 million that are still in use (2024/2025 - Rs. 757.1 million).

17.1.1 Goodwill

17.1.1.1 Net carrying value of goodwill

Goodwill arising on business combinations have been allocated to the following cash generating units (CGU's) for impairment testing.

As at	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Tourism sector		
- Hotels -Oman	650,267	688,377
Maritime and freight logistics sector		
- Port services -Fiji	378,637	378,637
Strategic investments sector		
- Power generation -Solar	331,364	331,364
- Power generation -Waste to energy	50,000	50,000
Services sector		
- Other services -Money transfer	-	20,054
	1,410,268	1,468,432

17.1.1.2 Impairment of goodwill

Impairment during the year

The recoverable amount of the Hotel-Oman CGU was determined based on its value in use calculation, established by discounting the future cash flows to be generated from the continuing use of the CGU. The carrying amount of the CGU was identified to be higher than its recoverable amount of OMR 8.6 million. Hence an impairment loss of OMR 100,000 (equivalent to Rs. 79.1 million) has been recognised during the financial year 2025/2026 (2024/2025 - OMR 105,751).

The goodwill relating to the Other Services – Money Transfer CGU was fully impaired during the year, resulting in an impairment charge of Rs. 20.1 million (2024/2025 - Nil), due to expected losses in the near future stemming from the nature of its operations.

Total of above impairment losses was allocated to goodwill and recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

Impairment assessment

On annual testing of impairment of goodwill the recoverable amount is determined based on value-in-use calculations. The key assumptions used in this calculation are given below;

As at	31.03.2026		31.03.2025	
	Business growth rate	Discount rate	Business growth rate	Discount rate
Hotels -Oman	4.6%	11.5%	12.0%	13.7%
Port services -Fiji	4.0%	4.0%	5.0%	4.0%
Power generation -Solar	-	8.9%	-	10.6%
Power generation -Waste to energy	-	8.9%	-	10.6%
Other services -Money transfer	N/A	8.9%	13.0%	10.6%

These value-in-use calculations use cash flow projections based on financial budgets approved by management. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

Business growth	» Based on the long term average growth rate for each business unit where applicable. The weighted average growth rate used is consistent with the forecasts included in industry reports. » For CGUs other than for Strategic investments sector the volume growth has been budgeted on a reasonable and realistic basis for a period of five years. As per the terms of the Power Purchase Agreement, static business growth is reflected in the solar and waste to energy power generation CGUs with projected cash flows till the end of the agreement.
Discount rate	» Pre-tax rate that reflects current market assessments of the time value of money specific to the country and the risks specific to the CGU have been used in the discounted cash flow calculations.
Inflation	» Based on current inflation rate.
Margin	» Based on past performance and budgeted expectations.

Sensitivity to changes in key assumptions

Management has identified that a reasonable possible change in the two key assumptions namely, business growth rate and discount rate could cause the carrying amount to exceed the recoverable amount. Given below is the change required individually for each key assumptions, for the carrying amount to equate the recoverable amount.

As at	31.03.2026		31.03.2025	
	Business growth rate decrease by	Discount rate increase by	Business growth rate decrease by	Discount rate increase by
Hotels -Oman *	N/A	N/A	N/A	N/A
Port services -Fiji	1.0%	0.5%	<100%	23.0%
Power generation -Solar	-	2.9%	-	0.6%
Power generation -Waste to energy	-	4.5%	-	1.4%
Other services -Money transfer **	N/A	N/A	5.0%	>100%

* Following the impairment loss recognised in the Group's intangible assets; the recoverable amount of goodwill, was equal to the carrying amount. Therefore, any adverse movement in key assumptions could lead to further impairment.

** Carrying amount of the goodwill was fully impaired during the financial year.

17.2 Company

For the year	Software	
	2025/2026 Rs.'000	2024/2025 Rs.'000
Cost or valuation		
Balance as at 01st April	274,033	274,033
Disposals	(117,928)	-
Balance as at 31st March	156,105	274,033
Accumulated amortisation		
Balance as at 01st April	247,782	227,710
Charge for the year	17,821	20,072
Disposals	(117,928)	-
Balance as at 31st March	147,675	247,782
Carrying amount as at 31st March	8,430	26,251

There were no intangible assets pledged by the Company as security for facilities obtained from banks (2024/2025 - nil).

Intangible assets as at 31st March 2026 includes fully depreciated assets having a gross carrying amount (cost) of Rs. 64.8 million that are still in use (2024/2025 - Rs. 177.2 million).

18 BIOLOGICAL ASSETS

ACCOUNTING POLICY

The plantation companies within the Group manages the biological transformation of certain fruit plants for harvesting of agricultural produce from such plants and includes those and the respective nursery plants under biological assets.

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include fruit and other trees, that are not intended to be sold or harvested but grown for harvesting of agricultural produce from such biological assets. Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The entity recognises the biological assets when, and only when, the entity controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

Bearer Biological Assets

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – property, plant and equipment.

The Group measures immature plantations at cost. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting, that is, when the planted area attains maturity, are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets that comes in to bearing during the year are transferred to mature plantations.

Nursery plants

Nursery plant cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

Produce on Bearer Biological Assets

In accordance with LKAS 41, the Group recognises agricultural produce growing on bearer plants at fair value less cost to sell. Any change in the fair value of such agricultural produce are recognised in profit or loss at the end of each reporting period.

Depreciation and amortisation

Mature plantations are depreciated over their useful life or unexpired lease period of the farmland whichever is lower. Depreciation is recognised in the income statement on a straight-line basis over the estimated useful economic lives of each part of an item of biological asset as below.

Biological Asset	Useful Life
Soursop	20 years
Mango	25 years
Apple Guava	03 years

Depreciation method, useful life and residual values are remeasured at the reporting date and adjusted prospectively, if appropriate.

18.1 Movement during the year

	GROUP			
	Immature plantations Rs.'000	Mature plantations Rs.'000	Total 2025/2026 Rs.'000	Total 2024/2025 Rs.'000
Cost				
Balance as at 01st April	58,665	38,391	97,056	90,194
Additions	5,274	-	5,274	6,862
Transfers	(52,515)	52,515	-	-
Balance as at 31st March	11,424	90,906	102,330	97,056
Accumulated depreciation				
Balance as at 01st April	-	29,952	29,952	25,739
Charge for the year	-	4,708	4,708	4,213
Balance as at 31st March	-	34,660	34,660	29,952
Carrying amount as at 31st March 2026	11,424	56,246	67,670	
Carrying amount as at 31st March 2025	58,665	8,439		67,104

There were no biological assets pledged by the Group as security for facilities obtained from banks (2024/2025 - nil).

No borrowing costs were capitalised under biological assets on interest-bearing loans and borrowings and lease liabilities by the Group during the financial year (2024/2025 - Nil).

19 RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease as per SLFRS 16 - Leases.

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is also adjusted for certain subsequent remeasurements of the lease liability.

After the commencement date, the Group measures the right- of-use asset on the cost model.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Depreciation

Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset as given in property, plant and equipment.

If the ownership of the leased asset transfers to the Group at the end of the lease term, or the cost of the right-of-use asset reflects the exercise of a purchase option the asset is depreciated over the useful life of the underlying asset.

The right-of-use assets are subject to impairment.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

19.1 Movement during the year - Group

Leasehold properties that do not meet the definition of an investment property are presented as right-of-use assets.

	Right-of-Use Land Rs.'000	Right-of-Use buildings Rs.'000	Total 2025/2026 Rs.'000	Total 2024/2025 Rs.'000
Cost				
Balance as at 01st April				
- Recognised under non-current	27,036,791	4,110,348	31,147,139	31,554,257
- Recognised under current	-	-	-	5,290
Exchange difference	1,673,062	374,502	2,047,564	(478,022)
Additions	11,758,869	116,130	11,874,999	127,893
Operating leases pre-paid	-	-	-	7,128
Disposals	(11,458)	(6,615)	(18,073)	(69,407)
Balance as at 31st March	40,457,264	4,594,365	45,051,629	31,147,139
Accumulated depreciation				
Balance as at 01st April				
- Recognised under non-current	13,275,962	3,198,489	16,474,451	15,189,876
- Recognised under current	-	-	-	4,747
Exchange difference	885,594	303,207	1,188,801	(260,304)
Charge for the year	1,291,029	347,936	1,638,965	1,596,846
Capitalised under property, plant and equipment	6,078	-	6,078	8,558
Disposals	(11,458)	(6,615)	(18,073)	(65,272)
Balance as at 31st March	15,447,205	3,843,017	19,290,222	16,474,451
Carrying amount as at 31st March 2026	25,010,059	751,348	25,761,407	
Carrying amount as at 31st March 2025	13,760,829	911,859		14,672,688

19.2 Amounts recognised in profit or loss - Group

For the year	Notes	2025/2026 Rs.'000	2024/2025 Rs.'000
Depreciation expense of right-of-use assets	19.1	1,638,965	1,596,846
Interest on lease liabilities	31.1	691,114	769,073
Expenses relating to short term leases and leases of low value assets		575,082	546,490

19.3 Amounts recognised in statement of cash flows - Group

For the year	Notes	2025/2026 Rs.'000	2024/2025 Rs.'000
Lease capital repayment		1,998,688	1,790,460
Lease interest paid		693,960	776,080
Total cash outflow for leases	31.1	2,692,648	2,566,540

19.4 Details of leased properties relating to right-of-use assets

Company	Nature of the leasing activity	Location of the leased property	Unexpired lease periods as at 31.03.2026
Ace Apparels (Pvt) Ltd	Land	Koggala - Sri Lanka	38 years
	Factory and Warehouse facilities	Koggala - Sri Lanka	28 years
Ace Containers (Pvt) Ltd	Yard and Warehouse facilities	Wattala - Sri Lanka	01 - 04 years
Ace Container Terminals (Pvt) Ltd	Land	Katunayake - Sri Lanka	61 years
Ace Distriparks (Pvt) Ltd	Land	Mihinthale - Sri Lanka	17 years
	Warehouse facilities	Welisara and Wattala - Sri Lanka	02 years
Ace Windpower (Pvt) Ltd	Land	Ambewela - Sri Lanka	06 years
Aitken Spence Agriculture (Pvt) Ltd	Land	Dambulla - Sri Lanka	16 years
Aitken Spence Cargo (Pvt) Ltd	Warehouse facilities	Mulleriyawa - Sri Lanka	02 year
Aitken Spence Hotel Managements (Pvt) Ltd	Warehouse facilities	Colombo 02 - Sri Lanka	02 years
Aitken Spence Property Developments (Pvt) Ltd	Land	Colombo 02 - Sri Lanka	02 year
Global Parcel Delivery (Pvt) Ltd	Warehouse facility	Ingiriya - Sri Lanka	Less than 01 year
Hethersett Hotels Ltd	Land	Nuwara Eliya - Sri Lanka	69 years
Kandalama Hotels (Pvt) Ltd	Land	Dambulla - Sri Lanka	17 years
Waltrim Hydropower (Pvt) Ltd	Land and building	Nuwara Eliya - Sri Lanka	14 years
Western Power Company (Pvt) Ltd	Land	Muthurajawela - Sri Lanka	21 years
ADS Resorts (Pvt) Ltd	Island	North Male' Atoll - Maldives	10 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	22 years
	Island	Raa Atoll - Maldives	38 years
Jetan Travel Services Company (Pvt) Ltd	Island	South Male' Atoll - Maldives	17 years
Unique Resorts (Pvt) Ltd	Island	South Male' Atoll - Maldives	19 years
Fiji Ports Terminal Ltd	Wharfs used for ports operations	Suva - Fiji	03 years

The Group leases office space, office equipment, motor vehicles etc., with contract terms less than five years. These leases are either short term (term less than one year) and/or leases having low-value. Hence, the Group has elected not to recognise theses leases as right-of-use assets and lease liabilities.

The value of right-of-use assets pledged by the Group as security for interest-bearing liabilities obtained from banks amounted to Rs.5,040.0 million (2024/2025- Rs.8,807.2 million).

20 INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICY

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.

20.1 Carrying amount of investments in subsidiaries

As at	Notes	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Investment in subsidiaries - unquoted	20.2	11,627,594	11,753,160
Investment in subsidiaries - quoted	20.3	2,458,287	2,458,287
		14,085,881	14,211,447

20.2 Investments in subsidiaries - unquoted

	Country of incorporation	Number of shares as at 31.03.2026	Company holding %	Group holding %	Non- controlling holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000
a) Ordinary shares							
Ace Apparels (Pvt) Ltd	Sri Lanka	13,100,001	100.00	100.00	-	131,000	131,000
Ace Cargo (Pvt) Ltd	Sri Lanka	990,000	100.00	100.00	-	245,173	245,173
Ace Container Repair (Pvt) Ltd	Sri Lanka	2,250,000	100.00	100.00	-	22,500	22,500
Ace Container Terminals (Pvt) Ltd	Sri Lanka	1,550,002	100.00	100.00	-	15,500	15,500
Ace Containers (Pvt) Ltd	Sri Lanka	4,725,660	100.00	100.00	-	440,100	440,100
Ace Distriparks (Pvt) Ltd	Sri Lanka	11,150,000	100.00	100.00	-	314,000	314,000
Ace Exports (Pvt) Ltd	Sri Lanka	1,400,000	100.00	100.00	-	14,000	14,000
Ace Freight Management (Pvt) Ltd	Sri Lanka	5,222,500	100.00	100.00	-	36,307	36,307
Ace International Express (Pvt) Ltd	Sri Lanka	10,000	100.00	100.00	-	100	100
Ace Wind Power (Pvt) Ltd	Sri Lanka	37,050,000	100.00	100.00	-	430,000	430,000
Aitken Spence Agriculture (Pvt) Ltd	Sri Lanka	10,075,001	100.00	100.00	-	100,750	100,750
Aitken Spence Apparels (Pvt) Ltd	Sri Lanka	1,500,000	100.00	100.00	-	15,000	15,000
Aitken Spence Cargo (Pvt) Ltd	Sri Lanka	10,000	100.00	100.00	-	820	820
Aitken Spence Exports (Pvt) Ltd	Sri Lanka	52,500	100.00	100.00	-	514	514
Aitken Spence Group Ltd	Sri Lanka	10,000	100.00	100.00	-	100	100
Aitken Spence Insurance Brokers (Pvt) Ltd	Sri Lanka	152,740	100.00	100.00	-	1,500	1,500
Aitken Spence International Consulting (Pvt) Ltd	Sri Lanka	10,000	100.00	100.00	-	100	100
Aitken Spence Maritime Ltd	Sri Lanka	140,000	100.00	100.00	-	1,400	1,400
Aitken Spence Power (Pvt) Ltd	Sri Lanka	1,826,204	100.00	100.00	-	18,262	18,262
Aitken Spence Printing and Packaging (Pvt) Ltd	Sri Lanka	10,000,000	100.00	100.00	-	100,000	100,000
Aitken Spence Shipping Ltd	Sri Lanka	2,038,072	100.00	100.00	-	132,717	132,717
Aitken Spence Shipping Services Ltd	Sri Lanka	25,000	100.00	100.00	-	20,200	20,200
Branford Hydropower (Pvt) Ltd	Sri Lanka	16,400,100	100.00	100.00	-	223,000	223,000
Clark Spence and Company (Pvt) Ltd	Sri Lanka	25,000	100.00	100.00	-	74,300	74,300
Logilink (Pvt) Ltd	Sri Lanka	30,000,000	100.00	100.00	-	222,690	222,690
Royal Spence Aviation (Pvt) Ltd	Sri Lanka	50,000	100.00	100.00	-	500	500
Vauxhall Investments (Pvt) Ltd	Sri Lanka	1,320,000	100.00	100.00	-	13,200	13,200

NOTES TO THE FINANCIAL STATEMENTS

	Country of incorporation	Number of shares as at 31.03.2026	Company holding %	Group holding %	Non- controlling holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000
Vauxhall Property Developments (Pvt) Ltd	Sri Lanka	11,270,000	100.00	100.00	-	153,401	153,401
Waltrim Energy Ltd	Sri Lanka	57,855,000	100.00	100.00	-	873,890	873,890
Sagasolar Power (Pvt) Ltd	Sri Lanka	84,904,336	100.00	100.00	-	1,400,000	1,400,000
Aitken Spence Property Developments (Pvt) Ltd	Sri Lanka	75,425,725	96.41	100.00	-	766,594	766,594
Aitken Spence Developments (Pvt) Ltd	Sri Lanka	45,999	92.00	92.00	8.00	1,825	1,825
Western Power Company (Pvt) Ltd	Sri Lanka	80	80.00	80.00	20.00	200,000	200,000
Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	154,786	77.40	77.40	22.60	11,594	11,594
Aitken Spence Moscow (Pvt) Ltd	Sri Lanka	37,500	75.00	75.00	25.00	375	375
Ace Power Embilipitiya (Pvt) Ltd	Sri Lanka	124,033,413	74.00	74.00	26.00	703,626	703,626
Ace Aviation Services (Pvt) Ltd	Sri Lanka	26,251	50.00	100.00	-	263	263
Aitken Spence (Garments) Ltd *	Sri Lanka	998,747	50.00	50.00	50.00	26,257	26,257
Aitken Spence Travels (Pvt) Ltd *	Sri Lanka	1,704,000	50.00	50.00	50.00	60,875	60,875
MMBL Money Transfer (Pvt) Ltd *	Sri Lanka	3,000,000	50.00	50.00	50.00	35,566	35,566
Aitken Spence Hotel Managements (Pvt) Ltd	Sri Lanka	4,020,000	51.00	87.50	12.50	40,200	40,200
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	4,924,500	49.00	86.99	13.01	49,245	49,245
Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	10,323,225	37.40	86.99	13.01	99,000	99,000
Kandalama Hotels (Pvt) Ltd	Sri Lanka	6,000,000	37.00	82.99	17.01	182,050	182,050
Interlifts International Pvt Ltd *	Maldives	23,721	39.99	40.00	60.00	2,005	2,005
Ace Aviation Services Maldives Pvt Ltd *	Maldives	490	49.00	49.00	51.00	639	639
Fiji Ports Terminal Ltd	Fiji	1,572,993	51.00	60.80	39.20	749,242	749,242
Aitken Spence International Pte. Ltd	Singapore	268,570	100.00	100.00	-	63,185	63,185
Aitken Spence Corporate Services (Pvt) Ltd	Sri Lanka	2	100.00	100.00	-	-	-
Global Parcel Delivery (Pvt) Ltd	Sri Lanka	1	100.00	100.00	-	-	-
Aitken Spence Ports International Ltd	Sri Lanka	10,000	10.00	100.00	-	-	-
						7,993,565	7,993,565
b) Preference Shares							
Cumulative preference shares							
Aitken Spence Aviation (Pvt) Ltd	Sri Lanka	500,000	100.00	100.00	-	5,000	5,000
Aitken Spence Hotel Holdings PLC	Sri Lanka	16,500,000	100.00	100.00	-	165,000	165,000
Western Power Company (Pvt) Ltd **	Sri Lanka	40,000,000	100.00	100.00	-	3,700,000	3,700,000
Non-cumulative preference shares							
Aitken Spence (Garments) Ltd	Sri Lanka	4,000,000	72.73	72.73	27.27	40,000	40,000
						3,910,000	3,910,000
Provision for impairment of investments (note 20.2.1)						(275,971)	(150,405)
						11,627,594	11,753,160

* Refer note 20.6

** During 2018/2019 financial year, 40,000,000 Redeemable Cumulative preference shares of Rs. 100.00 each were issued to Aitken Spence PLC by Western Power (Pvt) Ltd. The called up capital on the shares as at 31.03.2026 and 31.03.2025 was Rs. 92.50 per share. The outstanding balance subscription of Rs. 7.50 per share will be called from time to time as and when required by the issuing company.

20.2.1 Movement in provision for impairment of investments in subsidiaries

For the year	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	150,405	139,293
Impairment made during the year	125,566	25,000
Classified as held for sale	-	(13,888)
Balance as at 31st March	275,971	150,405

During the period under review the Company impaired some of its investments in the strategic investments and services sector and recognised an impairment loss of Rs. 125.6 million in the income statement under Depreciation, amortisation and impairment losses of non-financial assets.

20.3 Investment in subsidiaries - quoted

	Country of incorporation	Number of shares as at 31.03.2026	Company holding %	Group holding %	Non- con-trolling holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000
Aitken Spence Hotel Holdings PLC (Ordinary Shares)	Sri Lanka	239,472,667	71.20	74.49	25.51	2,458,287	2,458,287
						2,458,287	2,458,287
Market value of quoted investment						21,935,696	19,181,761

20.4 Inter-company shareholdings - unquoted

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-con-trolling holding %
a) Ordinary shares						
Ace Aviation Services (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Ace Cargo (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Ace Container Terminals (Pvt) Ltd	Aitken Spence Hotels Ltd	Sri Lanka	1	0.00	73.01	26.99
Ace Containers (Pvt) Ltd	Aitken Spence Developments (Pvt) Ltd	Sri Lanka	1	0.00	92.00	8.00
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
	Aitken Spence Hotels Ltd	Sri Lanka	1	0.00	73.01	26.99
Ace Exports (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Ace International Express (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Cargo (Pvt) Ltd	D.B.S. Logistics Ltd	Sri Lanka	200,000	100.00	100.00	-
	Ace Aviation Services (Pvt) Ltd	Sri Lanka	26,251	50.00	100.00	-
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Exports (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Hotel Management (Pvt) Ltd	Aitken Spence Resources (Pvt) Ltd	Sri Lanka	10,000	100.00	100.00	-
	Aitken Spence (Garments) Ltd *	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Hotel Management Asia (Pvt) Ltd	Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	6,541,506	23.70	86.99	13.01
	PR Holiday Homes Pvt Ltd	India	621,310	84.57	73.57	26.43
Aitken Spence Hotel Managements (South India) Ltd	Perumbalam Resorts Pvt Ltd	India	1	0.01	73.57	26.43

NOTES TO THE FINANCIAL STATEMENTS

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Hotel Holdings PLC	Meeraladuwa (Pvt) Ltd	Sri Lanka	20,227,801	100.00	74.49	25.51
	Neptune Ayurvedic Village (Pvt) Ltd	Sri Lanka	500,000	100.00	74.49	25.51
	Turyaa (Pvt) Ltd	Sri Lanka	341,732,322	100.00	74.49	25.51
	Aitken Spence Hotels Ltd	Sri Lanka	14,701,204	98.01	73.01	26.99
	Hethersett Hotels Ltd	Sri Lanka	24,542,000	94.44	70.35	29.65
	Ahungalla Resorts Ltd *	Sri Lanka	78,369,024	60.00	44.69	55.31
	Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	5,125,500	51.00	86.99	13.01
	Aitken Spence Hotel Managements (Pvt) Ltd	Sri Lanka	3,862,353	49.00	87.50	12.50
	Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	10,744,582	38.90	86.99	13.01
	Nilaveli Holidays (Pvt) Ltd	Sri Lanka	1	100.00	74.49	25.51
	Nilaveli Resorts (Pvt) Ltd	Sri Lanka	1	100.00	74.49	25.51
	The Galle Heritage (Pvt) Ltd	Sri Lanka	1	100.00	74.49	25.51
	Crest Star (B.V.I) Ltd	British Virgin Islands	3,415,000	100.00	74.49	25.51
	Aitken Spence Hotel Managements (South India) Ltd	India	29,869,000	16.60	84.92	15.08
	Cowrie Investments Pvt Ltd *	Maldives	52,740	60.00	44.69	55.31
	A.D.S Resorts Pvt Ltd	Maldives	1	0.00	86.99	13.01
	Unique Resorts Pvt Ltd	Maldives	1	0.00	86.99	13.01
	Aitken Spence Resorts (Middle East) LLC	Oman	1	0.00	86.99	13.01
Aitken Spence Hotel Services Pvt Ltd	Aitken Spence Hotel Managements (South India) Ltd	India	1	0.00	84.92	15.08
Aitken Spence Hotels International (Pvt) Ltd	Aitken Spence Hotel Services Pvt Ltd	India	9,999	100.00	86.99	13.01
	Aitken Spence Resorts (Middle East) LLC	Oman	13,195,726	100.00	86.99	13.01
	A.D.S Resorts Pvt Ltd	Maldives	1,274,999	100.00	86.99	13.01
	Unique Resorts Pvt Ltd	Maldives	6,374,999	100.00	86.99	13.01
	Aitken Spence Hotel Managements (South India) Ltd	India	150,048,995	83.40	84.92	15.08
Aitken Spence Hotels Ltd	Heritance (Pvt) Ltd	Sri Lanka	2,125,627	100.00	73.01	26.99
	Kandalama Hotels (Pvt) Ltd	Sri Lanka	10,216,216	63.00	82.99	17.01
Aitken Spence Insurance Brokers (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence International Consulting (Pvt) Ltd	Aitken Spence (Garments) Ltd *	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence International Pte Ltd	Aitken Spence Cargo Singapore (Pte) Ltd	Singapore	10,000	100.00	100.00	-
Aitken Spence Maritime Ltd	Aitken Spence Ports International Ltd	Sri Lanka	90,000	90.00	100.00	-
	Hapag-Lloyd Lanka (Pvt) Ltd	Sri Lanka	119,999	60.00	60.00	40.00
Aitken Spence Printing & Packaging (Pvt) Ltd	Aitken Spence (Garments) Ltd *	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Shipping Ltd	Shipping and Cargo Logistics (Pvt) Ltd *	Sri Lanka	25,000	50.00	50.00	50.00

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Travels (Pvt) Ltd	Ace Travels and Conventions (Pvt) Ltd *	Sri Lanka	55,000	100.00	50.00	50.00
Clark Spence and Company (Pvt) Ltd	Hapag-Lloyd Lanka (Pvt) Ltd	Sri Lanka	1	0.00	60.00	40.00
Crest Star (B.V.I) Ltd	Jetan Travel Services Company Pvt Ltd	Maldives	47,500	95.00	70.77	29.23
Fiji Ports Corporation Ltd	Fiji Ports Terminal Ltd	Fiji	1,511,307	49.00	60.80	39.20
PR Holiday Homes (Pvt) Ltd	Perumbalam Resorts Pvt Ltd	India	9,999	99.99	73.57	26.43
Royal Spence Aviation (Pvt) Ltd	Aitken Spence Travels Myanmar Ltd	Myanmar	12,000	60.00	60.00	40.00
Vauxhall Investments (Pvt) Ltd	Aitken Spence Aviation (Pvt) Ltd	Sri Lanka	5,000	100.00	100.00	-
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Vauxhall Property Developments (Pvt) Ltd	Interlifts International Pvt Ltd *	Maldives	6	0.01	40.00	60.00
	Aitken Spence Industrial Solutions (Pvt) Ltd	Sri Lanka	200	100.00	100.00	-
	Aitken Spence Property Developments (Pvt) Ltd	Sri Lanka	2,805,000	3.53	100.00	-
	Aitken Spence Elevators (Pvt) Ltd	Sri Lanka	1	0.00	77.40	22.60
Waltrim Energy Ltd	Elgin Hydropower (Pvt) Ltd	Sri Lanka	28,152,080	100.00	100.00	-
	Upper Waltrim Hydropower (Pvt) Ltd	Sri Lanka	26,878,135	100.00	100.00	-
	Waltrim Hydropower (Pvt) Ltd	Sri Lanka	24,795,588	100.00	100.00	-
b) Preference Shares						
Cumulative preference shares						
Aitken Spence Apparels (Pvt) Ltd	Ace Apparels (Pvt) Ltd	Sri Lanka	22,650,000	100.00	100.00	-
Aitken Spence Hotel Holdings PLC	Aitken Spence Hotels Ltd	Sri Lanka	40,000,000	100.00	74.49	25.51

* Refer note 20.6

20.5 Inter-company shareholdings - quoted

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Ace Cargo (Pvt) Ltd	Aitken Spence Hotel Holdings PLC (Ordinary Shares)	Sri Lanka	4,423,601	1.32	74.49	25.51
Aitken Spence Hotel Management (Pvt) Ltd			3,530,639	1.05		
Aitken Spence Aviation (Pvt) Ltd			2,604,140	0.77		
Vauxhall Investments (Pvt) Ltd			340,270	0.10		
Clark Spence and Company (Pvt) Ltd			136,101	0.04		

20.6 Companies with equity holding equal to or less than 50%, have been consolidated as subsidiaries based on criterias specified in note 4.1.2 pursuant to SLFRS 10 - Consolidated Financial Statements. These companies are indicated by a "*" in notes 20.2 and 20.4.

20.7 The value of shares pledged by the Group as securities for facilities obtained from banks amounted to Rs. 4,549.2 million (2024/2025 - Rs. 4,830.7 million).

Principal activities of the Group's interest in subsidiaries are described on pages 512 to 519.

20.8 Non-controlling interests

The following table summarises the financial information relating to the Group's subsidiaries that has material non-controlling interests (before any intra-group eliminations).

	2025/2026			2024/2025		
	Aitken Spence Hotel Holding PLC & Group	Other individually immaterial subsidiaries	Total	Aitken Spence Hotel Holding PLC & Group	Other individually immaterial subsidiaries	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Non - current assets	93,587,941			77,998,272		
Current assets	22,986,335			18,137,441		
Non - current liabilities	(50,068,731)			(33,302,134)		
Current liabilities	(23,355,594)			(28,370,270)		
Net assets	43,149,951			34,463,309		
Carrying amount of non-controlling interests as at 31st March	12,211,776	3,167,635	15,379,411	9,477,592	3,177,692	12,655,284
Revenue	52,349,252			48,741,023		
Profit for the year	5,029,452			3,588,462		
Other comprehensive income for the year, net of tax	3,821,048			176,448		
Total comprehensive income for the year	8,850,500			3,764,910		
Profit for the year allocated to non-controlling interests	1,623,051	688,145	2,311,196	1,206,187	642,020	1,848,207
Other comprehensive income /(loss) for the year, net of tax allocated to non-controlling interests	1,258,936	241,164	1,500,100	246,911	(61,342)	185,569
Total comprehensive income for the year allocated to non-controlling interests	2,881,987	929,309	3,811,296	1,453,098	580,678	2,033,776
Cash flows from operating activities	11,236,772			10,743,403		
Cash flows from investing activities	(2,254,704)			(2,693,778)		
Cash flows from financing activities	(5,927,900)			(6,922,466)		
Net increase in cash and cash equivalents	3,054,168			1,127,159		
Dividends paid to non-controlling interests	147,803	939,641	1,087,444	152,195	1,111,729	1,263,924

21 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

ACCOUNTING POLICY

Associates are those entities in which the Group has significant influence, but does not have control over the financial and operating policies. Significant influence is presumed to exist when the Group holds more than 20% of the voting rights of another entity.

