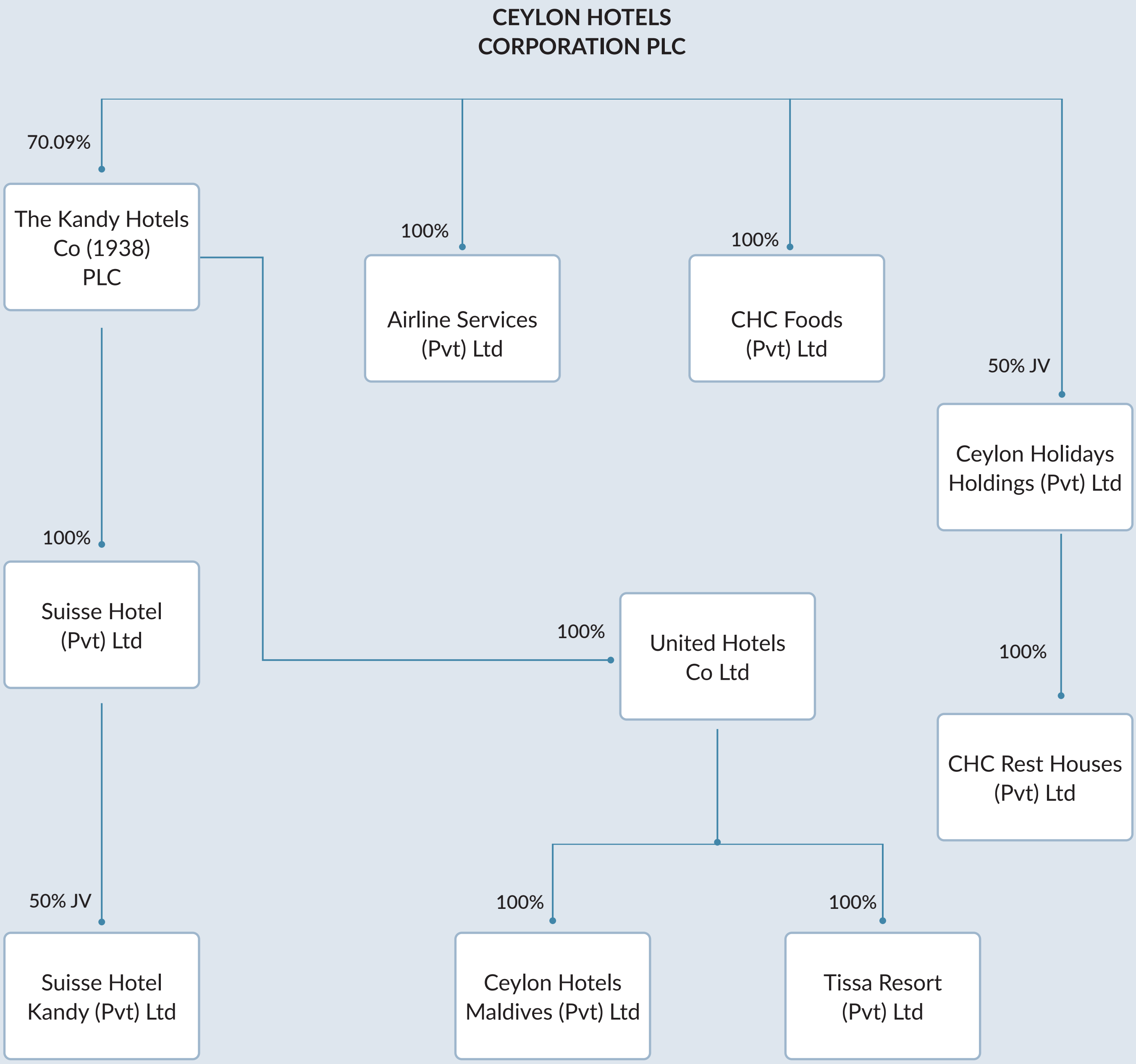
CEYLON HOTELS CORPORATION PLC

Annual Report
2024/25

Contents

Group Structure



Group Financial Highlights

Performance for the year ended 31st March		2025	As Restated 2024	Change
Revenue	Rs. 000	1,674,317	1,382,590	21%
Earnings before Interests, Tax, Depreciation & Amortisation (EBITDA)	Rs. 000	261,271	153,246	70%
Profit/ (loss) before tax(PBT)	Rs. 000	114,968	(37,594)	406%
Profit/ (loss) after tax(PAT)	Rs. 000	171,317	(47,542)	460%
Earnings /(loss) per Share	Rs.	0.77	(0.01)	+0.78
Financial Position as at 31 March				
Total Assets	Rs. 000	15,509,636	14,059,361	10%
Total Debt	Rs. 000	1,420,506	1,594,120	-11%
Total Equity	Rs. 000	10,858,847	9,819,505	11%
No. of Ordinary Shares Issued	No	180,030,942	180,030,942	0%
No of Public Share Holding	No	40,897,019	40,891,429	0%
Net Assets per Ordinary Share	Rs.	43.98	39.83	10%
Debt/ Equity Ratio	%	13.08%	16.23%	-19%
Debt/Total Assets	%	9.16%	11.34%	-19%
Net Debt/ Equity Ratio	%	0.02%	(0.03%)	-161%
Market Shareholder Information as at 31 March				
Closing Market Price per Share	Rs.	22.50	19.00	18%
Market Capitalisation	Rs. 000	4,050,696	3,420,588	18%
Float Adjusted Market Capitalisation	Rs. 000	920,183	776,937	18%

Chairman's Review

DEAR SHAREHOLDERS,

It is my privilege to welcome you to the 59th Annual General Meeting of Ceylon Hotels Corporation PLC and to present the Annual Report for the financial year ended 31st March 2025.

TOURISM INDUSTRY: RECOVERY WITH RESILIENCE

The Sri Lankan tourism industry continued its upward trajectory through 2024, consolidating the revival we witnessed in the previous year. Tourist arrivals surpassed two million during the year, with January 2025 marking the highest number of arrivals ever recorded for that month at 252,761 visitors.

India remained our leading source market, while encouragingly, arrivals from Europe and other long-haul markets also gained strength. More importantly, we have seen a return to traditional "round tours," which are vital for sustaining occupancy across the island. This shift has benefited our portfolio in Kandy and other cultural hubs, reinforcing our belief that Sri Lanka's competitive advantage lies in offering both heritage and experience-driven travel.

On the global stage, international tourism reached full recovery in 2024, with 1.4 billion international tourist arrivals recorded by UNWTO. Encouragingly, Sri Lanka is now firmly part of this resurgence.

FINANCIAL PERFORMANCE

The strategic priorities we outlined in last year's review—elevating each property to its revenue earning potential, carefully managing our financial resources, and leveraging the anticipated growth in the tourism sector—have been successfully executed, resulting in exceptional performance across all key metrics.

The Group achieved outstanding revenue performance, with consolidated revenue growing to Rs. 1,674 million for the year ended 31st March 2025, a 21% increase from Rs. 1,383 million recorded in the previous financial year. This Revenue result is sans the revenue contribution from the Hotel Suisse in Kandy as the property was taken off inventory from June 2024 to pave the way for the refurbishment work. This growth was broad-based across our portfolio, with improved occupancy levels and enhanced average room rates against a backdrop of a steadily recovering tourism industry.

The Group recorded a consolidated Profit from Operations of Rs.100.4 million for the year under review, a noteworthy turnaround from the marginal operational loss of Rs. 0.45 million in the previous year. The operational improvements were evident across all segments of our business, with each property cluster contributing positively to the Group's performance.

> A defining milestone of the year was the refurbishment of the iconic Hotel Suisse Kandy. The property has been restored and upgraded, blending its rich colonial heritage with modern standards.

The Group achieved a consolidated Net Profit After Tax of Rs. 171.3 million for the year ended 31st March 2025, compared to a net loss of Rs. 47.5 million in the previous year. This represents a remarkable improvement in bottom-line performance, demonstrating the success of our comprehensive recovery strategy. It must also be said that the previous year's results were significantly impacted by a foreign exchange translation loss of Rs. 96.02 million, on the revaluation of the net US Dollar denominated Cash Deposit of the Group with the sharp appreciation of the Sri Lankan Rupee against the US Dollar. The exchange impact during the current year was Rs. 15.13 million.

The earnings per share improved to Rs. 0.77 compared to loss of Rs. 0.01 in the previous year. Total equity grew to Rs. 10,858.85 million, representing a Net Assets per Share of Rs. 43.98 compared to Rs. 39.83 in the previous year.

PERFORMANCE ANALYSIS OF SUBSIDIARIES AND JOINT VENTURES

The Kandy Hotels Company (1938) PLC and Group

The Group, consisting of the Kandy Hotels Company (1938) PLC, The United Hotels Company Ltd, Ceylon Hotels Maldives (Pvt) Ltd and Tissa Resorts (Pvt) Ltd, recorded a 23% growth in consolidated revenue to Rs. 1,506.06 million, supported by improved occupancies, strengthened average room rates, and disciplined cost management. This translated into a consolidated Operating Profit of Rs. 118.7 million (2023/24 of Rs. 8.9 million), and a Profit after Tax of Rs. 111.9 million (2023/24: loss of Rs. 119.9 million).

Chairman's Review

A defining milestone of the year was the refurbishment of the iconic Hotel Suisse Kandy. The property has been restored and upgraded, blending its rich colonial heritage with modern standards. The renewed Hotel Suisse aims to position itself as a flagship destination in the hill capital, aligning with the Group's vision to capture the resurgence of both domestic and international tourism into the region.

The Queen's Hotel in Kandy benefited substantially from the renewed interest in cultural tourism and the return of traditional round tours.

EKHO Surf Hotel Bentota was fully operational during the year under review, following its comprehensive renovation, which was closed for most of the previous year, the consolidated results showed improvement.

The consolidated KHC Group results reflected the success of our integrated approach to managing diverse tourism assets, providing resilience through market diversification.

JOINT VENTURES

Our joint venture investments continued to provide strategic diversification benefits. The share of results from equity-accounted investees contributed Rs. 36.7 million to the Group's performance, demonstrating the value of these partnerships in accessing different market segments.

CHC REST HOUSES (PVT) LTD

Our rest house cluster continued its exceptional performance trajectory, building upon the strong results of the previous year where it recorded revenue growth from Rs. 330 million to Rs. 458 million and operating profit improvement from Rs. 61 million to Rs. 94 million.

SUISSE HOTEL KANDY (PVT) LTD.

Radisson Hotel Kandy, had an exceptional turnaround in results recording a net Profit for the year under review of Rs 46.9 million compared to a profit of Rs 23 million recorded during the previous financial year. The financial results of last year included a net foreign currency gain of Rs. 214.62 million from the revaluation of the US Dollar denominated bank borrowings amidst an appreciating Sri Lankan Rupee against the US Dollar. The corresponding exchange gain recorded during the year under review was Rs. 48 million.

Further the group increased its investments in Suisse Hotel Kandy (Pvt) Ltd, the owning company of The Radisson Hotel Kandy. Alongside a complete restructure of the Debt book of the Company, an investment of Rs. 292.5 million was made to support and strengthen the balance sheet of the company consequent to stress built up during the period of Covid and Financial Crisis

LOOKING AHEAD: STRATEGIC PRIORITIES

Looking ahead, we are confident that our successful execution of strategic initiatives positions the Company and the Group to continue capitalising on the recovering tourism market and drive sustained profitability.

As we move forward, our priorities will focus on maintaining operational excellence across all properties, continuing our disciplined financial management approach, and leveraging the sustained growth in the tourism sector. We have achieved our goals to enhance operational efficiency and strengthen our competitive position. By remaining disciplined in our investment strategy and being responsive to market conditions, we are confident in our ability to deliver sustained shareholder value over the long term.

The strong foundation we have built, evidenced by this year's exceptional results, positions us well for continued success. Our diversified portfolio, strategic investments in property enhancements, and commitment to authentic Sri Lankan hospitality provide significant competitive advantages in the evolving tourism market.

ACKNOWLEDGMENTS

I wish to extend my sincere appreciation to my fellow Board Members, including our recently appointed Independent Directors, for their strategic guidance and wise counsel. I thank our associates across the Group for their dedication and cooperation, and I would also like to thank our valued guests, travel agents, suppliers, bankers, auditors, and secretaries for their continued support and partnership.

Finally, I would like to thank all the shareholders for their continued support and confidence in our strategic direction, which has enabled us to achieve this remarkable turnaround and deliver the sustained value we committed to providing.

Sincerely,

(Sgd)

Sanjeev Gardiner

Chairman

1st September 2025

Board of Directors

MR. SANJEEV GARDINER
Chairman

Mr. Sanjeev Gardiner was appointed to the Board of Ceylon Hotels Corporation PLC in 1996 and as the Chairman of the Company on 23rd August 2024. He is the Chairman and Chief Executive Officer of The Galle Face Hotel Group of Companies which includes The Galle Face Hotel Co Ltd, Galle Face Hotel 1994 (Pvt) Ltd, GFH Management Co. (Pvt) Ltd, Gardiner Group (Pvt) Ltd, Galle Face Group (Pvt) Ltd, Ceylon Hotels Holdings (Pvt) Ltd (holding Company of Ceylon Hotels Corporation Group) and The Kandy Hotels Company (1938) PLC.

Mr. Gardiner counts over 30 years of management experience in a diverse array of businesses. He holds a Bachelor's Degree in Business from the Royal Melbourne Institute of Technology, Australia and, a Bachelor's Degree in Business (Banking and Finance) from Monash University, Australia.

In addition to his work in the corporate sector, Mr. Gardiner is also a Director and Council member of HelpAge Sri Lanka and a member of many other charitable institutions.

MR. PRIYANTHA MADDUMAGE

Mr. Maddumage was appointed to the board of Ceylon Hotels Corporation PLC in 2005. Mr. Priyantha Maddumage holds a Bachelor of Commerce (Special) Degree from the University of Sri Jayewardenepura and a Master of Business Management from Edith Cowan University in Australia and counts over 30 years of Finance Management experience. He is a Member of the Chartered Institute of Australia and New Zealand and also a Member of the Institute of Chartered Accountants of Sri Lanka and a Member of CPA Australia and a Fellow Member of CMA Sri Lanka.

Mr. Maddumage serves as a Director in all subsidiary Companies of Ceylon Hotels Corporation PLC.

MR. MANGALA BOYAGODA

Mr. Mangala Boyagoda has over 40 years of experience in the fields of Banking and Treasury Management having worked at DFCC Bank, Standard Chartered Bank, Union Bank and Bank of Ceylon.

Mr. Boyagoda is the Chairman of Ambeon Securities (Private) Limited, Taprobane Capital Plus (Private) Limited and Wealth Lanka Management (Private) Limited. He is also a Director of Asset Trust Management (Private) Limited, Ambeon Holdings PLC, Royal Fernwood Porcelain Limited, Faber Capital (Private) Limited, United Hotels Company Limited, Sherwood Capital (Private) Limited, Asset Holding (Pvt)Ltd, Wise World (Private) Limited, Sierra Construction (Pvt) Ltd, Sri lanka Gateway Industries (Pvt) Ltd, and Safe Capital (Pvt) Ltd.

Mr. Boyagoda holds a MBA from the Irish University – European.

MR. KAMANTHA AMARASEKERA

Mr. Kamantha Amarasekera is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney-at-Law of the Supreme Court of Sri Lanka. He also holds a degree in Business Administration from the University of Sri Jayewardenepura and began his career in the year 1998. Mr. Amarasekera is an eminent Tax Consultant and the Senior Tax and Legal Partner of M/s. Amarasekera & Company, a leading tax consultancy firm in the country.

Mr. Kamantha Amarasekera is also a Director of Associated Ceat (Pvt) Ltd., Lanka Milk Food (CWE) PLC, Madulsima Plantation PLC, Balangoda Plantation PLC, Eden Hotels PLC, Confifi Hotels Holdings PLC, Finco Holding Ltd., Browns Investment PLC, Hydropower Freelanka PLC, Freelanka Capital Holdings PLC, Palm Garden Hotels PLC, Environmental Resource PLC, and Suisse Hotel Kandy (Pvt) Ltd. He is an Independent Non-Executive Director of the Company.

Mr. AJITH DEVASURENDRA

Mr. Ajith Devasurendra is a veteran in the financial services industry in Sri Lanka and overseas.

MR. RANIL PATHIRANA

Mr. Ranil Pathirana has extensive experience in finance and management in financial, apparel and energy sectors and presently serves as a Director of Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Leisure Holdings (Private) Limited and Hirdaramani Investment Holdings (Private) Limited which are the holding companies of the Hirdaramani Group. He is also the Managing Director for Hirdaramani International Exports (Private) Limited.

Mr. Pathirana is Chairman of WindForce PLC, and a Non-Executive Director of Hemas Holdings PLC, Dankotuwa Porcelain PLC, BPPL Holdings PLC, Access Engineering PLC. He is a fellow member of the Chartered Institute of Management Accountants, UK and holds a Bachelor of Commerce Degree from the University of Sri Jayewardenepura.

MR. SHALIKE KARUNASENA

Mr. Shalike Karunasena presently serves as a Director and as the Group Chief Financial Officer of the Gardiner Group of Companies. Mr. Karunasena is a Board member of The Kandy Hotels Company (1938) PLC and a Board member and Audit Committee Chairman of Dankotuwa Porcelain PLC.

Mr. Karunasena has over 25 years of experience in Financial Management, Treasury and Strategy in the fields of Commodities Trading, Overseas Plantations, Refining & Manufacturing and Leisure/ Hospitality with nearly 20 years of Senior Management

Board of Directors

experience, functioning within the South- East Asian Region. He is a fellow member of the Chartered Institute of Management Accountants, UK.

MR. NIRMAL DE SOYSA COOKE

Mr. Nirmal Cooke is a Sri Lankan–British business leader with nearly two decades of experience in infrastructure, energy, and cross-border investment advisory. He currently serves as an Executive Board Director of the Commonwealth Enterprise and Investment Council (CWEIC) and Chair of the Sri Lanka Hub. Mr. Nirmal is also a Senior Advisor at Singapore-based Private Equity Investment Advisory Plus 94, focusing on unlocking value in Sri Lanka's emerging sectors.

He is also a Senior Advisor of LPO Solutions, a legal process outsourcing venture launched during Sri Lanka's economic crisis to deliver technology-enabled legal services globally. Mr. Nirmal introduced the UK's Quintessentially Group to Sri Lanka and the Maldives, later leading its expansion into Malaysia, positioning luxury tourism as a driver of investment and high-end service delivery.

Educated in the UK, he holds a BA (Hons) in International Business from Regent's Business School London and is a graduate member of the Sri Lanka Institute of Directors. His vision is to help transform Sri Lanka into a competitive, value-adding economy integrated into regional and global supply chains.

MR. SUTHEASH BALASUBRAMANIAM

Mr. Sutheash Balasubramaniam brings over 40 years of experience across consultancy, corporate, public sector, and NGOs. He is currently Managing Director – Sri Lanka at Bookingwhiss Ltd UK, a one-stop solution for hotels, and a Certified Transition Coach & Mentor.

Previously, he served as Managing Director of the Sri Lanka Tourism Promotion Bureau for 2 years and as Director of the Sri Lanka Tourism Institute of Hotel Management under the Sri Lanka Ministry of Tourism until October 2018. At Hayleys Group, he held various C-suite roles in multiple sectors over 25 years and was subsidiary companies' board director for a decade. Earlier, he worked in finance at CIC Holdings and Ernst & Young.

He was the first Chairman of the reconstituted Sri Lanka Governance Board of the Chartered Institute of Management Accountants (CIMA) UK, and recipient of CIMA Global' s prestigious Institute Silver Medal. He served as the Sri Lanka Network Representative of the UN Global Compact for five years and has served on the SLASSCOM ESG Forum Advisory Committee.

Mr. Sutheash has also been Technical Chair for the Sri Lanka Human Capital Summits in 2016 and 2024 and serves as a senior judge for the JASTICA Sustainability Awards since 2014.

MR. DINESH STEPHEN WEERAKKODY

Mr. Dinesh Weerakkody is the former Chairman of Hatton National Bank PLC and Commercial Bank of Ceylon PLC, and a former Director of DFCC Bank. He has also held several senior leadership positions in the public sector.

He currently serves as the Chairman of Union Bank of Colombo PLC, the Employers' Federation of Ceylon, and the Sri Lanka Institute of Directors. He is the Immediate Past Chairman of the International Chamber of Commerce Sri Lanka and serves on the boards of several leading companies.

Mr. Weerakkody holds a Graduate Diploma in Business Administration from ABE (UK) and is a Fellow of both the Chartered Institute of Management Accountants (UK) and the Institute of Certified Management Accountants of Sri Lanka. He is also a Professional Member of the Singapore Human Resource Institute and holds an MBA from the University of Leicester, United Kingdom.

In recognition of his contributions to business and public service, he was conferred an honorary Doctorate by the American National Business University and was awarded the national honour of Sri Lanka Shikamani in 2019.

Management Discussion and Analysis

EXECUTIVE SUMMARY

Ceylon Hotels Corporation PLC ("the Company" or "CHC") and its subsidiaries ("the Group") achieved a remarkable financial turnaround during FY 2024/25, transitioning from a net loss of Rs. 47.5 million in the prior year to a consolidated net profit of Rs. 171.3 million. This exceptional performance reflects the Group's strategic and operational initiatives to reposition its property portfolio, capitalising on Sri Lanka's economic recovery and the robust resurgence of the global tourism sector.

The Group's revenue expanded by 21% year-on-year to Rs. 1,674.3 million, driven by improved occupancy levels, enhanced operational capacity following strategic acquisitions, and favourable macroeconomic conditions. Key operational milestones included the completion and successful reopening of Hotel Suisse following a comprehensive refurbishment program.

MACROECONOMIC ENVIRONMENT

Economic Recovery and Stabilisation

The Sri Lankan economy demonstrated sustained recovery during FY 2024/25, building upon stabilisation initiatives implemented in the preceding period. The Central Bank of Sri Lanka reported robust GDP growth of 5.0% in 2024, with projections indicating continued expansion at 4.5% in 2025. This positive economic trajectory represents a significant departure from previous downturns and reflects the effectiveness of comprehensive fiscal and monetary policy interventions.

The external sector exhibited notable strength, with tourism earnings reaching USD 3.17 billion for the full year 2024, representing a 53.2% increase compared to USD 2.07 billion in 2023. This substantial improvement in foreign exchange inflows has contributed materially to exchange rate stability and the strengthening of foreign currency reserves.

The government's commitment to structural reforms, complemented by the ongoing IMF Extended Fund Facility program, provides a solid foundation for sustained economic growth. However, management remains cognisant of potential headwinds from global economic uncertainties and geopolitical developments that may influence international travel patterns and broader economic stability.

INDUSTRY ANALYSIS: GLOBAL AND DOMESTIC TOURISM

Global Tourism Recovery

The international tourism sector achieved a significant milestone in 2024, with global tourist arrivals reaching pre-pandemic levels. The United Nations World Tourism Organisation (UNWTO) reported approximately 1.4 billion international tourists in 2024, marking an 11% increase over 2023. International tourism receipts reached USD 1.6 trillion, growing 11% in real terms, while total export revenues from international tourism (including receipts and passenger transport) reached a record USD 1.9 trillion, approximately 15% above pre-pandemic levels. This momentum sustained into Q1 2025, with international arrivals growing 5% year-on-year to over 300 million tourists.

This performance demonstrates that tourism revenue recovery has outpaced arrival recovery, indicating higher spending per tourist and stronger value generation from international tourism.

The Asia-Pacific region led the recovery, with South Asia surpassing pre-pandemic levels by early 2024, supported by strong intraregional demand and eased travel restrictions. Europe and the Middle East also showed robust performance, while Africa and the Americas maintained steady growth.

SRI LANKAN TOURISM SECTOR PERFORMANCE

Sri Lanka's tourism industry has demonstrated exceptional recovery, with consistent month-on-month growth throughout 2024 and continuing through January to March 2025. According to the Sri Lanka Tourism Development Authority (SLTDA), tourist arrivals for January-December 2024 totalled 2,053,465 visitors, representing a robust 38.1% year-on-year increase compared to 1,487,303 arrivals in the corresponding period of 2023.

Tourist Arrival Analysis (January - June 2025)

Month	2024 Arrivals	2025 Arrivals	Growth (%)
January	208,253	252,761	21.4%
February	218,350	240,217	10.0%
March	209,181	229,298	9.6%
April	148,867	174,608	17.3%
May	112,128	132,919	18.5%
June	113,470	138,241	21.8%
Total	1,010,249	1,168,044	15.6%

Source: Sri Lanka Tourism Development Authority

The full year 2024 recorded 2,053,465 tourist arrivals, indicating substantial recovery from pandemic-induced contractions. By region, Europe dominated with 51.9% of total visitors, while Asia and the Pacific contributed 41% of arrivals. The Americas represented 5.1% of arrivals, while the Middle East and Africa contributed 1.1% and 1% respectively.

By individual countries, India emerged as the leading source market with 416,974 arrivals (20.3% of total), followed by the Russian Federation with 201,920 visitors (9.8%), the United Kingdom with 178,339 arrivals (8.7%), Germany with 136,084 visitors (6.6%), and China with 131,681 arrivals (6.4%). Other significant contributors included Australia (89,573), France (88,775), the United States (59,532), the Netherlands (50,116), and the Maldives (47,222).

Management Discussion and Analysis

January 2025 recorded the highest-ever January tourist arrivals in Sri Lanka's history with 252,761 visitors, demonstrating sustained momentum. Enhanced air connectivity, targeted marketing initiatives, and the government's strategic focus on tourism as a key economic pillar have contributed significantly to this performance, with projections suggesting close to 2.5 million tourists by year-end 2025.

