



THE KINGSBURY
COLOMBO - SRI LANKA

Crowned



Annual Report 2025/26

Crowned

At The Kingsbury, our crown of excellence is meticulously forged in discipline, burnished to a gold standard, and secured by an unbroken legacy of distinction. Every stay and experience is rendered with finesse, transforming each moment into an expression of mastery

Consistency is both our currency and our craft. In a year marked by transformation across Colombo's hospitality landscape, we are defined by standards that are delivered, refined, and proven over time. At The Kingsbury, this is how excellence is sustained and how consistency becomes our crowning asset.



THE KINGSBURY
COLOMBO • SRI LANKA



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Overview

CROWNED BY EXCELLENCE



Excellence at The Kingsbury is a standard upheld across every touchpoint.
From the first welcome to the final impression, our identity is shaped by consistency, refinement, and the ability to deliver experiences that reflect the strength of our legacy and the confidence of our future.

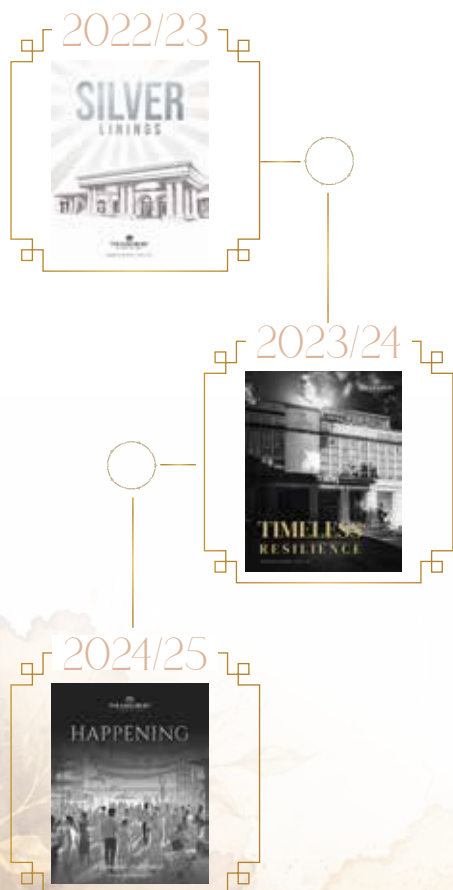
ABOUT THIS REPORT



4th Integrated Annual Report

Welcome to the Integrated Annual Report published by The Kingsbury PLC. The theme for this year's report, 'Crowned,' stands as an acknowledgement of the achievements and distinctive market leadership, while also symbolising the bold ambition that continues to drive The Kingsbury forward in creating greater value for all stakeholders

The Kingsbury PLC - Integrated Reporting Journey



GRI 2-3

Report Profile

The Integrated Annual Report of The Kingsbury PLC for the financial year 2025/26 is the 4th integrated report published by the Company. The report has been prepared to provide stakeholders with a balanced and transparent overview of how the Company creates sustainable value over the short, medium, and long term.

Building on the foundations of previous reporting cycles, the current report further strengthens the articulation of integrated thinking to demonstrate the linkages between strategy, governance, operational performance, risk management, and sustainability and how such aspects are embedded within the Company's decision-making processes and long-term direction.

Previous Annual Reports, including the Integrated Annual Report for Financial Year 2024/25, are available for viewing and download at <https://www.the-kingsburyhotel.com/annual-reports>

Key Improvements in FY 2025/26 Report

Comprehensive disclosures to align with SLFRS S1 and S2 Sustainability and Climate Related Disclosures

Additional screening of material topics using the double materiality filter

Introduction of the Strategy and Resource Allocation to depict the deployment of financial and non-financial resources to support strategy

Improving connectivity of information between stakeholder engagement, material topics, strategy & resource allocation and risks

Scope and Boundary

This Integrated Annual Report of The Kingsbury PLC covers the period from 1st April 2025 to 31st March 2026, in line with the Company's annual financial reporting cycle. The Report encompasses the Company's key operational, financial, governance, and sustainability-related activities during the year under review, providing stakeholders with a holistic view of the factors that underpin long-term value creation.

The Report presents an integrated overview of the Company's strategic direction, operational performance, governance practices, sustainability priorities, and risk management approach within the context of an evolving hospitality and tourism landscape. In doing so, it reflects how the Company continues to adapt to changing market dynamics and emerging industry trends while maintaining focus on operational excellence, resilience, and sustainable long-term growth.

Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Stakeholders



Customers



Employees



Business Partners



Government & Regulators



Communities



Shareholders

SDGs



Refer our Report

We welcome your feedback on how we can enhance the relevance and reader friendliness of our Report.



ABOUT THIS REPORT

REPORTING FRAMEWORKS

Financial Reporting (M)	Governance and Risk Reporting (M)	Integrated Reporting (V)	Sustainability Reporting
• The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 • Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka • The Companies Act no. 7 of 2007 (amended)	• Companies Act No. 07 of 2007 (amended) • Listing Rules of the Colombo Stock Exchange • Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka • Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission	• Integrated Reporting Framework <IR> by the International Integrated Reporting Council (IIRC)	• SLFRS S1 and S2 Sustainability and Climate Related Financial Disclosures - (M) • Global Reporting Initiative (GRI) Standards "In Accordance" - (V) • Standards Board (Hotels & Lodging - Sustainability Disclosure topics and accounting metrics) - (V) • United Nations Sustainable Development Goals (SDG's) - (V)

Data Collection and Reporting Methodology

The Report has been prepared in alignment with the International Integrated Reporting Council's (IIRC) Framework and is intended to provide stakeholders with a balanced, transparent, and integrated overview of the Company's value creation approach.

In line with the principles of integrated reporting, materiality forms the foundation of the reporting process, ensuring that the Report focuses on matters that are most significant to the Company's ability to create sustainable value over the short, medium, and long term. The Report also emphasises the connectivity of information by demonstrating how strategic priorities, governance frameworks, risk management practices, and resource allocation decisions collectively respond to the evolving external environment, including changing market dynamics, regulatory developments, and sustainability-related trends.

MATERIALITY

The content of this Integrated Annual Report has been determined on the basis of materiality as defined by the Global Reporting Initiative (GRI), which identifies material topics as those representing the organisation's most significant economic, environmental, and social impacts, or those that substantially influence the assessments and decisions of stakeholders. By using these material topics as the foundation for Report content, disclosures are focused on the issues that are most significant to the Group's ability to create and sustain long-term value.

The process adopted to determine material topics is presented on Page 43.

The preparation of this Integrated Annual Report was a coordinated organisation-wide process involving collaboration across operational and support functions. The reporting process involved close coordination among finance, operations, Sales & Marketing, human resources, sustainability, risk management, and management teams. Financial information contained in the report has been derived from the Company's audited financial statements and supporting management reports, while non-financial disclosures were compiled from operational performance data, sustainability metrics, governance records, risk management processes, and stakeholder engagement outcomes maintained across the organisation.

GRI 2-5

Combined Assurance

The Integrated Annual Report is supported by a combined assurance approach aimed at reinforcing the integrity, reliability, and overall quality of both financial and non-financial disclosures presented within the Report.

Internally, The Board & Audit Committee have maintained oversight throughout the reporting cycle and has reviewed the Report to ensure consistency, transparency, and alignment with applicable reporting frameworks, governance requirements, and disclosure standards.

The Company's external auditors, Ernst & Young, have independently audited the financial statements for the year ended 31st March 2026. Their Independent Auditor's Report is presented on Page 141.

Forward Looking Statements

This report contains certain forward-looking statements relating to The Kingsbury PLC's future prospects, strategic priorities, expected performance, business outlook, and operational plans. These statements are based on current expectations, assumptions, estimates, and projections available to the Company at the time of preparation of the Report.

Forward-looking statements inherently involve risks and uncertainties, many of which are beyond the Company's control, and actual outcomes and results may differ materially from those expressed or implied by such statements due to a range of factors including, but not limited to, changes in economic conditions, market dynamics, regulatory developments, geopolitical events, industry trends, and other external influences.

Accordingly, readers are cautioned not to place undue reliance on forward-looking statements contained in this Report.

Disclaimer:

The Kingsbury PLC undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by applicable laws and regulations.

There are no restatements to any previous annual reports published by The Kingsbury PLC.

Board Responsibility Statement

The Board of Directors of The Kingsbury PLC accepts collective responsibility for the preparation and presentation of this Integrated Annual Report and for ensuring the integrity, reliability, and completeness of the information contained therein. In discharging this responsibility, the Board confirms that the Report has been subject to appropriate internal review and validation processes, together with relevant assurance procedures where applicable.

The Board is satisfied that this Integrated Annual Report for the financial year 2025/26 provides a balanced and transparent assessment of the Company's strategy, performance, governance practices, risks, and sustainability priorities, together with the material matters that influence its ability to create and sustain long-term stakeholder value.

Further details relating to the Directors' responsibilities in the preparation and presentation of this Report are set out in the Annual Report of the Board of Directors on Page 120.

Feedback

The Company welcomes stakeholder feedback on this Report as part of its ongoing commitment to continuous improvement in reporting quality, transparency, and disclosure practices. Stakeholders are encouraged to share their views, suggestions, or queries to:

Mr. Piyal Senadeera
Chief Financial Officer
Hayleys Leisure PLC
Level 27, East Tower, World Trade Center,
Colombo 01
Sri Lanka
piyal.s@hayleysleisure.com

ABOUT US

"The Kingsbury" Brand Story

The Kingsbury embodies timeless luxury complemented by the warmth and charm of authentic Sri Lankan hospitality, delivering an exceptional experience in the heart of Colombo. As one of the city's premier five-star hotels, we take pride in offering refined comfort, sophistication, and personalised service that reflects the very best of Sri Lankan hospitality.

An iconic presence on Colombo's skyline, The Kingsbury combines contemporary elegance with classic grandeur, creating a destination that is both distinguished and inviting. Ideally located between the iconic Galle Face Green and the bustling World Trade Centre, the hotel offers guests a sophisticated urban retreat to unwind, indulge in exquisite culinary experiences, and enjoy world-class hospitality in the commercial capital of Sri Lanka.

The Essence of The Kingsbury



Our Purpose
Curating Happiness



Our Vision
To be the most preferred
leisure service provider in Sri Lanka



Our Values

- Never say "NO"
- Get it right the first time, all the time
- Innovative culture
- Take care of our employees and their families
- Truly sustainable

Hayleys
LEISURE

Flagship Brand of Hayleys Leisure Sector

Operating under the umbrella of Hayleys PLC— one of Sri Lanka's most respected and diversified conglomerates—the Group holds a controlling stake of 59% in the Company.



Urban Elegance Redefined

A distinguished five-star haven in the heart of Colombo, we seamlessly fuse sophisticated luxury with warm hospitality, creating the perfect sanctuary for discerning business travellers and leisure seekers alike.



Where the City Meets Serenity

Perfectly positioned at the epicentre of Colombo, just steps from the Central Business District, iconic attractions, and major transport hubs — offering luxury seekers, global explorers, and business trailblazers a refined escape to unwind, connect, and recharge.

Stay, Meet, Unwind — All in Style

From exquisitely designed rooms and suites to cutting-edge conference venues and wellness facilities, our diverse offerings cater to every need—whether you're here to relax, celebrate, or collaborate.



A Feast for the Senses

Delight in a world of flavours at our award-winning restaurants and bars—from the global spread at Harbour Court and the finest seafood at The Ocean, to the artistry of Tenku Japanese Dining, authentic Chinese Cuisine at Yue Chuan, premium cuts at the Kings Steak Bar and the lively vibes of Honey Beach Club and Sky Lounge.



Uncompromising Standards, Unmatched Service

Underpinned by strong SOP's and internationally recognised certifications including ISO 22000:2018, we uphold the highest standards in hygiene, safety, and service excellence—proudly achieving a 100% pass rate in our HACCP audits.



Sector Promise

We will always be an exciting and innovative sector who will create raving fans and not simply satisfied customers.



A Vision for a Sustainable Future

In line with Hayleys PLC's "The Hayleys Life Code," The Kingsbury is dedicated to driving impactful environmental, social, and governance initiatives, actively working towards a sustainable future with a focused action plan for 2030.



VALUE CREATION HIGHLIGHTS

	2026	2025	% YOY Change
FINANCIAL PERFORMANCE (Rs.'000)			
Revenue	5,562,090	5,327,046	4%
EBITDA	874,294	906,467	(4%)
Results from operating activities	647,252	705,502	(8%)
Profit before tax	542,911	539,587	1%
Profit after tax	364,792	551,153	(34%)
FINANCIAL POSITION (Rs.'000)			
Total assets	6,241,240	5,980,541	4%
Total debt	1,279,587	1,648,602	22%
BALANCE SHEET PERFORMANCE RATIOS			
Gearing (%)	32.22	46.26	30%
Debt/Equity	0.48	0.86	44%
Equity asset ratio (times)	0.43	0.32	34%
Current ratio (times)	0.61	0.78	(22%)
Quick asset ratio (times)	0.49	0.70	(30%)
Interest cover (times)	5.17	4.35	19%
PROFITABILITY RATIOS (%)			
Operating profit margin	15.72	17.00	(8%)
Return on assets	5.84	9.02	(35%)
Return on equity	13.55	28.78	(53%)
Return on capital employed	14.67	17.56	(16%)
MARKET / SHAREHOLDERS INFORMATION			
Earning per share (Rs.)	0.75	1.14	(34%)
Net asset value per share (Rs.)	5.56	3.96	40%
Share price (closing) (Rs.)	15.10	11.90	27%
Market capitalisation (Rs.'000)	7,308,400	5,759,600	27%
Price to earning ratio (times)	20.17	10.45	93%

	2026	2025	YOY Change
MANUFACTURED CAPITAL			
Property, plant & equipment (Rs.'000)	5,110,458	4,431,680	15%
Room Inventory	229	229	-
Capital expenditure (Rs.'000)	327,931	148,721	121%
HUMAN CAPITAL			
Total employees	737	748	(1%)
Economic value added per employee (Rs.'000)	7,547	7,122	6%
Training hours per employee	30	27	11%
Retention rate (%)	78	65	20%
INTELLECTUAL CAPITAL			
Global Review Index (GRI) (%)	94	92	2%
Number of awards won	04	02	2
Average service tenure of an employee (above 10 years) (%)	20	21	(5%)
SOCIAL AND RELATIONSHIP CAPITAL			
Investments in CSR activities (Rs.'000)	4,553	1,163	291%
Number of beneficiaries	9,395	9,365	0%
Supplier size	1,036	841	23%
Payment to suppliers (Rs.'000)	4,751,296	3,423,056	39%
NATURAL CAPITAL			
Carbon footprint - tCO ₂ e	7,017	5,160	(36%)
Energy consumption - MJ per Occupied Room Night	709	782	9%
Water consumption - m ³ per Occupant	0.153	0.152	(0%)

Leadership

CROWNED BY DISTINCTION



Leadership at The Kingsbury is guided by clarity, discipline, and an unwavering commitment to sustaining distinction. Through decisive direction and a deep understanding of hospitality excellence, we continue to strengthen our people, elevate our service culture, and guide the organisation with purpose through a changing industry landscape.

CHAIRMAN'S MESSAGE



As we uplifted service delivery standards and deepened and broadened our experiential offerings to resonate with both international and domestic travellers, these efforts translated into strong financial outcomes, with The Kingsbury PLC recording a robust revenue of LKR 5.56 billion.

Dear Shareholders,

It is my great pleasure to present the Fourth Integrated Annual Report and Audited Financial Statements of The Kingsbury PLC for the year ending 31st March 2026. It is indeed very rewarding to see The Kingsbury continuing to reaffirm its relevance as a top tier city hotel in Colombo, underscoring its strong brand appeal even amidst the increasingly competitive landscape witnessed in the year under review.

Sustained Economic Turnaround

Sri Lanka's macroeconomic stabilisation in 2025 marked a turning point that laid the foundation for the resurgence in the country's tourism sector. Following a period of unprecedented economic stress, the stabilisation of key macroeconomic indicators, most notably inflation, exchange rate volatility, and foreign exchange liquidity helped restore a degree of predictability and confidence across both domestic and international markets. The restructuring of the Country's external debt obligations, coupled with fiscal consolidation measures and



improved monetary discipline, also further contributed to rebuilding economic credibility. With these factors creating a more stable operating environment, Sri Lanka's tourism industry recorded strong volume growth to further reinforce its position as a key foreign exchange earner for the country in 2025.

Sri Lanka's tourism industry also benefitted from some favourable global tailwinds. The strong rebound in international travel following the pandemic certainly helped to boost inbound tourism flows to Sri Lanka, while improved digital connectivity and greater accessibility through enhanced airline capacity and diversified flight routes also proved vital for Sri Lanka to collaborate with traditional as well as to tap into emerging source markets. At the same time, the growing global preference for value-driven, experience-rich destinations worked in Sri Lanka's favour, significantly enhancing its competitiveness within the regional tourism landscape.

That said, I readily acknowledge the crucial role of domestic travellers in sustaining the tourism industry over the years. During the most challenging phases of the economic downturn, local tourism provided a strong buffer in helping to maintain baseline demand across hotels, restaurants, and leisure destinations. Amidst stabilising economic conditions in the current year domestic travellers demonstrated their ability to further strengthen their contribution, underscoring their importance in anchoring Sri Lanka's tourism recovery narrative.

Strategic Precision and Financial Resilience

Amidst the firm rebound in Sri Lanka's tourism sector, The Kingsbury aligned its strategy around disciplined commercial execution and a strong focus on protecting

market share. In light of the heightened competition within Colombo's city hotel landscape, the emphasis was on balancing near-term demand capture with long-term value preservation.

This meant strengthening The Kingsbury's unique value proposition as the Best 5 Star Property in the City, with a deliberate focus on reinforcing its legendary status as a vibrant, experience-led destination rather than a conventional city hotel. Consequently, considerable resources were allocated to continuously uplift service delivery standards and to deepen and broaden the experiential offerings to resonate with both international and domestic travellers.

I am pleased to witness our strategies translating into strong financial outcomes for financial year 2025/26. The Kingsbury PLC recorded robust revenue of LKR 5.56 billion for the year under review and Profit Before Tax (PBT) of LKR 543 million, a clear affirmation of the fact that The Kingsbury remains the brand of choice within the highly competitive city hotel landscape in Colombo.

The Company reported an Earnings Per Share (EPS) of LKR. 0.75, based on a Profit After Tax of LKR. 365 million, while Net Asset Value (NAV) per share at LKR. 5.56 in FY 2025/26 reflecting a 40% increase compared to the previous year, indicative of financial stability and the preservation of underlying shareholder value.

Sustainability Integration

We have always viewed sustainability as a key enabler of long-term competitiveness and have sought to lead by example in positioning The Kingsbury as a forward-looking hospitality brand committed to sustainable growth. Our focus thus extends beyond compliance towards

proactive stewardship to support initiatives that enhance environmental resilience, strengthen community value creation, and align with evolving global expectations of responsible hospitality.

In this regard, we are guided by the Hayleys Lifecode and the Hayleys Leisure Sector's ESG Roadmap 2030 - branded as "The Hive Effect" - which was launched in November 2025. Together, these frameworks provide the institutional backbone to ensure environmental, social, and governance considerations are embedded into strategic planning and operational processes of The Kingsbury.

Governance and Stewardship

The Kingsbury PLC is guided by a strong and well-balanced Board, comprising respected professionals with diverse expertise spanning hospitality, finance, strategy, and governance.

Bringing fresh perspectives to Board composition plays an important role in strengthening Board balance and ensuring alignment with evolving industry dynamics and regulatory expectations.

In this context, I am pleased to welcome Ms. K. A. D. S. Perera, who was appointed to The Kingsbury PLC Board as a Non-Executive Director with effect from 1st October 2025. Her appointment brings added diversity of thought and experience to the Board, enhancing the quality of strategic oversight and decision-making.

I would also like to extend my sincere appreciation to Mr. Niranjana Joseph De Silva Deva-Adithya, who retired from the Board of the Company with effect from 25 June 2025. The Board joins me in thanking Mr. Deva-Adithya for his commitment and wish him the best.

CHAIRMAN'S MESSAGE

Looking Ahead

I look to the future with a strong sense of optimism. I am confident that The Kingsbury remains well positioned for the next phase of its journey. However, it is important to be mindful that the broader environment will remain fluid particularly in light of ongoing geopolitical tensions which have already begun to influence global travel sentiment. Potential disruptions to air connectivity and route stability will likely have consequential effects on international travel flows in the coming months, which could potentially increase competitive intensity across regional markets as well as internally within Colombo's city hotel segment.

However, I am inclined to view these adverse developments not only as challenges but equally as opportunities to further sharpen The Kingsbury's positioning and relevance in a rapidly changing industry landscape. We will continue to build on our core strengths to enhance resilience, sustain performance, and ensure the hotel remains well aligned to shifting market dynamics and emerging opportunities in global travel, with our focus firmly on strengthening The Kingsbury's identity as the benchmark for city-centric hospitality in Sri Lanka.

Appreciations

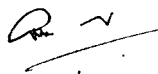
In conclusion, I wish to place on record my deep appreciation to our Managing Director - Mr. Rohan Karr, for his inspiring leadership, steadfast commitment, and significant contribution to strengthening the Company's progress and performance.

I also wish to extend my sincere thanks to the Board of Directors of The Kingsbury PLC for their continued support and guidance throughout the year.

Further, I would like to express my gratitude to the entire Kingsbury team, whose unwavering commitment has been critical in preserving the Kingsbury's identity as the Best city hotel in Sri Lanka.

To our valued shareholders, business partners and all other stakeholders, I extend my heartfelt thanks for your continued trust, confidence, and belief in the Company's long-term direction and strategic vision.

I seek your continued patronage and support to enable The Kingsbury to move ahead with purpose and strong intent to raise the bar for hospitality excellence in Sri Lanka.



Mohan Pandithage
Executive Chairman

29th May 2026

MANAGING DIRECTOR'S REVIEW



This was a year that both tested and reaffirmed The Kingsbury's reputation and market positioning, with multiple regional accolades underscoring the strength of our culinary proposition. Most notably, we secured the Gold Award for the Leading F&B Hotel in South Asia at the South Asia Travel Awards (SATA) 2025, a prestigious recognition that benchmarks leading hospitality establishments.

Dear Shareholders,

The year under review was a defining chapter in our journey, 2026, one in which The Kingsbury continued to strengthen its stature within an increasingly dynamic city hotel landscape. The Fourth Integrated Annual Report reflects the progress we have made, the challenges we have navigated, and the opportunities we have embraced during the year ended 31st March 2026. Guided by a commitment to excellence, distinction, and memorable hospitality, we embraced the spirit of being crowned not merely as a mark of achievement, but as a reflection of the trust, loyalty, and recognition earned from our guests, stakeholders, and the wider market.

Be it the long-awaited resurgence of Sri Lanka's tourism industry, or unprecedented evolution in Colombo's city hotel landscape, we viewed every market shift as an opportunity to solidify The Kingsbury's commanding market position. The year was marked by strong performance, industry-leading experiences, and a continued ability to adapt and excel in a competitive environment, further cementing our position at the forefront of hospitality in the heart of Colombo.



MANAGING DIRECTOR'S REVIEW

Sri Lanka's Evolving Tourism Landscape

Following several years of severe disruption caused by the Easter Sunday attacks, the COVID-19 pandemic, and the subsequent economic crisis, it was indeed very encouraging to Sri Lanka's tourism industry transitioning towards meaningful stabilisation in 2025.

The sector demonstrated clear signs of sustained progress, with tourist arrivals increasing from approximately 2.05 million in 2024 to 2.36 million in 2025, reflecting strong year-on-year growth and a steady upward trajectory that broadly approached pre-pandemic levels for most of the year. However, tourism earnings improved only marginally to USD 3.22 billion in 2025 from USD 3.17 billion in 2024, remaining below the peak levels recorded prior to 2019. A deeper analysis into these trends indicates that subdued revenue growth in 2025 is due to several factors, key among them the reduction in average length of guest stays compared to historical norms, which has directly impacted total room nights and, in turn, overall earnings. In addition, traveller spending behaviour has shifted from pre-pandemic patterns, with guests increasingly prioritising curated experiences and essential services over discretionary spending, thereby constraining overall sector revenue growth.

Meanwhile, seasonal demand patterns remained broadly consistent, with the traditional winter travel season attracting higher arrivals from key European source markets, while regional travellers from India and other Asian markets helped sustain occupancy levels during the shoulder periods. MICE tourism also showed meaningful improvement during the year, supported by the gradual return of corporate travel, conferences, and international events, although activity levels still remain below pre-pandemic benchmarks.

The city hotel segment in Colombo continued to evolve rapidly with some notable structural shifts in the competitive dynamics. In particular, the entry of reputed international hotel brands has intensified competitive pressure on established operators. On the other hand, the presence of internal players has also contributed towards enhancing Colombo's visibility as an emerging urban leisure and business destination while positioning Sri Lanka more firmly within the global hospitality landscape.

At the same time, large-scale mixed-use developments incorporating accommodation with retail, entertainment, and lifestyle offerings within the city, are now further reshaping the local hospitality ecosystem. This evolution is redefining Colombo's positioning as a multi-dimensional leisure and entertainment hub through more elevated stay experiences, with greater emphasis on curated dining, immersive leisure offerings, and high-quality event spaces.

Thriving Through Change

With the entry of large-scale integrated developments and a new wave of globally recognised hotel chains marking their presence within Colombo's hospitality landscape, the year under review proved to be one of the most competitively challenging periods in The Kingsbury Colombo's history. Yet, it was also a year that tested and ultimately reinforced The Kingsbury's reputation and positioning as a premier city hotel in Colombo.

Influenced by the removal of the minimum rate that had supported pricing stability in the prior year, we saw aggressive introductory pricing from new market entrants causing an immediate downward pressure on room rates within the Colombo city hotel circuit. Faced with intense pressure on rates, we recalibrated our

commercial approach through a deliberate shift towards volume optimisation, stronger occupancy focus, and disciplined yield management in order to safeguard revenue generation and protect Kingsbury's market share.

Likewise, competition intensified across weddings and events, with price sensitivity and shifting customer preferences leading to fluctuations in volumes and guest counts. In response, we reinforced our focus on revenue productivity and space optimisation, ensuring that value creation remained strong even within a more contested environment. Notably, despite operating with one of the more compact footprints in the city, The Kingsbury recorded strong relative performance on a revenue-per-square foot basis, underscoring the efficiency and intensity with which our assets are deployed.

It has been particularly encouraging to see our Food & Beverage offering not only hold its ground but consistently outperform both long-established peers and newer entrants to the market. This I believe stands as testament to the depth, creativity, and sheer breadth that defines The Kingsbury's restaurants and bars, and the unique ways in which our F&B ecosystem continues to evolve in tandem with guest expectations.

External validations through multiple regional accolades during the year further reinforced the strength of our culinary proposition. Most notably, the Gold award for the Leading F&B Hotel in South Asia at the South Asia Travel Awards (SATA) 2025 - which benchmarks hundreds of leading establishments across India, Bangladesh, and the Maldives - affirmed the consistency with which The Kingsbury continues to deliver experiences that stand out at a regional level.

I am also deeply proud to witness consistently high guest ratings across all major online platforms which serve as a potent indicator of the quality of experience delivered. While such recognition is meaningful, I believe what is more important is the loyalty reflected in repeat patronage, and the continued confidence placed in our brand over time.

Financial Results

The Kingsbury delivered a commendable financial performance for the financial year 2025/26, with revenue improving by 4% to LKR 5.56 billion from LKR 5.33 billion in the previous financial year. Revenue expansion which comes amidst aggressive pricing strategies adopted by new market entrants, underscores the strength of the hotel's positioning, adaptability, and enduring brand appeal.

The Kingsbury's distinctive culinary offering which translated into strong footfall from both resident and non-resident guests across all signature restaurants and bars within the property, saw Food & Beverage revenue growing by 5% year-on-year to LKR 2.68 billion during financial year 2025/26. Meanwhile, average occupancy levels increased to 75% from 67% in the previous year, translating into room revenue of LKR 1.41 billion. Likewise, banquet revenue increased to LKR 1.16 billion during financial year 2025/26, reflecting the continued relevance of The Kingsbury as a preferred venue for corporate functions, weddings, conferences, and large-scale social events.

Revenue growth, complemented by disciplined cost management across all areas of the business culminated in the Company generating Profit Before Tax (PBT) of LKR 543 million for the current year, signaling a marginal improvement compared to the previous year. The Company delivered Profit After Tax (PAT) of LKR 365 million for the year under review.

The year also marked a significant strengthening of the Company's overall financial position. Total equity increased

from LKR 1.92 billion to LKR 2.69 billion, reflecting a strong 40% year-on-year growth driven primarily by improved retained earnings on the back of sustained profitability during the period. Most notably, retained earnings recorded a major turnaround, improving from a negative LKR 248 million in the previous year to a positive Rs. 157 million in the current year, representing a solid 163% improvement. This recovery signals a meaningful restoration of accumulated earnings and reflects the significant progress made by the Company in rebuilding financial strength and enhancing shareholder value following several years of industry-wide disruption.

Exceptional Hospitality Redefined

Exceptional hospitality has always been at the heart of what The Kingsbury represents. In a city where the hospitality landscape is evolving rapidly, our focus remains on strengthening The Kingsbury's identity as a destination in its own right rather than merely a city hotel. Every effort undertaken this past year was therefore guided by a singular objective: to create experiences that are memorable, distinctive, and deeply reflective of the warmth, sophistication, and vibrancy that define The Kingsbury brand.

We continued to elevate the guest experience across every dimension of the hotel, from personalised service and refined accommodation experiences to immersive dining, vibrant social spaces, and world-class banqueting and event offerings. Considerable emphasis was placed on anticipating evolving guest expectations and responding through greater innovation, responsiveness, and attention to detail, ensuring that every interaction reflects the highest standards of hospitality excellence.

Our restaurants, bars, and lifestyle experiences continued to play an important role in shaping this positioning The Kingsbury as a vibrant social and culinary destination frequented by both international

travellers and local patrons alike. At the same time, we remained deeply committed to ensuring seamless comfort, convenience, safety, and reliability across every stage of the guest journey through continuous enhancements to service delivery, operational systems, and quality standards.

Team Development

We recognise that exceptional hospitality experiences can only be delivered through exceptional people. In an increasingly competitive leisure industry where retaining skilled hospitality talent remains a persistent challenge, we endeavour to cultivate a dynamic workforce capable of consistently delivering the sophistication, refinement, and personalised service standards that define The Kingsbury experience.

Central to this approach is investment in training and capability building to ensure our teams remain aligned with evolving global hospitality standards and rising guest expectations. In the financial year under review, LKR 4.38 million was invested in comprehensive skill development, collectively aimed at embedding the refinement, creativity, and service precision which we expect will be crucial for distinguishing The Kingsbury within Colombo's evolving hospitality landscape.

Environmental Stewardship

At The Kingsbury, we demonstrate our commitment to environmental stewardship through measurable action. The Hive Effect – Hayleys Leisure Group ESG Roadmap 2030 provides the institutional framework that guides The Kingsbury Colombo's environmental stewardship practices and broader sustainability agenda.

Accordingly, we continue to calculate The Kingsbury's greenhouse gas (GHG) emissions inventory across all three scopes in line with the ISO 14064:2018 standard, with the data subject to

MANAGING DIRECTOR'S REVIEW

annual third-party verification to ensure accuracy, transparency, and credibility. Further strengthening our environmental reporting framework, we also commenced efforts during the year to expand our Scope 3 emissions reporting boundaries through more comprehensive data capture mechanisms covering supplier transportation activities.

Reducing landfill waste remains a core pillar of our environmental stewardship, underpinned by The Hive Effect, Hayleys Leisure's ESG Roadmap 2030, which sets out our integrated commitment to responsible waste management, composting, water stewardship and biodiversity conservation. Ongoing food waste management programmes continue to embed greater discipline and awareness contributing to a 3% reduction in wet garbage, while thoughtfully designed in-house green spaces and gardening initiatives at The Kingsbury reflect our broader dedication to regenerative hospitality that minimises impact, restores ecosystems and strengthens the communities we serve.

Outlook and Prospects

Given the incredible resilience demonstrated by Sri Lanka's tourism sector over the past few years, I am inclined to believe that the coming year will prove to be another period of measured progress at best. The near-term outlook remains cautious with escalating geopolitical tensions is expected to disrupt global travel flows and weigh on sentiment across key source markets resulting in slower booking conversions. Against this evolving backdrop, the priorities for The Kingsbury will be revenue optimisation, diversification of source markets, and continued adaptation to respond to near-term market dynamics as well as to capture long-term structural opportunities within Sri Lanka's evolving tourism and hospitality landscape.

I am also quite optimistic that the MICE segment will gain traction amidst improved regional business linkages. Moreover, Sri Lanka's attempts to position itself as a competitive destination for international conferences and large-scale events also presents a significant opportunity. In this regard, The Kingsbury will continue to sharpen its strategic focus on strengthening its position as a preferred venue for high-value business, leisure, and MICE segments. The emphasis going forward will be on deepening the integration between events and banqueting proposition and further enhance experiential Food & Beverage offering, while consistently elevating service sophistication to meet the expectations of an increasingly discerning global clientele.

Appreciations

I would like to extend my sincere appreciation to everyone who has contributed to Kingsbury's progress during what has been a year of both opportunity and challenge.

I am deeply thankful to our Chairman - Mr. Mohan Pandithage and the Board of Directors for their continued guidance and active participation in Board matters. I would also like to thank the staff of The Kingsbury for their relentless commitment to excellence. To all our valued stakeholders, I extend my sincere appreciation for your continued trust and confidence.

Looking ahead, we enter the next financial year with clear intent and renewed energy. The Kingsbury will continue to strengthen its position as a distinctive hospitality destination, deepening the quality of our guest experiences, advancing our sustainability commitments, and building the commercial resilience needed to deliver sustained value to our stakeholders. The foundation is strong, the ambition is greater, and we move forward with confidence.



Rohan Karr
Managing Director

29th May 2026

BOARD OF DIRECTORS

Mohan Pandithage

Executive Chairman

Appointed on 23rd April 2010

Skills and experience

Since assuming the role of Chairman and Chief Executive of Hayleys PLC in 2009, Mr. Mohan Pandithage's strategic vision has redefined the growth trajectory of Hayleys, transforming the Hayleys Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises. His foresight in capturing emerging opportunities and driving strategic investments in key industries have significantly enhanced the Group's earnings potential and long-term resilience and he was named as 'Business Leader For the Year 2025' by LMD. Mr. Pandithage is an accomplished industry veteran and respected leader in the field of transportation and logistics, having led the Group's Transportation Sector prior to this appointment as Chairman of the Hayleys Group. He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport and has been honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association.

Mr. Pandithage is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon. Mr. Pandithage also serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka.

Other appointments

Mr. Pandithage serves as the Executive Chairman of Hayleys PLC, Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Singer (Sri Lanka) PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC and Hayleys Leisure PLC. He also serves as a Non-Executive Director on the Board of Diesel & Motor Engineering PLC.

Rohan Karunarajah (Karr)

Managing Director / Executive

Appointed on 1st June 2019

Mr. Rohan Karr joined The Kingsbury PLC in 2019 as an Executive Director of the Board and also Managing Director Hayleys Leisure sector, which includes The Kingsbury Colombo, Amaya Resorts portfolio and several managed properties including The Fortress Resorts & Spa, Koggala.

Skills and experience

Mr. Karr has a distinguished career in the hospitality sector with core expertise in hotel operations, brand development, strategic leadership, and international hospitality management. Having served for over 16 years with John Keells Holdings PLC in senior leadership roles, including Chief Executive Officer, Executive Vice President, Sector Head, and General Manager of Cinnamon Hotels & Resorts, Mr. Karr oversaw both city hotel and resort operations and played a key role in shaping the strategic direction of the portfolio. As Head of Brand Development at Cinnamon Hotels & Resorts, he also led the launch of the "Cinnamon" brand in 2005 which significantly strengthened its positioning within Sri Lanka's hospitality industry. He holds a Master's Degree in Hospitality and Business Studies from the United Kingdom and brings over 40 years of extensive experience in the international hospitality industry, in Sri Lanka and the United Kingdom.

During his two decades in the United Kingdom hospitality industry, Mr. Karr served in several senior leadership positions, ending his stint as General Manager of Bristol Marriott and Marriott Marble Arch, London.

Other appointments

Mr. Karr also serves on the Boards of Hayleys PLC, Hayleys Leisure PLC, as well as Summer Seasons Ltd., The Fortress Resorts PLC, and Greener Water Ltd. under the Vallibel Group.

Sarath Ganegoda

Non-Executive Director

Appointed on 22nd April 2010

Skills and experience

Mr. Sarath Ganegoda is an accomplished corporate leader counting over 30 years of multifaceted experience across diverse industries. He has held several senior leadership positions in large private sector organisations in Sri Lanka and overseas. Having served the Hayleys Group between 1987 and 2002, he rejoined in 2007 and was appointed to the Group Management Committee the same year. Mr. Ganegoda was appointed to the Board of Hayleys PLC on 24th September 2009. He is currently responsible for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC. He is also the Deputy Chairman of Alumex PLC.

Mr. Ganegoda holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is a Fellow Member of CA Sri Lanka and a Member of the Institute of Certified Management Accountants of Australia.

Other appointments

Mr. Ganegoda is an Executive Director of Hayleys PLC and Non-Executive Director of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Singer (Sri Lanka) PLC

BOARD OF DIRECTORS

and Hayleys Leisure PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group.

Ramani Ponnambalam

Non-Executive Director

Appointed on 30th July 2010

Skills and experience

Ms. Ramani Ponnambalam has held several Senior Management positions in large private sector entities. She served as the Chairperson of Alliance Finance Company PLC, as a Director of McLaren Holdings Ltd & GAC Shipping Ltd. She has also been in roles of international and local business development and negotiation.

Other appointments

Ms. Ponnambalam currently serves as a Director of Hayleys Leisure PLC, Macbertan Holdings (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd. She is presently the Managing Director of Macbertan (Pvt) Ltd. Ms. Ponnambalam was appointed as a Founder Member of the Commonwealth Business Women's Leadership Group (Sri Lanka) on 13th November 2013. She also Currently Serves as the First Vice Chairperson & Head of Governance Pillar Women's Chamber of Industry and Commerce.

Timothy Speldewinde

Independent Non-Executive Director

Appointed on 01st July 2022

Skills and experience

Mr. Timothy Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. He possesses wide experience in managing local as well as international facilities and has been an integral member of the MAS Group for over 26 years. He served as the CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

Other appointments

Mr. Speldewinde currently serves as Independent Non Executive Director of Hayleys PLC, Haycarb PLC, Dipped Products PLC and Hayleys Fabric PLC. Independent Non Executive Director and the Audit Committee Chairman of Horana Plantations PLC, Ceylon Grain Elevators PLC, Three Acre Farms PLC and WealthTrust Securities PLC. He is also Director of Contemporary Ceylon (Pvt) Ltd.

Brindhiini Perera

Non-Executive Director

Appointed on 19th October 2022

Skills and experience

Ms. Brindhiini Perera holds a Master's degree in Mechanical Engineering from Imperial College London. She brings several years of experience across both publicly listed and privately held companies, serving in director-level positions and contributing to strategic oversight and business growth initiatives.

Ms. Perera adds an important technical dimension to Board deliberations through her background in mechanical engineering. Her understanding of manufacturing environments, industrial processes and operational efficiency brings valuable perspective to discussions relating to the Group's manufacturing and industrial operations.

Other appointments

Ms. Perera serves as Director of Haycarb PLC, Hayleys Fabric PLC, Dipped Products PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd, Eurocarb Products Ltd (UK), Haylex Ltd (UK) and Dhammika & Priscilla Perera Foundation.

Ranil De Silva

Independent Non-Executive Director

Appointed on 3rd January 2024

Skills and experience

Mr. Ranil De Silva is an Associate Member of the Chartered Accountants of Sri Lanka, a Member of the Chartered Institute of Marketing, UK, and the Chartered Institute of Management Accountants, UK.

Mr. De Silva served as the Joint Managing Director of Aitken Spence Hotel Management (Pvt) Ltd, and as the Managing Director of the Hemas Hotel Sector. An alumnus of Ernst & Young, he has wide experience locally and overseas in diverse industries.

Other appointments

Mr. De Silva serves as an Independent Non- Executive Director of Singer Finance (Lanka) PLC, Hayleys Leisure PLC, Alumex PLC and Central Industries PLC.. He is also a Non-Executive Director of Lanka Shipping & Logistics (Pvt) Ltd.

Jonathan Alles

Independent Non-Executive Director

Appointed on 24th January 2025

Skills and experience

Mr. Jonathan Alles was the Managing Director/Chief Executive Officer of Hatton National Bank PLC, one of Sri Lanka's largest private sector banks. He counts over 37 years of banking experience, having served several international banks including the National Bank of Abu-Dhabi, Saudi British Bank-Riyadh, British Bank of the Middle-East and HSBC, Dubai and Colombo, before taking on the reins at HNB.

Mr. Alles served on many Boards within the HNB Group as well as in the Banking Industry. Mr Alles was a Director of the Sri Lanka Banks Association (SLBA) and was

BOARD OF DIRECTORS

its Chairman from 2014 to 2016. In 2018, he was elected Chairman of Asian Bankers Association, a position he held for 3 years and was a member of its Board of Directors and also served as the Chairman of the Advisory Committee.

Mr Alles holds a First Class MBA in Finance from the University of Stirling, UK. He is an Associate Member of the Institute of Bankers of Sri Lanka (AIB).

Other appointments

Mr Alles is an Independent Non-Executive Director of Hayleys PLC, Alumex PLC, Singer (Sri Lanka) PLC, Ceylon Beverage Holdings PLC, Lion Brewery (Ceylon) PLC, Vallibel One PLC, United Motors Lanka PLC, Laugfs Holdings Limited and D H T Cement (Private) Limited. Mr. Alles is a Non-Independent Non-Executive Director in Singer Finance (Lanka) PLC. He is also an Executive Director of New Wave Consultants (Pvt) Ltd.

Milinda Hewagama

Non-Executive Director

Appointed on 28th April 2025

Skills and experience

Mr. Milinda Hewagama is a highly skilled finance professional with nearly two decades of diverse experience spanning Financial Management, Reporting, Budgeting and Financial Planning & Analysis. He currently serves as the Group Chief Financial Officer of Hayleys PLC, with responsibility for the Group's Finance & Reporting, Environmental, Social and Governance (ESG), Tax, Risk & Safety and Corporate Secretarial functions among others. Since joining Hayleys PLC in 2010, he has progressed steadily within the Group, assuming increasingly senior roles and building extensive experience across a broad spectrum of finance disciplines. He has also played a pivotal role in driving the Group's ESG agenda and has been instrumental in advancing

the Group's corporate reporting practices, helping to ensure that the Hayleys PLC's Annual Report continues to set benchmarks in corporate and sustainability reporting. Since his appointment to the GMC, he has contributed actively to the organisation's strategic direction and growth aspirations. Mr. Hewagama is also currently spearheading the Group's foray into the Retail Sector, providing strategic direction in driving operational execution and positioning the sector for sustainable long-term growth.

Mr. Hewagama is a Member of the CA Sri Lanka and holds an MBA and BBA (Special) in Finance from the University of Colombo.

Other appointments

Mr. Hewagama is a Non-Executive Director of Talawakelle Tea Estates PLC, Hayleys Leisure PLC and Kelani Valley Plantations PLC. He is also a Director of several fully-owned subsidiaries of the Hayleys Group, a Board Member of the United Nations Global Compact and has served as a Member of the Corporate Governance Committee of CA Sri Lanka.

Samara Perera

Non-Executive Director

Appointed on 01st October 2025

Skills and experience

Ms. Samara Perera has been actively involved in business projects and initiatives at both Hayleys PLC and Vallibel One PLC, where she gained extensive experience.

Ms. Perera is pursuing a Bachelor of Business with a strong passion for leadership, entrepreneurship and innovation.

Other appointments

Ms. Perera is a Non-Executive Director of Horana Plantations PLC and a Director of Manatee Clothing (Pvt) Ltd.

