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25 August 2026

The Board of Directors
Aitken Spence Hotel Holdings PLC
315, Vauxhall Street,
Colombo 02

Dear Sirs / Madam,

Accountant's Report for Inclusion in the Prospectus of Aitken Spence Hotel Holdings PLC

This report has been prepared for the purpose of the prospectus issued in connection with the proposed public offer up to Thirty Million (30,000,000) Listed Rated Unsecured Senior Redeemable Debentures (hereinafter referred to as the "Debentures") with a par value of Sri Lankan Rupees One Hundred (Rs.100/-) each in the first instance, with an option to issue up to a further Twenty Million (20,000,000) Debentures with a par value of Sri Lankan Rupees One Hundred (Rs.100/-) each at the discretion of the Company in the event of an oversubscription of the aforesaid initial issue, aggregating to the value of Sri Lankan Rupees Five Billion (Rs. 5,000,000,000/-) subject to obtaining all necessary regulatory and other approvals.

We have examined the Financial Statements of the Aitken Spence Hotel Holdings PLC ("the Company") for the years ended 31st March 2022 to 31st March 2026, and report as follows.

Responsibilities of the Directors and the Accountant

Directors' Responsibility

The Directors are responsible for the preparation of the Summary of Audited Financial Information and Related Disclosures for Inclusion in Prospectus.

Accountant's Responsibility

Our responsibility is to prepare the Accountant's Report for inclusion in the Prospectus of Aitken Spence Hotel Holdings PLC in connection with the proposed issue of listed debentures on the Colombo Stock Exchange.

We have derived the financial information presented in this report from the audited financial statements of the Company for the years ended 31 March 2022 to 31 March 2026. These financial statements were prepared in compliance with Sri Lanka Accounting Standards (SLFRSs/LKASs) and audited in accordance with Sri Lanka Auditing Standards (SLAuSs).

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Our procedures were limited to verifying that the amounts included in the summary financial information agree with the corresponding amounts in the audited financial statements and ensuring that the presentation is consistent with the underlying financial statements. We have not performed any audit or review procedures beyond those necessary to confirm the accuracy of the extraction and presentation of the information.

This is not an assurance engagement; therefore, we do not express an audit opinion or any assurance conclusion on the financial information.

1. Incorporation

Aitken Spence Hotel Holdings PLC (the 'Company') is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is located at No. 315, Vauxhall Street, Colombo 02.

The immediate parent of Aitken Spence Hotel Holdings PLC is Aitken Spence PLC and ultimate parent is Milford Exports (Ceylon) (Pvt) Ltd.

The principal activities of the Company are that of an investment holding company and hoteliering, while the principal activities of the subsidiary companies are to engage in the business of hotel operation and auxiliary services (hoteliering).

2. Financial Information

2.1 Five Years Summary of Audited Financial Statements

A summary of Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows of the Company for the years ended 31st March 2022 to 31st March 2026, based on the audited financial statements are set out in Annexure 1.

Summaries presented for Operating Results, Assets, Liabilities and Shareholders' funds for financial years ended 31st March 2022 to 31st March 2026 have been derived from the financial statements prepared in accordance with SLFRSs and LKASs.

2.2 Audit Reports

We have audited the financial statements of the Company for the years ended 31st March 2022 to 31st March 2026 and unmodified audit opinions have been issued for the said financial years on 31 May 2022, 6 June 2023, 15 July 2024, 12th June 2025 and 05th June 2026 respectively.

2.3 Accounting Policies

The Financial Statements of the Company for the years ended 31st March 2022 to 31st March 2026 comply with Sri Lanka Accounting Standards. The accounting policies of the Company are stated in detail in the audited Financial Statements of Aitken Spence Hotel Holdings PLC for the year ended 31st March 2026.

The adoption of revised/ new accounting standards and a summary of related amendments to the accounting policies of the Company for the financial years ended 31st March 2022 to 31st March 2026 are given in Annexure 2.



2.4 Dividends

The Company did not declare any dividends on its ordinary shares for the financial years ended 31 March 2022, 31 March 2023, 31 March 2024, and 31 March 2025. For the year ended 31 March 2026, the Directors recommended a first and final dividend of Rs. 0.28 per ordinary share, amounting to Rs. 94,161,202.80, which was approved by the shareholders at the Annual General Meeting held on 30 June 2026. The dividend was paid subsequent to 31 March 2026.