FINANCIAL PERFORMANCE ANALYSIS

Consolidated Revenue Performance

The Group achieved outstanding revenue performance, with consolidated revenue growing to Rs. 1,674 million for the year ended 31st March 2025, representing a 21% increase from Rs.1,383 million recorded in the previous financial year. This result excludes revenue contribution from the Hotel Suisse in Kandy, as the property was temporarily removed from inventory from June 2024 to facilitate comprehensive refurbishment works. This growth was broad-based across the portfolio and primarily reflects:

- Enhanced operational capacity following the full acquisition of United Hotels Company Limited (UHC)
- Improved occupancy rates across the Group's portfolio
- Favourable pricing environment driven by increased demand
- Continued positive contribution from renovated properties, particularly the Surf Hotel

The Group recorded a consolidated profit from operations of Rs. 100.4 million for the year under review, representing a remarkable turnaround from the marginal operational loss of Rs. 0.45 million in the previous year. The operational improvements were evident across all segments of the business, with each property cluster contributing positively to the Group's performance.

The Group achieved a consolidated net profit after tax of Rs. 171.3 million for the year ended 31st March 2025, compared to a net loss of Rs. 47.5 million in the previous year. This represents a remarkable improvement in bottom-line performance, demonstrating the success of the comprehensive recovery strategy. The previous year's results were significantly impacted by a foreign exchange translation loss of Rs. 96.02 million on the revaluation of the net US Dollar denominated cash deposits due to the sharp appreciation of the Sri Lankan Rupee against the US Dollar. The exchange impact during the current year was Rs. 15.12 million.

Earnings per share improved to Rs. 0.77 compared to loss per share Rs. 0.01 in the previous year. Total equity grew to Rs. 10.86 billion, representing net assets per share of Rs. 43.98 compared to Rs. 39.83 in the previous year.

BALANCE SHEET POSITION AND CAPITAL MANAGEMENT

Asset Base and Financial Position

Total Group assets increased by 10% to Rs. 15,509.6 million (FY 2024: Rs. 14,059.4 million), while total equity strengthened by 11% to Rs. 10,858.85 million (FY 2024: Rs. 9,819.5 million). Net assets per share improved to Rs. 43.98 from Rs. 39.83 in the prior year.

CAPITAL INVESTMENT PROGRAM

The Group maintained its commitment to capital enhancement, with property, plant and equipment increasing by Rs. 767.05 million during the year. The most significant investment comprised the refurbishment of Hotel Suisse.

Furthermore, the Group increased its investments in Hotel Suisse Kandy (Pvt) Ltd, the owning Company of The Radisson Hotel Kandy. This investment was designed to support and strengthen the Company's balance sheet following stress accumulated during the COVID-19 pandemic and financial crisis periods.

LIQUIDITY AND CASH MANAGEMENT

Cash and cash equivalents decreased to Rs. 1,218.20 million from Rs. 1,895.41 million in the prior year, primarily reflecting strategic capital investments and operational requirements. Management maintains adequate liquidity buffers to support ongoing operations and strategic initiatives.

DEBT MANAGEMENT AND CAPITAL STRUCTURE

The Group demonstrated disciplined debt management, reducing total interest-bearing loans by 21% to Rs. 1,080.16 million (FY 2024: Rs. 1,367.72 million). This debt reduction enhances financial flexibility and reduces interest burden, supporting improved profitability and operational efficiency.

Metric	FY 2025	FY 2024	Change
Group Revenue (Rs.million)	1,674	1,383	+21%
Net Profit/(Loss) (Rs.million)	171.32	(47.54)	+460%
Gross Profit Margin	73%	70%	+3pp
Earnings per Share (Rs.)	0.77	(0.01)	+0.78
Net Assets per Share (Rs.)	43.98	39.83	+10%
Total Assets (Rs.million)	15,509	14,059	+10%

This Management Discussion and Analysis provides a comprehensive overview of Ceylon Hotels Corporation PLC's financial performance and strategic positioning for the financial year ended 31st March 2025.

Risk Management

The Company aims to maximise shareholder value while minimising potential adverse effects on its business plans, brand reputation, and financial performance through its overall risk management strategy.

The risk management framework is embedded within the business planning process and is managed by key business teams who focus on early risk identification, prevention, and capitalising on opportunities. The Board of Directors ensures the framework's effectiveness and prudence in evaluating and handling risks, while the Audit Committee assists in the review process.

In the tourism sector, risk management involves a proactive and strategic approach to anticipate, prepare for, respond to, and recover from unexpected events that could impact tourist safety, travel plans, and overall satisfaction. This process includes identifying, assessing, and prioritising potential risks related to hotel operations and implementing strategies to mitigate these risks, with an emphasis on sustainable development. It also ensures that risks associated with the group's diverse operations are managed effectively to enhance and preserve stakeholder value.

The Board of Directors and the Audit Committee oversee the risk management processes for both the Company and its hotel group, ensuring risks are managed within acceptable limits and mitigating any potential issues. There are ongoing efforts to enhance the risk management governance structure to comply with the updated listing rules of the Colombo Stock Exchange.

TOURISM INDUSTRY

The tourism sector is influenced by a range of macroenvironmental factors, including economic conditions, political climates, socio-cultural trends, technological advancements, and sustainability concerns.

Tourism growth can be affected by various disruptions such as natural disasters, major accidents, terrorism, warfare, economic crises, and pandemics. These events can impact tourism differently, affecting their duration, intensity, and geographic scope. Disruptions like natural disasters, health crises (e.g., pandemics), political unrest, and security issues can all interfere with travel plans and influence the tourism industry.

Economic downturns and fluctuations in global, national, and regional conditions—particularly in our primary source markets, as well as globally—can affect the number of international travellers and the industry's growth. Security issues, including terrorism and political instability, can deter tourists but may also lead to increased employment, leisure spending, and tourist arrivals due to heightened security measures.

In Sri Lanka, factors that may dampen international travel sentiment include political and economic instability, emerging health risks (such as dengue outbreaks), potential or actual acts of terrorism or conflict, violence, and natural or man-made disasters. Additionally, increased taxation and administrative changes could raise costs for tourists, influencing their travel decisions and spending habits. A decrease in purchasing power among locals may also reduce domestic tourism, impacting local businesses and attractions.

The industry's competitiveness poses another challenge, as it may limit our success compared to other hotels and home-sharing or rental services. With numerous hotel brands, independent hotels, and regional home-sharing options available, our ability to attract and retain both business and leisure travellers' hinges on delivering exceptional experiences, having strategically located hotels, maintaining guest loyalty, offering good value for money, and ensuring efficient service. This competitive environment affects our capacity to improve operating margins and is shaped by overall supply and demand dynamics in the tourism sector.

OUR BUSINESS.

Our business depends significantly on the quality and reputation of our company and its brands. Any decline in these aspects could negatively affect our market share, reputation, financial health, or operational results. Various factors can impact our reputation, including the quality of service, food safety, the safety of guests and employees, health and cleanliness standards, environmental and social practices, and community support. Social media amplifies public feedback, which can influence how our brand and hotels are perceived. Managing negative publicity, regardless of its accuracy, can be challenging. A significant drop in our brand's reputation or perceived quality could harm our market share, reputation, business performance, financial condition, and operational results.

Attracting, developing, and retaining talented leadership is essential for our success. We compete with other organisations both within and outside our industry for skilled personnel. Failure to recruit, train, develop, and retain sufficient talented employees could lead to increased turnover, decreased guest satisfaction, low employee morale, inefficiency, or lapses in internal controls.

Risk Management

A shortage of skilled employees could also impede our business growth and expansion. Furthermore, the effectiveness and performance of our senior executives are crucial for maintaining our competitive edge and driving future growth. The departure of key executives could pose challenges to our business strategy execution and have other detrimental effects.

Our revenues have been adversely affected by natural and man-made disasters. We've seen a decline in travel and reduced lodging demand due to events such as 'Acts of God,' man-made disasters, and disease outbreaks in areas where we operate. A terrorist attack or other acts of violence involving our properties could significantly reduce demand for these assets, further impacting our revenue and profitability. Nonetheless, we maintain adequate insurance coverage to protect against property and consequential losses.

PROPERTY / INVESTMENT VALUATION RISK

The company's property and investment valuations are reported at fair value, as determined by independent professional valuers. Key factors influencing these valuations include the market discount rate, which is beyond the company's control.

Although we take appropriate measures to manage the aspects of valuation that we can control, external environmental factors and industry fluctuations can result in variations in the fair value of investments reported in our financial statements.

Annual Report of the Board of Directors on the Affairs of the Company

The Board of Directors ('the Board') of Ceylon Hotel Corporation PLC ('the Company) have pleasure in presenting the Annual Report together with the Audited Consolidated Financial Statements of the Company and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March 2025.

The details set out herein provide the pertinent information required by the Companies Act No.07 of 2007 and its amendments ('Companies Act'), the Listing Rules of the Colombo Stock Exchange (CSE) and is guided by recommended best practices on Corporate Governance.

1. FORMATION

The Company is a public limited liability company incorporated and domiciled in Sri Lanka bearing company registration no. PB 3283 and the ordinary shares of the Company are listed on the main board the CSE. The registered office of the Company is located at No. 327, Union Place, Colombo 02.

2. PRINCIPAL ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES

The Company's principal activity is investing in companies engaged in the hospitality industry.

Direct subsidiary companies of the group are listed below.

1) CHC Foods (Private) Limited
2) The Kandy Hotels Co. (1938) PLC
3) Airline Services (Private) Limited
4) Ceylon Holidays Holdings (Private) Limited

There were no significant changes in the nature of the principal activities of the Company and its subsidiary during the financial year under review.

3. CHANGES TO THE GROUP STRUCTURE

There were no changes to the Group Structure during the year under review,

4. ANNUAL REPORT

The Board of Directors on 1st September 2025 approved the Company's Audited Financial Statements together with the reviews which form part of the Annual Report. The appropriate number of copies of the Report would be submitted to the Colombo Stock Exchange, Sri Lanka Accounting and Auditing Standards Monitoring Board, and the Registrar General of Companies within the given time frames to meet statutory deadlines.

5. REVIEW OF THE YEAR

Chairman's Review and the Management Discussion and Analysis on pages 3 to 4 and 7 to 8 respectively describes the Company's affairs and highlights important events that occurred during the year, and up to the date of this report. The Group Financial Highlights on page 2 summarise the financial results of the Company. These reports together with the audited financial statements reflect the state of affairs of the Group.

6. FINANCIAL PERFORMANCE OF THE COMPANY

The financial statements which include Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the notes to the financial statements of the Company and the Group for the year ended 31st March 2025 and are prepared in compliance with the Sri Lanka Accounting Standards (SLFRS and LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka and the requirements of Section 151 of the Companies Act No. 07 of 2007 are given on pages 50 to 129 in this annual report.

The aforementioned financial statements for the year ended 31st March 2025, are duly signed by the Group Accountant and two other Directors of the Company.

7. FINANCIAL RESULTS

The net profit before tax of the Group was Rs. 114.97 million on a turnover of Rs. 1,674.3 million for the year ended 31st March 2025 compared to net loss before tax of Rs. 37.59 million on a turnover of Rs. 1,382.59 million in 2023/2024.

Annual Report of the Board of Directors on the Affairs of the Company

An abridgment of the financial performance of the Group and the Company are presented below.

For the year ended 31st March	Group		Company	
	2025 Rs.	As restated 2024 Rs.	2025 Rs.	2024 Rs.
Profit/ (loss) attributable to equity holders	139,106,351	(1,249,074)	37,919,164	78,568,383
Profit/(loss) brought forward from previous year	1,603,833,262	1,863,083,004	(53,960,029)	(131,402,672)
Total comprehensive income/(loss) attributable to equity holders	747,521,972	(55,013,011)	37,919,164	77,442,643
Transfer of excess depreciation on revaluation	62,240,012	67,540,392	-	-
Retained earnings/(loss) carried forward	1,803,960,477	1,603,833,262	(16,040,865)	(53,960,029)

8. AUDITORS' REPORT
The Independent Auditors of the Company are Messrs. KPMG, Chartered Accountants. KPMG carried out the audit of the financial statements of the Company for the year ended 31st March 2025 and their report on the financial statements is set out on pages 47 to 49 of this Annual Report.

9. SIGNIFICANT ACCOUNTING POLICIES
The details of the accounting policies adopted by the Company in preparation of the financial statements and the impact thereon, of changes in the Sri Lanka Accounting standard made during the year are disclosed on pages 58 to 79 of the Annual Report. There were no changes in accounting policies adopted by the Company during the year under review other than those disclosed in the financial statements.

10. RESPONSIBILITIES OF DIRECTORS AND AUDITORS FOR THE FINANCIAL STATEMENTS
The Directors are responsible for the preparation of the financial statements so that they present a true and fair view of the state of affairs of the Company. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act, the Sri Lanka Accounting and Auditing Standard Act and the Continuing Listing Rules of the Colombo Stock Exchange.

The detailed Statement of Directors' Responsibilities for Financial Reporting is set out on pages 19 to 20 of this Annual Report.

11. STATED CAPITAL AND RESERVES
The Company's stated capital as of 31st March 2025 was Rs.362,610,821/- represented by 180,030,942 ordinary shares and 1,200,000 preference shares @ 6%. There was no change in the stated capital during the year under review.

The total capital and reserves for the group stood at Rs. 10,858 million as of 31st March 2025. (2024: Rs. 9,819 million).

As at 31st March 2025, there were 7,649 registered ordinary shareholders. The Company has ensured at all times that all shareholders are treated fairly and equitably.

12. SHAREHOLDERS' FUND
The total reserves of the Group as at 31st March 2025 was Rs. 7,557 million (2024: Rs. 6,810 million) comprising of retained earnings of Rs. 1,804 million (2024: Rs. 1,604 million) and other reserves of Rs. 5,753 million (2024: 5,206 million). Total reserves combined with Stated Capital as at 31st March 2025 was Rs. 7,920 million (2024 Rs. 7,172 million) The movements are shown in the Statement of Changes in Equity given on pages 54 to 55.

13. DIVIDEND
The Board of Directors have not recommended a final dividend for the year ended 31st March 2025.

14. SOLVENCY TEST
Since there is no recommendation for payment of a dividend for the year ended 31st March 2025, it is not required to prepare a solvency statement in accordance with Section 56 of the Companies Act, No.07 of 2007.

15. GOING CONCERN
The Directors, after making necessary inquiries and reviews including the reviews of the budget for the ensuing year, capital expenditure requirements, future prospects and risks, cash flows and such other matters required to be addressed under the Code of best practice issued by the Institute of Chartered Accountants of Sri Lanka are satisfied that the Company has adequate resources to continue operations in the foreseeable future.

Accordingly, the Directors consider that it is appropriate to adopt the going concern basis in preparing the Financial Statements.

16. PROPERTY PLANT AND EQUIPMENT

(a) Capital Expenditure

The Group has incurred capital expenditure of Rs. 767 million during the year under review (2024 – Rs. 334.2 million). The movements in property, plant and equipment during the year are set out in note 14 to the Financial Statements.

The Group has spent Rs. 723 Million to refurbish Hotel Suisse during the financial year 2024/25.

(b) Capital Commitments

The capital expenditure approved and contracted for, as of the reporting date is given in note 37 to the financial statements.

17. MARKET VALUE OF PROPERTIES

Freehold land and Building were revalued by an independent professional valuer during the year ended March 31, 2025. The valuation basis/ techniques and the assumptions used therein have been deliberated and agreed by the Management.

The carrying value of freehold land and buildings and buildings on leasehold land reflected in the Financial Statements as at 31st March 2025 is Rs. 11,890 million (2024– Rs. 10,293 million). The details of freehold land and building and Buildings on leasehold land valuation are given in note 14 on pages 86 to 90 to the Financial Statements.

The Directors are of the view that the carrying value of the properties stated in note 14 to the financial statements reflect the fair value.

18. INVESTMENTS

Details of long-term Investments held by the Company are given in note 17 to the financial statements on pages 92 to 97.

a) Investment in Financial Instruments

Investments in financial instruments of the Company represent investments in fair value through other comprehensive income (FVOCI) financial assets, categorised into,

- Fair value hierarchy Level 01 – quoted securities/unit trusts
- Fair value hierarchy Level 03 – unlisted entity

The details of financial instruments categorised into levels in the fair value hierarchy are given in note 17 to the financial statements.

19. IMPAIRMENT TESTING

All asset classes have been tested for impairment and Group/ Company has made the provisioning where necessary. Details of which are given in this financial statement enclosed.

20. STATUTORY PAYMENTS

To the best of their knowledge and having made adequate inquiries from the management, the Directors are satisfied and confirm that all statutory payments in relation to the Government and on behalf and in respect of the Employees have been duly settled to date or wherever relevant have been provided for in the books of the company.

21. OUSTANDING LITIGATION AND CONTINGENT LIABILITIES

In the opinion of the Directors, the Company's lawyers have established that litigation currently pending against the Company will not have a material impact on the reported financial results or future operations of the Company. The Contingent liabilities as at 31st March 2025 are given in note 36 to the Financial Statements.

22. ENVIORNMENTAL PROTECTION

The Company makes every endeavour to comply with the relevant environmental laws, regulations and best practices applicable in the country. After making adequate inquiries from the management, the Directors are satisfied that the Company operates in a manner that minimises the detrimental effects on the environment and provides products and services that have a beneficial effect on customers and the communities within which the Company operates.

To the best of the knowledge of the Board of Directors, the Company has not engaged in any activity which is harmful and hasardous to the environment and complies with the relevant environmental laws and regulations.

23. POST BALANCE SHEET EVENTS

No circumstances have arisen since the Statement of Financial Position date, which would require adjustment to or disclosure in, the financial statements other than stated in note 38.

24. DIRECTORS

The Board of Directors of Ceylon Hotels Corporation PLC comprises 10 Directors with wide commercial knowledge and experience and 03 of them serve as Independent Non-Executive Directors. The qualification and experience of the Directors are given on pages 5 to 6 of the Annual Report.

The classification of Directors into Executive (ED), Non-Executive (NED) and Independent (IND), Non-Independent Directors (NID) is given against the names as per the Listing Rules of the CSE.

The names of the Directors who held office during the year under review are as follows:

Annual Report of the Board of Directors on the Affairs of the Company

Name of the Directors	Status
Mr. Sanjeev Gardiner	Non-Independent, Executive Director
Mr Lakshman Samarasinghe*	Non-Independent, Executive Director
Mr. Priyantha. P. Maddumage	Non-Independent, Executive Director
Mr. C. Shalike Karunasena	Non-Independent, Executive Director
Mr. E. M. Mangala Boyagoda	Non-Independent, Non-Executive Director
Mr. Kuvera de Soysa**	Non-Independent, Non-Executive Director
Mr. D. S. Kamantha Amarasekera	Non-Independent, Non-Executive Director
Mr. Ajith L. Devasurendra	Non-Independent, Non-Executive Director
Mr. Ranil P. Pathirana	Non-Independent, Non-Executive Director
Mr. Nirmal D. S. Cooke***	Independent, Non-Executive Director
Mr. D. S. Weerakkody****	Senior Independent, Non-Executive Director
Mr. Sutheash Balasubramaniam*****	Independent, Non-Executive Director

*Deceased on 10th April 2024.

**Resigned on 03rd March 2025.

***Appointed on 07th October 2024.

****Appointed on 21st January 2025.

*****Appointed on 20th March 2025.

24.1 Changes in the Directorate

- Mr. Lakshman Samarasinghe's tenure concluded with his demise on April 10, 2024.
- Mr. Nirmal D. S. Cooke was appointed to the Board with effect from 07th October 2024.
- Mr. Dinesh Weerakkody was appointed to the Board with effect from 21st January 2025.
- Mr. Kuvera De Soysa resigned from the Board with effect from 03rd March 2025.
- Mr. Sutheash Balasubramaniam was appointed to the Board with effect from 20th March 2025.
- Mr. Mangala Boyagoda stepped down to comply with the independence criteria as set out in the listing rules.
- Mr. Dinesh Weerakkody was appointed as the Senior Independent Director with effect from, 28th January 2025.
- Mr. Priyantha Maddumage was re-designated as Non-Independent, Non-Executive Director with effect from 21st August 2025.

24.2 Directors to retire by rotation

In terms of Articles 30(1), 30(2) and 30(3) of the Articles of Association of the Company, shareholder approval is sought to re-elect Mr. Ranil Pathirana who retire by rotation. Further, in terms of Rule 9.7.2. of the Listing Rules of the Colombo Stock Exchange the Board has ensured that Mr. Ranil Pathirana, is fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

24.3 Re-appointment of Directors who are over seventy years of age

Mr. Mangala Boyagoda Director who was over seventy years of age was re-appointed as a Director of the Company in terms of Section 210 of the Companies Act No.07 of 2007 at the AGM held on 26th September 2024 for one year commencing from the conclusion of the said AGM, i.e. till 26th September 2025.

Mr. Kamantha Amarasekera, who retires by rotation, has informed the Board in writing of his decision to withdraw from re-election at the forthcoming Annual General Meeting scheduled to be held on 26th September 2025.

Further, in terms of Rule 9.7.2 of the Listing Rules of the Colombo Stock Exchange, the Board has ensured that Mr Mangala Boyagoda is fit and proper based on the "Fit and Proper Criteria" stipulated in the Listing Rules.

Accordingly, Mr. Mangala Boyagoda who is over seventy years of age to be re-appointed as a Director of the Company until the next Annual General Meeting scheduled for 26th September 2025 from the conclusion of the Annual General Meeting and the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not be applicable to him.

24.4 Re-election of Directors

In terms of Article 28(2) of the Articles of Association, shareholder approval is sought to re-elect following Directors.

- Mr. Nirmal De Soysa Cooke who was appointed to the Board on 07th October 2024.
- Mr. Dinesh Weerakkody who was appointed to the Board on 21st January 2025.

- Mr. Sutheash Balasubramaniam who was appointed to the Board on 20th March 2025.

The names of the Directors of Subsidiary Companies are given below.

Name of the Company	Name of the Directors
CHC Foods (Private) Limited	Mr. Asela Iddawala
	Mr. Priyantha Maddumage
	Mr. Shalike Karunasena (Alternate Director to Mr. Priyantha Maddumage)
The Kandy Hotels Co (1938) PLC	Mr. Sanjeev Gardiner
	Mr. Priyantha Maddumage
	Mr. Shalike Karunasena
	Mr. P. Nilanga Dela Bandara
	Mr. Indrajith Fernando
	Mr. Nirmal De Soya Cooke
United Hotels Company Limited	Mr. Sanjeev Gardiner
	Mr. Priyantha Maddumage
	Mr. Shalike Karunasena (Alternate Director Mr. Priyantha Maddumage)
	Mr. Revantha Devasurendra
	Mr. Mangala Boyagoda
	Mr. Kuvera De Soysa

Name of the Company	Name of the Directors
Ceylon Hotels Maldives (Private) Limited	Mr. Sanjeev Gardiner
	Mr. Priyantha Maddumage
	Mr. Shalike Karunasena

The Company obtained an annual declaration from the Directors as per Rule 9.7.3. and 9.7.4 of the Listing Rules of the Colombo Stock Exchange (CSE) confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria set out in the Rules during the Financial year and as at the reporting date. Therefore, no Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

Each of the Independent Directors of the Company has submitted a signed declaration on Independence / Non-Independence as per Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange (CSE). Based on the declarations made by the Directors, the Board identified that following Directors are no longer considered as 'Independent' in terms of Rule 9.8.3 of the Listing Rules of the Colombo Stock Exchange with effect from 1st January 2025.

1. Mr. Kuvera De Soysa
2. Mr. Mangala Boyagoda
3. Mr. Kamantha Amarasekara.

25. DIRECTORS' MEETINGS

There were four (04) board meetings held during the year under review Details of the attendance at meetings of the Board of Directors are given below.

Name of the Director	Directorship Status	Eligibility for Board Meeting	Attendance
Mr. Sanjeev Gardiner	Non-Independent, Executive Director	04	04
Mr Lakshman Samarasinghe*	Non-Independent, Executive Director	0	0
Mr. Priyantha. P. Maddumage	Non-Independent, Non-Executive Director	04	01
Mr. C. Shalike Karunasena	Non-Independent, Executive Director	04	04
Mr. E. M. Mangala Boyagoda	Non-Independent,Non-Executive Director	04	04
Mr. Kuvera de Soysa**	Non-Independent,Non-Executive Director	04	03
Mr. D. S. Kamantha Amarasekera	Non-Independent,Non-Executive Director	04	0
Mr. Ajith L . Devasurendra	Non-Independent,Non-Executive Director	04	04
Mr. Ranil P. Pathirana	Non-Independent,Non-Executive Director	04	04
Mr. Nirmal D . S . Cooke***	Independent, Non-Executive Director	02	02
Mr. Dinesh Weerakkody****	Independent, Non-Executive Director	01	01
Mr. Sutheash Balasubramaniam*****	Independent, Non-Executive Director	0	0

*Deceased on 10th April 2024.

**Resigned on 03rd March 2025.

***Appointed on 07th October 2024.

****Appointed on 21st January 2025.

*****Appointed on 20th March 2025.

Annual Report of the Board of Directors on the Affairs of the Company

26. BOARD SUBCOMMITTEES

The Board while assuming the highest level of responsibility and accountability for the management of the Company, has also appointed board sub-committees to ensure more effective control over certain affairs of the Company, conforming to the Corporate Governance Standards of the Listing Rules of the CSE and industry best practices.

In line with corporate governance standards of listing rules and the industry best practices, the following sub-committees have been constituted by the board.

- Audit Committee
- Remuneration Committee
- Related Party Transaction Review Committee
- Nomination and Governance Committee

The composition and function of each subcommittee are given on page 24 of the corporate governance section of this Annual Report.

26.1 Audit Committee

The Audit Committee of the Company comprises the following members.

1. Mr. Sutheash Balasubramaniam
 – Independent, Non-Executive Director (Chairman)

2. Mr. Nirmal De Soysa Cooke
 – Independent, Non- Executive Director

3. Mr. E. M. Mangala Boyagoda
 – Non-Independent, Non-Executive Director

26.2 Remuneration Committee

The Remuneration Committee of the Company comprises the following members.