Operating Landscape & Value Creation

CROWNED BY EXPERTISE



In a hospitality environment shaped by evolving guest expectations, market recovery, and renewed momentum across Colombo, The Kingsbury continues to identify opportunities with focus and intent. By aligning our years of expertise and proven strengths with changing demand, we create value through operational excellence and a brand promise built on trust.

VALUE CREATION MODEL

The Kingsbury PLC's value creation model is its hospitality value engine, through which the Company transforms its resources, relationships and capabilities into distinctive guest experiences, operational outcomes and long-term stakeholder value

OUR INPUTS

FINANCIAL CAPITAL

ÜAL' Č 52

Rs. 2.69 Mn	Rs. 1,280 Mn	Rs. 836 Mn
Total Equity	Total Debt	Shareholders' Capital

MANUFACTURED CAPITAL

Č 66

229	Rs. 328 Mn	19,830
Room Inventory	Facilities Upgraded	Banquet SQ Ft
Rs. 5.110 Mn	08	
Property, plant and equipment	Signature Outlets	

HUMAN CAPITAL

ÜAL' Č 55

737 Team
171 Recruitments
Rs. 4.38 Mn Investment in training and development

INTELLECTUAL CAPITAL

ÜAL' Č 62

Rs. 20 Mn

Investment in Certifications

SOCIAL AND RELATIONSHIP CAPITAL

ÜAL' Č 69

1,036 Supplier Capacity
Rs. 4.55Mn Investment in CSR

NATURAL CAPITAL

UAI' Ć 74

6,997,320KwH	118,314,086 Lit
Electricity consumption	Fresh Water consumption
313MT	
Total Waste generation	

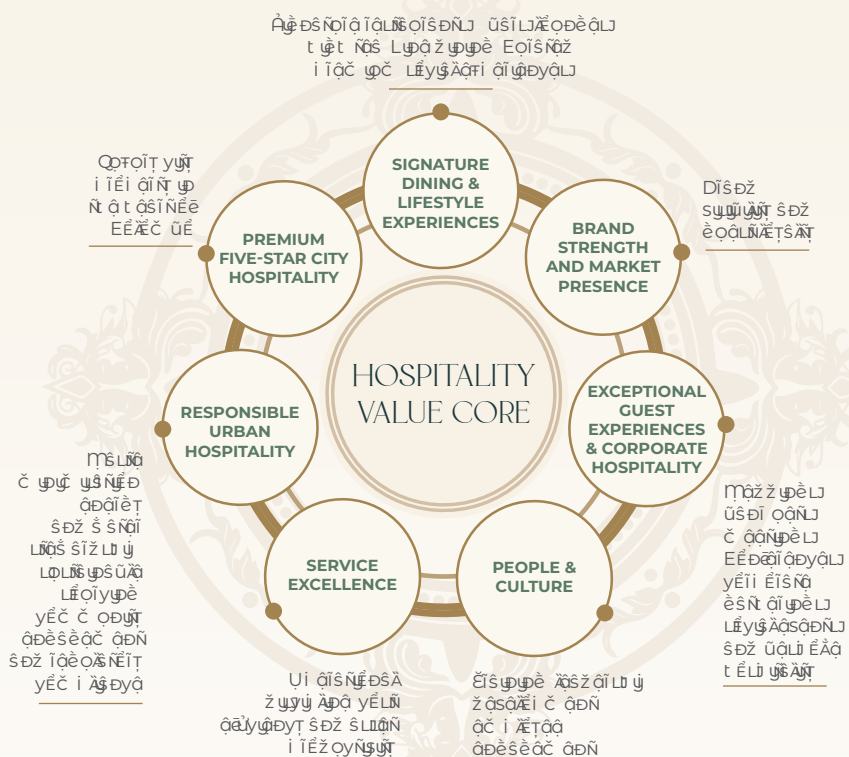
VALUE CREATION

UẾ Ă VISION

UẼ Ầ PURPOSE

To be the most preferred leisure provider in Sri Lanka

Curating happiness



KEY STRATEGIC PRIORITIES

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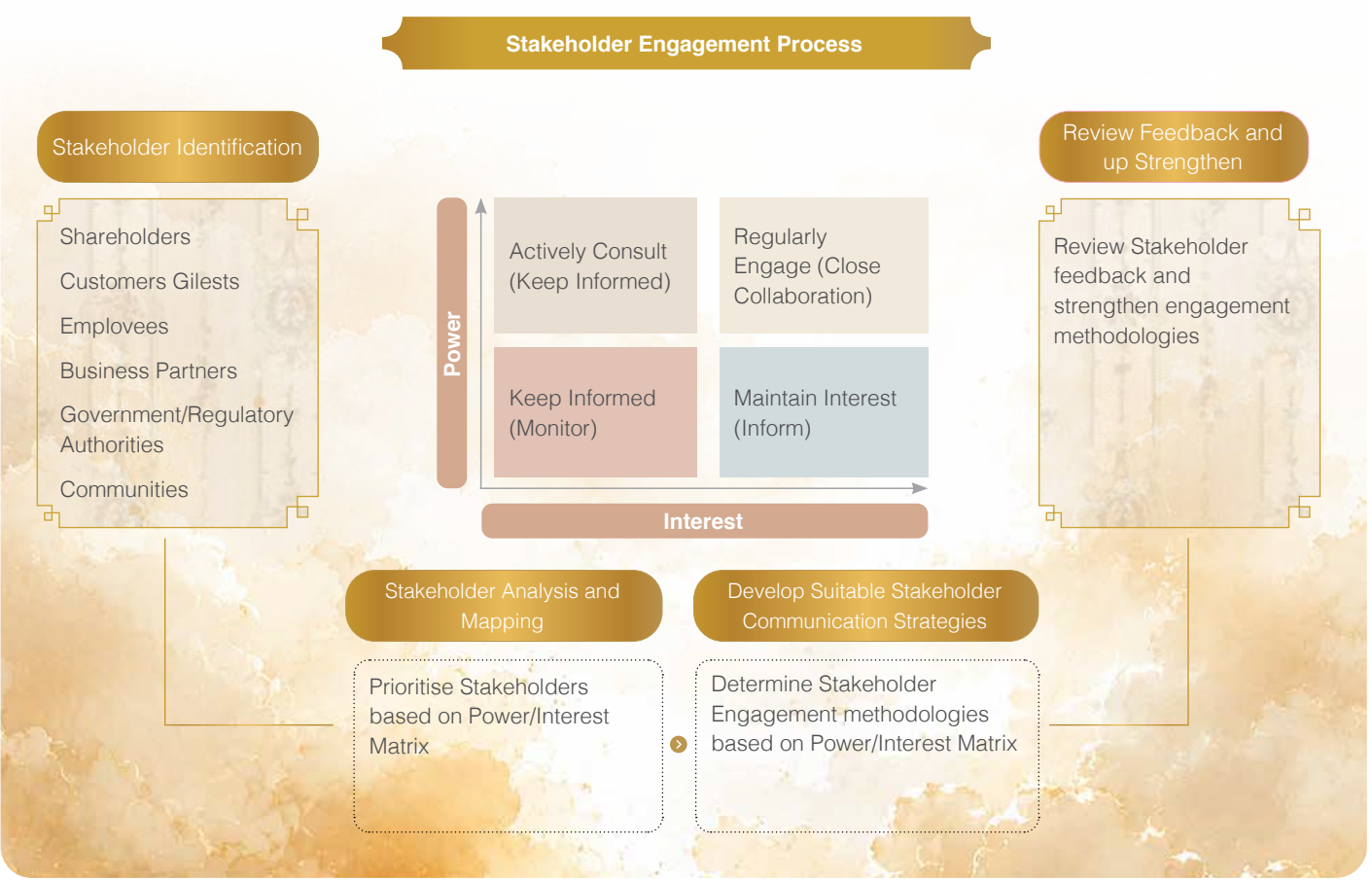
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UNDERPINNED BY EFFECTIVE CORPORATE GOVERNANCE (PAGE 84)
AND RISK MANAGEMENT PRACTICES (PAGE 109)

STAKEHOLDER ENGAGEMENT

Meaningful stakeholder engagement is integral to the way The Kingsbury PLC operates and creates value. Feedback and insights obtained through these engagements play a critical role in shaping the Company's strategic thinking, informed decision-making, and strengthening its overall approach to value creation.

To ensure that stakeholder engagement is both structured and effective, the Company adopts a systematic approach to the identification and prioritisation of key stakeholder groups, followed by targeted and purposeful engagement with each category. Outcomes of these engagements are formally captured, consolidated, and communicated to management to ensure relevance and consistency in application. These insights are subsequently integrated into the Company's strategic and operational decision-making processes, thereby ensuring alignment between stakeholder expectations and long-term organisational direction.



Shareholders		
Public shareholders Prospective investors Financial market stakeholders Media engagement representatives	Importance to the Company - HIGH	Strength of Relationship ☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
- Annual General Meeting - Annual Report - Extraordinary General Meetings (as needed) - Interim Financial Statements (quarterly) - CSE Announcements (as needed) - Press Conferences / Press Releases (as needed) - Corporate Website (continuous and ongoing) - Social media platforms (continuous and ongoing)	- The impact of economic, political, and social challenges on business operations - Generating shareholder returns amid rising taxes and inflation - Strengthening corporate governance and risk management practices - Ensuring the effectiveness and competency of the Board and management team - Embedding ESG principles into business operations	- Economic performance - Operational efficiency and productivity - Market presence - Regulations and compliance - Fraud, ethics and anti-corruption - Tax - Foreign exchange impacts
Value Creation Scorecard FY 2025/26	Further Information	SDGs
- NAVPS - Rs. 5.56 (2024/25 - Rs. 3.96) - Earnings per Share (EPS) - Rs. 0.75 (2024/25 - Rs. 1.14) - Share Price (closing) Rs. 15.10 (2024/25 - Rs. 11.90)	Financial Capital - Page 52	  

Customers / Guests		
Domestic and International tourists	Importance to the Company - CRITICAL	Strength of Relationship ☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
- Direct customer interactions and relationship building (continuous and ongoing) - Gathering feedback through social media and channel partners (continuous and ongoing) - Corporate Website (continuous and ongoing) - Social media platforms (continuous and ongoing)	- High service and product quality amidst economic challenges - Guest safety and protecting personal data - Integration of sustainability and ESG principles	- Product Quality - Customer satisfaction - Emissions & Air quality - Regulations and compliance - Fraud, ethics and anti-corruption - Customer health and safety - Customer requirements on sustainability
Value Creation Scorecard FY 2025/26	Further Information	SDGs
- Overall GRI Score - 94% 4.5+ rating in Trip Advisor - ZERO complaints concerning breaches of customer privacy	Social and Relationship Capital - Page 69	  

STAKEHOLDER ENGAGEMENT

Employees		
737 - strong team across the Company property	Importance to the Company - CRITICAL	Strength of Relationship ☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
- Briefings / Team Meetings (continuous and ongoing) - Management Meetings (as scheduled) - Performance Appraisals (bi-annual) - Internal Communications (continuous and ongoing) - Intranet (continuous and ongoing) - Training Activities (continuous and ongoing) - Awards Ceremonies (as scheduled) - Other employee engagement events (as scheduled)	- Job security and financial stability - Access to training and career development opportunities - Workplace diversity and equal opportunities - Work-life balance and well-being initiatives	- Employee wellbeing - Training and education - Diversity, non-discrimination and equal opportunity
Value Creation Scorecard FY 2025/26	Further Information	SDGs
- Rs. 1.20 Bn distributed as monetary benefits to employees (Rs. 1.10 Bn - 2024/25) 137 employees promoted (148 - 2024/25) 22,315 hours of training (20,460 hours - 2024/25) 01:06 Overall Gender Ratio (Male:Female ratio) 11% women in leadership (as a % of total leadership cadre)	Human Capital - Page 55	    

Business Partners		
SME's, WOE's Tour operators and Travel Agents Destination management companies	Importance to the Company - HIGH	Strength of Relationship ☆☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
• Direct collaboration and open communication (continuous and ongoing) • Supplier Selection process (as needed) • Meetings (as needed) • Site visits to suppliers and business partners (Periodic) • Well-defined contractual agreements (As needed) • Industry forums to discuss opportunities and challenges for employees (Periodic) • Corporate Website (continuous and ongoing) • Social media platforms (continuous and ongoing)	• Stability and reliability in partnerships • Payment flexibility to support financial sustainability Competitive and transparent pricing models • Adjustments to contractual terms based on external market conditions	• Economic performance • Regulations and compliance • Fraud, ethics and anti-corruption • Environmental and social issues along supply chain • Principal relationships • Environmental impacts in supply chain
Value Creation Scorecard FY 2025/26	Further Information	SDGs
• Rs. 4,751 Mn paid to suppliers (Rs. 3,423 Mn - 2024/25) • 1,036 Supplier network (841 - 2024/25) • 04 new suppliers screened on environmental and social criteria (19 - 2024/25)	Social and Relationship Capital - Page 69	  

STAKEHOLDER ENGAGEMENT

Government / Regulatory Authorities		
Government and regulators SLTDA – Sri Lanka Tourism Development Authority SLTPB – Sri Lanka Tourism Promotion Bureau SLCB – Sri Lanka Convention Bureau BOI – Board of Investment IRD – Inland Revenue Department	Importance to the Company - HIGH	Strength of Relationship ☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
- Directives and circulars (continuous and ongoing) - Interim Financials (quarterly) - Annual Report (annual) - CSE / SEC filings (as mandated) - Other regulatory submissions (as mandated) - Other meetings (as mandated)	- Economic growth through boosting tourism revenue and job creation - Ensuring tax compliance to contribute to fiscal revenue - Enhancing community well-being through corporate engagement	- Economic performance - Market presence - Regulations and compliance - Fraud, ethics and anti-corruption - Tax - Foreign exchange impacts
Value Creation Scorecard FY 2025/26	Further Information	SDGs
- Rs. 1,091 Mn paid as taxes (Rs. 990 Mn - 2024/25) 100% compliance with regulatory requirements	Financial Capital - Page 52	

Communities		
Wider communities in an around the Company property	Importance to the Company - MODERATE	Strength of Relationship ☆☆☆☆☆
Method and Frequency of Engagement	Stakeholder Concerns and Expectations	Identified Material Topics
- Press Conferences / Press Releases (as needed) - Corporate Website (Ongoing) - Social Media Platforms (Ongoing) - Annual Report - CSR initiatives (as needed)	- Engaging with beneficiaries of our corporate social responsibility (CSR) project leads and communities - Creating job opportunities and supporting community- based sourcing - Offering training programmes to enhance skill development - Providing economic relief and support to vulnerable communities - Promoting biodiversity conservation and ecosystem sustainability	- Waste - Biodiversity - Emissions & Air quality - Water discharge and effluents - Regulations and compliance - Community and livelihood development
Value Creation Scorecard FY 2025/26	Further Information	SDGs
- Rs. 4.55 Mn Spent on CSR (Rs. 1.16 Mn - 2024/25) 9,395 direct beneficiaries from CSR activities (9,365 - 2024/25)	Social and Relationship Capital - Page 69	  

OPERATING ENVIRONMENT

Sri Lanka Tourism Industry Performance

Sri Lanka's tourism sector recorded a remarkable expansion in 2025, supported by improved macroeconomic stability, easing travel disruptions, and stronger international confidence in Sri Lanka as a preferred travel destination. Tourist arrivals reached 2.36 Mn during the year, surpassing the previous high recorded in 2018. Tourism earnings reflected evolving traveller preferences, most notably the tendency for shorter stays and relatively lower average daily expenditure.

India continued to dominate as Sri Lanka's largest source market, supported by strong regional connectivity and sustained short-haul travel demand. The United Kingdom, Russia, China, and Germany also remained important contributors, while growing arrivals from markets such as Australia, France, and Japan highlighted the continued diversification and strengthening international visibility of Sri Lanka's tourism sector.

While geopolitical disruptions impacting key international transit routes began to influence travel flows towards March 2026, particularly across certain long-haul markets, the broader industry outlook remains positive over the foreseeable future. Sri Lanka will continue to benefit from its strong destination appeal, competitive positioning within the regional tourism landscape, and growing recognition as an events destination capable of attracting a diverse mix of international and regional travellers.



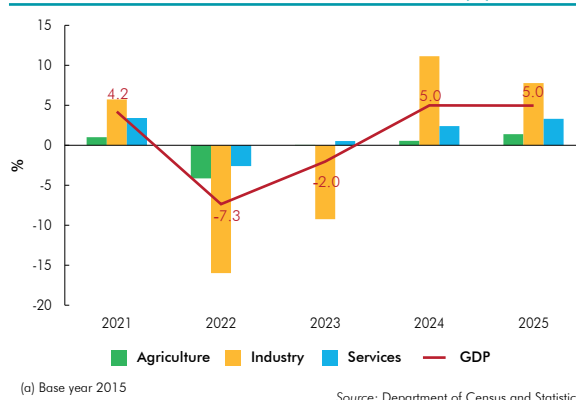
Recap of Sri Lanka's Economic Performance

Sri Lanka's economy demonstrated a notable strengthening to record year-on-year growth of 5.0% in 2025, supported by improved activity across several key sectors of the economy, signalling growing macroeconomic stability and strengthening business confidence.

Industrial activity recorded robust growth of 7.8% during the year, while the services sector expanded by 3.3%, supported in part by heightened momentum across tourism-related services on the back of stronger arrivals.

The overall economic environment also benefited from easing inflationary pressures, declining interest rates, improving foreign exchange conditions, and greater financial system stability. In parallel, the continuation of the International Monetary Fund's (IMF) Extended Fund Facility (EFF) programme, together with ongoing structural reform initiatives and progress in sovereign debt restructuring, also contributed significantly towards strengthening investor confidence and sustaining the country's broader economic growth momentum.

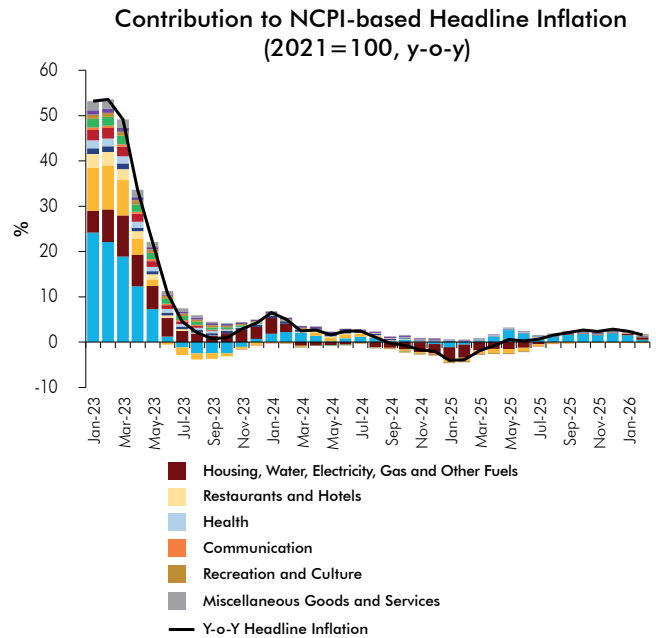
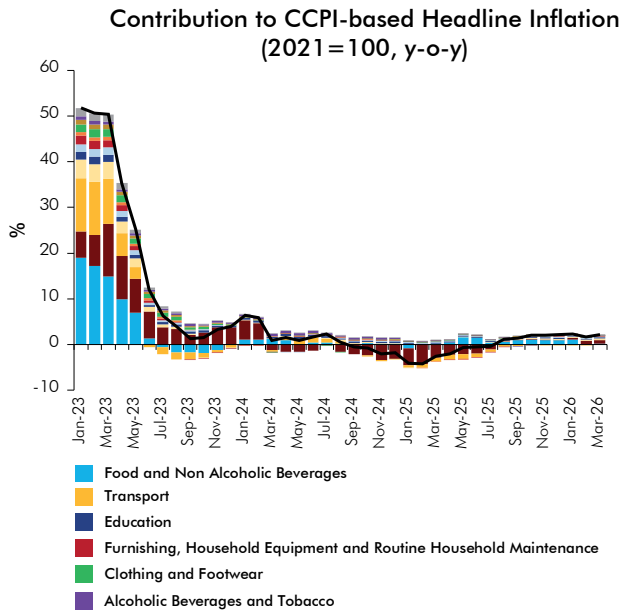
Figure 1.9
Annual Real GDP Growth Rates (a)



Inflation

Following an extended period of deflation spanning eleven consecutive months, Sri Lanka's inflation trajectory gradually normalised during 2025, with headline inflation returning to positive territory from August 2025 onwards. Despite temporary supply-side disruptions arising from Cyclone Ditwah, inflationary pressures remained relatively moderate with CCPI-based headline inflation stable at 2.1% by December 2025, despite .

The gradual easing of deflationary pressures was supported by the normalisation of domestic demand conditions amidst the strengthening of economic activity.



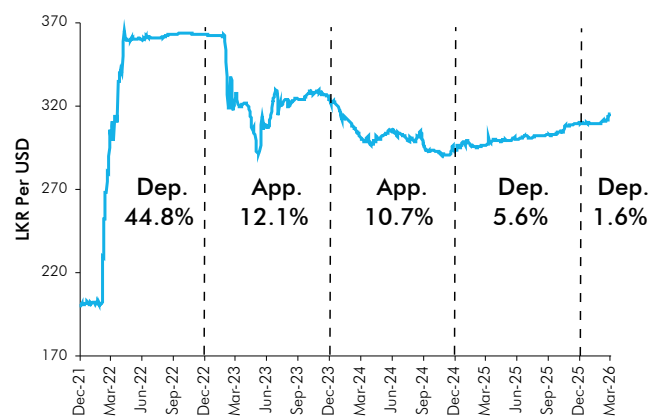
Sources: Department of Census and Statistics
Central Bank Staff Calculations

Exchange Rate

Following two consecutive years of appreciation, the Sri Lankan Rupee recorded a measured depreciation against the US Dollar during 2025 with the exchange rate moving from Rs. 292.58 per US Dollar at the end of December 2024 to Rs. 309.99 per US Dollar by December 2025, a depreciation of 5.6% year on year.

The Rupee also weakened against several other major currencies over the same period, influenced by mixed movements across global currency markets, shifting capital flows, and changing international economic conditions.

Figure 1.28
Daily Exchange Rate Movements



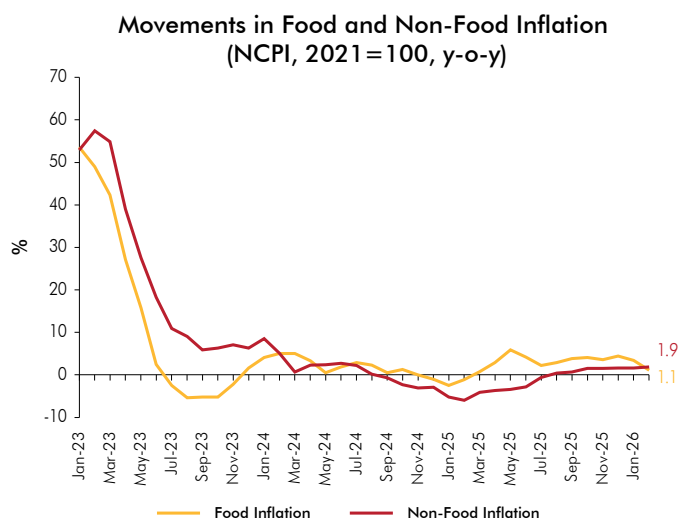
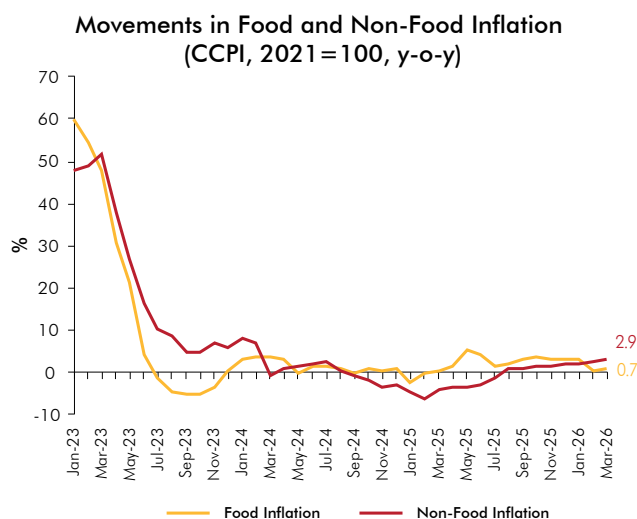
Source: Central Bank of Sri Lanka

OPERATING ENVIRONMENT

Interest Rates

Overall market interest rates moderated during 2025, on the back of the Central Bank of Sri Lanka's accommodative monetary policy stance aimed at supporting economic activity and maintaining price stability. The Central Bank further eased policy conditions during the year, reducing the Overnight Policy Rate (OPR) by 25 basis points to 7.75% in May 2025.

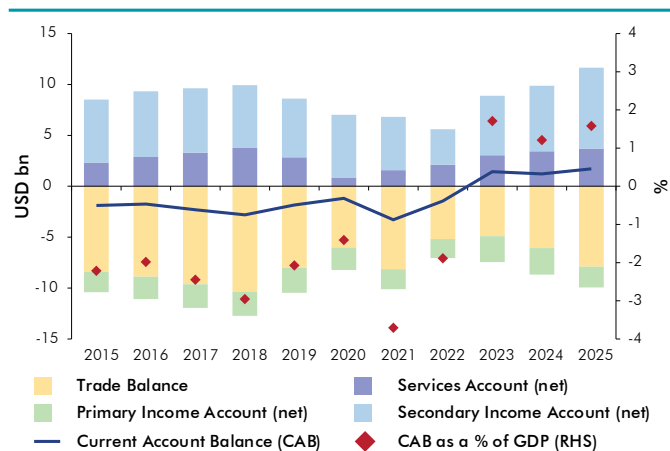
Although short-term interest rates recorded a marginal upward adjustment towards the latter part of the year, the overall interest rate environment remained supportive, with relatively lower lending rates continuing to facilitate borrowing activity and underpin broader economic and investment momentum.



External Sector

Sri Lanka's external sector continued to strengthen in 2025, driven by improved foreign exchange inflows, particularly from tourism-related activities. The services account surplus expanded to USD 3.7 Bn in 2025 from USD 3.4 Bn in 2024, while total services inflows increased to USD 7.1 Bn during the year.

Figure 1.20
Annual External Current Account



Key Impacts for the year		Strategic Response by The Kingsbury PLC	Way Forward
Challenges	Evolving traveller behaviour with shorter stays and lower average daily spend impacting revenue optimisation	Strengthened guest experience focus and experiential hospitality offering to capture higher value demand segments	Further enhance experiential positioning to improve yield and guest spend per stay
	External disruptions affecting travel flows towards March 2026 due to geopolitical factors	Continued diversification of source markets including India, Europe, and emerging Asia-Pacific regions	Expand reach in high-growth regional and emerging markets to improve resilience
Opportunities	Sri Lanka's growing appeal as a Meetings, Incentives, Conferences and Exhibitions (MICE) destination, supported by improved flight connectivity and international confidence	Strengthened positioning as a preferred city hotel for MICE events by leveraging flexible event spaces, service excellence, and strong brand recognition	Drive the MICE segment by enhancing event capabilities, strengthening corporate partnerships, and expanding high-value international business events
	Easing inflationary pressures locally, contributing to improved consumer confidence and increased discretionary spending on dining and events	Capitalised on improved local demand through enhanced F&B offerings, curated dining experiences, and strengthened banquet and social event positioning	Deepen focus on premium F&B and event experiences to capture growing domestic demand and strengthen recurring local revenue streams

STRATEGY AND RESOURCE ALLOCATION

The strategic direction of The Kingsbury PLC is derived from the shared purpose of the Hayleys Leisure Group — “Curating Happiness.” To translate this purpose into meaningful stakeholder outcomes the Board has established four interdependent pillars: Business Growth, Guest Experience, Team Empowerment, and Sustainability, that together form the basis of the philosophy that guides long-term value creation.

As such, business planning, budgeting, and resource allocation processes are closely aligned with these strategic pillars. Annual business plans and investment priorities are evaluated for their contribution towards advancing these core strategic pillars thereby ensuring capital resources are allocated in a disciplined and purpose-driven manner across all levels of the organisation.

Business Growth	
Material Topics	- Waste - Biodiversity - Emissions & Air Quality - Environmental & Social Issues Along Supply Chain - Environmental Impacts in Supply Chain - Employee Wellbeing - Training & Education - Community & Livelihood Development - Customer Requirements on Sustainability - Product Quality - Economic Performance - Operational Efficiency & Productivity - Market Presence - Customer Satisfaction - Regulations & Compliance - Fraud, Ethics & Anti-Corruption - Customer Health & Safety - Diversity, Non-Discrimination & Equal Opportunity - Principal Relationships - Tax - Foreign Exchange Impacts
Associated Risks	Economical Risk Geopolitical Risk Human Capital Risk Security Risk Operational Risk Compliance Risk Health & Safety Risk
Resource Allocation	LKR 328 Mn invested in PPE
Financial Capital	LKR 127 Mn incurred on asset maintenance and enhancing structural integrity of physical infrastructure
Manufactured Capital	
Intellectual Capital	LKR 17 Mn incurred on brand building
Value Created	75% average occupancy levels (67% - 2024/25) 04% year on year increase in revenue - Rs. 0.75 - EPS - LKR 1,091 Mn paid as taxes
Stakeholder Impacted	Shareholders Customers & Guests Government & Regulatory Authorities
Focus for the Future	Expand the Group's presence in the MICE and events segment through the development of scalable, experience-driven propositions

Guest Experience		
Material Topics	- Biodiversity - Employee Wellbeing - Training & Education - Community & Livelihood Development - Customer Requirements on Sustainability - Product Quality - Operational Efficiency & Productivity - Market Presence - Customer Satisfaction - Customer Health & Safety - Principal Relationships	
Associated Risks	Geo Political Risk Human Capital Risk Security Risk Operational Risk Health & Safety Risk	
Resource Allocation	Introduced 05 new innovative F&B experiences for guests	
Financial Capital	LKR 01 Mn spent on upgrading facilities	
Social and Relationship Capital	22,315 hours of employee training (20,460 hours - 2024/25)	
Human Capital	- Specialised F&B training from international experts - Strengthened data security and information governance practices across critical systems and processes	
Value Created	94% GRI (92% - 2024/25)	
Stakeholder Impacted	Customers & Guests Business Partners	
Focus for the Future	Enhance experiential Food & Beverage offerings	

Team Empowerment		
Material Topics	- Employee Wellbeing - Training & Education - Product Quality - Operational Efficiency & Productivity - Customer Satisfaction - Fraud, Ethics & Anti-Corruption - Customer Health & Safety - Diversity, Non-Discrimination & Equal Opportunity	
Associated Risks	Human Capital Risk Security Risk Operational Risk Health & Safety Risk	
Resource Allocation	171 new recruits	
Financial Capital	LKR 4.38 Mn invested in external training resources	
Social and Relationship Capital		
Human Capital		
Value Created	- LKR 1.20 Bn distributed as monetary benefits to employees (LKR 1.10 Bn - 2024/25) 78% employee retention rate (65% - 2024/25)	
Stakeholder Impacted	Employee Customers & Guests	
Focus for the Future		

STRATEGY AND RESOURCE ALLOCATION

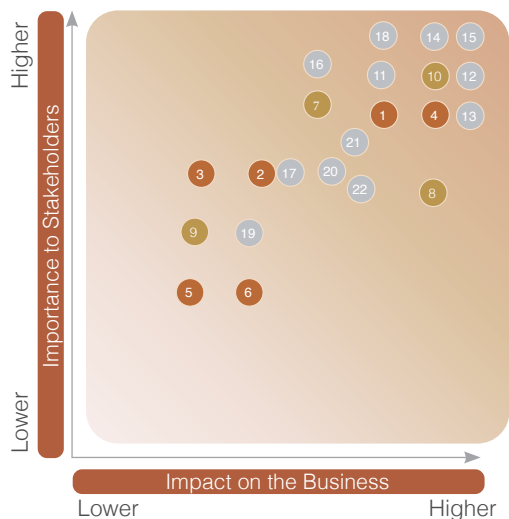
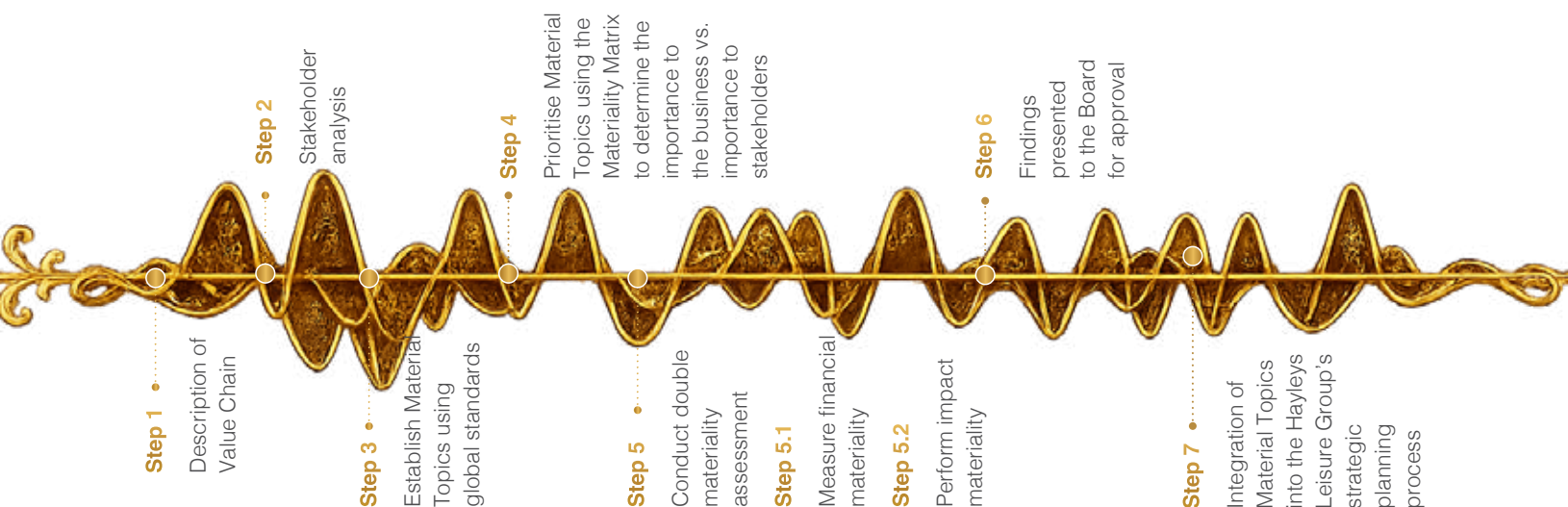
Sustainability		
Material Topics	- Waste - Biodiversity - Emissions & Air Quality - Water Discharge & Effluents - Environmental & Social Issues Along Supply Chain - Environmental Impacts in Supply Chain - Community & Livelihood Development - Customer Requirements on Sustainability - Operational Efficiency & Productivity - Regulations & Compliance	
Associated Risks	Sustainability Related Risk Operational Risk Compliance Risk	
Resource Allocation	Carbon footprint calculation covering Scope 1 and Scope 2 emissions	
Financial Capital	- Introduction of an audit programme to assess supplier practices on food safety, hygiene, chemical handling, and storage - LKR 4.55 Mn invested in CSR activities	
Social and Relationship Capital		
Human Capital		
Value Created	- LKR 4,751 Mn paid to suppliers 09% year on year reduction in reduction in total energy intensity (MJ/occupied Room Nights) 07% year on year reduction Reduction in total freshwater Intensity (Liters/occupied Room Nights) 03% reduction in total food waste intensity (g/occupant) 01% increase in waste recycled 9,395 beneficiaries from CSR activities	
Stakeholder Impacted	Business Partners Government & Regulatory Authorities Communities	
Focus for the Future		

MATERIAL TOPICS

Material topics form a critical component of how The Kingsbury PLC understands, prioritises, and responds to the issues that matter most to the business and its stakeholders. These topics help shape strategic decision-making, strengthen accountability, and ensure that the Company remains responsive to the evolving opportunities, risks, and stakeholder expectations.

The process of determining material topics is guided by the broader framework established by the Hayleys PLC Group, while being tailored specifically to reflect the operational realities and strategic priorities of the leisure sector. In identifying material matters, the Company considers globally recognised reporting frameworks including the GRI Standards and relevant SASB Standards, together with factors linked to its value creation model, operating environment, stakeholder expectations, and long-term strategic direction.

Beyond these standard approaches, the Company has recently adopted the double materiality assessment (DMA) approach, applying a dual lens to evaluate not only the financial implications of material matters on the business, but also the extent of the Company's economic, environmental, and social impacts on its stakeholders and the broader operating environment. This approach enables a more holistic understanding of material issues to enhance Kingsbury PLC's ability to align strategic priorities with sustainability commitments and risk management practices in order to achieve long-term value creation objectives.



Environment

1. Waste
2. Biodiversity
3. Emissions & Air quality
4. Water discharge and effluents
5. Environmental and social issues along supply chain
6. Environmental impacts in supply chain

Social

7. Employee wellbeing
8. Training and education
9. Community and livelihood development
10. Customer requirements on sustainability

Governance

11. Product Quality
12. Economic performance
13. Operational efficiency and productivity
14. Market presence
15. Customer satisfaction
16. Regulations and compliance
17. Fraud, ethics and anti-corruption
18. Customer health and safety
19. Diversity, non-discrimination and equal opportunity
20. Principal relationships
21. Tax
22. Foreign exchange impacts

MATERIAL TOPICS

Changes to Material Topics in FY 2025/26	
Topics Removed	New Topics Added
Climate change adaptation	Employee wellbeing
Ecological impacts	Product Quality
Energy consumption	Customer health and safety
Health, safety & well-being	Principal relationships
Employment	Environmental impacts in supply chain
Product Stewardship	
Product Safety & Quality	
Government policy	
Customer privacy	
Physical climate risks – temperature	

Material Topic	Topic Boundary (I/E)	Financial Materiality	Impact Materiality (E/S/G)			Management Approach: through integration with Hayleys Leisure Group Strategic Priorities				GRI Relevance
		New Topics Added	Environment	Social	Governance	Business Growth	Guest Experience	Team Empowerment	Sustainability	
1 Waste	I – Hotel waste management	Rising disposal & compliance costs	H	M	L	✓			✓	GRI 306
2 Biodiversity	E – Ecosystem conservation impacts	Destination attractiveness preservation	M	M	L	✓	✓		✓	GRI 304
3 Emissions & Air Quality	I – Emission associated with energy consumption E- Transport emissions	Energy and carbon exposure	H	M	M	✓			✓	GRI 305
4 Water Discharge & Effluents	I – Water management operations	Water treatment compliance costs	H	M	M				✓	GRI 303
5 Environmental & Social Issues Along Supply Chain	E – Supplier sustainability practices	Supply chain continuity risks	M	H	M	✓			✓	GRI 308 / 414
6 Environmental Impacts in Supply Chain	E – Procurement footprint management	Sustainable sourcing cost exposure	H	M	M	✓			✓	GRI 308
7 Employee Wellbeing	I – Workforce welfare practices	Talent retention and productivity	L	H	M	✓	✓	✓		GRI 401 / 403

Material Topic	Topic Boundary (I/E)	Financial Materiality	Impact Materiality (E/S/G)			Management Approach: through integration with Hayleys Leisure Group Strategic Priorities				GRI Relevance
		New Topics Added	Environment	Social	Governance	Business Growth	Guest Experience	Team Empowerment	Sustainability	
8 Training & Education	I – Employee capability development	Skills and service enhancement	L	H	L	✓	✓	✓		GRI 404
9 Community & Livelihood Development	E – Local community engagement	Social licence to operate	M	H	M	✓			✓	GRI 413
10 Customer Requirements on Sustainability	E – Evolving guest expectations	Brand relevance and demand	H	M	M	✓	✓		✓	GRI 416
11 Product Quality	I – Hospitality service quality	Revenue and brand reputation	L	H	M	✓	✓	✓		GRI 416
12 Economic Performance	I – Financial performance outcomes	Profitability and shareholder returns	L	M	H	✓				GRI 201
13 Operational Efficiency & Productivity	I – Operational resource optimisation	Margin and cost efficiency	M	M	M	✓	✓	✓	✓	GRI 302
14 Market Presence	E – Brand and destination visibility	Revenue growth opportunities	L	M	L	✓	✓			GRI 202
15 Customer Satisfaction	I – Guest experience delivery	Repeat business and loyalty	L	H	M	✓	✓	✓		GRI 418
16 Regulations & Compliance	I/E – Regulatory adherence	Legal and compliance exposure	M	M	H	✓			✓	GRI 2 / 307
17 Fraud, Ethics & Anti-Corruption	I – Governance and integrity	Reputational and legal risk	L	M	H	✓		✓		GRI 205
18 Customer Health & Safety	I – Guest safety standards	Liability and reputation risks	H	H	L	✓	✓	✓		GRI 416
19 Diversity, Non-Discrimination & Equal Opportunity	I – Inclusive workforce practices	Talent attraction and culture	L	H	M	✓		✓		GRI 405 / 406
20 Principal Relationships	E – Strategic partnerships management	Business continuity and growth	L	M	M	✓	✓			GRI 2
21 Tax	I/E – Fiscal responsibility	Taxation and compliance risks	L	L	H	✓				GRI 207
22 Foreign Exchange Impacts	E – Currency fluctuation exposure	Earnings and ARR volatility	L	L	M	✓				GRI 201

Internal - I

External - E

High - H

Moderate - M

Low - L

ESG SNAPSHOT



30

Training hours per employee



30%

Suppliers profile screened for ESG based on payments



9,395

CSR beneficiaries reached



ZERO

Food safety violations



01

Enviroment

Renewable energy feasibility studies

Completed

Single-use plastic and waste audit

Completed

Wet food waste down to 324 g per occupant

Completed

Mini garden project launched

Completed

Gothatuwa Wetland Park Conservation Programme ongoing

Continue



02

People

30 training hours per employee - 2025/26 target met

Completed

Safety evidence and training maintained

Continue



03

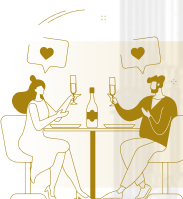
Community & Suppliers

9,395 CSR beneficiaries supported

Completed

Supplier ESG screening reached 30%

Completed



04

Customer

ISO 22000 certification maintained

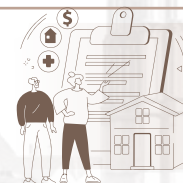
Completed

Zero food safety violations

Completed

Mini garden project supports future organic menus

Continue



05

Governance

ESG Committee has started

Continue

Monthly and quarterly CUBE reporting continues

Continue

Environment — Energy & Emissions				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Reliance on sustainable and renewable energy sources	20% sustainable and renewable energy applications	Zero%	Feasibility studies for project identification	Completed the Feasibility studies for project identification
Reduction in energy intensity by operational efficiencies and new technologies	30% energy intensity reduction	58.58 MJ per occupant	55.65 MJ per occupant	58.30 MJ per occupant.

Environment — Water & Waste				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Freshwater intensity reduction through efficiency and recycled water applications	30% reduction in fresh water intensity by 2030	152 L per occupant	144 L per occupant	152.9 L per occupant
Value addition to all waste generated	Traceability and responsible disposal of all waste categories	>95% of quantified waste diverted from improper landfilling/incineration	2025/26 milestone: maintain traceability and evidence for all major waste streams	In progress
Wet garbage and food waste intensity reduction	30% reduction in wet garbage and food waste intensity	335 g per occupant	318 g per occupant	324 g per occupant

Environment — Materials, Production & Chemicals				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Responsible consumption of natural resources and sustainable production	50% reduction in single-use plastic consumption	Baseline to be established via 2025/26 audit; 100% elimination of plastic straw usage; property mapping underway	Complete single-use plastic audit/property mapping; maintain elimination of plastic straws	Completed the waste audit.
Climate-smart organic vegetable gardens integrated with guest experiences	Organic vegetable gardens at each property	No existing organic vegetable garden across properties	At least 1 property-specific organic/vegetable project to be maintained or initiated	Mini garden project. Gothatuwa Wetland Park Conservation Programme.
Best chemical management practices across the supply chain	100% alignment with sustainable chemical management practices within the sector	LRCC membership obtained and third-party assessments conducted for each property	Maintain LRCC/assessment controls and update chemical storage, labelling and training evidence	Continue LRCC membership

ESG TARGET PROGRESS 2030

Environment — Biodiversity				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
External biodiversity conservation and preservation	Increase biodiversity programmes to cover 5 times the built area of properties	358 trees planted with Hayleys Group 'Kirulu'; approx. 0.4 acres reforested	Update acreage coverage and partner action plan towards 5x built-area coverage	Gothatuwa Wetland Park Conservation Programme.