The Company has paid dividend on preference shares (16,500,000 shares) at 9% annually (cents 90 per shares) for the years ended 31 March 2022 to 31 March 2026 as follows.

Year	Dividend Paid (Rs.)
2022	-
2023	29,700,000*
2024	14,850,000
2025	14,850,000
2026	14,850,000

Notes* - In the absence of payment of the dividend due on preference shares for the year 2022, the outstanding amount was settled in 2023, together with the balance accrued for 2022.

2.5 Events after Reporting Date

The board declared a preference dividend of 90 cents per share on the cumulative preference shares for the financial year ended 31st March 2026.

The Board of Directors of the Company has approved a final ordinary dividend of Rs. 0.28 per share for the year 2025/2026. There has been no other material events occurring after the reporting date that requires adjustment to or disclosure in the financial statements.

3. Restriction on Use

This report is made solely for the purpose of the Board of Directors of Aitken Spence Hotel Holdings PLC to be used in the prospectus issued in connection with the proposed public offer of up to Thirty Million (30,000,000) Listed Rated Unsecured Senior Redeemable Debentures (hereinafter referred to as the "Debentures") with a par value of Sri Lankan Rupees One Hundred (Rs.100/-) each in the first instance, with an option to issue up to a further Twenty Million (20,000,000) Debentures with a par value of Sri Lankan Rupees One Hundred (Rs.100/-) each at the discretion of the Company in the event of an oversubscription of the aforesaid initial issue, aggregating to the value of Sri Lankan Rupees Five Billion (Rs. 5,000,000,000/-) subject to obtaining all necessary regulatory and other approvals.

This report should not be used for any other purposes then mentioned above and should not be distributed to or used by parties other than the Company. Our report is not modified in respect of this matter.

Yours Faithfully,


CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
25 August 2026

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 01

Five Year Summary

Statement of Profit or Loss - Company

<i>For the year ended 31 st March</i>	2026 Rs. '000	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Revenue	1,481,452	1,386,364	1,231,849	759,460	527,191
Revenue taxes	(34,665)	(28,128)	(37,657)	(15,020)	-
Net revenue	1,446,787	1,358,236	1,194,192	744,440	527,191
Other income	196,139	164,650	142,488	515,068	342,007
Staff costs	(293,231)	(265,141)	(256,374)	(203,162)	(144,632)
Depreciation	(87,403)	(73,196)	(63,038)	(61,496)	(55,613)
Amortisation and impairment	(28,908)	(17,510)	(67,820)	(343,797)	(53,357)
Other operating expenses - direct	(379,556)	(384,559)	(398,923)	(254,328)	(129,816)
Other operating expenses - indirect	(607,147)	(592,574)	(699,303)	(410,771)	(245,485)
Profit/(loss) from operations	246,681	189,906	(148,778)	(14,046)	240,295
Finance income	127,572	127,982	134,912	60,331	61,821
Finance expenses	(238,560)	(256,138)	(363,326)	(299,770)	(76,684)
Net financing expense	(110,988)	(128,156)	(228,414)	(239,439)	(14,863)
Profit/(loss) before taxation	135,693	61,750	(377,192)	(253,485)	225,432
Income tax (expense)/reversal	8,838	(34,589)	73,370	2,583	(65,362)
Profit/(loss) for the year	144,531	27,161	(303,822)	(250,902)	160,070
Earnings/(loss) per ordinary share - Basic/Diluted (Rs.)	0.39	0.04	(0.95)	(0.83)	0.48

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 01

Five Year Summary

Statement of Profit or Loss and Other Comprehensive Income - Company

For the year ended 31 st March	2026 Rs. '000	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Profit/(loss) for the year	144,531	27,161	(303,822)	(250,902)	160,070
Other comprehensive income/(loss)					
Items that will never be reclassified to profit or loss					
Revaluation of freehold land	906,618	-	-	133,200	-
Actuarial gains/(losses) on defined benefit obligations	(3,107)	(11,578)	(6,752)	(4,177)	1,664
Income tax on other comprehensive income	(271,053)	3,473	2,026	(148,731)	(233)
	632,458	(8,105)	(4,726)	(19,708)	1,431
Items that are or may be reclassified to profit or loss					
Foreign currency translation differences of foreign operations	-	-	-	-	-
Net movement in cashflow hedge	-	-	-	-	-
	632,458	(8,105)	(4,726)	(19,708)	1,431
Other comprehensive income/(loss) for the year net of tax	632,458	(8,105)	(4,726)	(19,708)	1,431
Total comprehensive income/(loss) for the year net of tax	776,989	19,056	(308,548)	(270,610)	161,501