1. Mr. Dinesh Weerakkody
 – Independent Non-Executive Director (Chairman)

2. Mr. Nirmal De Soysa Cooke
 – Independent Non-Executive Director

3. Mr. E. M. Mangala Boyagoda
 - Non-Independent, Non-Executive Director

4. Mr. Ranil Pathirana
 - Non-Independent, Non-Executive Director

26.3 Nomination Governance Committee

The Nomination and Governance Committee of the Company comprises the following members.

1. Mr. Dinesh Weerakkody
 - Independent Non-Executive Director (Chairman)

2. Mr. Sutheash Balasubramaniam
 – Independent, Non-Executive Director

3. Mr. E. M. Mangala Boyagoda
 - Non-Independent, Non-Executive Director

4. Mr. Ranil Pathirana
 -Non-Independent, Non-Executive Director

26.4 Related Party Transactions Review Committee

The Related Party Transactions Review Committee of the Company comprises the following members.

1. Mr. Sutheash Balasubramaniam
 – Independent, Non-Executive Director (Chairman)

2. Mr. Nirmal D. S. Cooke
 – Independent, Non- Executive Director

3. Mr. E. M. Mangala Boyagoda
 – Non-Independent, Non-Executive Director

26.4.1 Non-Recurrent Related Party Transactions

There were no non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Group as per 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under the Colombo Stock Exchange listing Rule 9.14.8(1) .

26.4.2 Recurrent Related Party Transactions

All the Recurrent Related Party transactions which in aggregate value exceeded 10% of the revenue of the Company as per audited financial statements of 31st March 2025 are disclosed under note 39 on pages 115 to 117 the Financial Statements, as required by Colombo Stock Exchange Listing Rule 9.14.8(2).

26.4.3 Directors' Declaration on Related Party Transactions

The Directors declare that they are in compliance with Section 9 of the listing rules of the CSE pertaining to Related Party Transactions during the financial year ended 31st March 2025.

The Directors of the Company declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than disclosed in the financial statements. The report of the Related Party Transactions Review Committee is given on pages 39 to 40 in the Annual Report.

27. DIRECTORS DEALINGS WITH THE SHARES OF THE COMPANY

Directors shareholdings in the company for the period under review are as follows:

a) Directors' Shareholding in the Company

Name of Director	31st March 2025	31st March 2024
Mr. Sanjeev Gardiner	Nil	Nil
Mr. Priyantha Maddumage	1	1
Mr. Mangala Boyagoda	Nil	Nil
Mr. Kamantha Amarasekera	Nil	Nil
Mr. Ajith Devasurendra	Nil	Nil
Mr. Ranil Pathirana	Nil	Nil
Mr. Shalike Karunasena	Nil	Nil
Mr.Nirmal De Soysa Cooke	Nil	Nil
Mr.Dinesh Weerakkody	Nil	Nil
Mr.Sutheash Balasubramaniam	Nil	Nil

As at 31st March 2025, there were 7,649 registered ordinary shareholders. The number of ordinary shares held by the public as per the Colombo Stock Exchange rules as of 31st March 2025 was 40,897,019 shares equivalent to 22.72%.

The Company has ensured at all times that all shareholders are treated fairly and equitably.

28. INTEREST REGISTER

In terms of the Companies Act No.07 of 2007, the company maintained an Interest Register and the entries have been made therein. All related party transactions during the period are recorded in the Interest Register.

The Board of Directors has duly disclosed their directorships in related companies and share dealing with the company and related companies at board meetings.

29. REMUNERATION OF DIRECTORS

Remuneration received by the Directors is set out in note 39.2 to the financial statements on page 119.

30. DIRECTORS INTEREST IN CONTRACTS

Directors of the Company have made necessary declarations of their interest in the contract or proposed contracts, in terms of Section 192(1) and 192(2) of the Companies Act. These interests have been recorded in the interest register which is available for inspection in terms of the Companies Act.

The Directors have no direct or indirect interest in contracts and proposed contracts, other than disclosed in note 39.4 to the Financial Statements.

31. DIRECTORS DECLARATION

The Board of Directors declares as follows:

i. The Company has not engaged in any activity which contravenes laws and regulations

ii. All material interests in contracts involving the Company were disclosed and any interested party refrained from voting on matters in which they were materially interested.

iii. The Company has made all endeavours to ensure the equitable treatment of shareholders.

iv. The business is a going concern, with supporting assumptions or qualifications as necessary; and they have conducted a review of the internal controls, covering financial, operational and compliance controls and risk management, and have obtained reasonable assurance of their effectiveness and successful adherence therewith

32. CORPORATE GOVERNANCE

The Board has ensured that the Company has complied with the Corporate Governance Rules as per the Listing Rules of the Colombo Stock Exchange (CSE), subject to Corporate Governance Report given in page no. 21.

Annual Report of the Board of Directors on the Affairs of the Company

33. SUBSTANTIAL SHAREHOLDING
Names of the twenty largest shareholders for both ordinary and preference shares, percentages of their respective holdings as at 31st March 2024 and 31st March 2025, are given in the section on "Investor Information" on pages 130 to 133.

34. SHARE INFORMATION AND INFORMATION ON EARNINGS, DIVIDENDS, NET ASSETS AND MARKET VALUE
Information relating to earnings, dividends, net assets and market value per share is given in "Financial Highlights" on page 2 Information on the shares traded and movement in the number of shares represented by the stated capital of the company is given in the section on "Investor Information" on Pages 130 to 133.

35. CONTRIBUTIONS TO CHARITY
The sum of contributions made to charities by the company during the financial year ended 31 March 2025 is Rs. 150,983 (2024: Rs. 111,406).

36. RISK MANAGEMENT
Risk Management is embedded in the day-to-day management of the Company and also part of the Corporate Governance processes.

The Directors of the Company have taken reasonable steps to safeguard the financial operation of the Company to prevent and detect fraud and any other irregularities. For this purpose, the Directors consider that the system of internal controls is appropriately designed for identifying, recording, evaluating, and managing the significant risks faced by the Company throughout the year and it is being regularly reviewed by the Board of Directors. The Directors further confirm that an on-going process to identify, evaluate and manage significant business risk.

37. MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS OF THE COMPANY
The Company assesses the importance and impact of each employee and accordingly, relevant managerial actions are implemented. Being in the leisure sector, the company has wider stakeholder groups who can be significantly affected by its business activities. The company gives important considerations to its relations with employees and other stakeholder groups within the marketplace. Accordingly, material issues that can substantially affect the company it's sustainability over the short, medium and long terms are determined through a process and actions are taken accordingly.

38. AUDITORS RELATIONSHIP
Messrs. KPMG Chartered Accountants who are willing to continue in office are recommended for re-appointment, at a remuneration to be decided by the Board of Directors.

The audit and non-audit fees paid to auditors are disclosed in note 11 to the financial statements.

Based on the declaration provided by Messrs. KPMG and as far as the Directors are aware, the Auditors do not have any relationship or interest with the company other than those disclosed above which may reasonably be thought to have a bearing on their independence in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

39. NOTICE OF THE ANNUAL GENERAL MEETING
The Annual General Meeting of the Company will be held on 26th September 2025 at 3.30 pm, via audio visual technology. The Notice of Meeting is given on page 135 of the Annual Report.

40. ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT
As required by Section 168(1) (k) of the Companies Act No. 07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

Signed in accordance with the resolution of the Board of Directors.

For and on behalf of the Board

(Sgd.)

Sanjeev Gardiner

Chairman/Director

(Sgd.)

Shalike Karunasena

Director

(Sgd.)

By Order of the Board,

Deloitte Corporate Services (Private) Limited,

1st September 2025

Statement of Directors' Responsibilities for the Preparation of Financial Statements

The responsibilities of the Directors, in relation to the Financial Statements of Ceylon Hotels Corporation PLC ('the Company') and the Consolidated Financial Statements of the Company and its subsidiaries ('the Group') is set out in the following statement.

In terms of Sections 150 (1), 151, 152 and 153 (1) & (2) of the Companies Act No. 07 of 2007, the Directors of the Company are responsible for ensuring that the Company keeps proper books of account of all the transactions and prepares Financial Statements that give a true and fair view of the financial position of the Company and its subsidiaries, as at the end of each financial year and of the financial performance of the Company for each financial year and places them before a general meeting.

The Financial Statements comprise:

- The Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year
- The Statement of Comprehensive Income
- The Statement of Changes in Equity
- The Statement of Cash Flows
- Notes to the Financial Statements.

Accordingly, the Directors confirm that the Financial Statements of the Company and the Group give a true and fair view of:

(a) the financial position of the CHC as at the reporting date; and

(b) the financial performance of the CHC for the financial year ended on the reporting date.

In terms of Section 150(1)(b) and Section 152(1)(b) of the Companies Act these Financial Statements of the Company have been certified by the Company's Group Accountant, the Officer responsible for their preparation. In addition, the Financial Statements of the Company and the Group have been signed by two Directors of the Company on 1 September 2025 as required by Sections 150 (1) (c) and 152 (1) (c) of the Companies Act and other regulatory requirements. In terms of Section 148(1) of the Companies Act, the Directors are also responsible for ensuring that proper accounting records that correctly record and explain the Company's transactions are maintained to facilitate a proper audit of the Financial Statements. Accordingly, the Directors have taken reasonable steps to ensure that the Company and the Group maintain proper books of account and review the financial reporting system through the Board Audit Committee.

The Board of Directors also approves the Interim Financial Statements prior to their release to the Colombo Stock Exchange, upon a review and recommendation by the Board Audit Committee.

The Directors confirm that these Financial Statements for the year ended 31st March 2025, prepared and presented in this Annual Report are in agreement with

a) Appropriate accounting policies have been selected and applied in a consistent manner and material departures if any have been disclosed and explained.

b) All applicable accounting standards (SLFRS/LKAS) that are relevant, have been followed and are consistent with the underlying books of accounts.

c) Reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected.

d) and information required by the Companies Act No.07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) have been disclosed.

e) The companies within the Group maintain sufficient accounting records to disclose the financial position of the Group with reasonable accuracy.

The External Auditors, Messrs. KPMG, who were reappointed in terms of Section 158 of the Companies Act No. 07 of 2007 and in accordance with a resolution passed at the last Annual General Meeting, were provided with every opportunity to undertake the inspections they considered appropriate. They carried out reviews and sample checks on the system of internal controls as they considered appropriate and necessary for expressing their opinion on the Financial Statements and maintaining accounting records. They have examined the Financial Statements made available to them by the Board of Directors together with all the financial records, related data and minutes of shareholders' and Director's meetings and expressed their opinion which appears as reported by them on pages 47 to 49.

As required by Section 166(1) and 167(1) of the Companies Act, this Annual Report has been prepared and the Company has met all the requirements under Rule 7.6 on Continuing Listing Requirements of the Listing Rules of the CSE, where applicable.

Statement of Directors' Responsibilities for the Preparation of Financial Statements

The Directors are responsible for taking reasonable measures to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment, designation, implementation and maintenance of appropriate accounting and internal control systems with a view of preventing and detecting frauds and other irregularities relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error. In this regard, the Directors have instituted an effective and comprehensive system of internal controls comprising an internal audit function directly reporting to the Board.

The Directors are also reporting to the Board Audit Committee of the view that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these financial statements.

COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries as at the date of the statement of financial position have been duly paid or, where relevant, provided for, except as disclosed in note 36.2 to the financial statements covering contingent liabilities.

The Directors confirm that based on their assessment, the accounting controls are adequate, and nothing has come to their attention to indicate any breakdown in the functioning of these controls that may result in a material loss to the Company. The Directors also confirm that the Company has adequate resources to continue in its operational existence and continue as a going concern for the foreseeable future.

Accordingly, the Directors are of the view that they have discharged their responsibilities as set out in the statement.

By Order of the Board of Directors of Ceylon Hotels Corporation PLC

(Sgd)

Deloitte Corporate Services (Private) Limited,
Secretaries to the Company

1st September 2025

Corporate Governance

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

Dear Shareholder,

The companies' performance has been supported by competent directors, governance structures, and institutionalised processes that support effective strategic guidance and resource allocation. As done in the past, CHCO duly complied with the Colombo Stock Exchange Listing Rule No. 9 on Corporate Governance.

Ceylon Hotels Corporation PLC duly complied with the Colombo Stock Exchange Listing Rule No. 9 on Corporate Governance and accordingly, ensured compliance with the policies established and maintained in compliance with the Listing Rules.

Compliance Statement On behalf of the Board of Ceylon Hotels Corporation PLC, I declare that the principles of good Corporate Governance are applied consistently across the Group and that the Corporate Governance Report provides a fair account of Corporate Governance practices within the Group. We are also pleased to report that the Group complies with the relevant sections of the Listing Rules of the Colombo Stock Exchange (CSE) pertaining to Corporate Governance and the provisions of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

Sgd.

Sanjeev Gardiner

Chairman

1st September 2025

Colombo

Corporate governance is the process through which businesses operate in order to promote corporate fairness, transparency, accountability, delegation, and sound and prudent decision-making. The Company's Board of Directors is responsible for implementing robust corporate governance mechanisms and practices for the benefit of all stakeholders with a view to achieving the proper segregation of duties and responsibilities between the board and corporate management, supporting the efficient use of resources, promoting accountability and responsible stewardship, compliance with all legal and regulatory requirements, and promoting ethical leadership, good corporate citizenship, and sustainable development for the best interest of all stakeholders.

The corporate governance framework regulates the application of policies and standards and ensures that legal and regulatory compliance, internal controls, risk management, internal audit, information management, stakeholder relationships, ethics, and sustainability are complied with. It also defines the roles and responsibilities at each level of authority within the Company.

The Company's governance structure includes but is not limited to compliance with the following.

REGULATORY REQUIREMENTS

- Continuing listing rules of the Colombo Stock Exchange
- Companies Act No. 07 of 2007 and its amendments.
- The Securities and the Exchange Commission of Sri Lanka Act No. 19 of 2021
- The Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission, The Inland Revenue Act No. 24 of 2017 and its amendments
- The Shop and Office Employees Act No. 19 of 1954 and its amendments
- All other applicable regulations

INTERNAL

- Articles of Association
- Code of conduct for employees
- Board-approved policies

VOLUNTARY CODES

- The Code of Best Practice of Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (ICASL)
- The Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

BOARD OF DIRECTORS

The Board is responsible for the management and supervision of the Company's business and operations.

Ensuring good governance and overseeing the risk management of the Company; effectively reviewing and constructively challenging management performance in meeting the agreed goals; providing strategic guidance; evaluating, reviewing, and approving corporate strategy and the performance objectives of the Company; approving and monitoring financial and other reporting practices adopted by the Company; monitoring the reporting of performance; and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives are among the key responsibilities entrusted with the board.

COMPOSITION

The composition of the Board of Directors as of March 31, 2025, was as follows.

Name of the Director	Directorship Status
Mr. Sanjeev Gardiner - Chairman	Non-Independent, Executive Director
Mr. Priyantha Maddumage	Non-Independent, Executive Director
Mr. Mangala Boyagoda	Non-Independent, Non-Executive Director
Mr. Kamantha Amarasekara	Non-Independent, Non-Executive Director
Mr. Ajith Devasurendra	Non-Independent, Non-Executive Director
Mr. Ranil Pathirana	Non-Independent, Non-Executive Director
Mr. Shalike Karunasena	Non-Independent, Executive Director
Mr. Nirmal D. S. Cooke	Independent, Non-Executive Director
Mr. Dinesh Weerakkody - Senior Independent Director	Senior Independent, Non-Executive Director
Mr. Sutheash Balasubramaniam	Independent, Non-Executive Director

Corporate Governance

The following changes were made to the composition of the Board of Directors in accordance with the Listing Rules of the CSE.

- Mr. Lakshman Samarasinghe passed away on 10th April 2024.
- Mr. Nirmal D. S. Cooke was appointed to the Board with effect from 7th October 2024.
- Mr. Dinesh Weerakkody was appointed to the Board with effect from 21st January 2025.
- Mr. Kuvera De Soysa resigned from the Board with effect from 3rd March 2025.
- Mr. Sutheash Balasubramaniam was appointed to the Board with effect from 20th March 2025.
- Mr. E. M. Mangala Boyagoda stepped down as Senior Independent Director and Mr. Dinesh Weerakkody was appointed as the Senior Independent Director with effect from, 28th January 2025.
- Mr.Priyantha Maddumage was re-designated as Non-Independent, Non-Executive with effect from 21st August 2025

The profiles of the Board of Directors are given on pages 5 to 6.

As of 31st March 2025, the Company's board comprised ten (10) Directors, of which eight (08) function in a non-executive capacity. The two (02) Executive Directors are also considered to be Key Management Personnel (KMP) of the Company. Three (03) out of ten (10) Directors are independent bringing independent judgement and objectivity to the board deliberations.

Recognising the importance of diversity at the Board level, the Company has adopted a more inclusive strategy to promote diversity in order to induce fresh viewpoints that will foster robust debate and effective decision-making. The Non-Executive Directors collectively provide a considerable depth of knowledge gained from their experience and have the necessary skills to bring an objective and sound judgment to bear on issues of strategy, performance and resources.

The Board has determined that three (03) of the Non-Executive Directors are 'independent' as per the criteria set out in the Listing Rules of the Colombo Stock Exchange. The composition satisfies the listing rules of the Colombo Stock Exchange.

The Board of Directors have determined that all the directors are satisfied with the 'Fit and Proper Assessment Criteria' set out in the amended corporate governance rules.

INDEPENDENCE OF DIRECTORS

Independence of Directors is determined by the Board, based on annual declarations submitted by the Independent Directors in compliance with the Listing Rules of the CSE.

Mr. Kuvera De Soysa failed to meet the independence criteria as set out in the listing rules, hence he was identified as a non-independent Director and later, he stepped down from the Board with effect from 3rd March 2025.

Mr. Nirmal D. S. Cooke, Mr. Dinesh Weerakkody and Mr. Sutheash Balasubramaniam met the criteria of independence set out in the Listing Rules of the CSE and considered as Independent, Non-Executive Directors.

BOARD MEETINGS AND ATTENDANCE

The Board meets regularly to discuss the company's performance and evaluate its strategic direction. There were four (04) board meetings held during the year under review.

The attendance of Directors at the aforesaid meetings is set out in the table below. All meetings held during the year ensured that the Board has adequate time to discuss the actual and potential impact to the Company from the macro-economic environment and to decide on the way forward.

Name of the Director	Directorship Status	Year of Appointment	Tenure on the Board (Years)	Age	Eligibility for Board Meeting	Attendance
Mr. Sanjeev Gardiner	Non-Independent, Executive Director	2007	17 Years+	56	04	04
Mr Lakshman Samarasinghe*	Non-Independent, Executive Director	2005	18 Years+	-	0	0
Mr. Priyantha. P. Maddumage	Non-Independent, Executive Director	2007	17 Years+	53	04	01
Mr. C. Shalike Karunasena	Non-Independent, Executive Director	2017	7 Years+	51	04	04
Mr. E. M. Mangala Boyagoda	Non-Independent, Non-Executive Director	2011	13 Years+	74	04	04
Mr Kuvera de Soysa**	Non-Independent, Non-Executive Director	2010	14 Years+	57	04	03

Name of the Director	Directorship Status	Year of Appointment	Tenure on the Board (Years)	Age	Eligibility for Board Meeting	Attendance
Mr. D. S. Kamantha Amarasekera	Non-Independent, Non-Executive Director	2013	11 Years+	54	04	0
Mr. Ajith L. Devasurendra	Non-Independent, Non-Executive Director	2015	9 Years+	64	04	04
Mr. Ranil P. Pathirana	Non-Independent, Non-Executive Director	2016	9 Years+	59	04	04
Mr. Nirmal D. S. Cooke***	Independent, Non-Executive Director	2024	11 months	40	02	02
Mr. D. S. Weerakkody****	Senior Independent, Non-Executive Director	2025	7 months	62	01	01
Mr. Sutheash Balasubramaniam*****	Independent, Non-Executive Director	2025	5 months	67	0	0

* Deceased on 10th April 2024.
** Resigned on 03rd March 2025.
*** Appointed on 07th October 2024.
**** Appointed on 21st January 2025.
***** Appointed on 20th March 2025.

The routine agenda for board meetings is developed by the Chairman in consultation with all the Directors and the Company Secretary. Agenda items include but are not limited to strategy, industry performance, financial performance, risk management, and human resources. The Company Secretary is responsible for circulating agenda items and board papers to all the Directors.

The Annual Board meeting and subcommittee meeting calendar is circulated to the Board well in advance. The Directors are well prepared for the board meetings and actively participate in board decisions.

The company's Senior Management offers all the information essential for the Board of Directors to make decisions. Directors seek independent advice from legal and accounting professionals when needed to gain a broader view of important issues.

Minutes are circulated by the Company Secretary. The significant matters that require further discussion are incorporated into the agenda items for the next meeting. Board members are free to request any additional information on matters that are being discussed at the board level.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board provided stewardship and strategic direction to guide the Corporate Management in achieving the growth objectives of the Company whilst ensuring that the necessary resources are made available, culturally aligned, proper internal control systems, and appropriate reporting functions to measure and report the performance.

The board has a key role in formulating the strategy and establishing the strategic direction for the Company. Board-approved policies and procedures serve as the basis for operationalising the strategy. The board recognises its accountability towards a wide range of stakeholders, provides information, and places a high reliance on financial statements and accounting systems for monitoring performance.

THE CHAIRMAN OF THE BOARD

The Chairman's primary role is to lead the Board to ensure that it effectively functions in achieving the strategic direction. Currently, the company does not have a Chief Executive Officer (CEO), and the Chairman plays an executive role. The Chairman ensures that there is a proper balance between non-executive directors and executive directors. The hotels of the group are managed and operated by Galle Face Group (Pvt) Ltd., an affiliate of the Company.

SENIOR INDEPENDENT DIRECTOR

A Senior Independent Director (SID) is appointed due to the Chairman holding an executive role, in accordance with the amended Corporate Governance Rules of the CSE. Mr. Mangala Boyagoda was appointed as the SID and later it became invalid due the reason of Mr. Boyagoda becoming and Non-Independent Director. Mr. Dinesh Weerakkody was appointed as the SID of the Company with effect from 28th January 2025. The justification for the Chairman's executive role was communicated to the CSE along with the SID appointment.

This position aims to enhance the independent element of the Board of Directors, ensuring that board members maintain independent judgment and objectivity in all deliberations and that decisions are made in the best interest of the company. The profile of the SID is provided on page 6, and the explanatory report by the SID demonstrating the effectiveness of his duties is on page 35.

MANAGING CONFLICTS OF INTEREST

All Directors are expected to act in good faith and maintain transparency regarding matters that could potentially be in conflict of interest. Directors are excused from meetings if an agenda item refers to a matter in which they have an interest, allowing the board to deliberate on the matter without undue influence.

BOARD SUB- COMMITTEES

Sub-committees play a crucial role in the Company's governance. They function under the delegated authority of the board. The board is supported by the sub-committees that are established to meet the regulatory requirements, namely, Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and Nomination Governance Committee.

The aforementioned committee's function is in accordance with the Board approved Charters and policies which include the membership and composition, scope of duties and responsibilities etc.

The composition of committees as at 31st March 2025 is shown below.

Board Sub-Committees for the Company

Name of Director	Status	Audit Committee	Remuneration Committee	Related Party Transaction Review Committee	Nomination Governance Committee
Mr. Sanjeev Gardiner	Non-Independent, Executive Director	-	-	-	-
Mr. Priyantha. P. Maddumage	Non-Independent, Executive Director	-	-	-	-
Mr. C. Shalike Karunasena	Non-Independent, Executive Director	-	-	-	-
Mr. E. M. Mangala Boyagoda	Non-Independent, Non-Executive Director	Member	Member	Member	Member
Mr. D. S. Kamantha Amarasekera	Non-Independent, Non-Executive Director	-	-	-	-
Mr. Ajith L. Devasurendra	Non-Independent, Non-Executive Director	-			
Mr. Ranil P. Pathirana	Non-Independent, Non-Executive Director	-	Member	-	Member
Mr. Nirmal D. S. Cooke	Independent, Non-Executive Director	Member	Member	Member	-
Mr. D. S. Weerakkody	Senior Independent, Non-Executive Director	-	Chair	-	Chair
Mr. Sutheash Balasubramaniam	Independent, Non-Executive Director	Chair	-	Chair	Member

COMPANY SECRETARIES

The company secretary, Deloitte Corporate Services (Private) Limited, provides secretarial services to the Company. The Secretaries maintain minutes of Board meetings, which are open for inspection by any Director at any time. All Directors have access to the advice and services of the Secretaries, as necessary. The shareholders can also contact the Company Secretaries during office hours for company-related information requirements. Appointment and removal of the Company Secretaries is a matter for the Board.

SHAREHOLDER RELATIONS

The board is committed to its responsibility for upholding shareholders' rights. The Company's shareholders and their interests are always equally safeguarded by the Company. Multiple channels are available to encourage shareholders' active engagement such as the corporate websites, the annual report, interim financial statements, CSE announcements and press releases. The Company's website www.chcplc.com contains information on the Company's performance and other important corporate information.

The Annual General Meeting (AGM) is the main platform for the shareholders to meet the board, giving them reasonable opportunity to communicate various matters affecting the Company. All shares have equal voting rights, and shareholders are notified of the annual general meeting well in advance of the mandatory period. AGM notices are uploaded to the Company's website and the CSE website and shareholders are encouraged to use the AGM constructively to discuss matters. Senior management and external auditors attend the AGM.

The Company provides its annual financial statements to all shareholders within the required period, and the unaudited provisional financial statements are released to the CSE in compliance with the CSE's Listing Rules. Quarterly financial results and other important announcements are promptly disclosed to CSE in compliance with the listing rules.

ACCOUNTABILITY AND AUDIT

The members of the Board of Directors have reviewed in detail the annual financial statements in order to satisfy themselves that they present a true and fair view of the affairs of the Company. A summary of Directors' responsibilities in respect of financial statements are given on page 19.

The board is responsible for establishing a holistic risk control framework for proactive identification and effective management of risks. A well-defined internal control system is vital for the effective management of risk. The risk management report is detailed on page 9 of the annual report, and the Directors' Responsibilities for preparing financial statements are stated on pages 19 to 20.