Employee — Engaged Team, Inclusion & Safety				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Developing a diverse engaged team	5% reduction in attrition rates by 2030	Managerial 25% Executive 31% Non-Executive 38%	Managerial 26%, Executive 32%, Non-executive 38%	Managerial 24%, Executive 21%, Non-executive 43%.
Health, safety and wellbeing of employees and customers	Health and safety-centred culture, ISO 45001 certification, OSH awards and 100% OSH alignment	Near-miss recording initiated; OSH-focused training and awareness continued	100% OSH alignment; maintain near-miss, corrective action and training evidence	Maintain near-miss, corrective action and training evidence

Employee — Learning & Development				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Provide opportunities for continuous learning	Each employee receives an average of 40 training hours per year by 2030	25 training hours per employee	30 average training hours per employee	30 average training hours per employee.

Community & Suppliers				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Uplifting livelihoods and empowering communities	100% increase in CSR beneficiaries by 2030	9500 beneficiaries	9519	9395 Beneficiaries
Good social and environmental practices across supply chain	Screen 40% of supplier portfolio for ESG compliance, based on supplier payments	19 suppliers screened, representing 25% of supplier payments	30% supplier profile based on payments	30% supplier profile based on payments.

Customer — Culture of Care				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Sustainable food system requirements	100% continuation of property certifications against food safety standards	All properties certified for ISO 22000	100% continuation of ISO 22000 certification; zero food safety violations	Continuation of ISO 22000 certification; zero food safety violations
Nutritional value-focused revenue opportunities	Organic menus and dishes with clearly defined nutritional content	Implementation scheduled to commence in 2025/26	Commence organic/ nutritional menu development in 2025/26	Mini garden project.

Governance — Governance for Impact				
Strategic Link	2030 Target	Baseline Performance	2025/26 Target	2025/26 Actual
Structure and oversight	Full compliance with ESG committee requirements	ESG committees and reporting structures defined at property and sector level	Maintain ESG committee meeting cadence, minutes and action closure	The ESG Committee has started
Transparency and accurate reporting	Sustainability reporting with third-party verifications	Reports aligned with GRI and SASB standards	Monthly/quarterly CUBE reporting with evidence and assurance readiness	Monthly/quarterly CUBE reporting continues; assurance evidence to be strengthened.

Source: ESG Roadmap 2030 pp.44–45.

Management Discussion & Analysis

CROWNED BY SOPHISTICATION

At The Kingsbury, performance is shaped by disciplined strategy, refined operations, and the consistent delivery of guest experiences that reflect our gold standard. This sophistication is seen not only in the elegance of our service, but in the precision, efficiency, and attention to detail that define how we operate.

Through a focused approach to quality and service excellence, we continue to strengthen our position in Colombo's hospitality landscape while sustaining value across every aspect of the business.



FINANCIAL CAPITAL

Overview

Financial Capital comprises a combination of equity, debt, and internally generated cash flows that support day-to-day operations as well as long-term strategic growth initiatives.

Management Approach

Our approach to managing financial capital is based on the prudent stewardship of resources to ensure incremental growth in profitability while preserving balance sheet integrity.



Key Commitments

- Revenue Stability
- Margin Management
- Cost Efficiency
- Profitability
- Balance Sheet Resilience

Highlights for FY 2025/26



Rs. 5.56 Bn
Revenue



50% Gross Profit
Margin



01% year on year
increase in PBT



163% expansion in
retained earnings

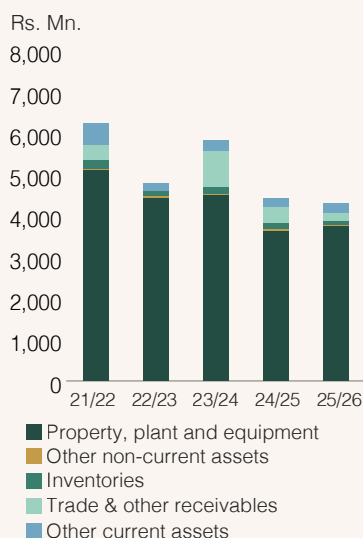
SDGs



Focus for the Future

Strengthen revenue optimisation, margin resilience and balance sheet stability through premium F&B, MICE and diversified market growth.

Asset Composition



Revenue

The Kingsbury PLC recorded revenue of Rs. 5.56 Bn in the current year, up from to Rs. 5.33 Bn in the previous financial year under, a commendable 4% improvement that stands as, a testament to the enduring appeal of The Kingsbury brand despite intensifying competition within Colombo's hospitality sector, including the recent entry of new market participants within the hotels immediate domain.

Revenue growth during the current year was driven by the strong performance of the Food & Beverage segment, supported by improved year-round occupancy levels and higher footfall from both resident and non-resident guests across all 10 restaurants at The Kingsbury. Consequently, Food & Beverage revenue from restaurants increased by 5% year-on-year to Rs. 2.68 Bn during FY 2025/26, and remained the largest contributor to the topline and accounting for 48% of total revenue for the year.

Meanwhile, average occupancy levels improved to 75% from 67% in the previous year, translating into room revenue of Rs. 1.41 Bn in the current year, representing a solid 4% year-on-year increase. Similarly, strong momentum in banquet and event-related activity pushed up banquet revenue to Rs. 1.16 Bn for the current year,

indicating a 4% improvement compared to the previous year. Room revenue and banquet revenue accounted for 25% and 21% respectively of the Company's overall revenue mix for FY 2025/26.

Gross Profit

Gross profit improved to Rs. 2.77 Bn in the current year, from the Rs. 2.56 Bn reported in the previous financial year, signalling a robust 8% increase attributed in part to revenue growth alongside stringent cost management efforts that helped to contain cost of sales on par with FY 2024/25, a commendable achievement given inflation-induced increases in electricity and other utility costs in the current year.

Gross profit margins improved from approximately 48% in the previous year to 50% in the current year, marking the fifth consecutive year of consecutive year of margin expansion. The steady upward trajectory in margin performance over the five-year period demonstrates the Company's disinclined approach to drive cost efficiency at all levels of operation.

Operating Expenses

Total operating expenses increased by 14% from Rs. 1.87 Bn in the previous year to Rs. 2.13 Bn in the current year. Administrative expenses, which accounted for the largest share of operating costs, rose from Rs. 1.78 Bn to Rs. 2.01 Bn, representing a 13% year-on-year increase, which was mainly due to higher staff costs following salary revisions. Marketing expenses also increased by approximately 30%, owing to aggressive promotional and brand visibility initiatives undertaken to strengthen market presence amid intensifying competition within the hospitality sector.

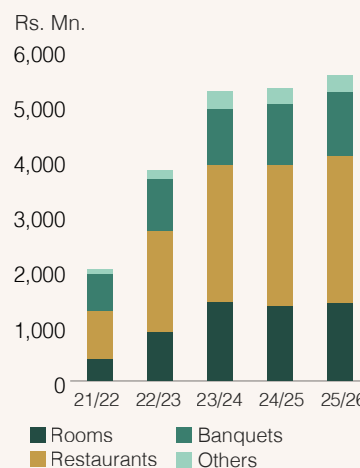
Finance Income and Finance Costs

Finance income registered a strong 2.6-fold increase from Rs. 13.99 Mn in the previous year to Rs. 36.05 Mn in the current year, as a consequence of exchange gains arising from the appreciation of the USD against the LKR, including both realised and unrealised gains on the Company's foreign currency portfolio. Income generated from

increased investment in fixed deposits also helped to boost finance income for the current year.

Meanwhile, Group finance costs recorded a sharp reduction from Rs. 179 Mn in the previous year to Rs. 140 Mn in the current year. This was largely driven by significant loan settlements amounting to Rs. 349 Mn during the year. The reduction in AWPLR during the year, in line with the low-interest-rate environment maintained by the Central Bank of Sri Lanka, also had a favourable impact on the cost burden of outstanding borrowings

Revenue



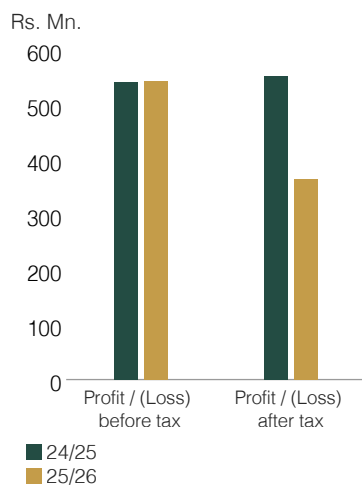
Profitability

The culmination of the above factors saw the Company recording a Profit Before Tax (PBT) of Rs. 543 Mn, compared to Rs. 540 Mn in the previous year, reflecting a 1% year-on-year increase.

However, Profit After Tax (PAT) declined by 34% year-on-year from Rs. 551 Mn to Rs. 365 Mn during the year, primarily due to higher tax expenses arising from the recognition of a deferred tax charge of Rs. 178 Mn. In contrast, the previous year recorded a deferred tax reversal following the recognition of additional tax losses that had not been accounted for in earlier periods.

FINANCIAL CAPITAL

Profitability



Total Assets

Total assets of the Company increased from Rs. 5.98 Bn in the previous year to Rs. 6.24 Bn in the financial year under review, reflecting a 4% year-on-year increase. The expansion in the asset base was largely attributed to capital expenditure investments amounting to Rs. 328 Mn alongside the upward revaluation of buildings amounting to Rs. 592 Mn.

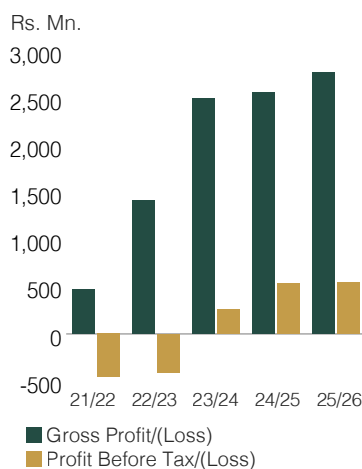
Total Equity

Total equity increased from Rs. 1.92 Bn to Rs. 2.69 Bn, a strong 40% year-on-year growth, driven by higher retained earnings in the current year. Retained earnings moved from a negative Rs. 248 Mn in the previous year, expanding by 163% to Rs. 157 Mn in the current year, signalling a notable recovery in accumulated earnings on the back of strong profitability for the period.

Total Liabilities

Total liabilities decreased by 13% year-on-year from Rs. 4.07 Bn in the previous year to Rs. 3.55 Bn in the current year. Higher deferred tax liabilities, as well as an increase in trade and other payables arising from working capital movements to support the expanded level of business activity in FY 2025/26, were the main contributors towards the increase in total liabilities.

Gross Profit/(Loss)





HUMAN CAPITAL

Overview

We believe that our ability to deliver our value proposition and meet guest expectations depends largely on the skills, professionalism, and dedication of The Kingsbury's Human Capital.

Management Approach

As a premier city hotel, The Kingsbury Colombo strives to nurture a high-performing workforce by offering a strong employee value proposition built around equal opportunity, continuous learning and development, and clearly defined career progression pathways, alongside targeted initiatives that promote employee engagement and wellbeing.



Key Commitments

- Compliance and Best Practices
- Fair and Equitable Recruitment
- Competitive Remuneration and Benefits
- Performance Management
- Training and Development
- Career Mobility
- Safety and Wellbeing
- Communication and Engagement

Highlights for FY 2025/26

LKR 1.20 Bn monetary benefits distributed to employees	171 new recruits	22,315 total training hours delivered	LKR 4.38 Mn invested in external training resources

SDGs



Focus for the Future

Deepen training, wellbeing and career mobility to build an engaged, future-ready team delivering consistent service excellence.

HUMAN CAPITAL

GRI 2 -23, 2- 24, 2 -27, 2 -30, 406 -1, 407 -1, 408 - 1, 409 -1



Regulatory Compliance

Shop and Office Employees Act of 1954

EPF Act
ETF Act

Payment of Gratuity Act of Sri Lanka

No incidents of non-compliance of regulations were reported in the current year

Principle 3: Freedom of Association and Collective Bargaining

We respect our employees’ right to freedom of association in line with applicable Sri Lankan labour laws and allow them to join or form organisations of their choice and participate in lawful collective activities without fear of discrimination or retaliation. At the same time, we promote open dialogue to address employee concerns relating to

working conditions and welfare. As a result we have built strong relationships that have eliminated the need for collective bargaining agreements. Our operations are not at risk for Freedom of Association and Collective Bargaining.

Principle 4: Elimination of Forced and Compulsory Labour

The Kingsbury maintains a strict prohibition on all forms of forced, compulsory, or involuntary labour, with employees free to enter and exit employment in accordance with the terms of their contracts. Hence our operations are not exposed to risks related to forced labour.

Principle 5: Abolition of Child Labour

We enforce a strict no-child-labour policy in line with Sri Lankan regulations with appropriate age verification procedures at the point of recruitment to ensure full compliance with legal minimum age requirements, thereby ensuring our operations are not exposed to child labour risks.

Principle 6: Elimination of Discrimination in Employment and Occupation

Underpinned by a zero-tolerance approach to discriminatory conduct in the workplace, The Kingsbury does not tolerate discrimination, harassment and unfair treatment in any form. Several confidential and anonymous channels are in place to enable concerns to be raised without fear of retaliation, while formal investigation protocols ensure impartial review, and appropriate corrective action.

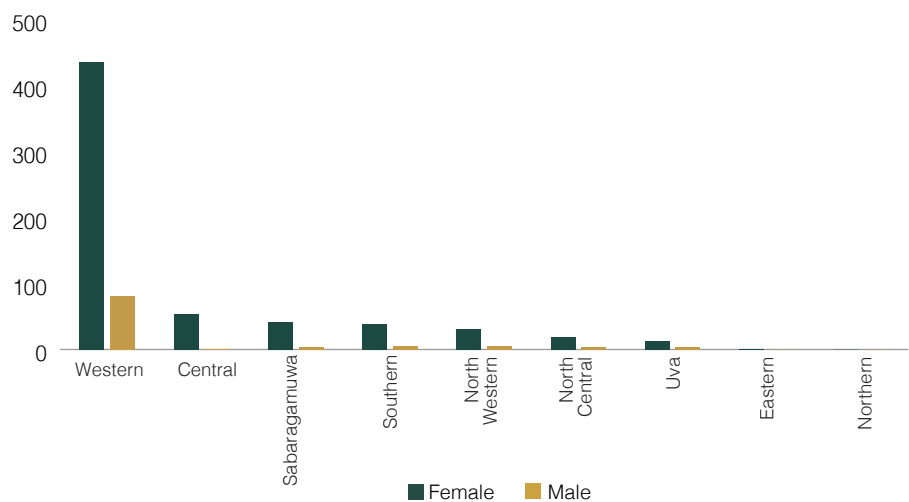
No incidents of discrimination were reported in the current year.

Diversity, Equality and Inclusion (DEI)

We consider Diversity, equality, and inclusion to be important aspects in building a high functioning workforce. Guided by the Hayleys PLC Group's DEI policy, we actively promote DEI across all employee categories to foster an inclusive workplace environment.

As part of our approach, we place special emphasis on improving female representation in our workforce, especially given that female participation in Sri Lanka's leisure sector remains limited. During the year, we conducted targeted initiatives to support female employees, including empowerment sessions and career counselling programmes aimed at building confidence, supporting career progression, and encouraging greater participation of women across the organisation.

Employees by Region & Gender



Employees by Category & Gender



GRI 2 -8, 202 -2, 401 -1

Fair and Equitable Recruitment

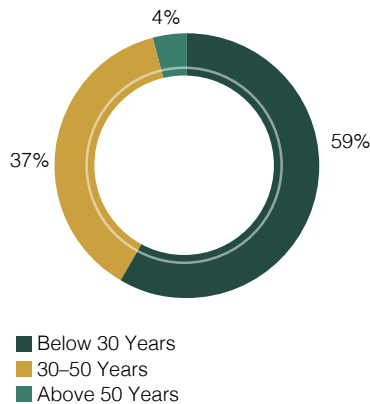
While aiming to attract the best talent to meet the recruitment dynamic and ever evolving operational needs, we engage in both internal and external recruitment. Our internal recruitment process provides existing employees the opportunity to apply for suitable roles, while external recruitment aims to access a broader talent pool. To strengthen our entry-level pipeline, we also collaborate with hospitality schools and vocational institutes.

In line with our commitment to fair and equitable recruitment, we have established clear recruitment protocols to ensure hiring decisions are based solely on qualifications, experience, and the ability to perform the role effectively. As an non-discriminatory employer we also offer equal access to employment opportunities regardless of gender, age, ethnicity, religion, or background.

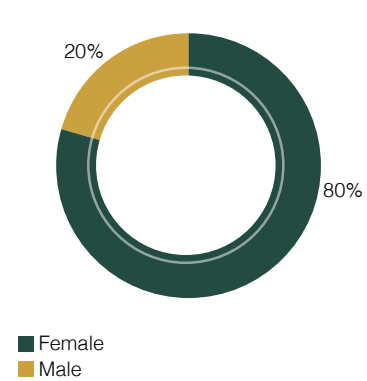
Meanwhile, all externally recruited candidates are subject to mandatory age verification procedures to ensure compliance with the statutory minimum employment age requirements applicable to the leisure sector in Sri Lanka..

The Kingsbury recruits both permanent and contract employees, all on a full time basis. 100% of the senior management of the Group is recruited locally from Sri Lanka.

New Employee by Age Group

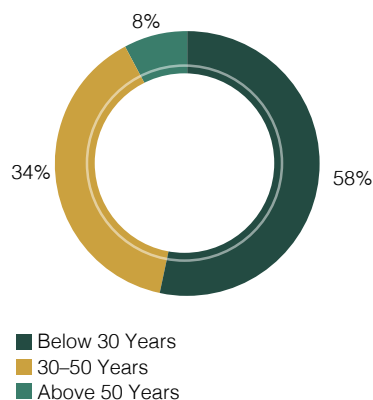


New Employee by Gender

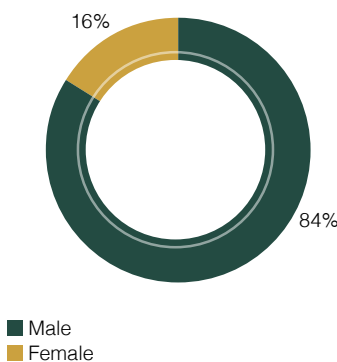


HUMAN CAPITAL

Turnover by Age Group



Turnover by Gender



- Comprehensive Health Insurance
- Food & Accomodation
- Safe night transport facilities are provided for female employees

In keeping with best practices, all new recruits are subject to our on-boarding process which serves as a platform for establishing foundational ethics and the performance mindset for excellence. At every stage of the onboarding process, new recruits are guided by their respective department heads, thereby establishing backdrop for cultivating strong employee relations from day one.

GRI 202 -1, 401 -2, 405 -2

Competitive Remuneration and Benefits

To attract, motivate, and retain high-performing talent, The Kingsbury offers a competitive remuneration and benefits package encompassing financial and non-financial benefits. Our remuneration policy sets out remuneration structures that are benchmarked against industry standards and aligned with applicable regulatory requirements.

In line with our policy to promote pay equity, all employees are compensated fairly, with no gender-based disparity in remuneration. We maintain a 1:1 salary ratio for men and women at entry level as well as across the organisational hierarchy.

Remuneration structures for all employee categories are reviewed and updated regularly based on salary surveys conducted to capture regulatory changes and assess industry standards.

During the year, applicable pay structures were revised in line with updated statutory minimum wage requirements, while regulatory changes enabling female employees to undertake night shifts were also implemented along with recommended safety measures in place.

Parental Leave

In compliance with the Shop and Office Employees Act of 1954 and the Wages Board Ordinance Amendment Act, female employees are entitled to 84 days paid maternity leave, post-delivery as well as two hours nursing time for a period of one year after recurring to work.

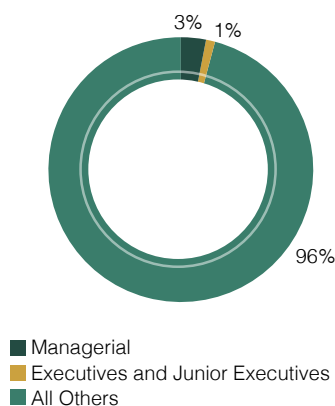
The Kingsbury also provides 07 days of paternity leave for male employees.

	FY 2025/26
Total number of employees that were entitled to parental leave	14
Total number of employees that took parental leave	14
Total number of employees that returned to work in the reporting period after parental leave ended	14

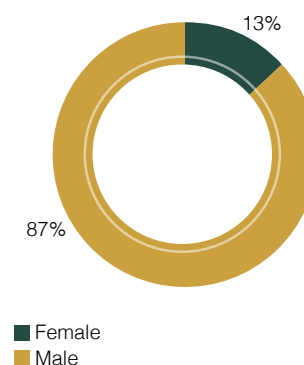
Training and Development

We consider training to be a vital tool in empowering our teams with the skills, knowledge, and mindset required to deliver high-quality guest experiences and achieve operational efficiency and long-term growth. We focus on a blended learning approach combining on-the-job training and cross-functional exposure, with department heads and senior leadership actively involved in mentoring talent. Our Typsy e-learning platform also now serves as an important tool in facilitating a more robust learning environment for employees. Likewise we invest in high impact training delivered by industry experts, to further enhance technical expertise of our employees on par with global hospitality standards.

Average Training Hours by Category



Average Training Hours by Gender



Soft Skills Training

To improve professional communication skills, strengthening staff capability to deliver clear, effective, and appropriate workplace correspondence in line with company standards.

Fine Dining Training

To enhance service standards and professional capabilities of the Food and Beverage team and strengthen their ability to deliver a refined and high-quality guest experience aligned with international best practices

Ireks Master Class on Bakery

To develop the technical capabilities and creativity of the pastry and bakery team

Wine Training

To enhance the team's knowledge on wine service to strengthen their ability to deliver a refined and elevated guest experience in line with international service standards

F&B Training

To reinforce service quality and strengthen guest service capabilities across key operational departments

Commi Club Training Programme

To strengthen foundational culinary skills, overall capability, discipline, and service quality of kitchen staff.



HUMAN CAPITAL

GRI 404 - 3

Performance Management

Our performance management programme is designed to facilitate goal congruence by ensuring individual objectives are directly aligned with the organisation’s strategic priorities. As per our performance management approach, we offer ongoing feedback that enables employees to understand how their performance contributes to achieving business outcomes. Meanwhile formal performance evaluations, which are supported by development-focused conversations, are used to identify and correct capability gaps among under-performers and to earmark high performers for career progression and targeted development as part of our succession planning strategy.

Employees benefiting from the performance appraisals	%
Male	87
Female	13

Career Mobility

We are strong advocates of employee career mobility. Our approach is based primarily on the performance management process through which we identify high performing employees suitable for internal progression, cross-functional movement, and expanded role responsibilities. Another key enabler of career mobility is our succession planning process where we identify high-potential employees and prepare them for future leadership roles through targeted development interventions, cross-functional assignments, and mentoring support. The Kingsbury employees benefited from a total of 157 career, mobility opportunities in Financial Year 2025/26.

GRI 403 -1, 403 - 2, 403 - 3, 403 -4, 403 -5 , 403 - 6, 403 -7

Safety and Wellbeing

Building a safe workplace remains a core aspect of our operational philosophy. In line with this commitment, we adopt a disciplined approach to occupational health and safety management, led by our comprehensive safety management framework that incorporates internationally recognised occupational health and safety principles and industry best practices. The framework, which covers employees, guests, and all other third parties present

on-site at any given time, is embedded into day-to-day operations across all functional areas.

Continuous monitoring mechanisms and scheduled inspections to identify workplace hazards, are integral components of the safety management system. Our employees play an active role in maintaining a safe working environment through participation in departmental meetings, where they are encouraged to share observations, raise concerns and

contribute to the development and review of safety measures. These discussions are overseen by the General Managers.

Training is conducted to further reinforce employee awareness and preparedness across key safety areas, including chemical handling and fire safety training conducted with the Fire Department and first aid training delivered in partnership with the Red Cross. Annual fire drills and emergency response exercises are also carried out to assess emergency preparedness among employees.

All The Kingsbury employees also have access to comprehensive health insurance coverage

Safety Hazards at The Kingsbury	Management Methods
Cut Injuries	Use cut-resistant gloves, train staff in safe handling, store sharp tools properly, maintain equipment, and provide first-aid procedures.
Slips, Trips & Falls	Clean spills immediately, maintain non-slip floors, ensure good lighting, keep walkways clear, and conduct regular inspections.
Manual Handling	Train staff in correct lifting techniques, use lifting aids, avoid lifting heavy loads alone, and perform risk assessments.
Chemical Hazards	Store chemicals safely in labelled containers, provide PPE, maintain SDS, train staff, and ensure proper ventilation.
Burn Injuries	Provide heat-resistant PPE, train staff on hot equipment use, mark hot surfaces, inspect equipment regularly, and keep first-aid supplies available.
Fire Hazards	Maintain fire alarms and extinguishers, conduct fire drills, keep exits clear, inspect electrical systems, and store flammable materials safely.

Fire Training

Conducted in collaboration with relevant authorities to strengthen emergency preparedness and reinforce a safe working environment for staff and guests.

Chemical Handling Training

To strengthen safety awareness among kitchen stewarding staff to ensure the usage of cleaning chemicals within kitchen operations complies with public health and safety guidelines.

Respect Boundaries Respect Each Other

To build a workplace culture where employees feel secure, supported, and empowered. It also contributes to our ESG framework under the Employee Pillar by promoting responsible practices, strengthening employee capabilities, and ensuring a healthy and productive work environment for everyone.



GRI 2 -25, 2- 26, 402 -1

Communication and Engagement

At The Kingsbury Colombo, we believe that effective two-way communication is essential to nurturing an engaged, collaborative, and service-oriented workforce. Managers are encouraged to maintain continuous dialogue with their teams through daily briefings and regular meetings, supported by an open-door culture that enables employees to freely engage with supervisors on operational matters, seek guidance, and share feedback in a transparent and supportive environment. Key operational changes are communicated through formal channels, with adequate notice provided to ensure smooth implementation and employee awareness.

A structured grievance handling mechanism is also in place, enabling employees to raise concerns confidentially and without hesitation. All grievances are addressed with due diligence, investigated promptly, and resolved in a fair and transparent manner in accordance with established procedures.

In addition, we actively promote a positive and inclusive workplace culture through engagement initiatives designed to strengthen team cohesion, encourage cross-functional interaction, and foster a strong sense of belonging across all departments and operational areas.



INTELLECTUAL CAPITAL

Overview

The Intellectual Capital of The Kingsbury PLC consists of The Kingsbury brand, along with a collection of intangible assets that effectively augment brand equity and reinforce its positioning as a leading city hotel in Colombo.

Management Approach

Our approach to managing Intellectual Capital focuses on direct investment in strengthening The Kingsbury brand, alongside sustained efforts to enhance complementary intangible assets that collectively reinforce brand equity and support long-term competitive advantage.



Key Commitments

- 👑 Achieving Brand Leadership
- 👑 Reinforcing Business Conduct
- 👑 Investing in Institutional Knowledge
- 👑 Building Strategic Partnerships
- 👑 Voluntary Adoption of Standards and Certifications
- 👑 Leveraging Group Synergies

Highlights for FY 2025/26



LKR 17 Mn spent on brand visibility initiatives



94% Overall GRI Score



4 Industry Recognition (Awards)

SDGs



Focus for the Future

Grow brand equity through stronger digital visibility, guest insight, strategic partnerships and consistent global standards.

Achieving Brand Leadership

The Kingsbury Colombo stands as one of Sri Lanka's most distinguished city hotel brands widely recognised for premium guest experiences that blend timeless elegance with contemporary sophistication. Our brand strength is reinforced by The Kingsbury's iconic location which offers unrestricted views of the Indian Ocean and directly overlooks the historic Galle Face Green as well as Sri Lanka's largest ever strategic development - the Port City Colombo. Moreover with a portfolio of 10 signature restaurant brands, The Kingsbury's reputation for culinary diversity stands a class apart. Likewise our range of unparalleled facilities set amidst the contemporary ambience makes The Kingsbury a preferred venue for both high-profile corporate engagements as well as a landmark for social occasions. Equally importantly, through our relentless pursuit of excellence over the years, we have cultivated strong ties with both local and international travellers, contributing to a growing base of loyal customers whose repeat patronage reflects their trust in The Kingsbury brand.

 TENKU The Kingsbury Colombo's authentic Japanese restaurant	 KINGS STEAKBAR For relaxed nights of grand comforts, great food & live music	 THE KINGSBURY INDULGENCE Delivery of star-class cuisine
 SKY LOUNGE For a chic rooftop bar experience with views of the city and coastline below	 OUR RESTAURANT BRANDS	 HARBOUR COURT For an unforgettable, gastronomic adventure of international cuisine
 YUE CHUAN For a delectable voyage to exotic China with a side of Sri Lanka		 THE NOSH An exquisite cafe and restaurant
 OCEAN For a delicious spread of seafood	 CHURROS For varied tastes of gourmet patisserie and fresh brews	 HONEY BEACH CLUB For wondrous food & cocktails by the pool

Despite its strong positioning, The Kingsbury faced stiff competitive pressure in the current year owing to new market entrants, which prompted the launch of a multi pronged strategy to sustain brand relevance and market share. One of our key strategies involved targeted collaborations with tourism partners, media platforms, and industry stakeholders, to enhance our visibility across key markets while also positioning Colombo and Sri Lanka more broadly as a compelling destination for both business and leisure travel. At the same time to promote The Kingsbury as a preferred venue for business and private events, we launched a series of seasonal events and themed promotions aimed at promoting the hotel's distinctive dining experiences, culinary excellence, and cultural experiences.

The Brand Reach		
289K Followers	2.76Mn Page Review	5.2Mn Reach
161K Interaction	1,105 Watch Hours	97K Link Clicks

INTELLECTUAL CAPITAL

Brand and Property Award 2025



The Kingsbury, Colombo Gold award for Leading F&B Hotel/Resort at the South Asian Travel Awards 2025.



The Kingsbury PLC has been honoured with the Bronze Award under Hotel Companies – Group Assets up to LKR 10 Bn at the 60th TAGS Awards, marking a significant achievement in corporate reporting excellence.



The Kingsbury Wins Sector Award at the CMA Excellence in Integrated Reporting Awards 2025

Reinforcing Business Conduct

We acknowledge that good business conduct is critical to upholding The Kingsbury's industry leading reputation within the local hospitality industry. Our commitment to Business Conduct and Ethics is derived from the Hayleys PLC Group Code of Ethics, "The Hayleys Way," which sets out the principles of integrity, transparency, accountability, and responsible business conduct expected across the wider conglomerate. These principles are further reinforced through the policies and procedures enforced by our immediate parent - the Hayleys Leisure PLC. These sector-specific policies are operationalised across all aspects of the Kingsbury's operations, including guest interactions, supplier

engagement, procurement practices, and internal decision-making processes, thereby driving operational integrity and strengthening the hotel's reputation.

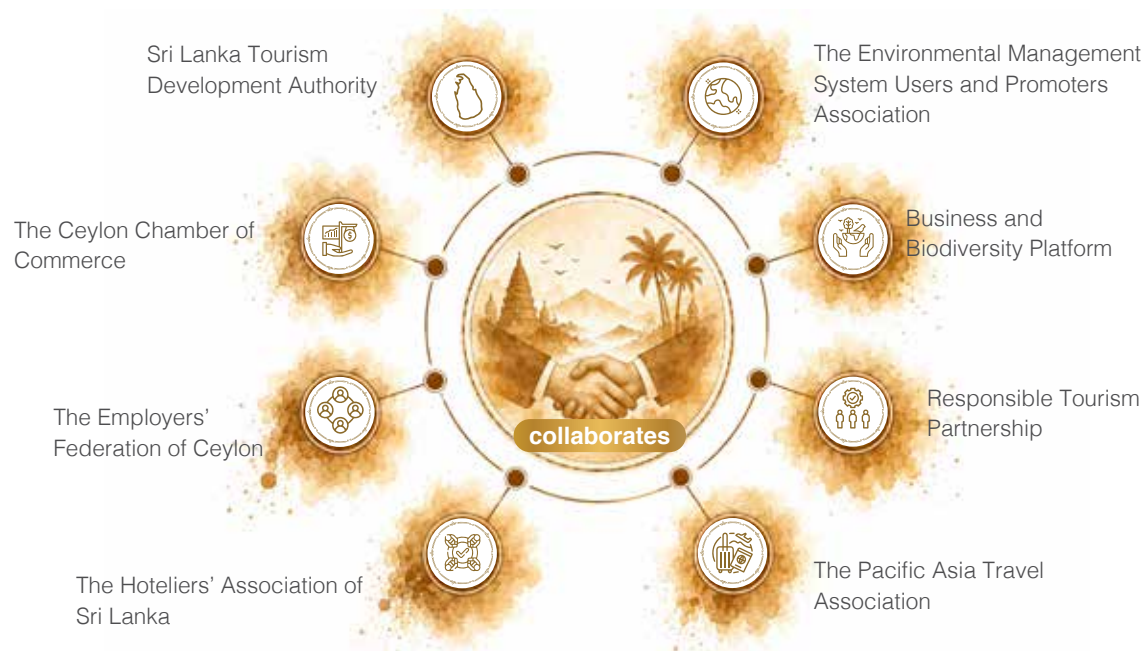
GRI 2-28

Investing in Institutional Knowledge

As a top tier city hotel Colombo, we believe investing in institutional knowledge serves as a key differentiator that strengthens The Kingsbury's long-term competitiveness. Hence, we strive to continuously build and retain institutional knowledge that reflects our own unique hospitality culture. The fact that 20% of our employees possess over 10 years of industry experience stands as a testament to the strength of The Kingsbury's institutional knowledge base.

Building on this, we invest in providing our teams with training and cross-functional learning opportunities to enhance their capabilities on an ongoing basis. We also actively leverage digital platforms to improve knowledge transfer and sharing of best practices among teams.

Memberships and affiliations also play an important role in strengthening our institutional knowledge, particularly by enabling access to global best practices and benchmarking opportunities that support continuous improvement and innovation.



Voluntary Adoption of Standards and Certifications

The adoption of recognised international standards and certifications that ensure consistency, quality, and reliability across all areas of its operations, contribute significantly towards elevating our credentials on par with global standards.

Being part of the Hayleys Leisure Group, The Kingsbury operates within a certified food safety framework under the ISO 22000 Food Safety Management System (FSMS), which incorporates HACCP principles to assure the highest standards of food safety and hygiene are consistently maintained across all food handling, preparation, and service processes to support the delivery of safe, high-quality dining experiences across the property.

Building Strategic Partnerships

We actively cultivate and maintain a strong partner ecosystem that enables us to extend our reach across both regional and international markets which enables us to remain agile in a competitive hospitality landscape. Our partner network includes leading Destination Management Companies (DMCs), Online Travel Agents (OTAs), event organisers, corporate travel partners, and other specialised stakeholders who play an important role in enhancing our visibility in global distribution channels, supporting targeted marketing efforts, and facilitating access to high-value leisure, corporate, and MICE segments.

Leveraging Group Synergies

The Kingsbury benefits from a distinct two-layer synergy structure that reinforces its competitiveness in Sri Lanka's luxury city hotel segment.

On the one hand, as part of the Hayleys Leisure Group, we gain access to sector-specific expertise, shared service platforms, and coordinated operational frameworks tailored to the hospitality industry including group-level best practices that support operational consistency and uplift guest experience across properties.

On the other hand, we also benefit from the strong equity and global credibility of being part of Hayleys PLC, Sri Lanka's largest and most diversified conglomerate with an established international presence. The association with Hayleys PLC enhances brand trust, financial resilience, and stakeholder confidence, while also providing access to broader corporate governance standards, global partnerships, and cross-sector capabilities spanning multiple industries.



MANUFACTURED CAPITAL

Overview

Our manufactured capital is represented by The Kingsbury hotel located a stones throw away from the Colombo harbour. The multi story hotel complex comprising 229 rooms and suites supported by a range of integrated facilities including multiple specialty restaurants, bars, and dining outlets that provide diverse culinary offerings for both business and leisure travellers. The hotel also offers a portfolio of dedicated event and conference spaces for corporate functions, social events, and large-scale gatherings.



Key Commitments

- Strategic Investment in Property, Plant & Equipment
- Optimising Asset Efficiency

- Safeguarding Asset Integrity

Management Approach

Our approach to managing Manufactured Capital is aimed at building, maintaining, and safeguarding the physical infrastructure base of The Kingsbury Hotel Colombo in order to protect the long-term value of the asset and also reinforces The Kingsbury's reputation as a top-rated hospitality destination in Colombo.

Highlights for FY 2025/26



LKR 328 Mn invested in PPE



LKR 127 Mn incurred on asset maintenance and enhancing structural integrity of physical infrastructure

SDGs



Focus for the Future

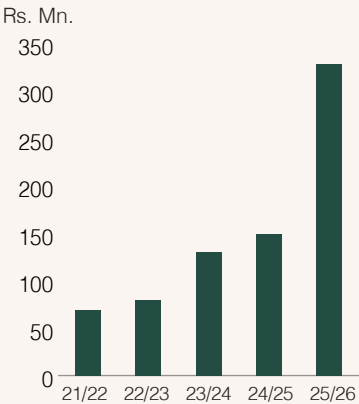
Formalise BCP practices in alignment with the ISO 22301 Business Continuity Management Standard

Investment in Property, Plant and Equipment (PPE)

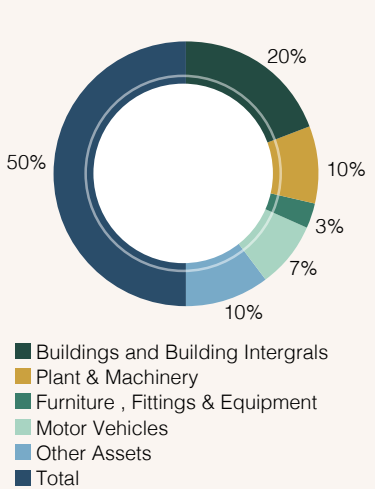
Our investment in plant, property and equipment relates to Capital Investments (CAPEX) for the purpose of refurbishment and upgrading of hotel facilities, including guest rooms, common areas, dining and event facilities, as well as modernising electrical, and plumbing systems, all to strengthen and future-proof the asset base of The Kingsbury Hotel.



Capital Expenditure on PPE



Property Plant & Equipment (PPE)



A digital CAPEX request approval process was implemented during the year, enabling faster approvals, stronger controls, easy access and improved traceability compared to the previous manual process.

MANUFACTURED CAPITAL

Optimising Asset Efficiency

We maintain a disciplined approach to improve the efficiency, operational reliability, and lifespan of PPE already in use, with a view to optimising overall performance of our physical assets.

Maintenance and Upkeep

We undertake continuous monitoring of asset performance to support both preventive, predictive, and corrective maintenance. Preventive maintenance focuses on scheduled inspections and servicing to avoid unexpected failures, while predictive maintenance leverages performance data to anticipate and address potential issues before they arise. Corrective maintenance ensures the timely restoration of assets in the event of breakdowns.

Greening of Assets

In recent years, greening of assets has emerged as a key priority for improving asset efficiency. To that end, we now integrate low-carbon considerations into the operation and enhancement of our asset base through the adoption of energy-efficient technologies, water conservation initiatives, and waste management solutions that reduce environmental impact while improving operational performance. Key efforts for FY 2025/26 include:

- The swimming pool backwash water recovery project, which has helped in the recovery of approximately 64,000 litres of water per month.
- Biogas generation from food waste to produce gas for use in the Tavern kitchen.
- Energy recovery initiatives to supplement electricity requirements

Safeguarding Asset Integrity

Safeguarding asset integrity is critical to ensuring the structural soundness and operational reliability of assets, which in turn helps to minimise the risk of disruptions and protect assets against premature asset deterioration.

Technology Adoption

Technology continues to serve as a key enabler in enhancing the long-term viability of physical assets by strengthening visibility, control, and responsiveness across operations. In this regard, the transition of our ERP system to SAP RISE, a cloud-based platform offered by SAP, has improved data accessibility, enabled real-time insights, and introduced advanced features that support more efficient operational planning to facilitate more efficient use of physical assets.

Information Security Systems

In striving to safeguard our technology systems, we focus on real-time threat monitoring in collaboration with the SafeEye Security Operations Centre, supported by solutions such as privileged access monitoring tool and Microsoft Information Protection for data classification and control. Additional safeguards include mobile device management tools, regularly updated firewall configurations, and spam filtering systems, complemented by ongoing staff awareness and compliance monitoring initiatives.

Business Continuity Planning

Our Business Continuity Plan (BCP) serves as an important mechanism for safeguarding assets in the face of potential disruptions. Aligned with the Group's broader risk management framework, the BCP includes clearly defined response protocols and coordinated action plans that are embedded within day-to-day operations to enable timely responses to safeguard physical assets and digital systems in the event of unforeseen events.



SOCIAL & RELATIONSHIP CAPITAL

Management Approach

We adopt a holistic approach to managing Social and Relationship Capital. Underpinned by our clearly defined operational practices and anchored by strong governance and oversight mechanisms, we focus on earning and retaining the trust of key stakeholders over the long term by prioritising exceptional guest experiences, cultivating long-term supplier partnerships, and systematically strengthening community connections.



Key Commitments

- Unparalleled Guest Experience
- Effective Marketing and Communications
- Data Privacy
- Managing Supplier Networks
- Community Stewardship

Highlights for FY 2025/26



Introduced 05 new innovative F&B experiences for guests



LKR 01 Mn spent on upgrading facilities



LKR 4.75 Bn paid to suppliers



LKR 4.55 Mn spent on CSR

SDGs



Focus for the Future

Strengthen stakeholder trust through personalised guest experiences, responsible data practices, supplier partnerships and community impact.

SOCIAL & RELATIONSHIP CAPITAL

GRI 2 -6

Customers

GRI 416 -1 , 416 -2

Unparalleled Guest Experience

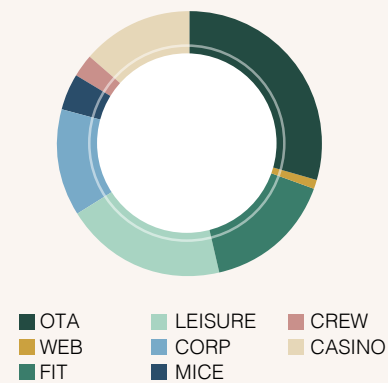
At The Kingsbury, delivering unparalleled guest experiences revolves around excellence across every aspect of the guest journey. Our process begins by clearly identifying our customer segments and understanding their preferences to curate unique and distinctive experiences tailored to their specific needs. Be it business travellers, leisure guests, or event attendees, The Kingsbury promises memorable moments that are a cut above the rest.

Our commitment is reflected in the seamless integration of service excellence across all touchpoints, including efficient check-in processes, well-appointed rooms, diverse and high-quality culinary offerings, and responsive guest services.

We strive to ensure that every experience is defined by convenience, sophistication, and reliability, and to that end, we embrace a culture of continuous innovation across all aspects of our operations through the introduction of distinctive F&B experiences, enhancement of hotel facilities and the integration of digital technologies that elevate service delivery and guest engagement.

The safety of our guests remains a key priority embedded within our guest experience commitments. We prioritise guest safety by complying with all applicable regulatory standards for health and safety, fire safety, and food hygiene.