Joint ventures are arrangements in which the Group has joint control and has rights to the net assets of the arrangement. The Group has joint control in a venture when there is contractually agreed sharing of control of the venture and the decisions about the relevant activities of the venture require the unanimous consent of the parties sharing control.

Associates and joint ventures are treated as equity accounted investees and are accounted for using the equity method.

Under the equity method Investments in equity-accounted investees are recognised initially at cost, which includes transaction costs. The carrying amount of the investment is adjusted at each reporting date to recognise changes in the Group's share of net assets of the equity-accounted investees arising since the acquisition date. Goodwill relating to the equity-accounted investees is included in the carrying amount of the investment. Dividends declared by the equity-accounted investees are recognised against the equity value of the Group's investment.

The income statement reflects the Group's share of the results of operations of the equity accounted investees. When there is a change recognised directly in the other comprehensive income or equity of the entity, the Group recognises its share of such changes, when applicable, in the statement of profit or loss and other comprehensive income or the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees are eliminated to the extent of the interest in the equity-accounted investees.

The Group's share of profit or loss of equity accounted investees is shown on the face of the income statement net of tax.

Adjustments are made if necessary, to the financial statements of the equity accounted investees to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its equity accounted investee. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If such company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equal the share of losses not recognised previously.

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate or the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity accounted investee disposed and the fair value of the retaining investment and the proceeds from disposal is recognised in the income statement.

21.1 Recognition of equity-accounted investees

For the year	Notes	GROUP 2025/2026 Rs.'000	GROUP 2024/2025 Rs.'000	COMPANY 2025/2026 Rs.'000	COMPANY 2024/2025 Rs.'000
Recognised in the statement of financial position					
Interest in joint ventures	21.1.1	2,588,884	2,191,466	141,700	141,700
Interest in associates	21.2.1	9,861,688	8,737,402	2,516,255	2,516,255
Carrying amount as at 31.03.2026		12,450,572	10,928,868	2,657,955	2,657,955
Recognised in the income statement					
Interest in joint ventures	21.1.2	1,180,274	608,235	-	-
Interest in associates	21.2.2	1,119,300	968,969	-	-
Share of profit of equity-accounted investees (net of tax)		2,299,574	1,577,204	-	-
Recognised in the statement of profit or loss and other comprehensive income					
Interest in joint ventures	21.1.2	42,029	(40,248)	-	-
Interest in associates	21.2.2	320,711	(86,900)	-	-
Share of other comprehensive income / (loss) of equity-accounted investees (net of tax)		362,740	(127,148)	-	-

Share of other comprehensive income of equity-accounted investees (net of tax) is further analysed as;

For the year	GROUP 2025/2026 Rs.'000	GROUP 2024/2025 Rs.'000
Items that will not be reclassified to profit or loss	(18,860)	(6,993)
Items that are or may be reclassified to profit or loss	381,600	(120,155)
	362,740	(127,148)

21.1.1 Investment in joint ventures

	Country of incorporation	GROUP				COMPANY			
		Number of shares as at 31.03.2026	Holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000	Number of shares as at 31.03.2026	Holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000
Aitken Spence C & T Investments (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka	14,170,000	50.00	141,700	141,700	14,170,000	50.00	141,700	141,700
Aitken Spence Engineering Solutions (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka	20,000	50.00	2,000	2,000	20,000	50.00	2,000	2,000
CINEC Campus (Pvt) Ltd (b) (consolidated with Mercantile Seaman Training Institute Ltd) (Ordinary shares - Unquoted)	Sri Lanka	253,334	40.00	502,950	502,950			-	-
Spence Seahorse Marine (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka	18,222,991	50.00	182,230	182,230			-	-
Port City PBO (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka	20,784	33.50	15,295	15,295			-	-
Ace Bangladesh Ltd (Ordinary shares - Unquoted)	Bangladesh	172,970	49.00	32,587	32,587			-	-
Aitken Spence Cargo (Cambodia) Co. Ltd (Ordinary shares - Unquoted)	Cambodia	10,000	50.00	3,089	3,089	-	-	-	-
Carrying amount as at 31st March				879,851	879,851			143,700	143,700
Provision for impairment of investments				-	-			(2,000)	(2,000)
Opening cumulative net assets accruing to the group net of dividend				1,311,615	907,345			-	-
Group's share of total comprehensive income for the year				1,222,303	567,987			-	-
Dividends received for the year				(747,350)	(163,717)			-	-
Share of net assets partially disposed *				(77,535)	-			-	-
Equity value of investments				2,588,884	2,191,466			141,700	141,700

* During the period under review, the Group undertook a partial disposal of its investment in Port City PBO (Pvt) Ltd. The resulting loss has been recognised and presented within other operating income in the income statement.

21.1.2 Summarised financial information of joint ventures - Group

The following analyses, in aggregate, the net assets of individually immaterial joint ventures.

For the year	2025/2026 Rs.'000	2024/2025 Rs.'000
Carrying amount of interest in joint ventures as at 31st March	2,588,884	2,191,466
Group's share of :		
- Profit for the year (net of tax)	1,180,274	608,235
- Other comprehensive income / (loss) for the year (net of tax)	42,029	(40,248)
Total comprehensive income for the year	1,222,303	567,987

21.1.3 Inter-company shareholdings - investment in joint ventures

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Ports International Ltd	CINEC Campus (Pvt) Ltd	Sri Lanka	253,334	40.00	40.00	60.00
Aitken Spence Shipping Ltd	Spence Seahorse Marine (Pvt) Ltd	Sri Lanka	18,222,991	50.00	50.00	50.00
Ace Cargo (Pvt) Ltd	Ace Bangladesh Ltd	Bangladesh	172,970	49.00	49.00	51.00
Aitken Spence International Pte Ltd	Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	10,000	50.00	50.00	50.00
	Port City PBO (Pvt) Ltd	Sri Lanka	20,784	33.50	33.50	66.50

Principal activities of the Group's interest in joint ventures are described on pages 520 to 523.

21.2.1 Investment in associates

	Country of incorporation	GROUP				COMPANY			
		Number of shares as at 31.03.2026	Holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000	Number of shares as at 31.03.2026	Holding %	As at 31.03.2026 Rs.'000	As at 31.03.2025 Rs.'000
Aitken Spence Plantation Managements Ltd (consolidated with Elpitiya Plantations PLC) (Ordinary shares - Quoted)	Sri Lanka	8,295,860	44.14	165,000	165,000	8,295,860	44.14	165,000	165,000
Fiji Ports Corporation Ltd (consolidated with Fiji Ships Heavy Industries Ltd) (Ordinary Shares - Unquoted)	Fiji	14,630,970	20.00	2,351,255	2,351,255	14,630,970	20.00	2,351,255	2,351,255
Serendib Investments Ltd (Ordinary Shares - Unquoted)	Fiji	1,750,000	25.00	151,215	151,215	1,750,000	25.00	151,215	151,215
Browns Beach Hotels PLC (consolidated with Negombo Beach Resorts (Pvt) Ltd) (Ordinary shares - Quoted)	Sri Lanka	48,627,103	27.96	928,077	928,077	-	-	-	-
Amethyst Leisure (Pvt) Ltd (consolidated with Paradise Resort Pasikudah (Pvt) Ltd) (Ordinary and Preference shares - Unquoted)	Sri Lanka	4,773,744,939	34.94*	515,064	332,848	-	-	-	-
Ace Aviation Myanmar Ltd (Ordinary shares - Unquoted)	Myanmar	1,525,000	33.33*	20,075	20,075	-	-	-	-
Carrying amount as at 31st March				4,130,686	3,948,470			2,667,470	2,667,470
Provision for impairment of investments				(30,570)	(30,570)			(151,215)	(151,215)
Opening cumulative net assets accruing to the group net of dividend				4,819,502	4,257,036			-	-
Group's share of total comprehensive income for the year				1,440,011	882,069			-	-
Dividends received for the year				(656,473)	(451,136)			-	-
Share of net assets recognised in equity				158,532	131,533			-	-
Equity value of investments				9,861,688	8,737,402			2,516,255	2,516,255
Market value of quoted investments				1,128,149	1,385,394			-	471,205

* Group's effective holding in Amethyst Leisure (Pvt) Ltd and Ace Aviation Myanmar Ltd.

21.2.2 Summarised financial information of associates - Group

The following analyses in aggregate the carrying amount, share of profit and other comprehensive income of individually immaterial associates.

For the year	2025/2026 Rs.'000	2024/2025 Rs.'000
Carrying amount of interest in associates as at 31st March	9,861,688	8,737,402
Group's share of :		
- Profit for the year (net of tax)	1,119,300	968,969
- Other comprehensive income / (loss) for the year (net of tax)	320,711	(86,900)
Total comprehensive income for the year	1,440,011	882,069

21.2.3 Inter-company shareholdings - investment in associates

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2026	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Hotel Holdings PLC	Browns Beach Hotels PLC	Sri Lanka	47,455,750	36.62	27.96	72.04
Aitken Spence Hotels Ltd			432,459	0.33		
Heritance (Pvt) Ltd			432,444	0.33		
Kandalama Hotels (Pvt) Ltd			306,450	0.24		
Aitken Spence Hotel Holdings PLC	Amethyst Leisure (Pvt) Ltd	Sri Lanka	218,345,163	27.89	20.78	79.22
Aitken Spence Cargo (Pvt) Ltd	Ace Aviation Myanmar Ltd	Myanmar	1,525,000	33.33	33.33	66.67

Principal activities of the Group's interest in associates are described on pages 520 to 523.

22 DEFERRED TAX ASSETS

ACCOUNTING POLICY

Refer note 12

22.1 Movement during the year

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	1,619,108	1,974,566	643,565	643,565
Companies disposed during the year	-	(260)	-	-
Exchange difference	21,381	(6,415)	-	-
Origination / (reversal) of temporary differences				
Recognised in profit / (loss)	(758,008)	(366,366)	(8,973)	(3,107)
Recognised in other comprehensive income	285,598	17,583	8,973	3,107
Balance as at 31st March	1,168,079	1,619,108	643,565	643,565

22.2 Composition of deferred tax assets

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Deferred tax assets attributable to;				
Retirement benefit obligations	313,696	229,212	78,963	60,266
Tax losses carried forward	1,819,348	3,481,113	608,067	756,227
Expected credit losses	123,111	84,469	438	39
Obsolete stocks	26,775	306	-	-
Lease liabilities	148,925	38,600	-	-
Financial assets at FVOCI	59	7,099	8,406	6,939
Unrealised exchange (gain) / loss	6,278	(189,229)	(45,991)	(172,302)
Accelerated depreciation for tax purposes on property, plant and equipment	(886,129)	(1,443,246)	(6,318)	(7,604)
Revaluation surplus on freehold land	(279,128)	(562,089)	-	-
Right-of-use assets	(104,856)	(27,127)	-	-
Net deferred tax assets	1,168,079	1,619,108	643,565	643,565

22.3 Movement in tax effect of temporary differences - Group

	As at 31.03.2026	Exchange difference on translation	Recognised in profit / (loss)	Recognised in other comprehensive income	As at 31.03.2025	Exchange difference on translation	Recognised in profit / (loss)	Recognised in other comprehensive income other	Companies disposed during the year	As at 01.04.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax assets										
Retirement benefit obligations	313,696	105	74,702	9,677	229,212	(127)	(50,429)	9,218	-	270,550
Tax losses carried forward	1,819,348	-	(1,661,765)	-	3,481,113	(29,518)	43,688	-	-	3,466,943
Expected credit losses	123,111	1,886	36,756	-	84,469	(175)	(200,841)	-	(81)	285,566
Obsolete stocks	26,775	31	26,438	-	306	-	306	-	-	-
Lease liabilities	148,925	-	110,325	-	38,600	-	(18,458)	-	-	57,058
Financial assets at FVOCI	59	-	-	(7,040)	7,099	-	-	(898)	-	7,997
Unrealised exchange loss	6,278	74	195,433	-	(189,229)	-	(808)	-	-	(188,421)
	2,438,192	2,096	(1,218,111)	2,637	3,651,570	(29,820)	(226,542)	8,320	(81)	3,899,693
Deferred tax liability										
Accelerated depreciation for tax purposes on property, plant and equipment	(886,129)	19,285	537,832	-	(1,443,246)	18,875	(158,441)	-	(179)	(1,303,501)
Revaluation surplus on freehold land	(279,128)	-	-	282,961	(562,089)	4,530	-	512	-	(567,131)
Right-of-use assets	(104,856)	-	(77,729)	-	(27,127)	-	18,617	-	-	(45,744)
Other items	-	-	-	-	-	-	-	8,751	-	(8,751)
	(1,270,113)	19,285	460,103	282,961	(2,032,462)	23,405	(139,824)	9,263	(179)	(1,925,127)
Net deferred tax assets	1,168,079	21,381	(758,008)	285,598	1,619,108	(6,415)	(366,366)	17,583	(260)	1,974,566

22.4 Movement in tax effect of temporary differences - Company

	As at 31.03.2026	Recognised in profit / (loss)	Recognised in other com-prehensive income	As at 31.03.2025	Recognised in profit / (loss)	Recognised in other com-prehensive income	As at 01.04.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax assets							
Retirement benefit obligations	78,963	11,191	7,506	60,266	6,349	4,644	49,273
Tax losses carried forward	608,067	(148,160)	-	756,227	(18,703)	-	774,930
Expected credit losses	438	399	-	39	(58)	-	97
Financial assets at FVOCI	8,406	-	1,467	6,939	-	(1,537)	8,476
	695,874	(136,570)	8,973	823,471	(12,412)	3,107	832,776
Deferred tax liability							
Accelerated depreciation for tax purposes on property, plant and equipment	(6,318)	1,286	-	(7,604)	2,222	-	(9,826)
Unrealised exchange gain	(45,991)	126,311	-	(172,302)	7,083	-	(179,385)
	(52,309)	127,597	-	(179,906)	9,305	-	(189,211)
Net deferred tax assets	643,565	(8,973)	8,973	643,565	(3,107)	3,107	643,565

23 OTHER FINANCIAL ASSETS - NON-CURRENT

ACCOUNTING POLICY

Refer note 37

23.1 Unquoted equity and debt securities

As at	Notes	GROUP		COMPANY	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Financial assets at fair value through OCI					
- Unquoted equity securities	23.1.1	283,223	269,148	234	5,126
Financial assets at amortised cost					
- Unquoted debt securities	23.1.2	226,742	19,555	124,087	19,555
- Amounts due from equity-accounted investees		1,432,437	725,524	-	-
Carrying amount as at 31st March		1,942,402	1,014,227	124,321	24,681
Current unquoted equity and debt securities	23.1.2	(63,669)	(19,555)	(53,201)	(19,555)
Non-current unquoted equity and debt securities		1,878,733	994,672	71,120	5,126

23.1.1 Unquoted equity securities

23.1.1.1 Group

As at	31.03.2026			31.03.2025		
	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000
Rainforest Ecolodge (Pvt) Ltd (Ordinary shares)	3,500,000	35,000	1,237	3,500,000	35,000	6,128
Business Process Outsourcing LLC (Ordinary shares)	30,000	8,640	-	30,000	8,640	-
Floatels India (Pvt) Ltd (Ordinary shares)	716,037	84,128	262,831	716,037	84,128	246,822
SLFFA Cargo Services Ltd (Ordinary shares)	1,243,000	3,223	19,097	1,243,000	3,223	16,140
Ingrin Institute of Printing & Graphics Sri Lanka Ltd (Ordinary shares)	10,000	100	58	10,000	100	58
		131,091	283,223		131,091	269,148

23.1.1.2 Company

As at	31.03.2026			31.03.2025		
	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000
Rainforest Ecolodge (Pvt) Ltd (Ordinary shares)	3,500,000	35,000	234	3,500,000	35,000	5,126
Business Process Outsourcing LLC (Ordinary shares)	30,000	8,640	-	30,000	8,640	-
		43,640	234		43,640	5,126

The Group designated the investments shown above as equity securities, which represents investments that the Group intends to hold as long term strategic investments. There were no such strategic investments disposed or transfers of any cumulative gains or losses within equity by the Group relating to these investments during the financial year 2025/2026.

Technique for the valuation of unquoted equity securities are disclosed in note 36.3.1.

23.1.2 Unquoted debt securities

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Sumiko Lanka Hotels (Pvt) Ltd (Redeemable Debentures)	122,254	17,722	122,254	17,722
Rainforest Ecolodge (Pvt) Ltd (Redeemable Debentures)	102,655	-	-	-
Rainforest Ecolodge (Pvt) Ltd (Short term loan)	1,833	1,833	1,833	1,833
	226,742	19,555	124,087	19,555
Current unquoted debt securities (note 26.1)	(63,669)	(19,555)	(53,201)	(19,555)
Non-current unquoted debt securities	163,073	-	70,886	-

23.2 Movement during the year

	GROUP					COMPANY			
	Unquoted equity securities	Unquoted debt securities	Amounts due from equity-accounted investees	Total 2025/2026	Total 2024/2025	Unquoted equity securities	Unquoted debt securities	Total 2025/2026	Total 2024/2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April	269,148	19,555	725,524	1,014,227	1,061,761	5,126	19,555	24,681	68,126
Exchange difference	16,010	-	-	16,010	(3,431)	-	-	-	-
Additions	-	250,000	-	250,000	1,776	-	150,000	150,000	1,776
Disposals / settlements	-	(54,766)	-	(54,766)	(46,865)	-	(54,766)	(54,766)	(46,865)
Interest accrued	-	11,953	-	11,953	4,311	-	9,298	9,298	4,311
Transfer from /(to) current assets	-	(63,669)	706,913	643,244	(19,555)	-	(53,201)	(53,201)	(19,555)
Change in fair value	(1,935)	-	-	(1,935)	(3,325)	(4,892)	-	(4,892)	(2,667)
Balance as at 31st March	283,223	163,073	1,432,437	1,878,733	994,672	234	70,886	71,120	5,126

24 INVENTORIES

ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses based on normal operating capacity.

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Raw materials	1,203,721	1,600,386	-	-
Work-in-progress and finished goods	863,357	723,748	-	-
Consumables	2,990,808	2,327,848	6,599	6,043
	5,057,886	4,651,982	6,599	6,043
Provision for impairment of inventories (note 24.1)	(178,718)	(210,828)	-	-
	4,879,168	4,441,154	6,599	6,043

The value of inventories pledged by the Group as security for facilities obtained from banks amounted to Rs. 210.8 million (2024/2025 - Rs. 300.5 million). (Company-nil).

24.1 Movement in provision for impairment of inventories

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	210,828	262,247	-	-
Exchange difference	1,107	(111)	-	-
Impairment losses / (reversals) during the period	128,148	112,552	-	(8)
Written-back / (written-off) during the period	(161,365)	(5,552)	-	8
Classified as held for sale	-	(158,308)	-	-
Balance as at 31st March	178,718	210,828	-	-

During the year the Group increased its provision made against the inventory by Rs. 128.1 million after re-assessing the net realisable value of the inventory as at 31st March 2026. The above charge is recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

25 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Refer note 37

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Trade receivables	13,364,350	15,030,030	2,224	1,051
Other receivables	3,810,607	3,163,604	450,521	357,091
Contract assets	319,269	310,551	-	-
Amounts due from subsidiaries	-	-	10,653,633	7,582,572
Amounts due from equity-accounted investees	668,248	1,260,516	233,282	225,860
Loans to employees	43,781	43,781	-	-
	18,206,255	19,808,482	11,339,660	8,166,574
Provision for impairment of trade and other receivables (notes 37.3.3.2.2 and 37.3.3.2.4)	(799,527)	(639,090)	(2,060,813)	(553,813)
	17,406,728	19,169,392	9,278,847	7,612,761

Note 37.3.3.3 provides an age analysis of trade receivables and a description of the calculation of expected credit loss allowance.

25.1 Trade and other receivables analysed by currency

As at	GROUP		COMPANY	
	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000
United States Dollars	9,434,224	8,700,437	466,950	400,876
Sri Lankan Rupees	7,098,973	9,283,741	8,811,897	7,211,885
British Pound	304,019	205,559	-	-
Omani Riyal	191,022	228,179	-	-
Other	378,490	751,476	-	-
	17,406,728	19,169,392	9,278,847	7,612,761

26 OTHER CURRENT ASSETS

As at	Notes	GROUP		COMPANY	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Other financial assets - current	26.1	29,645,354	26,729,365	21,498,963	19,771,072
Property, plant and equipment	15.1	9,283	9,283	-	-
		29,654,637	26,738,648	21,498,963	19,771,072

26.1 Other financial assets - current

ACCOUNTING POLICY

Refer note 37

As at	Notes	GROUP		COMPANY	
		31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Financial assets at fair value through profit or loss					
- Quoted equity securities	26.1.1	169,507	121,619	81,137	58,066
Financial assets at amortised cost					
- Unquoted debt securities	23.1.2	63,669	19,555	53,201	19,555
- Government securities	26.1.2	1,679,067	2,885,422	1,679,067	2,885,422
- Bank deposits	26.1.3	27,736,945	23,703,007	19,686,953	16,808,093
Provision for impairment of bank deposits (notes 37.3.3.2.2 and 37.3.3.2.4)		(3,834)	(238)	(1,395)	(64)
		29,645,354	26,729,365	21,498,963	19,771,072

26.1.1 Quoted equity securities

26.1.1.1 Group

As at	31.03.2026			31.03.2025		
	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000
Commercial Bank of Ceylon PLC (Ordinary shares)	376,538	36,363	76,908	372,205	35,730	54,901
DFCC Bank PLC (Ordinary shares)	30,699	850	4,229	29,861	718	3,165
Hatton National Bank PLC (Ordinary shares)	244,781	4,873	86,714	238,937	4,873	62,480
Colombo Dockyard PLC (Ordinary shares)	13,543	123	1,656	13,543	123	1,073
		42,209	169,507		41,444	121,619

26.1.1.2 Company

As at	31.03.2026			31.03.2025		
	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000	No. of shares	Total Cost Rs.'000	Carrying amount Rs.'000
Commercial Bank of Ceylon PLC (Ordinary shares)	376,538	36,363	76,908	372,205	35,730	54,901
DFCC Bank PLC (Ordinary shares)	30,699	850	4,229	29,861	718	3,165
		37,213	81,137		36,448	58,066

26.1.1.3 Movement during the year - Quoted equity securities

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	121,619	74,492	58,066	37,935
Additions	765	1,484	765	671
Change in fair value	47,123	45,643	22,306	19,460
Balance as at 31st March	169,507	121,619	81,137	58,066

26.1.2 Government securities

Government securities consist of treasury bills which are measured at amortised cost using the effective interest rate.

26.1.3 Bank deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows. The credit risk relating to Group bank deposits are analysed according to credit ratings of each bank which is available on note 37.3.3.4.1.

27 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and short-term deposits comprise of cash in hand and short-term, highly liquid investments that are readily convertible to a known amounts of cash with an original maturity of less than or equivalent to three months. Cash and short-term deposits are subject to insignificant risk of change in value. Bank borrowings that are payable on demand or repayable within three months are treated as bank overdrafts and other short-term borrowings.

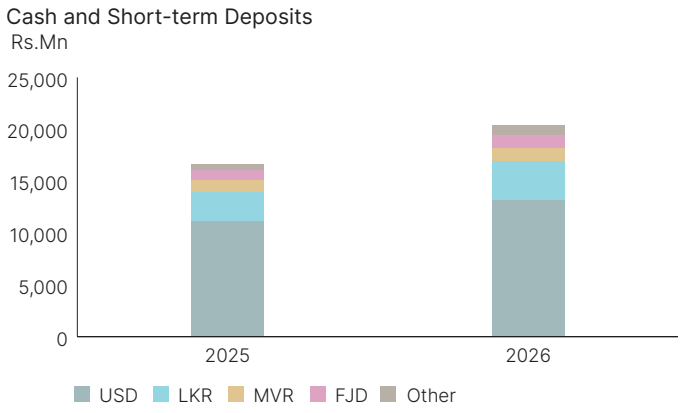
Cash and short-term deposits together with bank overdrafts and other short-term borrowings form an integral part of the Group's cash management activities and are included as a component of cash and cash equivalents for the purpose of preparing the statement of cash flows.

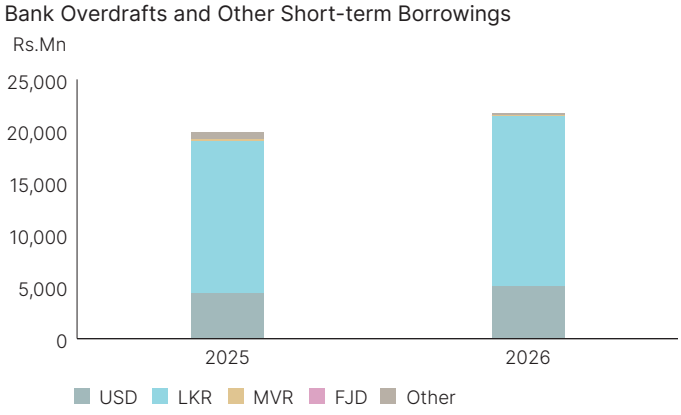
As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Cash at bank and in hand	15,472,551	13,233,202	2,114,875	2,670,965
Short-term deposits	4,918,076	3,367,483	2,117,824	2,552,564
Cash and short-term deposits in the statement of financial position	20,390,627	16,600,685	4,232,699	5,223,529
Bank overdrafts and other short-term borrowings	(21,758,212)	(19,894,961)	(11,533,262)	(8,191,453)
Cash and cash equivalents in the statement of cash flows	(1,367,585)	(3,294,276)	(7,300,563)	(2,967,924)

The credit risk relating to Group cash and short-term deposits are analysed according to credit ratings of each bank which is available on note 37.3.3.4.2.

27.1 Currency-wise analysis of cash and cash equivalents

As at	GROUP		COMPANY	
	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000
Sri Lankan Rupees	(12,697,778)	(11,881,559)	(10,786,563)	(7,657,361)
United States Dollars	8,117,545	6,751,008	3,486,000	4,689,437
Maldivian Rufiyaa	1,309,038	979,222	-	-
Fijian Dollar	1,222,928	983,702	-	-
Others	680,682	(126,649)	-	-
	(1,367,585)	(3,294,276)	(7,300,563)	(2,967,924)





28 ASSETS CLASSIFIED AS HELD FOR SALE

ACCOUNTING POLICY

Non-current assets that are expected to be recovered primarily through a disposal rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, these assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on the above assets is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which are continued to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity- accounted investee is no longer accounted.

28.1 Carrying amount of assets classified as held for sale

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Share of net assets of equity-accounted investees	149,125	149,125	57,237	57,237
Net current assets of group companies	20,298	56,410	15,000	15,000
Carrying amount of plant, machinery and inventory	695,736	716,708	-	-
	865,159	922,243	72,237	72,237
Provision for impairment of assets classified as held for sale *	(7,678)	-	-	-
	857,481	922,243	72,237	72,237

* The Group impaired some of its assets classified as held for sale to their carrying value and recognised an impairment loss of Rs. 7.7 million in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

28.2 Based on the decision made by the Group to divest from the ship owning business in 2007/2008 and the sale of ships by the Group's ship owning companies, the Group recognised the fair values of the investments in Ceyspence (Pvt) Ltd and Ceyaki Shipping (Pvt) Ltd under assets classified as held for sale.

Further, the fair values of the Group's investment in Spence International (Pvt) Ltd and Aitken Spence Overseas Travel Services (Pvt) Ltd are also treated under assets classified as held for sale upon the decision made to liquidate these companies. The liquidation of these companies are not yet concluded.

Consequent to the expiry of the short-term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024, and the subsequent intimation by the Ceylon Electricity Board that they have not identified the requirement of purchasing electricity through the company, the Board of Directors of Aitken Spence PLC approved to dispose of the power generating assets belonging to Ace Power Embilipitiya (Pvt) Ltd. Accordingly, the plant and machinery and spare parts inventory of the company have been classified under assets held for sale.

During the period under review subsidiary companies Ace Resorts (Pvt) Ltd and Aitken Spence Technologies (Pvt) Ltd which were previously included under assets classified as held for sale concluded its liquidation. The additional cash received from the liquidation proceeds of Ace Resorts (Pvt) Ltd have been recorded under profits on retirement of assets held for sale in other operating income.

28.3 There were no discontinued operations recognised in the income statement during the year.

29 STATED CAPITAL AND RESERVES

29.1 Stated capital

As at	31.03.2026	31.03.2025
Stated capital (Rs.'000)	2,135,140	2,135,140
No. of shares	405,996,045	405,996,045

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

29.2 Reserves

Revaluation reserve
Revaluation reserve relates to the amount by which the Group has revalued its freehold land. There were no restrictions on distribution of these balances to the shareholders.

General reserve
General reserve reflects the amount the Group has reserved over the years from its earnings.

Exchange fluctuation reserve
Exchange fluctuation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

Other capital reserves
This represents the portion of the stated capital of subsidiaries attributable to the Group.

Fair value reserve
This represents the cumulative net change in the fair value of equity securities designated at fair value through OCI.