The report of the Audit Committee is given on page 36 of the annual report.

The Audit Committee reviews the financial reporting process, internal controls, and external audit functions to ensure the integrity and quality of the financial statements. The audit committee ensures the independence of external auditors, the timely delivery of the audited financial statements, and the effectiveness of internal audit procedures. The Audit Committee tries to meet at least once a quarter with the management to review quarterly financial statements prior to release to shareholders and with the internal auditors to review the internal audit reports and findings. The Audit Committee also meets with external auditors to discuss the external audit plan prior to the commencement of the external audit and meets with them after the completion of the audit to discuss the financial statements and key audit findings.

Statutory compliance statements demonstrating the extent to which the company complies with the rules and regulations are distributed among the Directors for the board's information at all audit committee and board meetings.

All the Board members have unlimited access to the Company Secretary for advice and guidance regarding compliance with rules, regulations and statutes.

The report of the Related Party Transactions Review Committee is given on page 39 of the annual report. Related party transactions are reviewed by the Committee on a quarterly basis.

ENVIRONMENTAL, SOCIAL GOVERNANCE AND PROMOTING ETHICS

The board placed a strong emphasis on strengthening ESG credentials by establishing a framework of policies and procedures to drive principles of sustainable business. The board sets the tone for promoting cultural ethics and good business conduct. Every board member complies with the Code of Conduct and governance requirements in executing their duties ethically and in alignment with the business values.

Through sustainable and eco-friendly practices, the Board is cognisant of its relationship with all stakeholders, including the community in which it operates. Through frequent training and enhanced facilities, the hotels raise and improve staff standards and morale. This enables service level improvements, enhancing the passenger experience. Satisfied guests not only provide repeat business, but also serve as ambassadors for the hotels.

Corporate Governance

DECLARATIONS BY BOARD AND GOVERNANCE DISCLOSURES

The Annual Report includes the following reports of the Board and its Committees providing key declarations on effective discharge of their duties.

- Annual Report of the Board of Directors
- The Board of Directors' Statement on Internal Control
- Statement of Directors' Responsibilities
- Reports of the Board Committees
- Corporate Governance Report

The Board acknowledges its responsibility for ensuring the integrity of this Annual Report which is in the opinion of the Board, addresses all the concerns that are mentioned to the Company's ability to create sustainable value and reflects a fair presentation of the integrated performance of the Company.

The extent to which the Company has met the requirements specified by the Companies Act No. 07 of 2007 and the Colombo Stock Exchanges listing guidelines as amended is also covered in this report. The following declaration outlines the many facets of corporate governance that the Company implemented during the financial year under review.

Statement of Compliance with Companies Act No. 07 of 2007.

Section Reference	Applicable Requirement	Status of Compliance	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Complied	Annual Report of the Board of Directors
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Complied	Financial Statements
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Complied	Independent Auditors' Report
168 (1) (d)	Accounting Policies and any changes made during the accounting period	Complied	Notes to the Financial Statements
168 (1) (e)	Particulars of the entries made in the Interests Register during the accounting period	Complied	Annual Report of the Board of Directors
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Complied	Notes to the Financial Statements
168 (1) (g)	Corporate donations made by the Company during the accounting period	Complied	Notes to the Financial Statements
168 (1) (h)	Information on the Directorate of the Company and its Subsidiaries during and at the end of the accounting period	Complied	Annual Report of the Board of Directors
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Complied	Notes to the Financial Statements
168 (1) (j)	Auditors' relationship or any interest in the Company and its Subsidiaries	Complied	Annual Report of the Board of Directors
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	Complied	Annual Report of the Board of Directors

Statement of compliance under section 7.6 of the listing rules of the Colombo Stock Exchange on Annual Report Disclosure.

	Requirement	Reference
(i)	Names of persons who were Directors of the Entity	Page 21
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Page 58
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Page 132
(iv)	The public holding percentage	Page 130
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Page 130

	Requirement	Reference
(vi)	Information pertaining to material foreseeable risk factors of the Entity and details of material issues pertaining to employees and industrial relations	Pages 9 to 10
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity.	Pages 9 to 10
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Pages 87 to 88
(ix)	Number of shares representing the Entity's stated capital	Page 130
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Page 130
(xi)	Financial ratios and market price information	Pages 2 and 131
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Pages 87 to 89
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	N/A
(xiiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Pages 27 to 34
(xvi)	Related Party transactions exceeding 10 percent of the equity or 5 percent of the total assets of the Entity as per audited financial statements, whichever is lower	Pages 115 to 118

Statement of compliance under Section 9 of the listing rules of the Colombo Stock Exchange (CSE) on Annual Disclosure.

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Complied	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is given in this table.
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a. Policy on the matters relating to the Board of Directors b. Policy on Board Committees c. Policy on Corporate Governance, Nominations and Re-election d. Policy on Remuneration e. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f. Policy on Risk management and Internal controls g. Policy on Relations with Shareholders and Investors h. Policy on Environmental, Social and Governance Sustainability i. Policy on Control and Management of Company Assets and Shareholder Investments j. Policy on Corporate Disclosures k. Policy on Whistleblowing l. Policy on Anti-Bribery and Corruption	Complied	The Company has formulated the policies.

Corporate Governance

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	N/A	N/A
9.2.3	List of policies in place as per Rule 9.2.1, with reference to website and Any changes to policies adopted	Complied	N/A
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	Complied	N/A
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: a. Nominations and Governance Committee b. Remuneration Committee c. Audit and Risk Committee d. Related Party Transactions Review Committee	Complied	N/A
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	Complied	Refer each Committee Report
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Complied	Refer each Committee Composition
9.4.1.	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a. The number of shares in respect of which proxy appointments have been validly made; b. The number of votes in favour of the resolution; c. The number of votes against the resolution; and d. The number of shares in respect of which the vote was directed to be abstained	Complied	N/A
9.4.2	a. Listed Company should have a policy on effective communication and relations with shareholders and investors b. Listed Company should disclose the contact person for such communication c. The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders d. Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	Complied	N/A
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	Complied	N/A
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	Complied	N/A

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	Complied	Chairperson is an Executive Director hence a Senior Independent Director appointed.
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	Complied	Market Announcement made
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	Complied	Refer SID Report
9.6.4	Rationale for appointing Senior Independent Director	Complied	Refer SID Report
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules	Complied	The Company obtained an annual declaration from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria.
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Complied	N/A
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if she or he does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	N/A	N/A
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation	Complied	N/A
9.7.5	a. Statement on Directors and CEO satisfying Fit and Proper Assessment criteria b. Any non-compliance/s and remedial action taken	Complied	N/A
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	Complied	Refer Board Composition
9.8.2	Minimum Number of Independent Directors: a. The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher b. Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Complied	N/A

Corporate Governance

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Complied	N/A
9.8.5	a. Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. b. Make an annual determination as to the "independence" or "non independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report c. If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	Complied	Signed declaration received from all the Directors. Directors who failed to full fill the independence criteria were identified as Non-Independent Directors.
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	N/A
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	N/A	N/A
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: • a brief resume of such Director; • his/her capacity of directorship; and, • Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	Complied	Market Announcement made
9.10.3	Listed Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 of the Listing Rules containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Complied	Market Announcement made
9.10.4	Directors details a. name, qualifications and brief profile b. nature of his/her expertise in relevant functional areas c. whether either the Director or Close Family Members has any material business relationships with other Directors d. whether Executive, Non-Executive and/or independent Director e. total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)	Complied	N/A

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
	f. number of Board meetings attended g. names of Board Committees in which the Director serves as Chairperson or a member h. Attendance of board committee meetings		
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	Complied	Refer committee composition in Nomination Governance Committee Report in page 43
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	Complied	Refer committee composition in Nomination Governance Committee Report in page 43
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Complied	Refer committee composition in Nomination Governance Committee Report
9.11.4	1. The members of the Nominations and Governance Committee shall; a. comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company b. not comprise of Executive Directors of the Listed Company. 2. An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors 3. The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	Complied	Refer committee composition in Nomination Governance Committee Report in page 43
9.11.5	The functions of the Nominations and Governance Committee	Complied	Refer committee composition in Nomination Governance Committee Report in page 43
9.11.6	The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Complied	Refer committee composition in Nomination Governance Committee Report in page 43
9.12.1	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	Complied	Refer Remuneration Committee Report in page 41
9.12.2	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Complied	Refer Remuneration Committee Report in page 41
9.12.3	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	Complied	Refer Remuneration Committee Report in page 41
9.12.4	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Complied	Refer Remuneration Committee Report in page 41

Corporate Governance

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.12.5	1. The members of the Remuneration Committee shall; a. comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company b. not comprise of Executive Directors of the Listed Company 2. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied	Refer Remuneration Committee Report in page 41
9.12.6	The functions of the Remuneration Committee	Complied	Refer Remuneration Committee Report in page 41
9.12.7	Remuneration Committee Report shall contain the following: a. Names of chairperson and members with nature of directorship b. Remuneration Policy c. The aggregate remuneration of the Executive and Non-Executive Directors	Complied	Refer Remuneration Committee Report in page 41
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	Complied	Audit Committee is performing the risk function
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Complied	Refer Audit Committee Report in page 36
9.13.3	1. The members of the Audit Committee shall; a. comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. b. not comprise of Executive Directors of the Listed Company. 2. The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. 3. The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. 4. An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. 5. Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. 6. The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	Complied	Refer Audit Committee Report in page 36
9.13.4	The functions of the Audit Committee	Complied	Refer Audit Committee Report in page 36
9.13.5	Disclosures in the Annual Report 1. Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report 2. The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	Complied	Refer Audit Committee Report in page 36

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.2	The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.3	The functions of the Related Party Transactions Review Committee	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.4	1. The Related Party Transactions Review Committee shall meet at least once a calender quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2. The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3. Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4. If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: a. be present while the matter is being considered at the meeting; and, b. vote on the matter	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	N/A	N/A
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	N/A	N/A
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	N/A	N/A
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)	N/A	N/A

Ref. Rule	Disclosure Requirement	Status of Compliance	Comment / Reference
9.14.8 (3)	• Related Party Transactions Review Committee Report • Names of the Directors comprising the Committee • Statement that committee has reviewed RPTs and communicated comments/observations to the Board • Policies and procedures adopted by the Committee	Complied	Refer Related Party Transaction Review Committee Report in page 39
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	N/A	N/A
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	N/A	N/A
9.17	• Additional disclosures by Board of Directors Declaration on following • All material interests in contracts and have refrained from voting on matters in which they were materially interested • Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; • Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; • Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	Complied	N/A

Statement by the Senior Independent Director

I am pleased to present my report as the Senior Independent Director of Ceylon Hotels Corporation PLC. I was appointed as the Senior Independent Director (SID) of Ceylon Hotels Corporation PLC, effective 28th January 2025, in accordance with Rule 9.6.3(a)(ii) of the Listing Rules of Colombo Stock Exchange as a result of the Chairman of the Company being an Executive, Non-Independent Director and former SID Mr. Mangala Boyagoda stepping down to comply with the independence criteria as set out in the listing rules. It is and has been a privilege to serve in this role, overseeing independent judgment and objectivity in the board's deliberations.

ROLE AND RESPONSIBILITIES

In my role as Senior Independent Director, I am responsible for:

- Providing an independent perspective on board matters and supporting the chairman in ensuring effective governance.
- Leading the board evaluation process, overseeing the development of the board and its committees, and providing leadership to the Board as needed.
- Acting as a point of contact for shareholders who have concerns that cannot be resolved through normal channels and gaining a balanced understanding of shareholder issues and concerns.
- Serving as the liaison between regulators and the Board as needed.
- Independence and Conflicts of Interest: I will monitor potential conflicts of interest and ensure that any issues are addressed promptly and transparently.

BOARD PERFORMANCE AND EFFECTIVENESS

I will preside over meetings with Independent Directors of the Company at least once per year, though such a meeting did not take place during the year under review.

CONCLUSION

The Company strictly adheres to all relevant mandatory requirements while embracing voluntary guidelines and best practices in governance, thereby building stakeholder trust and ensuring integrity across all decision-making.

I believe that I have effectively discharged the duties entrusted to the SID in accordance with the Corporate Governance guidelines.

(Sgd.)
Dinesh Weerakkody
Senior Independent Director
Ceylon Hotels Corporation PLC

Report of the Audit Committee

The Audit Committee ('the Committee') is a formally constituted sub-committee of the Board of Directors ('the Board'). It reports to and is accountable to the Board.

The functions and composition of the Committee are defined by the provisions of Rule 9.13.3 and 9.13.4 of the Listing Rules of the Colombo Stock Exchange (the 'CSE Rules') and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

COMPOSITION

The composition of the - Audit Committee (AC) is as follows. The profiles of the current members are given on pages 5 to 6.

1. Mr. Sutheash Balasubramaniam
   Independent, Non-Executive Director (Appointed on 24th March 2025)
2. Mr. E. M. Mangala Boyagoda
   Non- Independent Non-Executive Director
3. Mr. Nirmal De Soysa Cooke
   Independent, Non-Executive Director (Appointed on 24th March 2025)
4. Mr. Kuvera de Soysa
   (Resigned from the Board on 3rd March 2025)
5. Mr. Kamantha Amarasekara
   (Stepped down from the committee on 24th March 2025)
6. Mr. Ranil Pathirana
   (Stepped down from the committee on 24th March 2025)

With the resignation of Mr. Kuvera de Soysa with effect from 3rd March 2025, the Audit Committee was reconstituted with effect from 24th March 2025.

MEETINGS

The committee met 04 times during the financial year. Details of the attendance of the members are set out below.

Board Member	Membership status	Attendance (Attended/ Eligible to attend)
Mr. Kuvera de Soysa	Chairman	03/04
Mr. E. M. Mangala Boyagoda	Member	04/04
Mr. Kamantha Amarasekara	Member	00/04
Mr. Ranil Pathirana	Member	03/04
Mr. Sutheash Balasubramaniam	Chairman	0/0
Mr. Nirmal De Soysa Cooke	Member	0/0

The representatives of the Company's external auditors, Messer. KPMG participated in meetings by invitation. The Group's Chief Financial Officer and the Financial Controller attended the meeting by invitation. The senior management of the Company also participated in the meetings from time to time on a need basis.

The Company Secretary served as the Committee's Secretary during the year under review.

ROLES AND RESPONSIBILITIES

The Committee has written Terms of Reference (TOR) and is empowered to oversee financial reporting, internal controls, and functions relating to internal and external audits. It is regularly reviewed to ensure that new developments relating to the Committee's functions are addressed and that the same reflects the best practices of the industry at all times.

1. Financial Reporting

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee assists the Board in effectively carrying out its supervisory responsibilities with the following reviews:

- Reviewing and discussing the financial information of the Company with the management on behalf of the board of directors in order to monitor the integrity of its quarterly and annual financial statements, annual reports, and periodic reports prepared for disclosure requirements.

- Assessing the acceptability and appropriateness of accounting policies and the reasonableness of significant estimates and judgments
- Assessing the reasonableness of the underlying assumptions based on which estimates and judgments are made when preparing the financial statements.
- Review of the policy decisions relating to the adoption of Sri Lanka Accounting Standards (SLFRSs and LKASs) applicable to the Company and monitor compliance with relevant accounting standards.

2. INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Committee is satisfied that the financial reporting system is effectively designed to provide the Board, regulatory authorities, and management with accurate, appropriate, and timely information, and that the adequacy, efficiency, and effectiveness of risk management measures, internal controls, and governance processes are sufficient to avoid, mitigate, and transfer current and evolving risks.

3. INTERNAL AUDIT

Internal auditors are identified as adding value and improving operations through systematic and disciplined approaches to evaluating and improving the effectiveness of governance, risk management, and internal controls. The Committee oversees the internal audit and review of audit reports to ensure that appropriate actions are taken by management to implement the recommendations made by the internal auditors.

4. EXTERNAL AUDIT

Overseeing the appointment, compensation, resignation, and dismissal of external auditors is vested in the Committee. The functions include the review of the external audit function, its costs and effectiveness, and monitoring of the external auditor's independence. The Committee reviewed and monitored the independence and objectivity of the External Auditors and also assessed the effectiveness of their audit process, considering the relevant professional and regulatory requirements.

The independence and objectivity of the external auditors were reviewed by the Committee and concluded that the services outside the scope of the statutory audit provided by the external auditors have not impaired their independence.

Prior to the start of the audit for the financial year, the Committee addressed with the External auditors their audit plan, scope, and methodology for performing the annual audit. There was no scope limitation, and management provided all the information and explanations sought by the auditors.

Messrs. KPMG, Chartered Accountants were re-appointed as external auditors of the Company at the Annual General Meeting held on 26th September 2024.

Activities for the year ended March 31, 2025

The following were among the activities carried out:

- Discussed with external auditors the scope of the audit, audit approach, and procedures.
- Determined that Messrs. KPMG, Chartered Accountants were independent based on written representation.
- Obtained an assurance from the management that financial reports have been properly maintained and the financial statements provide true and fair view.
- Ensured that prudent accounting practices are applied to provide stakeholders with the most accurate and meaningful financial information.
- Reviewed the Financial statements together with the External auditors, Messrs. KPMG, prior to release to the regulators, shareholders, and the general public.
- Clarify the existing disclosures and level of compliance with financial reporting standards such as those specified under the Companies Act No. 7 of 2007 and any other relevant financial and governance reporting requirements.
- Reviewed the Letter of Representation issued to the External Auditors by the management.
- Concluded that the non-audit services obtained from the auditors do not impair the independence and objectivity of the auditors.

Report of the Audit Committee

- Evaluated external auditors based on the audit deliverables and the quality assurance initiatives and recommendations.
- Met with the auditors to review the management letter and the responses from the management and followed up on the issues raised.

Having reviewed the effectiveness of the external auditors, the members of the Audit Committee have concurred to recommend to the Board of Directors the re-appointment of Messrs. KPMG, Chartered Accountants, as Auditors for the financial year ending March 31, 2026, subject to the approval of the shareholders at the 59th Annual General Meeting.

REPORTING TO THE BOARD

The proceedings of the Committee meetings with adequate details were discussed and regularly reported to the Board of Directors providing board members with access to the Committee's deliberations.

The Board is apprised of the key issues considered, recommended, and approved by the Committee, and it analyses and accepts the Committee's recommendations if deemed appropriate.

PROFESSIONAL ADVICE

The Committee has the authority to seek external professional advice from time to time on matters within its purview.

CONCLUSION

The Committee is satisfied that the Company's accounting policies, internal controls and risk management processes are adequate to provide reasonable assurance that the financial affairs of the Company are managed in accordance with accepted accounting standards.

On behalf of the Audit Committee

(Sgd.)
Sutheash Balasubramaniam
Chairman of the Audit Committee

1st September 2025

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review Committee ('the Committee') was established by the Board of Directors ('the Board') in compliance with Section 9.14 of the listing rules of the Colombo Stock Exchange (the 'CSE Rules'), the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the 'SEC Code') and the Code of Best Practice on Corporate Governance 2017 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Committee is a formally constituted sub-committee of the Board and reports to the Board.

COMPOSITION

The Composition of the Related Party Transactions Review Committee (PRTRC) is as follows: The profiles of the members are given on pages 5 to 6.

1. Mr. Sutheash Balasubramaniam
   Independent, Non-Executive Director (Appointed on 24th March 2025)
2. Mr. Kuvera de Soysa
   Independent, Non-Executive Director (Resigned on 03rd March 2025)
3. Mr. E. M. Mangala Boyagoda
   Independent, Non-Executive Director
4. Mr. Kamantha Amarasekara
   Independent, Non-Executive Director (Step down On 24th March 2025)
5. Mr. Nirmal De Soysa Cooke
   Independent, Non-Executive Director (Appointed on 24th March 2025.
6. Mr. Ranil Pathirana
   Non-Independent, Non-Executive Director (Step down on 24th March 2025)

Consequent to Mr. Kuvera De Soysa's resignation with effect from 3rd March 2025, the RPTRC was reconstituted with effect from 24th March 2025.

MEETINGS

The committee met 03 times during the financial year. Details of the attendance of the members are set out below.

Board Member	Membership status	Attendance (Attended/ Eligible to attend)
Mr. Kuvera de Soysa	Chairman	02/03
Mr. E. M. Mangala Boyagoda	Member	03/03
Mr. Kamantha Amarasekara	Member	00/03
Mr. Ranil Pathirana	Member	02/03
Mr. Sutheash Balasubramaniam	Chairman	0/0
Mr. Nirmal De Soysa Cooke	Member	0/0

The Company Secretary served as the Committee's Secretary during the year under review.

ROLES AND RESPONSIBILITIES

The role and functions of the committee include the following.

1. Formulate and review the 'Related Party Transactions Policy' and review all proposed Related Party Transactions (RPTs) in compliance with the regulations.
2. Ensure that the regulations issued to compel all Related Party Transactions (RPTs) to be referred to the Committee for review.
3. To review all Related Party transactions pertaining to the transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and make a decision if the transaction needs the approval of the Board of Directors prior to entering to the transaction.
4. Advise the Board on making immediate market disclosures and disclosures in the annual report where necessary, in respect of RPTs, in compliance with the regulatory provisions.

Report of the Related Party Transactions Review Committee

Accordingly, the Committee adopts the following.

- Review the Committee's Terms of Reference (TOR) on a regular basis to ensure that they represent industry best practices at all times.
- Place a sufficiently effective and efficient mechanism to collect information pertinent to its review role while ensuring that the Company does not engage in such transactions with related parties in a way that would result in a 'More Favourable Treatment'.
- Consider the interests of shareholders when RPTs are initiated.
- Implement appropriate measures and safeguards to avoid conflicts of interest that may arise from any transaction performed by the Company with any category of 'Related Parties' in accordance with regulatory requirements.
- Obtain declarations from all Directors upon joining the Board and annually thereafter, as well as inform the Company Secretary (the primary contact point for Directors) of any existing or potential RPTs carried out by them or close family members.
- Obtain professional and expert advice, where such advice is necessary for the performance of the review function.

RECURRENT RELATED PARTY TRANSACTIONS

All recurrent related party transactions, whose aggregate value exceeds 10% of the revenue of the Company as per the audited financial statements of March 31, 2025, are disclosed under Note 39.1 on pages 115 to 118 the Financial Statements as required in Section 9.14.8(2) of the listing rules.

NON-RECURRENT RELATED PARTY TRANSACTIONS

In accordance with Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange, all non-recurrent related party transactions entered into the Company where the aggregate value of the Non-Recurrent Related Party Transactions exceeds 10% of the equity or 5% of the total assets whichever is lower, of the Company as per the audited financial statements as at 31st March 2025 which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 (1) . The committee has reviewed the related party transactions during the year and has communicated the comments and observations to the Board of Directors. The required disclosures made in the note 39.1.2 on page 118 to the Financial Statements.

REPORTING TO THE BOARD

The proceedings of the Committee meetings, which also included activities under its TOR, were regularly presented to the Board of Directors with comments and observations allowing board members access to the Committee’s deliberations.

The Board is apprised of the key issues considered, recommended, and approved by the Committee, and it analyses and accepts the Committee's recommendations if deemed appropriate.

DECLARATION

Declarations are obtained from each Key Management Personnel (KMP) of the Company and its subsidiaries for the purpose of identifying related parties on a quarterly and annual basis to determine Related Party Transactions and to comply with the disclosure requirements, if any. Self-declarations are obtained from each Director/Key Management Personnel of the Company for the purpose of identifying parties related to them.

The Directors declare that they are in compliance with Section 9.14.8.4 of the listing rules of the CSE pertaining to Related Party Transactions during the financial year ended 31st March 2025.

The Directors of the Company declare that there were no related party transactions required to be disclosed under the listing rules of the CSE other than those disclosed in the financial statements.

The Committee is pleased with the Company's RPT policies and practices implemented during the financial year under consideration.

On behalf of the Related Party Transactions Review Committee

(Sgd.)
Sutheash Balasubramaniam
Chairman of the Related Party Transactions Review Committee

1st September 2025

Report of the Remuneration Committee

The Remuneration Committee (the 'Committee') is a formally constituted sub-committee of the Board of Directors ('the Board'). It reports to and is accountable to the Board.

COMPOSITION

The Composition of the Remuneration Committee (RC) is as follows: The profiles of the members are given on pages 5 to 6

1) Mr. Dinesh Weerakkody
   Senior Independent, Non-Executive Director – Chairman (Appointed on 28th January 2025)
2) Mr. Kuvera de Soysa
   Non-Independent, Non-Executive Director (Resigned on 3rd March 2025)
3) Mr. E. M. Mangala Boyagoda
   Non - Independent, Non-Executive Director
4) Mr. Ranil Pathirana
   Non-Independent, Non-Executive Director
5) Mr. Nirmal De Soysa Cooke
   Independent, Non-Executive Director (Appointed on 24th March 2025)

The RC was reconstituted on 27th January 2025 to appoint Mr. Weerakkody to the Committee and appoint him as the Chairman of the Committee.

Again on 24th March 2025 the RC was reconstituted due to the resignation of Mr. Kuvera de Soysa on 3rd March 2025 and Appointment of Mr. Cooke to the Committee on 24th March 2025.

MEETINGS

The committee had no sittings during the year under review.

Aggregate remuneration paid to the directors of the Company is disclosed in Note 39.2 to the financial statements of the Annual Report

ROLES AND RESPONSIBILITIES

The Committee has the power to evaluate, decide, and recommend to the Board of Directors any items relevant to the Company's human resource management, which shall explicitly include the following.