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 01

Five Year Summary

Statement of Financial Position - Company

As at	31.03.2026 Rs. '000	31.03.2025 Rs. '000	31.03.2024 Rs. '000	31.03.2023 Rs. '000	31.03.2022 Rs. '000
ASSETS					
Non - current assets					
Property, plant and equipment	2,974,933	2,059,100	1,911,214	1,708,129	1,534,878
Intangible assets	1,526	2,359	-	-	179
Investment in subsidiaries	7,403,043	7,403,043	7,418,461	7,470,779	8,006,841
Investment in equity accounted investees	1,146,608	992,673	992,673	1,008,176	1,215,732
Other financial assets	1,524,624	725,524	725,524	725,524	38,333
	13,050,734	11,182,699	11,047,872	10,912,608	10,795,963
Current assets					
Inventories	48,948	33,821	40,408	44,024	20,003
Trade and other receivables	130,178	134,209	140,154	89,078	204,788
Amounts due from holding company	-	-	-	-	-
Amounts due from parent's group entities	570,989	1,229,699	1,366,866	603,407	609,567
Deposits and prepayments	11,612	8,578	21,992	39,689	66,526
Current tax receivable	7,042	4,090	3,890	4,731	-
Other financial assets	295,287	256,191	260,371	431,668	747,109
Cash and cash equivalents	439,064	75,302	147,562	186,710	478,255
	1,503,120	1,741,890	1,981,243	1,399,307	2,126,248
Total assets	14,553,854	12,924,589	13,029,115	12,311,915	12,922,211
EQUITY AND LIABILITIES					
Total equity attributable to equity holders of the company					
Stated capital	3,554,587	3,554,587	3,554,587	3,554,587	3,554,587
Reserves	1,323,810	689,177	689,177	689,177	705,961
Retained earnings	6,010,468	5,882,962	5,878,756	6,202,154	6,499,604
Total equity	10,888,865	10,126,726	10,122,520	10,445,918	10,760,152
Non - current liabilities					
Interest - bearing liabilities - banks	-	-	318,126	535,332	413,588
Deferred tax liabilities	442,418	180,203	149,087	229,170	82,954
Employee benefits	72,950	65,068	60,733	47,235	38,065
	515,368	245,271	527,946	811,737	534,607
Current liabilities					
Trade payables	34,743	30,030	42,572	26,772	25,277
Other provisions and payables	170,735	190,086	171,875	159,131	79,168
Amounts due to holding company	2,742,246	1,625,148	1,609,944	502,434	409,987
Amounts due to parent's group entities	12,851	7,666	-	19,830	564,107
Interest - bearing liabilities - banks	-	318,126	217,205	177,154	401,781
Current tax payable	-	-	-	-	3,330
Bank overdrafts and other short term borrowings	189,046	381,536	337,053	168,939	143,802
	3,149,621	2,552,592	2,378,649	1,054,260	1,627,452
Total liabilities	3,664,989	2,797,863	2,906,595	1,865,997	2,162,059
Total equity and liabilities	14,553,854	12,924,589	13,029,115	12,311,915	12,922,211

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 01

Five Year Summary

Statement of Changes in Equity - Company

	Stated Capital	General Reserve	Revaluation Reserve	Retained Earnings	Total Equity
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31st March 2021	3,554,587	22,929	683,032	6,338,103	10,598,651
Profit for the year	-	-	-	160,070	160,070
Other comprehensive income for the year	-	-	-	1,431	1,431
Total comprehensive income for the year	-	-	-	161,501	161,501
Balance as at 31st March 2022	3,554,587	22,929	683,032	6,499,604	10,760,152
Balance as at 01st April 2022	3,554,587	22,929	683,032	6,499,604	10,760,152
Adjustment on Surcharge tax levied under Surcharge Act	-	-	-	(13,924)	(13,924)
Balance as at 01st April 2022 (Adjusted)	3,554,587	22,929	683,032	6,485,680	10,746,228
Loss for the year	-	-	-	(250,902)	(250,902)
Other comprehensive loss for the year	-	-	(16,784)	(2,924)	(19,708)
Total comprehensive loss for the year	-	-	(16,784)	(253,826)	(270,610)
Preference dividends for 2020/2021 and 2021/2022	-	-	-	(29,700)	(29,700)
Balance as at 31st March 2023	3,554,587	22,929	666,248	6,202,154	10,445,918