Cash flow hedge reserve
The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Movements of reserves are disclosed in the statement of changes in equity

29.3 Other comprehensive income accumulated in reserves

29.3.1 Group

	Attributable to equity holders of the company						Non-controlling interests	Total equity
	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st March 2026								
Revaluation of freehold land	6,754,321	-	-	-	-	6,754,321	1,216,550	7,970,871
Actuarial losses on defined benefit obligations	-	-	-	-	(56,057)	(56,057)	(8,246)	(64,303)
Exchange differences on translation of foreign operations	-	1,179,981	-	-	-	1,179,981	654,361	1,834,342
Equity investments at FVOCI – net change in fair value	-	-	(1,935)	-	-	(1,935)	-	(1,935)
Net movement on cash flow hedges	-	-	-	(19,044)	-	(19,044)	(23,565)	(42,609)
Share of other comprehensive income of equity-accounted investees (net of tax)	-	381,600	-	-	(18,722)	362,878	(138)	362,740
Income tax on other comprehensive income	(1,932,575)	-	581	-	20,555	(1,911,439)	(338,862)	(2,250,301)
Total	4,821,746	1,561,581	(1,354)	(19,044)	(54,224)	6,308,705	1,500,100	7,808,805
For the year ended 31st March 2025								
Actuarial losses on defined benefit obligations	-	-	-	-	(54,635)	(54,635)	(15,691)	(70,326)
Exchange differences on translation of foreign operations	-	(461,795)	-	-	-	(461,795)	(175,184)	(636,979)
Equity investments at FVOCI – net change in fair value	-	-	(3,325)	-	-	(3,325)	-	(3,325)
Net movement on cash flow hedges	-	-	-	303,589	-	303,589	375,672	679,261
Share of other comprehensive income of equity-accounted investees (net of tax)	-	(120,155)	-	-	(6,993)	(127,148)	-	(127,148)
Income tax on other comprehensive income	-	-	(1,340)	-	5,833	4,493	772	5,265
Total	-	(581,950)	(4,665)	303,589	(55,795)	(338,821)	185,569	(153,252)

29.3.2 Company

	Fair value reserve Rs.'000	Retained earnings Rs.'000	Total equity Rs.'000
For the year ended 31st March 2026			
Actuarial losses on defined benefit obligations	-	(25,019)	(25,019)
Equity investments at FVOCI – net change in fair value	(4,892)	-	(4,892)
Income tax on other comprehensive income	1,467	7,506	8,973
Total	(3,425)	(17,513)	(20,938)
For the year ended 31st March 2025			
Actuarial losses on defined benefit obligations	-	(15,480)	(15,480)
Equity investments at FVOCI – net change in fair value	(2,667)	-	(2,667)
Income tax on other comprehensive income	(1,537)	4,644	3,107
Total	(4,204)	(10,836)	(15,040)

30 INTEREST-BEARING LOANS AND BORROWINGS

30.1 Movement during the year

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Loan Capital				
Balance as at 01st April	45,310,257	47,117,172	7,115,508	2,405,082
Exchange difference	2,636,736	(471,594)	420,117	23,769
New loans obtained	11,342,859	20,683,883	-	5,882,600
Capital repayment	(17,068,774)	(22,025,548)	(1,220,220)	(1,198,620)
Transaction cost	3,684	6,344	987	2,677
	42,224,762	45,310,257	6,316,392	7,115,508
Loan Interest				
Balance as at 01st April	218,777	544,009	21,921	39,852
Exchange difference	7,651	(319)	-	-
Interest expense				
- Charged to the income statement	3,203,325	4,156,297	457,887	272,407
- Capitalised under property, plant and equipment	37,919	64,232	-	-
Interest paid	(3,110,742)	(4,545,442)	(478,963)	(290,338)
	356,930	218,777	845	21,921
Balance as at 31st March	42,581,692	45,529,034	6,317,237	7,137,429
Current portion of interest-bearing liabilities	(6,020,005)	(11,621,372)	(637,517)	(1,211,029)
Non-current portion of interest-bearing liabilities	36,561,687	33,907,662	5,679,720	5,926,400

30.2 Analysed by capital repayment

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Payable within 1 year	6,020,005	11,621,372	637,517	1,211,029
Payable within 1 - 2 years	5,742,363	9,168,650	1,262,160	592,640
Payable within 2 - 5 years	20,001,249	14,757,294	3,786,480	4,741,120
Payable after 5 years	10,818,075	9,981,718	631,080	592,640
	42,581,692	45,529,034	6,317,237	7,137,429

30.3 Analysed by interest rate

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Linked to SOFR	27,109,868	24,513,619	6,317,237	7,138,416
Linked to AWPLR	9,223,074	9,900,439	-	-
Linked to EURIBOR	3,854,089	7,982,974	-	-
Fixed rate	1,225,135	1,802,157	-	-
Linked to Central Bank of Oman T-Bill rate	1,170,228	1,332,141	-	-
Transaction cost to be amortised	(702)	(2,296)	-	(987)
	42,581,692	45,529,034	6,317,237	7,137,429

30.4 Analysed by lending institution

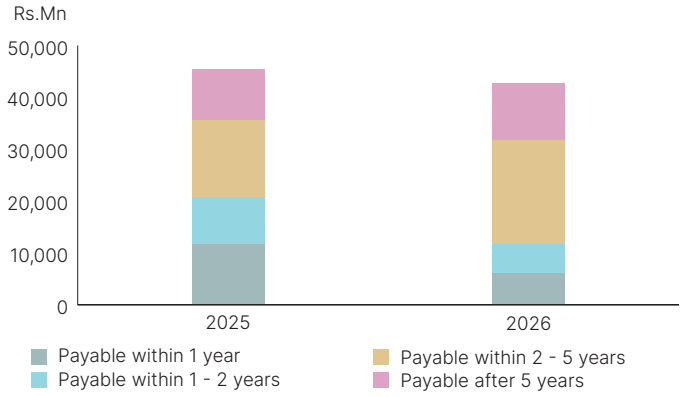
As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Commercial Bank of Ceylon	9,981,734	9,997,987	-	-
Sampath Bank	6,317,237	5,933,099	6,317,237	5,933,099
Bank of Ceylon	5,878,265	1,587,133	-	-
ABANCA Corporación Bancaria	3,854,089	3,989,433	-	-
National Development Bank	3,568,186	3,508,147	-	-
People's Bank	2,740,040	3,968,215	-	-
Hatton National Bank	2,490,805	3,927,909	-	-
Seylan Bank	2,376,700	-	-	-
DFCC Bank	2,263,762	2,627,434	-	-
Nations Trust Bank	1,227,711	603,885	-	-
Sohar International Bank SAOG	1,170,228	1,332,141	-	-
Commercial Bank of Maldives	713,637	701,629	-	-
Habib Bank	-	725,566	-	-
Hongkong and Shanghai Banking Corporation	-	5,423,435	-	-
DEG - German Investment Corporation	-	1,205,317	-	1,205,317
Transaction cost to be amortised	(702)	(2,296)	-	(987)
	42,581,692	45,529,034	6,317,237	7,137,429

NOTES TO THE FINANCIAL STATEMENTS

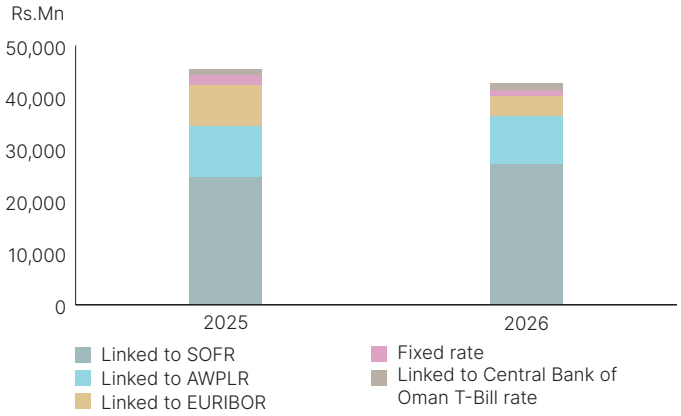
30.5 Analysed by currency equivalent in Rupees

As at	GROUP			COMPANY		
	31.03.2026		31.03.2025	31.03.2026		31.03.2025
	%	Equivalent Rs.'000	Equivalent Rs.'000	%	Equivalent Rs.'000	Equivalent Rs.'000
United States Dollars	66	28,257,184	26,073,322	100	6,317,237	7,138,416
Sri Lankan Rupees	22	9,300,893	10,142,893	-	-	-
Euro	9	3,854,089	7,982,974	-	-	-
Oman Riyal	3	1,170,228	1,332,141	-	-	-
Transaction cost to be amortised		(702)	(2,296)		-	(987)
	100	42,581,692	45,529,034	100	6,317,237	7,137,429

Analysed by Capital Repayment



Analysed by Interest Rate Basis



30.6 Detailed analysis of Interest-bearing loans and borrowings

Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2026 Rs.'000	LKR equivalent as at 31.03.2025 Rs.'000
Tourism sector						
Commercial Bank of Ceylon						
USD	SOFR	❖ ■	30 quarterly instalments remaining	Jun-33	9,738,234	9,588,935
Bank of Ceylon						
USD	SOFR	❖	112 monthly instalments remaining	Jul-35	4,218,095	-
USD	SOFR	❖	120 monthly instalments commencing June 2026	May-36	316,680	-
ABANCA Corporación Bancaria						
EUR	EURIBOR	□	18 quarterly instalments commencing July 2026, with a 59% bullet repayment at maturity	Jan-31	3,854,089	-
EUR	EURIBOR	□	Restructured during the financial year	Mar-26	-	3,989,433
National Development Bank						
USD	SOFR	❖ ■	30 quarterly instalments remaining	Jun-33	3,568,186	3,508,147

Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2026 Rs.'000	LKR equivalent as at 31.03.2025 Rs.'000
Seylan Bank						
USD	SOFR	◻	72 monthly instalments commencing July 2026	Jul-32	1,512,995	-
Sohar International Bank SAOG						
OMR	CBO T-Bill rate	◻ ❖	11 quarterly instalments remaining	May-28	1,170,228	1,332,141
Hatton National Bank						
USD	Fixed rate	●	76 monthly instalments remaining	Jul-32	1,147,315	1,152,263
USD	SOFR	◻ ■	Fully settled during the financial year	Mar-26	-	559,082
DFCC Bank						
LKR	AWPLR	◻	42 monthly instalments remaining	Oct-29	872,909	926,909
People's Bank						
USD	SOFR	◻	3 quarterly instalments remaining	Oct-26	724,805	1,587,516
Commercial Bank of Maldives						
USD	SOFR	❖ ■	30 quarterly instalments remaining	Jun-33	713,637	701,629
Habib Bank						
USD	Fixed rate	●	Fully settled during the financial year	Feb-26	-	407,440
LKR	AWPLR	◻	Fully settled during the financial year	Mar-26	-	318,126
Hongkong and Shanghai Banking Corporation						
EUR	EURIBOR	◻ ❖	Fully settled during the financial year	Jun-25	-	3,993,541
USD	SOFR	◻ ❖	Fully settled during the financial year	Jul-25	-	1,429,894
Transaction cost to be amortised					(702)	(1,309)
Tourism sector total					27,836,471	29,493,747
Maritime & freight logistics sector						
Seylan Bank PLC						
LKR	AWPLR	None	69 monthly instalments remaining	Dec-31	863,705	-
Nations Trust Bank						
LKR	AWPLR	None	66 monthly instalments remaining	Sep-31	689,711	-
Hatton National Bank						
LKR	AWPLR	None	Fully settled during the financial year	Sep-25	-	459,999
Maritime & freight logistics sector total					1,553,416	459,999
Strategic investments sector						
Sampath Bank						
USD	SOFR	●	20 quarterly instalments commencing December 2026	Sep-31	6,317,237	5,933,099
People's Bank						
LKR	AWPLR	❖ ■ ★	22 quarterly instalments remaining	Jun-31	2,015,235	2,380,699
Hatton National Bank						
LKR	AWPLR	❖ ■ ★	22 quarterly instalments remaining	Jun-31	1,343,490	1,587,133
LKR	AWPLR	❖ ■ ★	Fully settled during the financial year	Jun-25	-	123,729
LKR	AWPLR	None	Fully settled during the financial year	Jun-25	-	45,703

Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2026 Rs.'000	LKR equivalent as at 31.03.2025 Rs.'000
DFCC Bank						
LKR	AWPLR	❖ ■ ★	22 quarterly instalments remaining	Jun-31	1,343,490	1,526,640
LKR	Fixed rate	❖ ■ ★	6 monthly instalments remaining	Sep-26	47,363	142,224
LKR	68% - Fixed rate & 32% - AWPLR	❖ ● ★	Fully settled during the financial year	Jun-25	-	24,450
LKR	AWPLR	❖ ● ★	Fully settled during the financial year	Oct-25	-	7,211
Bank of Ceylon						
LKR	AWPLR	❖ ■ ★	22 quarterly instalments remaining	Jun-31	1,343,490	1,587,133
Nations Trust Bank						
LKR	AWPLR	None	62 monthly instalments remaining	May-31	538,000	603,885
Commercial Bank of Ceylon						
LKR	AWPLR	●	43 monthly instalments remaining	Feb-31	203,331	300,476
LKR	76% - Fixed rate & 24% - AWPLR	❖ ■ ★	7 monthly instalments remaining	Oct-26	40,169	108,576
DEG - German Investment Corporation						
USD	SOFR	None	Fully settled during the financial year	Jan-26	-	1,205,317
Transaction cost to be amortised					-	(987)
Strategic investments sector total					13,191,805	15,575,288
Total					42,581,692	45,529,034

* Collaterals provided for loans

As at		31.03.2026 Pledged value Rs.'000	31.03.2026 Exposure Rs.'000	31.03.2025 Pledged value Rs.'000	31.03.2025 Exposure Rs.'000
❖	Property, plant and equipment	39,695,224	24,688,068	47,819,103	21,294,064
■	Right-of-use assets	4,251,176	-	8,807,244	-
●	Current assets	2,928,348	2,928,348	3,371,277	3,341,779
★	Shares	4,549,174	-	4,830,695	-
▣	Corporate Guarantees **	4,280,937	4,280,937	14,129,084	14,129,084
		55,704,859	31,897,353	78,957,403	38,764,927

** Outstanding exposure as at reporting date has been stated as the pledged value.

31 LEASE LIABILITIES

ACCOUNTING POLICY

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimation of the amount expected to be payable under a residual value guarantee, if there is a change in the Group's assessment of whether it will exercise a purchase, extension or termination option, or if there is a revision in the in-substance fixed lease payment.

If the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset and it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies the guidelines given in SLFRS 15 – Revenue from Contracts with Customers, to allocate the consideration in the contract.

The Group regularly reviews the estimated non-guaranteed residual values used in calculating the gross investment in the lease. The Group applies the de-recognition and impairment requirements in SLFRS 9 – Financial Instruments to the net investment in the lease.

31.1 Movement during the year

For the year	GROUP	
	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	12,750,016	14,626,979
Exchange difference	786,966	(214,287)
New leases obtained	11,874,999	127,893
Payment of lease liabilities	(2,692,648)	(2,566,540)
Derecognition on termination of lease	-	(6,527)
Interest expense		
- Charged to the income statement	691,114	769,073
- Capitalised under property, plant and equipment	9,529	13,425
Balance as at 31st March	23,419,976	12,750,016
Current portion of lease liabilities	(1,575,310)	(1,534,497)
Non-current portion of lease liabilities	21,844,666	11,215,519

31.2 Analysed by capital repayment

As at	GROUP	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Payable within 1 year	1,575,310	1,534,497
Payable within 1 - 2 years	1,514,579	569,988
Payable within 2 - 5 years	4,022,764	1,159,259
Payable after 5 years	16,307,323	9,486,272
	23,419,976	12,750,016

31.3 Analysed by currency equivalent in Rupees

As at	GROUP	
	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000
United States Dollars	22,182,675	11,307,530
Fijian Dollar	885,738	1,130,047
Sri Lankan Rupees	351,563	312,439
	23,419,976	12,750,016

32 DEFERRED TAX LIABILITIES

ACCOUNTING POLICY

Refer note 12

32.1 Movement during the year

For the year	GROUP	
	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	6,058,178	5,701,185
Exchange difference	39,826	(14,960)
Origination / (reversal) of temporary differences		
Recognised in profit / (loss)	(495,138)	359,635
Recognised in other comprehensive income	2,535,899	12,318
Balance as at 31st March	8,138,765	6,058,178

32.2 Composition of deferred tax liabilities

As at	GROUP	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Deferred tax liabilities attributable to;		
Accelerated depreciation for tax purposes on property, plant and equipment	5,590,523	4,892,345
Revaluation surplus on freehold land	4,854,695	2,294,498
Right-of-use assets	200,374	316,000
Unrealised exchange gain	77,603	109,910
Undistributed profits of consolidated entities	169,266	169,266
Biological assets and others	29,052	28,882
Retirement benefit obligations	(277,479)	(280,290)
Tax losses carried forward	(2,247,195)	(1,080,844)
Expected credit losses	(53,332)	(41,503)
Obsolete stocks	(14,128)	(7,891)
Lease liabilities	(183,411)	(342,614)
Financial assets at FVOCI	(7,203)	419
Net deferred tax liabilities	8,138,765	6,058,178

32.3 Movement in tax effect of temporary differences - Group

	As at 31.03.2026	Exchange differ-ence on translation	Recognised in profit / (loss)	Recognised in other compre-hensive income	As at 31.03.2025	Exchange differ-ence on translation	Recognised in profit / (loss)	Recognised in other compre-hensive income	As at 01.04.2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax liabilities									
Accelerated depreciation for tax purposes on property, plant and equipment	5,590,523	45,031	653,147	-	4,892,345	(13,210)	165,794	-	4,739,761
Revaluation surplus on freehold land	4,854,695	2,327	-	2,557,870	2,294,498	(2,703)	-	13,969	2,283,232
Right-of-use assets	200,374	20,336	(135,962)	-	316,000	(8,529)	(44,759)	-	369,288
Unrealised exchange gain	77,603	7	(32,314)	-	109,910	-	93,506	-	16,404
Undistributed profits of consolidated entities	169,266	-	-	-	169,266	-	39,540	-	129,726
Biological assets and others	29,052	-	170	-	28,882	-	1,690	8,751	18,441
	10,921,513	67,701	485,041	2,557,870	7,810,901	(24,442)	255,771	22,720	7,556,852
Deferred tax assets									
Retirement benefit obligations	(277,479)	(5,231)	22,391	(14,349)	(280,290)	1,144	(96,858)	(10,844)	(173,732)
Tax losses carried forward	(2,247,195)	(1,598)	(1,164,753)	-	(1,080,844)	(164)	117,173	-	(1,197,853)
Expected credit losses	(53,332)	(1,857)	(9,972)	-	(41,503)	(139)	30,917	-	(72,281)
Obsolete stocks	(14,128)	(146)	(6,091)	-	(7,891)	28	(7,919)	-	
Lease liabilities	(183,411)	(19,043)	178,246	-	(342,614)	8,613	60,551	-	(411,778)
Financial assets at FVOCI	(7,203)	-	-	(7,622)	419	-	-	442	(23)
	(2,782,748)	(27,875)	(980,179)	(21,971)	(1,752,723)	9,482	103,864	(10,402)	(1,855,667)
Net deferred tax liabilities	8,138,765	39,826	(495,138)	2,535,899	6,058,178	(14,960)	359,635	12,318	5,701,185

33 EMPLOYEE BENEFITS (GRI 201-3)

ACCOUNTING POLICY

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid in cash as ex-gratia in the short term, if the Group has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee, and the obligation can be measured reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

Provident fund and Employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

Pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme.

Provident fund – India

Group companies in South India contribute a sum of 12% of the basic salaries of for local employees and 12% of gross salary for foreign employees as provident fund benefits to the Employee Provident Organisation of India.

Provident fund – Fiji

Group companies in Fiji contribute a sum of 10% of the basic salaries of all employees as provident fund benefits to the Fiji National Provident Fund.

Defined Contribution Funds – Oman

Group companies in Oman contribute a sum of 13.5% of the Omani employee's gross salary and 1% from expat's employee's gross salary w.e.f. August 2024 in accordance with Social Security Insurance Law.

Defined benefit plan

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

Retiring Gratuity - Sri Lanka

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. Management's estimate of the defined benefit plan obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The defined benefit plan is valued by a professionally qualified external actuary.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income as they occur.

Retiring Gratuity – India

A liability is provided for employees in India based on a valuation made by an independent actuary using unit credit method for payment of gratuity at the rate of 15/26 times the monthly qualifying salary for each year of service.

Retiring Gratuity – Fiji

Retirement benefit liability is recognised for all permanent employees in Fiji based on four months salary plus four weeks pay for every year of service effective from the appointment date until retirement at 60 years. However, in order to be entitled for the gratuity payment, the employees should have completed minimum of 5 years continuous service preceding the date of retirement.

Retiring Gratuity – Oman

Gratuity is provided as per the labour law of Sultanate of Oman due to expatriate employees upon termination/completion of employment which is computed based on one month's basic salary for each year of employment.

33.1 Retirement benefit obligations

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Present value of unfunded obligations	2,194,601	1,899,009	263,208	200,886
Total present value of the obligation	2,194,601	1,899,009	263,208	200,886

33.2 Movement during the year

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	1,899,009	1,668,797	200,886	164,243
Expenses recognised in profit or loss				
Current service cost	188,980	136,489	18,349	18,170
Past service cost	-	-	-	-
Interest cost	179,434	200,256	22,097	19,709
	368,414	336,745	40,446	37,879
Expenses recognised in other comprehensive income				
Actuarial (gains) / losses arising from;				
- financial assumptions	85,482	71,680	13,831	8,068
- demographic assumptions	4,342	4,342	905	440
- experience adjustment	(25,521)	(5,696)	10,283	6,972
	64,303	70,326	25,019	15,480
Exchange difference	5,677	7,775	-	-
Others				
Benefits paid	(142,802)	(184,634)	(3,143)	(16,716)
Balance as at 31st March	2,194,601	1,899,009	263,208	200,886

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31st March 2026. The actuarial present value of the promised retirement benefits as at 31st March 2026 amounted to Rs. 2,194,601,032/- (Company - Rs. 263,207,971/-). The liability is not externally funded.

33.3 Maturity analysis of the payments

The following payments are expected on retirement benefit obligations in future years.

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Within next 12 months	247,718	214,638	26,332	15,857
Between 1 - 2 years	491,420	326,567	46,794	25,191
Between 2 - 5 years	623,609	609,401	90,587	87,756
Beyond 5 years	831,854	748,403	99,495	72,082
	2,194,601	1,899,009	263,208	200,886
Weighted average duration (years) of define benefit obligation	5.6	5.8	6.0	5.6

33.4 Actuarial assumptions

The principal actuarial assumptions used in determining the cost are given below;

Type of assumption	Criteria	Description
Financial	Discount rate	A long term treasury bond rate 10% p.a. (2024/2025 – 11.0% p.a.) was used to discount future liabilities taking in to consideration the remaining working life of employees.
	Long term salary increments	Based on the actual salary increment rates of the Group over the past few years and the future economic outlook of the country, an increase in the long term salary increment rate of 10.0% p.a. is factored into the valuation for the current year (2024/2025 - first year 15.0% p.a. thereafter 10.0% p.a.)
Demographic	Mortality & Disability	A 1967/70 mortality table, issued by the Institute of Actuaries, London.
	Staff turnover rate	Based on the staff turnover statistics of the Group. Rates of employee turnover at each category which represent the probabilities of the 'event' occurring within one year of the age is as follows.

Age	Executives	Non Executives	Other staff
18-24 years	0.14	0.18	0.36
25-29 years	0.23	0.20	0.40
30-34 years	0.20	0.18	0.33
35-39 years	0.17	0.17	0.28
40-44 years	0.15	0.10	0.24
45-49 years	0.08	0.09	0.21
50-54 years	0.08	0.09	0.17
55-59 years	0.00	0.00	0.00

	Retirement age	60 years

It is also assumed that the company will continue in business as a going concern.

33.5 Sensitivity analysis

The following table demonstrates the sensitivity to reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the retirement benefit liability measurement

The sensitivity of the liability in the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the retirement benefit obligation for the year.

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Discount rate				
- 1% increase	(93,693)	(81,864)	(13,775)	(9,853)
- 1% decrease	102,717	89,821	15,202	10,750
Long term salary increments				
- 1% increase	105,503	92,410	15,576	11,112
- 1% decrease	(97,895)	(85,616)	(14,360)	(10,353)

34 OTHER LIABILITIES - NON-CURRENT

As at	GROUP	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Amounts due to equity-accounted investees	94,685	179,589
	94,685	179,589

35 TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Refer note 37

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Trade payables	6,847,321	9,806,536	-	-
Other payables	16,803,799	14,917,983	12,770,783	12,374,323
	23,651,120	24,724,519	12,770,783	12,374,323

Note 37.3.2 -Liquidity risk, provides a repayment analysis of trade and other payable balances.

35.1 Other payables

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Contract liabilities	5,508,406	4,582,525	-	-
Accrued payables	3,010,461	2,623,096	30,174	81,408
Indirect taxes payable	725,350	1,013,787	16,426	7,592
Deposits payable	961,442	641,686	-	-
Other payables	4,343,197	4,094,798	596,224	465,253
Amounts due to subsidiaries	-	-	10,017,775	9,993,293
Amounts due to equity-accounted investees	2,178,201	1,894,041	2,033,442	1,758,727
Unclaimed dividends	76,742	68,050	76,742	68,050
	16,803,799	14,917,983	12,770,783	12,374,323

35.2 Trade and other payables analysed by currency

As at	GROUP		COMPANY	
	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000	31.03.2026 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000
Sri Lankan Rupees	14,324,692	16,626,947	12,724,831	12,340,657
United States Dollars	7,261,475	6,555,210	45,952	33,666
Fijian Dollar	1,542,326	986,437	-	-
Oman Riyal	428,123	471,876	-	-
Other	94,504	84,049	-	-
	23,651,120	24,724,519	12,770,783	12,374,323

36 FAIR VALUE MEASUREMENT

ACCOUNTING POLICY

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

Fair value of non-financial assets

The fair value used by the Group in the measurement of non-financial assets 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 that is accessible by the Group for the asset or liability.

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

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

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

36.1 Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

36.1.1 Fair value measurement hierarchy - Group

As at	31.03.2026				31.03.2025			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets								
Measured at fair value								
- Unquoted equity securities	-	262,832	20,391	283,223	-	246,822	22,326	269,148
- Quoted equity shares	169,507	-	-	169,507	121,619	-	-	121,619
	169,507	262,832	20,391	452,730	121,619	246,822	22,326	390,767
Non-financial assets								
Measured at fair value								
Property, plant and equipment								
- Freehold land	-	-	30,828,470	30,828,470	-	-	22,517,814	22,517,814
Fair values are disclosed								
Investment property								
- Freehold land & building	-	-	2,922,111	2,922,111	-	-	2,652,168	2,652,168

36.1.2 Fair value measurement hierarchy - Company

As at	31.03.2026				31.03.2025			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets								
Measured at fair value								
- Unquoted equity securities	-	-	234	234	-	-	5,126	5,126
- Quoted equity securities	81,137	-	-	81,137	58,066	-	-	58,066
	81,137	-	234	81,371	58,066	-	5,126	63,192
Non-financial assets								
Fair values are disclosed								
Investment property								
- Freehold land & building	-	-	10,532,953	10,532,953	-	-	8,211,711	8,211,711

36.2 Reconciliation of fair value measurement of "Level 3" financial instruments

	GROUP		COMPANY
	Unquoted equity securities	Freehold land	Unquoted equity securities
	Rs.'000	Rs.'000	Rs.'000
Balance as at 01st April 2024	25,651	22,699,029	7,793
Exchange difference	-	(179,873)	-
Disposal of land	-	(1,342)	-
Total gains and losses recognised in other comprehensive income			
- Net change in fair value (unrealised)	(3,325)	-	(2,667)
Balance as at 31st March 2025	22,326	22,517,814	5,126
Exchange difference	-	291,663	-
Transferred from Land carried at cost	-	48,122	-
Total gains and losses recognised in other comprehensive income			
- Net change in fair value (unrealised)	(1,935)	-	(4,892)
- Revaluation of freehold land (unrealised)	-	7,970,871	-
Balance as at 31st March 2026	20,391	30,828,470	234

36.2.1 Transfers between levels of fair value hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

36.3 Valuation techniques and significant unobservable inputs

The following tables summarises the valuation techniques used by the Group and the Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used for the valuation.

36.3.1 Assets and liabilities measured at fair value - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant and equipment			
Freehold land	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land (Refer note 15.4.2)	Estimated fair value would increase (decrease) if ; Price per perch increases (decreases).
Other financial assets			
Unquoted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	Variability of inputs are insignificant to have an impact on fair values.
	Market return on a comparable investment	Recent sale price of INR 55/- per share.	Not applicable.

36.3.2 Assets and liabilities for which fair values are disclosed - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Investment property		
- Freehold land	Market comparable method This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land (Refer note 16.3)

37 FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

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

FINANCIAL ASSETS

Recognition and initial measurement

Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument with the exception of "Trade Receivables". The Group initially recognises trade receivables when they are originated.

Financial assets other than trade receivables that do not contain a significant financing component are 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 on issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement

On initial recognition, the Group classifies a financial asset as measured at amortised cost; Fair Value Through Other Comprehensive Income (FVOCI); or Fair Value Through Profit or Loss (FVTPL).

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group 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 is held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and the financial asset is not designated as at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elected to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

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

Business model assessment

The Group 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 financial assets are 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 Group'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.
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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 Group 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 Group considers:

» events that would change the amount or timing of cash flows.
» terms that may adjust the contractual coupon rate, including variable-rate features.
» repayment and extension features; and
» terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole 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.

Subsequent measurement and gains and losses:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

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 profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group changes its objective of the business model for managing such financial assets.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transaction 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, such transferred assets are not derecognised.

Impairment

The Group recognises allowances for expected credit losses (ECLs) on Financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Loss allowance for debt instruments is measured and 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

At each reporting date, the Group 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.
» For trade receivables, being more than 365 days past due.
» The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
» It is probable that the borrower will enter bankruptcy or other financial reorganisation.
» The disappearance of an active market to a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group 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 Group's procedures to recovery of amounts due.

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.

Financial Liabilities

Recognition and initial measurement

The Group initially recognises financial liabilities other than debt securities when it becomes a party to the contractual provisions of the instrument. The Group recognises debt securities issued when they are originated.

All financial liabilities are initially measured at fair value and, for an item not at Fair Value Through Profit or Loss (FVTPL), are measured net of transaction costs that are directly attributable to its issue.

The Group's financial liabilities comprise of loans and borrowings, refundable rental and other deposits, bank overdrafts, trade and other payables and derivative financial instruments.

Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Other Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition of other financial liabilities are recognised in profit or loss.

Reclassification

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group 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 derecognition 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 profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Hedge accounting and cash flow hedge

'Hedging' is a process of using a financial instrument to mitigate all or some of the risk associated to a hedged item. 'Hedge accounting' changes the timing of recognising the gains and losses on either the hedged item or the hedging instrument so that both are recognised in profit or loss or other comprehensive income in the same accounting period in order to record the economic substance of the relationship between the hedged item and instrument.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on a prospective basis according to SLFRS 09 – 'Financial Instruments' requirements.

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

Cash Flow Hedge

A hedge of an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction that could affect the profit, or loss is classified as a cash flow hedge.

When a non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non-derivative financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the non- derivative financial liability is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

37.1 Financial instruments - accounting classifications

The following tables summarises the carrying values of financial assets and financial liabilities of the Group and the Company.