- Formulating remuneration policies for Directors and Kay Management Personnel (KMP) and evaluate their performance against predetermined targets and goals periodically.
- Establish performance parameters, evaluate the KMP's performance against the defined targets, and submit the same to the Board, along with recommendations for salary, benefits, and other performance-based incentives.
- Advising the KMP heading HR department of guidelines, policies and procedures pertaining to the remuneration structure of all staff and overseeing the implementation thereof.
- Ensure that the performance-related component of remuneration is designed and adjusted to align employees' interests with the interests of the company's key stakeholders and to support its sustainable growth.
- Advise on major organisational changes and succession planning.
- Reviewing, commenting on, and reporting to the Board on HR-related matters, including development plans, talent retention, and the career development of potential successors.
- Make recommendations to the Board of Directors on new managerial expertise that is required.
- Evaluate the Committee's performance, based on the requirements.
- Periodically review the committee's Terms of Reference to ensure they reflect industry best practices at all times.

Furthermore, the Committee may seek external companies to conduct salary surveys in order to make well-informed decisions about the Company's salaries and standards.

REPORTING TO THE BOARD

The proceedings of the Committee meetings, which also included activities under its TOR, will be presented to the Board of Directors with comments and observations allowing board members access to the Committee's deliberations.

Report of the Remuneration Committee

The Board is appraised of the key issues considered, recommended, and approved by the Committee, and it analyses and accepts the Committee's recommendations if deemed appropriate.

On behalf of the Remuneration Committee

Dinesh Weerakkody
Chairman - Remuneration Committee

1st September 2025

Report of the Nomination and Governance Committee

The Nomination and Governance Committee (NGC) will ensure a formal and a transparent procedure is in place for the selection, nomination, appointment, evaluation, and re-election of Directors to the Board / Board Committees and the Chief Executive Officer.

The NGC assess whether the required balance of skills, experience, knowledge and independence is in place to enable the Board to operate effectively and this regard will maintain a set of criteria for selection of directors, including 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

Following the regulatory amendment, NGC was established, effective 30th September 2024.

COMPOSITION OF THE COMMITTEE

The NGC comprised of the following Board members as at 30th September 2024.

- Mr. Mangala Boyagoda
  Non-Independent Non-Executive Director - Chairperson
- Mr. Kuvera de Soysa
  Non-Independent Non-Executive Director
- Mr. Ranil Pathirana
  Non-Independent, Non-Executive Director

NGC was reconstituted with effect from 28th January 2025 with following members.

- Mr. Dinesh Weerakkody
  Senior Independent, Non-Executive Director – Chairperson (Appointed on 28th January 2025)
- Mr. E. M. Mangala Boyagoda
  Non-Independent Non-Executive Director
- Mr. Kuvera de Soysa
  Non-Independent Non-Executive Director
- Mr. Ranil Pathirana
  Non-Independent, Non-Executive Director

Due to the resignation of Mr. Kuvera De Soysa on 3rd March 2025 the NGC was reconstituted with effect from 24th March 2025 and current composition is given below and brief profiles of the current Committee members are given on pages 5 to 6 of this Report.

- Mr. Dinesh Weerakkody
  Senior Independent, Non-Executive Director – Chairperson
- Mr. Sutheash Balasubramaniam
  Independent, Non-Executive Director *(Appointed on 24th* March 2025)
- Mr. E. M. Mangala Boyagoda
  Non-Independent Non-Executive Director
- Mr. Ranil Pathirana
  Non-Independent, Non-Executive Director

REGULATIONS/RULES RELEVANT TO THE FUNCTIONS OF THE COMMITTEE

The Nomination and Governance Committee was formed in line with the listing rules 9.11 of Colombo Stock Exchange.

FUNCTIONS

The functions of the Nomination Committee include:

- **Board Composition:** Ensure that the Board of Directors has an appropriate balance of skills, experience, and diversity to effectively fulfil its responsibilities.
- **Director Selection:** Identify and recommend qualified candidates for appointment to the Board and its Committees, ensuring alignment with CHC's strategic goals.
- **Performance Evaluation:** Evaluate the performance of individual Directors and the Board as a whole and recommend actions for improvement when necessary.
- **Succession Planning:** Develop and oversee succession plans for Board members and key management positions to ensure continuity of leadership.
- **Governance Practices:** Promote best practices in corporate governance, ensuring compliance with applicable laws, regulations, and standards.
- P**olicy Review:** Regularly review and recommend updates to governance policies, including the Company's Articles of Association and other relevant documents.

Report of the Nomination and Governance Committee

Training and Development: Identify training and development needs for Directors and key management personnel to enhance their effectiveness.

- **Ethical Standards:** Ensure that high ethical standards and integrity are upheld within the Board and the Company.
- **Stakeholder Engagement:** Facilitate communication between the Board and stakeholders, ensuring transparency and accountability in governance practices

ACTIVITIES DURING THE YEAR

The Committee met once during the year under review to deliberate the appointment of Directors to the Board. The Committee will meet to deliberate on the re-election of Directors retiring at the upcoming Annual General Meeting, as well as to make recommendations regarding seeking an extension of the Directors' terms beyond the age limit of 70 years.

The Committee also intends to focus on succession planning for key management personnel. Additionally, the Committee plans to review the structure and composition of the Board, including the necessity for additional expertise.

Meeting

Board Member	Membership Status	Attendance/ Eligibility
Mr. Dinesh Weerakkody	Chairman	01/01
Mr. Ranil Pathirana	Member	01/01
Mr. E. M. Mangala Boyagoda	Member	01/01
Mr. Sutheash Balasubramaniam	Member	00/00

POLICIES AND PROCEDURES

The Nomination Committee operates within the terms of reference as approved by the Board. As per the said terms of reference, the Committee shall consist of not less than three members, majority of whom shall be Non-Executive Directors. The Committee shall meet at least once in a financial year and additional meetings may be called at any time at the Chairman's discretion or by a member in consultation with the Chairman.

Dinesh Weerakkody
Chairman
The Nominating and Governance Committee

1st September 2025

Financial Reports

Independent Auditors' Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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TO THE SHAREHOLDERS OF CEYLON HOTELS CORPORATION PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ceylon Hotels Corporation PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of 31st March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis of Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter -Restatement of Comparative Balances

We draw attention to Note 35 to the financial statements, which describes that amounts reported in the previously issued Financial Statements of the Group have been restated and disclosed as comparatives in these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company financial statements and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company financial statements and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revaluation of Freehold Land and Building

Refer Accounting Policies Note 3.4 and Note 14 to the Financial Statements.

Risk Description	Our Response
As at reporting date 31st March 2025, freehold land and Building carries at the fair value and classified as Property, Plant and Equipment amounted to Rs. 1.047 Bn. The Group has engaged an independent professional Valuer with appropriate expertise to determine the fair value of the freehold Land and Building in accordance with recognised industry standards. We identified this as a key audit matter because of the magnitude of the amounts recognised in the financial statements and because the valuation can be inherently subjective and requires the exercise of significant judgments and estimation, particularly, in determining the appropriate valuation methodology, and market rates, which increases the risk of error or potential management bias.	Our audit procedures included, Reviewing the component auditor's working papers where it's necessary, • Assessing the competence, and objectivity of the external valuers engaged by the Group. • Reading the external valuer's report and understand the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. • Assessing the reasonableness of significant assumptions, judgments and estimates made by the Valuer such as per perch value, per square foot value, depreciation rate, discount rate and valuation techniques as relevant in assessing the fair value of each property.

Independent Auditors' Report

KPMG

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

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

- Conclude on the appropriateness of management'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or 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 3272.

CHARTERED ACCOUNTANTS

Colombo, Sri Lanka

1st September 2025

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March	Notes	Group		Company	
		2025	As restated 2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Revenue	7	1,674,316,805	1,382,590,241	-	2,198,740
Cost of sales		(449,107,579)	(412,261,190)	-	(2,007,847)
Gross profit		1,225,209,226	970,329,051	-	190,893
Other operating income	8	21,167,929	49,270,255	94,833	10,138,568
Distribution expenses		(88,679,710)	(73,605,976)	-	-
Administrative expenses		(1,043,008,608)	(942,244,856)	(13,926,376)	(24,188,923)
Other operating expenses	9	(14,256,776)	(4,199,035)	(5,880,290)	(388,594)
Profit/(loss) from operations		100,432,061	(450,561)	(19,711,833)	(14,248,056)
Finance income	10.1	204,755,935	299,689,087	54,113,683	72,097,402
Finance costs	10.2	(211,773,442)	(272,951,371)	(48,545)	(1,149,876)
Net foreign exchange loss	10.3	(15,126,937)	(96,026,646)	-	-
Net finance income /(cost)	10	(22,144,444)	(69,288,930)	54,065,138	70,947,526
Share of profit of equity accounted investees (net of tax)	17.4.1	36,679,966	32,145,580	-	-
Profit /(loss) before income tax	11	114,967,583	(37,593,911)	34,353,305	56,699,470
Income tax (expense)/ reversal	12	56,349,803	(9,947,911)	3,565,859	21,868,913
Profit / (loss) from continuing operations		171,317,386	(47,541,822)	37,919,164	78,568,383

Figures in the brackets indicate deductions.

The accounting policies and notes set out on pages 58 to 129 form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March	Notes	Group		Company	
		2025	As restated 2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Profit / (loss) for the year		171,317,386	(47,541,822)	37,919,164	78,568,383
Other comprehensive income					
Items that will be not reclassified to profit or loss					
Revaluation of property, plant & equipment	14.1	1,047,840,070	(37,065,222)	-	-
Deferred tax on revaluation	12.3	(314,352,021)	11,119,566	-	-
Remeasurement loss of defined benefit plans	28	(2,389,984)	(5,091,980)	-	(1,608,200)
Deferred tax on defined benefit plans	12.3	716,995	1,527,595	-	482,460
Equity Accounted Investees - Share of other comprehensive income/(expense), net of tax	17.4.1	136,246,961	(27,075,876)	-	-
Total other comprehensive income/(expenses) for the year, net of tax		868,062,021	(56,585,917)	-	(1,125,740)
Total comprehensive income/(expenses) for the year, net of tax		1,039,379,407	(104,127,739)	37,919,164	77,442,643
Profit/(loss) attributable to:					
Equity holders of the Company		139,106,351	(1,249,074)	37,919,164	78,568,383
Non controlling interests		32,211,035	(46,292,748)	-	-
Profit/ (loss) for the year		171,317,386	(47,541,822)	37,919,164	78,568,383
Total comprehensive income/ (expenses) attributable to :					
Equity holders of the Company		747,521,972	(55,013,011)	37,919,164	77,442,643
Non controlling interests		291,857,435	(49,114,728)	-	-
Total comprehensive income / (expenses) for the year		1,039,379,407	(104,127,739)	37,919,164	77,442,643
Basic/ diluted earnings / (loss) per share	13	0.77	(0.01)	0.21	0.44

Figures in brackets indicate deductions.

The accounting policies and notes set out on pages 58 to 129 form an integral part of these financial statements.

Consolidated Statement of Financial Position

	Note	Group			Company	
		As at 31 March 2025 Rs.	As restated As at 31 March 2024 Rs.	As restated As at 31 March 2023 Rs.	As at 31 March 2025 Rs.	As at 31 March 2024 Rs.
ASSETS						
Non-Current Assets						
Property, plant and equipment	14	12,357,303,254	10,697,195,625	10,346,505,044	-	2,201
Intangible assets	15	3,616,956	2,955,833	9,412,947	-	-
Right of use assets	16.1	103,578,328	108,936,035	108,505,697	-	-
Investments in subsidiaries	17	-	-		2,037,724,775	2,037,724,775
Investment in joint venture	17.4	745,968,268	280,541,341	275,471,637	125,330,153	125,330,153
Investment Property	18	-	-	193,963,000	-	-
Deferred tax assets	29.2	24,611,236	22,351,373	-	25,917,232	22,351,373
Total Non-Current Assets		13,235,078,042	11,111,980,207	10,933,858,325	2,188,972,160	2,185,408,502
Current Assets						
Inventories	19	140,917,213	113,424,967	74,867,595	-	-
Trade and other receivables	21	373,902,382	391,922,128	286,737,679	422,247	-
Amounts due from related companies	22	539,790,751	520,285,088	575,418,127	562,760,005	538,114,569
Income tax recoverable	23	1,752,301	-	2,180,159	-	-
Financial assets at fair value through profit or loss	20	-	26,337,500	36,825,500	-	26,337,500
Cash & cash equivalents	24	1,218,195,658	1,895,411,577	2,624,186,801	4,106,697	49,750
Total Current Assets		2,274,558,305	2,947,381,260	3,600,215,861	567,288,949	564,501,819
Total Assets		15,509,636,347	14,059,361,467	14,534,074,186	2,756,261,109	2,749,910,321
EQUITY AND LIABILITIES						
Equity						
Stated capital	25	362,610,821	362,610,821	362,610,821	362,610,821	362,610,821
Reserves	26	5,753,060,067	5,205,702,810	5,377,457,459	2,403,058,512	2,403,058,512
Retained earnings		1,803,960,477	1,603,833,262	1,863,083,004	(16,040,865)	(53,960,029)
Total equity attributable to equity holders of the company		7,919,631,365	7,172,146,893	7,603,151,284	2,749,628,468	2,711,709,304
Non controlling interest		2,939,215,198	2,647,357,763	2,320,518,611	-	-
Total Equity		10,858,846,563	9,819,504,656	9,923,669,895	2,749,628,468	2,711,709,304
Non-Current Liabilities						
Interest-bearing-borrowings	27	721,070,128	1,044,787,666	1,296,411,766	-	-
Employee benefit obligation	28	29,497,013	25,953,191	20,544,913	-	5,405,836

	Note	Group			Company	
		As at 31 March 2025	As restated As at 31 March 2024	As restated As at 31 March 2023	As at 31 March 2025	As at 31 March 2024
		Rs.	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities	29.1	2,309,556,311	2,044,063,667	2,042,291,206	-	-
Lease liabilities	30	110,679,574	114,217,943	130,084,934	-	-
Total Non-Current Liabilities		3,170,803,026	3,229,022,467	3,489,332,819	-	5,405,836
Current Liabilities						
Trade and other payables	31	670,686,382	375,349,189	265,585,131	2,817,426	3,173,406
Contract liabilities	32	12,788,416	7,248,877	5,436,821	-	-
Interest-bearing-borrowings	27	359,094,670	322,934,854	376,712,661	-	-
Lease liabilities	30	21,931,109	21,199,309	25,524,738	-	-
Amounts due to related companies	33	75,145,027	53,509,523	23,688,683	3,815,215	29,333,158
Income tax payable	34	-	4,195,257	4,366,626	-	-
Bank overdrafts	24	340,341,154	226,397,335	419,756,812	-	288,617
Total Current Liabilities		1,479,986,758	1,010,834,344	1,121,071,472	6,632,641	32,795,181
Total Equity & Liabilities		15,509,636,347	14,059,361,467	14,534,074,186	2,756,261,109	2,749,910,321
Net assets per share (Rs.)		43.98	39.83	42.22	15.26	15.05

* Refer note 35 - Correction of errors of Joint Venture - Suisse Hotel Kandy (Pvt) Ltd.

The accounting policies and notes set out on pages 58 to 129 form an integral part of these financial statements.

These Financial Statements have been prepared in compliance with the requirements of the Companies Act No.07 of 2007.

Kowshika Vijithan
Group Accountant

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved & signed for and on behalf of the Board of Directors

Mangala Boyagoda
Director

Shalike Karunasena
Director

Colombo
1st September 2025

Statement of Changes in Equity

Group	Notes	Attributable to equity holders of the company						Non controlling Interest	Total Equity
		Stated Capital	Revaluation Reserve	Capital Reserve	General Reserve	Retained earnings	Total		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 April 2023, as previously reported		362,610,821	5,075,443,219	8,128,011	167,079,660	1,886,323,260	7,499,584,971	2,275,144,627	9,774,729,598
Prior year adjustment (Note 35.1)		-	126,806,569	-	-	(23,240,256)	103,566,313	45,373,984	148,904,297
Adjusted balance at 1st April 2023		362,610,821	5,202,249,788	8,128,011	167,079,660	1,863,083,004	7,603,151,284	2,320,518,611	9,923,669,895
Total comprehensive income									
Loss for the year - restated		-	-	-	-	(1,249,074)	(1,249,074)	(46,292,748)	(47,541,822)
Other comprehensive income									
Acturial gain /(loss) on retirement benefit obligation, net of tax		-	-	-	-	(3,023,322)	(3,023,322)	(541,063)	(3,564,385)
Loss on revaluation of property, plant and equipment, net of tax		-	(23,664,739)	-	-	-	(23,664,739)	(2,280,917)	(25,945,656)
Equity-accounted investees share of other comprehensive income	17.4.1	-	(26,503,802)	-	-	(572,074)	(27,075,876)		(27,075,876)
Total comprehensive income for the year		-	(50,168,541)	-	-	(4,844,470)	(55,013,011)	(49,114,728)	(104,127,739)
Transactions with owners of the company									
Effect of changes in interest while retaining control	17.3.1	-	(54,045,716)	-	-	(321,908,164)	(375,953,880)	375,953,880	-
Dividends-(15% Cumulative preference shares)		-	-	-	-	(37,500)	(37,500)	-	(37,500)
Transfer of excess depreciation on revaluation		-	(67,540,392)	-	-	67,540,392	-	-	-
Total transactions with owners of the company		-	(121,586,108)	-	-	(254,405,272)	(375,991,380)	375,953,880	(37,500)
Balance at 31 March 2024		362,610,821	5,030,495,139	8,128,011	167,079,660	1,603,833,262	7,172,146,893	2,647,357,763	9,819,504,656
Balance at 1st April 2024		362,610,821	5,030,495,139	8,128,011	167,079,660	1,603,833,262	7,172,146,893	2,647,357,763	9,819,504,656
Total comprehensive income									
Profit for the year		-	-	-	-	139,106,351	139,106,351	32,211,035	171,317,386
Other comprehensive income									
Acturial gain /(loss) on retirement benefit obligation, net of tax		-	-	-	-	(1,181,648)	(1,181,648)	(491,341)	(1,672,989)
Gain on revaluation of property, plant and equipment, net of tax		-	514,101,774	-	-	-	514,101,774	219,386,275	733,488,049
Equity-accounted investees - share of other comprehensive income	17.4.1	-	95,495,495	-	-	-	95,495,495	40,751,466	136,246,961
Total comprehensive income for the year		-	609,597,269	-	-	137,924,703	747,521,972	291,857,435	1,039,379,407
Transactions with owners of the company									
Dividends-(15% Cumulative preference shares)		-	-	-	-	(37,500)	(37,500)	-	(37,500)
Transfer of excess depreciation on revaluation		-	(62,240,012)	-	-	62,240,012	-	-	-
Total transactions with owners of the company		-	(62,240,012)	-	-	62,202,512	(37,500)	-	(37,500)
Balance at 31 March 2025		362,610,821	5,577,852,396	8,128,011	167,079,660	1,803,960,477	7,919,631,365	2,939,215,198	10,858,846,563

Figures in brackets indicate deductions.

The accounting policies and notes set out on pages 58 to 129 are an integral part of these financial statements.

Company	Stated Capital	Capital Reserve	Equity Reserve - Acquisition under common control	General Reserve	Retained earnings	Total equity
Balance at 1 April 2023	362,610,821	8,128,011	-	166,718,393	(131,402,672)	406,054,553
Total comprehensive income						
Profit for the year	-	-	-	-	78,568,383	78,568,383
Acturial loss on retirement benefit obligation, net of tax	-	-	-	-	(1,125,740)	(1,125,740)
Total comprehensive income for the year	-	-	-	-	77,442,643	77,442,643
Acquisition under common control (Note 39.1.3)	-	-	2,228,212,108	-	-	2,228,212,108
Balance at 31 March 2024	362,610,821	8,128,011	2,228,212,108	166,718,393	(53,960,029)	2,711,709,304
Balance at 1st April 2024	362,610,821	8,128,011	2,228,212,108	166,718,393	(53,960,029)	2,711,709,304
Total comprehensive income						
Profit for the year	-	-	-	-	37,919,164	37,919,164
Total comprehensive income for the year	-	-	-	-	37,919,164	37,919,164
Balance at 31 March 2025	362,610,821	8,128,011	2,228,212,108	166,718,393	(16,040,865)	2,749,628,468

Figures in brackets indicate deductions.

The Notes on pages 58 to 129 are an integral part of these Financial Statements.

Consolidated Statement of Cash Flow

For the Year Ended 31 March	Note	Group		Company	
		2025	As restated 2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Cash flows from operating activities					
Profit/ (loss) before income tax		114,967,583	(37,593,911)	34,353,305	56,699,470
Adjustment for:					
Depreciation on property, plant and equipment	14	154,707,630	140,446,966	2,201	6,366
Amortisation of Intangible assets	15.1	773,877	7,892,114	-	-
Amortisation of Right of use assets	16.1	5,357,707	5,357,710	-	-
Provision for employee benefit obligation	28 (b)	5,928,676	5,946,528	-	978,329
Provision / (reversal) for impairment - Trade receivables	21.1	(676,218)	1,278,595	-	-
Provision / (reversal) for impairment - Other receivables	21.2	(290,495)	5,196,438	(290,495)	5,196,437
Provision for Inventory	9	2,031,137	566,761	-	-
Provision for amounts due from related companies	9 / 22.1	12,225,639	3,632,274	5,880,290	388,594
Dividend Income	8	-	(1,938,500)	-	(1,938,500)
Writeback of creditors and advances	8	(2,015,958)	(25,274,826)	-	(8,200,068)
(Gain) / loss on foreign currency transactions	27	(9,123,684)	(49,313,649)	-	-
Share of profit of equity-accounted investee	17.4.1	(36,679,966)	(32,145,580)	-	-
Interest income	10.1	(198,718,435)	(295,900,558)	(48,076,183)	(68,308,873)
Interest expenses	10.2	211,773,442	271,838,172	48,545	36,677
Change in fair value of investment in shares	20	-	1,113,199	-	1,113,199
Gain on disposal of investment in shares	10.1 / 20	(6,037,500)	(3,788,529)	(6,037,500)	(3,788,529)
Operating profit/ (loss) before working capital changes		254,223,435	(2,686,797)	(14,119,837)	(17,816,898)
(Increase)/decrease in inventories		(29,523,383)	(39,124,133)	-	-
(Increase)/decrease in trade and other receivables		18,986,459	(111,659,483)	(131,752)	398,614
(Increase)/decrease in amounts due from related companies		(31,658,820)	118,200,058	17,550,457	123,580,342
Increase/(decrease) in trade & other payables		297,315,651	128,291,741	(355,980)	780,038
Increase/(decrease) in contract liabilities		5,539,539	1,812,056	-	-
Increase/(decrease) in amounts due to related companies		21,635,504	29,820,840	(30,923,779)	(121,810,919)
Cash generated from/ (used in) operating activities		536,518,385	124,654,282	(27,980,891)	(14,868,823)
Interest paid		(217,251,841)	(239,859,623)	(48,545)	(36,677)
Income taxes paid	34	-	(15,933,182)	-	-
Employee benefit obligations paid	28	(4,774,838)	(4,020,650)	-	(1,006,942)
Net cash generated from/ (used in) operating activities		314,491,706	(135,159,172)	(28,029,436)	(15,912,442)

For the Year Ended 31 March	Note	Group		Company	
		2025	As restated 2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Cash flows from investing activities					
Interest income received		198,718,435	227,591,685	-	-
Net disposal of FVTPL investments	20	32,375,000	13,163,330	32,375,000	13,163,330
Acquisition of property, plant and equipment	14	(767,047,671)	(334,239,768)	-	-
Addition of Intangible assets	15.1	(1,435,000)	(1,435,000)	-	-
Investment in joint venture	17.4.1	(292,500,000)	-	-	-
Dividend received		-	1,938,500	-	1,938,500
Net cash generated from/ (used in) investing activities		(829,889,236)	(92,981,253)	32,375,000	15,101,830
Cash flows from financing activities					
Principal element of lease payments	30	(2,806,569)	(19,270,824)	-	-
Repayment of borrowings	27	(272,955,639)	(288,004,498)	-	-
Net cash generated from / (used in) financing activities		(275,762,208)	(307,275,322)	-	-
Net increase / (decrease) in cash & cash equivalents		(791,159,738)	(535,415,747)	4,345,564	(810,612)
Cash & cash equivalents at the beginning of the year		1,669,014,242	2,204,429,989	(238,867)	571,745
Cash & cash equivalents at the end of the year (Note A)		877,854,504	1,669,014,242	4,106,697	(238,867)
Note A					
Cash and cash equivalents at the end of the financial year consist of the following.					
Cash at banks and in hand	24	1,218,195,658	1,895,411,577	4,106,697	49,750
Bank overdraft	24	(340,341,154)	(226,397,335)	-	(288,617)
		877,854,504	1,669,014,242	4,106,697	(238,867)

Figures in brackets indicate deductions.

The accounting policies and notes set out on pages 58 to 129 form an integral part of these financial statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1. Reporting Entity

Ceylon Hotels Corporation PLC ("the Company"), which was incorporated and domiciled in Sri Lanka by an Act of parliament in 1967. The Act was replaced in 2008 and the entity was registered under the Companies Act No. 7 of 2007. Shares of the Company are listed on the Colombo Stock Exchange and are publicly traded. The registered office of the Company and its Subsidiaries are situated at 327, Union Place, Colombo 02.

1.2. Consolidated Financial Statements

The Consolidated financial statements of the Group for the year ended 31 March 2025 comprise Ceylon Hotels Corporation PLC and all its subsidiaries (together referred to as "the Group") namely United Hotels Company (Private) Limited ('UHCL'), Tissa Resort (Private) Limited ('TRL'), CHC Foods (Private) Limited ('CHCF'), The Kandy Hotels Co. (1938) PLC ('KHC'), Suisse Hotels (Private) Limited ('SH'), Air Line Services (Private) Limited ('ALS'), Ceylon Hotels Maldives (Private) Limited ('CHML') and the Group's interest in equity accounted investees.

Suisse Hotel Kandy (Pvt) Ltd, Ceylon Holidays Holdings (Private) Limited ('CHOH') and its fully owned subsidiary CHC Rest House (Private) Limited ('CHCRH') are the joint venturers for the Group.

1.3. Principal activities and nature of the operations

The principal activity of the Company is that of an investment holding company and the subsidiary companies are engaged in the business of food, beverage, lodging and other hospitality- industry related activities and there has been no change in the nature of such activities during the year.