Customer Segments



Seamless Guest Experiences



Mobile Check-in/Check-out

Streamlines arrival and departure processes.



In-Room Entertainment

Provides easy access to media options.

Beyond compliance, we have adopted the ISO 22000:2018 Food Safety Management System, which incorporates HACCP principles to ensure the highest standards of food safety across all dining operations. Continuous internal monitoring and routine inspections support adherence to these established protocols while identifying opportunities for improvement. In addition, periodic independent assurance audits provide validation of compliance and further strengthen accountability across all areas of operation.

No incidents of non-compliance concerning the health and safety impacts of products and services, was reported in the current year.

Key F&B Initiatives Undertaken During the Year:

Sunday Carvery



Sundays at Kings Steakbar are defined by understated elegance and impeccable flavour. This refined carvery experience showcases perfectly roasted cuts, classic accompaniments and attentive service, enjoyed in an atmosphere where fine dining is unhurried and effortlessly gracious, at one of Sri Lanka's best fine dining restaurants.

Savour a world of flavours



From steaming dumplings and fresh sushi at the Asian corner to ocean-fresh seafood, fragrant Indian favourites, and classic pastas, every craving finds its match. Enjoy vibrant salads and artisanal cheeses alongside The Kingsbury's decadent desserts, and embrace a dining journey unlike any other at one of the best all-day destinations in Colombo.

Teppenyaki



Experience the artistry of Teppenyaki this August at The Kingsbury. Whether it's a dynamic business lunch, a refined midday break with colleagues, or a lively gathering with close friends and family, this is the perfect way to enjoy Japanese cuisine with flavour and flair.

Seafood - Ocean



An Exciting Thai Seafood Experience Awaits - Savour an exquisite Thai Seafood Lunch, exclusively at Ocean. Prepared by Chef Sirilak, whose culinary artistry brings the vibrant coastal flavours of Thailand to life, each dish is crafted with the freshest ingredients and bold, aromatic spices.

Dim Sum



Step into Yue Chuan and immerse yourself in the art of Dim Sum, where the aroma of steaming dumplings, buns, and rolls fills the air, and authentic Chinese flavours come alive. Each dish is handcrafted by our chefs with passion and precision, using traditional techniques and the finest ingredients, ensuring every bite carries the warmth of their dedication. Paired with seamless hospitality, it's an experience set in the elegance of one of Colombo's finest five-star hotels - perfect for those who crave both variety and authenticity.

Glazing Platter



Bring home the signature five-star flavours of The Kingsbury with the Grazing Platter by Indulgence; a curated spread of gourmet bites, beautifully crafted for every occasion. Perfect for gatherings, celebrations or simply sharing moments together.

SOCIAL & RELATIONSHIP CAPITAL

GRI 417 -1, 417 -2, 417 -3

Effective Marketing and Communications

All marketing and communication efforts are guided by a strong commitment to transparency and ethical conduct, with clear and accurate disclosure of pricing, promotions, and applicable terms and conditions.

We focus on consistent messaging, with our approach centred on articulating our unique identity through high-quality content that showcases guest journeys, culinary experiences, and the cultural richness that define The Kingsbury experience.

To maximise our reach across both local and international audiences, we use multiple channels combining conventional and digital platforms. At the same time, we also leverage insights from our reputation management platform to enable more personalised and attentive communication to better connect with our loyal and returning guests.

No incidents of non-compliance concerning product and service information and labelling, marketing communications were reported in the current year.

GRI 418 -1

Data Privacy

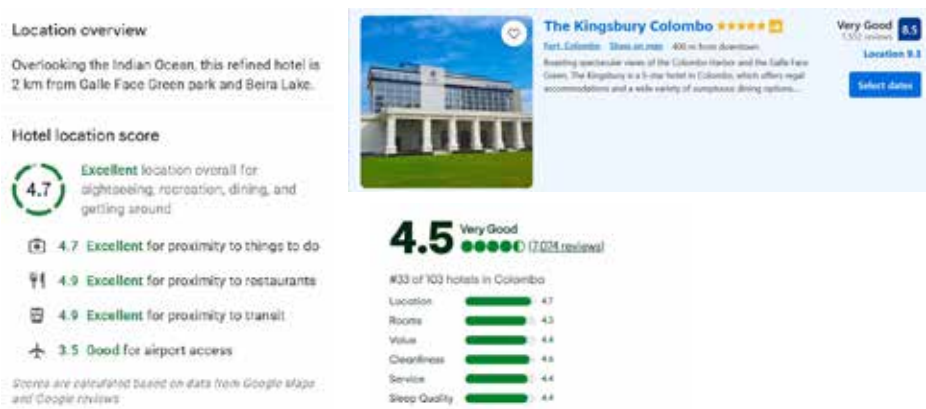
We understand that the protection of customer information is fundamental to building trust across the guest journey at The Kingsbury.

Hence, our data protection framework is supported by secure systems, strict internal controls, and clear governance protocols for handling customer data in accordance with Sri Lanka's Personal Data Protection Act (PDPA) and the EU General Data Protection Regulation (GDPR).

Measuring Guest Satisfaction

Measuring guest satisfaction provides direct insight into how effectively we are delivering on our promise of unparalleled guest experiences. We measure customer satisfaction by evaluating guest satisfaction scores through The ReviewPro platform from post-stay surveys, online review ratings across major travel platforms, and real-time feedback collected during the guest journey. We also track repeat guest behaviour and loyalty trends as strong indicators of trust and relationship strength.

In addition, we monitor operational responsiveness metrics such as complaint resolution times and in-stay feedback, enabling us to address concerns promptly and enhance service recovery.



During the year, we further strengthened our data security posture through enhanced consent management processes, improved data retention and disposal practices, tighter access controls, multi-factor authentication for critical systems coupled with ongoing staff training to ensure stronger oversight of third-party data handling..

No Substantiated complaints concerning breaches of customer privacy and losses of customer data were reported in the current year.

GRI 2 -6, 204 -1

Suppliers

We work with a diverse network of both local and international suppliers to ensure quality, reliability, and continuity of service across all operational areas. Local suppliers account for more than 82% of our average annual procurement spend, a testament to The Kingsbury's commitment to promote local sourcing to encourage development of domestic enterprises that contribute towards strengthening Sri Lanka's leisure sector value chain.

Managing Supplier Networks

Readily acknowledging that our supplier network is crucial for ensuring the continuity and sustainability of our operations, we focus on building long-term partnerships with suppliers who align with our standards on quality, safety, and ethical conduct.

All sourcing activities across the procurement lifecycle, from requirement identification and supplier sourcing through to evaluation, approval, and contract management, are managed centrally by our in-house procurement team

As a policy the team engages only with suppliers on the supplier registry. To facilitate this, a comprehensive supplier registration process is in place with standard operating procedures for supplier screening and on-boarding. Accordingly, all potential suppliers assessed against our Supplier Screening Criteria covering quality, price, delivery record, and certifications for Food Safety, Hygiene, Fire Safety, MSDS. As part of the screening process, suppliers are also subject to mandatory environmental and labour compliance screening to assess their alignment with our ESG guidelines. All successful suppliers are formally on-boarded to The Kingsbury's supplier registry.

Supplier performance is monitored on an ongoing basis to ensure adherence to quality, safety, delivery and ESG standards. During the year, a new audit programme was introduced to assess supplier practices on food safety, hygiene, chemical handling, and storage. The main purpose of this exercise was to determine suppliers' operational gaps and provide necessary support to help them initiate appropriate corrective measures. No supplier relationships were terminated during the year, reflecting the effectiveness of ongoing engagement and supplier development efforts in maintaining required standards.

GRI 308 -1, 308 -2, 414 -1 , 414 - 2

Community

Community Stewardship

As a premier city hotel in Sri Lanka, The Kingsbury Hotel Colombo aims to lead by example in demonstrating responsible community stewardship. Our hotel contributes positively to the local economy in several ways, in particular by generating employment opportunities, supporting local supply chains, and enhancing Colombo's positioning as a tourism and business destination.

At the same time, we recognise that large-scale hospitality operations may also create challenges such as increased resource consumption, traffic congestion, and environmental pressure on surrounding urban infrastructure. To address these potential impacts, we adopt a proactive mitigation approach focused on efficient resource management, including measures to optimise energy and water usage, improve waste management, and strengthen operational planning to minimise disruption to the surrounding community. Moreover, our annual CSR activities also focuses on creating meaningful and sustainable social value for the wider community.





NATURAL CAPITAL

Overview

Natural Capital represents the environmental resources including access to clean air, water, energy resources, and the surrounding coastal environment that contributes to The Kingsbury's unique appeal within Colombo's cityscape.

Management Approach

Our Environmental Management System "EMS", developed in alignment with applicable regulatory requirements and recognised global best practices, provides the foundation for identifying, managing, and monitoring environmental impacts linked to our operations.

The EMS establishes the policy architecture, control framework and targets for addressing our key environmental concerns such as energy, emissions, materials, water and effluents and waste. Periodic internal audits are carried out to assess system performance, identify potential gaps, and implement corrective actions where necessary to enhance the efficacy of the EMS in managing The Kingsbury's environmental footprint.

All key environmental indicators are monitored and reported through the Hayleys CUBE- the Group's sustainability information portal.



Key Commitments

- Energy Management
- Emission Monitoring
- Water Conservation
- Material Management
- Waste and Effluent Management
- Biodiversity Conservation

Highlights for FY 2025/26

0.5% year-on-year reduction in total energy intensity	2% year on year reduction in diesel and LP gas consumption	3% reduction in total food waste intensity (g/occupant)	2.5% year on year reduction of the volume on non-hazardous waste

SDG s



Focus for the Future

Accelerate resource efficiency, emissions monitoring, waste reduction and biodiversity initiatives through the EMS framework.

GRI 302 -1, 302 -2, 302 -3, 302 - 4, 302 - 5

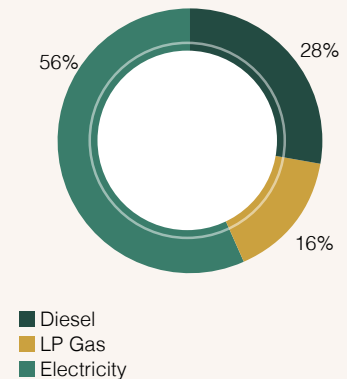
Energy Management

At The Kingsbury, our use of energy is mainly for powering core operations, including guest accommodation, air conditioning and ventilation, food preparation and refrigeration, lighting, laundry services, and the operation of recreational and event facilities.

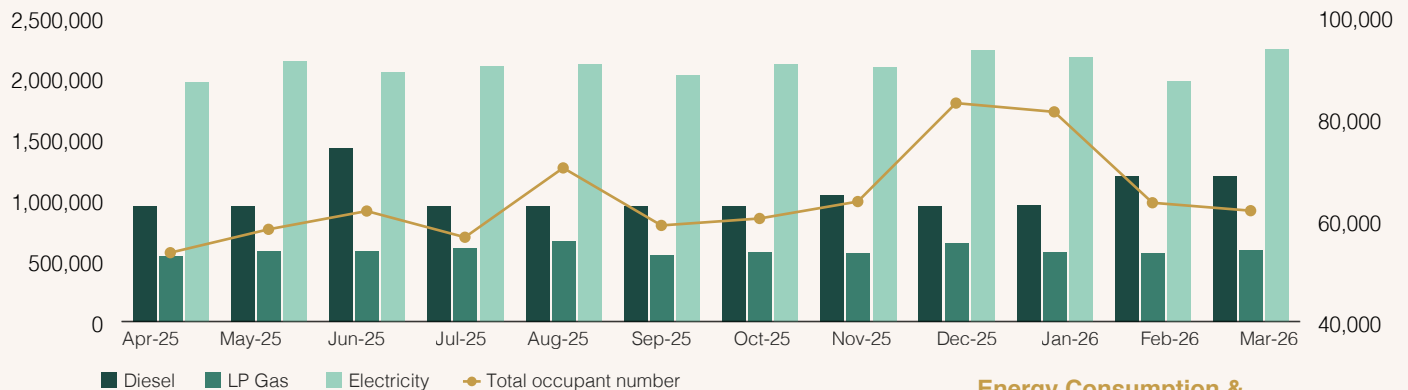
Within our energy mix, electricity accounts for approximately 56.4% with other sources such as cooking gas and fuel for generators and vehicles accounting for the remaining components. We closely monitor consumption across all energy sources and track overall energy intensity relative to occupied room nights, in order to identify opportunities to reduce consumption. As part of our ongoing commitment to improve energy efficiency of our operations, we have:

- Regulated chiller usage and off-peak scheduling of energy-intensive activities
- Invested in energy-efficient lighting, with approximately 95% converted to LED
- Conduct routine preventive maintenance programmes to maintain equipment efficiency and reduce energy losses
- Upgrade operational equipment to improve efficiency and extend asset lifecycles

Energy consumption by source



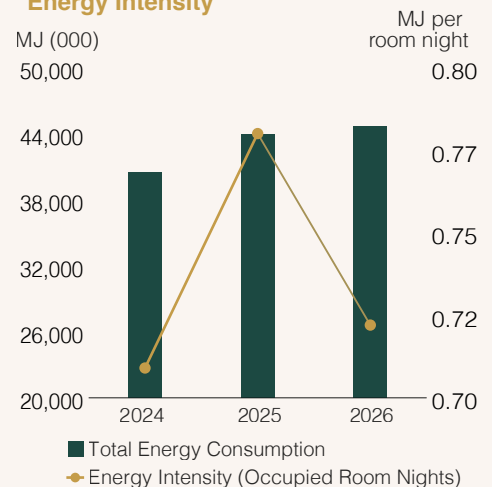
Monthly Energy Consumption vs Occupancy



Energy Consumption & Energy Intensity

Energy Source	2025/26 (GJ)	2024/25 (GJ)	2023/24 (GJ)
Non-Renewable Energy			
Grid Electricity	25,190.4	24,065.8	23,344.24
Diesel	12,446.0	12,726.7	9,814.6
LPG	7,013.9	7,171.4	7,330.5
Total Energy Consumption	44,650.3	43,963.9	40,489.34
Energy Intensity (GJ/Occupied Room Nights)	0.709	0.780	0.722

The Kingsbury PLC does not track energy consumption outside the organisation due to the lack of verifiable information as well as the high number of variables making standardisation unfeasible.

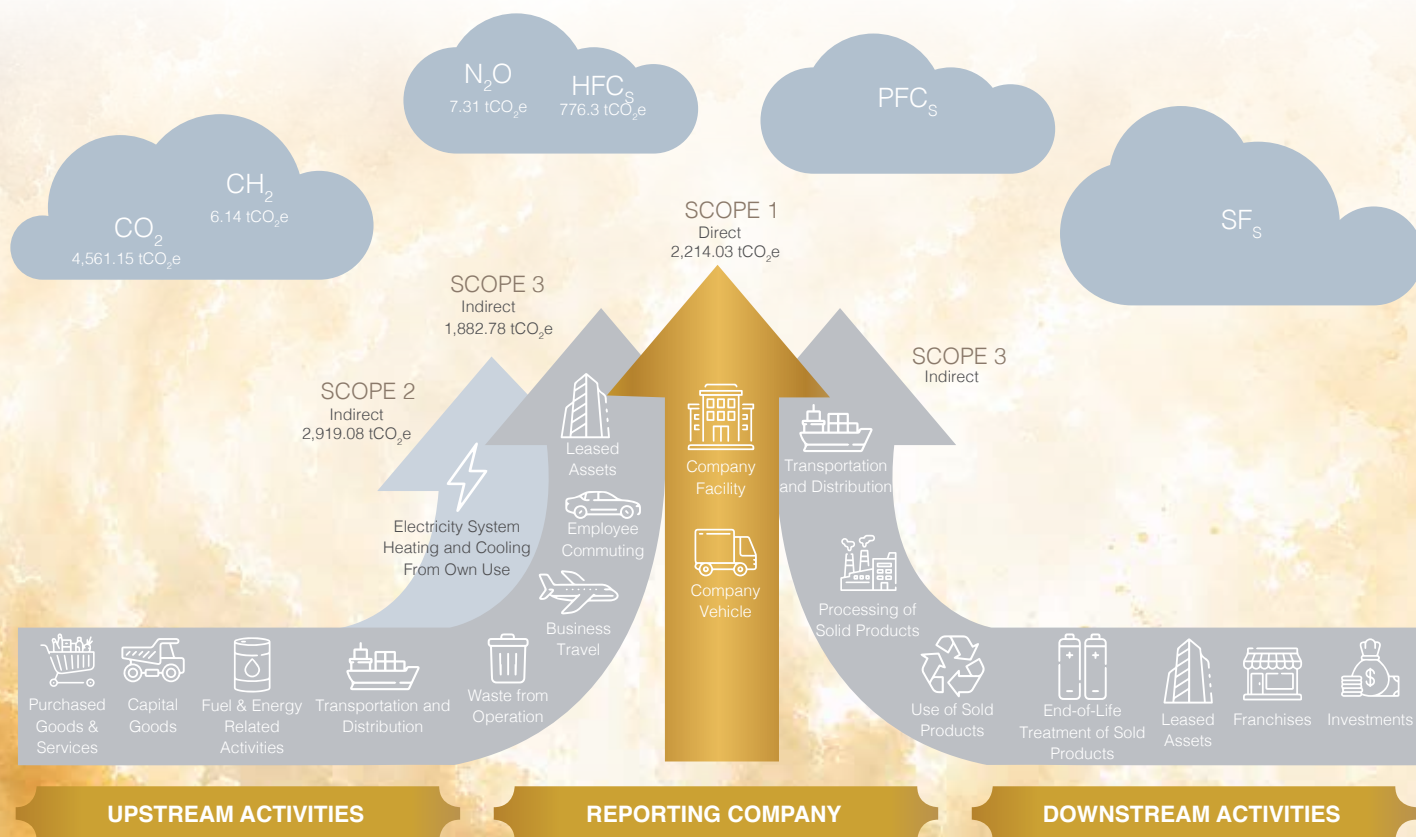


NATURAL CAPITAL

GRI 305 -1, 305 -2, 305 -3, 305 - 4, 305 - 5

Emissions Monitoring

As a hotel operator, The Kingsbury's emissions are primarily driven by its core operations, encompassing direct (Scope 1) emissions from fuel consumption and indirect (Scope 2) emissions from purchased electricity along with Scope 3 emissions that arise from transportation and other value chain-related activities. To drive continuous improvement, we track emissions intensity relative to room occupancy levels, enabling targeted interventions to reduce our carbon footprint.



* Considered under our reporting scope for 2025/26

Total GHG Emissions = 7,016.79 tCO₂e

The current financial year marks the second consecutive year in which The Kingsbury formally calculated its emissions inventory across all three scopes in line with the ISO 14064:2018 standard with the methodology and findings independently verified by Control Union Sri Lanka.

In the current year, we began working to further enhance our emission reporting with comprehensive data capture mechanisms to cover Scope 3 emissions associated with capital goods acquired during the year.

Six electric vehicles (each with a 300 km range) have been introduced to the property for guest transportation and internal operations, contributing to reduced fuel consumption and lower carbon emissions.

GHG Emissions by Scope

Emission category	UoM	Total emission
Total Scope 1 emissions	tCO ₂ e	2,214.03
Total Scope 2 emissions	tCO ₂ e	2,919.98
Total Scope 3 emissions	tCO ₂ e	1,882.78
Total emissions	tCO ₂ e	7,016.8
Total GHG Emission per occupied room night	tCO ₂ e/ room night	0.111
Total GHG Emission per occupant	tCO ₂ e/ occupant	0.009

Direct and Indirect Emissions

Emission category	UoM	Total emission
Total direct emissions	tCO ₂ e	2,214
Total indirect emissions	tCO ₂ e	4,803
Total emissions	tCO ₂ e	7,016.8

GHG Emission Summary - Classified by GHG Protocol

Emission Source	UOM	QTY	tCO ₂ e				
			CO2	CH4	N2O	HFC	Total
SCOPE 1 EMISSIONS							
Stationary combustion							
Process Emission	Kgs	12,243	-	-	-		11.90
Diesel	Ltrs	355,370	951.14	3.47	2.10		956.71
LPG	Kgs	148,285	442.57	0.95	0.19		443.71
Mobile combustion							
Own Vehicles - Diesel	Ltrs	9,330	24.97	0.04	0.36		25.37
Fungitive emissions							
Refrigerant Leakages/Refilling	Kgs	268	-	-	-	776.30	776.30
CO2 Fire Extinguishers Leakages/Refilling	Kgs	45	0.05	-	-		0.05
Total Scope 1 emissions in tonnes CO2e			1,418.74	4.45	2.65	776.30	2,214.03
SCOPE 2 EMISSIONS							
Indirect emissions from imported electricity (location based - grid)	kWh	6,997,320	2,919.98	-	-		2,919.98
Total Scope 2 emissions in tonnes CO2e			2,919.98	-	-		2,919.98
SCOPE 3 EMISSIONS							
1. Capital Goods	USD	-	-	-	-	-	251.65
2. Fuel and Energy Related Activities (not includes in scope 1 and 2) - T & D Loss and water supply	kWh and m3	7,480,843.81	1,219.46	-	-	-	1,219.46
3. Upstream Transportation and Distribution (and 3rd party other vehicle - other)	km and Ltrs	125,683.54	176.79	1.69	1.66	-	180.14
4. Waste Generated in Operations	Kgs	309,179.20	9.10	-	-	-	9.10
5. Business Air Travels	N/A		12.48	-	-	-	12.48
6 Employee Commuting	km	5,348,776.00	209.95	-	-	-	209.95
Total Scope 3 emissions in tonnes CO2e			222.43	1.69	1.66	-	1,882.78
Total emissions in tonnes CO2e			4,561.15	6.14	4.31	776.30	7,016.79

NATURAL CAPITAL

GHG Emission Summary - Classified by ISO 14064:2018

Emission Source	UOM	QTY	tCO ₂ e				
			CO2	CH4	N2O	HFC	Total
CATEGORY 1: DIRECT GHG EMISSIONS							
1.1 Direct emissions from stationary combustion							
Process Emission	Kgs	12,243	-	-	-		11.90
Diesel	Ltrs	355,370	951.14	3.47	2.10		956.71
LPG	Kgs	148,285	442.57	0.95	0.19		443.71
1.2 Direct emissions from mobile combustion							
Emissions from Own Vehicles - Diesel - Road	Ltrs	9,330	24.97	0.04	0.36		25.37
1.3 Direct fugitive emissions							
Refrigerant Leakages/Refilling	Kgs	268.20		-	-	776.30	776.30
CO2 Fire Extinguishers Leakages/Refilling	Kgs	45.00	0.05	-	-		0.05
Total direct emissions in tonnes CO2e			1,418.74	4.45	2.65	776.30	2,214.03
Indirect emissions in tonnes CO2e							
CATEGORY 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY							
2.1 Indirect emissions from imported electricity (location based - grid)	kWh	6,997,320	2,919.98	-	-		2,919.98
CATEGORY 3: INDIRECT GHG EMISSIONS FROM TRANSPORTATION							
3.1 Emissions from Upstream transport and distribution for goods	km	68,828.00	45.45	-	-	-	45.45
3.2 Emissions from Employee commuting	km	5,348,776.00	209.95	-	-	-	209.95
3.3 Emissions from Business air travel	N/A		12.48	-	-		12.48
Emissions from other 3rd Party - Petrol - Road	Ltrs	56,856	131.35	1.69	1.66		134.69
CATEGORY 4: INDIRECT GHG EMISSIONS FROM SERVICES USED BY THE ORGANISATION							
Emissions from Water Supply	m3	117,956	17.23	-	-		17.23
Emissions from the Disposal of Solid and Liquid Waste	Kgs	309,179	9.10	-	-		9.10
Capital Goods	USD	0					251.65
CATEGORY 5: INDIRECT GHG EMISSIONS FROM OTHER SOURCES							
T & D Loss	kWh	719.06	300.07	-	-		300.07
Fuel - and Energy related activities	kWh and m3	7,362,169	902.16				902.16
Total indirect emissions in tonnes CO2e			4,547.77	1.69	1.66	-	4,802.76
Total emissions in tonnes CO2e			5,966.50	6.14	4.31	776.30	7,016.79

Note: While increasing our GHG emission reporting scope, initiated to quantify and disclose GHG emissions relating to upstream suppliers for the first time. We considered 80% of suppliers' transportation-related GHG emissions on a spend-based basis.

GRI 303 -1, 303 -2, 303 -3, 303 - 4, 303 - 5

Water Conservation

Water is a critical resource across our operations. Operational water requirements are met through municipal water lines, while drinking water is purchased from third party suppliers. Our commitment to minimise pressure on the city's municipal water infrastructure drives our efforts to responsible water stewardship.

Accordingly, water sourced from the municipal supply is closely monitored, alongside daily tracking of consumption patterns and water intensity indicators to enable timely corrective action in response to identified inefficiencies and potential leakages. Targeted water efficiency initiatives to reduce consumption, enhance reuse, and improve overall water resource efficiency, include:.

- Installation of low-flow fixtures and aerators to reduce water consumption
- Optimisation of water pressure across operational areas to minimise unnecessary wastage
- Conducting periodic water audits to identify opportunities for further reduction, reuse, and efficiency improvement
- Training employees on responsible water use and timely reporting of leaks or abnormal consumption
- Water bottles were inserted into washroom flush tanks to minimise water usage.

Water Consumption	2025/26 (Litres)	2024/25 (Litres)	2023/24 (Litres)
Municipal Water	118,168,000	113,789,000	106,018,000
Purchased Drinking Water	146,086	103,873	11,789
Total Water Consumption	118,314,086	113,892,873	106,029,789
Water Intensity (litres per occupied room night)	1,877.6	2,020.45	1891.46
Total Effluent Discharged	94,651,268.8	91,114,298.4	84,823,831.2

Materials Management

The nature of The Kingsbury's operations requires the use of both renewable and non-renewable materials, necessitating a comprehensive approach to material management based on careful planning, responsible sourcing, and strict handling procedures to ensure materials are managed effectively across all areas of the hotel.

Material efficiency is underpinned by disciplined inventory management practices designed to minimise waste and prevent overstocking. In addition, as a member of the Lanka Responsible Care Council, we follow strict chemical management practices for storage and handling, including the mandatory use of appropriate personal protective equipment (PPE), along with adherence to Material Safety Data Sheets (MSDS).

This year, we started a rooftop mini garden with cabbage, chillies, tomatoes, brinjals, banana peppers and other vegetables. The garden produces around 50 kg of vegetables per month, which are supplied to the staff cafeteria.

Material Types



Renewable Materials

Food ingredients and cardboard/ paper packaging are renewable.

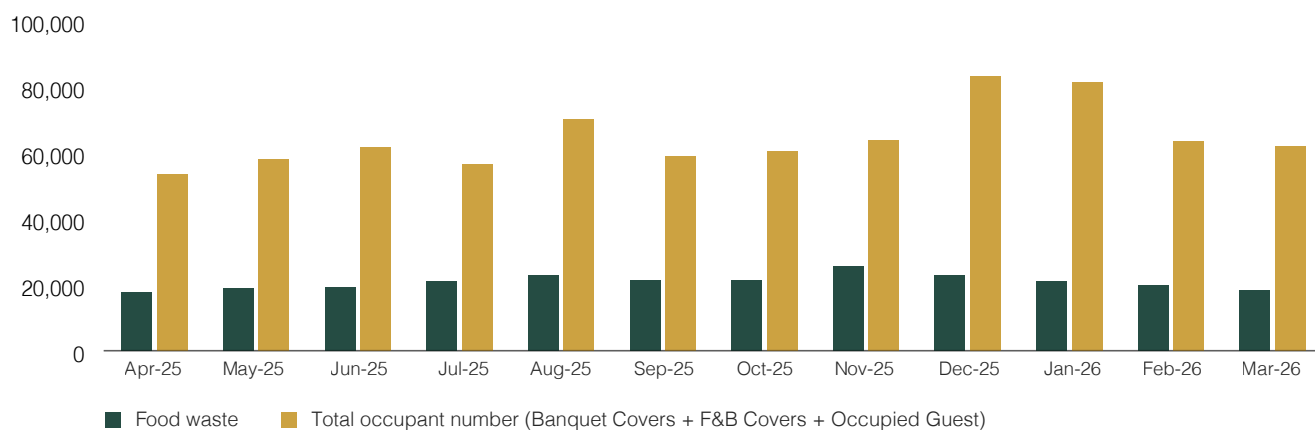


Non-Renewable Materials

Plastic packaging, aluminium, and chemicals are non-renewable.

NATURAL CAPITAL

Wet Garbage Generation for 2025/26



Total Waste Quantity



Impact of Single Use Plastic Phase-Out

	UoM	No. of Units
Annual impact of plastic straw elimination (transition to paper straws)	Units	158,000
Annual impact of polythene laundry bag elimination (transition to paper bags)	Units	7,000
Annual impact of plastic toothbrush elimination (introducing toothbrushes made with rice husk)	Units	30,900

Renewable Material Consumption

	UoM	Renewable Materials
Food ingredients	Kg	1,088,732
Food ingredients	Litres	249,677
Food ingredients	Units	2,414,986
Paper & cardboard (packaging material)	Kg	125
Paper & cardboard (packaging material)	Units	511,347
Paper & cardboard (stationery and amenities)	Units	298,984

Non-Renewable Material Consumption

	UoM	Non-Renewable Materials
Polythene & Plastic (packaging material)	Units	933,158
Aluminium	Units	117,363
Chemicals	Kg	28,652
Chemicals	Litres	24,990
Chemicals	Units	720
Polythene & Plastic (general operations)	Units	385,740

GRI 306 -1, 306 -2, 306 -3, 306 - 4, 306 - 5

Waste and Effluent Management

Given the large volumes of waste generated on a daily basis as a consequence of our core operations, we have established a comprehensive waste stewardship programme based on the 3R principles - Reduce, Reuse, Recycle. Our commitment to waste reduction is led by clear targets for the reduction of all key waste streams generated at all levels of operation. To that end, we monitor waste generation across all sources, with a view to identifying reduction opportunities and strengthening waste management practices.

At the same time to promote responsible reuse and recycling, we have established designated collection areas to facilitate waste segregation. The largest share of our waste matrix is represented by wet garbage which is typically handled through the municipal council's waste management system. To reduce our overall waste footprint, we actively encourage teams to minimising the volume of wet garbage by focusing on better inventory management and food preparation planning in order to reduce food waste at source.

We engage with CEA-approved recyclers to ensure the safe and responsible processing of specific waste categories.

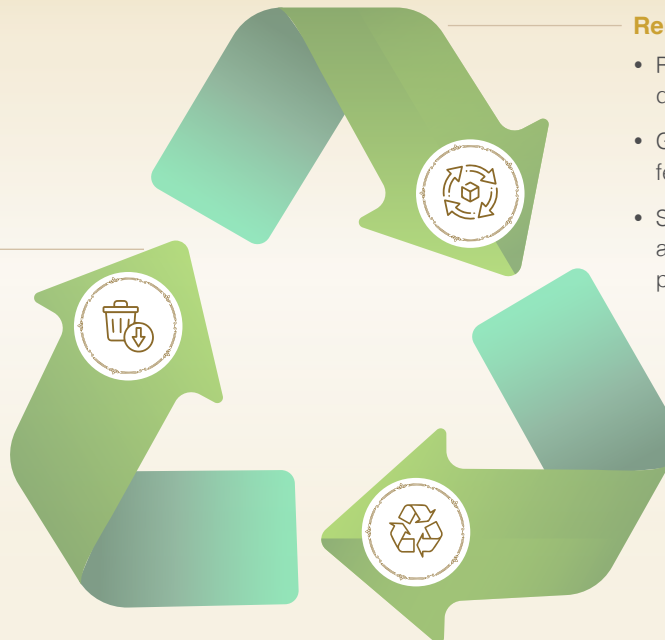
Equally important is the treatment and management of wastewater. Wastewater generated from our operations is managed through the Colombo Municipal Council sewage treatment system. To improve the quality of wastewater discharged from our premises, we upgraded the grease traps in our wastewater lines this year, enhancing overall wastewater quality.

Risk Management Process

The Kingsbury PLC - Ongoing Commitments to Reduce Waste Sent to Landfills

Reduce

- No Bin Day initiative across staff cafeterias
- Food waste reduction programme in kitchens
- Elimination of plastic straws
- Introduction of glass bottles for banquet operations
- Use of ceramic dispensers in guest rooms



Reuse

- Reuse of hangers in the laundry department
- Garden waste is used as organic fertiliser in the rooftop mini garden.
- Selected kitchen by-products are repurposed for internal food preparation.

Recycle

- Partnership with Infinity Green International for e-waste
- Supplier take-back programme with Hotel Emporium Pvt Ltd
- Used cooking oil is given for recycling into biodiesel.

NATURAL CAPITAL

Waste Category		Waste Matrix (MT)			
		Disposal Methodology	2025 /26	2024/25	2023/24
Non-Hazardous Waste	Wet Garbage	Waste sent for landfilling	250.7	251.5	91.5
	Paper & Cardboard	Waste sent for recycling	8.4	11.0	20.7
	Glass	Waste sent for recycling	31.3	34.7	19.5
	Coconut Shells	Waste sent for energy recovery	3.7	2.3	0.0
	Garden Waste	Waste sent for composting	1.1	2.3	1.4
	Mixed Waste	Waste sent for landfilling	1.4	1.1	0.0
	Cooking Oil	Waste sent for energy recovery	2.0	3.3	0.0
	Polythene & Plastic	Waste sent for recycling	12.3	7.1	11.1
	Metal	Waste sent for recycling	2.2	0.9	0.1
	Total Volume of Non-Hazardous Waste		313.1	314.2	144.1
	% of non-hazardous waste diverted from landfill.		15%	17%	
Hazardous Waste	E- waste	Waste sent for recycling	0.1	0.0	0.0
	Total Volume of Hazardous Waste		0.1	0.0	0.0

Biodiversity Preservation

Located in the heart of Colombo, a city of significant ecological importance designated as a Ramsar Wetland City, The Kingsbury recognises its responsibility to support biodiversity enhancement both within its property and beyond. Internally, we adopt conceptual and sustainable landscaping practices to enhance the ecological value within our limited urban footprint.

The Kingsbury proposes to partner to support conservation and public engagement at Gothatuwa Wetland Park.

Gothatuwa Wetland Park is located approximately 9 kilometres from The Kingsbury. It is a 35-hectare urban wetland and an important part of Colombo's wetland ecosystem. Colombo is also recognised as the first and only capital city in the world to be accredited as a Ramsar Wetland City, which makes this partnership especially meaningful.

As an initial step, The Kingsbury team conducted a site visit. Later, held a brainstorming session with the wetland team and The Kingsbury's Heads of Departments. The identified areas for

support include:

- Conduct nature visits for guests.
- Support public awareness and promotion.
- Support installation of information boards and sign.
- Organise staff visits and clean-up activities.
- Support learning and research activities.

Through this proposed partnership, The Kingsbury aims to contribute to the long-term protection of Gothatuwa Wetland Park while creating opportunities for guests, associates and the wider community to better understand and appreciate Colombo's valuable urban wetland ecosystem.

- During the year, we conducted a beach clean-up at Galle Face Beach in collaboration with the Sri Lanka Navy, helping to remove marine litter, improve the coastal environment and raise awareness on responsible waste disposal.

- The Kingsbury is located in Colombo's central coastal district, a setting that links the property to a city internationally recognised for its urban wetlands. Colombo's Ramsar Wetland City status underscores the ecological value of the broader landscape in which the hotel operates.

- Total Land : 18,034
- Built area Footprint(m2) : 3,251

Ramsar wetlands

- Beddagana Wetland Park - 11.1km
- Diyasaru Wetland - 14.2km
- Heen ela wetland - 10.3km
- Kolonnawa wetland - 9.0km
- Kotte wetland - 9.7km
- Thalangama wetland – 15.6km

Forest Reserve

- Palawatte – 12.5km

Sanctuary

- Sri Jayawardenepura – 12.0km
- Bellanwila – 13.1km

Governance & Risk Management

CROWNED BY DISCIPLINE



Strong governance provides the structure that protects excellence and sustains confidence. At The Kingsbury, disciplined oversight, responsible decision-making, and proactive risk management ensure that our operations remain resilient, accountable, and aligned with the standards expected of a trusted hospitality leader.

CORPORATE GOVERNANCE

Approach to Corporate Governance

The Kingsbury PLC’s approach to corporate governance is underpinned by the principles of integrity, accountability, transparency, fairness, and responsible stewardship, which collectively guide the manner in which the Company is directed and managed to ensure sustainable long-term value creation for all stakeholders.

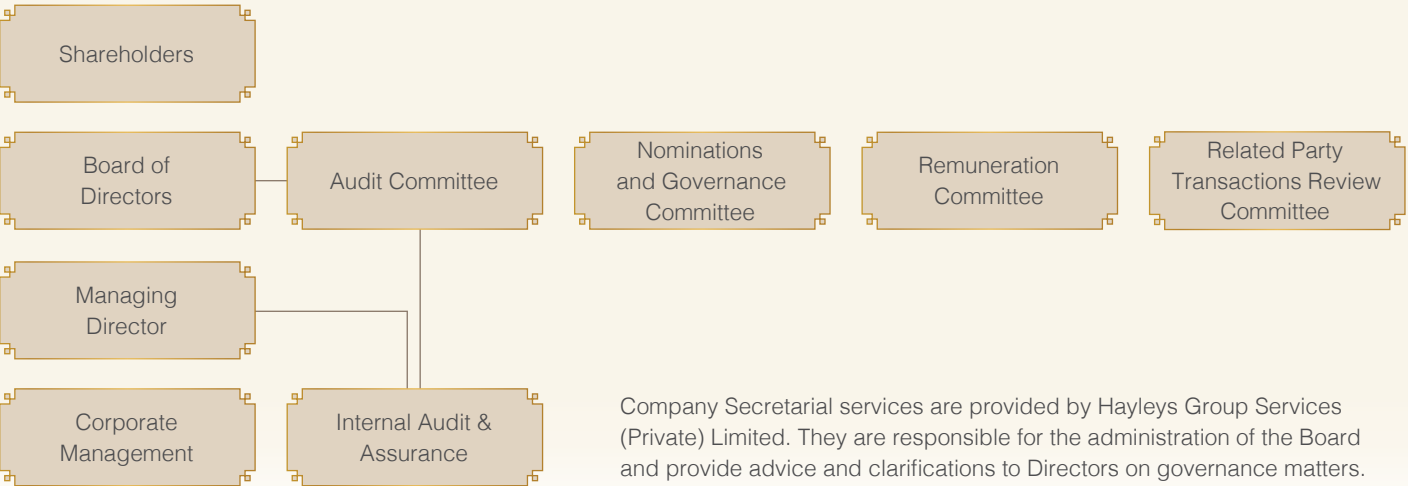
Governance within the Company is institutionalised through a robust governance framework that consists of policies and procedures developed in line with both regulatory requirements and recognised good governance practices. The framework is designed to promote effective oversight, disciplined decision-making, and clear accountability across all levels of the organisation.

The governance framework is supported by a strong structure led by the Board of Directors and supported by its Committees, which collectively provide strategic direction, oversee risk management processes, ensure compliance with applicable laws and regulations, and uphold high standards of ethical conduct and corporate responsibility.



Governance Structure

The Board relies on an effective governance structure for empowerment, accountability and oversight as set out below.



GRI 2 - 12, 2 - 17

The Board

The Board of Directors of The Kingsbury PLC serves as the Company's highest governing and decision-making authority and is collectively accountable to shareholders and stakeholders for the stewardship and long-term sustainability of the business. In discharging this responsibility, the Board is guided by sound governance principles, ethical business conduct, and a firm commitment to responsible corporate leadership.

As the apex governance body of the Company, the Board operates within a clearly defined governance framework anchored by the Board Charter, which sets out the roles, responsibilities, and matters reserved for the Board. This framework ensures clarity in oversight responsibilities while promoting disciplined decision-making, accountability, and effective governance across the organisation.

The Board provides strategic leadership and direction by defining the Company's long-term vision, strategic priorities, and growth aspirations, while ensuring that the necessary financial, operational, and human capital resources are available to effectively execute these objectives. In fulfilling its broader stewardship role, the Board also exercises oversight over key matters relating to strategy, governance, risk management, major investments, and overall organisational performance, thereby safeguarding stakeholder interests and supporting sustainable long-term value creation.

All Board Directors are expected to devote sufficient time, attention, and commitment to the effective discharge of their fiduciary responsibilities. This includes regular attendance at Board and Committee meetings, as well as active and meaningful participation in deliberations by drawing on their experience, expertise to contribute to well-informed decision-making.

MATTERS RESERVED EXPRESSLY FOR BOARD CONSIDERATION

Overseeing the development of strategy in line with the Group's vision, including the review and approval of strategic plans

Approving major capital investments and expansion initiatives

Approving the appointment and removal of Board Directors, Board Committee members, and Key Management Personnel (KMPs)

Reviewing and approving the remuneration of Directors and KMPs

Approving principal regulatory filings and ensuring timely compliance obligations

Evaluating the performance of the Managing Director/CEO and KMPs against approved strategic objectives

Approving succession plans for Executive Directors and KMPs

Reviewing and updating the Board Charter, Board Committee Terms of Reference, governance structures, policies, and procedures as required

GRI 405 -1

Board Composition and Balance

The Board of Directors of The Kingsbury PLC comprises a well-balanced mix of experienced professionals, bringing together executive leadership, independent oversight, and diverse industry expertise. Collectively, the Board possesses extensive experience across hospitality, finance, strategy, governance, and business leadership to enable the Company to navigate an increasingly dynamic operating environment while maintaining a strong focus on long-term strategic priorities and sound governance principles.

The presence of Non-Executive Directors further enhances the Board's effectiveness by bringing independent judgment, objective oversight, and constructive challenge to management proposals, thereby reinforcing accountability across the organisation.

In addition, given that the Chairman of The Kingsbury PLC holds an executive role, a Senior Independent Director has been appointed in line with applicable listing requirements, ensuring a strong independent counterbalance within the Board structure and providing an additional channel for shareholder concerns and governance oversight.

Profiles of Board members are provided in a separate section of this Annual Report Pages 23 to 25.

CORPORATE GOVERNANCE

GRI 2 - 10

Appointment / Re-election / Resignation of Directors

The appointment of Directors of The Kingsbury PLC is overseen by the Nominations and Governance Committee (NGC), which follows a merit-based evaluation process for all prospective candidates. This assessment considers professional qualifications, sectoral expertise, and leadership experience, with the objective of ensuring that the Board remains effective, balanced, and appropriately diverse in its composition.

In carrying out its mandate, the NGC also evaluates the independence of Directors in accordance with Section 9.8.3 of the Listing Rules of the Colombo Stock Exchange and Schedule A of the Code of Best Practice on Corporate Governance 2023. As part of this process, careful consideration is given to external directorships and other commitments to ensure that each Director is able to devote sufficient time, attention, and independence of judgement to the effective discharge of their fiduciary responsibilities with integrity, diligence, and care.

In line with the Articles of Association of the Company, one-third of the Non-Executive Directors retire by rotation at each Annual General Meeting and are eligible for re-election by shareholders, thereby ensuring continuity while enabling periodic Board renewal. In addition, any Director appointed to fill a casual vacancy during the year is required to stand for re-election at the subsequent Annual General Meeting, reinforcing transparency, accountability, and shareholder oversight in the composition of the Board.

All appointments, re-elections, resignations, and retirements of Directors are notified to the Colombo Stock Exchange (CSE) in a timely and transparent manner.

New Appointments

Mr. Thushara Milinda Hewagama, was appointed to the Board as a Non-executive Director with effect from 28th April 2025

Ms. Kulappu Arachchige Donna Samara Perera, was appointed to the Board as a Non-Executive Director with effect from 01st October 2025

Retirement

Mr. Niranjana Joseph De Silva Deva-Adithya, who served as Non-Executive Director of the Company retired from the Board with effect from 25th June 2025.