37.1.1 Accounting classifications of financial instruments - Group

As at 31st March 2026	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	14,422,598	2,984,130	17,406,728
Deposits and prepayments		-	-	401,354	3,221,704	3,623,058
Other financial assets	23 & 26					
- Unquoted equity securities and debt securities		-	283,223	226,742	-	509,965
- Quoted equity securities		169,507	-	-	-	169,507
- Government securities		-	-	1,679,067	-	1,679,067
- Bank deposits		-	-	27,733,111	-	27,733,111
- Amounts due from equity-accounted investees		-	-	1,432,437	-	1,432,437
Cash and short-term deposits	27	-	-	20,390,627	-	20,390,627
		169,507	283,223	66,285,936	6,205,834	72,944,500
Financial liabilities						
Interest-bearing loans and borrowings	30	-	-	42,581,692	-	42,581,692
Lease liabilities	31	-	-	23,419,976	-	23,419,976
Trade and other payables	35	-	-	16,134,718	7,516,402	23,651,120
Bank overdrafts and other short-term borrowings	27	-	-	21,758,212	-	21,758,212
		-	-	103,894,598	7,516,402	111,411,000

As at 31st March 2025	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	17,221,487	1,947,905	19,169,392
Deposits and prepayments		-	-	358,539	3,970,703	4,329,242
Other financial assets	23 & 26					-
- Unquoted equity securities and debt securities		-	269,148	19,555	-	288,703
- Quoted equity securities		121,619	-	-	-	121,619
- Government securities		-	-	2,885,422	-	2,885,422
- Bank deposits		-	-	23,702,769	-	23,702,769
- Amounts due from equity-accounted investees		-	-	725,524	-	725,524
Cash and short-term deposits	27	-	-	16,600,685	-	16,600,685
		121,619	269,148	61,513,981	5,918,608	67,823,356
Financial liabilities						
Interest-bearing loans and borrowings	30	-	-	45,529,034	-	45,529,034
Lease liabilities	31	-	-	12,750,016	-	12,750,016
Trade and other payables	35	-	-	12,193,294	12,531,225	24,724,519
Bank overdrafts and other short-term borrowings	27	-	-	19,894,961	-	19,894,961
		-	-	90,367,305	12,531,225	102,898,530

(a) Carrying values of financial assets and financial liabilities at amortised cost are a reasonable approximation of their fair values.

37.1.2 Accounting classifications of financial instruments - Company

As at 31st March 2026	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	8,845,872	432,975	9,278,847
Deposits and prepayments		-	-	1,773	247,531	249,304
Other financial assets	23 & 26					
- Unquoted equity securities and debt securities		-	234	124,087	-	124,321
- Quoted equity securities		81,137		-	-	81,137
- Government securities		-	-	1,679,067	-	1,679,067
- Bank deposits		-	-	19,685,558	-	19,685,558
Cash and short-term deposits	27	-	-	4,232,699	-	4,232,699
		81,137	234	34,569,056	680,506	35,330,933
Financial liabilities						
Interest-bearing liabilities	30	-	-	6,317,237	-	6,317,237
Trade and other payables	35	-	-	12,196,260	574,523	12,770,783
Bank overdrafts and other short-term borrowings	27	-	-	11,533,262	-	11,533,262
		-	-	30,046,759	574,523	30,621,282

As at 31st March 2025	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	7,258,061	354,700	7,612,761
Deposits and prepayments		-	-	1,554	175,981	177,535
Other financial assets	23 & 26					-
- Unquoted equity securities and debt securities		-	5,126	19,555	-	24,681
- Quoted equity securities		58,066		-	-	58,066
- Government securities		-	-	2,885,422	-	2,885,422
- Bank deposits		-	-	16,808,029	-	16,808,029
Cash and short-term deposits	27	-	-	5,223,529	-	5,223,529
		58,066	5,126	32,196,150	530,681	32,790,023
Financial liabilities						
Interest-bearing liabilities	30	-	-	7,137,429	-	7,137,429
Trade and other payables	35	-	-	11,765,273	609,050	12,374,323
Bank overdrafts and other short-term borrowings	27	-	-	8,191,453	-	8,191,453
		-	-	27,094,155	609,050	27,703,205

(a) Carrying values of financial assets and financial liabilities at amortised cost are a reasonable approximation of their fair values.

37.2 Cash flow hedge

A subsidiary company in the Group designated a hedge relationship between its highly probable foreign currency denominated sales and its foreign currency denominated borrowings.

The risk management objective of the cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with foreign currency denominated forecast sales. The risk management strategy is to use the foreign currency variability (gains /losses) arising from revaluation of the foreign currency borrowing attributable to change in the spot foreign exchange rates to off-set the variability, due to foreign exchange rate movements, on LKR conversion of foreign currency denominated forecast sales.

The effective portion of the gain or loss on the hedging instrument is recognised in the other comprehensive income statement (OCI) and any ineffective portion is recognised immediately in the income statement.

The amount recognised in other comprehensive income is transferred to the income statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement.

37.2.1 Cash flow hedge relationship

Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument. The portion of cash flow hedging reserve as at 31 March 2026 represents the foreign currency variability arising from revaluation of the foreign currency borrowings attributable to change in the spot exchange rate that is expected be set of from the variability of exchange rates from highly probable foreign currency denominated sales (named "All Inclusive" apartment revenue) expected to occur from 01st quarter of 2017/2018 up to the tenor of refinanced borrowings.

Hedging instrument : Foreign currency borrowing, the designated risk component historically covered on average 85% of the item as a whole.

Hedged item : Highly probable foreign currency denominated sales (named "All Inclusive" apartment revenue) expected to occur from April 2017 to March 2032.

During the year the effective portion of the hedging instrument being a loss of Rs. 42.6 million (2024/2025 - gain of Rs. 679.3 million) was recognised in the other comprehensive income statement (OCI) and no ineffective portion was recognised in the income statement during 2025/2026 and 2024/2025 financial year.

37.2.2 Cash flow hedge reserve

The Group's portion of the fair value loss recognised by the subsidiary is as follows;

For the year	GROUP	
	2025/2026 Rs.'000	2024/2025 Rs.'000
Balance as at 01st April	(1,341,322)	(1,644,911)
Net movement in cash flow hedge reserve	(19,044)	303,589
Balance as at 31st March	(1,360,366)	(1,341,322)

37.3 Financial risk management objectives and policies

Please refer the comprehensive risk management report on pages 128 to 138 of the annual report for a detailed description of the Group's risk management structure, process and procedures.

Financial instruments used by the Group in its business activities contain multiple variables that are affected by various market and environmental conditions. Such variations are generally not within the control of the users, and therefore cause fluctuations in the values of financial instruments. Fluctuations in value could result in a situation undesirable to the Group and expose it to risk. These risks need to be managed, as unmanaged risks can lead to unplanned outcomes where the Group could fall short of its financial and budgetary objectives. The Group has adopted a financial risk management strategy aimed at minimising the risks associated with the use of financial instruments by establishing several policies and guidelines that are followed by the companies in the Group. These policies and guidelines are reviewed from time to time and updated to reflect current requirements in accordance with the developments in the operating environment.

This part of the report covers the financial impact that could arise from market risk, credit risk and liquidity risk, the most important elements of the financial risk that the Group is subject to.

37.3.1 Market risk

Fluctuations of those market driven variables that affect cash flows arising from financial instruments can result in the actual outcome being different to expected cash flows thereby creating the market risk. Variables such as interest rates and exchange rates can move in directions different to those originally expected and the consequent cash flows could be different to the originally anticipated cash flows.

Market risk could result in the revenues and expenses of the Group being adversely affected and impacting the profit attributable to shareholders. In order to identify, manage and minimise the market risk, the Group has put into practice a number of policies and procedures.

37.3.1.1 Currency risk

The currency risk arises when a financial transaction is denominated in a currency other than that of the reporting currency of an entity. The Group has operations in a number of regions across the globe and conducts business in a variety of currencies. The Group's worldwide presence in many geographies exposes it to the currency risk in the form of transaction and translation exposure.

Transaction exposure arises where there are contracted cash flows (receivables and payables) of which the values are subject to unanticipated changes in exchange rates due to contracts being denominated in a foreign currency. Translation exposure occurs due to the fluctuations in foreign exchange rates and arises to the extent to which financial reporting is affected by exchange rate movements when the reporting currency is different to those currencies in which revenues, expenses, assets and liabilities are denominated.

As the Group transacts in many foreign currencies other than the Sri Lankan rupee which is the reporting currency, it is exposed to currency risk on revenue generation, expenses, investments and borrowings. The Group has significant investments in the Maldives, India, Oman and Fiji where the net assets are exposed to foreign currency translation risk. Revenue generations and expenses incurred in foreign currency are exposed to foreign currency transaction risk.

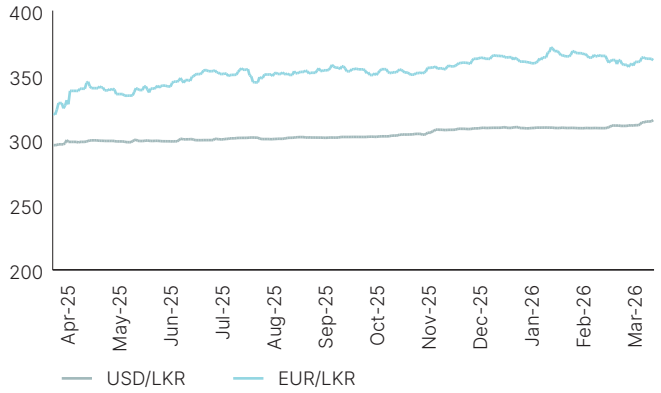
The total interest-bearing liabilities of the Group denominated in US dollar and Euro amounted to Rs. 32.1 billion (2024/2025: Rs. 34.1 million). The translation exposure resulting from foreign currency borrowings has been hedged to a great extent by the acquisition of financial assets denominated in matching foreign currencies. A significant portion of the foreign currency borrowings have been made by the Group companies with income in foreign currencies, especially in the tourism and strategic investments sectors. Transaction exposures are usually minimised by selectively entering into forward contracts when future cash flows can be estimated with reasonable accuracy with regard to amounts as well as timing. The Group treasury monitors foreign exchange markets on a continuous basis and advises on appropriate risk mitigating strategies.

The Group actively evaluates the possibility of employing hedge accounting to mitigate the exposure to currency risk by designating an effective relationship between foreign currency denominated transaction with assets or liabilities. Hedge accounting enables to minimise the timing differences in recognising foreign currency translation impact to the income statement or other comprehensive income statement and to effectively capture the economic substance of the transaction.

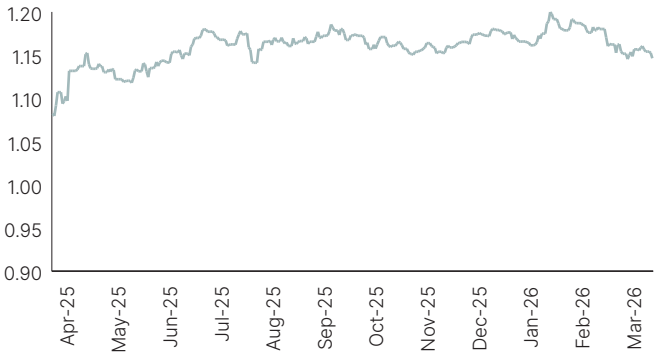
Movement in exchange rates during the year ended 31st March 2026

	Opening rate	Lowest Level		Highest Level		Spread	Closing rate
		Rate	Date	Rate	Date		
USD/LKR	296.22	296.14	02.04.2025	315.54	31.03.2026	19.40	315.54
EUR/LKR	320.60	319.71	02.04.2025	371.65	28.01.2026	51.94	361.74

USD/LKR & EUR/&LKR



EUR/USD



The USD/LKR exchange rate depreciated steadily throughout financial year 2025/26, with the rupee losing approximately 6.5% of its value against the US dollar. The rate opened around LKR 296 in April 2025 and the movement was broadly orderly, with the rate remaining under LKR 300.00 in the beginning of the year and then consolidating below 305.00 for an extended period during the second half of the year. Two periods of accelerated depreciation were noted: a sharp adjustment to around LKR 308 in mid-November 2025, followed by a more pronounced weakening during the final weeks of March 2026, culminating in a year-end closing rate of LKR 315.54.

Foreign currency sensitivity

The Group's primary foreign currency exposures are to the US Dollar and the Euro. Other foreign currency exposures, predominantly related to foreign operations, are not considered material. To assess the impact of currency risk on financial instruments, a reasonable movement in the USD/LKR and EUR/LKR exchange rates is estimated based on observable market trends. Reflecting the exchange rate volatility experienced during the financial year, a 5% threshold is applied in the current year's sensitivity analysis.

Sensitivity analysis of net foreign currency assets and liabilities - Group

	Impact profit		Impact on equity**
	EUR net financial assets / (liabilities) EUR '000	Net financial assets / (liabilities) in other currencies USD '000	USD '000
As at 31st March 2026			
Net exposure	(8,110)	77,557	171,549
LKR depreciates by 5% (Rs. '000)	(146,691)	1,223,618	2,706,526
LKR appreciates by 5% (Rs. '000)	146,691	(1,223,618)	(2,706,526)
As at 31st March 2025			
Net exposure	(22,210)	80,909	156,963
LKR depreciates by 5% (Rs. '000)	(355,213)	1,198,749	2,325,567
LKR appreciates by 5% (Rs. '000)	355,213	(1,198,749)	(2,325,567)

**The effect on the equity arises from the overseas investments made by the Group.

Sensitivity analysis of net foreign currency assets and liabilities - Company

	Impact on profit
	USD net financial assets / (liabilities) USD '000
As at 31st March 2026	
Net exposure	54,748
LKR depreciates by 5% (Rs. '000)	863,766
LKR appreciates by 5% (Rs. '000)	(863,766)
As at 31st March 2025	
Net exposure	49,811
LKR depreciates by 5% (Rs. '000)	738,007
LKR appreciates by 5% (Rs. '000)	(738,007)

37.3.1.2 Interest rate risk

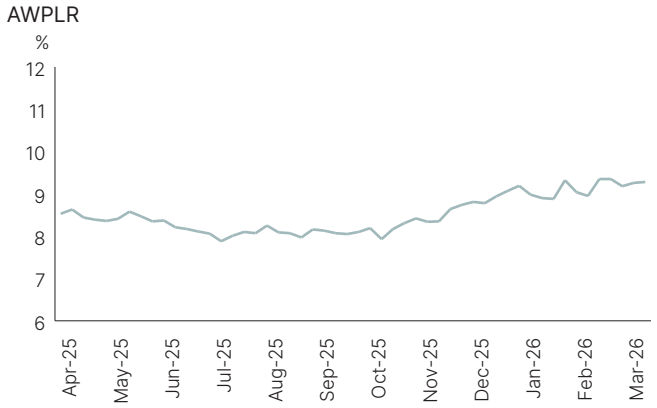
Values of financial instruments could fluctuate depending on the movements in interest rates giving rise to interest rate risk. This is a consequence of the changes in the present values of future cash flows derived from financial instruments. Value fluctuations in financial instruments will result in mark to market gains or losses in investment portfolios and could have an impact on reported financial results of the Group.

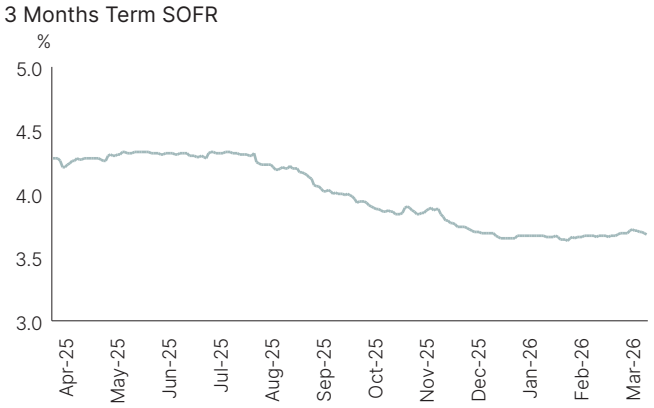
The Group's investment portfolio may consist of a range of financial instruments with both fixed and variable interest rates such as treasury bills and treasury bonds which are subject to interest rate risk. Liabilities with variable interest rates such as AWPLR and SOFR linked borrowings would expose the Group to cash flow risk as the amount of interest paid would change depending on the changes in market interest rates. Investments with fixed interest rates would expose the Group to variations in fair values during the marking to market of portfolios. Suitable strategies are used by the Group treasury to manage the interest rate risks in portfolio investments. The use of long-term interest rate forecasts to determine the most suitable duration of investments with the objective of overcoming the re-investment risk as well as to minimise any adverse impact in marking to market of the portfolio is one of the often used strategies. Interest rate swaps could be used when there is a need to hedge the risks on debt instruments with variable rates. Close monitoring of market trends is carried out to improve the accuracy of such decisions.

The Group treasury monitors the interest rate environment on a continuous basis to advise the sector finance managers on the most suitable strategy with regard to borrowings. The Group usually negotiates long term borrowings during the periods in which interest rates are low in order to extend the favourable impact to future reporting periods.

Movement in interest rates during the year ended 31st March 2026

	Opening rate %	Lowest Level		Highest Level		Spread (basis points)	Closing rate %
		Rate %	Period	Rate %	Period		
LKR Interest rate - AWPLR (Weekly)	8.43	7.88	Jul-25	9.35	Feb/Mar-26	147	9.28
USD Interest rate - Term SOFR (3 Month)	4.28	3.63	Feb-26	4.33	May-25	70	3.68





The Average Weighted Prime Lending Rate (AWPLR) recorded a net increase of 85 basis points over the financial year 2025-26, opening at 8.43% in April 2025 and closing at 9.28% by end-March 2026. The year was characterised by two distinct phases. During the first half, the rate eased steadily, reaching a year-low of 7.88% in mid-July 2025. This was followed by a sustained reversal from November 2025 onwards, with the rate breaching the 9% threshold by January 2026 and remaining elevated for the remainder of the year, touching a peak of 9.35% in February and March 2026.

The CME 3-Month Term SOFR during FY 2025-26 began with an upward trend, reaching a peak near 4.33% in May 2025. From August onward, the rate entered a sustained decline, before settling into a relatively tight range in the final quarter.

Interest rate sensitivity

The interest rate sensitivity analysis for the Group and Company's interest-bearing financial instruments as at the reporting date is set out below. The analysis illustrates the potential impact on profit or loss arising from reasonably possible interest rate scenarios, with all other variables held constant.

Given the volatility in domestic interest rates, a fluctuation of 250 basis points has been applied to LKR-denominated financial liabilities for the sensitivity analysis. For USD-denominated financial liabilities, a sensitivity threshold of 100 basis points has b een considered.

Interest rate sensitivity analysis- Group

	31.03.2026			31.03.2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR interest rates - 250bp	LKR interest rates + 250bp		LKR interest rates - 250bp	LKR interest rates + 250bp
LKR financial liabilities (Rs.'000)	9,223,074	230,577	(230,577)	9,900,439	247,511	(247,511)

	31.03.2026			31.03.2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 100bp	USD interest rates + 100bp
USD financial liabilities (In equivalent Rs.'000)	27,109,870	271,099	(271,099)	24,513,619	245,136	(245,136)

Interest rate sensitivity analysis - Company

	31.03.2026			31.03.2025		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 100bp	USD interest rates + 100bp
USD financial liabilities (In equivalent Rs.'000)	6,317,237	63,172	(63,172)	7,138,416	71,384	(71,384)

37.3.1.3 Equity price risk

The Group has adopted the policy that its investment in subsidiaries, joint ventures and associate companies are recorded at cost as per LKAS 27 and 28 standards and therefore are scoped out from the Sri Lanka Accounting Standards, SLFRS 9 - Financial Instruments.

Investments made by the Group which do not belong to the above categories are classified as financial assets and recorded at fair value in financial statements.

At the reporting date the carrying values of equity investments are as follows;

- Quoted equity securities: Rs. 169.5 million (as at 31.03.2025; Rs. 121.6 million)
- Unquoted equity securities: Rs. 283.2 million (as at 31.03.2025; Rs. 269.1 million)

A sensitivity analysis of the above has not been carried out as the Group's exposure to such is not material.

37.3.2 Liquidity risk

Liquid assets of a company consist of cash and assets which can be converted to cash in a short period of time to settle liabilities as they arise. Liquidity is an important factor in the operations of a business as it is an essential requirement for the successful operation of an entity.

A shortage of liquidity would have a negative impact on stakeholder confidence in a business entity and hampers its operations. The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

Shortening the working capital cycle is one of the main practises preferred in ensuring that there is sufficient liquidity at a given time. Adequate short-term working capital facilities provided by banks are available to all the Group companies which are utilised in the event of a requirement. These facilities are available at favourable rates and have been mostly provided without collateral. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

NOTES TO THE FINANCIAL STATEMENTS

The Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favourable credit periods in order to ensure a strong working capital position. Special attention has been given to cash inflows and outflows both at a consolidated and sector levels. The maturity profile of the Group's investments is monitored and adjusted to meet expected future cash outflows in the short, medium and long terms.

Funding requirements of the sectors and the parent company are evaluated at regular intervals by analysing business expansion strategies. The Group has adopted a conservative investment strategy in order to preserve the scarce capital as well as to minimise the risk. At opportune moments funds are mobilised by accessing capital markets. The Group attempts to minimise future interest expenses on borrowings by negotiating favourable interest rates with the respective lenders and makes use of attractive interest rates offered by international banks on foreign currency denominated funding mostly to finance its overseas investments.

The table below summarises the maturity analysis of the Group's and the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities maturity profile - Group

As at 31st March 2026	Carrying amount	Contractual undiscounted cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	42,581,692	-	8,486,465	8,160,242	24,521,781	11,604,551	52,773,039
Lease liabilities	23,419,976	-	2,943,823	2,906,845	7,501,368	26,318,358	39,670,394
Trade and other payables	23,651,120	16,451,052	7,200,068	-	-	-	23,651,120
Bank overdrafts and other short-term borrowings	21,758,212	8,766,668	12,991,544	-	-	-	21,758,212
	111,411,000	25,217,720	31,621,900	11,067,087	32,023,149	37,922,909	137,852,765

As at 31st March 2025	Carrying amount	Contractual undiscounted cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	45,529,034	-	14,521,558	11,478,752	19,053,077	10,492,757	55,546,144
Lease liabilities	12,750,016	-	2,206,657	1,190,108	2,875,063	18,330,110	24,601,938
Trade and other payables	24,724,519	15,076,855	9,647,664	-	-	-	24,724,519
Bank overdrafts and other short-term borrowings	19,894,961	11,410,941	8,484,020	-	-	-	19,894,961
	102,898,530	26,487,796	34,859,899	12,668,860	21,928,140	28,822,867	124,767,562

Financial liabilities maturity profile - Company

As at 31st March 2026	Carrying amount	Contractual undiscounted cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	6,317,237	-	1,007,741	1,573,954	4,257,886	642,357	7,481,938
Trade and other payables	12,770,783	12,592,289	178,494	-	-	-	12,770,783
Bank overdraft and other short-term borrowings	11,533,262	1,002,997	10,530,265	-	-	-	11,533,262
	30,621,282	13,595,286	11,716,500	1,573,954	4,257,886	642,357	31,785,983

As at 31st March 2025	Carrying amount	Contractual undiscounted cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	7,137,429	-	1,634,800	986,205	5,559,468	604,423	8,784,896
Trade and other payables	12,374,323	12,366,182	8,141	-	-	-	12,374,323
Bank overdraft and other short-term borrowings	8,191,453	2,019,805	6,171,648	-	-	-	8,191,453
	27,703,205	14,385,987	7,814,589	986,205	5,559,468	604,423	29,350,672

Liquidity position

As at	GROUP		COMPANY	
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cash and short-term deposits	20,390,627	16,600,685	4,232,699	5,223,529
Trade and other receivable within 30 days	6,915,368	9,993,260	10,655,791	7,583,557
Government securities	1,679,067	2,885,422	1,679,067	2,885,422
Bank deposits	27,733,111	23,702,769	19,685,558	16,808,029
Total Liquid assets	56,718,173	53,182,136	36,253,115	32,500,537
Less:				
Bank overdraft and other short term borrowing	21,758,212	19,894,961	11,533,262	8,191,453
On demand trade and other payables	16,451,052	15,076,855	12,592,289	12,366,182
Total on demand liabilities	38,209,264	34,971,816	24,125,551	20,557,635
Excess liquidity through operating cycle	18,508,909	18,210,320	12,127,564	11,942,902
Liquidity available on demand				
Unutilised approved bank credit lines	36,161,082	36,144,570	14,332,970	17,901,250

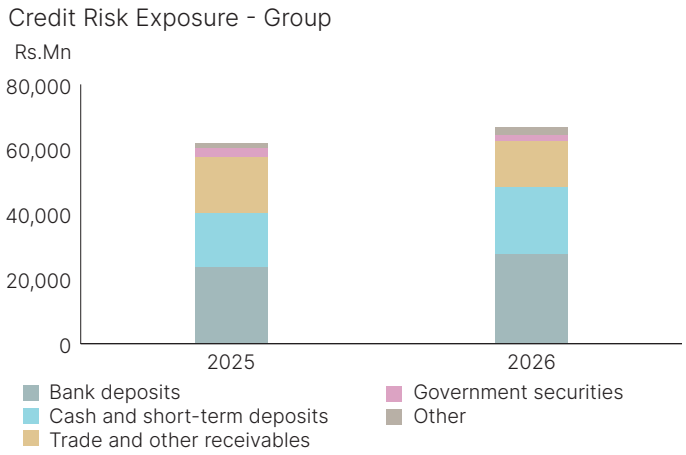
37.3.3 Credit risk

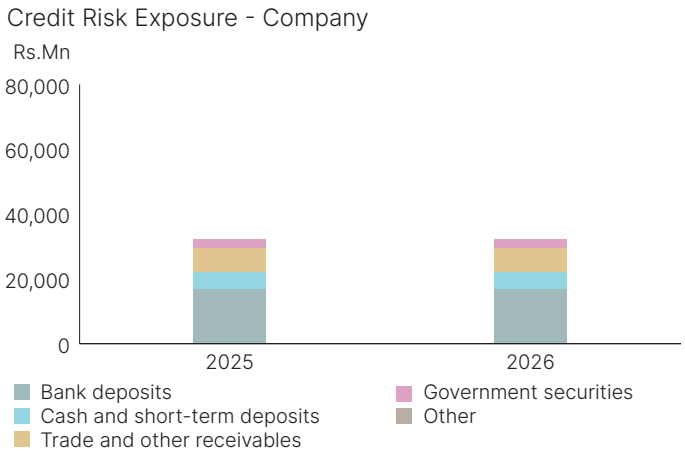
The risk assumed by an entity resulting from the risk of a counterparty defaulting on its contractual obligations in relation to a financial instrument or a customer contract is known as the credit risk. The Group's exposure to credit risk arises from its operating and financing activities including transactions with banks in placing deposits, foreign exchange transactions and through the use of other financial instruments. The maximum credit risk of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

37.3.3.1 Credit risk exposure

	GROUP				COMPANY			
	31.03.2026		31.03.2025		31.03.2026		31.03.2025	
	Rs.'000	Concentration %	Rs.'000	Concentration %	Rs.'000	Concentration %	Rs.'000	Concentration %
Trade and other receivables	14,422,598	21.6	17,221,487	27.8	8,845,872	25.5	7,258,061	22.5
Deposits and prepayments	401,354	0.6	358,539	0.6	1,773	0.005	1,554	0.005
Other financial assets								
- Unquoted equity securities and debt securities	509,965	0.8	288,703	0.5	124,321	0.4	24,681	0.1
- Quoted equity securities	169,507	0.3	121,619	0.2	81,137	0.2	58,066	0.2
- Government securities	1,679,067	2.5	2,885,422	4.7	1,679,067	4.8	2,885,422	8.9
- Bank deposits	27,733,111	41.6	23,702,769	38.3	19,685,558	56.8	16,808,029	52.1
- Amounts due from equity-accounted investees	1,432,437	2.1	725,524	1.2	-	-	-	-
Cash and short-term deposits	20,390,627	30.6	16,600,685	26.8	4,232,699	12.2	5,223,529	16.2
	66,738,666	100.0	61,904,748	100.0	34,650,427	100.0	32,259,342	100.00





The Board of Directors has provided the policy direction for the Group treasury to manage the risk arising from investments made in financial institutions. The Group's transactions are carried out only with a limited number of institutions all of which have stable credit ratings from internationally recognised rating providers. The Group's exposures and credit ratings of counterparties are continuously monitored and the investment portfolio is diversified amongst several institutions to minimise the unsystematic risk.

37.3.3.2 Expected credit loss assessment

The Group adopted Expected Credit Loss (ECL) approach to impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimising the timing difference in recognition of future default loss.

ECL measurement approach that is best suited for each class of asset is determined based on underlying risk characteristics of the asset. Subsequent to selection between general and simplified approaches to measurement, the Group assesses financial assets using data that is determined to be predictive of default risk, including but not limited to external ratings, historical payment patterns, audited financial statements, cash flow projections. Group companies apply experienced credit judgement taking in to account qualitative and quantitative factors that are indicative of the risk of default. Scalar macroeconomic factor adjustments such as GDP forecast, also incorporated to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected recovery period.

NOTES TO THE FINANCIAL STATEMENTS

The Group re-evaluated its approach to measurement of ECL in the light of the current economic crisis in Sri Lanka, as the consequent unexpected deterioration in credit quality of investment portfolios (financial institutions) and trade receivables (non-financial institutions), will have a significant impact on the ECL measurement. The Group considered all reasonable and supportable information available without undue cost or effort at the reporting date as well as practical expedients made available. Economic Factor Adjustment (EFA) and Probability of Default (PD) updated to reflect the impact of adverse economic condition in measuring ECL while Loss Given Default (LGD) was used without modification. The Group also assessed it financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties.

The following table presents an analysis of ECL measurement basis across financial assets classified at amortised cost including carrying values and impairment recognised for the Group.