1.4 Parent entity and ultimate parent entity

The Company's parent undertaking is Ceylon Hotel Holdings (Private) Limited and the ultimate parent Company and controlling party is the Galle Face Hotel Company Limited, which is incorporated in Sri Lanka.

1.5 Responsibilities for financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Group and the Company as per the provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards. The Directors' responsibility over financial statements is set out in detail in the Statement of Directors' Responsibility.

1.6. Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31 March 2025 were authorised for issue in accordance with resolution of the Board of Directors on 1st September 2025.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Group and the Company which comprise of the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows have been prepared in accordance with Sri Lanka Accounting Standards which comprise Sri Lanka Financial Reporting Standards (SLFRS), Sri Lanka Accounting Standards (LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka, relevant interpretations of the Standing Interpretations Committee ('SIC') and International Financial Reporting Interpretations Committee ('IFRIC') and further complied with the requirements of the Company's Act No. 07 of 2007. These Financial Statements, except for information on cash flows have been prepared following the accrual basis of accounting.

The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs, regulations governing the preparation and presentation of the Financial Statements.

2.2 Statement of Presentation

These Financial Statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange (CSE).

2.3. Basis of Measurement

The Consolidated financial statements have been prepared on an accrual basis and the historical cost basis, except for the following material items in the statement of financial position. Where appropriate, the specific policies are explained in the succeeding notes.

Items	Basis of Measurement	Note
Land and Buildings	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation	14
Investment Property	Measured at fair Value	18
Financial Assets at FVTPL	Measured at fair value	20
Defined Benefit Obligations	Measured at the present value of the defined benefit obligation.	28

2.4. Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), which is the Sri Lankan Rupee.

These financial statements are presented in Sri Lankan Rupees. All financial information presented has been rounded to the nearest rupee except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

2.5. Materiality and aggregation

Each material class of similar items is presented separately in the consolidated financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of the financial statements of the Group and the Company. The understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

2.6. Use of Estimates and Judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRS and LKAS) requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Items that have a significant effect on Judgements, estimates and assumptions and the respective notes that they are included in are as follows,

Critical accounting assumptions and estimation uncertainties	Note
Revaluation of land and buildings	3.4 (a)
Useful lifetime of property, plant and equipment	3.4 (d)
Impairment of non-financial assets	3.3 (g)
Valuation of investment property	3.7
Impairment measurement of financial assets: determination of inputs into the ECL measurement model, including key assumptions and incorporation of forward-looking information	3.3 (g)
Measurement of defined benefit obligation: key actuarial assumptions	28 (c)
Recognition of deferred tax assets	29
Measurement of contingent liabilities	36

Revaluation of land and buildings

The Company measures lands and buildings at revalued amounts with changes in fair value being recognised in Equity through Other Comprehensive Income (OCI). Valuations are performed every five years to ensure that the fair value of a revalued asset does not differ materially from it carrying amount. The Company engages independent professional valuer to assess fair value of land and buildings in terms of Sri Lanka Accounting Standard on "Fair Value Measurement" (SLFRS13). Based on the valuation techniques and inputs used, lands and building were classified at level 3 in the fair value hierarchy.

The valuation techniques, significant unobservable inputs, key assumptions used to determine the fair value of the building, and sensitivity analysis are provided in Note 14.1.7 and 14.1.8

Estimated useful lives of PPE and intangible assets.

The Group and the Company review annually the estimated useful lives of PPE and intangible assets based on factors such as business plan and strategies, expected level of usage. Future results of operations could be materially affected by changes in these estimates brought by changes in the factors mentioned. A reduction in the estimated useful lives of PPE and intangible assets would increase the recorded depreciation and amortisation charge and decrease the carrying value.

Estimation of income taxes in relation to uncertain tax position

Judgement is involved in determining the Company's and the Group's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these taxes result in a difference in the amounts initially recognised, such differences will impact the income tax and/ or deferred income tax provisions in the period in which such determination is made.

Recognition of deferred income tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

This involves significant management judgement regarding future financial performance 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.

The Group has tax losses carried forward as of 31 March 2025 amounting to Rs. 1,713,488,338/- (2024- 1,569,900,215/-).

Impairment of non-financial assets

The Group and the Company test annually the indicators to ascertain whether non-financial assets (including intangibles) have suffered any impairment, in accordance with the accounting policy stated in the financial statements. These calculations require the use of estimates.

Estimation of the defined benefit obligations

The cost of defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates, etc. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 28 (c) for the assumptions used to determine defined benefit obligations. Sensitivity analysis to key assumptions is disclosed in Note 28.1.

Estimation of contingent liabilities

Determination of the treatment of contingent liabilities in the financial statement is based on the management's view of the expected outcome of the applicable contingency. The Group and the Company consult with legal counsel on matters related to litigation and other experts both within and outside the Group and the company with respect to matters in the ordinary course of business.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group and the Company use judgements in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's and the Group's past history and existing market conditions, as well as forward-looking estimates are end of each reporting period.

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. Management considered 100% ECL for debtors aged more than 180 days in determining the provision matrix for ECL.

The provision matrix is initially based on the Group's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2.7. Going Concern

When preparing the financial statements, the Board of Directors made an assessment of the Group's ability to continue as a going concern considering all the current internal and external environmental factors, including the business impact of the overall tourism industry and they do not intend either to liquidate or to cease trading.

The management has formed the judgement that the Company, its subsidiaries, and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business unit level along with the financial strength of the Group.

Based on the publicly available information at the date these financial statements were authorised for issue, management considered a number of severe but plausible scenarios with respect to the potential development of the outbreak and its expected impact on the entity and the economic environment, in which the entity operates, including the measures already taken by the Sri Lankan government.

In preparing these financial statements, based on available information, the management has assessed the existing and anticipated effects of the prevailing macroeconomic conditions, on the Group and the appropriateness of the use of the going concern basis. The Group evaluated the resilience of its businesses considering a wide range of factors such as current and expected profitability, the ability to defer non-essential capital expenditure, debt repayment schedules, revision of interest rates, higher taxes, depreciation of the Sri Lankan Rupee ('LKR') and negative impact of the Group's working capital cycle if any, cash reserves and potential sources of financing facilities, if required, and the ability to continue providing goods and services.

In management's view, the Group will have sufficient resources to continue for a future period. Management concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Financial Statements of the Group and the Company continued to be prepared on a going concern basis.

2.8. Changes in Material Accounting Policies

Group does not have changes in material accounting policies in the current annual reporting period.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. The Group and the Company have consistently applied the following accounting policies to all periods presented in these Financial Statements.

3.1. Basis of Consolidation

The Group's financial statements comprise the financial statements of the Company its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements and Share of Profit and Loss and Net Assets of Equity Accounted Investees prepared in terms of Sri Lanka Accounting Standard (LKAS 28) - Investments in Associates and Joint Ventures.

(a) Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has the option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised as profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(b) Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. The financial statements of subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Adjustments required to the accounting policies of subsidiaries have been changed wherever necessary to align them with the policies adopted by the Group.

The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the date of acquisition. Subsequent to the acquisition, the Company continues to recognise the investment in the subsidiary at cost.

A listing of the Group's principal subsidiaries is set out in note 17 to the financial statements.

(c) Non-controlling interests

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading "Non – controlling interest "in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed by these companies is reflected under the heading "Non – controlling interest" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(d) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non- controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, it is accounted for as equity accounted investee or as financial asset measured as FVOCI, depending on the level of influence retained.

(e) Interests in equity-accounted investees (investments in joint ventures)

The Group's interests in equity-accounted investees comprise interests in joint ventures.

A joint venture is a jointly controlled entity whereby the Group and other parties have a contractual arrangement that establishes joint control over the economic activities of the entity. The arrangement requires unanimous agreement for financial and operating decisions among the ventures. This is an entity in which the Group has significant influence, and which is neither a subsidiary nor an associate.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method in the Consolidated financial statement. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

(f)Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity- accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(g) Financial statements of subsidiaries and joint venture companies included in consolidated financial statements

Audited financial statements are used for consolidation. All Financial statements included in the consolidation are presented for a common financial year, which ends on 31 March.

(h) Significant transactions and events during the period between date of financial statements of subsidiaries and date of financial statements of the Group

No adjustments to the results of subsidiary companies have been made as they were not significant.

3.2. Foreign Currency

3.2.1. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in comprehensive income. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Monetary assets and liabilities denominated in foreign currency at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non- monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate at which the fair value was determined.

Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to reporting currency using the exchange rate that was prevailing on the date the fair value was determined.

Foreign currency differences arising on retranslation are generally recognised in the income statement. However, the following items are recognised in the other comprehensive income.

- Differences arising on the retranslation of fair value through other comprehensive income equity investments that were recognised in other comprehensive income. Foreign currency gains and losses are reported on a net basis in the income statement.
- Gains and losses arising from translating the financial statements of foreign operations

3.2.2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Rupees at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Rupees at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI (Non-Controlling Interest).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3.3. Financial Instruments

3.3.1 Financial Assets

(a) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

(b) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.

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

Financial assets - Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Group's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(c) Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(d) Financial liabilities - Classification, subsequent

Measurement and gains and losses financial liabilities are classified as measured at amortised. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(e) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets.

In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(f) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 180 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 180 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market to a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Impairment Policy: Non-financial assets

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The carrying amount of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. An impairment loss is recognised if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised for the amount by which the asset's carrying amount of an asset or CGU exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Impairment losses are charged in Profit or Loss. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating assets). Asset that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis. Any subsequent increase in recoverable amount is recognised in comprehensive income.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.4. Property, Plant & Equipment

(a) Recognition and measurement

Property, plant & equipment are tangible items that are held for servicing, or administrative purposes and are expected to be used during more than one period.

Recognition

Property, plant & equipment are recognised if it is probable that future economic benefits associated with the assets will flow to the Group and the Company and the cost of the asset can be reliably measured.

Measurement

Items of property, plant and equipment are measured at their historical cost/ fair value less accumulated depreciation and any accumulated impairment losses.

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset into working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to the working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

If a significant part of an item of Property Plant & Equipment has different useful lives, then they are accounted for as separate items (major components) of Property Plant & Equipment. Any gain or loss on disposal of Property Plant & Equipment is recognised in profit or loss. Purchased software that is integrated into the functionality of the related equipment is capitalised as part of that equipment. Expenditure on repairs or maintenance of property, plant and equipment made to restore or maintain future economic benefits expected from the assets has been recognised as an expense when incurred.

Subsequent measurement - Cost model

The Group applies the Cost Model to all property, plant and equipment except for freehold land and freehold buildings and records at the cost of purchase together with any incidental expenses thereon, less accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model

The Group applies the Revaluation Model for the entire class of freehold land and freehold buildings for measurement after initial recognition. Such properties are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation on buildings and any accumulated impairment losses charged subsequent to the date of valuation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land and Buildings do not change other than by a significant amount at each reporting period, the Group will revalue such land every five years.

Any surplus arising on the revaluation is recognised in other comprehensive income except to the extent that the surplus reverses a previous revaluation deficit on the same asset recognised in income statement, in which case the credit to that extent is recognised in income statement. Any deficit on revaluation is recognised in income statement except to the extent that it reverses a previous revaluation surplus on the same asset, in which case the debit to that extent is recognised in other comprehensive income. Therefore, revaluation increases, and decreases cannot be offset, even within a class of assets.

External, independent qualified valuers having appropriate experience in valuing properties in the locations of properties being valued, value the land and Buildings owned by the Group based on market values, this 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 details of land valuation are disclosed in Notes 14.1.7 & 14.1.8 to the financial statements.

b. Subsequent cost

The cost of replacing a component of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the Income Statement as incurred.

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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to comprehensive income during the reporting period in which they are incurred.

c. De-recognition

An item of property, plant & equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition (disposal or retirement) of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of the assets are recognised net within 'other income' in the Statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

When replacement costs are recognised in the carrying amount of an item of property, plant & equipment, the remaining carrying amount of the replaced part is derecognised as required by LKAS 16 – Property, Plant & Equipment.

d. Depreciation

The Group provides depreciation from the date the assets are available for use up to the date of disposal, at the following rates on a straight-line basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on revalued classes of assets is based on the remaining useful life of the assets at the time of the revaluation. Land is not depreciated.

Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is recognised as an expense in the Income statement.

The estimated useful lives of property, plant and equipment have been revised with effect from 1st April 2023 and necessary adjustments to financial statements have been made prospectively.

Revised estimated useful lives of significant items of Property, Plant and Equipment are as follows:

	Estimated useful life (in years)	
	From 1st April 2023	Before 1st April 2023
Buildings on Leasehold Land	40-50	Over the unexpired lease period
Freehold Buildings	20	20
Plant & Machinery	20	10
Tools & Implements	10	10
Furniture & Office equipment	15	10
Freehold Motor Vehicles	10	10
Leasehold Motor Vehicles	10	10
Leasehold Equipment	10	10
Swimming pool	20	8
Computer Equipment	5	5
Other Equipment	8	5

As a result of the change in estimated useful lives of Property, Plant and Equipment, the decreased in the Group's depreciation expenses of the year 2023/2024 was Rs. 26.15 Mn.

Depreciation of an asset begins when it is available for use or, in respect of self – constructed assets, from the date that the asset is completed and ready for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation is not provided on land and assets under construction. The depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

e. Asset exchange transaction

PPE may be acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets and is measured at fair value unless;

- The exchange transaction lacks commercial substance; or

- The fair value of neither the asset received, nor the assets given up can be measured reliably

The acquired item is measured in this way even if the Group and the Company cannot immediately derecognise the assets given up. If the acquired item cannot be reliably measured at fair value, its cost is measured at the carrying amount of the asset given up.

f. Repairs and maintenance

Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the Company. This cost is depreciated over the remaining useful life if the related asset.

3.5. Intangible assets

3.5.1 Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying value of the goodwill is compared to the recoverable amount, which is higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.5.2 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life of 5 years.

Costs associated with maintaining software programmes are recognised an as expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met.

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software will generate probable economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

3.5.3. Other intangible assets

Other Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Leasehold rights are shown at historical cost. Leasehold rights have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight- line method to allocate the cost of leasehold rights over their estimated useful lives.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use other than goodwill. The estimated useful life of software is five years. Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.6. Accounting for leases where the Group and the Company are the lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

3.6.1. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(a) ROU assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right- of-use asset will be depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain to exercise purchase option, the ROU asset is depreciated over the underlying asset's useful life. The ROU assets are adjusted for certain measurement of the lease liabilities. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(b) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

- Lease payments included in the measurement of the lease liability comprise of the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant rate of return on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to sero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'right of use asset' and 'lease liabilities' in the statement of financial position.

3.6.2. Short-term leases and leases of low-value assets

Short-term leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Payments associated with short-term leases of low value assets are recognised on a straight-line basis as an expense in profit or loss.

3.6.3. Lease modifications

The Group shall account for a lease modification as a separate lease if both:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group shall:

a) allocate the consideration in the modified contract

b) determine the lease term of the modified lease

c) remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group shall account for the remeasurement of the lease liability by:

a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.

b) making a corresponding adjustment to the right- of-use asset for all other lease modifications.

3.7. Investment Property

Investment Property, principally comprise freehold land and buildings held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

The cost includes expenditures that are is directly attributable to the acquisition of the investment property. The cost of self-constructed investments property includes the cost of materials and direct labour, any other costs directly attributable to bring the investment property to a working condition for its intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Investment Property is carried at its fair value determined annually by an independent valuer. A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period in which it arises.

Notes to the Financial Statements

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. In arriving at the net realisable value, due allowance is made for all obsolete and slow-moving items.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition and determined on a weighted average basis. Accordingly, the costs of inventories are accounted as follows:

Food and Beverage - At weighted average cost

Packeted Snacks - At actual cost on FIFO basis

Other Consumables - At actual cost on FIFO basis

Cutlery, Crockery, Linen & Glassware - At weighted average cos

3.9 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise of cash in hand and short-term deposits with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Bank overdrafts are shown in current liabilities in the statement of financial position, Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as components of cash and cash equivalent in the statement of cash flows.

3.10 Share Capital

(a) Classification

Ordinary shares with discretionary dividends are classified as equity. Other shares are classified as equity or liability according to the economic substance of the particular instrument. Distribution to holders of a financial instrument is classified as an equity instrument charged directly to equity.

Where any Group company purchases the Company's equity share capital, the consideration paid, including directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(b) Share issue expenses

Incremental costs directly attributable to the issuance of new shares are deducted against equity.

(c) Dividends to shareholders of the Company

Dividends distribution is recognised as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Distribution to holders of an equity instrument is recognised directly in equity.

3.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation is specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.11.1 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs may include:

(a) Interest expense calculated using the effective interest method as described in SLFRS 09 Financial Instruments: Recognition and Measurement;

(b) Finance charges in respect of finance leases recognised in accordance with SLFRS 16 Leases; and

(c) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Group capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Group then recognises other borrowing costs as an expense in the period in which it incurs them.

3.12 Employee Benefits

a. Defined contribution plans

A defined contribution plan is a post-employment plan under which the Group and the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay a further amount. Such contributions to defined contribution plans are recognised as employee benefit expenses for the profit and loss in the period during which related services are rendered by employees. The Company and its employees are members of these defined contribution plans.

Employees' Provident Fund

The Group and Employees contribute 12% & 8% respectively on the basic or consolidated wage or salary of each eligible employee to the Employee Provident Fund.

Employees Trust Fund

The Group contributes 3% of the basic or consolidated wage or salary of each employee to the Employees' Trust Fund contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

b. Defined benefit plans - Retiring Gratuity

Defined benefit plan defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The defined benefit plan comprises the gratuity provided under the payment of Gratuity Act, No.12 of 1983.

The liability recognised in the statement of financial position in respect of a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method, as recommended by LKAS 19, "Employee Benefits".

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yield rate of long-term government bond that have terms to maturity approximating to the terms of the related defined benefit obligation.

The qualifying remuneration of all permanent employees is considered in the calculation of the defined benefit obligation. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. Liabilities are computed on the basis of half a month's salary for each year of completed service. The Company's obligations under the said Act are determined based on an actuarial valuation using the projected unit credit method carried out by a professional actuary.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position. The assumptions based on which the results of the actuarial valuation were determined are included in note 28 (c) to the financial statements. This liability is not externally funded, and the item is grouped under non- current liabilities in the statement of financial position.

The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Short-term employee benefits

Wages, salaries, bonuses and non-monetary benefits that are expected to be settled in full within twelve (12) months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Short-term employee benefit obligations are measured on an undiscounted basis. A liability is recognised for the amount expected to be paid if the Company and the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

d. Termination benefits

Termination benefits are payable when employment is terminated by the Group and the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognises termination benefits at the earlier of the following dates:

(a) When the entity can no longer withdraw the offer of those benefits; and

(b) When the entity recognises costs for a restructuring that is within the scope of LKAS 37 and involves the payments of termination benefits

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees who are expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3.13 Liabilities and Provisions

3.13.1. LIABILITIES

A liability is current when it is:

- Expected to be settled within the normal operating cycle
- Held primarily for the purpose of trading
- Due to be selected within 12 months after the reporting period, or
- It does not have a right at the reporting date to defer the statement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period

The Group and the Company classify all other liabilities are non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.13.2. Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.13.3. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company and the Group does not recognise a contingent liability but discloses its existence in the financial statements. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group. The Company and the Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1. Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

a) Revenue recognition

Goods and services deliverable under contracts with customers are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own or together with other resources that are readily available to the to the customer and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services do not meet the criteria to be identified as separate performance obligations they are aggregated with other goods and/or services in the agreement until a separate performance obligation is identified.

Revenue is recognised when the respective obligations in the contract are delivered to the customer and payment remain probable.

The Group recognises, in the contract interception, whether it has to fulfil its performance obligation over time or at a point in time. In an occasion where the performance obligation fulfils overtime then the Group recognise the revenue overtime based on the progress towards satisfaction of that performance obligation.

b) Disaggregation of recognition

The disaggregated revenue is presented based on the revenue recognition timing and major product /service line which comes under the revenue note in the financial statement.

c) Contract Balances

Contract liabilities are considered to be the hotel's obligation to transfer goods and services to a customer for which the Group has received consideration from the customer. Short-term advances are included in the contract liabilities that are received to render certain services. Contract liabilities of the Group have been disclosed in other current liabilities Note 32.

d) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or services to a customer.

The Group considers services in each contract as one performance obligation for packages offered to customers. Revenue in relation to package services are usually recognises during the period of stay of the customer. The transaction price is determined in the context of the contracts. Further, the Group recognise individual identified services offered to customers as separate performance obligation and the revenue is recognised at the point of satisfying the performance obligations.

The specific recognition criteria described below must also be met before revenue is recognised. Following nature of revenues from contract with customers are involved in the Group operations;

1. Room revenue

The main obligation in the customer contract is to provide rooms for guests' accommodation. This is represented in the Room Revenue reported in the financial statements. Revenue under this segment is recognised on the rooms occupied on a daily basis over the period of the stay. Invoice is raised to customer on completion of the duration of the stay.

The performance obligation is to provide the right to use accommodation for a given number of nights, and the transaction price is the room rate for each night determined at the time of booking. The performance obligation is met when the customer is given the right to use the accommodation, and so revenue is recognised for each night as it takes place, at the room rate for that night.

2. Food and beverages revenue

The contract is established when the customer orders the food or beverage item, and the performance obligation is the provision of food and beverage by the Group and the Company. The performance obligation is satisfied when the food and beverage is delivered to the customer (at a point of time), and revenue is recognised at this point at the price in the items purchased.

- Provision of BB/HB/FB meals for guests occupying the hotels which is part and parcel of the contract entered into. Revenue is recognised at the time of sale and invoiced to the customers on completion of the duration of the stay.
- Provision of extra food and beverages - Revenue is recognised at the time of sale and invoiced to the customers at the time of consumption.

3. Other hotel related revenue (Spa income, Laundry income etc.)

These services are provided to customers as they are implied as business practices in the industry and create a valid expectation for the customer. Revenue is recognised at the time of provision of service and invoice is raised at the time service is consumed.

4.1. Other Income

Following specific criteria are used for the purpose of recognition of other income.

a) Dividend income from investments is recognised when the right to receive is established.

b) Interest income is recognised on an accrual basis.

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Interest income on bank balances and bank deposits are recognised on an accrual basis and included under finance income in the income statement.

4.2. Revenue Expenditure

All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of the presentation of the income statement, the Directors are of the opinion that the function of the expense method presents fairly the elements of the enterprise's performance, hence such a presentation method is adopted.

Expenditure incurred for the purpose of acquiring, expanding or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure.

Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

The profit incurred by the Group before taxation as shown in the Comprehensive Income Statement is after making provision for all known liabilities and for the depreciation of property, plant & equipment.

4.3. Finance income & Finance cost

Finance income comprises interest income on funds invested in fixed deposits, savings accounts and intercompany loans. Interest income is recognised as it accrues in the statement of profit or loss, using the effective interest method and impairment gains recognised on financial assets (other than trade receivables if any).

Finance costs comprises interest expenses on loans and borrowings, impairment losses recognised on financial assets (other than trade receivables if any).

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

4.4. Income Tax Expenses

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

a. Current tax

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial Statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

b. Deferred tax

Deferred tax is provided using liability method on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (OCI). Deferred tax items are recognised in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed.

Tax withheld on dividend income from the subsidiary is recognised as an expense in the consolidated statement of Profit or Loss at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset only if certain criteria are met.

c. Tax exposures

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. The Group and the Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of uncertainty.

Turnover based taxes include Value Added Tax, Social Security Contribution Levy and Tourism Development Levy. The Company pays such taxes in accordance with respective statutes.

4.5. Value added Tax

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authorities in which case the VAT is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of VAT included. The amount of VAT recoverable or payable in respect of taxation authorities is included as a part of receivable and payable in the statement of financial position.

4.6 Social Security Contribution Levy (SSCL)

Social Security Contribution Levy shall be paid by any person carrying on the business of supplying financial services, on the liable turnover specified in the second schedule of the Social Security Contribution Levy Act No 25 of 2022, at the rate of 2.5%.

4.7. Segment Reporting

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (Business Segment) or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks & rewards that are different from those of the segment.

However, there are no distinguishable components to be identified as segments for the Company or Group.

4.8. Earnings Per Share

The basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group and the Company by the weighted average number of ordinary shares outstanding during the financial year.

For diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

4.9 Statement of Cash Flows

The Cash Flow Statements have been prepared using the "indirect method". Interest paid is classified as an operating cash flow, interest and dividends received are classified as investing cash flows while dividends paid are classified as financing cash flows for the purpose of presenting a cash flow statement.

5. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group measures Land and Buildings, Investment Properties and investment in equity shares at fair value. Fair value related disclosures for financial and non-financial assets that are measured at fair value are summarised in the following notes:

- Land and Buildings under revaluation model
  Note 14.1.7
- Investment Property
  Note 18
- Investments in quoted equity shares
  Note 20

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of valuation techniques. The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements.

- Level 1 – Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from price
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for recurring fair value measurement, such as for lands and buildings and Investments in unquoted equity shares.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumption made in measuring fair value is included in note 41.

6. NEW ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

A number of new standards are effective for annual periods beginning on or after 01st April 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these Group's consolidated financial statements.

6.1. SLFRS S 1 – Sustainability Disclosure Standard – General Requirements for Disclosure of Sustainability- related financial information

The objective of SLFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

An entity shall apply this standard in preparing and reporting sustainability related financial disclosures in accordance with SLFRS Sustainability Disclosure Standards.

An entity may apply SLFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements (referred to as 'financial statements') are prepared in accordance with Sri Lanka Accounting Standards or other generally accepted accounting principles or practices (GAAP).

6.2. SLFRS Sustainability Disclosure Standard – Climate-related disclosures

The objective of SLFRS S2 Climate-related Disclosure is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The standard applies to:

- Climate-related risks to which the entity is exposed, which are:
- Climate-related physical risks; and
- Climate-related transition risks; and
- Climate-related opportunities available to the entity
- Climate-related risks and opportunities that could not reasonably be expected to affect an entity's prospects are outside the scope of this standard.