Balance as at 01st April 2023	3,554,587	22,929	666,248	6,202,154	10,445,918
Loss for the year	-	-	-	(303,822)	(303,822)
Other comprehensive loss for the year	-	-	-	(4,726)	(4,726)
Total comprehensive income loss for the year	-	-	-	(308,548)	(308,548)
Prefrence dividends for 2022/2023	-	-	-	(14,850)	(14,850)
Balance as at 31st March 2024	3,554,587	22,929	666,248	5,878,756	10,122,520
Profit for the year	-	-	-	27,161	27,161
Other comprehensive loss for the year	-	-	-	(8,105)	(8,105)
Total comprehensive income for the year	-	-	-	19,056	19,056
Prefrence dividends for 2023/2024	-	-	-	(14,850)	(14,850)
Balance as at 31st March 2025	3,554,587	22,929	666,248	5,882,962	10,126,726
Profit for the year	-	-	-	144,531	144,531
Other comprehensive loss for the year	-	-	634,633	(2,175)	632,458
Total comprehensive income for the year	-	-	634,633	142,356	776,989
Prefrence dividends for 2024/2025	-	-	-	(14,850)	(14,850)
Balance as at 31st March 2026	3,554,587	22,929	1,300,881	6,010,468	10,888,865

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 01

Five Year Summary

Statement of Cash Flows - Company

For the year ended 31st March	2026 Rs. '000	2025 Rs. '000	2024 Rs. '000	2023 Rs. '000	2022 Rs. '000
Cash flow from operating activities					
Profit/(loss) before taxation	135,693	61,750	(377,192)	(253,485)	225,432
Adjustments for					
Depreciation	87,403	73,196	63,038	61,496	55,613
Amortisation of right-of-use assets and intangible assets	833	139	-	179	1,227
Provision/(reversal) of impairment of trade debtors	592	1,915	508	(708)	(28,370)
Provision/(reversal) of impairment of non financial assets	-	-	-	(3,354)	-
Provision of impairment of inventories	(212)	1,954	-	-	-
Impairment/(reversal of impairment) of financial assets	6	(1)	(9)	-	47
Impairment of investment in subsidiaries and equity accounted investees	28,281	15,418	67,820	343,618	52,130
Interest expense	238,560	256,138	363,326	299,770	76,684
Interest income	(127,572)	(127,982)	(134,912)	(60,331)	(61,821)
(Profit)/Loss on disposal of property, plant and equipment	(2,317)	279	2,298	32	125
Provision for retirement benefit obligations	11,715	11,014	12,275	7,776	4,264
Effect of movement in exchange rates	(28,999)	2,995	111,940	(64,775)	(303,345)
Operating profit/(loss) before working capital changes	343,983	296,815	109,092	330,218	21,986
(Increase)/decrease in inventories	(14,916)	4,633	3,616	(24,021)	(4,881)
(Increase)/decrease in trade and other receivables	487	3,831	(51,805)	116,418	(94,022)
(Increase)/decrease in amounts due from holding company	-	-	-	-	82,929
(Increase)/decrease in amount due from parent's group entities	52,352	248,108	(662,765)	32,820	(562,181)
(Increase)/decrease in deposits and prepayments	(3,034)	13,413	17,697	26,837	(62,398)
Increase/(decrease) in trade payables	4,713	(12,542)	15,800	1,495	9,143
Increase/(decrease) in other provisions and payables	(19,350)	18,211	12,744	79,962	23,305
Increase/(decrease) in amounts due to holding company	1,088,693	97	1,081,926	92,447	275,131
Increase/(decrease) in amount due to parent's group entities	5,185	7,666	(19,830)	(544,277)	30,400
Cash generated from/(used in) operations	1,458,113	580,232	506,475	111,899	(280,588)
Interest expenses paid	(210,155)	(241,032)	(337,742)	(247,148)	(58,279)
Retirement benefit obligations paid	(6,940)	(18,257)	(5,529)	(2,783)	(7,972)
Income taxes paid	-	-	(3,624)	(7,993)	(4,603)
Surcharge tax paid	-	-	-	(13,924)	-
Net cash flow generated from/(used in) operating activities	1,241,018	320,943	159,580	(159,949)	(351,442)
Cash flow from investing activities					
Investments in equity	-	-	-	-	-
Acquisition of property, plant and equipment	(97,426)	(221,361)	(268,421)	(101,579)	(7,373)
Purchase of intangible assets	3,125	(2,498)	-	-	-
Proceeds from disposal of property, plant and equipment	-	-	-	-	-
Proceeds on retirement of assets held for sale	-	-	-	-	-
Investment in equity accounted investees	(182,216)	-	-	-	-
Investment in debt securities	(100,000)	-	-	-	-
Proceeds from/(purchase of) term deposits	(13,912)	4,191	174,501	(357,744)	-
Interest received	9,640	17,032	31,023	23,020	22,184
Net cash generated from/(used) in investing activities	(380,789)	(202,636)	(62,897)	(436,303)	14,811
Cash flow from financing activities					
Repayment of interest bearing liabilities - banks	(318,126)	(217,205)	(177,155)	(155,505)	-
Proceeds from interest bearing liabilities - banks	-	-	-	-	-
Dividends paid to equity holders of the parent	(14,850)	(14,850)	(14,850)	(29,700)	-
Proceeds from redemption of preference shares	-	-	-	400,000	-
Net cash generated from/(used in) financing activities	(332,976)	(232,055)	(192,005)	214,795	-
Net increase/(decrease) in cash and cash equivalents	527,253	(113,748)	(95,322)	(381,457)	(336,631)
Cash and cash equivalents at the beginning of the year	(306,234)	(189,491)	17,771	334,453	367,739
Effect of movement in exchange rates	28,999	(2,995)	(111,940)	64,775	303,345
Cash and cash equivalents at the end of the year	250,018	(306,234)	(189,491)	17,771	334,453
Analysis of cash and cash equivalents at the end of the year					
Cash at bank and in hand	439,064	75,302	147,562	141,740	120,834
Short term deposits	-	-	-	44,970	357,421
Bank overdrafts and other short term bank borrowings	(189,046)	(381,536)	(337,053)	(168,939)	(143,802)
Cash and cash equivalents at the end of the year	250,018	(306,234)	(189,491)	17,771	334,453