37.3.3.2.1 Analysis of ECL measurement basis of financial assets classified at amortised cost - Group

	31.03.2026					31.03.2025				
	Carrying amount	Impairment recognised				Carrying amount	Impairment recognised			
		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and other receivables	14,422,598	-	(147,943)	(651,584)	(799,527)	17,221,487	-	(32,700)	(606,390)	(639,090)
Deposits and prepayments	401,354	-	-	-	-	358,539	-	-	-	-
Other financial assets										
- Unquoted debt securities	226,742	-	-	-	-	19,555	-	-	-	-
- Government securities	1,679,067	-	-	-	-	2,885,422	-	-	-	-
- Bank deposits	27,733,111	(3,834)	-	-	(3,834)	23,702,769	(238)	-	-	(238)
- Amounts due from equity-accounted investees	1,432,437	-	-	-	-	725,524	-	-	-	-
Cash and short-term deposits	20,390,627	-	-	-	-	16,600,685	-	-	-	-
	66,285,936	(3,834)	(147,943)	(651,584)	(803,361)	61,513,981	(238)	(32,700)	(606,390)	(639,328)

37.3.3.2.2 Movement in ECL allowance during the financial year - Group

	Trade and other receivables	Other financial assets - Bank deposits
	Rs.'000	Rs.'000
Balance as at 31st March 2024	(1,498,530)	(851)
Exchange difference/direct write-offs and reversals	83,539	362
Net impairment during the year	775,901	251
Balance as at 31st March 2025	(639,090)	(238)
Exchange difference/direct write-offs and reversals	(46,766)	49
Net impairment during the year	(113,671)	(3,645)
Balance as at 31st March 2026	(799,527)	(3,834)

The following table present an analysis of ECL measurement basis across financial assets classified at amortised cost including carrying values and impairment recognised for the Company.

37.3.3.2.3 Analysis of ECL measurement basis of financial assets classified at amortised cost - Company

	31.03.2026					31.03.2025				
	Carrying amount	Impairment recognised				Carrying amount	Impairment recognised			
		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and other receivables	8,845,872	-	-	(2,060,813)	(2,060,813)	7,258,061	-	-	(553,813)	(553,813)
Deposits and prepayments	1,773	-	-	-	-	1,554	-	-	-	-
Other financial assets										
- Unquoted debt securities	124,087	-	-	-	-	19,555	-	-	-	-
- Government securities	1,679,067	-	-	-	-	2,885,422	-	-	-	-
- Bank deposits	19,685,558	(1,395)	-	-	(1,395)	16,808,029	(64)	-	-	(64)
Cash and short-term deposits	4,232,699	-	-	-	-	5,223,529	-	-	-	-
	34,569,056	(1,395)	-	(2,060,813)	(2,062,208)	32,196,150	(64)	-	(553,813)	(553,877)

37.3.3.2.4 Movement in ECL allowance during the financial year - Company

	Trade and other receivables	Other financial assets - Bank deposits
	Rs.'000	Rs.'000
Balance as at 31st March 2024	(748,935)	(256)
Exchange difference/direct write-offs	193,219	-
Net impairment during the year	1,903	192
Balance as at 31st March 2025	(553,813)	(64)
Exchange difference/direct write-offs and reversals	770	-
Net impairment during the year	(1,507,770)	(1,331)
Balance as at 31st March 2026	(2,060,813)	(1,395)

37.3.3.3 Trade receivables

Trade receivables consist of recoverable from a large number of customers spread across diverse industries, segments and geographies. 91% of the Group's trade receivables are due for settlement within 90 days as at the end of the financial year (2024/2025: 93%) . The credit policy for each segment of business varies due to the diversity of operations in the Group. The credit policies that best suit their respective business environment are developed for each sector and the responsibility rests with the heads of finance and the senior management teams.

Group companies formulate their credit policies subsequent to analysing credit profiles of customers. In this regard factors such as the credit history, legal status, market share, geographical locations of operations, and industry information are considered. References from bankers or credit information databases are obtained when it is considered necessary. Each group company has identified credit limits for their customers. In the event a customer does not meet the criteria or the stipulated benchmark on a transaction, then the business is carried out with such customers only up to the value of the collaterals or advances obtained.

Apart from the state-owned enterprise which is the largest customer of the Strategic Investments sector, the Group does not have a significant credit risk exposure to any other single counterparty. Concentration of credit risk of the state-owned enterprise is 4.8% of total trade receivables of the Group as at 31st March 2026 (2024/2025: 2.6%) .

As at 31 March 2026, the Group has not pledged any trade receivables as security for interest-bearing liabilities obtained from banks (2024/2025: Rs. 29.5 million).

Trade receivable settlement profile - Group

	31.03.2026			31.03.2025		
	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000
Less than 30 days	6,915,368	(72,078)	6,843,290	9,993,260	(6,752)	9,986,509
More than 30 days but less than 60 days	4,142,986	(8,102)	4,134,884	3,199,503	(3,877)	3,195,626
More than 60 days but less than 90 days	1,048,912	(8,002)	1,040,910	786,786	(2,529)	784,257
More than 90 days but less than 180 days	443,739	(15,028)	428,711	317,717	(9,269)	308,448
More than 180 days but less than 365 days	265,176	(52,624)	212,552	265,240	(137,817)	127,423
More than 365 days	548,169	(592,272)	(44,103)	467,524	(427,095)	40,429
	13,364,350	(748,106)	12,616,244	15,030,030	(587,339)	14,442,692

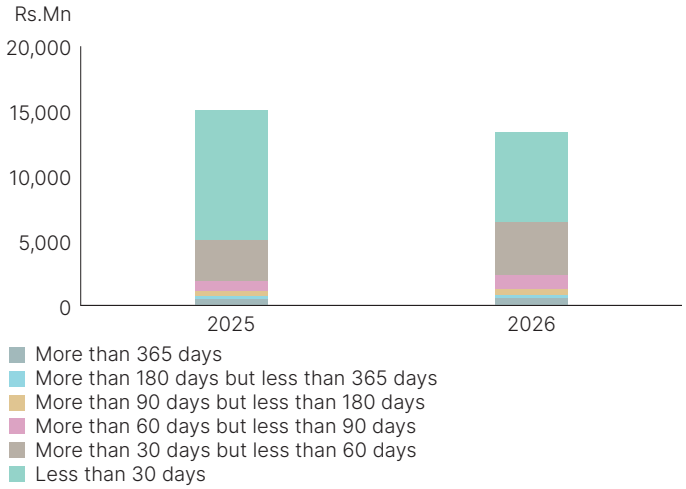
Trade receivable settlement profile - Company

	31.03.2026			31.03.2025		
	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000
Less than 30 days	2,158	-	2,158	985	-	985
More than 30 days but less than 365 days	-	-	-	-	-	-
More than 365 days	66	(66)	-	66	(66)	-
	2,224	(66)	2,158	1,051	(66)	985

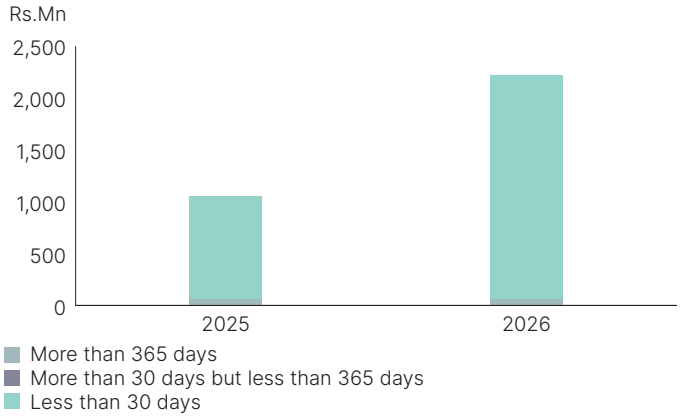
The Group uses an allowance matrix to measure the ECLs of trade receivables, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates that are based on actual credit loss experience over the past years, further subjected to asset correlation calibration and forward-looking adjustments. Loss Given Default (LGD) of 100% is assumed for ECL calculation of trade receivables.

Collateral acquired for mitigating credit risk, the Group whenever possible, does not offer credit to individuals unless collateral in the form of unconditional and irrevocable bank guarantees that can be encashed on demand or advances are provided to cover the receivable. The Group focuses on quality and the realisability of such collateral to mitigate potential credit losses.

Trade Receivable Settlement Profile - Group



Trade receivable settlement profile - Company



37.3.3.4 Deposits and balances with banks

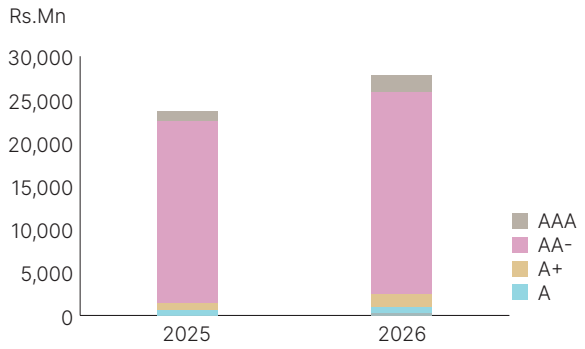
The Group has a number of bank deposits in Sri Lankan rupees and other currencies. These deposits have been placed in several banks in order to minimise the credit risk in accordance with the policy directions provided by the Board. In order to further minimise the credit risk, the Group's exposure and credit ratings of banks are regularly monitored and a diversified investment portfolio is maintained. In the event of any weakening of credit metrics of a bank the Group may decide to liquidate its investments and move to an institution with a higher credit rating.

The value of deposits and balances with banks pledged by the Group as security for credit facilities from banks amounted to Rs. 3,883.6 million (2024/2025 - Rs. 3,041.3 million).

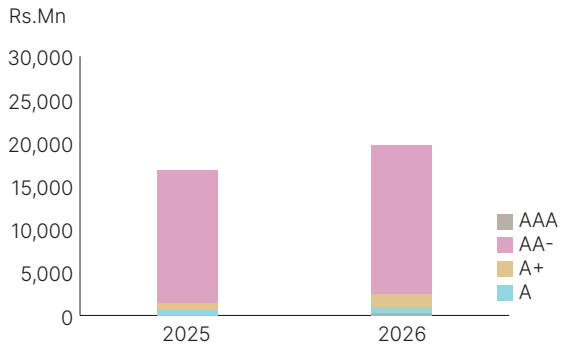
37.3.3.4.1 Bank deposits

Credit Rating (Fitch national credit rating scale or equivalent)	GROUP				COMPANY			
	As at 31.03.2026		As at 31.03.2025		As at 31.03.2026		As at 31.03.2025	
	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amoun Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %
AAA	1,874,964	6.8	1,260,607	5.3	-	-	-	-
AA-	23,392,875	84.3	21,053,827	88.8	17,217,846	87.5	15,419,522	91.7
A+	1,501,372	5.4	782,927	3.3	1,501,372	7.6	782,927	4.7
A	645,621	2.3	605,645	2.7	645,621	3.3	605,645	3.6
BBB-	322,114	1.2	-	-	322,114	1.6	-	-
Total gross carrying amount	27,736,945	100.0	23,703,007	100.0	19,686,953	100.0	16,808,093	100.0
Impairment of bank deposits	(3,834)		(238)		(1,395)		(64)	
Total net carrying amount	27,733,111		23,702,769		19,685,558		16,808,029	

Bank Deposits Analysed by Credit Rating - Group



Bank Deposits Analysed by Credit Rating - Company

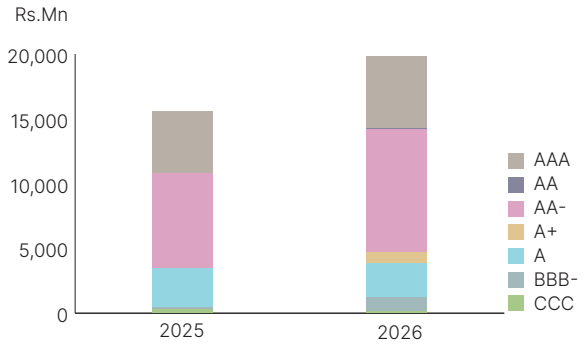


Impairment on bank deposits is measured on 12-month expected loss basis. External credit ratings of the counterparties and probability of default (PD) rates corresponding rating scale published by rating agencies are used in ECL calculation. PD rates are recalibrated using asset correlation formula and forward-looking adjustments are incorporated in arriving at final loss rates. Loss given default (LGD) of 45% is assumed for bank deposits. Credit ratings of counterparties are carefully monitored, and subsequent deterioration of the credit quality would trigger remeasurement of loss allowances using Lifetime ECL method.

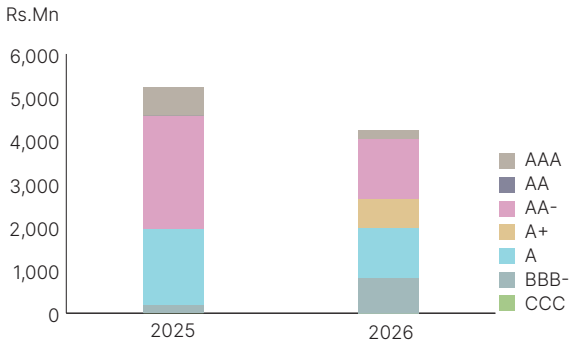
37.3.3.4.2 Cash and short term deposits at bank

Credit Rating (Fitch national credit rating scale or equivalent)	GROUP				COMPANY			
	As at 31.03.2026		As at 31.03.2025		As at 31.03.2026		As at 31.03.2025	
	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amoun Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %
AAA	5,632,184	28.4	4,826,301	31.0	204,880	4.8	657,187	12.6
AA	6,865	0.03	2,188	0.01	-	-	-	-
AA-	9,515,923	47.9	7,261,423	46.6	1,381,213	32.6	2,620,909	50.2
A+	869,620	4.4	44,232	0.3	682,279	16.12	7,483	0.1
A	2,575,035	13.0	2,967,167	19.0	1,150,993	27.19	1,760,493	33.70
BBB-	1,122,476	5.7	181,847	1.2	813,125	19.21	177,247	3.4
CCC	136,901	0.7	295,281	1.9	-	-	-	-
Cash and short-term deposits at bank	19,859,004	100.0	15,578,439	100.0	4,232,490	100.0	5,223,319	100.0
Cash in hand and funds in transit	531,623		1,022,246		211		210	
Total Cash and short-term deposits	20,390,627		16,600,685		4,232,699		5,223,529	

Cash and Short-term Deposits Analysed by Credit Rating - Group



Cash and Short-term Deposits Analysed by Credit Rating - Company



37.4. Financial capital management

Main objectives of the Group's financial capital management policy are as follows.

- Ensuring the availability of adequate capital for long term investments and growth of the business.
- Maintaining an adequate liquidity buffer for business operations.
- Sustaining the financial health of the Group to withstand economic cycles; and,
- Maintaining stakeholder confidence in the Group.

When capital is not available in adequate quantities or at a reasonable cost, it can have an adverse impact on the performance of the Group. The management being conscious of these factors, has implemented the capital management policy to ensure the long-term sustainability and competitiveness of the Group. Ensuring that there is no idle capital which will act as a drag on the returns generated is another factor that is considered. Excessive capital invested in a business will have a dampening impact on the performance while insufficient level of capital will prevent an organisation from achieving its long-term objectives.

37.4.1. Types of financial capital

Financial capital of the Group consists of two components: namely equity and debt. The equity capital consists of the while the debt capital is made up of the long-term and short-term debt. The debt capital is sourced from lending institutions and capital markets. Although the Group raises debt capital often, it has not raised new equity capital from shareholders for several years.

The Group regularly estimates its future capital requirements by evaluating new investments and expansion needs and other uses of capital. Such analysis would highlight shortfalls in available capital which would be raised through either the issue of new equity or debt. The debt-to-equity ratio (defined as the ratio between non-current interest-bearing borrowings to the total equity including minority interest) is regularly monitored to ensure the efficient use of shareholders' equity. Managing the debt-to-equity ratio is a vital element of capital management as it has a direct bearing on the Group's ability to raise low cost capital.

As at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Debt to equity ratio	0.35	0.38	0.22	0.23

Sourcing of debt is carried out after careful and detailed analysis of lender proposals. Important factors such as the tenure of the loans, interest rates, capital repayment terms including grace periods and repayment amounts and other terms and conditions including covenants are taken into consideration when deciding. Minimising the weighted average cost of capital is one of the key considerations in determining sourcing options. The Group's debt is denominated in Sri Lankan rupees as well as foreign currencies such as US dollar, Euro, and Indian rupees. Foreign currency denominated loans have been taken mainly by the companies with foreign exchange earnings in order to take advantage of the relatively low interest rates.

The Group treasury plays an active role in ensuring that the cost of capital is maintained at the optimum level and the financial and other covenants linked to the sourcing arrangements are acceptable.

37.4.2. Financial capital allocation and investment

Implementation of the Group's long-term strategy for growth requires continuous capital investments in the four sectors in which the Group operates. The allocation of limited financial capital available is done pursuant to careful evaluation of investment opportunities to ascertain expected returns. The Group's capital investment decisions are supported by elaborate financial modelling, thorough sensitivity analysis and rigorous legal, financial and technical due diligence as required. Identification and ranking of suitable investment opportunities are carried out using the discounted cash flow modelling technique, Internal Rate of Return (IRR) & hurdle rates and payback periods. At the evaluation stage for capital investments, financial modelling, sensitivity analysis and the calculation of IRR are carried out either by the Group's corporate finance division, or the respective sector through which the investment will take place with the assistance of the former.

Upon making the decision to proceed with a capital investment, the Group follows necessary procedures to ensure that it is carried out in the best possible manner. When the investment involves external shareholders, the Group takes steps to protect its rights by entering into carefully drafted legal agreements. Post investment evaluations are carried out at frequent intervals to ensure that the returns envisaged at the evaluation stage are actually delivered. Exposure limits are used to control the default risk especially in portfolio investments.

37.4.3 Adequate financial reserves

The long-term financial health of the Group has been ensured by maintaining sufficient reserves of financial capital which can be drawn upon when there is a requirement. Probable future risks that could result in negative financial outcomes are identified and required mitigation measures are taken. The Group has implemented sound cash flow planning procedures ensuring that the receivables are collected in an efficient manner thereby shortening the cash cycle. A special emphasis is placed on minimising operating costs through critical evaluation and justification of all cost elements.

The Group policies regarding managing receivables have been communicated to the heads of finance of business sectors and the corporate finance division monitors the Group-wide status of receivables and submits exception reports to the management for advice on required action.

37.4.4. Financial capital management policy

The fundamental objective of the financial capital management policy of the Group is maximising the return on limited available capital whilst safeguarding the investments that have already been made. Ensuring that there is adequate financial capital for the Group to expand its operations while continuing with its regular business operations, requires the management to consider multiple facets of the operation and take into account the behaviour of a number of parameters, both internal and external, that affect the operating conditions. The rapid pace of change in the operating environment has a profound influence on many factors affecting the use of financial capital. A thorough understanding derived from years of experience in a business sector is vital to ensure successful management of capital.

The Group's financial capital management policy fundamentally stems from various decisions the Board has taken regarding capital investments and the optimum utilisation of cash resources. This policy reflects the current thinking of the Board on present and future industry, market and economic risks and conditions. Potential investments and divestments are discussed at length by the Group directors and various aspects of risk and return parameters are considered prior to making capital investment decisions. A vital role in the implementation of the financial capital management policy is played by the Group treasury and the corporate finance division.

The management information necessary to base policy decisions such as key performance indicators and value drivers of the sectors highlighting financial performances are generated by the corporate finance division. Some of the important parameters which guide the capital management policy include the tolerance for gearing, interest risk appetite and the view on the exchange rate movement. The underlying variables such as the market borrowing and lending rates, exchange rates, inflation and other macroeconomic indicators are constantly monitored by the Group treasury and recommendations regarding the appropriate policy changes are made to the management.

It is vital for the Group's long-term survival and growth to have a sound financial capital management policy as decisions taken at the present time will have implications for the future. The Group's financial capital management policy, therefore, is constantly evolving and attempts to link its future strategy to present day financing decisions while being based on a solid foundation of optimisation of resources.

38 CONTRACTS FOR CAPITAL EXPENDITURE

The following commitments for capital expenditure approved by the Directors as at 31st March have not been provided for in the financial statements.

38.1 Commitments for capital expenditure for subsidiaries

As at	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Approximate amount approved but not contracted for	11,573,989	10,034,205
Approximate amount contracted for but not incurred	1,814,768	804,970
	13,388,757	10,839,175

The above includes Rs. 13,128.3 million (2024/2025 - Rs. 10,544.4 million) for the acquisition of property, plant and equipment and Rs. 260.4 million (2024/2025 - Rs. 294.8 million) for the acquisition of intangible assets.

38.2 Commitments for capital expenditure for equity accounted investees

As at	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Approximate amount approved but not contracted for	585,630	920,278
Approximate amount contracted for but not incurred	20,453	25,619
	606,083	945,897

The amount shown is the Group's share of capital commitments by equity accounted investees.

The above includes Rs. 606.1 million (2024/2025 - Rs. 935.3 million) for the acquisition of property, plant and equipment and nil commitment for the acquisiton of intanglble assets (2024/2025 - Rs. 10.6 million).

39 PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICY

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group's control.

39.1 Contingent liabilities

Contingent liabilities as at 31.03.2026 on corporate guarantees given by Aitken Spence PLC to subsidiaries within the group and equity-accounted investees amounted to Rs. 1,855.2 million and Rs. 17.5 million respectively. Contingent liabilities as at 31.03.2026 on corporate guarantees given by subsidiaries and equity-accounted investees to other companies in the Group amounted to Rs. 11,477.4 million. Neither Aitken Spence PLC nor subsidiaries and equity-accounted investee have given corporate guarantees on behalf of companies outside the Group including other related companies listed in note 40.3 and 40.6 to the financial statements.

Aitken Spence Travels (Pvt) Ltd, a subsidiary of the Group was assessed by the Department of Inland Revenue on Income tax for the years of assessment 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2016/2017. The Tax Appeals Commission hearing the appeals determined the matters in favour of Aitken Spence Travels (Pvt) Ltd for the years of assessment stated above. The Department of Inland Revenue appealed against the determinations of the Tax Appeals Commission to the Court of Appeal for the above years of assessment. The Court of Appeal decided in favour of the company for the years of assessment 2009/2010, 2010/2011 and 2011/2012. The Department of Inland Revenue appealed against the decisions of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012 to the Supreme Court. The Supreme Court hearing the appeals for the years of assessment 2009/2010 and 2011/2012 refused to grant leave to proceed. For the year of assessment 2010/11, it was brought to the notice of the Supreme Court that this was based on the same

facts where the court has already held in favour of the Company. Thereafter, the matter was withdrawn by the Department of Inland Revenue and dismissed by the Supreme Court. Therefore, the judgements of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012, which was decided in favour of the Company prevailed. Based on expert advice and the decisions of the Tax Appeals Commission and the higher courts, the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

MMBL Money Transfer (Pvt) Ltd., a subsidiary of the Group was issued with income tax assessments for the years of assessment 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2017/2018. The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the years of assessment 2012/2013, 2013/2014, 2014/2015 and 2017/2018. MMBL Money Transfer (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above years of assessment. For the year of assessment 2015/2016, the Tax Appeals Commission issued the determination in favour of the company. The Department of Inland Revenue appealed against the said determination to the Court of Appeal for the year of assessment 2015/2016. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

Ace Containers (Pvt) Ltd., a subsidiary of the Group was issued with value added tax assessments for the taxable periods 2019 January (1911), 2019 April (1921) and 2019 May (1922). The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the above taxable periods. Ace Containers (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above taxable periods. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

Cey Spence (Pvt) Ltd which was previously an equity accounted investee and was proposed to be liquidated, and the share of net assets of which is reflected under assets classified as held for sale in the consolidated financial statements of the Group was issued an income tax assessment under the Inland Revenue Act in relation to the year of assessment 2007/2008. The Court of Appeal hearing the appeal has determined the income tax assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Court of Appeal the company has appealed against the determination to the Supreme Court. The contingent liability to the Group is estimated to be Rs. 70 million inclusive of any penalties. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

40 RELATED PARTY TRANSACTIONS

The Aitken Spence Group and the Company carries out transactions in the ordinary course of business with parties who are defined as related parties as per Sri Lanka Accounting Standard-LKAS 24 Related Party Disclosures.

List of subsidiaries and equity accounted investees and their principal activities are given in notes 20, 21 and “Group Companies and Directorate” on pages 512 to 523 respectively.

Transactions and outstanding balances between the companies within the Group and related parties are given in note no. 40.2 - 40.7.

40.1 Parent and ultimate controlling party

The immediate parent of Aitken Spence PLC is Melastacorp PLC and the ultimate holding company is Milford Exports (Ceylon) (Pvt) Ltd.

40.2 Transactions with key management personnel

40.2.1 Aitken Spence PLC considers its Board of Directors as the key management personnel of the company. The Board of Directors, Vice Presidents and Assistant Vice Presidents of subsidiary companies are considered as key management personnel of such companies.

40.2.2 There were no loans given to Directors of the company during the financial year or as at the year end.

40.2.3 Compensation paid to / on behalf of key management personnel is as follows;

For the year	GROUP		COMPANY	
	2025/2026 Rs.'000	2024/2025 Rs.'000	2025/2026 Rs.'000	2024/2025 Rs.'000
Short term employee benefits	2,330,159	1,736,489	582,533	514,226
Post employment benefits	2,385	41,677		-

No post-employment benefits were paid to key management personnel of Aitken Spence PLC during the financial years 2025/2026 and 2024/2025.

40.2.4 Details of Directors and their spouses' share holdings are given on page 364 to the annual report. The Company/Group did not have any material transactions with its key management personnel or their close family members during the year.

40.2.5 The names of key management personnel of Aitken Spence PLC, who hold positions in subsidiaries, joint ventures and equity accounted investees are stated in the Group Companies and Directorate on pages 512 to 523 to the annual report.

40.2.6 The other companies in which key management personnel of Aitken Spence PLC hold positions are listed in the Corporate Governance section on pages 124 to 127 to the annual report.

40.3 Transactions and outstanding balances with ultimate parent, parent and group companies of the parent

Transactions for the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sale of goods and services	1,088,180	847,796	1,273	2,531
Purchase of goods and services	702,451	732,811	20,133	14,600

Outstanding balances as at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Amounts due from	200,883	106,502	526	795
Amounts due to	31,843	9,610	-	-

Transactions and outstanding balances with Balangoda Plantations PLC, Bellvantage (Pvt) Ltd, Continental Insurance Lanka Ltd, Continental Insurance Life Lanka Ltd, DCSL Breweries Lanka Ltd, DCSL Group Marketing (Pvt) Ltd, Distilleries Company of Sri Lanka PLC, Formula World (Pvt) Ltd, Hospital Management Melsta (Pvt) Ltd, Lanka Bell (Pvt) Ltd, Melstacorp PLC, Melsta Health Care Colombo (Pvt) Ltd, Melsta Hospitals Colombo North (Pvt) Ltd, Melsta Hospitals Ragama (Pvt) Ltd, Melsta House (Pvt) Ltd, Melsta Laboratories (Pvt) Ltd, Melsta Logistics (Pvt) Ltd, Melsta Pharmaceuticals (Pvt) Ltd, Melsta Properties (Pvt) Ltd, Melsta Technologies (Pvt) Ltd, Melsta Tower (Pvt) Ltd, Milford Holdings (Pvt) Ltd, Periceyl (Pvt) Ltd, Splendor Media (Pvt) Ltd, Texpro Industries Ltd and Timpex (Pvt) Ltd are reflected above.

There were no transactions or outstanding balances with Milford Exports (Ceylon) (Pvt) Ltd, the ultimate holding company of Aitken Spence PLC

40.4 Transactions and outstanding balances with subsidiary companies

Transactions for the year ended 31st March	COMPANY	
	2026 Rs.'000	2025 Rs.'000
Income from services rendered	1,676,172	1,583,260
Rent income received	62,482	62,482
Allocation of common personnel and administration expenses	67,371	69,255
Purchase of goods and services	201,741	166,292
Net transfers under finance arrangements	(2,298,610)	(1,059,310)
Interest income	613,145	446,008
Interest expense	663,430	713,468
Sale of fixed assets	-	17,700

NOTES TO THE FINANCIAL STATEMENTS

Outstanding balances as at	COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Amounts due from		
Fully owned subsidiaries	4,450,684	4,025,912
Partly owned subsidiaries	6,202,949	3,556,660
	10,653,633	7,582,572
Provision for doubtful debts	2,045,535	538,535
Expense recognised during the period in respect of bad & doubtful debts	1,507,000	-
Amounts due to		
Fully owned subsidiaries	3,316,778	3,576,580
Partly owned subsidiaries	6,700,997	6,416,713
	10,017,775	9,993,293

Transactions and outstanding balances with ADS Resorts (Pvt) Ltd, Ace Apparels (Pvt) Ltd, Ace Aviation Services (Pvt) Ltd, Ace Aviation Services Maldives (Pvt) Ltd, Ace Cargo (Pvt) Ltd, Ace Container Repair (Pvt) Ltd, Ace Container Terminals (Pvt) Ltd, Ace Containers (Pvt) Ltd, Ace Distriparks (Pvt) Ltd, Ace Exports (Pvt) Ltd, Ace Freight Management (Pvt) Ltd, Ace Power Embilipitiya (Pvt) Ltd, Ace Wind Power (Pvt) Ltd, Ahungalla Resorts Ltd, Aitken Spence (Garments) Ltd, Aitken Spence Agriculture (Pvt) Ltd, Aitken Spence Apparels (Pvt) Ltd, Aitken Spence Aviation (Pvt) Ltd, Aitken Spence Cargo (Pvt) Ltd, Aitken Spence Developments (Pvt) Ltd, Aitken Spence Elevators (Pvt) Ltd, Aitken Spence Exports Ltd, Aitken Spence Group Ltd, Aitken Spence Hotel Holdings PLC, Aitken Spence Hotel Management (Pvt) Ltd, Aitken Spence Hotel Management Asia (Pvt) Ltd, Aitken Spence Hotels (International) Ltd, Aitken Spence Hotels Ltd, Aitken Spence Hotel Management (South India) (Pvt) Ltd, Aitken Spence Industrial Solutions (Pvt) Ltd, Aitken Spence Insurance Brokers (Pvt) Ltd, Aitken Spence International Consulting (Pvt) Ltd, Aitken Spence International Pte. Ltd, Aitken Spence Maritime Ltd, Aitken Spence Ports International Ltd, Aitken Spence Power (Pvt) Ltd, Aitken Spence Printing and Packaging (Pvt) Ltd, Aitken Spence Property Developments Ltd, Aitken Spence Resorts (Middle East) LLC, Aitken Spence Resources (Pvt) Ltd, Aitken Spence Shipping Ltd, Aitken Spence Shipping Services (Pvt) Ltd, Aitken Spence Travels (Pvt) Ltd, Branford Hydropower (Pvt) Ltd, Clark Spence and Company Ltd , Cowrie Investments (Pvt) Ltd, Crest Star (BVI) Ltd, D B S Logistics Ltd, Elgin Hydropower (Pvt) Ltd, Fiji Ports Terminal Ltd, Global Parcel Delivery (Pvt) Ltd, Hapag Lloyd Lanka (Pvt) Ltd, Heritance (Pvt) Ltd, Hethersett Hotels Ltd, Interlifts International (Pvt) Ltd, Jetan Travel Services Company (Pvt) Ltd, Kandalama Hotels (Pvt) Ltd, Logilink (Pvt) Ltd, Meeraladuwa (Pvt) Ltd, MMBL Money Transfer (Pvt) Ltd, Neptune Ayurvedic (Pvt) Ltd, Royal Spence Aviations (Pvt) Ltd, Sagasolar Power (Pvt) Ltd, Shipping & Cargo Logistics (Pvt) Ltd, Turyaa (Pvt) Ltd, Unique Resorts (Pvt) Ltd, Upper Waltrim Hydropower (Pvt) Ltd, Vauxhall Investments (Pvt) Ltd, Vauxhall Property Developments (Pvt) Ltd, Waltrim Energy Ltd, Waltrim Hydropower (Pvt) Ltd and Western Power Company (Pvt) Ltd are reflected above.