7 REVENUE

a) Revenue Streams

The companies in the group are primarily involved in hoteliering and generate revenue from provision of accommodation, food, beverages and other related services to customers.

For the Year Ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue from contracts with customers	1,628,042,627	1,344,123,054	-	-
Other revenue	46,274,178	38,467,187	-	2,198,740
	1,674,316,805	1,382,590,241	-	2,198,740

b) Disaggregation of revenue from contract with customers

In the following table, revenue from contracts with customers is disaggregated by primary major products and service lines and timing of revenue recognition.

For the year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Major products/service lines				
Room revenue	767,199,934	606,317,395	-	-
Food and Beverage revenue	841,782,816	737,805,659	-	-
Spa Income	19,059,877	-	-	-
Other revenue	46,274,178	38,467,187	-	2,198,740
Total Revenue	1,674,316,805	1,382,590,241	-	2,198,740

The Group and the Company derives revenue from provision of services over time/the period of stay and at a point in time through the following business lines.

For the year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Timing of revenue recognition				
Products & services transferred at a point in time	907,116,871	776,272,846	-	2,198,740
Products & services transferred over time	767,199,934	606,317,395	-	-
Total revenue	1,674,316,805	1,382,590,241	-	2,198,740

8 OTHER OPERATING INCOME

Rent Income	-	51,955	-	-
Writeback of creditors and advances	2,015,958	25,274,826	-	8,200,068
Dividend income	-	1,938,500	-	1,938,500
Sundry income	19,151,971	22,004,974	94,833	-
	21,167,929	49,270,255	94,833	10,138,568

9 OTHER OPERATING EXPENSES

For the year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Provision for slow moving stocks (Note 19)	2,031,137	566,761	-	-
Impairment provision on amounts due from related companies (Note 22.1)	12,225,639	3,632,274	5,880,290	388,594
	14,256,776	4,199,035	5,880,290	388,594

10 NET FINANCE (COST)/INCOME

10.1 Finance income

For the Year Ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest income on				
Intercompany loan	48,784,182	95,753,931	48,076,183	68,308,873
Short term instruments	92,951,753	58,220,371	-	-
Fixed deposits, savings accounts & etc.	56,982,500	141,926,256	-	-
Disposal gain on sales of quoted equity securities (Note 20)	6,037,500	3,788,529	6,037,500	3,788,529
	204,755,935	299,689,087	54,113,683	72,097,402

10.2 Finance Costs

Interest expense on

	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Overdrafts	71,030,016	74,602,504	48,545	22
Lease (Note 30)	17,423,691	17,744,967	-	-
Loans (Note 27)	119,785,679	177,464,854	-	-
Loss on fair value - FVTPL (Note 20)	-	1,113,199	-	1,113,199
Bank charges	3,534,056	2,025,847	-	36,655
	211,773,442	272,951,371	48,545	1,149,876
10.3 Net loss on translation of foreign currencies	(15,126,937)	(96,026,646)	-	-
Net finance (cost) /income	(22,144,444)	(69,288,930)	54,065,138	70,947,526

11 PROFIT / (LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is stated after charging all expenses including the following:

For the Year Ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Directors' emoluments	3,470,000	3,335,000	3,470,000	3,335,000
Auditors' remuneration				
Statutory audit	4,581,823	3,652,567	1,000,000	1,000,000
Non audit services	745,000	745,000	385,000	385,000
Depreciation on property, plant & equipment (Note 14.1)	154,707,630	140,446,966	-	6,366
Amortisation of intangible assets (Note 15.1)	773,877	7,892,114	-	-
Amortisation of right-of-use assets (Note 16.1)	5,357,707	5,357,710	-	-
Provision / (reversal) for impairment of trade receivables (Note 21.1)	(676,218)	1,278,595	-	-
Provision / (reversal) for impairment of other receivables (Note 21.1)	(290,495)	5,196,438	(290,495)	5,196,437
Donations	150,983	111,406	54,463	-
Management fees	11,795,118	53,031,263	666,564	1,756,798
Professional fees & legal fee	12,347,401	14,166,786	1,285,406	255,048
Staff costs (Note 11.1)	436,045,362	301,314,132	659,855	2,580,804

11.1 Staff costs

Wages, salaries and staff expenses	309,377,443	205,259,486	659,855	1,263,286
Defined contribution plan cost- EPF & ETF	24,201,230	18,441,795	-	339,189
Defined benefit plan cost- Retiring gratuity (Notes 28 (b))	5,928,676	5,946,528	-	978,329
Other staff expenses	96,538,013	71,666,323	-	-
	436,045,362	301,314,132	659,855	2,580,804

12 INCOME TAX EXPENSE / (REVERSAL)

12.1 Amounts recognised in profit or loss

For the Year Ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current tax				
Income tax expense for the year (Note 12.4)	-	5,947,558	-	-
Under/(over) provision in respect of previous year	(5,947,558)	11,932,104	-	-
	(5,947,558)	17,879,662	-	-
Deferred tax				
Origination / (reversal) of temporary differences (Note 12.3)	(50,402,245)	(7,931,751)	(3,565,859)	(21,868,913)
Total income tax expense / (reversal) for the year	(56,349,803)	9,947,911	(3,565,859)	(21,868,913)

12.2 Amounts recognised in other comprehensive income

	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Deferred tax				
Origination / (reversal) of temporary differences (Note 12.3)	(313,635,026)	12,647,161	-	(482,460)
	(313,635,026)	12,647,161	-	(482,460)

12.3 Deferred tax charged to;

	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Profit or loss	(50,402,245)	(7,931,751)	(3,565,859)	(21,868,913)
Other comprehensive income				
On revaluation (gain) / loss	(314,352,021)	11,119,566	-	-
On actuarial (gain) / loss	716,995	1,527,595	-	(482,460)
	(364,037,271)	4,715,410	(3,565,859)	(22,351,373)

12.4 Reconciliation between accounting profit and taxable income

For the Year Ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accounting profit / (loss) before income tax	114,967,583	(37,593,911)	34,353,305	56,699,470
Non business income	(48,800,353)	(106,078,406)	(48,076,183)	(68,308,873)
Adjustment on disallowable expenses	208,688,105	342,974,173	7,581	11,883,066
Adjustment on allowable expenses	(229,782,323)	(179,521,125)	(12,138,506)	(1,006,942)
Exempt Income	(351,239,733)	(201,226,825)	-	-
Tax profit/(loss) for the year	(306,166,720)	(181,446,094)	(25,853,803)	(733,279)
Tax loss incurred during the year	343,567,641	201,271,286	25,853,803	733,279
Taxable other income	315,981,210	68,856,748	48,076,183	68,308,873
Tax losses utilised during the year	(353,382,130)	(68,856,748)	(48,076,183)	(68,308,873)
Taxable Income	-	19,825,192	-	-
Income tax provision for the year is made up of the following.				
Statutory tax rate				
Income tax @ 30%	-	5,947,558	-	-
Income tax on current year profits	-	5,947,558	-	-

12.5 Movement of brought forward tax losses

Tax loss brought forward	1,569,900,215	2,555,078,215	218,080,431	723,713,499
Adjustments to brought forward balance	1,071,648,839	(38,944,437)	444,024,887	(3,892,868)
Losses expired /write-off during the year	(918,246,227)	(1,078,648,101)	(365,855,733)	(434,164,606)
Tax losses utilised during the year (Note 12.4)	(353,382,130)	(68,856,748)	(48,076,183)	(68,308,873)
Loss incurred during the year (Note 12.4)	343,567,641	201,271,286	25,853,803	733,279
Tax losses carried forward	1,713,488,338	1,569,900,215	274,027,205	218,080,431

12.6 Applicable Income Tax Rates

(a). The income tax provision of Ceylon Hotels Corporation PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and Act No. 45 of 2022 and its amendments thereto.

(b). The subsidiaries, being a company engaged in the promotion of tourism is liable for tax at a standard rate of 30% in terms of the Inland Revenue Act No. 45 of 2022 and its amendments thereto.

13 EARNINGS/(LOSS) PER SHARE

13.1 Basic Earnings/(loss) per share

Basic earnings/(loss) per ordinary share has been calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

For the Year Ended 31 March	Group		Company	
	2025	As restated 2024	2025	2024
Profit / (loss) attributable to equity holders of the company (Rs.)	139,106,351	(1,249,074)	37,919,164	78,568,383
Weighted average number of ordinary shares	180,030,942	180,030,942	180,030,942	180,030,942
Profit per share (Rs.)	0.77	(0.01)	0.21	0.44

13.2 Diluted Earnings/(loss) per share

Diluted earnings per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year after adjustment for the effects of all dilutive potential ordinary shares.

As at 31st March 2025 & as at 31st March 2024 there were no dilutive potential ordinary shares. Hence diluted earnings per share is same as basic earnings/(loss) per share.

14 PROPERTY, PLANT AND EQUIPMENT

14.1 Group

	Freehold land	Freehold buildings	Building on leasehold land	Plant and machinery	Furniture and office equipment	Motor vehicles	Equipment	Computers	Swimming pool	WIP	Total 2025	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/ valuation												
As at 1st April 2024	6,235,000,000	2,172,684,230	1,974,075,000	234,419,900	245,817,119	22,649,000	235,438,469	52,598,362	36,445,780	18,779,982	11,227,907,842	10,863,239,615
Additions/ WIP Transfers during the year	-	645,041,758	-	12,195,691	58,103,673	-	51,538,019	8,814,629	-	732,767,060	1,508,460,830	334,239,768
Revaluations	752,655,000	295,185,070	-	-	-	-	-	-	-	-	1,047,840,070	(149,848,979)
Depreciation adjustment on revaluation/Transfers during the year	-	(132,966,056)	-	-	-	-	(58,242)	(26,900)	-	(741,413,159)	(874,464,357)	193,963,000
Disposals during the year	-	-	-	-	-	-	(238,000)	-	-	-	(238,000)	(13,685,562)
As at 31st March 2025	6,987,655,000	2,979,945,002	1,974,075,000	246,615,591	303,920,792	22,649,000	286,680,246	61,386,091	36,445,780	10,133,883	12,909,506,385	11,227,907,842
Accumulated depreciation												
As at 1st April 2024	-	88,458,387	-	104,261,859	118,603,890	463,999	150,363,699	47,362,814	21,197,569	-	530,712,217	516,734,571
Charge for the year	-	44,507,669	51,197,914	11,694,884	14,308,783	-	28,294,106	4,003,646	700,628	-	154,707,630	140,446,966
Depreciation on revaluation	-	-	-	-	-	-	-	-	-	-	-	(112,783,758)
Depreciation adjustment on revaluation/Transfers during the year	-	(132,966,056)	-	-	-	-	(7,280)	(5,380)	-	-	(132,978,716)	(13,685,562)
Disposals during the year	-	-	-	-	-	-	(238,000)	-	-	-	(238,000)	-
As at 31st March 2025	-	-	51,197,914	115,956,742	132,912,672	463,999	178,412,525	51,361,080	21,898,197	-	552,203,131	530,712,217
Net book value as at 31st March 2025	6,987,655,000	2,979,945,002	1,922,877,086	130,658,849	171,008,120	22,185,001	108,267,721	10,025,011	14,547,583	10,133,883	12,357,303,254	
Net book value as at 31st March 2024	6,235,000,000	2,084,225,843	1,974,075,000	130,158,041	127,213,229	22,185,001	85,074,770	5,235,548	15,248,211	18,779,982		10,697,195,625

14.1.1 Based on the assessment carried out internally, it has been identified that there is no permanent impairment of plant and equipment which requires provision in the financial statements based on reassessment as at 31 March 2025.

14.1.2 There were no capitalised borrowing costs related to the acquisition of Property Plant and Equipment during the year (2023/24 - nil).

14.1.3 There were no restrictions on the title of the Property, Plant and Equipment as at 31 March 2025.

14.1.4 There were no items of Property, Plant and Equipment pledged as security as at 31 March 2025 other than disclosed in Note 27.1.

14.1.5 At 31 March 2025, property, plant and equipment includes fully depreciated assets that are still in use, the cost of which amounted to (2024/2025 - Rs.77,681,882/-) and (2023/2024 - Rs.190,713,272/-) for the Group.

14.1.6 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of Rs.767,047,671/- (2023/2024 - Rs.334,239,768/-) by means of cash.

14.1.7 Buildings on leasehold land of the Group were revalued by an independent professional valuer Mr. S. Sivaskantha, F.I.V. (Sri Lanka) of Perera Sivaskantha & Company, Incorporated valuers, on the basis of Market Approach as at 31st March 2025.

14.1.8 The transfers represent movements of assets between the Company's subsidiaries and joint ventures. These transactions are carried out at book values, and accordingly, no gains or losses have been recognised in the consolidated financial statements.

The following table provides the fair value measurement hierarchy of the Group's Non financial assets.

As at 31 March 2025

Name of the Company	Asset Category	Date of valuation	Level 1	Level 2	Level 3	Total
The Kandy Hotels Company (1938) PLC	Freehold land	31 March 2025	-	-	6,987,655,000	6,987,655,000
	Freehold buildings	31 March 2025	-	-	2,979,927,438	2,979,927,438
United Hotels Co. Ltd	Buildings on leasehold land	31 March 2024	-	-	1,571,125,000	1,571,125,000
Tissa Resort (Pvt) Ltd	Buildings on leasehold land	31 March 2024	-	-	300,000,000	300,000,000
CHC Foods (Pvt) Ltd	Buildings on leasehold land	31 March 2024	-	-	102,950,000	102,950,000

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used for the Group in measuring Level 3 fair values, and the significant unobservable inputs used.

Name of the Company	Non financial assets	No of buildings / land	Location	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
The Kandy Hotels Co. (1938) PLC	Freehold land	2	Hotel Suisse at 30, Sangaraja Mawatha, Kandy	Open market value method	S Sivaskantha, Fellow Member of Institute of Valuation, Incorporated valuer	Price per perch of land Rs.8,000,000/- - 16,500,000/-	Estimated fair value would increase/ (decrease) if ;- Price per perch increases/ (decreases)
			Hotel Queens at 04, Dalada veediya , Kandy				
	Building	2	Hotel Queens at 04, Dalada veediya , Kandy	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation, Incorporated valuer	Range Rs.12,000/- Rs.32,000/- per sq. ft	Estimated fair value would increase/ (decrease) if ;- Price per square feet increases/ (decreases)
United Hotels Co. Ltd	Building	01	EKHO Lake house hotel Parakrama Samudraya Pedesa, Polonnaruwa	Investment Method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.32,000 per sq. ft Depreciation rate - 42.5% Rate of Return - 13%	Estimated fair value would increase/ (decrease) if; - Price per square feet increases/ (decreases)
	Building	01	EKHO Surf at Beach Road, Bentota	Investment Method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.8,500/- to Rs.32,000/- per sq. ft depreciation rate - 35% Rate of Return - 13%	Estimated fair value would increase/ (decrease) if ;- Price per square feet increases/ (decreases)

Name of the Company	Non financial assets	No of buildings / land	Location	Valuation technique	Property valuer & Qualification	Significant unobservable inputs	Sensitivity of the input to the fair value
	Building	01	The Lake at Pothgul Pedesa, New Town, Polonnaruwa	Investment Method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.12,000/- to Rs.30,000/- per sq. ft depreciation rate - 45% Rate of Return -13%	Estimated fair value would increase/ (decrease) if ;- Price per square feet increases/ (decreases)
CHC Foods (Pvt) Ltd	Building	01	Hanwella Rest House Low Level Road, Hanwella	Investment Method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.4,500 - Rs.8,250 per sq. ft Depreciation rate - 55%-70% Rate of Return - 13%	The estimated fair value would increase / (decrease) if: • cost per square foot was higher / (lower) • depreciation rate (increase)/decrease • discount rate (increase)/decrease
	Building	01	The Heritage Kandy Rd, Ambepussa, Warakapola	Investment Method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.3,750 - Rs. 26,000 per sq. ft Depreciation rate - 40% Rate of Return-13%	The estimated fair value would increase / (decrease) if: • cost per square foot was higher / (lower) • depreciation rate (increase)/decrease • discount rate (increase)/decrease
Tissa Resort (Pvt) Ltd	Building	01	EKHO Safari at Kataragama Road, Tissamaharama	Depreciated replacement cost method	S Sivaskantha, Fellow Member of Institute of Valuation of Sri Lanka, Incorporated valuer	Range Rs.9,000 - Rs.26,500 per sq. ft Depreciation rate - 47.5% Rate of Return - 17.5%	Estimated fair value would increase/ (decrease) if ;- Price per square feet increases/ (decreases)

Open Market Value
The Open Market Value Method of valuation is a real estate appraisal approach used to determine the price a property would likely achieve if sold on the open market. This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market price of similar assets, making appropriate adjustments for difference in sise, nature and location of the property. This method assumes that the property is sold under normal market conditions, where both the buyer and seller are motivated but not under any undue pressure to complete the transaction.

Depreciated replacement cost method
The Depreciation Replacement Cost Method of valuation is a real estate valuation approach used to estimate the value of a property based on the cost to replace or reproduce the property, minus depreciation. The Depreciated replacement cost method works on the basis that property's value can be equated to its cost, Valuer assesses the cost of the building if it would have constructed in the current year, and deduct margin for usage of the property.

Investment Method (Income approach, Income capitalisation approach)
The Investment Method of Valuation, also known as the Income Approach or Income Capitalisation Approach, is a real estate valuation method that determines the value of a property based on its ability to generate income. This approach is commonly used for income-producing properties like rental buildings, office spaces, or commercial real estate.

14.1.8 Value of land and building ownership

Name of the Company	Location	Property	Ownership	Extent	Carrying value As at 31st March 2025
The Kandy Hotels Co. (1938) PLC	Hotel Suisse - No 30, Sangaraja Mawatha, Kandy.	Land	Freehold	429.85 Perches	3,439,000,000
		Building	Freehold	80,861.5 Sq.ft	1,713,000,000
	Hotel Queen's - No 04, Dalada Veediya, Kandy.	Land	Freehold	215.07 Perches	3,548,655,000
		Building	Freehold	114,885.5 Sq.ft	1,266.945,002
United Hotels Co. Ltd	EKHO Lake House Hotel, Parakrama Samudraya Pedesa, Polonnaruwa	Building	Leasehold	15,344 Sq ft	104,012,229
	The Lake at Pothgul Pedesa, New Town, Polonnaruwa	Building	Leasehold	31,533 Sq ft	167,821,875
	EKHO Surf Hotel, Beach Road, Bentota	Building	Leasehold	89,487 Sq ft	1,258,166,732
CHC Foods (Pvt) Ltd	Heritage Ambepussa & Avanhala Kandy road, Ambepussa Warakapola	Building	Leasehold	29,035 Sq ft	91,893,750
	Hanwella Rest House Low Level Road Hanwella	Building	Leasehold	9,531 Sq ft	8,482,500
Tissa Resort (Pvt) Ltd	EKHO Safari, Kataragama Road, Tissamaharama	Building	Leasehold	48,497.5 Sq ft	292,500,000

14.1.9 The carrying amount of revalued assets that would have been included in the Financial Statements, had the assets been carried at cost less accumulated depreciation is as follows,

As at 31st March	2025			2024
	Cost Rs.	Accumulated depreciation Rs.	Carrying value Rs.	Carrying value Rs.
Freehold land	1,956,262,500	-	1,956,262,500	1,956,262,500
Freehold buildings	1,287,315,010	412,524,896	874,790,114	255,531,376
Building on leasehold land	1,759,399,326	87,969,966	1,671,429,360	1,715,414,343
Total	5,002,976,836	500,494,862	4,502,481,974	3,927,208,219

14.2 Company

As at 31st March	Furniture fittings and fixtures Rs.	Computers Rs.	Total 2025 Rs.	Total 2024 Rs.
Cost/ Valuation				
As at 1st April	36,171	14,500	50,671	50,671
Additions during the year	-	26,900	26,900	-
Transfers during the year	-	(26,900)	(26,900)	-
As at 31st March	36,171	14,500	50,671	50,671
Accumulated Depreciation				
As at 1st April	33,970	14,500	48,470	42,104
Charge for the year	2,201	5,380	7,581	6,366
Transfers during the year*		(5,380)	(5,380)	-
As at 31st March	36,171	14,500	50,671	48,470
Carrying Amount				
As at 31st March 2025	-	-	-	
As at 31st March 2024	2,201	-		2,201

14.2.1 Based on the assessment carried out internally, it has been identified that there is no permanent impairment of plant and equipment which requires provision in the financial statements based on reassessment as at 31 March 2025.

14.2.2 There were no capitalised borrowing costs related to the acquisition of Property Plant and Equipment during the year (2024/25 - nil).

14.2.3 At 31 March 2025, property, plant and equipment includes fully depreciated assets that are still in use, the cost of which amounted to 2024/2025 - Rs. 50,671/- and (2023/2024 - 14,500/-) .

14.2.4 *The transfers represent movements of assets between the Company's subsidiaries and joint ventures.

14.2.5 The company owns a land extent of 37.16 perches at Awariwatta, Katunayake–Seeduwa, which was transferred to the company at the time of taking over the hotel from the government. However, the title deed is not available in the company's name. Company has paid the rates & taxes and the security charges for the said land during the year.

15 INTANGIBLE ASSETS

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Computer Software (Note 15.1)	3,165,097	2,503,974	-	-
Goodwill on Acquisition (Note 15.2)	451,859	451,859	-	-
Total	3,616,956	2,955,833	-	-

15.1 Computer Software

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Cost				
At the beginning of the year	56,784,844	55,349,844	23,460	23,460
Acquired/ incurred during the year	1,435,000	1,435,000	-	-
At the end of the year	58,219,844	56,784,844	23,460	23,460
Amortisation				
At the beginning of the year	54,280,870	46,388,756	23,460	23,460
Amortisation for the year	773,877	7,892,114	-	-
At the end of the year	55,054,747	54,280,870	23,460	23,460
Net book Value as at 31st March	3,165,097	2,503,974	-	-

15.2 Goodwill

As at 31st March	2025 Rs.	Total Rs.
Ceylon Hotels Maldives (Pvt) Ltd	451,859	451,859
	451,859	451,859

15.2.1 The Group has recognised goodwill of Rs. 451,859 as a result of acquisition of subsidiary Ceylon Hotels Maldives (Pvt) Ltd.

As required by LKAS 36 - " Impairment of Assets ", goodwill is tested for impairment on annual basis and assessed for any indication of impairment as at each reporting date to ensure that carrying amount does not exceed the recoverable amount. Accordingly, the management of the Group/Company conducted an assessment and concluded that there is no indication of the impairment of the goodwill as at 31st March 2025.

The Group undertakes an annual test for impairment of its Cash-Generating Units (CGUs) which is the lowest level of assets for which there are separately identifiable cash flows, have carrying amounts of goodwill that are considered for the impairment test.

The recoverable amount of CGUs are determined based on the Value in Use ('VIU') calculations. These forecasts and projections reflect management expectations of revenue growth, operating costs and margins for each CGU based on past experience and future plans and strategies.

Discounted Cash Flow ('DCF') method
VIU is calculated by applying DCF model using cash flow projections based on the forecasts and projections approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. The growth rates do not exceed the long-term average growth-rate for the business in which the CGU operates.

Free cash flow (FCF)
FCF projections are based on EBITDA and capital expenditure projections.

Pre-tax discount rate
The Group's long term Weighted Average Cost of Capital (WACC) is representative of discount rate and is used as the pre-tax discount rate to discount cash flow projections. (2025 - 13%)

Terminal growth rate
Terminal growth reflects the management expectations on the growth potential in Sri Lanka for the foreseeable future (2025 - 2%).

Notes to the Financial Statements

16 LEASES

16.1 Right of use assets

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
At the beginning of the year	108,936,035	108,505,697	-	-
Remeasurement of Right of use asset	-	5,788,048	-	-
Amortisation during the year	(5,357,707)	(5,357,710)	-	-
At the end of the year	103,578,328	108,936,035	-	-

16.1.1 Right of Use Assets are in respect of following properties, which are currently on lease with Sri Lanka Tourism Development Authority.

EKHO Surf – Bentota

EKHO Safari – Tissa

The Lake – Polonnaruwa

EKHO Lake House – Polonnaruwa

Hanwella - CHC Food

Ambepussa - CHC Food

17 INVESTMENTS IN SUBSIDIARIES

As at 31st March	Market Value 2025 Rs.	No. of shares Company 2025	No. of shares Company 2024	Effective Holding % 2025	Effective Holding % 2024	Company 2025 Rs.	Company 2024 Rs.
Direct - Subsidiaries							
The Kandy Hotels Co. (1938) PLC.	4,282,154,124	528,661,003	528,661,003	70.09%	70.09%	1,902,724,765	1,902,724,765
Airline Services (Pvt) Ltd.		150,003	150,003	100.00%	100.00%	300,000	300,000
CHC Foods (Pvt) Ltd.		13,500,001	13,500,001	100.00%	100.00%	135,000,010	135,000,010
Sub - Subsidiaries							
United Hotels Co. Ltd.				70.09%	70.09%	-	-
Tissa Resort (Pvt) Ltd.				70.09%	70.09%	-	-
Ceylon Hotel Maldives (Pvt) Ltd				70.09%	70.09%	-	-
Suisse Hotel (Pvt) Ltd				70.09%	70.09%	-	-
						2,038,024,775	2,038,024,775
Provision for impairment (Note 17.1)						(300,000)	(300,000)
						2,037,724,775	2,037,724,775

17.1 Provision for Impairment

	2025	2024
At the beginning of the year	300,000	300,000
At the end of the year	300,000	300,000

17.2 Principal Subsidiaries

The following disclosure except highlights the group composition and the proportion of ownership interests held by NCI as at 31st March 2025.