Re-election at the Fifty Sixth (56th) AGM held on 25th June 2025

The following directors who retired by rotation in terms of Article 29 (1) of the AOA of the Company was re-elected:

- Mr. Sarath Clement Ganegoda
- Ms. Kulappu Arachchige Donna Brindhiini Perera

The following directors who have been appointed to the Board since the last AGM in terms of Article 27(2) of the AOA of the Company was re-elected:

- Mr. Antonio Jonathan Alles
- Mr. Thushara Milinda Hewagama

GRI 2-15

Managing Conflicts of Interest

The procedure for managing conflicts of interest aims to ensure Directors continue to work in the best interest of the Company by disclosing any actual, potential, or perceived conflicts of interest as soon as they arise.

All disclosures are made in writing and formally documented by the Related Party Transactions Review Committee (RPTRC). The RPTRC is responsible for reviewing all disclosures of conflicts of interest made by Directors and recommending appropriate measures to the Board to manage or mitigate such situations, thereby safeguarding the integrity of governance processes. Where a conflict is identified, the concerned individual is required to recuse themselves from related discussions, deliberations, and decision-making processes to ensure objectivity and independence of judgement are maintained.

Name of Director	Directorship at The Kingsbury PLC - Executive / Non-Executive / Independent Non-Executive	Number of Board seats held in Listed Companies		Number of Board seats held in Unlisted Companies	
		Executive	Non-Executive	Executive	Non-Executive
Mr. A. M. Pandithage	Executive	12	1	132	11
Mr. R. J. Karunarajah	Executive	3	1	8	2
Mr. S. C. Ganegoda	Non-Executive	2	9	0	57
Ms. R. N. Ponnambalam	Non-Executive	0	2	1	2
Mr. T. A. B. Speldewinde	Independent Non-Executive	0	9	1	0
Ms. K. A. D. B. Perera	Non-Executive	0	11	0	5
Mr. D. T. R. De Silva	Independent Non-Executive	0	5	0	1
Mr. A. J. Alles	Independent Non-Executive	0	9	1	2
Mr. T. M. Hewagama	Non-Executive	0	4	0	40
Ms. K.A.D.S. Perera	Non-Executive	0	2	0	1

GRI 2 - 19, 2 - 20, 2 - 21

Directors Remuneration

Director remuneration is based on a two tier structure, where Executive Directors and Key Management Personnel (KMPs) receive remuneration comprising both fixed and variable components, with the fixed element reflecting market benchmarks, experience, and scope of responsibility, and the variable component based on the performance-driven approach intended to foster a strong culture of accountability and sustained results. The total remuneration of the highest-paid Executive Director is not disclosed for confidentiality reasons.

Non-Executive Directors receive fixed fees for their service on the Board and its Committees, determined with reference to market practices and peer benchmarks. These fees are periodically reviewed to ensure continued competitiveness and appropriateness in relation to the responsibilities undertaken.

Induction and Training for Directors

All newly appointed Directors to The Kingsbury PLC Board participate in a structured induction programme to help them understand the Group's operations, governance framework, strategic priorities,

and key policies, while also enabling engagement with senior management and access to relevant information to support informed participation from the outset.

In addition, the Company places strong emphasis on continuous learning and development for all Directors, recognising its importance in strengthening Board effectiveness and governance oversight. Ongoing development initiatives are provided to enhance collective knowledge and capability, with focus areas including corporate governance, regulatory updates, risk management, industry developments, and emerging trends shaping the hospitality and tourism sector.

CORPORATE GOVERNANCE

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Duties the Executive Chairman

- Provide leadership to the Board and effective conduct of Board meetings
- Determining the agenda for Board meetings in consultation with the Company Secretary and the Chief Financial Officer.
- Ensure that new Directors go through an induction programme, facilitating their effective participation
- Ensuring compliance with relevant legal and regulatory frameworks
- Balancing of stakeholder interests and meeting obligations
- Ensuring participation of both Executive and Non-Executive Directors
- Ensuring that all Directors are adequately briefed on matters arising at Board Meetings
- Ensuring that Directors contribute effectively, leveraging the collective skills and experience of the Board
- Ensuring that shareholders are given adequate opportunity to make observations, express their views and seek clarifications at meetings of shareholders
- Facilitating effective management of potential conflicts of interest

Role of the Senior Independent Director (SID)

- Act as a bridge between the Board, Shareholders, and Executives.
- Acting as a sounding Board and providing guidance to the Chairman.
- Facilitating communication between Independent Directors and Executive Directors.
- Facilitating communication between Non-Executive Directors and other Directors.
- Leading annual meetings with Non-Executive Directors to assess the Chair's effectiveness.
- Stepping in during board disputes or governance challenges to mediate and resolve issues.
- Assisting in the selection and transition of key leadership roles

Role of the Managing Director /CEO

- Maintaining a close working relationship with the Chairman, and acting as a sounding board for the Chairman when required
- Developing Group's business strategy for approval by the Board
- Developing and recommending to the Board, budgets that support the Group's long-term strategy Effective implementation of business strategy
- Effective management of risks
- Ensuring compliance with applicable rules and regulations
- Succession planning and building talent pipelines for critical roles
- Creating an ethical environment and nurturing a culture based on the Group's values

Board Sub Committees

Board Sub-Committees exist to support the Board in fulfilling its governance responsibilities through focused oversight and specialised review of key areas. Operated under the delegated authority of the Board, sub committees are tasked with deeper examination of complex matters such as audit, risk, remuneration, and nominations to ensure decisions brought to the Board are well-informed and robustly evaluated.

Company Secretaries

Hayleys Group Services (Private) Limited, serves as the Company Secretaries. The Company Secretaries play a central role in facilitating the effective functioning of the governance framework by supporting the Board and its Committees in areas such as regulatory compliance, coordination of meetings, accurate maintenance of minutes and statutory records, and ensuring proper constitution and functioning of Board Committees. They also support the organisation of Annual General Meetings, facilitate timely statutory filings and

disclosures, advise Directors on their duties and responsibilities, and promote transparent shareholder communication, including appropriate disclosure of related party transactions.

All Directors have unrestricted access to the Company Secretaries for guidance on governance matters, regulatory compliance, and Board procedures, thereby enabling informed decision-making and the consistent application of good governance practices.

The Board conducts an annual evaluation of the performance of the Company Secretaries and has determined that Hayleys Group Services (Private) Limited continues to discharge its responsibilities competently and in accordance with required governance standards.

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Board Accountability

Compliance and Best Practices

The Board assumes ultimate accountability for ensuring that the Company operates in full compliance with applicable statutory and regulatory requirements, while also adhering to recognised best practices in corporate governance.

The Board continuously monitors the evolving regulatory landscape and ensures that appropriate governance structures, policies, and controls are in place to support compliance and uphold high standards of corporate behaviour.

Compliance Highlights for Financial Year 2025/26

The Board composition guidelines were strengthened in line with the Listing Rules of the Colombo Stock Exchange ("CSE"),

The minimum number of Directors revised from 3 to 5.

The alternate director provision was incorporated into the Articles of Association ("AOA") of the Group.

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Financial Control and Reporting

The Board is responsible for safeguarding the integrity of the Company's financial control environment and ensuring the reliability, accuracy, and completeness of financial reporting.

In this regard, the Board works closely with the Board Audit Committee (BAC) to oversee the adoption of appropriate accounting policies, the robustness of internal financial controls, and the effectiveness of audit processes, both internal and external. Regular review of financial performance enables the Board to provide informed oversight, support prudent financial management, and ensure that financial discipline is maintained across the organisation, thereby strengthening long-term financial sustainability.

The Board also ensures that financial statements are prepared in accordance with applicable accounting standards and present a true and fair view of the Company's financial performance and position.

For more information, please refer

- The Annual Report of the Board of Directors on the Affairs of the Company on Page 120
- Directors' Responsibility for Financial Reporting on Page 126
- Report of the Auditors on Page 141

Risk Management and Internal Control

The Board has overarching responsibility for the establishment and continuous improvement of a robust risk management and internal control framework, including ensuring key strategic, operational, financial, and compliance risks are systematically identified, assessed, monitored, and appropriately mitigated.

Through structured oversight and delegation to relevant Board Committees where appropriate, the Board ensures that risk management is fully integrated into strategic and operational decision-making.

Additionally, guided by the Board, the Board Audit Committee (BAC) regularly reviews the effectiveness of the internal control systems to ensure they remain fit for purpose in a dynamic operating environment.

For more information, please refer

- The Risk Management Report on Page 109

Conduct and Ethics

As a member of the Hayleys Group, The Kingsbury PLC operates within a strong ethical governance culture, with the Board responsible for setting the "tone at the top" and ensuring that integrity and ethical behaviour are firmly embedded across the organisation.

This commitment is operationalised through the Group's Code of Conduct, "The Hayleys Way", which clearly articulates expected standards of conduct, defines acceptable and unacceptable behaviours, and provides practical guidance to support ethical decision-making in everyday operations. Key elements of this framework include the Anti-Bribery and Anti-Corruption Policy and the Whistleblowing Policy, which together strengthen the Group's commitment to transparency, accountability, and responsible business practices.

CORPORATE GOVERNANCE

Anti-Bribery and Anti-Corruption Policy

Outlines the Group's stance against bribery, kickbacks and facilitation payments. The Policy also includes clauses relating to giving and accepting gifts by employees in their normal course of work. The Anti-Bribery and Anti-Corruption Policy applies to all Group Directors and employees without exception. Regular training is conducted to reinforce these principles among employees and Directors. Similarly, business partners and third parties who act on behalf of the Group are also encouraged to follow the key principles encapsulated in the Anti-Bribery and Anti-Corruption policy.

Whistleblowing Policy

Creates a channel to anonymously report on possible financial irregularities, inappropriate financial reporting, internal controls, or other issues. All Whistleblower complaints are reviewed by the Hayleys Group Whistleblowing Committee with the Committee taking all reasonable steps to maintain two-way communication with the whistleblower, as much as possible. Employees are made aware of the Whistleblowing process through special awareness sessions conducted regularly. Full details regarding the Whistleblower policy and the modalities of its operation is also made available on the intranet.

IT Governance

The Board assumes the primary responsibility for setting the Group's IT strategy in alignment with its broader business objectives across short-, medium-, and long-term horizons. This includes oversight of digital direction, technology investment priorities, and the enabling infrastructure required to support operational efficiency, service excellence, and sustainable growth. The Board also approves the IT budget and ensures that appropriate policies and governance frameworks are in place to support the Company's strategic direction and evolving business model.

HR Governance

The Board is responsible for ensuring that The Kingsbury PLC is adequately staffed with a capable and competent workforce, with the right mix of skills, experience, and leadership to deliver its strategic and operational objectives. In fulfilling this responsibility, the Board oversees HR governance practices to ensure people management practices are fully compliant with applicable legal and regulatory requirements. This is reinforced through Board-approved policies that are aligned with national labour laws as well as internationally recognised frameworks, including relevant ILO Conventions and the principles of the UN Global Compact.

For more information, please refer

- The Human Capital Report on Page 55

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ESG Governance and Reporting

The Board of The Kingsbury PLC institutionalises ESG governance through the "Hive Effect" ESG Roadmap 2030, which serves as the guiding framework for integrating environmental, social, and governance priorities into strategy, decision-making, and day-to-day operations. The Board actively monitors performance against the targets set under the Hive Effect ESG Roadmap 2030, ensuring continuous progress and alignment with long-term sustainability ambitions.

In parallel, the Board promotes transparent and consistent sustainability reporting aligned with globally recognised frameworks such as the GRI Standards and the Integrated Reporting Framework. During the year, proactive steps were taken to strengthen alignment with the SLFRS S1 and S2 sustainability-related disclosure requirements.

Stakeholder Engagement

The Board holds overall responsibility for ensuring effective stakeholder and oversees the development of structured engagement processes that enable regular dialogue with key stakeholder groups. Through this approach, the Board seeks

to strengthen trust, enhance transparency, and ensure that stakeholder insights are effectively integrated into the Company's strategic direction and long-term value creation.

Please refer to the Stakeholder Engagement on Page 30 for more details

Shareholder Relations and Communication

The Board places strong emphasis on maintaining transparent, timely, and effective communication with its shareholders. To discharge its responsibility, the Board holds the Annual General Meetings (AGMs), and complies with financial disclosures in line with regulatory and best practices. Shareholders also have access to key information and updates via the Colombo Stock Exchange (CSE), the corporate website, and periodic reports.

The Annual General Meeting (AGM)

The Annual General Meeting serves as a key platform for shareholders to directly engage with members of the Board. Following the end of each financial year, the Board determines the date of the AGM, ensuring adequate time for effective preparation and participation.

In line with the Listing Rules of the Colombo Stock Exchange, the notice of meeting, along with the Annual Report, audited

financial statements, proposed resolutions, and voting procedures, is circulated to shareholders at least fifteen (15) working days prior to the meeting. This structured approach ensures transparency, enables informed participation, and reinforces strong shareholder communication and governance standards.

The Kingsbury PLC's next AGM is scheduled to be held on 24th June 2026.

Board Meetings

The Board of The Kingsbury PLC meets quarterly, or more often if needed to ensure effective oversight of the Company's performance, governance, and strategic direction. Board meetings provide a structured forum for reviewing financial and operational results, monitoring risk and compliance matters, and assessing progress against strategic objectives. They also enable Directors to engage in informed discussion, provide guidance to

management, and make timely decisions on key matters affecting the business, thereby strengthening accountability and supporting sound corporate governance.

The Board met 05 times during the year, with all Board meetings characterised by a high degree of attendance, active participation, constructive and open discussions.

ACCESS TO INFORMATION

Directors of The Kingsbury PLC have full and unrestricted access to all information necessary to perform their duties effectively. This includes access to Key Management Personnel, the Company Secretarial function, financial records, Board papers, management reports, and other operational information to support informed decision-making and effective oversight. Where required, Directors may also obtain independent professional advice at the Company's expense to further support the discharge of their responsibilities.

Process for Scheduling Board Meetings

Before the Meeting

The Company Secretarial Division, in consultation with the Chairman and the Managing director / CEO, are responsible for setting the agenda for Board meetings. The agenda is carefully structured to ensure adequate time is allocated to address all key matters, including strategy, financial performance, industry developments, risk management, and regulatory compliance in order to facilitate meaningful discussions and informed decision-making.

A Board-approved procedure allows any Director to formally request, in writing, the inclusion of additional matters or proposals in the agenda. Once the agenda is finalised, a comprehensive information pack containing the meeting agenda and relevant Board papers is circulated to all Directors at least seven working days before the scheduled meeting.

At the Meeting

It is mandatory for all Directors to attend Board meetings with all Board members expected to come well prepared and actively participate in all matters outlined under the agenda. The Chairman / Chairperson of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting.

Key Management Personnel are invited to provide a comprehensive update on the Group's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda.

A representative from the Company Secretarial Division is required to maintain minutes of every Board meeting.

After the Meeting

The Company Secretaries are required to submit the minutes of the meeting to the Chairman for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the particular meeting. Minutes of the meetings are typically circulated within two weeks after the meeting date.

CORPORATE GOVERNANCE

Board Meetings and Attendance

The Board of The Kingsbury PLC met once every quarter. The Directors' attendance during the year is shown in the table below.

Name of Director	Executive / Non-Executive / Independent Non-Executive	Board Meeting	Audit Committee Meeting	Nominations & Governance Committee Meeting	Remuneration Committee Meeting	Related Party Transactions Review Committee Meeting
Mr. A. M. Pandithage - Chairman	Executive	05/05	-	-	-	-
Mr. R. J. Karunaratna - Managing Director	Executive	05/05	-	-	-	-
Mr. S. C. Ganegoda	Non-Executive	03/05	-	01/02	01/02	03/05
Ms. R. N. Ponnambalam	Non-Executive	05/05	-	-	-	-
Mr. T. A. B. Speldewinde	Independent Non-Executive	05/05	05/05	02/02	02/02	05/05
Ms. K. A. D. B. Perera	Non-Executive	05/05	-	-	-	-
Mr. D. T. R. De Silva	Independent Non-Executive	05/05	05/05	02/02	02/02	05/05
Mr. A. J. Alles	Independent Non-Executive	04/05	04/05	01/02	01/02	04/05
Mr. T. M. Hewagama (Appointed w.e.f. 28th April 2025)	Non-Executive	05/05	-	-	-	-
Ms. K. A. D. S. Perera (Appointed w.e.f. 01st Oct 2025)	Non-Executive	04/04	-	-	-	-

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Evaluating Board Performance

The process of evaluating Board and Sub Committee performance is undertaken with a view to driving continuous improvement in governance effectiveness. The evaluation is conducted annually through a formal self-assessment process undertaken by Directors. Directors provide confidential feedback on both collective and individual performance, including Board composition, quality of deliberations, effectiveness of meetings, the effectiveness of the Chairman and Committee Chairs. The results are reviewed by the Nominations and Governance Committee, with key findings and recommendations subsequently presented to the Board.

Evaluating the Performance of the Managing Director (MD) / CEO

The performance of the Managing Director / CEO is formally evaluated by the Board annually. The main purpose of this evaluation is to assess the CEO's effectiveness in delivering agreed performance outcomes, providing leadership, and driving operational and financial performance in line with Board-approved priorities.

The evaluation process is based on clearly defined performance criteria, including achievement of strategic goals, financial results, operational efficiency, risk management, and leadership effectiveness. It typically incorporates both quantitative and qualitative measures and is supported by structured feedback from the Board. The outcomes of the evaluation are communicated to the Remuneration Committee to inform adjustments to the MD/CEO's remuneration as appropriate.

SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
A. DIRECTORS			
A.1 The Board			
The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Economics, Marketing and Business Leaders. All Directors possess complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on Pages 23 to 25.			
1. Board Meetings	A.1.1	Compliant	The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met five (05) times during the year on 28th July 2025, 27th October 2025, 27th January 2026, 12th May 2026 and 29th May 2026. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on Page 92 of the Annual Report.
2. Board Responsibilities	A.1.2	Compliant	The Board is responsible to the Shareholders for creating and delivering long-term sustainable Shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.
3. Compliance with laws and access to independent professional advice	A.1.3	Compliant	The Board collectively, and Directors individually recognise their duty to comply with laws of the country which are applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.
4. Company Secretary	A.1.4	Compliant	Company Secretarial Services are provided by Hayleys Group Services (Private) Limited which is headed by an Attorney-at-Law who is a qualified Chartered secretary ably assisted by professionally qualified secretaries who are registered with the Registrar of Companies. The services of the Company Secretary are made available to Directors as necessary. The Company Secretary keep the Board informed of new laws, regulations and requirements coming into effect, which are relevant to them as individual Directors and collectively to the Board. The Company has obtained appropriate insurance covers and it is further detailed in Page 122 under "Annual Report of the Directors on the Affairs of The Company".

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
5.	Independent judgment	A.1.5	Compliant	Non-Executive directors are independent of the management and free from any business and other relations. The directors exercise independent judgement to bear on all issues of strategy, performance, resources and standards of business conduct. The Non-Executive Directors make an annual determination of their independence through a signed and dated declaration to that effect and make sure there is no conflict of interest. The Board gives direction to the long term strategy, seeking and contributing views and opinions on strategic options proposed by the Executive Management. All members of the Board have fiduciary duties and statutory liabilities, regardless of whether they are Executive or Non-Executive.
6.	Dedication of adequate time and effort by the Board and the Company	A.1.6	Compliant	All Directors of the Company dedicate adequate time and effort to fulfil their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
7.	Calling for a Resolution	A.1.7	Compliant	Any Director can call for a resolution to be presented to the board where they feel it is in the best interest of the Company.
8.	Training for Directors	A.1.8	Compliant	The Board regularly reviews and agrees on the training and development needs of the Board members, to ensure Directors are capable to make appropriate decisions with regard to the current and future performance of the business.
A.2 Chairman and Chief Executive Officer (CEO)				
There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making. The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day-to-day operations of the Company.				
9.	Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	Compliant	The positions and functions of the Chairman and the Managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the Company. The Board has delegated this responsibility to the Managing Director and he then leads the Corporate Management team in making and executing operational decisions. The Managing Director is also responsible for recommending strategy to the Board.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
A.3 Chairman's Role				
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of the Board functions. The profile of the Chairman is given on Page 23.				
10	Role of the Chairman	A.3.1	Compliant	The Chairman is an outstanding business leader and provides leadership to the Board, controls and preserves order at Board meetings and provides the Board with strategic direction and guidance in managing the affairs of the Company. The Chairman maintains close contact with all Directors and where necessary, holds meetings with Non-Executive Directors without Executive Directors being present. The Chairman is also responsible for: - Ensuring the new Board Members are given an appropriate induction, covering terms of appointment - Ensuring the effective participation of both Executive and Non-Executive Directors. All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company - Ensuring that a balance of power between Executive and Non-Executive Directors is maintained - Ensuring that the views of Directors on issues under consideration are ascertained - Ensuring that the agenda for board meetings is developed in consultation with the Managing Director, Chief Financial Officer and the Company Secretary taking into consideration the matters relating to strategy, performance, resource allocation, risk management and compliance.
A.4 Financial Acumen				
The Code requires that the Board comprises members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as the Chairperson of the Audit Committee is a qualified Accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.				
11.	Financial acumen and knowledge	A.4	Compliant	The Board includes four senior Chartered Accountants (Institute of Chartered Accountants of Sri Lanka & CIMA UK) one of whom serves as the Chairman of the Audit Committee. These Directors add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.
A.5 Board Balance				
The Code requires that a balance is maintained between the Executive and Non-Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Two (02) Executive Directors and Eight (08) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.				
12.	Presence of Non-Executive Directors	A.5.1	Compliant	The Board consists of 10 Directors comprising of: Executive Directors (ED) - 02, Non-Executive Directors (NED) - 05, Independent Non-Executive Directors - 03 (INED)

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
13.	Criteria to evaluate Independence of Non-Executive Directors	A.5.3	Compliant	Refer Section A.5.5 below. The Board considers Non-Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment. The Board complies with the criteria for determining independence of directors.
14.	Signed declaration of independence by the Non-Executive Directors	A.5.4	Compliant	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
15.	Determination of Independence	A.5.5	Compliant	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are: Mr. T. A. B. Speldewinde Mr. D. T. R. De Silva Mr. A. J. Alles
16.	Alternate Directors	A.5.6	Compliant	No alternate Director has been appointed by any of the Board Members.
17.	Senior Independent Director	A.5.7	Compliant	The Board has appointed Mr. T. A. B. Speldewinde as the Senior Independent Director ('SID') of the Company. A report from the SID is included in Page 134 of the Annual Report.
18.	Role of the SID	A.5.8.	Compliant	The SID makes himself available for confidential discussions with other directors who have concerns which they believe have not been properly considered by the Board. A report from the SID is included in Page 134 of the Annual Report.
19.	Meetings between Chairman and Non-Executive Directors	A.5.9	Compliant	The Chairman holds meetings with Non-Executive Directors without the presence of Executive Directors as necessary and at least once a year.
A.6 Supply of Information				
Management should provide time-bound information in a format that is appropriate and which enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.				
20.	Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Compliant	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
21.	Adequate time for effective Board meetings	A.6.2	Compliant	The Minutes, Agenda and papers required for Board meetings are provided in advance to facilitate its effective conduct.

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
A.7 Appointments To The Board				
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.				
22.	Nominations and Governance Committee	A.7.1 & A.7.2	Compliant	The Company established its own Nominations and Governance Committee (NGC) on 2nd May 2024. Please refer NGC report on Page 131. On the recommendation of the NGC, the Board annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.
23.	Disclosure of new appointments	A.7.4	Compliant	A brief resume of the Director, nature of his/her experience and names of the companies he/she holds the directorship and the independence is informed to the Colombo Stock Exchange and disclosed in the Annual Report on Pages 23 to 25.
24.	Report of the NGC in the Annual Report	A.7.5	Compliant	A Report of the NGC is included in Page 131 of the Annual Report.
25.	Terms of Reference of NGC	A.7.6	Compliant	The NGC has comprehensive Terms of Reference, which include the composition and functions of the NGC.
A.8 Re-election of Directors				
All Directors should be required to submit themselves for re-election at regular intervals at least once in every three years.				
26.	Re-election of Directors:	A.8.1 & A.8.2	Compliant	The provisions of the Company's Articles of Association require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-appointment by the Shareholders at that meeting. The Articles of Association call for one third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/ re-appointment. Retiring Directors are generally eligible for re-election. The Managing Director does not retire by rotation.
27.	Resignation of Directors:	A.8.3	Compliant	Directors who resigned prior to completion of his/her appointed term, provided a written communication to the board of his/her reasons for resignation.
A.9 Appraisal of Board Performance				
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.				
28.	Annual performance evaluation of the Board and its Committees	A.9.1, A.9.2, A.9.3 & A.9.4	Compliant	The Board undertakes an annual self-evaluation of its own performance and of its committees. The Board evaluated its performance and effectiveness in the current year.
A.10 Disclosure of Information in Respect of Directors				
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the Shareholders.				
29.	Details in respect of Directors	A.10.1	Compliant	The following details pertaining to each Director are disclosed as follows: (a) Brief profile with expertise and experience - Pages 23 to 25. (b) Directors' Interest in Contracts - Page 120. (c) Attendance at Board meetings and Committee meetings held during the year - Pages 92, 127, 129, 131 and 135.

CORPORATE GOVERNANCE

Corporate Governance Principles		Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
A.11 Appraisal of Managing Director				
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.				
30.	Targets and Evaluation of the Managing Director	A.11.1 and A.11.2	Compliant	Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director. The performance of the Managing Director is evaluated by the Board each quarter and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.
B. DIRECTORS' REMUNERATION				
B.1 Remuneration Procedure				
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.				
31.	Remuneration Policy	B.1	Compliant	The Company has a formal and transparent procedure for fixing remuneration of Executives and Directors. No director is involved in deciding his/her own remuneration.
32.	Establishment of Remuneration Committee	B.2.1, B.2.2, B.2.3	Compliant	The Company established its own Remuneration Committee on 2nd May 2024. Refer Report of the Remuneration Committee on Page 129. Details of the payment of remuneration to Directors are disclosed in Page 121 of the Annual Report.
33.	Terms of Reference of Remuneration Committee	B.2.16	Compliant	The Remuneration Committee has comprehensive Terms of Reference, which include the composition and functions of the Committee.
B.2 The Level and Make-up of Remuneration				
The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.				
34.	Level of Remuneration	B.2, B.2.4, B.2.6, B.2.7	Compliant	The Remuneration Committee structures the remuneration package to attract, retain and motivate the Directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.
35.	Levels of Remuneration of Executive Directors	B.2.5 & B.2.8	Compliant	Remuneration for Executive Director(s) promotes short, medium and long term performance of the Company. The performance-related elements are transparent and is reviewed by the Remuneration Committee annually against the set targets and goals.
36.	Levels of Remuneration of Non-Executive Directors	B.2.14	Compliant	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26	
B.3 Disclosure of Remuneration				
The Code requires the Company to disclose in its Annual Report the details of the Remuneration paid and the Remuneration Policy.				
37.	Disclosure of Remuneration and Remuneration Committee	B.3. B.3.1 & B.2.15	Compliant	Please refer Page 130 for the total Directors' remuneration. A Report of the Remuneration Committee is included in Page 129 of the Annual Report.
C. RELATIONS WITH SHAREHOLDERS				
C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings				
The Code requires the Board to use the AGM to communicate with shareholders and encourage their active participation. In this regard, all Shareholders of the Company receive the Notice of Meeting within the statutory due dates.				
38.	Adequate Notice of AGM	C.1.1, C.1.2 and C.1.3	Compliant	The Annual Report including Financial Statements of the Company are published on the websites of the Company and the Colombo Stock Exchange (CSE). Notice of Meeting and the Form of Proxy are sent to shareholders 15 working days prior to the date of the AGM as required by statute in order to provide the opportunity to all the shareholders to attend the AGM. The Company proposes a separate resolution at the AGM on each substantially separate issue. Further, the adoption of the Annual Report of the Board of Directors on the Affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution. The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.
C.2 Communication with Shareholders				
The Code requires that the Board should implement effective communication with Shareholders.				
39.	Channel to reach all shareholders	C.2.1	Compliant	The main mode of communication between the Company and the shareholders is the AGM. Shareholders are provided with the information prior to the AGM. Further, financial and other announcements are promptly submitted to the CSE to publish on the CSE website.
40.	Policy methodology and process for communication with shareholders.	C.2.2.	Compliant	An open-door policy is in place, which enables Shareholders to keep in constant touch, visit and obtain information from the Company Secretaries, Hayleys Group Services (Private) Limited and engage in dialogue.
41.	Contact person for communication	C.2.4 & C.2.6	Compliant	Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena - 0112627653)
42.	Process to make Directors aware of major issues and concerns of Shareholders	C.2.5	Compliant	All major issues relating to Shareholders are brought to the attention of the Board.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
C.3 Major Transactions			
The Code requires that the Board discloses major and material transactions of the Company to its Shareholders.			
43. Channel to inform details of major transactions to Shareholders	C.3, C.3.1, C.3.2 & C.3.3	Compliant	The Company disclosed details of the major and material transactions of the Company to its Shareholders through financial and other announcements submitted to the CSE. The Company complied with the Companies Act No. 07 of 2007 ('Companies Act') and CSE Listing Rules pertaining to major transactions.
D.1 Financial and Business Reporting (The Annual Report)			
The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.			
44. Board's responsibility for Statutory and Regulatory Reporting	D.1, D.1.1, D.1.2, D.1.3	Compliant	The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner. When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act, Listing Rules of the CSE and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Financial Statements include a statement from the Managing Director and Chief Financial Officer declaring that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.
45. Declaration by Directors' report in the Annual Report	D.1.4	Compliant	The Directors have made all required declarations in the "Annual Report of the Board of Directors" that appears on Pages 120 to 124 of the Annual Report.
46. Statement of Directors and Auditors	D.1.5	Compliant	The "Statement of Directors' Responsibilities" is given on Page 126 and the "Auditors' Report" is given on Pages 141 to 143 of the Annual Report.
47. Management Discussion & Analysis in the Annual Report	D.1.6	Compliant	The "Management Discussion and Analysis" is given on Pages 51 to 82 of the Annual Report.
48. Summoning an EGM in the event the net assets of the company fall below 50% of the value of the company's shareholders' funds.	D.1.7	Compliant	Net Assets of the Company did not fall below 50% of the value of the Company's Shareholders' funds during Financial Year 2025/26.
49. Disclosure of related party transactions	D.1.8	Compliant	Refer the "Related Party Transactions Review Committee Report" on Page 127 of the Annual Report and Note 30 of Financial Statement.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
D.2 Risk Management and Internal Control			
The Board should have a sound system of internal controls to safeguard Shareholders' investments and the Company's assets. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.			
50. Annual evaluation of the Internal Controls System and Risk Management	D.2.1, D.2.1.1, D.2.1.2, D.2.1.3	Compliant	The Board is responsible for the Company's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MASRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MASRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MASRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
51. Availability of internal audit function and disclosure in Annual Report.	D. 2.2.2 & D 2.2.3	Compliant	Please refer Internal Control and Risk Management Report on Pages 122 and 109 to 116 of the Annual Report.
52. Review of the process and effectiveness of risk management and internal controls.	D.2.2.3	Compliant	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.
D.3 Audit Committee			
The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor. Mr. T. A. B. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The Managing Director, General Manager and the Chief Financial Officer attend the meetings of the Audit Committee by invitation. The Audit Committee has written Terms of Reference and is empowered to examine any matters relating to the financial affairs of the Company and its Internal and External Audits.			
It helps the Company to strike the proper balance between conformance and performance.			
53. Composition of the Audit Committee	D.3.1	Compliant	Audit Committee consists of Three (03) Independent Non-Executive Directors Mr. T. A. B. Speldewinde - Chairman Mr. D. T. R. De Silva - Member Mr. A. J. Alles - Member The Company Secretaries, Hayleys Group Services (Private) Limited serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit, the Chief Financial Officer and Hayleys Group CFO are invited to attend meetings as required. The input of the External Auditors and the Group Internal Auditor is obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
54. Terms of Reference of the Audit Committee	D.3.2	Compliant	The scope of the Audit Committee has been widened to include risk management duties. Refer the Audit Committee Report on Page 135. Terms of Reference of the Audit Committee clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee.
55. Disclosures of the Audit Committee	D.3.3	Compliant	The Report of the Audit Committee is given on Pages 135 to 137 of the Annual Report.
D.4 Risk Committee			
The board should establish a procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.			
56. Established procedure for risk management	D.4	Compliant	The Audit Committee oversees the procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.
D.5 Related Party Transactions Review Committee			
The Board should establish a procedure to ensure that the Company does not engage in transactions with “related parties” in a manner that would grant such parties “more favourable treatment” than that accorded to third parties in the normal course of business.			
57. A related party and related party transactions will be as defined in LKAS 24.	D.5.1	Compliant	The Company adopts the definition of a related party and related party transactions as defined in LKAS 24.
58. Establishment of Related Party Transactions Review Committee and composition.	D.5.2	Compliant	The Company established its own Related Party Transactions Review Committee (RPTRC) on 2nd May 2024. Please refer RPTRC Report on Page 127 of the Annual Report.
59. Written terms of reference of Related Party Transaction Review Committee.	D.5.3	Compliant	The RPTRC has written Terms of Reference.
D.6 Code of Business Conduct and Ethics			
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.			
60. Code of Business Conduct and Ethics	D.6	Compliant	The Directors and the Members of the Senior Management are bound by the ‘Hayleys Way’ which is the code of business conduct and ethics of the Hayleys Group. The Company adopted the Internal Code of business conduct and Ethics Policy with effect from 01st October 2024. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour etc.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
D.7 Corporate Governance Disclosure			
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.			
61. Disclosure of corporate governance	D.7.1	Compliant	This requirement is met through the presentation of the Annual Report.
E. INSTITUTIONAL INVESTORS			
Institutional shareholders have the responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are transacted into practice.			
E.1 Shareholders' Voting			
62. Communication with Shareholders	E.1.1	Compliant	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its Shareholders at General Meetings. In this regard, the AGM of the Company plays a critical role. Voting by the Shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the Shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company. Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena - 0112627653)
F. OTHER INVESTORS			
63. Investing/Divesting Decision	F.1 & F.2	Compliant	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. They are also encouraged to participate in General Meetings of the Company and exercise their voting rights. Information is disseminated to all shareholders.
G. Internet of Things & Cyber Security			
The Board should have a process to identify how the business models, IT devices within and outside the rationalisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business.			
64. Internet of Things & Cyber Security	G.1	Compliant	The Company has implemented a property management and financial information system which has increased the effectiveness and efficiency in the provision of management information and has implemented a comprehensive IT policy which strengthens controls of the organisation's IT system and ensures unauthorised access and data loss is prevented. The Hayleys Group's Disaster Recovery Policy ensures that daily backups are taken in a timely manner and stored in remote locations ensuring reduction of downtime and continuity of operations during a disaster.
H. SUSTAINABILITY: ENVIRONMENT, SOCIETY AND GOVERNANCE (ESG) RISK AND OPPORTUNITIES			
The process of recognising, managing, measuring and reporting ESG			
65. ESG Reporting	H.1	Compliant	As a subsidiary of the Hayleys Group, the Company complies with the Hayleys Lifecode which sets out the Hayleys Group Sustainability framework. The Company has in place formal processes for collecting the non-financial information necessary for sustainability reporting which are reviewed quarterly by the Company Board. A dedicated sustainability function supports the Company's sustainability agenda and progress made is set out in the Natural Capital Report on Page 74.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2025/26
I. SPECIAL CONSIDERATIONS FOR LISTED ENTITIES			
Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.			
66. Establishments of the following Policies:	I.1.1		The Company has published the policies on the company website.
a) Policy on the Matters relating to the Board of Directors			
b) Policy on Board Committees			
c) Policy on Corporate Governance			
d) Policy on Rewards and Remuneration			
e) Business Code of Conduct			
f) Policy on Risk Management and Internal Control			
g) Policy on Shareholder and Investor Communications			
h) ESG - Environmental Policies			
i) ESG – Social Policies			
j) Policy on Whistleblowing			
k) Policy on Good Governance and Business Ethics			
l) Policy on Control and Management of Company Assets and Shareholder Investments			
m) Policy on Corporate Disclosure			

SECTION 2: COLOMBO STOCK EXCHANGE LISTING RULES Statement of Compliance

This section covers The Kingsbury PLC's extent of adherence to the requirements of Sections 7 and 9 of the Listing Rules of the Colombo Stock Exchange.

Compliance with CSE Continuing Listing Rules – Section 7.6

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Report of the Board of Directors on Pages 120 to 124.
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Shareholder Information on Page 185.
7.6 (v)	Directors' and CEO's (MD's) holding in shares	Compliant	Report of the Board of Directors on Page 120.
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on Pages 109 to 119.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on Page 55.
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate on Page 161.
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors on Page 120.
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information on Page 185.
7.6 (xi)	Ratios and Market Price Information	Compliant	Information given on Page 185.
7.6(xii)	Changes in Entity's and subsidiaries' fixed assets and market value of land	Compliant	Information provided in Page 163.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report on Page 84.
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Compliant	Related Party Transactions on Pages 175 to 178.

Compliance with CSE Continuing Listing Rules – Section 9

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	Policy on the Matters relating to the Board of Directors Policy on Board Committees Policy on Corporate Governance Policy on Rewards and Remuneration Business Code of Conduct Policy on Risk Management and Internal Control Policy on Shareholder and Investor Communications ESG - Environmental Policies ESG – Social Policies Policy on Control and Management of Company Assets and Shareholder Investments Policy on Corporate Disclosure Policy on Whistleblowing Policy on Good Governance and Business Ethics The Company has published the policies on the company website: https://www.thekingsburyhotel.com/annual-reports.
9.3	Board Committees	Compliant	The Company has established an Audit Committee, Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board.
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with Shareholders	Compliant	The Company has a Shareholder Communication and Relations policy and it is published on the corporate website. Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena- 0112627653) The policy includes a process whereby Directors are informed of major issues and concerns of Shareholders.

CORPORATE GOVERNANCE

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.5.1	Policy on matters relating to the Board of Directors	Compliant	The Policy specifies the minimum number of meeting which a director is required to attend which is 50% of the meetings.
9.6. 2	Chairperson and CEO	Compliant	The positions of Chairperson and CEO are held by separate individuals.
9.6.3	Senior Independent Director	Compliant	The Company has a Senior Independent Director (SID) the rationale is given in Page 96.
9.6.3. (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in Page 134.
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee of the Company fulfil the assessment criteria set out in the Listing Rules.
9.7.2	Fitness of Directors and CEO	Compliant	The Company ensures that all persons recommended by the Nominations and Governance Committee as Director satisfy the Fit and Proper Assessment Criteria before such Nominations are placed before these appointments are made.
9.7.4	Fitness of Directors and CEO	Compliant	The Directors and the CEO have provided declarations confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 10 Directors as at date.
9.8.2	Independent Directors	Compliant	3 Directors are Independent.
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each NED signed and submitted a declaration regarding his/ her independence. The Board assessed the independence declared by the Director. The Board having considered that the Independent Directors who have served over 9 years do not exert control over the Company and are capable of acting in an impartial and independent manner, determined that they are nevertheless independent.
9.9	Alternative Directors	N/A	Company does not have any Alternative Directors
9.10.1	Disclosure relating to Directors		As per the Company's policy, the maximum number of directorships a Director can hold is in 20 Listed Companies.

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.10.2	Disclosure relating to Directors	Compliant	The Company disclosed the appointments of new Directors to the Colombo Stock Exchange, together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Company. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board of the Company. Please refer Pages 23 to 25 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the Colombo Stock Exchange.
9.10.4	Disclosure relating to Directors	Compliant	Please refer Pages 23, 84 and 120.
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on Page 131.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 4 NEDs.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on Page 131.
9.12.6	Composition of Remuneration Committee	Compliant	Refer Remuneration Committee Report on Page 129.
9.12. 2-5	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on Page 129 and Principles B1 to B3 on Pages 98 and 99 of this Corporate Governance Report.
9.12.7	Functions of Remuneration Committee	Compliant	Refer Remuneration Committee Report on Page 129.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	The remuneration paid to Directors is given in Note 30.9 to the Financial Statements on Page 178.
9.13.2	Audit Committee	Compliant	Refer Audit Committee Report on Pages 135 to 137.
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on Page 135.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on Page 135.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on Page 135.
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC comprises 04 Directors out of which 3 Directors are Independent. Please see the Report of the Related Party Transactions Review Committee in Page 127.

CORPORATE GOVERNANCE

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transactions Review Committee in Page 127.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 05 times during the Financial year 2025/26 refer Page 127.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 30.2 of the Notes to the Financial Statements on Page 175.
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 30.2 and 30.3 of the Notes to the Financial Statements on Page 175.
9.14.8	The Report by the Related Party Transactions Review Committee	Compliant	Please refer the Report of the Related Party Transactions Review Committee on page Page 127.
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on Page 120.
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on Pages 120 to 124 and Corporate Governance Report on Pages 84 to 108.

RISK MANAGEMENT

The approach to risk management at The Kingsbury PLC is anchored by the Enterprise Risk Management (ERM) framework to identify, assess, monitor, and mitigate risks in a systematic and consistent manner by ensuring risk considerations are fully integrated into strategic planning, operational decision-making, and performance management to enable the Company to respond proactively to an evolving and complex business environment.



Risk Governance Structure

A robust risk governance structure establishes clear oversight, accountability, and reporting lines to support the effective implementation of its Enterprise Risk Management (ERM) framework.

Role of the Board

The Board of The Kingsbury PLC, as the highest governing authority, is responsible for overseeing the effective functioning of the ERM framework. In discharging this responsibility, the Board works closely with the Board Audit Committee and management to ensure that risk management systems, internal controls, and mitigation mechanisms are implemented and continuously strengthened across the organisation.

Three Lines of Defence

The Company applies the Three Lines of Defence model to clearly define responsibilities for risk management and assurance. Operational management is responsible for identifying and managing risks, oversight functions provide monitoring and challenge, and independent assurance providers deliver objective evaluation of the effectiveness of risk controls.

RISK MANAGEMENT

Policies and Procedures

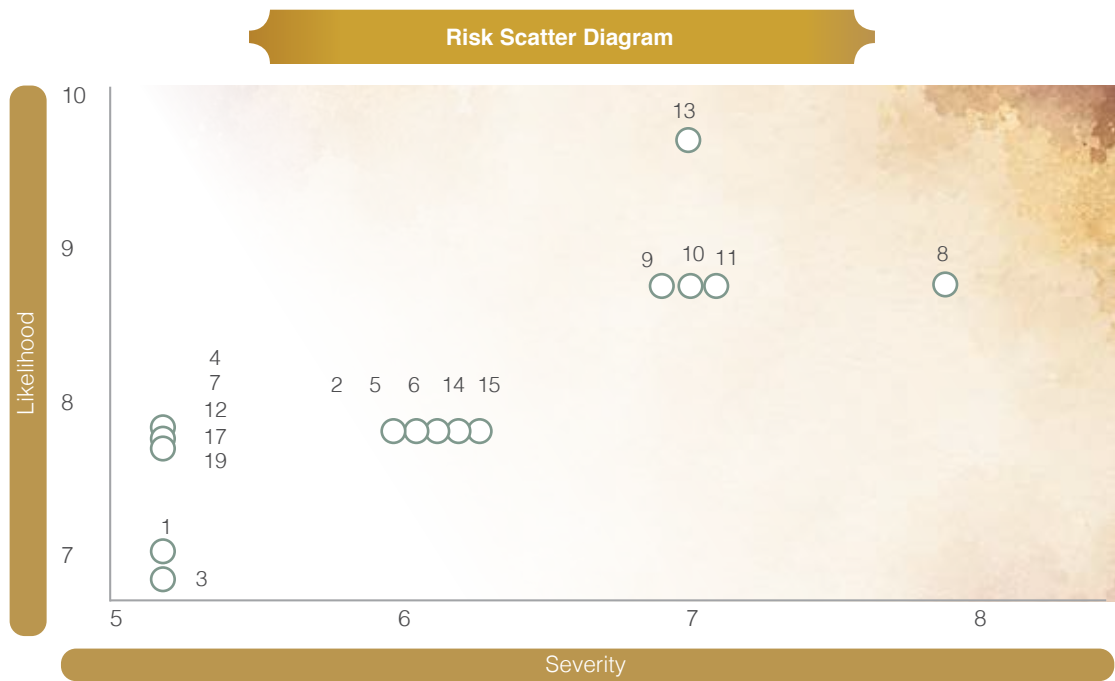
Policies and procedures provide the foundation for the effectiveness of the Enterprise Risk Management (ERM) framework. Top Management and Board-approved policies define the overarching governance principles and risk management expectations, while operational procedures translate these principles into consistent day-to-day practices across all functions and operations. Together, they strengthen internal controls, support regulatory compliance, reduce operational inconsistencies, and reinforce disciplined and consistent decision-making across the organisation.