40.5 Transactions and outstanding balances with equity-accounted investees

Transactions for the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Joint ventures				
Sale of goods and services	222,295	191,060	47,748	32,767
Rent income received	1,598	1,561	1,598	1,561
Allocation of common personnel and administration expenses	42	160	42	160
Purchase of goods and services	701	308	-	-
Net transfers under finance arrangements	601,471	(25,759)	601,471	(25,759)
Interest income	3,176	3,516	3,176	3,751
Interest expense	42,073	-	42,073	-
Associates				
Sale of goods and services	437,761	299,215	79,712	61,455
Allocation of common personnel and administration expenses	3,772	3,173	3,772	3,173
Purchase of goods and services	335,151	329,429	11,164	4,121
Net transfers under finance arrangements	(976,964)	303,901	(353,311)	772,050
Interest income	73,291	68,570	-	-
Interest expense	135,773	103,256	125,225	103,256

Outstanding balances as at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Amounts due from				
Joint ventures	477,187	439,863	219,685	183,988
Associates	1,623,498	1,546,177	13,597	41,872
	2,100,685	1,986,040	233,282	225,860
Provision for doubtful debts	23,260	23,260	15,213	15,213
Amounts due to				
Joint ventures	634,795	-	634,796	-
Associates	1,638,091	2,073,630	1,398,646	1,758,727
	2,272,886	2,073,630	2,033,442	1,758,727

Transactions and outstanding balances with Ace Bangladesh Ltd, Aitken Spence C & T Investments (Pvt) Ltd, Aitken Spence Cargo (Cambodia) Co. Ltd, CINEC Campus (Pvt) Ltd, Port City PBO (Pvt) Ltd and Spence Seahorse Marine (Pvt) Ltd are reflected as joint ventures above.

Transactions and outstanding balances with AEN Palm Oil Processing (Pvt) Ltd, Aitken Spence Plantation Management Ltd, Browns Beach Hotels PLC, E P P Hydro Power (Pvt) Ltd, Elpitiya Lifestyle Solutions (Pvt) Ltd, Elpitiya Plantations PLC, Fiji Ports Corporation Ltd, Harrow House (Pvt) Ltd, Negombo Beach Resorts (Pvt) Ltd and Paradise Resort Pasikudah (Pvt) Ltd are reflected as associates above.

40.6 Transactions and outstanding balances with other related companies

Transactions for the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Sale of goods and services	306,194	265,601	87	-
Purchase of goods and services	1,391,401	1,121,212	3,237	5,513

Outstanding balances as at	GROUP		COMPANY	
	31.03.2026 Rs.'000	31.03.2025 Rs.'000	31.03.2026 Rs.'000	31.03.2025 Rs.'000
Amounts due from	40,329	26,980	-	-
Amounts due to	44,134	58,774	-	-

Transactions and outstanding balances with Ambewela Livestock (Co.) Ltd, Ambewela Products (Pvt) Ltd, Bairaha Farms PLC, Dilmah Ceylon Tea Company PLC, International Distillers Ltd, Lanka Diaries (Pvt) Ltd, Lanka Milk Foods (Cwe) PLC, Marino Leisure Holdings (Pvt) Ltd, Pattipola Livestock Company Ltd, Stassen Exports (Pvt) Ltd, Stassen Foods (Pvt) Ltd, Stassen Natural Foods (Pvt) Ltd, Sunshine Teas (Pvt) Ltd, The Kingsbury PLC, and United Dairies Lanka (Pvt) Ltd are reflected above.

40.7 Transactions with post-employment benefit plans

For the year ended 31st March	GROUP		COMPANY	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Contributions to the provident fund	541,826	455,562	90,258	72,577

Contributions to the Aitken Spence & Associated Companies Executive Staff Provident Fund and the Aitken Spence & Associated Companies Clerical Staff Provident Fund are reflected under transactions with post-employment benefit plans, above.

40.8 Terms and conditions of transactions with related parties

All related party transactions are carried out in the normal course of business and transacted at normal business terms .The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and comparable with those that would have been charged from un-related companies. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties, other than those disclosed in note 39.1 to the financial statements.

41 FOREIGN CURRENCY TRANSLATION

The principal exchange rates used for translation purposes were;

As at	31.03.2026 Rs.	31.03.2025 Rs.
United States Dollar	315.54	296.32
British Pound	416.37	383.78
Euro	361.74	319.86
Omani Rial	818.72	769.78
Singapore Dollar	244.26	221.11
Fijian Dollar	140.64	128.04
Maldivian Rufiyaa	20.46	19.23
South African Rand	18.40	16.24
Indian Rupee	3.32	3.46
Bangladeshi Taka	2.56	2.44
Myanmar Kyat	0.1499	0.1411
Cambodian Riel	0.0789	0.0742

42 NUMBER OF EMPLOYEES

The number of employees of the Group (excluding equity-accounted investees) at the end of the year was 8,528 (2024/2025 - 8,784) The number of employees of the Company at the end of the year was 184 (2024/2025 - 180).

43 EVENTS OCCURRING AFTER THE REPORTING DATE

All material events after the reporting date have been considered, disclosed and adjusted where applicable.

Final dividend

The Board of Directors of the Company has approved an final ordinary dividend of Rs. 4.00 per share for the year 2025/2026. Details of the dividend is disclosed in note 14 to the financial statements.

There were no other material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.

44 COMPARATIVE INFORMATION

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period, have been adjusted, where relevant, for better presentation.

CONSOLIDATED INCOME STATEMENT IN USD

For the year ended 31st March	2026 USD '000	2025 USD '000
Revenue	306,115	320,919
Revenue taxes	(6,713)	(4,937)
Net revenue	299,402	315,982
Other operating income	3,539	(1,223)
Changes in inventories of finished goods and work-in-progress	(380)	(333)
Raw materials and consumables used	(15,221)	(14,179)
Employee benefits expense	(61,992)	(58,370)
Depreciation, amortisation and impairment losses of non-financial assets	(24,235)	(24,209)
Other operating expenses - direct	(99,699)	(116,514)
Other operating expenses - indirect	(54,465)	(51,279)
Profit from operations	46,949	49,875
Finance income	5,796	6,481
Finance expenses	(19,429)	(25,144)
Net finance expense	(13,633)	(18,663)
Share of profit of equity-accounted investees (net of tax)	7,288	5,323
Profit before tax	40,604	36,535
Income tax expense	(11,743)	(12,308)
Profit for the year	28,861	24,227
Attributable to:		
Equity holders of the company	21,536	17,990
Non-controlling interests	7,325	6,237
Profit for the year	28,861	24,227
Earnings per share - Basic/Diluted (USD)	0.05	0.04
Exchange rate (USD/LKR)	315.54	296.32

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME IN USD

For the year ended 31st March	2026 USD '000	2025 USD '000
Profit for the year	28,861	24,228
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of freehold land	25,262	-
Actuarial losses on defined benefit obligations	(204)	(237)
Equity investments at FVOCI – net change in fair value	(6)	(11)
Share of other comprehensive loss of equity-accounted investees (net of tax)	(60)	(24)
Income tax on other comprehensive income	(7,132)	18
	17,860	(254)
Items that are or may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,814	(2,151)
Net movement on cash flow hedge	(135)	2,292
Share of other comprehensive income/(loss) of equity-accounted investees (net of tax)	1,209	(405)
	6,888	(264)
Other comprehensive income for the year, (net of tax)	24,748	(518)
Total comprehensive income for the year	53,609	23,710
Attributable to:		
Equity holders of the company	41,530	16,847
Non-controlling interests	12,079	6,863
Total comprehensive income for the year	53,609	23,710
Exchange rate (USD/LKR)	315.54	296.32

Figures in brackets indicate deductions.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN USD

For the year ended 31st March	2026 USD '000	2025 USD '000
ASSETS		
Non-current assets		
Property, plant and equipment	335,638	330,777
Investment property	5,228	5,574
Intangible assets	4,700	5,206
Biological assets	214	226
Right-of-use assets	81,642	49,516
Investments in equity-accounted investees	39,458	36,882
Deferred tax assets	3,702	5,464
Other financial assets	5,954	3,357
	476,536	437,002
Current assets		
Inventories	15,463	14,988
Trade and other receivables	55,165	64,692
Current tax receivable	1,396	1,123
Deposits and prepayments	11,482	14,610
Other current assets	93,980	90,236
Cash and short-term deposits	64,621	56,023
	242,107	241,672
Assets classified as held for sale	2,718	3,112
Total assets	721,361	681,786
EQUITY AND LIABILITIES		
Equity		
Stated capital	6,767	7,206
Reserves	145,060	130,261
Retained earnings	129,829	123,177
Total equity attributable to equity holders of the company	281,656	260,644
Non-controlling interests	48,740	42,708
Total equity	330,396	303,352
Non-current liabilities		
Interest-bearing loans and borrowings	115,870	114,429
Lease liabilities	69,229	37,849
Deferred tax liabilities	25,793	20,445
Employee benefits	6,955	6,409
Other liabilities	300	606
	218,147	179,738
Current liabilities		
Interest-bearing loans and borrowings	19,078	39,219
Lease liabilities	4,992	5,179
Trade and other payables	74,956	83,437
Current tax payable	4,837	3,721
Bank overdrafts and other short-term borrowings	68,955	67,140
	172,818	198,696
Total equity and liabilities	721,361	681,786
Exchange rate (USD/LKR)	315.54	296.32

Figures in brackets indicate deductions.

ON HAND:

NAVIGATING INSIGHTS WITH CONFIDENCE

Every detail strengthens the understanding of the Aitken Spence journey, and the culmination of several perspectives complete our picture with clarity.

8

SUPPLEMENTARY INFORMATION

496 | Ten Year Summary
498 | Independent Practitioner's Assurance Reports
502 | GRI index
512 | Group Companies and Directorate
524 | Glossary of terms
528 | Corporate Information
529 | Notice of Meeting

TEN YEAR SUMMARY

Year ended as at 31st of March	2026 Rs.'000	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000
Operating Results										
Revenue	96,591,471	95,094,844	97,486,253	98,104,323	54,696,051	31,597,505	53,471,257	55,680,903	52,734,969	45,892,179
Profit before taxation	12,812,278	10,826,315	6,724,600	11,201,446	14,224,180	(2,844,273)	4,197,662	7,282,608	6,397,816	5,246,872
Taxation	3,705,497	3,647,189	2,272,850	3,125,077	2,068,363	469,510	1,310,688	1,511,258	1,248,284	1,201,407
Profit after taxation	9,106,781	7,179,126	4,451,750	8,076,369	12,155,817	(3,313,783)	2,886,974	5,771,350	5,149,532	4,045,465
Profit attributable to Aitken Spence PLC	6,795,585	5,330,919	2,928,185	6,644,027	10,539,592	(1,625,623)	2,377,591	4,077,067	3,560,348	2,890,032
Equity & Liabilities										
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	45,772,132	38,598,848	38,957,795	42,525,804	36,649,102	28,014,136	25,165,268	23,416,042	20,500,926	16,849,379
Retained earnings	40,966,334	36,499,839	32,743,186	29,743,417	27,164,516	19,340,780	23,648,558	23,899,401	22,163,669	20,492,912
Non-controlling interest	15,379,411	12,655,284	11,883,848	11,811,656	11,496,921	9,702,142	12,355,105	12,635,237	11,484,969	11,315,985
Non-current liabilities	68,834,404	53,259,957	58,958,760	69,968,573	69,869,860	54,848,117	48,689,812	34,526,058	23,560,466	19,503,049
Current liabilities	54,530,966	58,877,853	56,578,053	58,153,100	50,030,000	32,940,045	30,670,089	28,384,657	27,997,370	24,998,995
	227,618,387	202,026,921	201,256,782	214,337,690	197,345,539	146,980,360	142,663,972	124,996,535	107,842,540	95,295,460
Assets										
Property, plant and equipment	105,907,205	98,015,886	101,028,695	105,499,126	95,810,136	79,826,252	79,399,616	71,590,332	59,274,780	50,048,523
Investment property	1,649,502	1,651,793	1,631,258	1,631,581	1,631,904	1,631,580	1,631,839	1,632,100	1,632,360	1,630,801
Intangible assets	1,483,156	1,542,567	1,640,049	1,739,817	1,358,973	1,065,966	1,069,997	945,468	890,378	886,103
Biological assets	67,670	67,104	64,455	71,334	69,669	63,122	56,275	49,332	47,293	43,583
Right-of-use assets	25,761,407	14,672,688	16,364,381	19,136,841	18,844,699	14,060,406	13,249,662	-	-	-
Leasehold property	-	-	-	-	-	-	-	2,214,519	2,023,903	2,042,459
Pre paid operating leases	-	-	-	-	-	-	-	2,366,966	2,241,358	1,978,348
Investments in equity-accounted investees	12,450,572	10,928,868	9,946,837	9,238,093	8,564,101	7,080,305	6,688,625	6,434,116	6,334,455	6,060,842
Deferred tax assets	1,168,079	1,619,108	1,974,566	1,619,314	1,336,394	1,196,477	766,677	690,924	563,391	434,794
Other financial assets	1,878,733	994,672	1,018,979	1,028,075	314,359	806,856	800,719	834,096	873,340	285,629
Current assets	76,394,582	71,611,992	67,418,139	74,204,086	67,664,210	40,006,177	37,810,912	38,074,557	33,812,157	31,735,253
Assets classified as held for sale	857,481	922,243	169,423	169,423	1,751,094	1,243,219	1,189,650	164,125	149,125	149,125
	227,618,387	202,026,921	201,256,782	214,337,690	197,345,539	146,980,360	142,663,972	124,996,535	107,842,540	95,295,460
Cash Flow										
Net cash inflow from operating activities	14,319,132	13,225,583	11,916,413	3,460,593	21,796,935	3,452,194	5,621,369	6,504,172	7,140,458	15,814
Net cash outflow from investing activities	(3,060,102)	(4,575,631)	(3,945,586)	(2,112,215)	(7,489,605)	(5,032,765)	(10,246,263)	(14,512,079)	(5,473,582)	(3,994,720)
Net cash inflow/(outflow) from financing activities	(9,339,895)	(4,845,190)	(8,591,082)	(12,636,498)	(2,994,040)	646,916	1,390,968	4,423,159	1,196,937	(1,640,661)
Increase/(decrease) in cash and cash equivalents	1,919,135	3,804,762	(620,255)	(11,288,120)	11,313,290	(933,655)	(3,233,926)	(3,584,748)	2,863,813	(5,619,567)
Share Information										
Earnings per share (Rs.)	16.74	13.13	7.21	16.36	25.96	(4.00)	5.86	10.04	8.77	7.12
Market value per share (Rs.)	139.00	127.75	130.25	131.00	73.70	55.50	30.70	41.00	50.60	56.20
Market capitalisation on 31st March (Rs. Mn)	56,433	51,866	52,881	53,185	29,922	22,533	12,464	16,646	20,543	22,817
Price earnings ratio	8.30	9.73	18.06	8.01	2.84	(13.88)	5.24	4.08	5.77	7.90
Price to book value ratio	0.63	0.67	0.72	0.71	0.45	0.46	0.24	0.34	0.46	0.58
Net assets per share (Rs.)	218.90	190.23	181.86	183.26	162.44	121.90	125.49	121.80	110.35	97.24
Employees Information										
No. of employees	8,528	8,784	7,644	7,408	6,994	6,789	7,730	8,002	7,413	7,360
Value added per employee (Rs. Mn)	5.7	5.1	5.4	6.1	4.7	1.7	2.7	2.6	2.5	2.3
Ratios & Statistics										
Ordinary dividend (Rs. '000)	1,623,984	1,623,984	1,725,483	1,623,984	1,623,984	405,996	507,495	1,014,990	811,992	710,493
Dividend per share (Rs.)	4.00	4.00	4.25	4.00	4.00	1.00	1.25	2.50	2.00	1.75
Dividend cover (times covered)	4.18	3.28	1.70	4.09	6.49	(4.00)	4.68	4.02	4.38	4.07
Dividend - payout ratio	0.24	0.30	0.59	0.24	0.15	(0.25)	0.21	0.25	0.23	0.25
Current ratio (times covered)	1.40	1.22	1.19	1.28	1.35	1.21	1.23	1.34	1.21	1.27
Debt-equity ratio	0.35	0.38	0.45	0.54	0.64	0.66	0.55	0.47	0.35	0.34
ROE (%)	8.18	7.06	3.95	9.47	18.26	(3.24)	4.74	8.65	8.45	7.59
Interest Cover	3.76	2.82	1.73	2.19	6.04	(0.43)	2.92	8.44	8.29	7.29

BENCHMARKED TO GLOBAL STANDARDS:

THE GRI INDEX, THE UN GLOBAL COMPACT AND THE WOMEN'S EMPOWERMENT PRINCIPLES

28 May 2022 marked 20 years of engagement for Aitken Spence PLC as a signatory to the UN Global Compact. This was an integral step in the company's formation of a formal sustainability strategy, incorporating priorities for long-term social, environmental and economic sustainability, viability, profitability and integrity of the company. Aitken Spence internalised these 10 principles from the inception of the Group's sustainability strategy and our progress can be viewed in this report as connected through this GRI Index.

The Company actively participates in the Working Groups for Climate Action, Water and Supply Chains and leads the Business & Human Rights Working Group. Key team members have also attended accelerator programmes for climate ambitions, Target Gender Equality and well as the first SDG Innovators programme for young executives. The Climate Emergency Task Force meetings are also hosted at Aitken Spence Towers to show our support for these movements.

The Group became signatory to the Women's Empowerment Principles in 2010/2011, among the first entities in the world to do so.

Aitken Spence PLC aligns with the Global Reporting Initiative's frameworks for sustainability reporting as it is the most widely used framework in the world affording us comparability of information. Our report for this financial year is 'In Accordance' with the GRI Standard reporting framework to disclose our performance information. Requirements of these global benchmarks also influences the Group's integrated sustainability policy and its implementation framework.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Business should make sure they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

THE 7 UN WOMEN'S EMPOWERMENT PRINCIPLES

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality

Refer to the following icons in the GRI Index, showing the connection between the Ten Principles of the UNGC, and the seven principles of the Women's Empowerment Principles;

- Financial information
- Environmental information
- Social information
- Governance information

UNGC Principles:

① ② ③ ④ ⑤ ⑥ ⑦ ⑧ ⑨ ⑩

Women's Empowerment Principles:

❶ ❷ ❸ ❹ ❺ ❻ ❼

THE GLOBAL COMPACT
WE SUPPORT

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

GRI | COMMUNITY MEMBER 2026

INDEPENDENT ASSURANCE REPORTS

Shape the future with confidence

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

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

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF AITKEN SPENCE PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY2025/26

Scope

We have been engaged by Aitken Spence PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Aitken Spence PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Aitken Spence PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Aitken Spence PLC

In preparing the Subject Matter, Aitken Spence PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org
- The Sustainability Accounting Standards Board (SASB) Standards, publicly available at https://sasb.org/standards/

(Hotels & Lodging Standard, Road Transportation Standard, Air Freight and Logistics Standard, Electric Utilities and Power Generators Standard, Apparel, Accessories and Footwear Standard, Agricultural Products Standard)

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Aitken Spence PLC's responsibilities

Aitken Spence PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Aitken Spence PLC on 03rd June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we 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.

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

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

A member firm of Ernst & Young Global Limited

INDEPENDENT ASSURANCE REPORTS

EY
Shape the future with confidence

Description of procedures performed

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. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Aitken Spence PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

05th June 2026
Colombo

INDEPENDENT ASSURANCE REPORTS

EY
Shape the future with confidence

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

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

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF AITKEN SPENCE PLC ON THE INTEGRATED ANNUAL REPORT 2025/26

Scope

We have been engaged by Aitken Spence PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Aitken Spence PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in the Aitken Spence PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Aitken Spence PLC

In preparing the Subject Matter, Aitken Spence PLC applied the Integrated Reporting Framework (<IR> Framework) initially developed by the International Integrated Reporting Council (IIRC) and currently maintained by the Integrated Reporting and Connectivity Council (IRCC) of the IFRS Foundation. (the "Criteria"), Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Aitken Spence PLC's responsibilities

Aitken Spence PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Aitken Spence PLC on 03rd June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we 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.

Description of procedures performed

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

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

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

A member firm of Ernst & Young Global Limited

INDEPENDENT ASSURANCE REPORTS

EY
Shape the future with confidence

have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/ information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Aitken Spence PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

05th June 2026
Colombo

THE GRI INDEX

Statement of use	Aitken Spence PLC has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13 Agriculture Aquaculture and Fishing Sectors 2022

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organisational details	528					
	2-2 Entities included in the organisation's sustainability reporting	4					
	2-3 Reporting period, frequency and contact point	4, 6					
	2-4 Restatements of information	6					
	2-5 External assurance	6					
	2-6 Activities, value chain and other business relationships	7, 11, 62, 163, 185, 203, 227, 291					
	2-7 Employees	260					⑥
	2-8 Workers who are not employees	260					⑥
	2-9 Governance structure and composition	92, 94, 100, 106					⑩
	2-10 Nomination and selection of the highest governance body	102, 117-119, 140-141					❶
	2-11 Chair of the highest governance body	114					
	2-12 Role of the highest governance body in overseeing the management of impacts	93, 107					❶
	2-13 Delegation of responsibility for managing impacts	106					❶
	2-14 Role of the highest governance body in sustainability reporting	6, 107					❶❼
	2-15 Conflicts of interest	102					❶
	2-16 Communication of critical concerns	106					
	2-17 Collective knowledge of the highest governance body	102, 107					
	2-18 Evaluation of the performance of the highest governance body	103					
	2-19 Remuneration policies	104, 142-143					❶❷
	2-20 Process to determine remuneration	104, 142-143					❶❷
	2-21 Annual total compensation ratio	-	2 - 21	Confidentiality constraints	Currently not disclosed due to reasons of confidentiality		❶❷

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
	2-22 Statement on sustainable development strategy	40-49, 90					⑩❶❻
	2-23 Policy commitments	96-97, 108, 258, 298					⑩❻
	2-24 Embedding policy commitments	97, 108, 258					⑩❻
	2-25 Processes to remediate negative impacts	268, 270, 271					
	2-26 Mechanisms for seeking advice and raising concerns	97, 268					⑩
	2-27 Compliance with laws and regulations	96					⑩
	2-28 Membership associations	293					
	2-29 Approach to stakeholder engagement	48-52					
	2-30 Collective bargaining agreements	263					③❷❸
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	53-56					
	3-2 List of material topics	55					
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	258, 298, 301, 305, 307, 309, 311				13.3.1, 13.4.1	⑦⑧⑨
	101-1 Policies to halt and reverse biodiversity loss	298, 301, 307				13.3.2	⑦⑧⑨
	101-2 Management of biodiversity impacts	307				13.3.3, 13.4.2	⑦⑧⑨
	101-3 Access and benefit sharing	307				13.3.4	⑦⑧⑨
GRI 101: Biodiversity 2024	101-4 Identification of biodiversity impacts	301, 307				13.3.5	⑦⑧⑨
	101-5 Locations with biodiversity impacts	307				13.3.6	⑦⑧⑨
	101-6 Direct drivers of biodiversity loss	301, 307				13.3.7	⑦⑧⑨
	101-7 Changes to the state of biodiversity	307				13.3.8, 13.4.4	⑦⑧⑨
	101-8 Ecosystem services	301, 307				13.3.9	⑦⑧⑨
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	55, 258, 298-301, 305, 307, 309, 311				13.1.1	⑦⑧⑨
	102-1 Transition plan for climate change mitigation	298, 312				13.1.2	⑦⑧⑨
	102-2 Climate change adaptation plan	298, 312				13.2.2	⑦⑧⑨

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
GRI 102: Climate Change 2025	102-3 Just transition	300, 314				13.1.3, 13.2.3	⑦⑧⑨
	102-4 GHG emissions reduction targets and progress	302				13.1.4	⑦⑧⑨
	102-5 Scope 1 GHG emissions	19, 170, 191, 212, 236, 304				13.1.5	⑦⑧⑨
	102-6 Scope 2 GHG emissions	19, 170, 191, 212, 236, 304				13.1.6	⑦⑧⑨
	102-7 Scope 3 GHG emissions	304, 343				13.1.7	⑦⑧⑨
	102-8 GHG emissions intensity	304				13.1.8	⑦⑧⑨
	102-9 GHG removals in the value chain	304				13.1.9	⑦⑧⑨
	102-10 Carbon credits	302, 346				13.1.10	⑦⑧⑨
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	298-302					⑦⑧⑨
	103-1 Energy policies and commitments	298, 301, 302					⑦⑧⑨
GRI 103: Energy 2016	103-2 Energy consumption and self generation within the organisation	16, 170, 191, 212, 236, 303					⑦⑧⑨
	103-3 Upstream and downstream energy consumption	303	103-2	Information unavailable/ incomplete			⑦⑧⑨
	103-4 Energy intensity	16, 303					⑦⑧⑨
	103-5 Reduction in energy consumption	16, 170, 191, 212, 236, 303					⑦⑧⑨
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	22				13.2.1 13.20.1 13.22.1	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22, 170, 191, 212, 236				13.22.2	
	201-2 Financial implications and other risks and opportunities due to climate change	130, 331				13.22.2	⑦
	201-3 Defined benefit plan obligations and other retirement plans	456 - 457					
	201-4 Financial assistance received from government	-	201-4	Not applicable	No financial assistance received from government		
Market presence							

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
GRI 3: Material Topics 2021	3-3 Management of material topics	262					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	262				13.21	6 5 6
	202-2 Proportion of senior management hired from the local community	260, 294					6 5 6
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	57 to 66				13.22.1	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	170, 191, 212, 236,				13.22.3	
	203-2 Significant indirect economic impacts	285 to 295				13.22.4	6
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	291					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	287					5
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	98				13.26.1	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	98				13.26.2	10
	205-2 Communication and training about anti-corruption policies and procedures	52, 97-98				13.26.3	10
	205-3 Confirmed incidents of corruption and actions taken	21, 98				13.26.4	10
Anti-competitive behaviour							
GRI 3: Material Topics 2021	3-3 Management of material topics	98				13.25.1	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	21				13.25.2	
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	24					
GRI 207: Tax 2019	207-1 Approach to tax	24					
	207-2 Tax governance, control, and risk management	24					

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
	207-3 Stakeholder engagement and management of concerns related to tax	24, 51					
	207-4 Country-by-country reporting	-	207-4,b	Not applicable	We provide consolidated financial disclosures for locations outside Sri Lanka keeping with the accounting standards followed by the Company.		
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	298-301, 309, 311					⑦⑧⑨
GRI 301: Materials 2016	301-1 Materials used by weight or volume	309, 311					⑦⑧⑨
	301-2 Recycled input materials used	309, 311					⑦⑧⑨
	301-3 Reclaimed products and their packaging materials	309, 311					⑦⑧⑨
Water and Effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	298-301, 305				13.7.1	⑦⑧⑨
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	17, 305				13.7.2	⑦⑧⑨
	303-2 Management of water discharge-related impacts	305				13.7.3	⑦⑧⑨
	303-3 Water withdrawal	17, 170, 191, 212, 236, 305, 306				13.7.4	⑦⑧⑨
	303-4 Water discharge	17, 170, 191, 212, 236, 305, 306				13.7.5	⑦⑧⑨
	303-5 Water consumption	17, 305, 306				13.7.6	⑦⑧⑨
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	298-301, 309				13.8.1	⑦⑧⑨
	306-1 Waste generation and significant waste-related impacts	18,301, 309, 311				13.8.2	⑦⑧⑨

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
	306-2 Management of significant waste-related impacts	309, 311				13.8.3	⑦⑧⑨
GRI 306: Waste 2020	306-3 Waste generated	18, 309, 311				13.8.4	⑦⑧⑨
	306-4 Waste diverted from disposal	18, 309, 311				13.8.5	⑦⑧⑨
	306-5 Waste directed to disposal	18, 170, 191, 212, 236, 309, 311				13.8.6	⑦⑧⑨
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	290 - 291, 311					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	291 - 292, 309					⑧⑨
	308-2 Negative environmental impacts in the supply chain and actions taken	291-292, 311					⑧⑨
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	257-258				13.20.1	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	261					①⑥❷❼
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	261					
	401-3 Parental leave	270					
Labour/management relations							
GRI 3: Material Topics 2021	3-3 Management of material topics	257-258					
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	263					⑥
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	267				13.19.1	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	267-268				13.19.2	❸
	403-2 Hazard identification, risk assessment, and incident investigation	267-268				13.19.3	❸
	403-3 Occupational health services	267-268				13.19.4	❸
	403-4 Worker participation, consultation, and communication on occupational health and safety	267-268				13.19.5	③❸

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	267-268				13.19.6	③
	403-6 Promotion of worker health	267-268				13.19.7	③
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	267-268				13.19.8	③
	403-8 Workers covered by an occupational health and safety management system	267-268				13.19.9	③
	403-9 Work-related injuries	267-268				13.19.10	③
	403-10 Work-related ill health	267-268				13.19.11	③
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	264					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	20, 263-264	a. ii.	Information unavailable	Breakdowns not available		③⑥④
	404-2 Programs for upgrading employee skills and transition assistance programs	264					
	404-3 Percentage of employees receiving regular performance and career development reviews	264					
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	260				13.15.1	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	100, 260, 270				13.15.2	⑥①②⑦
	405-2 Ratio of basic salary and remuneration of women to men	270, 271				13.15.3	⑥②⑦
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	258				13.15.1	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	21, 258, 271				13.15.4	⑥②③⑦
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	263				13.18.1	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	263, 271, 293				13.18.2	③⑥

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
Child labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	268				13.17.1	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	268, 271				13.17.2	⑤
Forced or compulsory labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	268				13.16.1	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	268, 271				13.16.2	④
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	268					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	268					①②
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics	268				13.14.1	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	21				13.14.2	①②
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	294				13.12.1	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	294, 295				13.12.2	②❻
	413-2 Operations with significant actual and potential negative impacts on local communities	294				13.12.3	②❻
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	291, 292					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	291					②③❻
	414-2 Negative social impacts in the supply chain and actions taken	291-292					②③❻
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	21				13.24.1	
GRI 415: Public Policy 2016	415-1 Political contributions	21			No political contributions	13.24.2	

THE GRI INDEX

Gri Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No	Linkage to UNGC and WEP
			Requirement(s) Omitted	Reason	Explanation		
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	290				13.10.1	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	290				13.10.2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	21, 290				13.10.3	
Marketing and labelling							
GRI 3: Material Topics 2021	3-3 Management of material topics	290					
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	290					
	417-2 Incidents of non-compliance concerning product and service information and labelling	21, 290					
	417-3 Incidents of non-compliance concerning marketing communications	21, 290					
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	290					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	21, 290					

THE GRI INDEX

GRI 13 Agriculture Aquaculture and Fishing Sectors 2022

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
13.4 Natural ecosystem conservation						
GRI 3: Material Topics 2021	3-3 Management of material topics	298, 300, 307				13.4.1
13.5 Soil health						
GRI 3: Material Topics 2021	3-3 Management of material topics	298, 307, 310				13.5.1
13.6 Pesticide use						
GRI 3: Material Topics 2021	3-3 Management of material topics	298, 307, 310				13.6.1
13.13 Land and resource rights						
GRI 3: Material Topics 2021	3-3 Management of material topics	298, 300, 307				13.13.1
13.20 Employment practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	258, 261, 269				13.20.1
13.21 Living income and living wage						
GRI 3: Material Topics 2021	3-3 Management of material topics	262, 205				13.21.1
13.23 Supply chain traceability						
GRI 3: Material Topics 2021	3-3 Management of material topics	-	13.23.1	Information unavailable/ incomplete	Data currently not complete.	13.23.1
13.24 Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	21				13.24.1
13.25 Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	21				13.25.1

Topics in the applicable GRI Sector Standards determined as not material

TOPIC	EXPLANATION
13.9 Food security	This topic is not applicable to Elpitiya Plantations, as the company cultivates non-food cash crops such as tea, rubber, and berries, which are not directly linked to food security or food loss in the supply chain.
13.11 Animal health and welfare	The topic is not applicable as we do not operate in this industry (animal agriculture)
13.14 Rights of indigenous peoples	The company does not operate in or source from areas identified as Indigenous Peoples' lands or territories.