Accountant's Report for the Debenture Issue - Aitken Spence Hotel Holdings PLC

Annexure 02

The Adoption of revised/ new accounting standards and summary of related amendments to the Accounting Policies

Financial Year	Adoption of revised/ new accounting standards and related amendments to the accounting policies	Details
FY 2022/23	Merger Accounting for common control combinations	During 2022/2023 the Group commenced adopting the Statement of Recommended Practice (SORP) for Merger Accounting for Common Control Combinations approved by the Council of the Institute of Chartered Accountants of Sri Lanka on 19 December, 2012, for business combinations in which all of the combining entities are ultimately controlled by the same party both before and after the business combination. During the period under review, Aitken Spence Global Operations (Pvt) Ltd which is a fully owned subsidiary of Aitken Spence Hotels International (Pvt) Ltd, was amalgamated with its immediate parent, Aitken Spence Hotels International (Pvt) Ltd and was accounted as a common control combination in accordance with the above SORP. There was no impact to the Consolidated financial statements of the Group due to this amalgamation as both combining entities were accounted for as subsidiaries prior to the amalgamation. Further, on 01 April 2023, Turyaa Resorts (Pvt) Ltd was amalgamated with Turyaa (Pvt) Ltd, both being wholly own subsidiaries of Aitken Spence Hotel Holdings PLC and will be accounted as per the same SORP.
FY 2023/24	Material accounting policy information	Company adopted Disclosure of Accounting Policies (Amendments to LKAS 1 and SLFRS Practice Statement 2) from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022/2023: Significant accounting policies) in certain instances in line with the amendments.
	Deferred tax related to assets and liabilities arising from a single transaction	The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to LKAS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases. For leases, group is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the Company applies the amendments to transactions that occur at or after the beginning of the earliest period presented. The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of LKAS 12. There was also no impact on the opening retained earnings as at 1 April 2022 as a result of the change. The key impact for the Company relates to the recognition of a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets as disclosed in Note 33.2.