The Board undertakes regular reviews of these policies and procedures to ensure they remain relevant and aligned with evolving regulatory requirements, emerging risks, industry best practices, and changes in the operating environment

Risk Awareness Culture

The Board sets the tone from the top in fostering a strong culture of risk awareness across the organisation. Given the inherently dynamic and externally sensitive nature of the tourism and hospitality sector, the Board actively promotes a mindset in which risk management is embedded within everyday decision-making and recognised as a shared responsibility across all levels of the Company.

Through ongoing communication, governance oversight, policies, procedures, and awareness initiatives, the Company reinforces a strong understanding of operational, financial, regulatory, environmental, reputational, and safety-related risks across all functions and properties. Employees are further encouraged to proactively identify, assess, and escalate emerging risks and opportunities in a timely and transparent manner, thereby strengthening organisational responsiveness, accountability, and resilience.



- | | | |
|-----------------------|---------------------------------------|---------------------------------|
| 1. Interest Rate Risk | 8. Geoeconomic Risk | 15. Information Security Risk 3 |
| 2. Forex Risk | 9. Climate-related physical risks | 16. Theft & Fraud |
| 3. Liquidity Risk | 10. Direct/Indirect Material Scarcity | 17. Regulatory Compliance Risk |
| 4. Credit Risk | 11. Community impacts | 18. Business Continuity Risk |
| 5. Competition Risk | 12. Employee Turnover | 19. Health Risk |
| 6. Concentration Risk | 13. Information Security Risk 1 | |
| 7. Supply Chain Risk | 14. Information Security Risk 2 | |

S - Short-term M - Medium term L - Long term

↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

Interest Rate Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Reductions in the CBSL's Overnight Policy Rate (OPR) to 7.75% in August 2025 contributed to continued interest rate stability during the year, resulting in a lower overall cost of borrowing	All facilities are linked to AWPLR	↔	M
Severity: 7			
Likelihood: 5			

Forex Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Pressure on cost structures and lack of earnings predictability, due to LKR volatility	- Monitor exchange rate movements and Key Economic Indicators (KEI) - Adopting dynamic pricing strategies with current market conditions and diversification of international clientele	↗	S/M
Severity: 8			
Likelihood: 6			

Liquidity Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Limited cash flow hindering fulfillment of financial commitments	- Securing banking facilities to support liquidity and operational needs - Targeting shorter working capital cycles to enhance cash flow efficiency - Adopting a forward-looking approach to working capital management - Strengthening financial agility through proactive liquidity planning - Improving operational efficiency by optimising cash conversion cycles	↔	S/M/L
Severity: 7			
Likelihood: 6			

RISK MANAGEMENT

Credit Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Risk of Defaults with possible losses and Negative cash flow straining operational working capital	- Evaluation of new customer's creditworthiness individually - Bi-Annual reviewing of Approved Group Credit Limits - Monthly review of Debtors Aging	↔	S 
Severity: 8			
Likelihood: 5			

Competition Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Intense competition from both established and emerging players, leading to intense price pressure and reduced profitability.	- Establishment of market intelligence and competitor monitoring systems - Continuous tracking of industry trends and competitive movements - Strengthening unique selling points (USPs) across offerings - Driving product innovation to enhance market differentiation - Enhancing customer experience through service excellence - Reinforcing brand positioning within the competitive landscape	↗	M/L 
Severity: 8			
Likelihood: 6			

Concentration Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Dependency on intermediaries or distribution channels and higher market segmentation	- Invest in latest technological advancements to reach higher capture ratio - Strengthening direct relationships with customers	↔	M/L 
Severity: 8			
Likelihood: 6			

Supply Chain Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Single supplier sourcing, geo-political disruptions and sourcing discontinuity leading to supply chain disruption due to increase in demand and supply shortages	- Formation of a tiered supplier base to strengthen supply chain resilience - Diversification into alternative supplier markets and primary sourcing channels - Establishment of contingency plans to mitigate supply disruptions - Proactive inventory management to maintain adequate buffer stocks	↗	S/M
Suppliers' credibility	- Oversight by the Supplier Evaluation Committee for Supplier Screening and Supplier Onboarding - Practices of Centralised & Decentralised Category Management Framework	↔	S/M

Severity: 8

Likelihood: 5

Geoeconomic Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Geo political instability and social unrest disrupting the economic stability, subsequently affecting the ability of local and global travelers to spend on leisure and tourism	- Diversification of target markets i.e. new emerging markets such as India, China, and Southeast Asia specially short haul travellers - Introducing specially curated packages to attract domestic travelers	↗	S/M

Severity: 9

Likelihood: 8

Climate-related physical risks

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Extreme weather, intense rainfall, flooding and heat stress may disrupt hotel operations, guest access, events and service continuity, while increasing cooling demand, repair costs and business continuity requirements. Weak climate resilience may affect guest comfort, revenue, reputation and long-term asset resilience. This risk aligns with SLFRS S1/S2 material relating to extreme weather conditions and Energy Transition	- Implement the Hive Effect ESG Roadmap 2030 with targeted KPIs. - Strengthen emergency preparedness, business continuity and property-level climate resilience. - Continue energy, water and food waste reduction initiatives. - Conduct quarterly monitoring of energy intensity, water intensity, and waste intensity, emissions, renewable energy progress.	↗	M/L

Severity: 9

Likelihood: 7

RISK MANAGEMENT

Direct/Indirect Material Scarcity

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Limited F&B raw materials, water scarcity, external water dependency and supply chain disruption may affect menu planning, banqueting, laundry, hygiene, guest comfort and costs. This risk aligns with SLFRS S1/S2 energy transition and Waste Management	- Strengthen circular economy practices through resource reuse, local sourcing and sustainable cultivation initiatives. - Enhance farm-to-table freshness through the mini garden initiative, reducing reliance on external supply chains. - Monitor freshwater intensity, procurement resilience, supplier ESG screening, raw-material shortages and wet-waste intensity.		S/M 
Severity: 9			
Likelihood: 7			

Community impacts

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Potential adverse impacts on the community due to pollution and negative environmental implications of operations	- Maintain controls for waste, effluent, chemicals and biodiversity, including composting, segregation, authorised recycling and e-waste disposal with Infinity Green International (Pvt) Ltd. - Strengthen chemical handling, effluent monitoring, community engagement and biodiversity conservation, including the Gothatuwa Wetland Park Conservation Programme. - Track ESG indicators such as waste diversion, wet-waste intensity, d, effluent quality, chemical audits, incidents, complaints and biodiversity actions through ESG/risk governance channels.		S/M/L 
Severity: 9			
Likelihood: 7			

Employee Turnover

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Employees looking for alternative employment, locally and internationally and challenges in attracting and retaining skilled employees	- Continuous training and development programmes for employee development - Salary and benefits benchmarked to industry standards - Continuation of succession planning funnel (PDP/PIP) - Strengthening of talent development and capability-building initiatives - Focus on structured career progression and workforce planning		S/M 
Severity: 9			
Likelihood: 5			

Absence of an Acceptable usage policy that is acknowledged and accepted by the users.

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
The absence of an Acceptable usage policy that covers the responsibilities of the users and the expected usage requirements of the organisation's assets could lead to the users not being able to be held accountable for any misuse and legal actions being taken against any non-compliances.	- Establishment of a formal Acceptable Usage Policy - Definition and communication of user responsibilities and usage rules - Strengthening of IT governance and compliance controls	↔	S
Severity: 10			
Likelihood: 7			

Outdated or end-of-life access layer network switches with lack of firmware support and limited configuration review

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Vulnerabilities in outdated switch firmware and insecure configurations may expose the network to security risks or instability, especially at access layer level	- Replacement of outdated access layer switches (08–10 years old) - Partial mitigation of security risks through upgraded firewall controls	↔	S/M
Severity: 8			
Likelihood: 6			

Incomplete classification of assets and identification of critical assets

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Critical information assets may not be properly identified or classified, leading to inadequate protection, prioritisation, and security controls	Asset classification exercise has been initiated, critical assets to be identified and fully documented.	↔	S/M
Severity: 8			
Likelihood: 6			

Theft & Fraud

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Potential Damage to brand leading to loss of business opportunity	- Enforced robust security surveillance in key operational areas - Strengthening Internal control processes, - Segregation of duties and reviews by Internal & External Audit - Comprehensive insurance to cover unforeseen losses	↗	M/L
Severity: 8			
Likelihood: 5			

RISK MANAGEMENT

Regulatory Compliance Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Non-compliance of Licenses & permits, environmental and labor law compliances leading to damage in organisations reputation, penalties and charges	- Ongoing tracking of changes in laws, regulations, and industry standards at both local and international levels. - Engagement with legal and regulatory advisors		S/M/L 
Severity: 8			
Likelihood: 5			

Business Continuity Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Disruption to operation due to external factors	Expansion of existing Business Continuity Plan		S/M 
Severity: 8			
Likelihood: 5			

Health Risk

Potential Impact	Risk Mitigation Strategy	Outlook	Time Horizon
Arising of health and safety incidents, including food safety concerns, communicable diseases, accidents, workplace hazards and continuation of mild vector bone diseases locally leading to severe safety protocols	- Adherence to established health and safety protocols - Close monitoring of regional health and safety regulations - Proactive environmental management practices - Intensified vector-control and prevention efforts		S 
Severity: 8			
Likelihood: 5			

Information Security Framework

During the year, Hayleys Leisure Sector continued to strengthen its cybersecurity posture through the implementation of a comprehensive Information Security Risk Management Policy Framework aligned with internationally recognised standards, including ISO/IEC 27001 and ISO/IEC 27005 : 2022.

The Information security framework establishes a structured approach to safeguarding the confidentiality, integrity, and availability of the Group's information assets, including guest data, financial systems, and digital platforms. Key focus

areas included enhancing access controls, strengthening network and endpoint security, improving backup and recovery capabilities, and reinforcing defenses against evolving threats such as phishing, malware, and ransomware.

Regular risk assessments, vulnerability management activities, and monitoring mechanisms were carried out to proactively identify and mitigate cybersecurity risks across hotel operations and corporate environments. The multi-dimensional view ensures we don't underestimate risks that may seem minor in one area but are catastrophic in another.

In parallel, the Group continued to promote a strong cybersecurity culture through awareness programs, including phishing simulations and staff training initiatives, ensuring that employees remain vigilant and equipped to respond to emerging threats.

Cybersecurity remains a key priority for Hayleys Leisure Sector as part of its broader digital transformation journey, with ongoing investments directed towards strengthening resilience, ensuring regulatory compliance, and maintaining the trust of guests, partners, and stakeholders.

SLFRS S1 & S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

1. Overview and Basis of Preparation

This section presents The Kingsbury PLC's initial sustainability-related financial disclosures, prepared in line with the direction of SLFRS S1 and S2. The disclosure focuses on sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) that are most relevant to the hotel's urban hospitality operations for the financial year 2025/26.

The forthcoming financial year (2026/27) will mark the first period in which compliance with SLFRS S1 and SLFRS S2 becomes mandatory. During the year under review, the The Kingsbury PLC focused on establishing the foundational processes, governance structures and data collection mechanisms required to support implementation of the new standards. While this has enabled compliance with the core requirements, further enhancements are planned during 2026/27 to strengthen data quality and improve the maturity of sustainability-related reporting. These ongoing efforts will support full alignment with the evolving requirements of the standards and further enhance the transparency of the The Kingsbury PLC's disclosures.

As permitted, the Group has availed the following transition relief in this year's disclosures

- Qualitative disclosure of financial effects
- Deferment of quantitative disclosures on scenario analysis

Reporting matter	Disclosure basis
Reporting boundary	The Kingsbury PLC, covering hotel operations, banqueting, food and beverage, accommodation, engineering, housekeeping and related support functions.
Reporting period	Financial year 2025/26, with material developments considered up to the date of approval.
SRRO/CRRO selection	Selected through value chain mapping, impact pathway assessment, likelihood and severity scoring, and management judgement.
Transition approach	Certain disclosures are qualitative in the current year while data systems, baselines, methodologies and controls continue to mature.

2. Significant Judgements and Measurement Uncertainty

Management applied judgement in identifying the most relevant SRROs/CRROs for the hotel and in assessing their likely effect on the business model, value chain and financial performance. The final matters selected are: Extreme Weather Conditions, Energy Transition and Waste Management.

Measurement uncertainty may arise where data depends on manual records, third-party information, shared utility systems, estimation methods or operational activity levels. The hotel manages this through internal reviews, operational cross-checks, Hayleys CUBE-based ESG data reporting, corrective actions and continuous improvement of monitoring systems.

3. Governance and Management Oversight

Oversight of sustainability-related and climate-related matters is exercised through the governance structure of The Kingsbury PLC, supported by Hayleys Group ESG oversight. The Board retains overall responsibility for sustainability oversight, while management-level committees support implementation, monitoring and reporting.

Governance level	Role in SRRO/CRRO oversight
Board of Directors	Provides overall oversight of sustainability-related matters and their linkage to strategy, risk management and reporting.
Management / ESG oversight	Reviews material sustainability matters, operational progress, policy implementation, risk responses and reporting readiness.
The Kingsbury PLC -level teams	Implement energy, waste, resilience and environmental management actions across day-to-day hotel operations.
CUBE reporting and EMS	Support monitoring of environmental performance, internal audits, corrective actions and data consolidation.

SLFRS S1 & S2 SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

4. Strategy and Value Chain Mapping

The hotel operates in a city hospitality environment where continuity of service, guest comfort, resource efficiency, event operations, responsible waste handling and brand reputation are central to long-term value creation. The identified SRROs/CRROs are assessed across the value chain to understand their implications for suppliers, own operations, guests, corporate customers and the wider urban environment.

Value chain stage	Relevance to The Kingsbury
Upstream	Energy supply, water supply, food and beverage procurement, packaging, chemicals, guest amenities, maintenance services and waste contractors.
Own operations	Accommodation, restaurants, kitchens, banqueting, refrigeration, HVAC, laundry, engineering, housekeeping, waste segregation and emissions monitoring.
Downstream	Guest experience, corporate events, customer expectations, responsible disposal pathways, reputation and contribution to Colombo's urban environmental quality.

5. Identified SRROs/CRROs and Strategic Implications

SRRO / CRRO	Classification	Time horizon	Strategic implication
Extreme Weather Conditions	Climate-related physical risk	Short, medium and long term	May affect business continuity, guest access, cooling demand, repair needs and revenue through disruption events.
Energy Transition	Climate-related transition risk / opportunity	Short, medium and long term	Drives focus on energy efficiency, equipment upgrades, emissions monitoring and renewable energy investment.
Waste Management	Sustainability-related risk / opportunity	Short and medium term	Requires continued focus on waste reduction, segregation, recycling, responsible disposal and food waste management across kitchens, banqueting, guest rooms and staff facilities.

6. Current and Anticipated Financial Effects

SRRO / CRRO	Current effects	Anticipated effects
Extreme Weather Conditions	Weather-related disruption may affect occupancy, events, guest comfort, utilities, maintenance and service continuity.	Potential increase in resilience planning, emergency preparedness, repair costs, insurance attention and climate-related business interruption assessment.
Energy Transition	Energy use is monitored across accommodation, cooling, ventilation, kitchens, refrigeration, lighting, laundry and event operations.	Further investment in efficient systems, preventive maintenance, monitoring tools and renewable energy may affect capex but support long-term operating efficiency.
Waste Management	Waste is generated across kitchens, banqueting, guest rooms, housekeeping and staff facilities, with wet garbage remaining a key management focus.	Stronger waste controls, recycling partnerships, supplier take-back arrangements and food waste reduction programmes are expected to improve resource efficiency and reduce disposal risk.

7. Risk Management

The hotel applies a structured process to identify, assess and prioritise SRROs/CRROs. The process considers impact pathways, value chain exposure, time horizon, likelihood, severity and potential financial implications. The assessment is supported by the ESG framework, internal audits, corrective actions, management reviews and ESG data submitted through the Hayleys CUBE Sustainability Data Management System.

Assessment element	Approach
Time horizon	Short term: 0-2 years; Medium term: 3-5 years; Long term: beyond 5 years.
Likelihood	Assessed using management judgement, operational experience, exposure of the asset and expected recurrence of the impact.
Severity	Assessed by considering potential revenue loss, opex increase, capex requirements, operational disruption, reputation and compliance implications.
Prioritisation	Matters with higher likelihood and severity are prioritised for management attention, monitoring and disclosure.

8. Metrics and Targets

The hotel is progressively strengthening its metrics and targets framework to monitor the selected SRROs/CRROs and support future SLFRS S1 and S2 reporting. At this stage, the focus is on measuring key operational indicators, reviewing progress and improving data quality rather than presenting fully quantified targets for all areas.

Metric area	Current approach
Extreme Weather Conditions	Weather-related disruptions, service interruptions, repair requirements and business continuity responses are monitored and reviewed through operational incident follow-up.
Energy Transition	Energy consumption, efficiency initiatives, equipment performance, emissions monitoring and renewable energy-related investments are tracked to assess progress.
Waste Management	Waste generation, segregation, recycling, responsible disposal, food waste reduction and approved recycler arrangements are monitored to support improved waste stewardship.
Environmental management	ESG controls, internal audits, corrective actions and CUBE reporting are used to monitor environmental performance and support management review.
Data quality	Data collection, internal review and documentation processes are being strengthened to support future quantitative disclosures and assurance readiness.

9. Forward Roadmap

- Strengthen waste data by waste stream, disposal pathway and recycler/contractor arrangement.
- Enhance documentation of operational responses, including repair, maintenance and business continuity measures.
- Further improve greenhouse gas emissions reporting, including relevant Scope 3 categories as methodologies mature.
- Develop clearer baselines, progress indicators and internal controls to support future SLFRS S1 and S2 disclosures.

10. Forward-looking Note

Certain statements in this disclosure are forward-looking and are based on available information, current assumptions and management judgement. Actual outcomes may differ due to changes in climate conditions, regulation, market expectations, technology availability, supplier performance, guest demand and operating conditions.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of The Kingsbury PLC are pleased to present their report on the affairs of the Company 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 required by the Companies Act No. 07 of 2007 (the Companies Act), the Listing Rules of the Colombo Stock Exchange (Listing Rules of CSE) and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements were reviewed and approved by the Board on 29th May 2026..

Principal Activities and Business Review of the Year

The Principal Business Activity of the Company is to operate star class city Hotel- The Kingsbury Hotel Colombo.

There were no material changes in the nature of business of the Company during the financial year.

There has been no non-compliance with laws or regulations and the Directors to the best of their knowledge and belief, confirm that the Company has not engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company by the Government.

The Company's businesses and their performance during the year, with comments on financial results, as well as future business developments are appraised in the Chairman's and the Managing Director's messages on Pages 16 and 19 of this Report. Those also provide an overall assessment of the state of affairs of the Company with details of important events that took place during the period.

The segment wise contribution to the Company's revenue, profit, result, assets and liabilities are provided in Note 4.1 to the Financial Statements.

These reports together with the Financial Statements reflect the state of affairs of the Company.

The Company was listed on the Colombo Stock Exchange on 01st January 1982 subsequent to an Initial Public Offering.

Financial Statements

The Financial Statements of the Company are given on Pages 140 to 183.

Independent Auditor's Report

The Auditor's Report on the Financial Statements is given on Pages 141 to 143.

Accounting Policies

The Accounting Policies adopted in preparation of Financial Statements are given on Pages 149 to 157.

Changes made to the Accounting Policies during the accounting period are described under Note 03 of the Financial Statements.

Directors' Shareholdings

The shareholdings of the Directors are as follows;

Shareholder Name	Shareholding as at 31.03.2026	Shareholding as at 31.03.2025
Mr. A. M. Pandithage	Nil	Nil
Mr. R. J. Karunarajah	Nil	Nil
Mr. S. C. Ganegoda	125,000	125,000
Ms. R. N. Ponnambalam	Nil	Nil
Mr. T. A. B. Speldewinde	Nil	Nil
Ms. K. A. D. B. Perera	Nil	Nil
Mr. D. T. R. De Silva	Nil	Nil
Mr. J. A. Alles	Nil	Nil
Mr. T. M. Hewagama (Appointed w.e.f. 28th April 2025)	Nil	Nil
Ms. K. A. D. S. Perera (Appointed w.e.f. 01st October 2025)	Nil	Nil
Mr. N. J. De S. Deva Adithya (Retired w.e.f. 25th June 2025)	Nil	Nil

Interest Register

The Company, in compliance with the Companies Act, maintains an Interest Register.

Particulars of entries in the Interests Register are detailed below:

Mr. Dhammika Perera directly and indirectly holds 51.01% of the total issued shares of Hayleys PLC which in return holds 36.08% of shares in the Company.

Hayleys PLC, in which Mr. Mohan Pandithage, Mr. Sarath Ganegoda, Mr. Rohan Karunarajah and Mr. Timothy Speldewinde are Directors, holds 174,614,114 shares (36.08%) in the Company.

Carbotels (Pvt) Limited, in which Mr. Mohan Pandithage, Mr. Sarath Ganegoda, Mr. Milinda Hewagama are Directors holds 113,250,000 shares (23.40%) in the Company.

Directors' Interests in Shares

Directors' Interests in shares are given later in this Report.

Directors' Interests in Transactions

The Directors of the Company have made the general disclosure as per section 192 (2) of the Companies Act No. Note 30.8 to the Financial Statements dealing with related party disclosure includes details of their interests in transactions.

Directors Emoluments and Other Benefits

Directors' emoluments in respect of the Company for the financial year ended 31st March 2026 is given in Note 30.8 to the Financial Statements.

Executive Directors' remuneration is established within an established framework. The total remuneration of Executive Directors for the year ended 31st March 2026 is Rs. 88,856,019/- The total remuneration of Non-Executive Directors for the year ended 31st March 2026 is Rs. 5,450,000/- determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

Directors' Meeting

The number of Directors' meetings comprises Board meetings, Sub-Committee meetings and the attendance of Directors at these meetings are given on Page 92, 127, 129, 131 and 135. Furthermore, the Directors contributed towards policy advocacy and direction by participating in the deliberations of the Board-appointed Sub-Committees on strategic review, procurement and disposal of assets.

Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the Company to present a true and fair view of the state of its affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards, The Companies Act and the Listing Rules. The Statement of Directors'

Responsibility for Financial Reporting is given on Page 126 which forms an integral part of the Annual Report of the Board of Directors.

Board Sub Committees

The Company on 2nd May 2024, established its own Board Sub Committees.

The Remuneration Committee held 02 meetings, The Related Party Transactions Review Committee held 05 meetings, The Nominations and Governance Committee held 02 meetings and the Audit Committee held 05 meetings during the year.

Please refer the sub committee reports in Pages 127, 129, 131 and 135.

Related Party Transactions

The Related Party Transactions Review Committee met 05 times during the financial year 2025/26. Related Party Transactions are given in Note 30 in the Notes to the Financial Statements.

The Board of Directors hereby confirms that the Company has complied with rules stipulated in Section 9.14 of the Colombo Stock Exchange Listing Rules pertaining to Related Party Transactions.

The Company established its own Related Party Transactions Review Committee on 2nd May 2024. Please refer Page 127 for the Related Party Transactions Review Committee Report.

The names of the members of the Committee and their attendance at the Meetings are given on the Related Party Transactions Review Committee Report in Page 127.

Corporate Donations

No donations were made during the year.

Directors of the Company

The names of the Directors who served during the year are given below and their brief profiles appear on Pages 23 to 25 of this Annual Report.

Executive Directors

Mr. A. M. Pandithage - Executive Chairman
Mr. R. J. Karunarajah - Managing Director

Non-Executive Directors

Mr. S. C. Ganegoda
Ms. K. A. D. B. Perera
Mr. N. J. De S. Deva Adithya – Retired w.e.f. 25th June 2025
Ms. R. N. Ponnambalam
Mr. T. M. Hewagama - Appointed w.e.f. 28th April 2025
Ms. K. A. D. S. Perera – Appointed w.e.f. 01st October 2025

Independent Non-Executive Directors

Mr. T. A. B. Speldewinde
Mr. D. T. R. De Silva
Mr. J. A. Alles

In accordance with Rule 9.8.5 of the Listing Rules of CSE, Non-Executive Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A of the Listing Rules of CSE.

In terms of the Article No. 86 of the Articles of Association of the Company, Ms. R. N. Ponnambalam, Mr. T. A. B. Speldewinde and Mr. D. T. R. De Silva retire by rotation and being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, an ordinary resolution will be put before the shareholders for the re-appointment of Mr. A. M. Pandithage notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

Ms. K. A. D. S. Perera was appointed to the Board as a Non-Executive Director on 01st October 2025 in terms of Article No. 94 of the Articles of Association of the Company. Shareholders will be requested to re-elect Ms. K. A. D. S. Perera at the Annual General Meeting.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

With a view to improving the collective effectiveness and performance of the Board, Board and Sub Committee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

Insurance and Indemnity

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and Officers of the Group.

Policies

The Company has adopted the following policies, with effect from 01st October 2024 and has uploaded them to the Company's website:

- Policy on the Matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Rewards and Remuneration
- Business Code of Conduct
- Policy on Risk Management and Internal Control
- Policy on Shareholder and Investor Communications
- ESG - Environmental Policies
- ESG – Social Policies
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosure
- Policy on Whistleblowing
- Policy on Good Governance and Business Ethics

'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and

other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Group. The Hayleys Lifecode is accessible through the Company website.

ESG RISK AND OPPORTUNITIES

The Company's efforts to conserve scarce and non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on Pages 74 to 82 Please refer the Risks and Opportunities and Climate Risk Report on Pages 109 to 119 for further details.

Internal Controls

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance, inter alia, regarding safeguarding the assets, the maintenance of proper accounting records and the reliability of financial information generated and cyber security.

All internal controls which include financial controls, operational and compliance controls and risk management have been reviewed by the Board of Directors and they have obtained reasonable assurance of the effectiveness of the existing controls. The successful adherence to existing controls has been ascertained and improvements have been carried out where necessary. The Board is satisfied with the Company's adherence to and the effectiveness of these controls.

Going Concern

The Directors, after making necessary inquiries and reviews including the reviews of the Company's budget for the ensuing year, capital expenditure requirement, future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

Auditors

The Auditors of the Company during the year, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 1,066,168 /- (2024/25 – Rs.1,500,000/-) as audit fees by the Company. In addition, they were paid Rs. 513,153/- (2024/25 – Rs. 3,725,419/-) by the Company for non-audit related work.

The Audit Committee of the Company reviews the appointment of the Auditor, its effectiveness and the relationship with the Company including the level of audit and non-audit fees paid to the Auditors.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company. The Auditors have confirmed that they do not have any relationship (other than that of Auditors) or interest in the Company other than those disclosed above.

Messrs. Ernst & Young Chartered Accountants, have expressed their willingness to continue in office and in accordance with the Companies Act a resolution proposing the re-appointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorise the Directors to determine their remuneration is being proposed at the Annual General Meeting.

Investments

No investments made during the financial year.

Property, Plant and Equipment

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 12 to the Financial Statements.

MARKET VALUE OF PROPERTIES

The freehold land in the Company has in general been subject to routine revaluation by independent qualified valuers. The most recent valuation was conducted in the financial year 2025/26 and results have been incorporated in the Financial Statements.

Changes in Fixed Assets

The movement in Fixed Assets during the year is set out in Note 12 to the Financial Statements.

Capital Commitments

Details of the capital commitments of the Company as at 31st March 2026 are disclosed in Note 26 to the Financial Statements.

Issue of shares and debentures - Stated Capital and debentures

The Stated Capital of the Company as at 31st March 2026 is Rs. 836,000,000/- comprising 484,000,000 ordinary shares. There was no change in the stated capital during the year. The Company did not issue any shares or debentures during the year ended 31st March 2026.

Reserves

Total Company reserves as at 31st March 2026 amounts to Rs. 1,698,226,000/- (2024/25 – (Rs. 1,327,106,000/-) Movements are shown in the Statement of Changes in Equity in the Financial Statements.

Taxation

The tax position of the Company is given in Notes 10 and 21 to the Financial Statements.

Dividends

No Dividends were declared during the Financial Year.

Market Price Information

Information relating to market price is given on Page 185.

Employees and Industrial Relations

There have been no material issues pertaining to employees and industrial relations of the Company during the Financial Year.

Number of persons employed by the Company as at 31st March 2026 was 737.

EMPLOYMENT

The Company has a structure and a culture that recognises the aspirations, competencies and commitment of its employees. Career growth and advancement within the Company is promoted. The number of persons employed by the Company at the year-end, details of the Group's human resource practices and employee and industrial relationships are given in the Social and Relationship Capital of the Sustainability Review. The Company does not operate any share option scheme.

Investor Information and Major Shareholders

The twenty largest shareholders of the Company as at 31st March 2026, together with an analysis are given on Page 186 of the Annual Report.

The number of registered shareholders of the Company as at 31st March 2026 was 7,770.

Public shareholding

As at 31st March 2026, 39.17% of the issued capital of the Company was held by the public comprising 7,766 shareholders.

SHARE INFORMATION

Information relating to earnings, dividend, net asset per share and share trading are given on Pages 185 and 186.

SHAREHOLDERS

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

The Company has an established Policy on Relations with Shareholders and Investors and it is published on the Company's website - <https://thekingsburyhotel.eme-devops.com/2024/09/7-Policy-on-Relations-with-Shareholders-and-Investors.pdf>

Exposure to risk

The Company's Audit Committee play a major role in the process of risk assessment. The Risk Management section of this report elaborates these practices and the risk factors of the Company.

Statutory payments

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made and provided.

The declaration relating to statutory payments is made in the Statement of Directors' Responsibilities on Page 126

Contingent liabilities

There were no material contingent liabilities outstanding as at 31st March 2026 other than that described in Note 25 of the Financial Statements.

Post balance sheet events

Subsequent to the date of the Balance Sheet no circumstances have arisen which would require adjustments to the accounts. Significant post balance sheet events which in the opinion of the Directors require disclosure are described in Note 35 to the Financial Statements.

Corporate Governance

The Company has complied with the revised Corporate Governance rules laid down under the Listing Rules of the CSE and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on Pages 84 to 108 discusses this further.

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Mr. T. A. B. Speldewinde was appointed as the Senior Independent Director on 1st November 2023 in accordance with the Corporate Governance requirements. The Board was of the opinion that Mr. A. M. Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Group. Please refer the Senior Independent Director's Report on Page 134.

The Directors satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules and other regulatory requirements.

There have been no non-compliances with laws or regulations and the Directors to the best of their knowledge and belief confirm that the Company has not engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company by the Government or any regulatory authority in any jurisdiction where the Company operates.

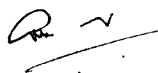
FUTURE DEVELOPMENTS

Information on future developments are contained in the both Chairman and Managing Directors Reports on Page 16 and 19 of this Report.

Annual General Meeting

The Annual General Meeting will be held at the Chas P. Hayley Lounge, No. 400, Deans Road, Colombo 10 at 2:00 p.m. on 24th June 2026. The Notice of the Annual General Meeting appears on Page 200 of the Annual Report.

For and on behalf of the Board
The Kingsbury PLC



Mohan Pandithage
Executive Chairman



Rohan Karr
Managing Director



Hayleys Group Services (Private) Limited
Secretaries

29th May 2026

RESPONSIBILITY STATEMENT OF CHAIRMAN, MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

The Financial Statements of The Kingsbury PLC as at 31st March 2026, are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- The Companies Act No. 07 of 2007
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Listing Rules of the Colombo Stock Exchange
- The Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka

We confirm that the significant accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied, as described in the Notes to the Financial Statements. The significant accounting policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit Committee and our External Auditors.

We have also taken proper and sufficient care in installing systems of internal controls and accounting records to safeguard assets and to prevent and detect frauds as well as other irregularities. These have been reviewed, evaluated, and updated on an ongoing basis. Reasonable assurances that the established policies and procedures of the Company have been consistently followed were provided by periodic audits conducted by Group's Internal Auditors. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The Audit Committee of the Company meets periodically with the Internal Auditors and the Independent Auditors to review the effectiveness of the audits and to discuss auditing, internal controls, and financial reporting issues. The Independent Auditors

and the Internal Auditors have full and free access to the Audit Committee to discuss any matter of substance.

The Financial Statements were audited by independent External Auditors, Messrs Ernst & Young, Chartered Accountants. Their report is given on Pages 141 to 143 of the Annual Report.

The Audit Committee approves the audit and non-audit services provided by the External Auditor, in order to ensure that the provision of such services do not impair their independence.

We confirm that,

The Company has complied with all applicable laws, regulations and prudential requirements;

There are no material non-compliances; and

There are no material litigations that are pending against the Group.



Mohan Pandithage
Executive Chairman



Rohan Karr
Managing Director



Piyal Senadeera
Chief Financial Officer

29th May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under Sections 150 and 151 of the Companies Act No. 07 of 2007 (the Companies Act), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148 of the Companies Act for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS).

The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control in order to prevent and detect fraud and other irregularities.

The External Auditors, Messrs. Ernst & Young, Chartered Accountants, were deemed re-appointed in terms of section 158 of the Companies Act and were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on Pages 141 to 143 sets out their responsibilities in relation to the Financial Statements.

Compliance report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or provided where relevant.

By Order of the Board of The Kingsbury PLC



Hayleys Group Services (Private) Limited
Secretaries

29th May 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee ("the Committee") of the Company was established on 02nd May 2024 in compliance with the Governance Rules stipulated in Section 9.14 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non- Executive Director.

The Members who served on the Committee during the Financial Year 2025/26 are as follows:

Mr. T.A.B. Speldewinde - Chairman - Senior Independent Director

Mr. D.T.R. De Silva - Independent Non-Executive Director

Mr. S.C. Ganegoda - Non-Executive Director

Mr. A.J. Alles - Independent Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

The Committee meets on a quarterly basis or as often as may be deemed necessary. During the financial year 2025/26, the Committee met five times to review the related party transactions.

The attendance of the Members at the meetings is as follows:

	Q1	Q2	Q3	Q4 -1	Q4 -2
Mr. T. A. B. Speldewinde	✓	✓	✓	✓	✓
Mr. D. T. R. De Silva	✓	✓	✓	✓	✓
Mr. S. C. Ganegoda	✓	X	X	✓	✓
Mr. A. J. Alles	✓	✓	X	✓	✓

The Chairman of the Committee is an Independent Non-Executive Director. Profiles of the Committee members are given in Pages 23 to 25.

The Chairman, Managing Director, Director Finance and any other officers as may be required by the Committee attend the meetings by invitation.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the Secretary to the Committee and Minutes of the Committee meetings are tabled at the Board meetings, thereby providing the Directors access to the deliberations of the Committee.

THE DUTIES OF THE COMMITTEE

- Subject to the exemptions given in the Rule 9.14.10 of the Listing Rules of the CSE, review in advance all proposed related party transactions of the Company either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from the Management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.

- Recommend where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- Monitor that all related party transactions of the Company are transacted on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.
- Meet with the Management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- Review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- Review the economic and commercial substance of both recurrent/ non-recurrent-related party transactions
- Monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining "competent independent advice" from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

TASK OF THE COMMITTEE

The Committee reviewed the related party transactions of the Company and their compliances and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management.

POLICY AND TERMS OF REFERENCE

The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify the related parties and the process of reporting the transactions

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

with related parties to the Committee on a quarterly basis. The Policy outlines the composition of the Committee, meeting procedures and the responsibilities of the Committee. It also specifies the approval processes and disclosure requirements, including market announcements and Annual Report disclosures. The Policy guides the Committee and makes them responsible for ensuring that no director or major shareholder takes advantage of their position to the detriment of the interest of minority shareholders.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclose under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 30 to the Financial Statements given in Pages 175 to 178 this report.

DECLARATION

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the Report of the Board of Directors on Page 121 of this Report.



Mr. T. A. B. Speldewinde

Chairman - Related Party Transactions
Review Committee

28th May 2026

REMUNERATION COMMITTEE REPORT

The Remuneration Committee ('the Committee') of the Company was established on 02nd May 2024 in compliance with Section 9.12 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka. The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non-Executive Director. The Members who served on the Committee during the Financial Year 2025/26 are as follows:

Mr. T. A. B. Speldewinde - Chairman - Senior Independent Director

Mr. D. T. R. De Silva - Independent Non-Executive Director

Mr. S. C. Ganegoda - Non-Executive Director

Mr. A. J. Alles - Independent Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

The Committee meets as often as may be deemed necessary. The Committee met twice during the year.

	Q3	Q4
Mr. T. A. B. Speldewinde	✓	✓
Mr. D. T. R. De Silva	✓	✓
Mr. S.C. Ganegoda	X	✓
Mr. A. J. Alles	X	✓

The Chairman of the Board, Managing Director and Head of Human Resources of the Company attend the meetings of the Committee by invitation.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the Secretary to the Committee.

The Chairman of the Committee is an Independent Non-Executive Director.

The Terms of Reference of the Committee were last reviewed during the year.

The Remuneration Committee has well defined Terms of Reference. The Members of the Committee, comprising three Independent Non-Executive Directors and one Non-Executive Directors, are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- To make recommendations to the Board of Directors regarding the framework of remuneration to the Executive Directors and Key Management Personnel.
- To evaluate the compensation of the Managing Director, Executive Directors and the Key Management Personnel Team.
- To review the guidelines and parameters for the compensation structures of Key Management Personnel within the Company taking into consideration industry norms.
- To evaluate the compensation of the Managing Director, Executive Directors and the Key Management Personnel.
- To review the guidelines and parameters for the compensation structures of Key Management Personnel within the Company taking

into consideration industry norms.

- To review from time to time information related to Executive and Non-Executive Directors payments, to ensure that they are on par with the market/industry rates.
- To evaluate the performance of the Managing Director, Executive Director and the Key Management Personnel, against predetermined targets and goals set by the Board.
- To assess and recommend to the Board of Directors promotions of the Key Management Personnel and to address succession planning.
- To recommend annual salary increments and bonuses.
- The Committee in performing its duties obtains the assistance of the Managing Director of the Company to provide relevant information to the Committee, and to assist in their analysis and deliberations, except when his own compensation package is reviewed.

REMUNERATION POLICY

The remuneration policy of the Company is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Company and commensurate with each employee's level of expertise and contributions, bearing in mind the business' performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Company's short term and long-term strategy.

All Non-Executive Directors (other than Directors who are employed by Hayleys

REMUNERATION COMMITTEE REPORT

PLC) receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related incentive payments. The policy ensures that the Non-Executive Director fee is based on principles of the non-discriminatory pay practices among them so that their independence is not impaired.

ACTIVITIES IN 2025/2026

During the year the Committee reviewed the performance of the Managing Director and Key Management Personnel based on the targets set in the previous year. The Committee also reviewed the compensation parameters of the Key Management Personnel and implemented market corrections where necessary. The Committee also recommended that compensation packages to be in line with the market median.

The Committee further recommended the bonus payable and annual increments to be paid based on the ratings of the Performance Management System.

The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to Rs. 94,306,019/-.



Mr. T. A. B. Speldewinde

Chairman – Remuneration Committee

28th May 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee ('the Committee') of the Company was formed on 02nd May 2024 in compliance with Section 9.11 of the Listing Rules of Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

The Committee is appointed by and is responsible to the Board of Directors and comprises three Independent Non-Executive Directors and one Non-Executive Director. The Members who served on the Committee during the Financial Year 2025/26 are as follows:

Mr. T.A.B. Speldewinde - Chairman - Senior Independent Director

Mr. D.T.R. De Silva - Independent Non-Executive Director

Mr. S.C. Ganegoda - Non-Executive Director

Mr. A.J. Alles - Independent Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

The Committee meets as often as may be deemed necessary. The Committee met twice during the year.

	Q3	Q4
Mr. T. A. B. Speldewinde	✓	✓
Mr. D. T. R. De Silva	✓	✓
Mr.S. C. Ganegoda	X	✓
Mr. A. J. Alles	X	✓

The Chairman of the Committee is an Independent Non-Executive Director.

The Committee has well-defined terms of reference approved by the Board outlining the Committee's purpose, composition, quorum, authority, responsibilities, and meeting related matters which were approved by the Committee on 31st October 2024.

The Terms of Reference of the Committee were last reviewed and approved by the Committee during the year.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the secretary to the Committee.

DUTIES OF THE COMMITTEE

- The Committee evaluates and recommends the appointment of Directors to the Board and Board Committees considering the required skills, experience and qualifications necessary.
- Consider and recommend (or not recommend) the re-election of current directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board's overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- Review the structure, size and composition of the Board and Board Committees with regard to the effective discharge of its duties and responsibilities.
- Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors of the Company to ensure their responsibilities are satisfactorily discharged.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking in to consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- Review succession plans for Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules of the Colombo Stock Exchange ('Listing Rules') and other applicable regulatory requirements and industry best practices.
- Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company's compliance

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

with provisions of the Securities and Exchange Commission Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

- Periodically review the insurance cover - "Directors and Officers Liability Cover" for Directors and Key Management Personnel
- Ensure that the inductions takes for the new directors

DISCLOSURE OF ACTIVITIES

The Committee reviewed the structure and composition of the Board and Board Committees and recommended additions to Committees. The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises to discuss an important or critical matter with the Board. No such special meetings were held during the financial year.

Newly appointed Directors were given an induction to the Company and the orientation programme includes inviting the Directors to the manufacturing facilities to gain an understanding of the operations of the Company. Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non Executive Directors have submitted declarations regarding their independence / non independence.

The fitness and propriety of the Directors were examined. All Independent Directors of the Company meet the criteria set out in the Listing Rules for determining independence.

The Company has adopted the following policies, with effect from 1st October 2024, and has uploaded them to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange:

1. Policy on the Matters relating to the Board of Directors
2. Policy on Board Committees
3. Policy on Corporate Governance
4. Policy on Rewards and Remuneration
5. Business Code of Conduct
6. Policy on Risk Management and Internal Control
7. Policy on Shareholder and Investor Communications
8. ESG - Environmental Policies
9. ESG – Social Policies
10. Policy on Control and Management of Company Assets and Shareholder Investments
11. Policy on Corporate Disclosure
12. Policy on Whistleblowing
13. Policy on Good Governance and Business Ethics

Independent directors are kept informed by the Chairman in the event any major issues arise.

The policies and processes relating to the nomination of new Members to the Board are governed by the Policy on Corporate Governance.

RE-APPOINTMENTS / RE- ELECTIONS

One Third (1/3) of all the Directors except the Managing Director and those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association at least once in every three years and being eligible, submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Ms. R. N. Ponnambalam, Mr. T. A. B. Speldewinde and Mr. D. T. R. De Silva to the Board at the Annual General Meeting to be held on 24th June 2026, based on their performance and the contribution made to achieve the objectives of the Board.

Ms. R. N. Ponnambalam, Non-Executive Director, was appointed to the Board in July 2010 and last re-appointed as a Director in June 2024. Her directorships and other principal commitments are given in the profile on Page 24 She does not serve on any Board Sub-Committees of the Company.

Mr. T. A. B. Speldewinde, Independent Non-Executive Director, was appointed to the Board in July 2022 and last re-appointed as a Director in June 2024. His directorships and other principal commitments are given in the profile on Page 24 He serves as a Chairman of the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committees of the Company.

Mr. D. T. R. De Silva, Independent Non-Executive Director, was appointed to the Board in January 2024 and last re-appointed as a Director in June 2024. His directorships and other principal commitments are given in the profile on Page 24 He serves as a member of the Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committees of the Company.