GROUP COMPANIES AND DIRECTORATE

AITKEN SPENCE PLC

Tourism
- Hotels
- Destination Management
- Airline GSA

Maritime & Freight Logistics
- Maritime and Port Services
- Freight Forwarding & Courier
- Integrated Logistics
- Airline GSA (Cargo)
- Education

Strategic Investments
- Power Generation
- Printing & Packaging
- Apparel Manufacture
- Plantations
- Corporate Services

Services
- Financial & Other Services
- Elevator Agency
- Insurance
- Property Management
- BPO services

SUBSIDIARIES

TOURISM SECTOR

HOTELS

A.D.S Resorts Private Limited *
Owns the Adaaran Select Hudhuran Fushi resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- M. Mahdy,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- M.D.B.J. Gunatilake (Appointed w.e.f. 01.04.2025).

Aitken Spence Exports (Private) Limited *
Bottles and markets Hethersett bottled water.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Aitken Spence Hotel Holdings PLC *
The holding company of the Group's hotel interests. Owns the Heritance Ahungalla hotel.

Directors:
- Ms. D.S.T. Jayawardena (Chairman/ Chairperson),
- C.M.S. Jayawickrama (Appointed as Managing Director w.e.f. 01.04.2026),
- J.M.S. Brito,
- N.J. de Silva Deva Aditya,
- Dr. R.A. Fernando,
- M.R. Mihular,
- P. Englisch,
- C.H. Gomez (Appointed w.e.f. 01.04.2025),
- R.N. Asirwatham (Deceased on 12.12.2025),
- Dr. M.P. Dissanayake (Managing Director) (Resigned w.e.f. 31.03.2026).

Aitken Spence Hotel Managements (Private) Limited *
Manages resorts in Sri Lanka.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Hotel Managements (South India) Private Limited
Owns the 140 roomed hotel property "Turyaa" in Chennai in the Republic of India.

Directors:
- C.M.S. Jayawickrama,
- A. Miglani,
- K.A. Kodippilige,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Hotel Managements Asia (Private) Limited *
Manages resorts in the Sultanate of Oman and in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- Ms. D.R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Hotels International (Private) Limited *
Overseas investment company of the Hotels sector and provides international marketing services to the resorts in the Sultanate of Oman and in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- S.N. De Silva (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Hotel Services Private Limited
Incorporated to operate as the local marketing company of hotels in the Republic of India. The Company did not carry out any operations during the year.

Directors:
- C.M.S. Jayawickrama,
- K.A. Kodippilige.

Aitken Spence Hotels Limited *
Holding company of Kandalama Hotels (Private) Limited and Heritance (Private) Limited. Owns the Heritance Ayurveda resort in Beruwela.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander,
- B.G.D.L.P. Wijerathne,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

Aitken Spence Resorts (Middle East) LLC
Owning Company of the Al Falaj hotel in Muscat, Sultanate of Oman.

Authorised Managers:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- C.M.S. Jayawickrama,
- K.J.A. Perera,
- S.N. de Silva,
- Ms. N. Sivapragasam,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Resources (Private) Limited *
The Company did not carry out any operations during the year.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander.

Ahungalla Resorts Limited *
A joint venture company between Aitken Spence Hotel Holdings PLC and RIUSA II SA and owns the RIU Hotel in Sri Lanka in Ahungalla.

Directors:
- Ms. D.S.T. Jayawardena,
- J.T. Riu (Managing Director),
- L. Riu Guell,
- C.M.S. Jayawickrama,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Cowrie Investment Pvt Ltd *
Owns the Heritance Aarah and Adaaran Select Meedhupparu Resorts in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Appointed as Chairman and Managing Director w.e.f. 01.04.2026),
- I.M. Didi,
- M. Salih,
- C.M.S. Jayawickrama,
- Dr. M.P. Dissanayake (Chairman and Managing Director) (Resigned w.e.f. 31.03.2026).

Crest Star (B.V.I.) LTD
The holding company of Jetan Travel Services Company Private Limited.

Directors:
- Ms. D.S.T. Jayawardena,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Heritance (Private) Limited *
Owns a land in Beruwela for a proposed hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D. R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Hethersett Hotels Limited *
Owns the Heritance Tea Factory hotel in Kandapola.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexandar,
- B.G.D.L.P. Wijerathne,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Jetan Travel Services Company Pvt Ltd *
Owns the Adaaran Club Rannalhi resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- H. Mohamed,
- M. Mahdy.

Kandalama Hotels (Private) Limited *
Owns the Heritance Kandalama hotel.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Meeraladuwa (Private) Limited *
Owns land in the island of Meeraladuwa in Balapitiya.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Neptune Ayurvedic Village (Private) Limited *
Leases the company owned land and building to Aitken Spence Hotels Limited.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D. R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Nilaveli Holidays (Private) Limited *
Incorporated to operate a future hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- N.L.T. Perera (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Nilaveli Resorts (Private) Limited *
Incorporated to operate a future hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander,
- N.L.T. Perera (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Perumbalam Resorts Private Limited
A fully owned subsidiary of PR Holiday Homes Private Limited in the Republic of India.

Directors:
- C.M.S. Jayawickrama,
- K.K.M. Rawther,
- K.K. Kabeer,
- K.A. Kodippilige,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

PR Holiday Homes Private Limited
Owns a land in Cochin, in the Republic of India for a future hotel project.

Directors:
- C.M.S. Jayawickrama,
- K.K.M. Rawther,
- K.K. Kabeer,
- K.A. Kodippilige,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

The Galle Heritage (Private) Limited *
Will operate a boutique property in the Galle Fort.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Turyaa (Private) Limited *
Owns the 199 roomed hotel property Turyaa in Kalutara.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Unique Resorts Pvt Ltd *
Owns the Adaaran Prestige Vadoo resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chaiperson),
- C.M.S. Jayawickrama (Managing Director),
- M.D.B.J. Gunatilake,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Ace Global Management Services (Private) Limited
Provision of overseas management services to the hospitality, maritime and freight logistics industries and facilitation of international trade.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- Mr. J.E. Brohier,
- Mr. C.M.S. Jayawickrama,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

DESTINATION MANAGEMENT

Ace Travels and Conventions (Private) Limited *
The company is a wholly owned subsidiary of Aitken Spence Travels (Private) Limited. The company handles few local business and transport business.

Directors:
- N.A.N. Jayasundera,
- A. Hapugoda.

Aitken Spence Travels (Private) Limited *
Sri Lanka's leading destination management company that also manages and handles outbound travel. A joint venture with TUI AG Germany, the largest integrated tourism company in the world.

Directors:
- Ms. D.S.T. Jayawardena (Ceased to be the Alternate Director to Dr. M.P. Dissanayake w.e.f. 31.03.2026 & Appointed as Chairperson/Director w.e.f. 01.04.2026).
- N.A.N. Jayasundera (Managing Director),
- H.L.P. Andersson,
- P. Ulwahn,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026),

Aitken Spence Travels Myanmar Limited
A joint venture with Golden Ratanapura Company Limited, to handle Destination Management in Myanmar.

Directors:
- Ms. D.S.T. Jayawardena,
- N.A.N. Jayasundera,
- Ms. N. Sivapragasam,
- U.T. Zin,
- H.S. Amaratunga,
- U.M.Z. Aung,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

AIRLINE GSA

Ace Aviation Services Maldives Private Limited *
General Sales Agent for Sri Lankan Airlines (Passenger) in the Republic of Maldives.

Directors:
- Ms. N. Sivapragasam,
- N.A.N. Jayasundera (Chairman),
- M. Firaq,
- D.L. Warawita,
- S. Ratnayake.

Aitken Spence Aviation (Private) Limited
General Sales Agent for Singapore Airlines Limited.

Directors:
- Ms. D.S.T. Jayawardena,
- V.P. Kudaliyanage,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Moscow (Private) Limited *
The Company did not carry out any operations during the year.

Directors:
- Dr. J.W.A. Perera (Managing Director),
- N.A.N. Jayasundera,
- N.L.T. Perera (Appointed w.e.f. 04.05.2026),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Royal Spence Aviation (Private) Limited
Appointed General Sales Agent for Jazeera Airlines.

Directors:
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- N.A.N. Jayasundera,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

MARITIME & FREIGHT LOGISTICS SECTOR

MARITIME & PORT SERVICES

Aitken Spence Maritime Limited *
Holding company of Hapag-Lloyd Lanka (Private) Limited and Aitken Spence Ports International Limited.

Directors:
- I.S. Cuttilan,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Ports International Limited *
Port management services which includes managing ports, port operations and providing productivity enhancement and management in ports.

Directors:
- I.S. Cuttilan,
- M.A.M. Isfahan,
- D.R.C. Hindurangala,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Ports International (Middle East) - FZCO
Investment company in commercial enterprise worldwide and management of International Ports.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Shipping Limited *
Shipping agency services in all ports in Sri Lanka. Liner, Cruise, Tanker and Casual Caller Agency Representation, Non Vessel Operating Container Carrier (NVOCC) and an international freight forwarder.

Directors:
- I.S. Cuttilan (Managing Director),
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 25.04.2025).

Fiji Ports Terminal Limited
A joint venture with Fiji Ports Corporation Limited, to operate and manage the two major ports of Suva and Lautoka in the Republic of Fiji.

Directors:
- P. Wise (Chairman),
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- M.A.M. Isfahan,
- W.S. Bauleka,
- A.C. Naiorosui,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Hapag-Lloyd Lanka (Private) Limited *
Liner agency representation.

Directors:
- L. Sorensen,
- S.V. Kushwah,
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Shipping and Cargo Logistics (Private) Limited *
Liner agency representation.

Directors:
- V.M. Fernando (Chairman),
- K.M. Fernando,
- I.S. Cuttilan,
- M.A.M. Isfahan,
- K.M.T.T.B. Tittawella,
- Dr. V.M. Fernando (Ceased to be the Alternate Director to Mr. K.M.T.T.B. Tittawella w.e.f. 07.03.2026 and re-appointed as his Alternate Director for a period of one year commencing from 07.03.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

FREIGHT FORWARDING & COURIER

Ace Aviation Services (Private) Limited
Operates as General Sales Agent for airline cargo.

Directors:
- J.E. Brohier,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Cargo Singapore Pte. Ltd
International freight forwarding and General Sales Agent for airline cargo.

Directors:
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan,
- C.A.S. Lindy.

Ace Cargo (Private) Limited
Provides international freight forwarding services.

Directors:
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Freight Management (Private) Limited
Undertakes clearing, forwarding and operates an inland container terminal.

Directors:
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace International Express (Private) Limited
The Company did not carry out any operations during the year.

Directors:
- J.E. Brohier,
- M.A.M. Isfahan.

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

Aitken Spence Cargo (Private) Limited
International freight forwarding and General Sales Agent for airline cargo.

Directors:
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Shipping Services Limited *
Shipping agency activities in all ports in Sri Lanka and an international freight forwarder.

Directors:
- I.S. Cuttilan,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Clark Spence and Company (Private) Limited *
Shipping agency services in all ports in Sri Lanka, NVOCC representation and an international freight forwarder.

Directors:
- I.S. Cuttilan,
- M.A.M. Isfahan.

D B S Logistics Limited
International Freight Forwarder.

Directors:
- J.E. Brohier,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Global Parcel Delivery (Private) Limited
Provides First mile, Middle mile and Last mile logistics solutions.

Directors:
- J.E. Brohier,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

INTEGRATED CONTAINER SERVICES

Ace Containers (Private) Limited *
Operates an inland container terminal, container freight station and provides haulage management services.

Directors:
- A.J. Gunawardena,
- A.U. Kodagoda,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Container Repair (Private) Limited *
Undertakes container repairs, conversions for Garments on Hangers and other purpose built solutions.

Directors:
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Container Terminals (Private) Limited *
Provides container storage, customs brokerage, transport and warehousing services.

Directors:
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Distriparks (Private) Limited *
Provides total integrated logistics services including 3PL, container freight station and warehouse management services, transportation and distribution services, project cargo logistics, mobile storage solutions and acts as agents for leading liquid cargo operations.

Directors:
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Logilink (Private) Limited *
Provides container freight station services, storing, distribution and consolidation services for exports.

Directors:
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

STRATEGIC INVESTMENT SECTOR

POWER GENERATION

Ace Power Embilipitiya (Private) Limited
The company remained non-operational throughout the year under review.

Directors:
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- L. Wickremarachchi (Managing Director),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Wind Power (Private) Limited
Owns and operates a 3MW wind power plant in Ambewela to supply electricity to the national grid.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Power (Private) Limited
Owns and operates a 748kWp rooftop solar power system installed on the roof top of Aitken Spence Printing and Packaging (Pvt) Ltd at Mawaramandiya supplying power to the national grid.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aircraft Recycling (Private) Limited
Has been established to setup an electrical and electronic waste recycling plant with a view to exporting retrieved materials.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Branford Hydropower (Private) Limited
Owns and operates a 2.5MW hydro power plant in Matale to supply electricity to the national grid.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Elgin Hydropower (Private) Limited *
Owns and operates a 2.4 MW hydropower plant at Lippakelle Estate in Lindula.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Sagasolar Power (Private) Limited *
Owns and operates a 10MW Ground Mounted Solar Power Plant situated in Hambanthota.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Upper Waltrim Hydropower (Private) Limited *
Owns and operates a 2.6MW hydropower plant at Waltrim Estate in Lindula.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Waltrim Energy (Private) Limited * (Formerly known as Waltrim Energy Limited - Status Changed w.e.f. 31.10.2025)
Owns 100% shareholding of Waltrim Hydropower (Private) Limited, Upper Waltrim Hydropower (Private) Limited and Elgin Hydropower (Private) Limited.

Directors:
- Ms. N. Sivapragasam,
- Mr. L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Waltrim Hydropower (Private) Limited *
Owns and operates a 1.65MW hydropower plant at Waltrim Estate in Lindula.

Directors:
- Ms. N. Sivapragasam,
- L. Wickremarachchi,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Western Power Company (Private) Limited
Owns and operates the 10MW Colombo Waste to Energy Power Plant receiving 700 metric tonnes of municipal solid waste from the Colombo Municipal Council and supplying electricity to the national grid.

Directors:
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- L. Wickremarachchi (Managing Director),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

PRINTING & PACKAGING

Ace Exports (Private) Limited *
Providing value added printing and packaging solutions to the direct and indirect export markets.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 04.05.2026),
- Ms. N. Sivapragasam,
- L.N.D. Silva,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Printing & Packaging (Private) Limited *
Providing value added printing and packaging solutions to the local market.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 04.05.2026),
- Ms. N. Sivapragasam,
- L.N.D. Silva,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

APPAREL MANUFACTURING

Ace Apparels (Private) Limited
Leading manufacturer and exporter of fine woven and circular knit clothing, supplying top global brands across the USA, EU, UK, Australia, and India — all produced in a carbon-neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- K.L.L. Perera,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence (Garments) Limited
Manufacturer and exporter of fine Fashion woven clothing, mostly to top global brands in the USA, EU, UK, Australia and India in a carbon neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R. M. Fernando,
- K.L.L. Perera,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence Apparels (Private) Limited
Manufacturer and exporter of fine woven and circular knit clothing, mostly to top global brands in the USA, EU, UK, Australia and India in a carbon neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- K.L.L. Perera,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

PLANTATIONS

Aitken Spence Agriculture (Private) Limited *
To cultivate Tropical fruits for sale in the domestic market and for export.

Directors:
- Dr. R.M. Fernando,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Plantation (Fiji) Pte Limited (Incorporated on 13.08.2025)
Company set up to invest in high value agriculture and processing and develop sustainable Agri business in Fiji.

Directors:
- Dr. R.M. Fernando,
- Mr. W.W.M.R.N.H. Bandara Dela,
- Ms D.S.T. Jayawardena (Appointed w.e.f 01.04.2026),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

CORPORATE SERVICES

Aitken Spence Corporate Services (Private) Limited *
Provides corporate services including that of corporate finance, treasury, legal, secretarial, internal audit, human resource development, information technology, business transformation, financial shared services, corporate strategy, sustainability, and security services to the group companies.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam (Managing Director),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Group Limited *
Overall management of the Aitken Spence Group of Companies.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- C.M.S. Jayawickrama,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Aitken Spence International Pte. Ltd.
Acting as the holding company for offshore investments of the Aitken Spence Group and provides business management services to Strategic Business Units of the Group.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- C.A.S. Lindy,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

SERVICES SECTOR

FINANCIAL & OTHER SERVICES

Aitken Spence Aerospace Technologies (Private) Limited
Incorporated to establish an Aircraft Disassembly & Recycling Operation at MRIA.

Directors:
- Dr. R.M. Fernando,
- V.P. Kudaliyanage,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

MMBL Money Transfer (Private) Limited *
The Largest Representative for Western Union, MoneyGram and RIA in Sri Lanka with nearly 3,500 sub-locations Island wide.

Directors:
- K. Balasundaram,
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala (Managing Director),
- Ms. J. Moragoda,
- M.D.D. Pieris,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

ELEVATOR AGENCY

Aitken Spence Elevators (Private) Limited *
A Joint Venture between Aitken Spence PLC and OTIS Elevators Company (Singapore) Private Limited are the exclusive agents and distributors in Sri Lanka and in the Republic of Maldives for sales and marketing, installing, testing, commissioning and maintaining OTIS elevators, escalators and moving walkways.

Directors:
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala,
- S. Joseph,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

Interlifts International Private Limited *
Promoting, installing, testing, commissioning and maintaining OTIS elevators, escalators, moving walkways and related equipment in the Republic of Maldives.

Directors:
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala (Managing Director),
- C.M.S. Jayawickrama,
- H. Moosa.

Aitken Spence Industrial Solutions (Private) Limited *
(Formerly known as Amethyst Leisure Limited - Status Changed w.e.f. 20.08.2024).

Provides maintenance services of elevators, escalators, chair lifts and car parking systems. In addition the Company provides consultancy services for Vertical Transportation Systems and Project Management and also BPO Services.

Directors:
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

INSURANCE

Aitken Spence International Consulting (Private) Limited *
Representing the Lloyds & the W.K. Websters Agencies in Sri Lanka & the Maldives, in addition to carrying out Surveys & Claims Settlement for several reputed insurance companies and organizations worldwide. Superintendents for UN World Food Programme in Sri Lanka and in the Republic of Maldives.

Directors:
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan.

Aitken Spence Insurance Brokers (Private) Limited *
Provides insurance brokering and risk advisory services, arranging general and long-term insurance solutions through local insurers for corporate and individual customers.

Directors:
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan.

PROPERTY MANAGEMENT

Aitken Spence Developments (Private) Limited *
A property development company.

Directors:
- A.J. Gunawardena,
- M.A.M. Isfahan.

Aitken Spence Property Developments (Private) Limited *
Owns and operates the multi-storied office complex; "Aitken Spence Tower II" which serves as the Group's corporate office at Vauxhall Street, Colombo 02.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 04.05.2026),
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Vauxhall Property Developments (Private) Limited *
Owns and operates the multi-storied office complex; "Aitken Spence Tower I" at Vauxhall Street, Colombo 02.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 04.05.2026),
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Vauxhall Investments (Private) Limited
Owns buildings and land in Bloemendhal Street, Colombo 13.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 31.03.2026),
- Ms. N. Sivapragasam,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

JOINT VENTURES & ASSOCIATES

TOURISM SECTOR

HOTELS

Amethyst Leisure (Private) Limited *
(Formerly known as Amethyst Leisure Limited - Status Changed w.e.f. 20.08.2024).

The holding Company of Paradise Resort Pasikudah (Private) Limited.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. V.J. Senaratne,
- B.G.D.L.P. Wijerathne.

Browns Beach Hotels PLC *
Owns the property leased out to Negombo Beach Resorts (Private) Limited.

Directors:
- Ms. D.S.T. Jayawardena (Chairman/ Chairperson)
- C.R. Stanislaus,
- N.J. de Silva Deva Aditya,
- M.R. Mihular,
- Dr. R.A. Fernando,
- P. Englisch,
- C.M.S. Jayawickrama,
- J.M.S. Brito,
- R.N. Asirwatham (Deceased on 12.12.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Negombo Beach Resorts (Private) Limited *
Owns the Sentido Heritance Negombo.

Directors:
- Ms. D.S.T. Jayawardena,
- C.M.S. Jayawickrama,
- C.R. Stanislaus,
- Ms. D.R. Alexander (Appointed w.e.f. 01.11.2025).

Paradise Resort Pasikudah (Private) Limited *
Owning Company of Amethyst resort, Pasikudah.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Ms. V.J. Senaratne,
- C.M.S. Jayawickrama,
- B.G.D.L.P. Wijerathne.

MARITIME & FREIGHT LOGISTICS SECTOR

MARITIME & PORT SERVICES

Fiji Ports Corporation Limited *
Owns and operates all the major ports in the Republic of Fiji in addition to providing navigational services at all Fijian Ports.

Directors:
- I. Tuituku (Chairman),
- T. Lomalagi,
- A.J. Pal,
- N. Chettiar,
- I.S. Cuttilan,
- Ms. L.T. Vuatalevu,
- Ms. M. Low (Alternate Director to T. Lomalagi),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Fiji Ships Heavy Industries Limited *
Operates ship and boat building facility, carries out ship repair and maintenance services and is involved in heavy industries in the Republic of Fiji.

Directors:
- I. Tuituku (Chairman),
- T. Lomalagi,
- A.J. Pal,
- N. Chettiar,
- I.S. Cuttilan,
- Ms. L.T. Vuatalevu,
- Ms. M. Low (Alternate Director to T. Lomalagi),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

Spence Seahorse Marine (Private) Limited
Supply of Bunkers and Marine services at all Sri Lanka Ports.

Directors:
- A.I.T. Hettiarachchi,
- Ms. N. Sivapragasam,
- P. Weerasekara,
- I.S. Cuttilan,
- S.U. Dissanayake,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

FREIGHT FORWARDING & COURIER

Ace (Bangladesh) Ltd
Provides international freight forwarding services in the People's Republic of Bangladesh.

Directors:
- A. Rahman (Managing Director),
- J.E. Brohier,
- C.J. Jirasinha,
- Ms. F. Naser,
- B.M. Mannan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ace Aviation Myanmar Limited
International Freight Forwarders.

Directors:
- S. Chowdhury,
- Ms. D.N.Y. Hlaing,
- M.R. Chowdhury,
- J.E. Brohier,
- M.A.M. Isfahan,
- C.J. Jirasinha.

Aitken Spence Cargo (Cambodia) Co., Ltd
International Freight Forwarding and General Sales Agent for Airline Cargo.

Directors:
- Ms. N. Sivapragasam,
- J.E. Brohier,
- M. Mehnaz,
- R. Arif,
- N. Faiqa,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

DPEX Spence (Private) Limited
International Freight Express Company.

Directors:
- I.S. Cuttilan,
- Ms. W.A.S. Fernando.

EDUCATION

CINEC Campus (Private) Limited *
Sri Lanka's largest private maritime and higher education campus.

Directors:
- R.S. Egodage (Co-Chairman),
- Ms. N. Sivapragasam (Joint Managing Director),
- E.T. Komrowski,
- E.P. Komrowski (Alternate Director to E.T. Komrowski),
- I.S. Cuttilan,
- D.R.C. Hindurangala,
- D.T.K.C. Lakindu,
- Ms. R.D. Nicholas,
- P.S.R. Casie Chitty,
- Ms. S.N. Egodage,
- S. Holger,
- J.B. Winkler (Alternate Director to S. Holger),
- T.M. Kriwat,
- Dr. M.P. Dissanayake (Co-Chairman) (Resigned w.e.f. 31.03.2026).

Mercantile Seaman Training Institute Limited
Providing maritime education and training.

Directors:
- Capt. P.A.P. Peiris (Chairman/ Managing Director),
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- D.L. Ekanayake,
- P.S.R. Casie Chitty (Resigned w.e.f. 18.09.2025).

STRATEGIC INVESTMENT SECTOR

PRINTING AND PACKAGING

Serendib Investments Pte Limited
Company has ceased its operations.

Directors:
- Ms. N. Sivapragasam,
- L.N.D. Silva,
- S. Sharma (Appointed w.e.f 15.12.2025),
- J. Raqina (Appointed w.e.f 15.12.2025),
- S. Koya (Appointed w.e.f 15.12.2025),
- T. Whitton (Chairman) (Resigned w.e.f. 15.12.2025),
- A. Ram (Resigned w.e.f. 15.12.2025),
- Mrs. E. Nadakuitavuki (Resigned w.e.f. 15.12.2025).

PLANTATIONS

A E N Palm Oil Processing (Private) Limited
Joint Venture Project between Agalawatte Plantations PLC, Elpitiya Plantations PLC and Namunukula Plantations PLC to process Oil Palm Fruit bunches and extract crude palm oil.

Directors:
- Dr. R.M. Fernando (Appointed as Chairman w.e.f. 01.04.2026)
- N.S. Yaddehige (Held the office of Chairman from 29.04.2024 to 28.04.2025),
- R.P.L. Ramanayake,
- G.P.N.A.G. Gunathilake,
- S. Doranegama (Nominated w.e.f 17.11.2025),
- P. de S.A. Gunasekara (Nomination was revoked w.e.f. 06.11.2025),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Aitken Spence Plantation Managements Limited *
(Formerly known as Aitken Spence Plantation Managements PLC - Status Changed w.e.f. 02.11.2025)

Managing agents for Elpitiya Plantations PLC.

Directors:
- Dr. R.M. Fernando (Appointed as Chairman w.e.f. 01.04.2026),
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 01.04.2026),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- L.N. de S. Wijeyeratne,
- D.C. Fernando,
- Dr. S.A.B. Ekanayake,
- A.T.S. Sosa (Alternate Director to D.C. Fernando),
- A.G.G.K. Dayananda (Appointed w.e.f 01.10.2025),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

E P P Hydro Power (Private) Limited
Generates hydro electricity and supplies to the national grid.

Directors:
- Dr. R.M. Fernando (Chairman),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- Priyantha S. Dissanayake (Appointed w.e.f 17.06.2025).

Elpitiya Harrow Tea Company (Private) Limited *
Incorporated to cultivate, process and market speciality teas for overseas market.

Directors:
- Dr. R.M. Fernando (Chairman),
- W. Hao,
- T. Wang (Alternate Director to W. Hao),
- J.A.R. Nissanka (Appointed w.e.f 01.04.2025),
- A.G.G.K. Dayananda (Appointed w.e.f 17.06.2025).

Elpitiya Plantations PLC
The Company own and manage 13 estates in the Pundaluoya, Pussellawa and Galle regions with a total land extent of 8,830.52 hectares and engaged in cultivation of Tea, Rubber, Oil Palm, Cinnamon, Coconut, Fruit Crops, Commercial Forestry and in High Valued Horticulture Projects.

Directors:
- Dr. R.M. Fernando (Appointed as Chairman w.e.f. 01.04.2026),
- Ms D S T Jayawardena (Appointed w.e.f. 01.04.2026),
- Malik J. Fernando,

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

- D.A. de S. Wickremanayake,
- Ms. M.D.A. Perera,
- Ms. M.K.D.N. Madampe,
- Prof. A.S. Dharmasiri,
- M. J.S. Rajakariar,
- Dr. R.A. Fernando,
- A.G.G.K. Dayananda (Appointed w.e.f 01.10.2025),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Escape Parks Ceylon (Private) Limited
Incorporated to develop and operate an Adventure Theme Park at Divitural Estate to promote Tourism in the region.

Directors:
- Dr. R.M. Fernando,
- A.G.G.K. Dayananda (Appointed w.e.f 17.06.2025),
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 31.03.2026).

Ceylon Agro Food Technologies (Pvt) Ltd
An innovative agricultural research and development Company dedicated to enhancing food product value, reducing agricultural waste, preserving food, and advancing agricultural drone technology, along with expertise in plantation management which comprises of engineers and agricultural scientists committed to tackling the intricate challenges encountered by Sri Lanka's agricultural sector.

Directors:
- S. Gunawardena (Chairman),
- Dr. R.M. Fernando,
- Dr. S.A.B. Ekanayake,
- Ms. S.T. Gunawardena,
- Ms. N.R. Gunawardene,
- P.S. Dissanayake,
- Ms. N.D. Perera,
- J.A.R. Nissanka (Appointed w.e.f 17.06.2025).

Harrow House (Private) Limited
A fully owned subsidiary of Elpitiya Plantations PLC, established with the aim of enhancing the visibility and expanding the distribution of the value-added brands.

Directors:
- Dr. R.M. Fernando,
- D.A. de S. Wickremanayake,
- Malik J. Fernando,
- J.A.R. Nissanka (Appointed w.e.f 17.06.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

The Dunsinane Valley Company (Private) Limited
A fully owned subsidiary of Elpitiya Plantations PLC focused on developing sustainable tourism ventures in the Dunsinane Valley by balancing economic potential with ecological preservation and community engagement.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 04.05.2026),
- Dr. R.M. Fernando,
- D.A. de S. Wickremanayake,
- Malik J. Fernando,
- P.S. Dissanayake (Appointed w.e.f. 17.06.2025),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GROUP COMPANIES AND DIRECTORATE

SERVICES SECTOR

FINANCIAL & OTHER SERVICES

Aitken Spence C & T Investments (Private) Limited *
The Corporate has ceased operations due to circumstances beyond its control.

Directors:
- A.Y. Atapattu (Chairman),
- S. Chandramohan,
- Dr. R.M. Fernando,
- S.G. Atapattu,
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

BPO SERVICES

Port City BPO (Private) Limited
A Joint Venture between Aitken Spence International Pte. Ltd., ITV Ventures Sdn. Bhd., and Harbour Tech Solutions Sdn. Bhd., that will provide BPO services to off shore clients.

Directors:
- Dato P. Y. Hong (Appointed w.e.f. 22.01.2026 and appointed as Chairman w.e.f. 01.04.2026),
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- G.L. Seaton,
- T.Y. Ming,
- H.B. Harng,
- T.T. Huar (Appointed w.e.f. 13.01.2026),
- C.J. Wen (Resigned w.e.f. 19.01.2026),
- Dr. M.P. Dissanayake (Resigned w.e.f. 31.03.2026).

ELEVATOR

Aitken Spence Engineering Solutions (Private) Limited *
Joint Venture between Aitken Spence PLC and Mr. Balamurugan Kaliamoorthy incorporated to supply, install, test, commission and maintain equipment of any kind in the field of Air-conditioning, fire and security.

Directors:
- D.R.C. Hindurangala,
- B. Kaliyamoorthy,
- Ms. N. Balamurugan,
- J.E. Brohier,
- A.J. Gunawardena.

COMPANIES UNDER LIQUIDATION

Spence International (Private) Limited
Liquidation commenced on 19.03.2019.

Aitken Spence Overseas Travel Services (Private) Limited
Liquidation commenced on 16.03.2022.

Elpitiya Lifestyle Solutions (Private) Limited
Liquidation commenced on 30.12.2025.

Water Villas (Private) Limited
To be liquidated.

COMPANIES LIQUIDATED

Ace Resorts Private Limited *
Liquidated on 08.04.2026

Aitken Spence Technologies (Private) Limited
Liquidated on 25.02.2026

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

GLOSSARY OF TERMS

ABCs
Aitken Spence Behavioural Competency framework.

AI
Artificial Intelligence.

Asset Turnover
Total revenue divided by average total assets.

ASSM
Aitken Spence School of Management, the Group's Learning & Development arm.

Assets Held for Sale
The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

Available-for-Sale
Any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments, or financial assets at fair value through profit or loss.

AWDR
The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest-bearing deposits of commercial banks and the corresponding interest rates.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basis Point
One hundredth of a percentage point. i.e.1/100

BPO
Business Process Outsourcing.

Capital Employed
Shareholders' funds plus non-controlling interests and total interest bearing loans and borrowings.

Capital Expenditure
The total of additions to property, plant & equipment, intangible assets, investment property and the purchase of outside investments.

Capital Reserves
Reserves identified for specific purposes and considered not available for distribution.

Carrying Amount
The amount at which as asset is recognised in the statement of financial position.

Cash Ratio
Cash and short-term deposits divided by current liabilities.

Collateral
Monetary or non-monetary asset pledged or received as security in lieu of a loan or credit terms obtained or provided.

Collective Impairment provision
Impairment provision is measured on a collective basis for homogeneous groups of debtors that are not considered individually significant.

Contract
An agreement between two or more parties that has clear economic consequences that the parties have little, if any discretion to avoid usually because the agreement is enforceable by law.

Contract Asset
An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

Contract Liability
An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amounts due) from the customer.

Credit Risk
Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance with the agreed terms and conditions.

CRM
Customer Relationship Management.

CSR
Corporate Social Responsibility

Currency
An agreement between two parties to exchange two currencies at a certain exchange rate at a certain time in the future.

Current Ratio
Current assets divided by current liabilities.

Debenture
A long-term debt instrument issued by a corporate.

Debt/Equity Ratio
Non-current interest-bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

Derivatives
Financial contracts whose values are derived from the values of underlying assets.

DE&I
Diversity, Equity & Inclusion.

Dividend Payout
Dividends per share divided by earnings per share. This indicates the percentage of the Company's earning that is paid out to shareholders in cash.

Dividend Cover
Net profit attributable to the ordinary shareholders divided by the total dividend.

Dividend Yield
Dividend per share divided by the market value of a share.

Dividends per Share (DPS)
Dividends paid and proposed, divided by the number of issued shares, which are ranked for those dividends.

DRR
Disaster Risk Reduction.

Earnings per Share (EPS)
Net profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

EBITDA
Earnings (inclusive of equity accounted investees) before interest expenses, tax, depreciation, and amortisation.

GLOSSARY OF TERMS

Economic life (of an asset)
Either the period over which an asset is expected to be economically usable by one or more users or the number of production or similar units expected to be obtained from an asset by one or more users.

EDP
Executive Development Programme, a Learning & Development programme for the Group's Senior Leaders.

Effective Rate of Dividend
Rate of dividend per share paid on the number of shares ranking for dividend at the time of each payment.

Effective Rate of Interest
Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

Employee Attrition Rate
Number of resignations/Average number of employees *100

EPZ
Export Processing Zone.

Equity Instruments
A contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

ESG
Environmental, Social and Governance.

Expected Credit Losses

The weighted average of credit losses with the respective risks of a default occurring as the weights.

Fair Value
The amount at which an asset is exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair Value Through Other Comprehensive Income (FVOCI)
Financial instruments that are held for trading and measured at fair value through other comprehensive income.

Fair Value Through Profit or Loss (FVPL)
Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset
Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable.

Financial Instruments
Any contract that gives rise to financial assets of one entity and financial liability or equity instrument of another entity.

Financial Leverage
Total average assets divided by total average equity.

Financial Liability
A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

Forward Exchange Contract
Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

GHGs
Gases in the Earth's atmosphere that trap heat and contribute to the greenhouse effect, leading to global warming and climate change.

Goodwill
The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

Gross Treasury Bill Rate
Weighted average treasury bill rate gross of withholding tax published by Central Bank of Sri Lanka at the auction immediately preceding an interest determination date.

GRI
Global Reporting Initiative.

GSA
General Sales Agent.

Guarantees
A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfil the contractual obligations under that said contract.

Held-to-Maturity
A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

ILO
International Labour Organisation.

IMF
International Monetary Fund.

Impact (in the context of GRI Standards)
Effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. It does not refer to an effect upon an organisation, such as a change to its reputation.

Impairment
Occurs when recoverable amount of an asset is less than the carrying amount.

Intangible Assets
An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

Interest Cover
Operating profit before interest divided by the net interest.

Interest Rate Swap
An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

GLOSSARY OF TERMS

Investment Property
Investments in land and buildings that are held to earn rentals or for capital appreciation or for both.

IOT
Internet of Things.

IRCSL
Insurance Regulatory Commission of Sri Lanka.

ISO 27001
International standard for information security management systems.

JCC
Joint Consultative Committees.

Lease
A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

LEED
Leadership in Energy and Environmental Design.

LIBOR
The London Inter Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

Liquidity Risk
The risk of an entity having constrains to settle its financial liabilities.

Loans and receivables
A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Local (in the context of sustainability programmes)
the immediate community within a 35 to 45 km radius of our operations outside Colombo. For operations outside Sri Lanka, 'local' would refer to the local community of that country.

Loss Given Default (LGD)
The magnitude of the loss in the event of a default.

Market Capitalisation
The number of ordinary shares in issue multiplied by the market price per share as at a given date.

Market Risk
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Material Topics
Topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

MCLR
Marginal Cost of Funds based Lending Rate is published by Reserve Bank of India, used as the reference rate by financial institutions to set the interest rate of Indian Rupee denominated lending products.

Net Assets per Share
Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

Net Positive Impact
Net positive impact refers to a holistic, strategic approach where a company's overall positive environmental, social, and economic impacts and value creation outweigh its negative impacts.

Net Profit Margin
Net profit for the period divided by the revenue.

Net Zero Emissions
A balance between the amount of greenhouse gases emitted into the atmosphere and the amount removed or offset, resulting in no additional contribution to global warming.

Non-controlling Interest
Part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent.

NPS
Net Promoter Score.

OHS
Occupational Health & Safety.

Operating Profit Margin (EBIT Margin)
Earnings before interest and tax divided by revenue.

Past service Cost
Past Service Cost is the change in the Present value of the defined Benefit obligation (PVDBO) for employee service in prior periods, resulting in the current period from the introduction of or changes to, post-employment benefits or other long term employee benefits.

Price Earnings Ratio (PER)
Market value per share divided by the earnings per share.

Price to Book Value Ratio (PBV)
Market price per share divided by net assets per share.

Probability of Default (PD)
Estimate of likelihood that a borrower will be unable to meet debt obligations.

Public-Private Partnership (PPP)
long-term contractual agreement between a government entity and a private company to finance, build, or operate public infrastructure and services. It blends the social responsibility of the public sector with the efficiency and capital of the private sector.

Quick Asset Ratio
Total current assets less inventories divided by total current liabilities.

Return on Assets.
Earnings before finance cost and tax divided by the average total assets.

Return on Capital Employed (ROCE)
Earnings before total interest including the share of profits of equity accounted investees divided by the average of total equity, long-term and short-term bank borrowings, and overdraft less cash, and cash held in deposits.

Return On Equity
Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and at the end of the financial year.

GLOSSARY OF TERMS

Return on Equity Accounted Investments
Share of profit of equity-accounted investees (net of tax) divided by the average investment in equity-accounted investees at the beginning and end of the financial year.

Revaluation Surplus
Surplus amount due to revaluing assets in accordance with its fair value.

Revenue Reserves
Reserves set aside for future distributions and investments.

Right-of-use asset
An asset that represents a lessee's right to use an underlying asset for the lease term.

RTE
Roots To Excellence, the Group's new employee orientation programme.

SASB
The Sustainability Accounting Standards Board (SASB) develops industry-specific standards for companies to disclose financially material sustainability information to investors.

SBTi
The Science Based Targets initiative (SBTi) is an accelerator movement that encourages companies to set greenhouse gas emission reduction targets in line with the latest climate science to meet the goals of the Paris Agreement.

SBU
Strategic Business Unit.

SDG
Sustainable Development Goals.

SOFR
The Secured Overnight Financing Rate (SOFR) is a reference rate which has been established as the preferred alternative rate for the USD London Interbank Offered Rate (LIBOR). SOFR is commonly being used for US dollar-denominated derivatives, loans, and other financial transactions in place of the LIBOR. SOFR is calculated by the New York Federal Reserve based on transaction data from the overnight Repurchase (repo) market.

Total Equity
Total of share capital, reserves, retained earnings and non-controlling interest.

Total Shareholder Return (TSR)
The difference between the closing and opening share price plus the dividend pertaining to the year divided by the opening share price.

Treasury Bill/T-Bill
Short term debt instrument of 3,6 or 12 months issued by the Government of Sri Lanka.

Treasury Bond/T-Bond
Medium to long term debt instrument of 1 year and above, issued by the Government of Sri Lanka which carries a coupon (interest) paid on semi-annual basis.

Uncertain tax treatment
A tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law.

UNCTAD
United Nations Conference on Trade and Development.

UNGC
United Nations Global Compact.

Unquoted Shares
Shares which are not listed in the Stock Exchange.

UNWTO
United Nations World Tourism Organisation.

Value added per Employee
Total value created by the Group during the year divided by the total employees of all the subsidiaries of the Group as at end of the financial year.

WHO
World Health Organisation.

Working Capital
Current assets less current liabilities.

Yield to Maturity
The discount rate that equals present value of all expected interest payment and the repayment of principal.

Young Managers
Executives in managerial positions (Assistant Manager and above), and under 35 years of age.

CORPORATE INFORMATION

NAME

Aitken Spence PLC

LEGAL FORM

A Public Quoted Company with limited liability, incorporated in Sri Lanka in 1952

COMPANY REGISTRATION NUMBER

PQ 120

REGISTERED OFFICE

No. 315, Vauxhall Street,
Colombo 2, Sri Lanka

DIRECTORS

Ms. D.S.T. Jayawardena
Chairman/Chairperson
(Appointed as the Interim Managing Director w.e.f. 01st April 2026)

Dr. R.M. Fernando

Mr. J.M.S. Brito

Mr. N.J. de S. Deva Aditya

Mr. C.R. Jansz

Mr. M.R. Mihular

Dr. R.A. Fernando

Mr. P. Englisch

Mr. C.J. Sevilla

Mr. C.H. Gomez
(Appointed w.e.f. 01st April 2025)

Mr. R.N. Asirwatham
(Deceased on 12th December 2025)

Dr. M.P. Dissanayake
Deputy Chairman and Managing Director
(Resigned w.e.f. 31st March 2026)

MANDATORY BOARD SUBCOMMITTEES

Nominations and Governance Committee

Mr. P. Englisch - Chairman

Dr. R.A. Fernando

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. C.R. Jansz

Remuneration Committee

Mr. P. Englisch - Chairman

Dr. R.A. Fernando

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. C.R. Jansz

Audit and Risk Committee

Mr. M.R. Mihular - Chairman

Dr. R.A. Fernando

Mr. P. Englisch

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. R.N. Asirwatham
(Deceased on 12th December 2025)

Related Party Transactions Review Committee

Mr. M.R. Mihular - Chairman

Dr. R.A. Fernando

Mr. P. Englisch

Mr. C.J. Sevilla

Mr. J.M.S. Brito

Mr. R.N. Asirwatham
(Deceased on 12th December 2025)

VOLUNTARY BOARD SUBCOMMITTEES

Investment Committee

Mr. M.R. Mihular - Chairman

Mr. J.M.S. Brito

Mr. N.J. de S. Deva Aditya

Mr. P. Englisch

Mr. C.H. Gomez

SECRETARIES

Aitken Spence Corporate Services (Private) Limited

No. 315, Vauxhall Street,

Colombo 02,

Sri Lanka.

T: (+94 11) 2308308

F:(+94 11) 2445406

E: benji@aitkenspence.lk,

comsec@aitkenspence.lk

REGISTRARS

Central Depository Systems (Private) Limited

Ground Floor, M&M Center,

No. 341/5, Kotte Road,

Rajagiriya,

Sri Lanka.

T: (+94 11) 2356456

F: (+94 11) 2440396

E: registrars@cse.lk

Web: www.cds.lk

AUDITORS

KPMG

Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha,

P.O Box 186,

Colombo 03,

Sri Lanka.

HOLDING COMPANY

Melstacorp PLC

CONTACT DETAILS

No. 315, Vauxhall Street,

Colombo 02,

Sri Lanka.

T:(+94 11) 2308308

F:(+94 11) 2445406

Web: www.aitkenspence.com

NOTICE OF MEETING

Notice is hereby given that the Seventy Fourth (74th) Annual General Meeting of Aitken Spence PLC will be held at the Institute of the Chartered Accountants of Sri Lanka, 30A, Malalasekera Mawatha, Colombo 7, on Tuesday 30th June 2026 at 10.00 a.m., for the following purposes:-

1. To receive and consider the Annual Report of the Board of Directors together with the Audited Financial Statements for the year ended 31st March 2026 and the Report of the Auditors thereon.
2. To declare a first and final dividend as recommended by the Board of Directors.
3. To re-appoint Mr. J.M.S. Brito who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. J.M.S. Brito who is 79 years of age and that he be re-appointed a Director of the Company."
4. To re-appoint Mr. N.J. de Silva Deva Aditya who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N.J. de Silva Deva Aditya who is 78 years of age and that he be re-appointed a Director of the Company."
5. To re-appoint Dr. R.M. Fernando who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Dr. R.M. Fernando who is 73 years of age and that he be re-appointed a Director of the Company."
6. To re-appoint Mr. M.R. Mihular who has attained the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. M.R. Mihular who has attained the age of 70 years and that he be re-appointed a Director of the Company."
7. To re-appoint Mr. M.R. Mihular who has attained the age of 70 years, as an Independent Director by passing the following Resolution as an Ordinary Resolution of the Public Shareholders[1] of the Company under Rule 9.8.3(ix)(c) of the Listing Rules of the Colombo Stock Exchange:

   "IT IS HEREBY RESOLVED that Mr. M.R. Mihular, who has attained the age of seventy (70) years on 18th June 2026 and who, in terms of Section 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, would thereby be deemed to have impaired independence, be and is hereby nevertheless re-appointed as an Independent Director of the Company, as recommended by the Nominations and Governance Committee based on the justification and rationale set out in the Annexure to the Notice of Meeting and as confirmed by the Board of Directors."
8. To re-elect Dr. R.A. Fernando who retires in terms of Article 83 and 84 of the Articles of Association, as a Director.
9. To authorise the Directors to determine contributions to charities.
10. To re-appoint the retiring External Auditors, Messrs. KPMG, Chartered Accountants and authorise the Directors to determine their remuneration.
11. To consider any other business of which due notice has been given.

By Order of the Board
Aitken Spence PLC

Aitken Spence Corporate Services (Private) Limited

Secretaries

05th June 2026

Colombo

1 The term "Public Shareholder" shall refer to the meaning ascribed thereto in terms of the Listing Rules of the Colombo Stock Exchange.

NOTICE OF MEETING

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend, speak and vote in his/her stead and a Form of Proxy is enclosed for this purpose. A Proxy need not be a member of the Company.
2. Members intending to participate through proxies 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.
3. The completed Form of Proxy should be sent to reach the Company Secretaries via e-mail to nurani@aitkenspence.lk or facsimile on +94 112445406 or by post to the registered address of the Company, No. 315, Vauxhall Street, Colombo 02, not less than forty eight (48) hours before the time fixed for the meeting.
4. Should the first and final dividend recommended be approved by the Shareholders at the Annual General Meeting:
   a. it is proposed to dispatch the dividends by 20th July 2026;
   b. for the shareholders who have provided accurate dividend disposal instructions with bank account details to the Central Depository Systems (Private) Limited, dividends of such shareholders will be credited directly to the specified bank accounts by 07th July 2026.

   In accordance with the Listing Rules of the Colombo Stock Exchange, the shares of the Company will trade ex-dividend with effect from 01st July 2026.
5. Members intending to participate through proxies are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretaries, via e-mail to nurani@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 2, not less than five (5) days before the date of the meeting. This is in order to enable the Company Secretaries to compile the queries and forward same to the attention of the Board of Directors so that such queries could be addressed at the meeting.
6. The Annual Report of the Company for the financial year 2025/26 will be available for perusal on the Company website www.aitkenspence.com, the Colombo Stock Exchange website www.cse.lk and the social media sites of the Company.

ANNEXURE

JUSTIFICATION AND RATIONALE FOR THE RE-APPOINTMENT OF MR. M.R. MIHULAR AS AN INDEPENDENT DIRECTOR OF AITKEN SPENCE PLC

Mr. M.R. Mihular was appointed to the Board of Aitken Spence PLC as an Independent Non-Executive Director with effect from 02nd December 2024. Mr. Mihular will attain the age of seventy (70) years on 18th June 2026 and in terms of Section 9.8.3(ix) of the Listing Rules of the Colombo Stock Exchange, his independence would be deemed impaired upon reaching this age threshold.

However, pursuant to the proviso to Section 9.8.3(ix) of the Listing Rules, the Nominations and Governance Committee of Aitken Spence PLC having followed a due and comprehensive evaluation of the justification and rationale given below, has unanimously resolved and recommended to the Board the re-appointment of Mr. Mihular as an Independent Non-Executive Director notwithstanding that he would have attained the age of seventy (70) years at the time of the forthcoming Annual General Meeting:

1. **Professional Qualifications and Technical Expertise**

   Mr. Mihular is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants (CIMA), UK. These qualifications, together with his lifelong professional standing, provide the Board with deep expertise in financial reporting, audit, risk management, governance and regulatory compliance, areas that are critical to the effective functioning of a listed entity.

2. **Extensive Leadership and Governance Experience**

   Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives for a period of ten years from 1st April 2012 to 31st March 2022 and as Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster from October 2018 to September 2021. He has also held senior regional and global leadership roles within KPMG, including serving as Chief Operating Officer of the MESA regional office, a member of the KPMG EMA Board, and the Global Council of KPMG International.

   These roles demonstrate his exposure to complex organisations, global best practices and strategic decision-making at the highest levels.

3. **Contribution to Accounting, Ethics and International Standards**

   Mr. Mihular has made significant contributions to the development of international accounting and ethical standards, having served as:

   - A Board Member of the International Accounting Standards Committee (IASC),
   - A member of the Standing Interpretations Committee,
   - A member of the IFRS Advisory Council of the IASB, and
   - A member of the International Ethics Standards Board for Accountants (IESBA) from 2012 to 2018.

   This background equips him with a strong understanding of transparency, integrity and ethical governance, which is particularly valuable in safeguarding shareholder interests.

4. **Demonstrated Independence of Judgment**

   Mr. Mihular currently serves as Chairman and Independent Non-Executive Director on several listed and unlisted entities and as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka. His appointments across diverse sectors reflect the confidence placed in his objectivity, sound judgment and independence by both regulators and corporate boards.

   The Committee is satisfied that Mr. Mihular does not have any relationships, interests or circumstances that would impair his ability to exercise independent judgment or act in the best interests of the Company and its shareholders.

5. **Value to the Board and Succession Considerations**

   Mr. Mihular's continued presence on the Board ensures mentorship to both Board members and senior management. Given the increasing regulatory, financial and governance complexity faced by listed entities, the Committee is of the view that his experience and counsel remain highly relevant and beneficial at this time.

Further the Committee noted that it would be extremely difficult for the Company to find a replacement in the short term that would suit the calibre of Mr. Mihular and hence it is necessary that his re-appointment is recommended to the Board and to the shareholders.

As recommended by the Nominations and Governance Committee above, the Board unanimously confirmed the re-appointment of Mr. M.R. Mihular as an Independent Non-Executive Director of Aitken Spence PLC, notwithstanding that he would have attained the age of seventy (70) years at the forthcoming Annual General Meeting. The Board is satisfied that Mr. Mihular would continue to bring exceptional value to the Board, exercises independent judgment and upholds the highest standards of corporate governance in full alignment with the intent of the Listing Rules of the Colombo Stock Exchange.

The profiles of Mr. M.R. Mihular is given on pages 72 of this Report.

FORM OF PROXY

I/We.....of

.....being a member/members

of Aitken Spence PLC hereby appoint .....

.....of.....

..... (whom failing),

Ms. Don Stasshani Therese Jayawardena (whom failing),
Dr. Rohan Marshall Fernando (whom failing),
Mr. Joseph Michael Suresh Brito (whom failing),
Mr. Niranjan Joseph de Silva Deva Aditya (whom failing),
Mr. Cedric Royle Jansz (whom failing),
Mr. Mohamed Reyaz Mihular (whom failing),
Dr. Ravindra Ajith Fernando (whom failing),
Mr. Peter Englisch (whom failing),
Mr. Christian Joseph Sevilla (whom failing),
Mr. Charles Humbert Gomez,

as my/our proxy to represent me/us, to speak and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 30th June 2026 at 10.00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We the undersigned hereby authorize my/our proxy to vote on my/our behalf in accordance with the preference indicated below:

Resolution	For	Against
To declare a first and final dividend as recommended by the Directors		
To re-appoint Mr. J.M.S. Brito who is over the age of 70 years		
To re-appoint Mr. N.J. de S. Deva Aditya who is over the age of 70 years		
To re-appoint Dr. R.M. Fernando who is over the age of 70 years		
To re-appoint Mr. M.R. Mihular who has attained the age of 70 years		
To re-appoint Mr. M.R. Mihular who has attained the age of 70 years, as an Independent Director (The above resolution to be voted on if the relevant shareholder falls within the definition of a "Public Shareholder" in terms of the Listing Rules of the Colombo Stock Exchange)		
To re-elect Dr. R.A. Fernando who retires in terms of Article 83 and 84 of the Articles of Association of the Company		
To authorise the Directors to determine contributions to charities		
To re-appoint the retiring External Auditors, Messrs. KPMG, Chartered Accountants and authorise the Directors to determine their remuneration		

Signed this..... day of June Two Thousand and Twenty Six.

.....
Shareholder's Signature/(s)

.....
Shareholder's NIC / Folio No.

.....
Proxyholder's NIC No.

Note : Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association/ Constitutional documents (as applicable).
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his/her appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretaries via e-mail to nurani@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 2, not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):

NIC/PP/Company Registration No. of the Shareholder/s :

Folio No. :

E-mail address of the Shareholder/(s) or
proxy holder (other than a Director appointed as proxy) :

Mobile No. :

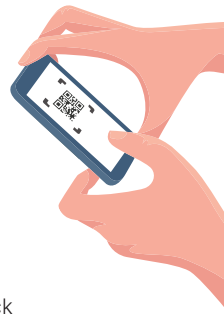
Fixed Line :

AITKEN SPENCE PLC: SHAREHOLDER FEEDBACK FORM

Your feedback is essential for shaping our strategic direction and improving our performance. We would greatly appreciate it if you could spare a few minutes to share your thoughts and suggestions via this form.

The completed Feedback Form could be e-mailed to info@aitkenspence.lk or posted to the Company Secretaries at No. 315, Vauxhall Street, Colombo 02, Sri Lanka. You can also access this form online on Aitkenspence.com/feedback or by scanning the QR code.

Aitken Spence PLC
- Shareholder Feedback



YOUR LOCATION

☐ Sri Lanka

☐ Other .....

CORPORATE COMMUNICATIONS

Please rate the following areas based on your experience with the Company.

	Very low	Low	Medium	High	Very high	N/A
Quality and presentation of the annual report	☐	☐	☐	☐	☐	☐
Usefulness of the information in the annual report	☐	☐	☐	☐	☐	☐
Likelihood of the financial information in the Annual Report to influence decisions about the company	☐	☐	☐	☐	☐	☐
Likelihood of the environmental and social information in the Annual Report to influence decisions about the company	☐	☐	☐	☐	☐	☐
Level of satisfaction with the communications with/from Aitken Spence	☐	☐	☐	☐	☐	☐

Which channels of communication are preferred when receiving information about Aitken Spence?

☐ Website ☐ Emails ☐ Newspaper ☐ Magazine articles ☐ Social media

AITKEN SPENCE PLC: SHAREHOLDER FEEDBACK FORM

ENGAGEMENT WITH SPENSONIANS

Please rate the following areas based on your experience with employees of Aitken Spence, or 'Spensonians'.

	Very low	Low	Medium	High	Very high	I have not interacted with any Spensonians
Level of satisfaction with the conduct of Spensonians	☐	☐	☐	☐	☐	☐
Competency of our Spensonians based on recent interaction	☐	☐	☐	☐	☐	☐
Access to information about human resources management at Aitken Spence	☐	☐	☐	☐	☐	☐
Lawful and ethical professional conduct	☐	☐	☐	☐	☐	☐
OHS, labour standards, employee welfare and well-being	☐	☐	☐	☐	☐	☐
Human rights, DE&I at the workplace	☐	☐	☐	☐	☐	☐
Learning and development for employees	☐	☐	☐	☐	☐	☐
Capacity building on product & service knowledge	☐	☐	☐	☐	☐	☐

WORKFORCE DEVELOPMENT

What do you believe are the most important employee related issues that our company should address?

	Not important	A little important	Important	Very important	A top priority!
Lawful and ethical professional conduct	☐	☐	☐	☐	☐
OHS, labour standards, employee welfare and well-being	☐	☐	☐	☐	☐
Human rights, DE&I at the workplace	☐	☐	☐	☐	☐
Learning and development for employees	☐	☐	☐	☐	☐
Capacity building on product & service knowledge	☐	☐	☐	☐	☐

AITKEN SPENCE PLC: SHAREHOLDER FEEDBACK FORM

SUSTAINABILITY

What do you believe are the most important environmental, or socioeconomic issues that our company should address?

	Not important	A little important	Important	Very important	A top priority!
Financial control & governance	☐	☐	☐	☐	☐
Prevention of corruption and unethical business conduct	☐	☐	☐	☐	☐
Compliance with laws, regulations, and voluntary standards	☐	☐	☐	☐	☐
Local economic and community development	☐	☐	☐	☐	☐
Long-term, sustainable economic, social and environmental value created	☐	☐	☐	☐	☐
Energy management	☐	☐	☐	☐	☐
Emission control	☐	☐	☐	☐	☐
Effluent & solid waste control	☐	☐	☐	☐	☐
Water management	☐	☐	☐	☐	☐
Supply chain control on ESG	☐	☐	☐	☐	☐
Biodiversity conservation	☐	☐	☐	☐	☐
Resource management	☐	☐	☐	☐	☐
Human rights, DE&I in the value chain	☐	☐	☐	☐	☐
Product responsibility (quality, sustainability etc.)	☐	☐	☐	☐	☐
Innovation in products & services and unique customer experiences	☐	☐	☐	☐	☐
Climate change risk/ disaster risk management and business continuity management	☐	☐	☐	☐	☐

Are there any other relevant matters not mentioned above that you feel our company should address?

How would you rate your overall satisfaction with our company's performance? Please mark as applicable.

☆ ☆ ☆ ☆ ☆

We thank you for your time.