Ms. K. A. D. S. Perera who was appointed to the Board on 01st October 2025 will come up for re-election by the shareholders at the Annual General Meeting. Her profile in Page 25 set out her other principal commitments and directorships.

Due to the invaluable contribution made to the Board as a result of his many years of experience, industry knowledge and business acumen, the Committee has recommended to re-appoint Mr. Abeyakumar Mohan Pandithage who is over the age of seventy years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Company is committed to ensuring Board diversity by bringing a wide range of experience and skills to the Board. Age and gender diversity have been essential factors contributing to the effective performance of the Company's Board.

The Committee ensured that corporate governance rules as stipulated by the Listing Rules of the Colombo Stock Exchange were adhered to by the Board and the company throughout the year.

The Corporate Governance requirements stipulated under the Listing Rules are met by the Company and details are given in Pages 84 to 108 of this Report.



Mr. T. A. B. Speldewinde

Chairman - Nominations and Governance Committee

28th May 2026

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

(Profile of Mr. T.A.B. Speldewinde, The Senior Independent Director of The Kingsbury PLC is given on Page 24 of this report.)

I was appointed as the Senior Independent Director (SID) in November 2023 in compliance with the Listing Rules of the Colombo Stock Exchange. I continue in that role as the Chairman is the Executive Director of the Company.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The SID provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

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

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors and discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory

requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and to make a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



T. A. B. Speldewinde
Senior Independent Director

28th May 2026

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ('the Committee') is appointed by and is responsible to the Board of Directors of the Company. The Committee comprises two Independent Non-Executive Directors and one Non-Executive Director. The Members who served on the Committee during the Financial Year 2025/26 are as follows:

Mr. T.A.B. Speldewinde - Chairman - Senior Independent Director

Mr. D.T.R. De Silva - Independent Non-Executive Director

Mr. A.J. Alles - Independent Non-Executive Director

The Chairman, Mr. T. A. B. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and also a Fellow of the Chartered Institute of Management Accountants UK.

A brief profile of each member is provided on Pages 23 to 25 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the secretary to the Committee.

The attendance of the Members at these meetings is as follows:

	Q1	Q2	Q3	Q4 - 1	Q4 - 2
Mr. T. A. B. Speldewinde	✓	✓	✓	✓	✓
Mr. D. T. R. De Silva	✓	✓	✓	✓	✓
Mr. A. J. Alles	✓	✓	X	✓	✓

The Chairman of the Board, Managing Director, Executive Directors and the Chief Financial Officer of the Company, Hayleys Group Chief Financial Officer and Head of Group Management Audit and System Review Department (MA&SRD) attend the meetings of the Committee by invitation. The External Auditors are also invited to be present where relevant.

The proceedings of the Committee are reported quarterly to the Board of Directors by tabling the minutes of the Committee meetings and an update by the Chairman of

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of the Board of Directors to make sure that new developments relating to the functions of the Committee are updated.

The Terms of Reference of the Committee was revised during the year under review to include oversight responsibilities on Sustainability and ESG related reporting. The terms of reference of the Committee are clearly defined in the Charter of the Committee.

The 'Rules on Corporate Governance' under the Listing Rules of the Colombo Stock Exchange and 'Code of Best Practice on Corporate Governance' issued by the Institute of Chartered Accountants of Sri Lanka in 2023, further regulate the composition, roles and functions of the Committee.

MEETINGS OF THE AUDIT COMMITTEE

The Committee meets on a quarterly basis and as often as may be deemed necessary. It met 5 times to discuss the quarterly and annual Financial Statements for the financial year under review.

the Committee on matters that require the attention of the Board. Audit Committee meeting papers, including the agenda, minutes and related reports and documents, are circulated to the Committee members in advance.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Committee functions within the Terms of Reference approved by the Committee. The role of the Audit Committee is to assist the Board in fulfilling its oversight and responsibilities.

The Terms of Reference is periodically reviewed and revised to make sure that new developments relating to the functions of the Audit Committee are included therein.

THE AUTHORITY OF THE AUDIT COMMITTEE

- Recommend the appointment, reappointment, dismissal, service period and fees of the External Auditor.
- Establish and maintain a direct communication channel with the External Auditor.
- Resolve any issues regarding financial reporting between the Management and the External Auditor.
- Pre-approve all auditing and non-audit services performed by the External Auditor and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the Management and External Auditor as necessary to carry out the assigned duties.

ACTIVITIES IN 2025/26

The Audit Committee, inter alia, engaged in the following activities during the financial year under review:

AUDIT COMMITTEE REPORT

FINANCIAL REPORTING SYSTEM

The Committee reviewed the quality and integrity of the financial reporting system adopted by the Company in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Heads of Finance and Directors in Charge of operating units and the Chief Financial Officer. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognised the adequacy of the content and quality of routine management information reports forwarded to the management, regulatory authorities and shareholders.

Further, the Committee reviewed the procedures established by the Management to comply with regulatory requirements and is satisfied that financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirement are met.

INTERNAL CONTROL SYSTEMS

The Committee reviewed the process to assess the adequacy and effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that Group assets are safeguarded and the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

The Hayleys Group MA&SRD (Internal Audit) reports on key control elements and procedures in Group companies that are selected according to a Group annual audit

plan. The Committee obtained significant findings and recommendations together with the Management's responses on the review of the internal controls carried out by the internal auditors and provided recommendations for improvement. Follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee also evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Hayleys Group MA&SRD, in the conduct of their assignments.

The Annual Internal Audit Plan is approved by the Audit Committee and its progress is reviewed on a quarterly basis in order to reflect the changing business needs and to ensure new and emerging risks are considered. During the financial year 2025/26, 04. internal audits were performed.

RISK MANAGEMENT

The Committee obtained and reviewed the Key Business Risks Dashboard prepared by the Company identifying their respective major business risks, and mitigation action taken or contemplated for the management of these risks. The COSO Enterprise Risk Reporting Process is presently being implemented within the Group.

The Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related-risks and opportunities.

The Committee reviewed the risk management, internal controls, business continuity planning, information security system and potential cyber risks in the Group and appropriate remedial actions were recommended to the Management and the Board.

A review of the insurance policies and their adequacy was also carried out.

EXTERNAL AUDIT

During the year under review, the Committee held meetings with the External Auditor to review the Audit Plan, detailing the nature, approach and scope of the audit. Before the conclusion of the audit, the Committee met with the External Auditors and management to consider the results of the audit. The External Auditors' Management Letter on the audit of the Group Entities were discussed with the External Auditor and management. Actions taken by the Management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the heads of business units. Remedial action was recommended wherever necessary.

The Committee has reviewed the other services provided by the External Auditor to the Company to ensure that their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity to External Auditor to meet the Audit Committee Members independently, if necessary.

The Committee annually reviews the appointment of the External Auditor and makes recommendations to the Board accordingly. During the year under review, the Committee assessed the independence and effectiveness of the External Audit function and is satisfied that the independence of the External Auditor had not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the External Auditor and the level of audit and non-audit fees received by the Auditor, in order to ensure that it did not compromise their independence.

The Committee obtained written assurance from the External Auditors that they are and have been Independent throughout the conduct of the audit engagement

in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same.

The current External Auditor, Messrs. Ernst & Young, Chartered Accountants was initially appointed as External Auditor in 2011/12 and continues to hold that position at present. A partner rotation of the Auditors takes place periodically. A rotation of partner took place in financial year 2025/26.

APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, continue as External Auditors for the financial year ending 31st March 2027 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2025/26.

COMPLIANCE

The Committee obtained written assurances from the Managing Director and Chief Financial Officer of the Company on the status of the Group's operations and finances. The Committee also received representations on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Company certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from the Head of HR and Legal regarding compliance matters.

ETHICS AND GOOD GOVERNANCE

The Committee continuously emphasised on upholding ethical values of the staff members. In this regard, the Internal Code of Business Conduct and Ethics, the policies on Whistleblowing and Anti-Bribery and Corruption were put in place. The Policies were followed by educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The

Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblowers.

SRI LANKA ACCOUNTING STANDARDS

The Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/LKAS) applicable to the Company and made recommendation to the Board of Directors. The Committee would continue to monitor the compliance with relevant Accounting Standards and keep the Board of Directors informed at regular intervals. The Committee has pursued the assistance of Messrs. Ernst & Young to assess and review the existing SLFRS policies and procedures adopted by the Group and continuously monitors the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

SUPPORT TO THE COMMITTEE

The Committee received information and support from the Management during the year to enable it to carry out its duties and responsibilities effectively.

EVALUATION OF THE COMMITTEE

An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year, and considering the overall conduct of the Committee and its contribution on the overall performance of the Company, the Committee has been rated as highly effective.



Mr. T. A. B. Spledewinde
Chairman - Audit Committee

28th May 2026

Financial Statements

CROWNED BY STRENGTH

Financial strength is built through consistency and responsible stewardship. Our financial statements at The Kingsbury reflects the discipline behind our performance, offering stakeholders a clear view of the stability, resilience, and value created through focused execution and prudent management.

FINANCIAL CALENDAR

Interim Financial Statement - Quarter 1	28th July 2025
Interim Financial Statement - Quarter 2	27th October 2025
Interim Financial Statement - Quarter 3	27th January 2026
Interim Financial Statement - Quarter 4	29th May 2026
Annual General Meeting	24th June 2026

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
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TO THE SHAREHOLDERS OF THE KINGSBURY PLC

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of The Kingsbury PLC ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or 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 policy information.

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

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code

of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit addressed the key audit matter
Revenue The Company's revenue for the year ended 31 March 2026 amounted to Rs. 5,562 Mn, as disclosed in note 4 to the financial statements. The accounting policy for revenue recognition is disclosed in Note 2 to the financial statements. Revenue was a key audit matter due to : the materiality of revenue reported for the year end.	Our audit procedures included the following key procedures: - assessed whether the Company's accounting policy for revenue recognition has been appropriately applied - evaluated the design and tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue - performed analytical procedures to understand and assess the reasonableness of the reported revenues - tested revenue transactions to invoices and other supporting documents such as house keeping and guest-in-house reports, guest reservation cards, etc. our procedures included testing:

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 Sajewani 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 Shakhthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT



Key Audit Matter	How our audit addressed the key audit matter
	• revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; and • journal entries recognized to revenue. We also assessed the adequacy of the related disclosures set out in notes 2 and 4 to the financial statements.
Assessment of Fair value of Buildings and Building Integrals Property, Plant and Equipment include buildings and building integrals carried at fair value. The fair value of buildings and building integrals were determined by the external valuer engaged by the company. This was a key audit matter due to: • The materiality of the reported fair value of buildings and building integrals which amounted to Rs.4,534 Mn representing 73% of the Company's total assets as of the reporting date; and • The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of buildings and building integrals using the depreciated replacement cost approach. Key areas of significant judgments, estimates and assumptions used in assessing the fair value of buildings and building integrals, as disclosed in Notes 02 and 12 to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as: • Estimate of the price per square foot	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external valuer engaged by the company • Read the external valuer's report and understood the key estimates made and the valuation approach taken by the valuer in determining the valuation • Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as price per square foot and valuation technique as relevant in assessing the fair value. We also assessed the adequacy of the disclosures made in notes 02 and 12 to the financial statements
Other information included in the Annual Report Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.	Responsibilities of management and those charged with governance for the financial statements Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 8913.

29 May 2026
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Revenue	4	5,562,090	5,327,046
Cost of sales		(2,792,459)	(2,771,802)
Gross profit		2,769,631	2,555,244
Other income and expenses	5	6,937	20,352
Administrative expenses		(2,009,834)	(1,777,934)
Marketing expenses		(119,482)	(92,160)
Finance income	8	36,054	13,994
Finance cost	9	(140,395)	(179,909)
Profit before tax		542,911	539,587
Income tax (expense) / reversal	10	(178,119)	11,566
Profit after tax		364,792	551,153
Basic earnings per share (Rs.)	11	0.75	1.14

The Accounting Policies and Notes on Pages 149 through 183 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Profit for the year		364,792	551,153
Other Comprehensive Income that will not be reclassified to profit or loss in subsequent periods			
Revaluation of buildings and building integrals	28.1	591,973	-
Income tax effect on building and building integrals	28.1	(177,592)	-
Transfer to retained earnings from Revaluation reserve	28.1	-	12,978
Re-measurement loss on defined benefit plans	20.2.1	(4,207)	(2,817)
Income tax effect on other comprehensive income	21.2	1,262	845
Other Comprehensive income for the year, net of tax		411,436	11,006
Total Comprehensive Income for the year, net of tax		776,228	562,159

The Accounting Policies and Notes on Pages 149 through 183 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

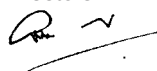
As at 31 March	Note	2026 Rs. '000	2025 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	12	5,110,458	4,431,680
Intangible assets	13	10,841	15,741
Right of use asset	14	10,683	10,933
		5,131,982	4,458,354
Current assets			
Inventories	15	222,508	145,076
Trade and other receivables	16	360,369	1,186,432
Other non financial assets	17	105,331	85,626
Income tax receivable		9,310	9,310
Cash and cash equivalents	18	411,740	95,743
		1,109,258	1,522,187
Total assets		6,241,240	5,980,541
EQUITY AND LIABILITIES			
Equity			
Stated capital	27	836,000	836,000
Revaluation reserve	28	1,698,226	1,327,106
Retained earnings		157,166	(247,942)
		2,691,392	1,915,164
Non-current liabilities			
Interest-bearing borrowings	19	595,100	910,873
Post employment benefit obligation	20	154,123	128,935
Deferred tax liability	21	949,334	594,885
Lease Liability	22	19,004	19,016
Trade and other payables	23	-	447,252
Other Non- Current Liabilities		4,200	3,600
		1,721,761	2,104,561
Current liabilities			
Trade and other payables	23	975,900	1,068,165
Interest-bearing borrowings	19	684,487	737,729
Other non financial liabilities	24	167,688	154,912
Lease Liability	22	12	10
		1,828,087	1,960,816
Total equity and liabilities		6,241,240	5,980,541

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Piyal Senadeera - Chief Financial Officer

The Board of Directors is responsible for the preparation & presentation of financial statements. Signed for and on behalf of the Board of Directors.



Mohan Pandithage - Executive Chairman



Rohan Karr - Managing Director

The Accounting Policies and Notes on Pages 149 through 183 form an integral part of the Financial Statements.

29th May 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

As at 31 March	Note	Stated capital Rs. '000	Revaluation reserve Rs. '000	Retained earnings Rs. '000	Total Rs. '000
Balance as at 01st April 2024		836,000	1,357,389	(842,609)	1,350,780
Net Profit for the period		-	-	551,153	551,153
Other comprehensive income		-	-	(1,972)	(1,972)
Total comprehensive income		-	-	549,181	549,181
Transfer to retained earnings from Revaluation reserve	28	-	(43,261)	43,261	-
Deferred tax on transfer	28	-	12,978	-	12,978
Unclaimed Dividend write-back		-	-	2,225	2,225
Balance as at 31st March 2025		836,000	1,327,106	(247,942)	1,915,164
Net Profit for the period		-	-	364,792	364,792
Revaluation of buildings and building integrals	28	-	591,973	-	591,973
Income tax effect on building and building integrals	28	-	(177,592)	-	(177,592)
Other comprehensive income		-	-	(2,945)	(2,945)
Total comprehensive income		-	414,381	361,847	776,228
Transfer to retained earnings from Revaluation reserve	28	-	(43,261)	43,261	-
Balance as at 31 March 2026		836,000	1,698,226	157,166	2,691,392

The Accounting Policies and Notes on Pages 149 through 183 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Operating activities			
Cash generated from operations	29	1,118,376	593,806
Interest received		8,266	4,731
Interest paid		(122,101)	(161,153)
Lease Interest paid		(2,378)	(2,379)
Employee benefit obligations	20	(12,048)	(12,138)
Net cash generated from operating activities		990,115	422,867
Investing activities			
Purchases of property, plant and equipment	12	(325,066)	(151,587)
Purchases of intangible assets	13	(56)	(762)
Proceeds from disposal of property, plant and equipment	05	4,716	2,065
Net cash generated from /(used in) investing activities		(320,406)	(150,284)
Financing activities			
Payments on interest-bearing borrowings		(349,493)	(402,804)
Payments on lease rent		(10)	(10)
Net cash generated from financing activities		(349,503)	(402,814)
Effects of exchange rate changes on cash & cash equivalents		15,313	(8,379)
Net increase/(decrease) in cash and cash equivalents		335,519	(138,610)
Movement in cash and cash equivalents			
At the beginning of year		(292,493)	(153,882)
Net increase/(decrease)		335,519	(138,610)
At end of year	18	43,026	(292,493)

The Accounting Policies and Notes on Pages 149 through 183 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

The Kingsbury PLC ("Company") is a limited liability company incorporated in Sri Lanka and listed on the Colombo Stock Exchange Sri Lanka. The address of its registered office and principal place of business is No. 48, Janadhipathi Mawatha, Colombo 1.

1.2 Principal Activity and Nature of Operations

During the year, the principal activities of the Company were the provision of Hospitality & Leisure Services.

1.3 Parent Entity and Ultimate Parent Entity

The Company's parent entity is considered Hayleys PLC. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is Hayleys PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorisation for Issue

The Financial Statements of The Kingsbury PLC, for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 29 May 2025.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for buildings and building integrals of property, plant, and equipment which were subsequently measured at fair value. The Financial Statements are presented in Sri Lankan Rupees Thousands, except when otherwise indicated. The preparation and presentation of these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

2.1.2 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, and Statement of Changes in Equity, Statement of Cash Flows and Significant Accounting Policies and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS).

2.1.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2 Significant Accounting Judgments and Estimates

The preparation of Financial Statements in conformity with SLFRS/ LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation, uncertainty, and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

a. Going Concern

As of the reporting date, the company reported retained earning of Rs. 157 Mn (2025: retained losses of Rs. 248 Mn) and a net current liability position of Rs.719 Mn (2025: net current liability of Rs. 439 Mn) However, The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

Therefore, the Financial Statements continue to be prepared on the going concern basis. Refer Note 31.

b. Revaluation of Property, Plant and Equipment

The Company measures buildings and building integrals at revalued amounts with gains in fair value being recognised in equity (Revaluation Reserve). The Company usually engages an external, independent and qualified valuer to determine the fair values. When current market prices of similar assets are available, such evidences are considered in estimating fair values of these assets. In the absence of such information the Company determines within reasonable fair value estimates, amounts that can be attributed as fair values, with the assistance of an independent professional valuer. Further details are given in Note 12.2.

c. Components of Buildings and Useful Life

In determining the depreciation expense, the Company with the assistance of an independent professional valuer determined the components of buildings that have varying useful lives.

NOTES TO THE FINANCIAL STATEMENTS

Approximation techniques and appropriate groupings were used in such determination as well as in the assessment of the useful lives of each component. Further details are given in Note 12.4.

d. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the CGU, are discount rate and terminal growth rate, 26% and 3% respectively.

e. Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are given in Note 21.

f. Post-Employment Benefit Obligation

The post-employment benefit obligation; gratuity, is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and staff turnover. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details are given in Note 20.

g. Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to eliminate the lease, if it is reasonably certain not to be exercised. Refer to Note 22 for

information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

2.3 Material Accounting Policy Information

2.3.1 Foreign Currencies

(a) Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

2.3.2 Borrowing Costs

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

2.3.3 Property, Plant and Equipment

a. At Initial Recognition

All property, plant and equipment are initially stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

b. At Subsequent Measurement

Property, plant and equipment other than building and building integrals is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred,

if the recognition criteria is met. Building and building integrals are subsequently measured at fair value less accumulated depreciation and such valuations are carried out by external independent valuers.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation surplus in equity.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost.

c. Depreciation

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate

	2026	2025
Buildings and building integrals	15 - 50 years	15 - 50 years
Plant, machinery and equipment	15 years	15 years
Furniture and fittings	10 years	10 years
Motor vehicles	05 years	05 years
Linen, cutlery, crockery and glassware	3 years	3 years

d. Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

e. De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is de-recognised. The revaluation surplus included in the equity in respect of an item of property, plant and equipment is transferred directly to equity when the assets are de-recognised.

2.3.4 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.3.4.1 Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term.

2.3.4.2 Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced.

The Company lease liabilities are included in Note 22 to the Financial Statements.

2.3.5 Intangible Assets

The Company's intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software 5 years

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible asset.

2.3.6 Financial Instruments

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

a) Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a

financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables do not contain a significant financing component.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
 - Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
 - Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
 - Financial assets at fair value through profit or loss
Financial Assets at Amortised Cost (Debt Instruments) The Company measures financial assets at amortised cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost includes trade and other receivables, short-term deposits, cash and bank balances and other financial assets.

c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired;

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of Financial Assets

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

Trade Receivables:

For trade receivables, the Company applies a simplified approach in calculating Expected Credit Losses (ECL). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be

in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.7 Other Non-Financial Assets

All other non-financial assets are valued net of specific provision, where necessary, so as to reduce the carrying value of such assets to their estimated realisable value.

2.3.8 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

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

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment

NOTES TO THE FINANCIAL STATEMENTS

loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of property, plant and equipment. Involvement of external valuers is decided by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Company from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs, trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.3.11 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.12 Financial Liabilities

a) Initial Recognition and Measurement

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

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

b) Subsequent Measurement

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

Loans and Borrowings (Financial liabilities at amortised cost)

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

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

This category generally applies to interest-bearing loans and borrowings

c) De-recognition

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

2.3.13 Other Non-Financial Liabilities

Other non-financial liabilities are recognised at their monetary amount.

2.3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.3.15 Employee Benefits

a) Defined Contribution Plans

All employees of the Company are members of the Employees' Provident Fund and the Employees' Trust Fund, to which the Company contributes 12% and 3% respectively of such employees' basic or consolidated wage or salary and cost of living and all other allowances.

The Company's contributions to the defined contribution plans are charged to the Statement of Profit or Loss in the year to which they relate.

b) Defined Benefit Plan

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 together with past service cost. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of treasury bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the Statement of Other Comprehensive Income.

2.3.16 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Company's shareholders.

2.3.17 Taxation

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Turnover Based Taxes

Turnover based taxes include Value Added Tax, Social Security Contribution Levy and Tourism Development Levy. Company pays such taxes in accordance with the respective statutes.

2.3.19 Revenue Recognition

2.3.19.1 Revenue from contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expect to entitled in exchange of those goods or services.

The Company's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net Company's turnover excludes turnover taxes and trade discounts.

The specific recognition criteria described below must also be met before revenue is recognised.

- a) Room revenue is recognised on the rooms occupied on daily basis.
- b) Food & Beverage revenue is recognised at the time of sales.
- c) Other Hotel Related Revenue is accounted when such service is rendered.

2.3.19.2 Revenue from other income sources

d) Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

e) Other income is recognised on an accrual basis. Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expense gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

f) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company recognises advanced received for future reservations as contract liabilities.

The Company recognises advanced received for future reservations as contract liabilities.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards and interpretations

No significant impact resulted on the Financial Statements of the Company due to changes in Accounting standards and disclosures during the year.

3.2 Standards Issued but not Yet Effective

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

3.2.1 Presentation and Disclosure in Financial Statements - SLFRS 18

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

3.2.2 Subsidiaries without public accountability: Disclosures- SLFRS 19

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

3.2.3 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

3.2.4 Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Revenue from contracts with customers	4.1	5,562,090	5,327,046
Tourism Development Levy		(56,346)	(53,856)
		5,505,744	5,273,190

4.1 Revenue from contracts with customers

The Company classifies its revenue streams according to business units based on the nature of services for easy of understanding. Namely; Room Revenue, Food and Beverage Revenue and Other Hotel Related Revenue. The Board monitors the operating results for the purpose of performance assessment. Assets and liabilities are managed on a collective basis and are not allocated to operating segments.

Year ended 31 March	Description	Timing of Revenue Recognition	2026 Rs. '000	2025 Rs. '000
Category				
Room Revenue	Revenue from room occupancy	Over time	1,445,603	1,388,437
Food & Beverage Revenue	Food revenue - Meal allocation	Over time	353,492	296,260
	Banquet revenue (Multi-day events)	Over time	17,274	17,913
	Food revenue - Outlets	Point in time	1,920,970	1,845,808
	Beverage revenue	Point in time	485,247	505,096
	Tobacco revenue	Point in time	17,536	17,484
	Banquet revenue (Single-day events)	Point in time	1,166,130	1,116,091
Other Operating Departments	SPA revenue	Point in time	60,494	53,430
	Laundry revenue	Point in time	53,698	43,857
	Telephone revenue	Point in time	43	70
	Flower Shop revenue	Point in time	135	110
Miscellaneous Income	Shop Rental	Over time	12,798	13,170
	F&B other revenue	Point in time	28,670	29,320
Total revenue			5,562,090	5,327,046

5. OTHER INCOME AND EXPENSES

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Disposal Income	4,716	2,065
Carrying value of assets disposed	(15,199)	(3,589)
Gain/(Loss) on disposal of property, plant and equipment	(10,483)	(1,524)
Sundry Income	17,420	21,876
Other income and expenses	6,937	20,352

6. PROFIT BEFORE TAX

The following items have been charged /(credited) in arriving at profit before tax:

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Directors' emoluments		5,450	5,325
Auditors remuneration - Audit fees		1,066	1,500
- Non-audit fees		513	3,725
Depreciation & Amortisation	7	227,042	200,965
Net Impairment on trade and other receivables	33.2 C	113,021	(2,309)
Repair and maintenance expenditure		126,749	129,729
Employee Benefits		1,268,533	1,107,143
Power and energy expenditure		230,101	280,838
(Gain)/Loss on disposal of property, plant & equipment		10,483	1,524
Marketing and promotional fee		87,967	59,759

7. DEPRECIATION & AMORTISATION

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Depreciation on Property, Plant and Equipment	12	221,839	195,058
Amortisation of intangible assets	13	4,956	5,660
Amortisation of Right of use assets	14	247	247
Depreciation & Amortisation		227,042	200,965

8. FINANCE INCOME

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Interest income	12,643	4,731
Foreign exchange gain	23,411	9,263
	36,054	13,994

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCE EXPENSES

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Interest expenses	(125,260)	(162,267)
Foreign exchange loss	(15,135)	(17,642)
	(140,395)	(179,909)
Net Finance Income / (Expenses)	(104,341)	(165,915)

10. TAXATION

10.1

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Current tax (Expense)/Reversal	10.2	-	-
Deferred tax (charge)/release	21.1	(178,119)	11,566
Income Tax (Expense)/Reversal		(178,119)	11,566

10.2 Reconciliation of accounting profit to income tax expense

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Profit before tax		542,911	539,587
Disallowable expenses		531,104	315,171
Allowable expenses		(468,716)	(147,105)
Business income during the year		605,299	707,653
Interest Income		12,643	4,731
Utilization of tax losses		(617,942)	(712,384)
Taxable income		-	-
Income tax @ 30%		-	-
Tax on taxable income		-	-
Current tax (expense)/reversal		-	-

11. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Year ended 31 March	2026	2025
Net profit attributable to shareholders-Rs'000	364,792	551,153
Weighted average number of ordinary shares in issue-'000	484,000	484,000
Basic earnings per share (Rs.)	0.75	1.14

12. PROPERTY, PLANT AND EQUIPMENT

12.1 Summary

12.1.1

As at 31st March 2025	Buildings and building integrals	Plant, machinery & equipment	Furniture & fittings	Motor vehicles	Linen, cutlery, crocery & glassware	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/valuation						
Balance as at 1 April 2024	4,180,359	859,273	438,696	20,468	338,180	5,836,976
Additions	4,496	29,332	35,640	16,614	62,639	148,721
Disposals/breakages, losses & discarded	-	(568)	(17,576)	-	(34,728)	(52,872)
Classification change	-	-	-	-	681	681
Balance as at 31st March 2025	4,184,855	888,037	456,760	37,082	366,772	5,933,506
Depreciation						
Balance as at 1st April 2024	152,984	571,642	331,763	11,646	271,628	1,339,663
Depreciation charge	94,476	48,126	31,460	642	20,354	195,058
Disposals/breakages, losses & discarded	-	(400)	(14,002)	-	(15,627)	(30,029)
Balance as at 31 March 2025	247,460	619,368	349,221	12,288	276,355	1,504,692
Net book value as at 31 March 2025	3,937,395	268,669	107,539	24,794	90,417	4,428,814
Capital work in progress						
Balance as at 1st April 2024	2,866	-	-	-	-	2,866
Cost incurred during the year	-	-	-	-	-	-
Amount transferred to Property, Plant and Equipment	-	-	-	-	-	-
Amount reversed during the year	-	-	-	-	-	-
Balance as at 31st March 2025	2,866	-	-	-	-	2,866
Total net book value as at 31 March 2025	3,940,261	268,669	107,539	24,794	90,417	4,431,680

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

12.1.2

As at 31st March 2026	Buildings and building integrals Rs. '000	Plant, machinery & equipment Rs. '000	Furniture & fittings Rs. '000	Motor vehicles Rs. '000	Linen, cutlery, crockery & glassware Rs. '000	Total Rs. '000
Cost/valuation						
Balance as at 1 April 2025	4,184,855	888,037	456,760	37,082	366,772	5,933,506
Additions	126,990	61,268	20,513	53,390	65,770	327,931
Disposals/breakages, losses & discarded	(10,574)	(32,813)	(3,981)	-	(73,802)	(121,170)
Revaluation during the year	591,973	-	-	-	-	591,973
Revaluation Adjustment	(359,744)	17,375	-	-	-	(342,369)
Balance as at 31 March 2026	4,533,500	933,867	473,292	90,472	358,740	6,389,871
Depreciation						
Balance as at 1 April 2025	247,460	619,368	349,221	12,288	276,355	1,504,692
Depreciation charge	95,217	51,789	30,284	5,263	39,286	221,839
Disposals/breakages, losses & discarded	(337)	(28,020)	(3,875)	-	(72,517)	(104,749)
Revaluation Adjustment	(342,340)	(29)	-	-	-	(342,369)
Balance as at 31 March 2026	-	643,108	375,630	17,551	243,124	1,279,413
Net book value as at 31 March 2026	4,533,500	290,759	97,662	72,921	115,616	5,110,458
Capital work in progress						
Balance as at 1 April 2025	2,866	-	-	-	-	2,866
Cost incurred during the year	-	-	-	-	-	-
Amount transferred to Property, Plant and Equipment	(2,866)	-	-	-	-	(2,866)
Amount reversed during the year	-	-	-	-	-	-
Balance as at 31 March 2026	-	-	-	-	-	-
Total net book value as at 31 March 2026	4,533,500	290,759	97,662	72,921	115,616	5,110,458

12.2 Fair Valuation Process and Key Valuation Assumptions

The Company measures Buildings and building integrals at revalued amounts. The Company usually engages an external qualified valuer on a regular basis to determine the fair values. .

The latest revaluation has been carried out by Mr. P B Kalugalagedera (F.I.V Sri Lanka) a chartered independent valuer as at 31 March 2026, The valuation of the buildings and integrals located at principal place of business, No. 48, Janadhipathi Mawatha, Colombo 1 have been determined using direct capital comparison method by using level 3 of the fair value measurement hierarchy. Approximate price per sq.ft is Rs. 12,650/- to 30,000/- (2025 -Rs.12,500/-to Rs.25,000/-). Significant increase or decrease in estimated price per square foot in isolation would result in a significantly higher or lower fair value measurement.

12.3 If the Buildings and building integrals were stated using cost model, the carrying amounts would be as follows:

Asset category	Cost Rs.'000	Accumulated depreciation Rs.'000	Net book value Rs.'000
Buildings and building integrals	3,886,722	1,071,307	2,815,415
	3,886,722	1,071,307	2,815,415

12.4 The Company regularly review the useful life of each significant component of buildings and in the review process, the Company obtains the assistance of an independent professional valuer. Accordingly, depreciation is calculated for the year using a straight line method for each individual significant component of building.

Components included in buildings and building integrals and their useful lives are as follows:	
- Buildings superstructure	50 years
- Bathrooms	15 years
- Ballroom finishes	20 years
- Elevators	25 years
- Mechanical and engineering	25 years

12.5 The gross carrying amount of any fully depreciated property, plant & equipment that is still in use as at 31st March 2026 is Rs 723,216,953/- (2025: Rs.739,389,826/-)

12.6 During the financial year, the group acquired & transferred property, plant and equipment to the aggregate value of Rs.327,931,807/- (2025 - Rs. 151,587,297/-) including cost incurred on capital work in progress of which Rs.Nil (2025 Rs.2,866,149/-). Cash payments amounted to Rs. 325,065,658/- (2025 - Rs. 148,721,148/-) were made during the year for purchase of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

13. INTANGIBLE ASSETS

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Cost		
Balance as at 1st April	36,161	35,399
Additions during the year	56	762
Balance as at 31st March	36,217	36,161
Amortisation		
Balance as at 01 April	20,420	14,760
Amortisation during the year	4,956	5,660
Balance as at 31 March	25,376	20,420
Net Book Value	10,841	15,741

The intangible assets consist of computer software.

14. RIGHT OF USE ASSETS

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Cost			
Balance as at 01 April		12,415	12,415
Balance as at 31 March		12,415	12,415
Amortisation			
Balance as at 01 of April		1,482	1,235
Amortisation for the period	22.2	247	247
Balance as at 31 March		1,729	1,482
Net book value of right of use assets		10,683	10,933

The Hotel building is constructed on land obtained from the Ceylon Tourist Board on a 99 years lease commencing from 9 May 1970, for which the Company pays a sum of Rs 2.5 Mn annually as operating lease rental. Remaining lease period is 43 years.

15 INVENTORIES

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Food, Beverages and Tobacco	163,094	108,936
Consumables	59,414	36,140
Inventories	222,508	145,076

16 TRADE AND OTHER RECEIVABLES

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Trade receivables		205,289	220,259
Intercompany receivables	30.5	268,841	967,013
		474,130	1,187,272
Net Impairment on trade and other receivables	33.2.C	(113,761)	(840)
Trade and other receivables		360,369	1,186,432

17 OTHER NON-FINANCIAL ASSETS

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Prepayments	38,486	24,556
Advances Paid	28,385	24,136
Security deposits	22,737	22,737
Other receivables	15,723	14,197
Other non-financial assets	105,331	85,626

18 CASH AND CASH EQUIVALENTS

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
18.1 Cash at bank and in hand	17,490	95,743
Short term deposits less than 3 months	394,250	-
Cash and short term deposits	411,740	95,743

18.2 For the purposes of the cash flow statement, the year end cash, and cash equivalents comprise the following:

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Cash and short term deposits		411,740	95,743
Bank overdraft	19.1	(368,714)	(388,236)
Cash and Cash equivalents at the end of the period		43,026	(292,493)

NOTES TO THE FINANCIAL STATEMENTS

19. INTEREST-BEARING BORROWINGS

19.1 Borrowings

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Current liabilities		
Bank overdraft	368,714	388,236
Borrowings from Banks / Financial Institutions	315,773	349,493
	684,487	737,729
Non-current liabilities		
Borrowings from Banks / Financial Institutions	595,100	910,873
Total borrowings	1,279,587	1,648,602

19.2 Terms and conditions

Description	Bank/Financial Institution				
	Bank of Ceylon				
	Rs. 1,190 Mn	Rs. 233 Mn	Rs. 114 Mn	Rs. 91 Mn	Rs. 33 Mn
Commencement date	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024
End date	27 Sep 2029	27 Mar 2027	31 Aug 2025	30 Jun 2024	13 Jul 2024
Grace period (Months)	6	-	-	-	-
Installment amount	Rs.19.8 Mn	Rs.6.4 Mn	Rs.6.7 Mn	Rs.18.3 Mn	Rs.6.7 Mn
Interest rate	AWPLR +Premium	Fixed	Fixed	Fixed	Fixed
Term (Months)	66	36	15	3	3
Balance due 31 March 2026	Rs.833 Mn	Rs.78 Mn			

- 19.3** Existing mortgage bond No. 364 over lease hold right of the hotel property and bond Nos. 1416 dated 27th July 2001 for Rs. 100 Mn and 166 dated 09th May 2013 for Rs. 1,335 Mn over lease hold rights of the property situated at the junction of Janadhipathi Mawatha and Chaithya Road adjoining the Central Bank.

20. POST-EMPLOYMENT BENEFIT OBLIGATION

- 20.1** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out every year.

The liability is not externally funded. All Actuarial gains or losses are recognised under other comprehensive income. Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. When the benefits or plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in income statement. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

20.2 Summary

Year ended 31 March	Note	2026 Rs.'000	2025 Rs.'000
As at 1 April		128,935	109,180
Transfers		-	(343)
Charge for the year	20.2.1	37,236	32,236
Benefits paid		(12,048)	(12,138)
As at 31 March		154,123	128,935

20.2.1 Charge for the year

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Reported in Income Statement		
Current service cost	19,508	17,066
Interest cost	13,521	12,353
Service Cost	33,029	29,419
Reported in Other Comprehensive Income		
Net actuarial Loss recognized immediately to Other Comprehensive Income	4,207	2,817
Charge for the year	37,236	32,236

- 20.3** The Company obtained an actuarial valuation from an independent professional actuary, Messrs Actuarial and Management Consultants (Pvt) Ltd, in March 2026, to ascertain the post employment benefit obligation arising in respect of Gratuity.

The principal actuarial assumptions used in determining the liability were.

Year ended 31 March	2026	2025
Discount rate (per annum)	10%	11%
Future salary increase (per annum)	9%	10%
Retiring age	60 years	60 years

NOTES TO THE FINANCIAL STATEMENTS

20.4 Sensitivity of assumptions employed in actuarial valuation

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

Increase / (decrease) in Discount Rate	31 March 2026 (Rs.'000)		
	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post-Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	146,384	(146,384)
(1%)	-	162,633	(162,633)
-	1%	163,335	(163,335)
-	(1%)	145,614	(145,614)

Increase / (decrease) in Discount Rate	31 March 2025 (Rs.'000)		
	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post-Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	122,254	(122,254)
(1%)	-	136,302	(136,302)
-	1%	136,885	(136,885)
-	(1%)	121,613	(121,613)

20.5 Distribution of Post-Employment Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of the future working lifetime of the Post-Employment Benefit Obligation as at the reporting period.

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Less than or equal 1 year	17,303	14,864
Over 1 year and less than or equal 5 years	77,130	58,740
Over 5 years and less than or equal 10 years	38,564	37,219
Beyond 10 years	21,126	18,112
Total	154,123	128,935

21 DEFERRED TAX LIABILITY

21.1

Year ended 31 March	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Deferred Tax Liability						
Capital Allowance for tax Purpose	1,321,809	1,168,542	(24,325)	(20,307)	177,592	(12,978)
	1,321,809	1,168,542	-	-	-	-
Deferred Tax Assets						
Defined Benefit Plans	46,237	38,680	(6,295)	(4,440)	(1,262)	(845)
Net lease Liability	2,500	2,429	(71)	(71)	-	-
Bad Debt Provision	2,004	252	(1,752)	693	-	-
Un-used Tax Losses	321,734	532,296	210,562	12,559	-	-
	372,475	573,657				
Net Deferred Tax Liability	949,334	594,885	-	-	-	-
Deferred Tax charge/(release)	-	-	178,119	(11,566)	176,330	(13,823)

21.2 The movement on the deferred income tax account is as follows:

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Deferred tax assets			
As at 01 April		573,657	581,552
Amount charged to Income Statement		(202,444)	(8,740)
Tax income recognised in Other Comprehensive Income		1,262	845
As at 31 March		372,475	573,657
Deferred tax liabilities			
As at 01 April		1,168,542	1,201,827
Income statement charge		(24,325)	(20,307)
		1,144,217	1,181,520
Deferred tax on revaluation gain		177,592	-
Deferred tax on amount transferred from revaluation reserve	28.1	-	(12,978)
As at 31 March		1,321,809	1,168,542
Deferred tax liabilities (net)		949,334	594,885

Deferred tax assets and liabilities as at reporting date, deferred tax charge/(release) in the income statement and deferred tax charge/(credit) in equity, are attributable to provision for retirement benefit obligations, accelerated tax depreciation, tax losses carried forward and asset revaluation. The deferred tax on amount transferred from revaluation reserve to retained earnings represents the deferred tax on the difference between the depreciation on revalued property, plant and equipment and the equivalent depreciation based on the historical cost of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

- 21.3** The unused tax losses amounted to Rs. 1,072,445,850/- (2025: Rs.1,986,497,200/-), which shall expire during the year of assessment as follows;

Description	Year of Assessment	Amount Rs. Mn	Expiry by (Year of Assessment)
Losses during the year	2020/21	154	2026/27
Losses during the year	2021/22	558	2027/28
Losses during the year	2022/23	87	2028/29
Losses during the year	2023/24	273	2029/30

21.4 Sensitivity of assumptions in key revenue variable

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions of revenue variables (Occupancy / ARR / No of covers) with all other variables held constant to assess the recoverability of tax brought forward losses within the next five years.

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Brought Forward tax loss as at 01st April	1,986,513	2,686,627
Adjustment to the B/F losses	(296,125)	23,672
Actual tax Loss for the year	-	-
Tax losses utilized during the year	(617,942)	(723,786)
Carried Forward tax loss as at 31 March	1,072,446	1,986,513
Forecasted Taxable Income in next five years	4,905,320	5,360,379

	Increase / (decrease)	Sensitivity Effect on taxable income increase / (decrease) - Rs.'000
Occupancy Rate	5%	320,932
	(5%)	(341,632)
Average Room Rate	5%	430,017
	(5%)	(429,993)
Number of covers	5%	550,560
	(5%)	(560,203)

22 LEASE LIABILITY

22.1 Movement of Operating Lease Liabilities

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Balance as at 01 April	19,026	19,036
Accretion of Interest	2,378	2,378
Payment to lease creditor	(2,388)	(2,388)
Balance as at 31 March	19,016	19,026
Current	12	10
Non-Current	19,004	19,016
	19,016	19,026

22.2 The following are the amount recognised in profit or loss:

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Depreciation expenses of right of use assets	247	247
interest expense on lease liability	2,378	2,378
Total Amount recognized in profit and loss	2,625	2,625

The Company has built the Hotel on a land leased from Ceylon Tourist Board on a 99 year lease commencing from 9th May 1970 for which the Company pays a sum of Rs. 2.5 Mn annually as operating lease rental.

22.3 Following is the maturity lease liability for future periods with interest cost

	0 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years
Lease Liability - Rs.'000	597	1,791	11,940	88,758

NOTES TO THE FINANCIAL STATEMENTS

23 TRADE AND OTHER PAYABLES

Year ended 31 March	Note	2026 Rs.'000	2025 Rs.'000
Trade payables		353,254	271,699
Intercompany payables	30.6	117,939	811,799
Accrued expenses		267,206	213,046
Other payables		237,501	218,873
Trade and other payables		975,900	1,515,417

24 OTHER NON-FINANCIAL LIABILITIES

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Advances received for future reservations*	139,495	125,153
Other payables	28,193	29,759
Other non-financial liabilities	167,688	154,912

* The Company recognises advance payments received for future reservations as contract liabilities.

25 CONTINGENCIES

Contingent liabilities

There were no contingent liabilities outstanding at the reporting date, except for pending litigation in relation to:

- The application filed by legal counsel on behalf of the Company objecting the order made by the Learned Magistrate of Maligakanda Magistrate Court for the Company to pay 1% of the turnover of the Hotel as license fees to the Colombo Municipal Council (CMC). The Company filed a petition of appeal on 27 January 2011 in the court of appeal. The Court of Appeal has abated the matter pending the decision of the court in the Writ Application filed challenging the levying of 1% of Turnover as License Duty.
- There are fifteen cases filed by the Colombo Municipal Council at the Maligakanda Magistrate Court for operating a restaurant in the years 2009 (13219/M), 2010 (14158/M), 2011 (15464/R), 2013 (28930/14), 2014 (16397/15), 2015 (15580/16), 2016 (15689/17), 2017 (16909/18), 2018 (16251/19), 2019 (4689/20), 2020 (7579/21), 2021 (11639/22), 2022 (25128/23), 2023 (37681/24), and 2024 (34653/2025), without obtaining a requisite license in terms of by-law No. 3 of the Bylaws of Colombo Municipal Council relating to eating houses published in the Government Gazette bearing No. 13,354 dated 19 October 1962. All but the final case, have concluded in the Magistrate's Court with the Hon. Magistrate holding against the Company and fining the Company LKR 100/-, for each case, which fine has been paid, as of date.
- The writ application (766/2010) filed by the Company challenging, inter alia, the decision taken by Colombo Municipal Council to levy license fees equivalent to 1% of the total annual turnover as a pre condition to the issue of the Annual Trade License for the years 2008, 2009 and 2010 in respect of the restaurant operated at hotel premises. Judgment of the Court of Appeal was given against the Hotel on 19 September 2019, while the cost was ordered, the same has not been quantified.
- The Sri Lanka Tourism Development Authority (SLTDA) has proposed an upward revision of the monthly lease rental payable by the Company. The Company has formally written to SLTDA requesting SLTDA to reconsider the proposed lease rental revision in light of Circular No. 2020/6 (Land Commissioner General's Department) As at the date of approval of these financial statements, the revised monthly lease rental has not been finalized. Accordingly, the possible financial effect if any is not yet reasonably estimable

26 COMMITMENTS**(a) Capital commitments**

The Company has no capital commitment as at the reporting date.

27 STATED CAPITAL

Year ended 31 March	2026		2025	
	Number '000	Rs.'000	Number '000	Rs.'000
Balance at beginning of the year	484,000	836,000	484,000	836,000
Balance at end of the year	484,000	836,000	484,000	836,000

28 RESERVES

Year ended 31 March	Note	2026 Rs.'000	2025 Rs.'000
Revaluation reserve	28.1	1,698,226	1,327,106
Total		1,698,226	1,327,106

28.1 Revaluation Reserve

The movement in the revaluation reserve is as follows.

Year ended 31 March	Note	2026 Rs.'000	2025 Rs.'000
At beginning of year		1,327,106	1,357,389
Revaluation gain during the year	12.1.1	591,973	-
Deferred tax on revaluation gain		(177,592)	-
Transfer to retained earnings*		(43,261)	(43,261)
Deferred tax on transfers to retained earnings		-	12,978
At end of year		1,698,226	1,327,106

*The amount transfer to retained earnings represents current year depreciation effect of the revaluation gain of previous years and the revaluation gain of those assets which were disposed or de-recognised during the year.

NOTES TO THE FINANCIAL STATEMENTS

29. CASH GENERATED FROM OPERATIONS

29.1 Reconciliation of profit before tax to cash generated from operations:

Year ended 31 March	2026 Rs.'000	2025 Rs.'000
Profit before tax	542,911	539,587
Adjustments for:		
Depreciation on Property, Plant and Equipment	221,839	214,111
Amortisation on Right of use Assets	247	247
Amortisation of intangible assets	4,956	5,660
Interest income	(12,643)	(4,731)
Interest expense	125,260	162,267
Foreign exchange (gain)/loss	(15,313)	8,379
Net Impairment on trade and other receivables	113,021	(2,309)
Loss on disposal of Property, Plant and Equipment	10,483	1,524
Write-down of Inventories	434	-
Post employment benefit plans	33,029	29,419
Changes in working capital:		
- Receivable and prepayments	699,278	(300,295)
- Inventories	(77,432)	25,334
- Payables	(527,694)	(85,387)
Net cash generated from/(used in) operations	1,118,376	593,806

29.2 Changes in liabilities arising from Financing activities

	Balance as at 01 April 2025 Rs.'000	Interest converted to loan Rs.'000	Cash Inflows Rs.'000	Cash Outflows Rs.'000	Exchange differences and other non-cash adjustments Rs.'000	Balance as at 31 March 2026 Rs.'000
Interest bearing Loans and Borrowings	1,260,367	-	-	(349,493)	-	910,874
Total Liabilities from Financing activities	1,260,367	-	-	(349,493)	-	910,874

	Balance as at 01 April 2024 Rs.'000	Interest converted to loan Rs.'000	Cash Inflows Rs.'000	Cash Outflows Rs.'000	Exchange differences and other non-cash adjustments Rs.'000	Balance as at 31 March 2025 Rs.'000
Interest bearing Loans and Borrowings	1,670,473	-	-	(402,804)	(7,302)	1,260,367
Total Liabilities from Financing activities	1,670,473	-	-	(402,804)	(7,302)	1,260,367

30 RELATED PARTY DISCLOSURE

30.1 Receivable from Luxury Resort (Pvt) Ltd

	Rs.
Opening balance as at 01 April 2025	672,012,078
Rendering/ obtaining services	38,848,082
Balance transferred to parent company	(603,780,240)
Net receivable balance as at 31 March 2026	107,079,920
Provision for impairment	(107,079,920)
Balance as at 31 March 2026	-

30.1.1 Hayleys PLC, the Parent company of The Kingsbury PLC, has entered into a Binding contract with a potential buyer by way of a Letter of Intent on 3rd February 2026 and subsequently an Asset Purchase Agreement was signed on 17th of May 2026 to transfer the Head Lease and the operating assets of Luxury Resort (Pvt) Ltd, a wholly owned subsidiary of Hayleys PLC.

Based on the consideration by the potential buyer to transfer the Head Lease and the operating assets, the management has assessed that there is an uncertainty over the recoverability of its related receivables with Luxury Resort (Pvt) Ltd as at 31 March 2026. Accordingly, The Kingsbury PLC has recognised an impairment loss of Rs. 107,079,920/- in the Statement of Profit or Loss.

30.2 Non-recurrent related party transactions

Except for the transaction disclosed in Note 30.1 above there were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group and Company as per the latest audited financial statements. Disclosed below is information relating to the transaction as required by section 9.3.2 of the Colombo Stock Exchange Listing Rules and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission of Sri Lanka Act No.36 of 1987.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the financial year (Rs.'000)	Value of the transactions as %	
			Equity	Total assets
Hayleys PLC	Ultimate Parent	33,696	2%	1%
Hayleys PLC	Ultimate Parent	500,594	26%	8%
Hayleys PLC	Ultimate Parent	603,780	32%	10%
Luxury Resorts (Pvt) Ltd	Affiliate	107,080	6%	2%
Luxury Resorts (Pvt) Ltd	Affiliate	603,780	32%	10%

30.3 Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Group and Company as per the latest audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

NOTES TO THE FINANCIAL STATEMENTS

30.4 Transactions with the related parties during the year were as follows:

Year ended 31 March	Parent **		Fellow subsidiaries		Entities connected to KMP		Total	
Nature of Transaction	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Rooms and banquet sales	33,696	37,784	205,108	153,311	132,034	168,540	370,838	359,635
Purchase of goods / services	61,767	52,099	218,915	151,059	12,901	9,917	293,583	213,075
Marketing and promotional fees	-	-	11,861	12,645	-	-	11,861	12,645
Sectorial and administration charges	343,484	347,953	75,882	570,093	-	-	419,366	918,046

30.5 Outstanding receivables balance arising from the above transactions:

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Ultimate Parent		5,070	6,842
Affiliated Other companies		263,771	960,171
Inter-company receivable	30.5.1	268,841	967,013
Entities connected to KMP		18,314	26,078

30.5.1 Outstanding inter-company receivables

Year ended 31 March	Relationship	2026 Rs. '000	2025 Rs. '000
Hayleys PLC	Ultimate Parent	5,070	6,842
Advantis Projects (Pvt) Ltd	Affiliate	(1)	-
Air Global (Pvt) Ltd	Affiliate	-	280
Alumex PLC	Affiliate	-	711
Chas P Hayleys & Company (Pvt) Ltd	Affiliate	89	-
Clarrion Shipping (Pvt) Ltd	Affiliate	-	533
CMA CGM Lanka (Pvt) Ltd	Affiliate	100	-
COSCO Shipping Lines Lanka (Pvt) Ltd	Affiliate	358	38
CEVA Logistics Lanka	Affiliate	48	-
Dipped Products PLC	Affiliate	4,185	352
Energynet (Pvt) Ltd	Affiliate	24	-
Fentons Ltd	Affiliate	5,720	957
Haycarb PLC	Affiliate	338	1,192
Hayleylines Ltd	Affiliate	-	123
Hayleys Advantis Ltd	Affiliate	142	492
Hayleys Aventura (Pvt) Ltd	Affiliate	272	2,209
Hayleys Aviation & Projects (PVT) Ltd	Affiliate	778	65
Hayleys Consumer Products Ltd	Affiliate	87	42
Hayleys Fabric PLC	Affiliate	316	169
Hayleys Leisure PLC	Affiliate	139,353	227,354
Hayleys Lifesciences	Affiliate	437	-
Hayleys Travels (Pvt) Ltd	Affiliate	1,604	34,030
Hayleys Engineering (Pvt) Ltd	Affiliate	150	-

Year ended 31 March	Relationship	2026 Rs. '000	2025 Rs. '000
Hayleys Mobility Ltd	Affiliate	71	-
Hayleys Retail Holdings Ltd	Affiliate	-	-
Haymat (Pvt) Ltd	Affiliate	-	11
Kandyan Resorts (Pvt) Ltd	Affiliate	-	16,562
Luxury Resort (Pvt) Ltd	Affiliate	107,080	672,012
Mabroc Teas (Pvt) Ltd	Affiliate	99	797
Martin Bauer Hayleys (Pvt) Ltd	Affiliate	852	-
Millennium Transportation (Pvt) Ltd	Affiliate	139	-
Moceti International (Pvt) Ltd	Affiliate	10	-
Rileys (Pvt) Ltd	Affiliate	54	-
S&T Interiors (Pvt) Ltd	Affiliate	-	1,123
Singer Finance (Lanka) PLC	Affiliate	80	99
Singer Sri Lanka PLC	Affiliate	956	179
Sri Lanka Shipping Company Ltd	Affiliate	232	-
Talawakelle Tea Estates PLC	Affiliate	150	-
Toyo Cushion Lanka (Pvt) Ltd	Affiliate	-	42
Volanka (Pvt) Ltd	Affiliate	48	799
		268,841	967,013

30.6 Outstanding payable balance arising from the above transactions:

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Ultimate Parent		69,206	799,776
Affiliated Other companies		48,733	12,023
Intercompany payable	30.6.1	117,939	811,799
Entities connected to KMP		-	-

All the above related party transactions have been conducted on relevant commercial terms with the respective parties. All related party outstanding balances at the year-end are unsecured, interest free other than in the case of funding arrangements and are to be settled in cash or its equivalents.

NOTES TO THE FINANCIAL STATEMENTS

30.6.1 Outstanding inter-company payables

Year ended 31 March	Relationship	2026 Rs '000	2025 Rs '000
Hayleys PLC	Ultimate Parent	69,206	799,776
Fentons Ltd	Affiliate	398	3,525
Hayleys Agriculture Holdings Ltd	Affiliate	1,195	966
Hayleys Business Solutions (Pvt) Ltd	Affiliate	370	579
Hayleys Consumer Products Ltd	Affiliate	355	686
Hayleys Engineering (Pvt) Ltd	Affiliate	15	-
Hayleys Mobility Ltd	Affiliate	42,000	-
Logiwiz Ltd	Affiliate	314	166
Singer Sri Lanka PLC	Affiliate	252	2,531
IML Delivery Systems (Pvt) Ltd	Affiliate	1	4
Mabroc Teas (Pvt) Ltd	Affiliate	843	385
Hayleys Travels (Pvt) Ltd	Affiliate	-	147
Delmege Forsyth & Company Ltd	Affiliate	2,815	1,957
Royal Ceramics Lanka PLC	Affiliate	-	518
Rocell Bathware Ltd	Affiliate	-	257
Talawakelle Tea Estates PLC	Affiliate	175	65
Ravi Industries Ltd	Affiliate	-	29
Hayleys Advantis Projects & Engineering (Pvt) Ltd	Affiliate	-	208
		117,939	811,799

30.7 Key management compensation

The Key Management Personnel (KMP) of the Company are the members of its Board of Directors and that of its parent.

30.8 Terms and Conditions of Transactions with Related Parties and KMP:

The sales to and purchases from related parties and KMP are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Year ended 31 March	2026 Rs. '000	2025 Rs. '000
a. Key Management Personnel Compensation		
Short-term employee benefits	88,856	77,705
Directors Emoluments	5,450	5,325
	94,306	83,030
b. Transactions, with KMP and their close family members		
Rooms and banquet sales	144,935	178,457
c. Outstanding receivable balance arising from above transactions	18,314	26,078

31. GOING CONCERN

The Kingsbury PLC being a leading 5 star hotel in the city of Colombo, reported a profit after tax amounting to Rs. 365 Mn with a remarkable turnaround from the adverse conditions that prevailed over the past five years. In determining the basis of preparation of the Financial Statements for the year ended 31 March 2026, based on the assessment made by the management there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a Going Concern. The Company continued to place emphasis on undrawn facilities and improved cashflow generated from the operation to meet short, medium, and long-term fund requirements, unforeseen obligations as well as unanticipated opportunities. Having anticipated the financial impact and relatable adverse effects, the Company undertook rigorous cost management measures and alternate revenue generating avenues were also introduced to ensure business continuity. Furthermore, the Company has proactively approached Financial Institutions to negotiate and enable funding mechanisms to counter upcoming funding requirements. Having considered possible scenarios, the Board of Directors is satisfied that the Company has sufficient capital to continue in operational existence for the foreseeable future

32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments of the Company comprise financial assets and financial liabilities. Fair value is the amount at which the financial assets could be exchanged or a financial liability transferred, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the determination of fair values as at the reporting date.

32.1 Financial Instruments carried at Fair Value

The Company does not have any financial instruments that are carried at Fair value as at the reporting date.

32.2 Financial Instruments not carried at Fair Value

Given below is a comparison, by class, of the carrying amounts and fair values of the company's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Year ended 31 March	2026		2025	
	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000
Financial assets				
Cash and bank	17,490	17,490	95,743	95,743
Trade and other receivables	360,369	360,369	1,186,432	1,186,432
	377,859	377,859	1,282,175	1,282,175
Financial liabilities				
Trade and other payables	975,900	975,900	1,515,417	1,515,417
Interest-bearing loans and borrowings	1,279,587	1,279,587	1,648,602	1,648,602
	2,255,487	2,255,487	3,164,019	3,164,019

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the Financial statements:

NOTES TO THE FINANCIAL STATEMENTS

Other current financial assets, trade and other receivables and trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value closely approximates with its fair values.

Trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value is reasonably estimate of its fair values.

Interest-bearing loans and borrowings

All the borrowings are obtained at variable interest rates. Hence the carrying value closely approximates with its fair values.

33. RISK MANAGEMENT

33.1 Introduction

The Company has exposure to the following risks from its financial instruments;

1. Credit risk
2. Liquidity risk
3. Market risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, which includes developing and monitoring the Company's risk management policies.

The Audit Committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by it. The Audit Committee is assisted in its oversight role by the Management Audit System Review Department (MASRD) of Hayleys PLC. MASRD undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

33.2 Credit Risk

(a) Introduction

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Company has an established credit policy under which each new customer is reviewed individually for credit worthiness before standard payment and delivery terms are offered to the customer. The credit review includes bank and other reputed company references. Credit granted is subject to regular review, to ensure it remains consistent with the customer's creditworthiness in relations to the anticipated volume of business.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the reporting date.

(b) The maximum exposure to credit risk at the reporting date

Year ended 31 March	Note	2026 Rs. '000	2025 Rs. '000
Trade and other receivables	16	360,369	1,186,432

- (c) The ageing of the trade receivable at the reporting date

Year ended 31 March	Gross Receivable		Impairment Allowance*		Carrying Value	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Not due 0-30 days	154,483	306,574	-	-	154,483	306,574
Past due:						
Past due 31-60 days	48,144	49,468	-	-	48,144	49,468
Past due 61-90 days	16,567	(31,744)	-	-	16,567	(31,744)
Past due 91-120 days	2,441	82,231	-	-	2,441	82,231
Past due 121-180 days	5,920	21,964	-	-	5,920	21,964
More than 180 days	246,575	758,779	113,761	840	132,814	757,939
Total	474,130	1,187,272	113,761	840	360,369	1,186,432

* Movement in the Impairment Allowance

	2026 Rs.'000	2025 Rs.'000
Balance as at 1 April	840	3,149
Net Impairment on trade and other receivables	113,021	(2,309)
Written-off	(99)	-
Balance as at 31 March	113,761	840

33.3 Liquidity Risk

- (a) Introduction

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

- (b) The following are the contractual maturities of financial liabilities at its carrying value:

Year ended 31 March 2026	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3 to 12 Months Rs.'000	More than 1 Year Rs.'000
Trade and other payables	975,900	589,066	386,834	-
Interest-bearing borrowings	1,279,587	368,714	315,773	595,100
	2,255,487	957,780	702,607	595,100

Year ended 31 March 2025	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3 to 12 Months Rs.'000	More than 1 Year Rs.'000
Trade and other payables	1,515,417	565,123	950,294	-
Interest-bearing borrowings	1,648,602	388,236	349,493	910,873
	3,164,019	953,359	1,299,787	910,873

NOTES TO THE FINANCIAL STATEMENTS

The liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach.

The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Company continued to place emphasis on ensuring that undrawn committed facilities and the ultimate parent company's affirmation (refer Note 30.4) on its intention and ability to secure funding are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities.

Further the Company is in constant dialogue with banks regarding financing requirement including re-scheduling loan arrangements in-light with government introduced funding mechanisms aimed at providing assistance to overcome the liquidity concerns associated to the tourism industry. The Company continues to differ its essential expenditure to maintain a better cash position

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

- (c) If interest rate increased or decreased by 1% the effect of the same to the interest expenses and liability would be:

Year ended 31 March 2026 Increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase /(decrease) in results for the year	Sensitivity Effect on borrowings liability increase/(decrease) in the Liability
1%	(9,578)	9,578
(1%)	9,578	(9,578)

Year ended 31 March 2025 Increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase /(decrease) in results for the year	Sensitivity Effect on borrowings liability increase/(decrease) in the Liability
1%	(11,902)	11,902
(1%)	11,902	(11,902)

33.4 Market Risk

- (a) Introduction

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

- (b) Foreign currency risk

The Company is exposed to foreign currency risk on revenue, purchases, borrowings and cash deposits denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily US dollars, Sterling pounds, Euro and Japanese yen.

If market rate appreciates or depreciates by 1% the effect of the same to the exchange gain/(loss) would be:

Year ended 31 March 2026	Increase / (decrease) in market rate Rs.'000	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs.'000
	1%	(83)
	(1%)	83

Year ended 31 March 2025	Increase / (decrease) in market rate Rs.'000	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs.'000
	1%	(84)
	(1%)	84

34. CAPITAL MANAGEMENT

The Company's capital structure consists of debt, which includes the loans and borrowings disclosed in Note 19 cash and cash equivalents disclosed in Note 18 and the equity, comprising share capital, reserves and retained earnings, as disclosed in the statement of changes in equity. The Company seeks to maintain a balance between the higher returns that might be possible with reasonable levels of borrowings obtained to fund its long term projects as the hotel underwent upgrading.

35. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant events subsequent to the balance sheet date which is required to be disclosed in the Financial Statements.

36. COMPARATIVE INFORMATION

Company

The following comparative figures have been classified in the Statement of Financial Position to improve the comparability of financial statements in order to provide a better presentation.

Statement of Financial Position

Year ended 31 March 2025		Previously Reported Rs.'000	Reclassification Rs.'000	Adjustment Rs.'000
Lease Liability	Non-current	16,640	19,016	2,376
Lease Liability	Current	2,386	10	(2,376)

Supplementary Information

CROWNED BY TRUST



Our supplementary information reinforces the transparency and completeness that support informed stakeholder confidence. Through detailed disclosures, references, and supporting information, The Kingsbury strengthens the foundation of trust behind its reporting, ensuring that every aspect of our performance is presented with clarity and integrity.

INFORMATION TO SHAREHOLDERS

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2026

Ordinary Shareholders as a 31st March 2026 - 7,770 (as at 31st March 2025 - 5,066)

No. of shares held	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1000	4,199	1,368,315	0.28	13	3,920	0.00	4,212	1,372,235	0.28
1,001 - 10,000	2,498	9,567,268	1.97	26	128,802	0.03	2,524	9,696,070	2.00
10,001 - 100,000	841	26,176,325	5.41	8	277,638	0.06	849	26,453,963	5.47
100,001 - 1,000,000	156	48,185,942	9.96	-	-	-	156	48,185,942	9.96
Over 1,000,000	28	396,291,790	81.88	1	2,000,000	0.41	29	398,291,790	82.29
	7,722	481,589,640	99.50	48	2,410,360	0.50	7,770	484,000,000	100.00

Category	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individuals	7,466	105,780,970	21.85	47	2,385,360	0.49	7,513	108,166,330	22.34
Institutions	256	375,808,670	77.65	1	25,000	0.01	257	375,833,670	77.66
	7,722	481,589,640	99.50	48	2,410,360	0.50	7,770	484,000,000	100.00

SHARE TRADING INFORMATION

For the Twelve months ended 31st March	2026		2025	
	Date	Rs.	Date	Rs.
Highest Price Rs.	10/10/2025	23.80	24/01/2025	14.50
Lowest Price Rs.	07/04/2025	10.90	18/09/2024	8.90
Closing Price Rs.		15.10		11.90
No. of transactions		34,637		11,576
No. of shares traded		190,279,154		72,782,565
Value of shares traded Rs.		3,465,733,816		892,068,058

INFORMATION TO SHAREHOLDERS

TOP TWENTY SHAREHOLDERS

No.	Name of Shareholder	No. of Shares as at 31/03/2026	%	No. of Shares as at 31/03/2025	%
1	Hayleys PLC	174,614,114	36.08	174,614,114	36.08
2	Carbotels (Pvt) Limited	113,250,000	23.40	113,250,000	23.40
3	Employee's Provident Fund	21,547,794	4.45	51,089,884	10.56
4	Mr. Kulappu Arachchige Don Harindra Perera	15,096,347	3.12	15,096,347	3.12
5	Mr. Kulappu Arachchige Don Anurada Perera	13,346,626	2.76	13,346,626	2.76
6	Bank Of Ceylon-No2 A/C (BOC PTF)	7,000,000	1.45	10,010,351	2.07
7	Mr. Kulappu Arachchige Don Dhammika Perera	6,432,292	1.33	6,432,292	1.33
8	Renuka Hotels PLC	4,742,600	0.98	4,742,600	0.98
9	Renuka City Hotels PLC	4,520,600	0.93	4,520,600	0.93
10	Renuka Consultants & Services Limited	3,670,200	0.76	3,670,200	0.76
11	Seylan Bank PLC/W.G.U.I. Ranaweera	3,437,334	0.71	-	-
12	Mr. Narawala Gamage Mahinda	3,403,529	0.70	3,403,529	0.70
13	Mr. Amarakoon Mudiyanse Weerasinghe	2,507,771	0.52	2,507,771	0.52
14	People's Leasing & Finance PLC/L.P. Hapangama	2,455,400	0.51	2,950,287	0.61
15	Mr. Shiran Harsha Amarasekera	2,044,143	0.42	2,534,000	0.52
16	Cargo Boat Development Company PLC	2,020,200	0.42	2,020,200	0.42
17	Mrs. Fathima Rizwana Buhardeen	2,000,000	0.41	-	-
18	Hatton National Bank PLC/Almas Holdings (Pvt) Ltd	1,747,588	0.36	-	-
19	Seylan Bank PLC/Andaradeniya Estate (Pvt) Ltd	1,700,000	0.35	1,700,000	0.35
20	People's Leasing & Finance PLC/Verite Research (Pvt) Ltd	1,559,346	0.32	-	-
	Total	387,095,884	79.98	-	-

*There were no non-voting shares as at 31st March 2026.

	As at 31st March 2026	As at 31st March 2025
Market Capitalization	7,308,400,000	5,759,600,000
Float - Adjusted Market Capitalization	2,862,636,769.40	2,255,985,268.60
Minimum public holding requirement	10.00%	20.00%
Percentage of Public Holding	39.17%	39.17%
Total no. of shareholders representing public holding	7,766	5,027

The Company complies with option 4 of the Listing Rules 7.13.1 (i) (a) which requires a minimum public holding of 10% for a Company having a float adjusted market capitalisation of more than Rs. 2.5 Bn.

TEN YEAR FINANCIAL SUMMARY

Year ended 31 March	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
OPERATING RESULTS										
Revenue	5,562,090	5,327,046	5,266,787	3,817,614	2,021,666	777,923	1,843,754	2,956,631	3,085,143	3,061,048
Cost of sales	(2,792,459)	(2,771,802)	(2,774,366)	(2,398,328)	(1,544,454)	(862,849)	(1,222,437)	(1,526,383)	(1,630,688)	(1,469,351)
Gross Profit/(Loss)	2,769,631	2,555,244	2,492,421	1,419,286	477,212	(84,926)	621,317	1,430,248	1,454,455	1,591,697
Other income and (expenses)	6,937	20,352	14,347	7,505	25,406	33,405	85,644	(28,985)	12,541	(4,503)
Administrative expenses	(2,009,834)	(1,777,934)	(1,869,081)	(1,412,003)	(801,228)	(702,416)	(883,719)	(1,020,714)	(1,060,184)	(919,108)
Marketing expenses	(119,482)	(92,160)	(85,344)	(54,261)	(47,811)	(45,342)	(112,583)	(150,783)	(137,734)	(129,346)
Finance income	36,054	13,994	6,047	18,195	25,633	601	6,309	9,281	8,765	20,905
Finance expense	(140,395)	(179,909)	(303,737)	(383,574)	(135,750)	(82,717)	(122,101)	(66,259)	(89,914)	(134,629)
Profit/(Loss) before tax	542,911	539,587	254,653	(404,852)	(456,538)	(881,394)	(405,133)	172,788	187,929	425,016
Income Tax (Charge) / Reversal	(178,119)	11,566	9,432	(147,621)	29,702	123,200	12,284	(72,011)	(48,775)	(44,670)
Net Profit/(Loss) after tax	364,792	551,153	264,085	(552,473)	(426,836)	(758,194)	(392,849)	100,777	139,154	380,346
ASSETS EMPLOYED										
Non-current assets										
Property, plant and equipment	5,110,458	4,431,680	4,497,314	3,631,703	3,751,328	3,856,101	4,095,352	3,690,668	3,898,611	3,860,890
Intangible assets	10,841	15,741	20,639	16,843	5,952	7,250	11,374	17,128	21,214	25,517
Right of use asset	10,683	10,933	11,180	11,427	11,674	11,921	12,168	-	-	-
	5,131,982	4,458,354	4,529,133	3,659,973	3,768,954	3,875,272	4,118,894	3,707,796	3,919,825	3,886,407
Current assets										
Cash and cash equivalents	411,740	95,743	147,035	167,386	112,265	13,571	63,947	253,156	294,984	496,742
Current assets other than cash and cash equivalents	697,518	1,426,444	1,146,183	615,894	423,107	227,339	398,780	351,539	321,658	327,552
	1,109,258	1,522,187	1,293,218	783,280	535,372	240,910	462,727	604,694	616,642	824,294
Total assets	6,241,240	5,980,541	5,822,351	4,443,253	4,304,326	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701
SHAREHOLDER'S FUND										
Stated capital	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000
Reserves	1,698,226	1,327,106	1,357,389	731,173	870,444	816,874	833,924	826,093	904,808	940,907
Retained earnings	157,166	(247,942)	(842,609)	(1,143,155)	(579,342)	(167,943)	565,212	911,606	793,072	613,646
	2,691,392	1,915,164	1,350,780	424,018	1,127,102	1,484,931	2,235,136	2,573,699	2,533,880	2,390,553
LIABILITIES										
Non-current liabilities										
Non-current liabilities other than borrowings	1,126,661	1,191,312	1,099,157	474,352	171,743	194,573	318,876	335,880	282,418	246,327
Borrowings	595,100	910,873	1,260,367	918,580	1,036,859	1,049,209	574,469	550,610	510,618	942,101
	1,721,761	2,102,185	2,359,524	1,392,932	1,208,601	1,243,782	893,345	886,490	793,036	1,188,428
Current liabilities										
Current liabilities other than borrowings and overdraft	1,143,600	1,225,463	1,401,023	1,300,243	993,598	785,505	752,255	388,855	462,197	562,965
Current portion of borrowings and bank overdraft	684,487	737,729	711,024	1,326,060	975,024	601,964	700,885	463,446	747,354	568,755
	1,828,087	1,963,192	2,112,047	2,626,303	1,968,622	1,387,469	1,453,140	852,301	1,209,551	1,131,720
Total equity and liabilities	6,241,240	5,980,541	5,822,352	4,443,253	4,304,325	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701

KEY INDICATORS

		2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Current ratio	No of Times	0.61	0.78	0.61	0.30	0.27	0.17	0.32	0.71	0.51	0.73
Net assets per share	(Rs)	5.56	3.96	2.79	0.88	2.33	3.07	4.62	10.64	10.47	9.88
Market price per share	(Rs)	15.10	11.90	10.80	9.90	8.00	6.00	8.70	12.80	18.00	15.50
Earnings per share	(Rs)	0.75	1.14	0.55	(1.14)	(0.88)	(1.57)	(0.81)	0.42	0.58	1.57
Price earnings ratio	No of Times	20.17	10.45	19.79	(8.67)	(9.07)	(3.83)	(5.36)	30.74	31.30	9.86
Gearing	%	32.22	46.26	59.34	84.11	64.09	49.68	35.93	27.48	32.70	37.81
Dividend per share	(Rs)	-	-	-	-	-	-	-	-	0.25	0.25
Dividend pay out ratio	%	-	-	-	-	-	-	-	-	86.95	31.81

GRI CONTENT INDEX

Statement of use	The Kingsbury PLC has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
General Disclosures							
	2-1 Organisational details	About Us	10	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	About This Report	6-9				
	2-3 Reporting period, frequency and contact point	About This Report	6-9				
	2-4 Restatements of information	About This Report	6-9				
	2-5 External assurance	About This Report	6-9				
	2-6 Activities, value chain and other business relationships	Value Creation Model	28-29	None			
	2-7 Employees	Human Capital	55-61	None			
	2-8 Workers who are not employees	Human Capital	55-61	None			
	2-9 Governance structure and composition	Corporate Governance	84-108	None			
	2-10 Nomination and selection of the highest governance body	Corporate Governance	84-108	None			
	2-11 Chair of the highest governance body	Corporate Governance	84-108	None			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	84-108	None			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	84-108	None			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	84-108	None			
	2-15 Conflicts of interest	Corporate Governance	84-108	None			
	2-16 Communication of critical concerns	Corporate Governance	84-108	None			
	2-17 Collective knowledge of the highest governance body	Corporate Governance	84-108	None			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	84-108	None			
	2-19 Remuneration policies	Corporate Governance	84-108	None			
	2-20 Process to determine remuneration	Corporate Governance	84-108	None			
	2-21 Annual total compensation ratio	Corporate Governance	84-108	None			
	2-22 Statement on sustainable development strategy	Corporate Governance	84-108	None			
	2-23 Policy commitments	Corporate Governance	84-108	None			
	2-24 Embedding policy commitments	Corporate Governance	84-108	None			
	2-25 Processes to remediate negative impacts	Corporate Governance	84-108	None			
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	84-108	None			
	2-27 Compliance with laws and regulations	Corporate Governance	84-108	None			
	2-28 Membership associations	Intellectual Capital	62-65	None			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	30-35	None			
	2-30 Collective bargaining agreements			2-30	Not applicable	Not relevant to the Company's operations	
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	43-45	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Material Topics	43-45				
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation Model	28-29	None			
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital / Risk management	74-82 /109-116	None			
	201-3 Defined benefit plan obligations and other retirement plans	Notes to Financial Statements	149-183	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	201-4 Financial assistance received from government			201-4	Not applicable		
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			202-1	Confidentiality constrains		
	202-2 Proportion of senior management hired from the local community	Human Capital	55-61		None		
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45		None		
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social & Relationship Capital	69-73		None		
	203-2 Significant indirect economic impacts	Social & Relationship Capital	69-73		None		
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45		None		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social & Relationship Capital	69-73		None		
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45		None		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance	84-108		None		
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	84-108		None		
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance	84-108		None		
Anti-competitive behaviour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45		None		

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Corporate Governance	84-108	None			
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 207: Tax 2019	207-1 Approach to tax	Corporate Governance	84-108	None			
	207-2 Tax governance, control, and risk management	Corporate Governance	84-108	None			
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance	84-108	None			
	207-4 Country-by-country reporting			207-4	Not applicable	Not relevant to the Company's operations	
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital	74-82	None			
	301-2 Recycled input materials used			301-2	Information unavailable/incomplete	Too many variables to standardise	
	301-3 Reclaimed products and their packaging materials			301-3	Not applicable	Not relevant to the Company's operations	
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Natural Capital	74-82	None			
	302-2 Energy consumption outside of the organisation				Information unavailable/incomplete	Too many variables to standardise	
	302-3 Energy intensity	Natural Capital	74-82	None			
	302-4 Reduction of energy consumption	Natural Capital	74-82				

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	302-5 Reductions in energy requirements of products and services	Natural Capital	74-82				
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	74-82	None			
	303-2 Management of water discharge-related impacts	Natural Capital	74-82	None			
	303-3 Water withdrawal	Natural Capital	74-82	None			
	303-4 Water discharge	Natural Capital	74-82	None			
	303-5 Water consumption	Natural Capital	74-82	None			
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital	74-82	None			
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital	74-82	None			
	304-3 Habitats protected or restored	Natural Capital	74-82	None			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			304-4	Not applicable	Not relevant to the Company's operations	
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	74-82	None			
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	74-82	None			
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	74-82	None			

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	305-4 GHG emissions intensity	Natural Capital	74-82	None			
	305-5 Reduction of GHG emissions	Natural Capital	74-82	None			
	305-6 Emissions of ozone- depleting substances (ODS)	Natural Capital	74-82	None			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			305-7	Not available / Incomplete information	Not relevant to the Company's operations	
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	74-82	None			
	306-2 Management of significant waste-related impacts	Natural Capital	74-82	None			
	306-3 Waste generated	Natural Capital	74-82	None			
	306-4 Waste diverted from disposal	Natural Capital	74-82	None			
	306-5 Waste directed to disposal	Natural Capital	74-82	None			
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social & Relationship Capital	69-73	None			
	308-2 Negative environmental impacts in the supply chain and actions taken	Social & Relationship Capital	69-73	None			
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	55-61	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	55-61	None			
	401-3 Parental leave	Human Capital	55-61	None			
Labour/management relations							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 402: Labour/Management Relations 2016	402-1 Minimum notice periods regarding operational changes			402-1	Not applicable	Not relevant to the Company's operations	
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	55-61	None			
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	55-61	None			
	403-3 Occupational health services	Human Capital	55-61	None			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	55-61	None			
	403-5 Worker training on occupational health and safety	Human Capital	55-61	None			
	403-6 Promotion of worker health	Human Capital	55-61	None			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	55-61	None			

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	403-8 Workers covered by an occupational health and safety management system	Human Capital	55-61	None			
	403-9 Work-related injuries	Human Capital	55-61	None			
	403-10 Work-related ill health	Human Capital	55-61	None			
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	55-61	None			
	404-2 Programmes for upgrading employee skills and transition assistance programs	Human Capital	55-61	None			
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	55-61	None			
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital	55-61	None			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	55-61	405-2	Confidentiality constrains		
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital	55-61	None			
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
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			407-1	Not applicable	Not relevant to the Company's operations	

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Child labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Social & Relationship Capital	69-73	None			
Forced or compulsory labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social & Relationship Capital	69-73	None			
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			410-1	Not applicable	Not relevant to the Company's operations	
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			411-1	Not applicable	Not relevant to the Company's operations	
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Social & Relationship Capital	69-73	None			
	413-2 Operations with significant actual and potential negative impacts on local communities	Social & Relationship Capital	69-73	None			
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social & Relationship Capital	69-73	None			
	414-2 Negative social impacts in the supply chain and actions taken	Social & Relationship Capital	69-73	None			
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 415: Public Policy 2016	415-1 Political contributions			415	Not available		
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Intellectual Capital	62-65	None			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Intellectual Capital	62-65	None			
Marketing and labelling							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Social & Relationship Capital	69-73	None			
	417-2 Incidents of non-compliance concerning product and service information and labelling	Social & Relationship Capital	69-73	None			
	417-3 Incidents of non-compliance concerning marketing communications	Social & Relationship Capital	69-73	None			
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	43-45	None			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social & Relationship Capital	69-73	None			

SASB DISCLOSURE INDEX

HOTELS & LODGING - SUSTAINABILITY DISCLOSURE TOPICS AND ACCOUNTING METRICS

Topic	Accounting Metric	Unit of Measure	Code	Disclosure	PAGE
Energy Management	1. Total energy consumed	GJ	SV-HL-130a.1	44,650.3 GJ	74-82
	2. Percentage grid electricity	%		56.4% (out of total energy)	
	3. Percentage renewable	%		0%	
Water Management	1. Total water withdrawn	m3	SV-HL-140a.1	118,314 m3	74-82
	2. Total water consumed	m3		23,663 m3 (assumption based calculated)	
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	No.	SV-HL-160a.1	Please refer Natural Capital	74-82
	Description of environmental management policies and practices to preserve ecosystem services	N/A	SV-HL-160a.2	Please refer Natural Capital	74-82
Labour Practices	1. Voluntary and		SV-HL-310a.1	22%	55-61
	2. Involuntary turnover rate for lodging facility employees			0%	
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Rs.	SV-HL-310a.2	None	55-61
	1. Average hourly wage	Rs.	SV-HL-310a.3	Not reported due to reasons of confidentiality	55-61
	2. Percentage of lodging facility employees earning minimum wage, by region	%		100% of employees earned above the local stipulated minimum wage in regions of operation	
	Description of policies and programmes to prevent worker harassment	N/A	SV-HL-310a.4	Please refer Human Capital	55-61
Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	No.	SV-HL-450a.1	0 - based on available data sources	-

Activity Metric	Unit of Measure	Code	Disclosure
Number of available room-nights	No.	SV-HL-000.A	83,585
Average occupancy rate	%	SV-HL-000.B	75%
Total area of lodging facilities	M2	SV-HL-000.C	3,251 m2
Number of lodging facilities and the percentage that are:	No & %	SV-HL-000.D	Only 01 facility 100% owned
1. Managed			
2. Owned and leased			
3. Franchised			

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY SEVENTH (57TH) ANNUAL GENERAL MEETING OF THE KINGSBURY PLC will be held on Wednesday, 24th June 2026 at 2:00 p.m. at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

1. To consider and adopt the Annual Report of the Board of Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.
2. To re-elect as a Director Ms. R. N. Ponnambalam, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
3. To re-elect as a Director Mr. T. A. B. Speldewinde, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
4. To re-elect as a Director Mr. D. T. R. De Silva, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
5. To re-elect as a Director Ms. K. A. D. S. Perera, who was appointed as a Non-Executive Director by the Board, in terms of Article 94 of the Articles of Association of the Company.
6. To propose the following resolution for the re-appointment of Mr. A. M. Pandithage in terms of Section 211 of the Companies Act No. 07 of 2007.

Ordinary Resolution

'That Mr. Abeyakumar Mohan Pandithage, who is over the age of seventy years be and is hereby re-appointed as a Director until the next Annual General Meeting and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to him'.

7. To authorise the Directors to determine donations and contributions to charities for the ensuing year.
8. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.
9. To consider and if thought fit, to pass the following Special Resolution to amend the existing Article 147 in the Articles of Association of the Company;

Special Resolution (1)

IT IS HEREBY RESOLVED THAT Article 147 of the Articles of Association of the Company be amended by the inclusion of the following paragraph at the end of Article 147;

"The Company may serve any notice or document by electronic mail to an electronic mail account notified by a shareholder in writing or by any other acceptable means to the Company or to the Central Depository System (Pvt) Ltd. Where electronic mail is used, the notice or document shall be deemed to have been received by the shareholder upon the dispatch of same by the Company or by the Central Depository System (Pvt) Ltd, through electronic mail."

By Order of the Board,

THE KINGSBURY PLC

HAYLEYS GROUP SERVICES (PRIVATE)
LIMITED
SECRETARIES

COLOMBO

02nd June 2026.

Notes to shareholders:

1. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.
2. The Annual Report of the Company for 2025/26 is available on the corporate website www.thekingsburyhotel.com/annual-reports and on the Colombo Stock Exchange website - www.cse.lk. If you wish to have a printed copy of the Annual Report, please forward the duly completed 'Request Form - Annexure A' to Chameera Gunawardena, Hayleys Group Services (Private) Limited, Secretaries for The Kingsbury PLC, No. 400, Deans Road, Colombo 10. Email Address : chameera.gunawardena@secretarial.hayleys.com. A printed copy of the Annual Report will be forwarded within 8 market days from the date of receiving the Request Form.

FORM OF PROXY

I/We

(Full Name of Shareholder), NIC No./Reg. No. of Shareholder.....

of

..... being a Shareholder/Shareholders of The Kingsbury PLC
hereby appoint:

(1)

..... (Full Name of Proxyholder) NIC No. of Proxyholder

of or failing him/them

(2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/our Proxy to attend and vote as indicated hereunder for me/us and on my/our behalf at the Fifty Seventh Annual General Meeting of the Company to be held on Wednesday, 24th June 2026 at 2:00p.m. and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.	☐	☐
2. To re-elect as a Director Ms. R. N. Ponnambalam, as set out in the Notice.	☐	☐
3. To re-elect as a Director Mr. T. A. B. Speldewinde, as set out in the Notice.	☐	☐
4. To re-elect as a Director Mr. D. T. R. De Silva, as set out in the Notice.	☐	☐
5. To re-elect as a Director Ms. K. A. D. S. Perera, as set out in the Notice.	☐	☐
6. To re-appoint Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	☐	☐
7. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	☐	☐
8. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.	☐	☐
9. To pass the Special Resolution to amend Article 147 of the Articles of Association of the Company as set out in the Notice.	☐	☐

Signed on this day of 2026.

.....
Signature of Shareholder

(Instructions are given overleaf)

FORM OF PROXY

INSTRUCTIONS:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. **Delayed Proxy Forms shall not be accepted.**
2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/her and the Proxy need not be a Shareholder of the Company.
3. Full name of Shareholder/Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Form of Proxy must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/she thinks fit.
7. In the case of a company/corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/Banker with whom the account is maintained.

CORPORATE STRUCTURE

NAME OF COMPANY

The Kingsbury PLC

COMPANY REGISTRATION NO.

PQ 203

LEGAL FORM

A Public Limited Company Incorporated in Sri Lanka.

DATE OF INCORPORATION

04th May 1969

REGISTERED OFFICE

No. 48, Janadhipathi Mawatha
Colombo 01
Sri Lanka.

Telephone : +94 112 421 221

Website : www.thekingsburyhotel.com

STOCK EXCHANGE LISTING

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

BOARD OF DIRECTORS

Mr. A. M. Pandithage (Chairman)

Mr. R. J. Karunarahaj (Managing Director)

Mr. S. C. Ganegoda

Ms. R. N. Ponnambalam

Mr. T. A. B. Speldewinde

Ms. K. A. D. B. Perera

Mr. D. T. R. De Silva

Mr. A. J. Alles

Mr. T. M. Hewagama (Appointed w.e.f. 28th April 2025)

Ms. K. A. D. S. Perera (Appointed w.e.f. 01st October 2025)

AUDIT COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. A. J. Alles

REMUNERATION COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles

SECRETARIES

Hayleys Group Services (Private) Limited

No. 400, Deans Road

Colombo 10

Sri Lanka.

Telephone : +94 112 627 650-3 (4 lines)

AUDITORS

Ernst & Young Chartered Accountants

Rotunda Towers

No.109, Galle Road

Colombo 03

Sri Lanka.

BANKERS

Hatton National Bank PLC

Bank of Ceylon

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

This image shows a full page of blank, lined paper. It features approximately 28 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.



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