Company and Country of Incorporation/Operation	Principal Activities	Class of Shares Held	2025			2024		
			Proportion of interest held by the Company	Group Interest (%)	Non-controlling interest (%)	Proportion of interest held by the Company	Group Interest (%)	Non-controlling interest (%)
Sri Lanka								
United Hotels Co. Ltd.	Hotel Services	Ordinary	-	70.09%	29.91%	-	70.09%	29.91%
Tissa Resort (Pvt) Ltd	Hotel Services	Ordinary	-	70.09%	29.91%	-	70.09%	29.91%
The Kandy Hotels Co. (1938) PLC	Hotel Services	Ordinary	70.09%	70.09%	29.91%	70.09%	70.09%	29.91%
Suisse Hotel (Pvt) Ltd	Hotel Services	Ordinary	-	70.09%	29.91%	-	70.09%	29.91%
Ceylon Hotels Maldives (Pvt) Ltd	Hotel Services	Ordinary	-	70.09%	29.91%	-	70.09%	29.91%

17.3 Summary financial information for subsidiaries that have non-controlling interests that are material to the Group.

The following table summarises the information relating to the Group's subsidiaries that have material NCI, before any intra-group eliminations.

As at 31st March 2025	Ceylon Hotels Maldives (Pvt) Ltd Rs.	United Hotels Co. Ltd Rs.	Tissa Resort (Pvt) Ltd Rs.	The Kandy Hotels Co. (1938) PLC Rs.	Suisse Hotel (Pvt) Ltd Rs.
NCI percentage	29.91%	29.91%	29.91%	29.91%	29.91%
Total Assets	2,783,527,339	4,520,977,549	418,111,453	15,501,097,309	501,792,731
Total Liabilities	83,000	2,857,586,424	264,832,469	4,395,001,872	9,808,989
Net Assets	2,783,444,339	1,663,391,125	153,278,984	11,106,095,437	491,983,742
Net Assets attributable to NCI	832,528,202	497,520,285	45,845,744	3,321,833,145	147,152,337
Revenue	-	725,178,831	262,067,988	527,146,828	-
Profit/(loss) for the year	183,393,687	(25,289,376)	39,866,280	(89,933,824)	(257,246)
OCI	-	(845,658)	(458,915)	733,149,889	-
Total Comprehensive Income/(expense)	183,393,687	(26,135,034)	39,407,365	643,216,065	(257,246)
Profit/(loss) attributable to NCI	54,853,052	(7,564,052)	11,924,004	(26,899,207)	(76,942)
OCI attributable to NCI	-	(252,936)	(137,261)	219,285,132	-
Cash flows from/(used in) operating activities	(953,444,079)	89,190,085	(82,172,174)	910,306,536	(23,019,251)
Cash flows from/(used in) investment activities	258,914,256	(19,361,164)	(21,604,604)	(732,100,039)	30,500,000
Cash flows from/(used in) financing activities	(6,952,750)	(99,340,389)	94,345,000	(240,990,579)	-
Net increase/ (decrease) in cash and cash equivalents	(701,482,574)	(29,511,468)	(9,431,778)	(62,784,082)	7,480,749
Dividends paid to NCI during the year	-	-	-	-	-

As at 31st March 2024	Ceylon Hotels Maldives (Pvt) Ltd Rs.	United Hotels Co. Ltd Rs.	Tissa Resort (Pvt) Ltd Rs.	The Kandy Hotels Co. (1938) PLC Rs.	Suisse Hotel (Pvt) Ltd Rs.
NCI percentage	29.91%	29.91%	29.91%	29.91%	29.91%
Total Assets	2,607,314,315	3,592,045,978	364,486,690	13,366,708,390	208,603,982
Total Liabilities	7,263,663	1,902,519,819	350,615,073	2,903,791,523	39,362,993
Net Assets	2,600,050,651	1,689,526,159	13,871,617	10,462,916,867	169,240,989
Net Assets attributable to NCI	777,675,150	505,337,274	4,149,001	3,129,458,435	50,619,980
Revenue	-	441,664,208	186,709,296	594,884,828	-
Profit/(loss) for the year	183,393,687	(131,414,819)	6,762,069	(62,789,055)	(192,122)
OCI	-	2,424,360	32,664	(997,737)	-
Total Comprehensive Income/(expense)	183,393,687	(128,990,459)	6,794,733	(63,786,792)	(192,122)
Profit/(loss) attributable to NCI	54,853,052	(39,306,172)	2,022,535	(18,780,206)	(57,464)
OCI attributable to NCI	-	725,126	9,770	(298,423)	-
Cash flows from/(used in) operating activities	(777,911,716)	429,852,495	103,039,034	241,545,173	112,000
Cash flows from/(used in) investment activities	226,962,908	(308,271,092)	(477,126)	(25,938,419)	-
Cash flows from/(used in) financing activities	(19,971,307)	(75,311,459)	(95,268,002)	(226,984,659)	-
Net increase/ (decrease) in cash and cash equivalents	(570,920,115)	46,269,945	7,293,905	(11,377,905)	112,000

17.3.1 Changes in Interest without a Change in Control

A) On 14 July 2023, Ceylon Hotels Corporation PLC (CHC PLC) transferred its investment in United Hotels Company Limited (UHCL) to The Kandy Hotels Company (1938) PLC (KHC PLC). KHC PLC acquired 83.89% of the issued share capital of UHCL, an affiliate of KHC PLC, through a share issue to CHC PLC and Ceylon Hotels Investment (Pvt) Ltd (CHI). KHC has issued 176,809,253 no.of shares for a total consideration of Rs.2,645,066,425/- [CHC PLC - Rs.1,901,322,111 and CHI - Rs.743,743,446]. The aforementioned restructure resulted in UHCL and its subsidiaries becoming fully owned subsidiaries of KHC since KHC PLC had 16.11% stake in UHCL classified as financial assets at fair value through other comprehensive income as of March 31, 2023. As a result of the said common control restructure, CHC PLC's non-controlling interest in KHC PLC has changed.

B) Due to the above restructure, the effective interest of the subsidiaries under KHC PLC has changed. Impact of the said changes in interest is depicted below.

(A) Net change in NCI of KHC PLC

	The Kandy Hotels Co. (1938) PLC (Rs.)
NCI % change	-0.55%
Change in net assets attributable to NCI	(747,431,899)
Increase in NCI due to the issuance of shares issued to CHI (Pvt.) Ltd	743,743,446
Net change in NCI in KHC PLC (A)	(3,688,453)

(B) Net change in NCI of other subsidiaries

As a result of the above common control restructure, the Group's effective interests of the following subsidiaries have changed.

	Change in NCI Effective Holding %	Change in NCI (Rs.)
United Hotels Co. Ltd	8.62%	157,694,830
Tissa Resort (Pvt) Ltd	8.62%	650,108
Ceylon Hotels Maldives (Pvt) Ltd	8.62%	221,297,394
Net change in NCI in other subsidiaries (B)		379,642,332
Total effect of changes in interest while retaining control (A+B)		375,953,880

17.4 Investment in Equity Accounted Investees

17.4.1 Principal joint Venture

As at 31st March 2025

The following disclosure except highlights for material joint venture and the proportion of ownership interests held by joint venture.

Company and country of incorporation/operation	Principal activities	Class of shares held	2025		2024		2023	
			Proportion of class held by the company	Group interest (%)	Proportion of class held by the company	Group interest (%)	Proportion of class held by the company	Group interest (%)
Sri Lanka								
Suisse Hotel Kandy (Pvt) Ltd	Hotel Services	Ordinary	-	35%	-	35%	-	35%
Ceylon Holiday Holdings (Pvt) Ltd	Hotel Services	Ordinary	50%	50%	50%	50%	50%	50%

As at 31st March	Suisse Hotel Kandy (Pvt) Ltd		Ceylon Holiday Holdings (Pvt) Ltd		Total	
	2025 (Rs.)	As restated 2024 (Rs.)	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	As restated 2024 (Rs.)
No of Shares	191,701,814	162,451,814	198,800,129	198,800,129		
Effective rate %	50%	50%	50%	50%		
At the beginning of the year	145,383,158	148,940,297	135,158,183	126,531,340	280,541,341	275,471,637
During the year investment	292,500,000	-	-	-	292,500,000	-
Share of operating profit / (loss) for the year	8,389,606	(3,557,139)	28,290,360	35,702,719	36,679,966	32,145,580
Share of other comprehensive income/(expenses), net of tax	136,246,961	-	-	(27,075,876)	136,246,961	(27,075,876)
Classified as Assets held for sale (Note 23)	-	-	-	-	-	-
At the end of the year	582,519,725	145,383,158	163,448,543	135,158,183	745,968,268	280,541,341

As at 31st March	Suisse Hotel Kandy (Pvt) Ltd		Ceylon Holiday Holdings (Pvt) Ltd		Total	
	2025 (Rs.)	As restated 2024 (Rs.)	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	As restated 2024 (Rs.)
(A) Summary financial information of Joint Ventures						
Current Asset	168,887,008	178,114,718	131,932,194	86,071,887	300,819,202	264,186,605
Non Current Asset	1,738,387,656	1,759,362,365	860,695,155	831,187,994	2,599,082,811	2,590,550,359
Current Liabilities	(253,495,840)	(599,659,634)	(467,075,992)	(392,734,486)	(720,571,832)	(992,394,120)
Non Current Liabilities	(2,205,640,721)	(2,522,747,426)	(198,654,269)	(254,209,029)	(2,404,294,990)	(2,776,956,455)
Net Assets (100%)	(551,861,897)	(1,184,929,977)	326,897,087	270,316,366	(224,964,810)	(914,613,611)
Group's share of net assets	(275,930,948)	(592,464,989)	163,448,543	135,158,183	(112,482,405)	(457,306,806)
Share of adjustments for uniform accounting policy	858,450,673	737,848,147	-	-	858,450,673	737,848,147
Share of net asset attributable to equity accounted investee	582,519,725	145,383,158	163,448,543	135,158,183	745,968,269	280,541,341
Summary financial information of Share of Joint Ventures						
Revenue	718,172,940	513,399,823	458,486,723	329,725,911	1,176,659,664	843,125,734
Profit/(losses) before income tax	46,947,133	23,022,304	44,781,375	(10,521,521)	91,728,508	12,500,783
Income tax (expense) / reversal	(51,671)	(20,332)	11,799,345	(48,868,177)	11,747,674	(48,888,509)
Uniform accounting policy adjustments - P & L	(30,116,251)	(30,116,251)	-	-	(30,116,251)	(30,116,251)
Profit /(loss) after tax	16,779,211	(7,114,279)	56,580,721	(59,389,698)	73,359,932	(66,503,977)
Other comprehensive income/(expense) ,net of tax	1,172,118	-	-	(13,375,978)	1,172,118	(13,375,978)
Uniform accounting policy adjustments - OCI	271,321,303	-	-	-	271,321,303	-
Total comprehensive income/(expense) for the year	289,272,632	(7,114,279)	56,580,721	(72,765,676)	345,853,353	(79,879,955)
Share of profit /(loss) after tax - during the year	8,389,606	(3,557,139)	28,290,360	(29,694,849)	36,679,966	(33,251,988)
Share of profit /(loss) after tax - prior year net assets adjustments	-	-	-	65,397,568	-	65,397,568
Net Share of profit /(loss) after tax - for the year	8,389,606	(3,557,139)	28,290,360	35,702,719	36,679,966	32,145,580
Share of OCI - prior year net assets adjustments	-	-	-	(20,387,887)	-	(20,387,887)
Share of OCI net of tax for the year	136,246,961	-	-	(6,687,989)	136,246,961	(6,687,989)
Net Share of OCI - prior year net assets adjustments	136,246,961	-	-	(27,075,876)	136,246,961	(27,075,876)
Share of Joint Ventures total comprehensive income/(loss) for the year	144,636,567	(3,557,139)	28,290,360	8,626,843	172,926,927	5,069,704

Summary of cash flow informations

	Suisse Hotel Kandy (Pvt) Ltd		Ceylon Holiday Holdings (Pvt) Ltd		Total	
	2025 (Rs.)	As restated 2024 (Rs.)	2025 (Rs.)	2024 (Rs.)	2025 (Rs.)	As restated 2024 (Rs.)
Cash flows from/ (used in) operating activities	(195,066,978)	251,789,863	152,260,145	66,596,265	(42,806,833)	107,966,214
Cash flows from/ (used in) investing activities	557,198,449	(11,845,754)	(51,010,027)	(47,726,668)	506,188,422	(47,658,894)
Cash flows from/ (used in) finance activities	(322,564,301)	(219,138,520)	(84,615,127)	(28,322,042)	(407,179,428)	(49,011,143)
Net increase/ (decrease) in cash and cash equivalents	39,567,170	20,805,589	16,634,992	(9,452,445)	56,202,162	11,296,177

17.4.1.1 The investor's share of losses of an equity-accounted investee is recognised only until the carrying amount of the investor's equity interest in the investee is reduced to Zero.

17.4.2 Investments in Joint Venture

	Company	
	2025 Rs.	2024 Rs.
Ceylon Holiday Holdings (Pvt) Ltd		
At the beginning of the year	125,330,153	125,330,153
At the end of the year	125,330,153	125,330,153

18 INVESTMENT PROPERTY

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	-	193,963,000	-	-
Transferred to PPE	-	(193,963,000)	-	-
At the end of the year	-	-	-	-

18.1 Transfer to Property Plant and Equipment

In May 2023, the land and buildings of Lake Hotel, previously classified as investment property and measured at fair value, were reclassified as owner-occupied property. The owners have decided to re-purpose the land and buildings for direct hotel operations.

Immediately before the transfer, the Company remeasured the investment property at fair value. The remeasurement concluded that there was no change in fair value since the last revaluation on 31st March 2023. The valuation technique and significant unobservable inputs used in determining this fair value are consistent with the note 18.1.1.

18.1.1 The following table shows the valuation techniques used for the Group in measuring Level 3 fair values, and the significant unobservable inputs used for investment property.

Location	Property	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
The Lake Hotel Pothugul Pedesa, New Town, Polonnaruwa	Building on lease hold land	Investment Method	Rs. 12,000 to Rs. 30,000 per sq. ft Depreciation rate - 45% Rate of Return -13%	Estimated fair value would increase/ (decrease) if ;- Price per square feet increases/(decreases)

19 INVENTORIES

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Food	24,894,980	19,499,060	-	-
Beverages	8,401,493	12,925,362	-	-
Crockery, linen and glassware	71,450,071	70,302,427	-	-
Sundry stock	42,675,293	15,171,605	-	-
	147,421,837	117,898,454	-	-
(-) Provision for obsolete and slow moving stocks	(6,504,624)	(4,473,487)	-	-
	140,917,213	113,424,967	-	-

19.1 PROVISION FOR OBSOLETE AND SLOW MOVING STOCKS

At the beginning of the year	4,473,487	3,906,726	-	-
Provision/ (Reversal) during the year	2,031,137	566,761	-	-
At the end of the year	6,504,624	4,473,487	-	-

20 INVESTMENT IN EQUITY SHARES

	Group/Company				
	No. Of Shares	2025 Fair Value Rs.	2025 Cost Rs.	2024 Fair Value Rs.	2024 Cost Rs.
Expolanka Holdings PLC	175,000	-	-	26,337,500	27,450,699
		-	-	26,337,500	27,450,699

As at 31st March	Group/Company	
	2025 Rs.	2024 Rs.
At the beginning of the year	26,337,500	36,825,500
Investment/ (disposal) made during the year	(32,375,000)	(13,163,330)
Disposal gain on sales of equity securities	6,037,500	3,788,529
Fair value loss from remeasurement	-	(1,113,199)
At the end of the year	-	26,337,500

21 TRADE & OTHER RECEIVABLES

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Trade receivables (Note 21.1)	180,834,572	214,947,935	-	-
Other receivables (Note 21.2)	193,067,810	176,974,193	422,247	-
	373,902,382	391,922,128	422,247	-

21.1 Trade receivables

Trade receivable	187,599,272	222,388,853	-	-
ECL Provision for bad & doubtful debts (Note 21.3)	(6,764,700)	(7,440,918)	-	-
	180,834,572	214,947,935	-	-

21.2 Other receivables

Advances and deposits	116,371,997	55,860,778	-	-
Other receivables	87,962,624	132,670,721	6,443,441	6,311,689
Provision for bad & doubtful debts (Note 21.3)	(11,266,811)	(11,557,306)	(6,021,194)	(6,311,689)
	193,067,810	176,974,193	422,247	-

21.3 ECL provision for impairment of trade & other receivables

At the beginning of the year	18,998,224	12,523,191	6,311,689	1,115,252
Provision/ (Reversal) during the year	(966,713)	6,475,033	(290,495)	5,196,437
At the end of the year	18,031,511	18,998,224	6,021,194	6,311,689

Management has carried out an impairment provision based on the simplified approach of ECL method and impairment provision of Rs.18,031,511/- has been accounted for trade & other debtors as the ECL. (2023/2024 - Rs.18,998,224/-)

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

22 AMOUNTS DUE FROM RELATED COMPANIES

Name of the company	Relationship	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Unionco (Pvt) Ltd.	Affiliate	763,809	-	763,809	-
Capital Land & General (Pvt) Ltd	Affiliate	5,281	-	5,281	-
Studio Clay (Pvt) Ltd	Affiliate	-	36,138	-	36,133
CHC Foods (Pvt) Ltd	Subsidiary	-	-	64,324,231	74,235,010
Tissa Resort (Pvt) Ltd	Subsidiary	-	-	-	2,146,388
CHC Rest Houses (Pvt) Ltd	Equity- accounted investees	29,095,017	43,355,659	26,153,129	29,351,412
The Kandy Hotels Company (1938) PLC	Subsidiary	-	-	19,120,655	69,779
Made in Italy (Pvt) Ltd	Affiliate	-	2,607	-	-
Galle Face Group (Pvt) Ltd	Affiliate	10,285,753	2,643,498	2,628,768	2,643,498
Gardiner Group (Pvt) Ltd	Affiliate	5,094	339,225	5,094	-
Ceylon Holiday Holdings (Pvt) Ltd	Equity- accounted investees	119,673,572	75,861,006	119,673,572	75,861,006
Galle Face Hotel 1994 (Pvt) Ltd	Affiliate	152,289	614,728	-	338,503
The Galle Face Hotel Co Ltd	Parent Company	-	13,992,916	-	13,992,916
GFH Management Co. (Pvt) Ltd.	Affiliate	23,143,335	982,841	3,626,967	-
Suisse Hotel Kandy (Pvt) Ltd	Equity- accounted investees	26,581,726	33,373,726	-	-
Ceylon Hotel Holdings (Pvt) Ltd	Intermediate Parent Company	346,915,707	354,086,622	346,915,707	354,086,622
		556,621,583	525,288,966	583,217,213	552,761,267
Provision for amounts due from related companies (Note 22.1)		(16,830,832)	(5,003,878)	(20,457,208)	(14,646,698)
Total Amounts due from related companies		539,790,751	520,285,088	562,760,005	538,114,569

22.1 Provision for Expected credit loss

	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
At the beginning of the year	5,003,878	1,371,604	14,646,698	14,258,104
Provision for the year	12,225,639	3,632,274	5,880,290	388,594
Write-off during the year	(398,685)	-	(69,780)	-
At the end of the year	16,830,832	5,003,878	20,457,208	14,646,698

23 INCOME TAX RECOVERABLE

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	-	2,180,159	-	-
Under provision in respect of previous year	-	(1,043,513)	-	-
Transferred to income tax payable (Note 34)	1,752,301	(1,136,646)	-	-
At the end of the year	1,752,301	-	-	-

24 CASH & CASH EQUIVALENTS

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Favourable cash and bank balances				
Cash at banks	315,396,354	706,164,504	4,106,697	49,750
Fixed deposits	894,930,148	1,180,910,304	-	-
Cash in hand	7,869,156	8,336,769	-	-
	1,218,195,658	1,895,411,577	4,106,697	49,750
Unfavourable cash and bank balances				
Bank Overdrafts	(340,341,154)	(226,397,335)	-	(288,617)
Cash & cash equivalents for cash flow purpose	877,854,504	1,669,014,242	4,106,697	(238,867)

25 STATED CAPITAL

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Ordinary shares (180,030,942)	360,210,821	360,210,821	360,210,821	360,210,821
6% Preference shares (1,200,000 Shares)	2,400,000	2,400,000	2,400,000	2,400,000
	362,610,821	362,610,821	362,610,821	362,610,821

25.1 All shares rank equally with regard to the Company's residual assets, except that preference shareholders participate only to the extent of the face value of the shares.

25.2 The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's shares that are held by the Group, all rights are suspended until those shares are reissued.

26 RESERVES

As at 31st March	Group 2025 Rs.	Group As restated 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Revaluation reserve	5,577,852,396	5,030,495,139	-	-
Capital reserve	8,128,011	8,128,011	8,128,011	8,128,011
Equity Reserve - Acquisition under common control (Note 39.1.3)	-	-	2,228,212,108	2,228,212,108
General reserve	167,079,660	167,079,660	166,718,393	166,718,393
	5,753,060,067	5,205,702,810	2,403,058,512	2,403,058,512

26.1 Revaluation reserve

The revaluation reserve relates to property, plant and equipment which has been revalued by the Group.

26.2 Capital reserve

The capital reserve relates to funds set aside by the Group for long term capital investment or other large and anticipated expenses that will be incurred in the future.

26.3 Equity Reserve - Acquisition under common control

This was created in the Company reflecting the fair value gain from share swaps with UHCL and KHC. However, this does not impact the consolidated reserves, as the structural change took place within common control.

26.4 General reserve

The general reserve relates to retained earnings set aside by the Group.

27 INTEREST BEARING BORROWINGS

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Analysis of interest bearing borrowings				
At the beginning of the year	1,367,722,520	1,673,124,427	-	-
Exchange (gain) / loss	(9,123,684)	(49,313,649)	-	-
Interest accrued during the year	119,785,679	177,464,854	-	-
Interest repayment during the year	(125,264,078)	(145,548,614)	-	-
Repayments during the year	(272,955,639)	(288,004,498)		
At the end of the year	1,080,164,798	1,367,722,520	-	-
Payable after one year	721,070,128	1,044,787,666	-	-
Payable within one year	359,094,670	322,934,854	-	-

27.1 Interest bearing borrowing analysis

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2025
Tissa Resort (Pvt) Ltd					
Commercial Bank of Ceylon PLC	In 35 Monthly equal instalments of Rs.160,000/- each and final instalment of Rs.105,603/-together with the interest	5,700,000/-	Fixed 10%	Corporate guarantee for Rs.216,500,000/-dated 25/11/2011 signed by Ceylon Hotel Corporation PLC, Primary mortgage bond No-1831 for Rs.216,500,000/- date 22/03/2012 executed over leasehold rights of Katharagama road, Tissamaharama Property owned by The Sri Lanka Tourism Development Authority	2,345,603
Commercial Bank of Ceylon PLC	First 12 months Rs.80,000*12, Next 12 Months 250,000*12, Next 24 Months 400,000*24, Next 11 Months Rs.410,000*11 and Final instalment of Rs.430,000/-	18,500,000/-	AWPLR + 1.75%		15,290,000
Commercial Bank PLC - Interest Morotorium - (Accrued Interest)					172,702
					17,808,305
United Hotels Co. Ltd.					
Commercial Bank of Ceylon PLC (Term Loan)	Rs.240,000 x 12 months Rs.730,000 x 12 months Rs.1,220,000 x 24 months Rs.1,480,000 x 11 months Rs.1,550,000 x 1 month	75,000,000	AWPLR + 1.75%	Primary mortgage bond No. 962 for Rs.75Mn dated 05/05/2017 executed over leasehold rights of "The Lake House" Polonnaruwa property owned by the Sri Lanka Tourism Development Authority for Rs.75 Mn and Corporate guarantee of Rs.3.75 Mn from Ceylon Hotels Corporation PLC	50,030,000
Commercial Bank of Ceylon PLC (Term Loan)	Rs.60,000 x 12 months Rs.270,000 x 12 months Rs.380,000 x 24 months Rs.490,000 x 11 months Rs.553,000 x 1 month	20,000,000	AWPLR + 1.75%		16,120,000
Commercial Bank of Ceylon PLC (Interest Moratorium Loan)	35 Equal Instalments of Rs.1,189,000 and Balance by final installement of Rs.1,215,879.22 (commencing from June 2023)	40,312,585	Fixed 10%		19,050,878

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2025
Cargills Bank PLC	(Capital USD 6,081.72 + Interest) x 12 months, (Capital USD 16,617 + Interest) x 12 months, (Capital USD 24,926 Interest) x 12 months, (Capital USD 26,587 + Interest) x 12 months, (Capital USD 28,249 + Interest) x 12 months, (Capital USD 29,911 + Interest) x 12 Months, (Capital USD 33,799 + Interest) x 12 Months	US$.1,994,006	Fixed 8%	Primary Floating Mortgage Bond – USD 1.5M over leasehold property at Bentota (Tourist Resort "Surf" + fixed assets). Secondary Mortgage Bond – Rs.50M over the same leasehold property at Bentota. Corporate Guarantees from Ceylon Hotel Corporation PLC: - USD 120,000 - Rs.52,000,000 - Rs.30,000,000 - USD 60,000 Letter of Comfort / Awareness – from The Galle Face Hotel Co. Ltd.	502,814,105
Interest Morotorium (Accrued Interest)					8,167,347
					596,182,330
The Kandy Hotels Co (1938) PLC					
Sampath Bank PLC	Capital to be repaid in 61 monthly instalments of Rs.8,300,000.00 and final instalment of 10,700,000.00 commencing from 26-07-2023. Interest to be serviced monthly during the full tenor of the loan	517,000,000	Fixed 12% for a period of 12 months commencing from 26-06-2022 thereafter AWPLR +1%	Corporate guarantee of Ceylon Hotels Corporation PLC for Rs.719,630,000/-, Mortgage over shares of United Hotels Company Limited for Rs.600,000,000/ owned by The Kandy Hotels Company (1938) PLC, Negative pledge over immovable properties of the company	367,600,000
Sampath Bank PLC	Capital and interest grace period received from April 2020 to March 2021 under Covid-19 Relief Package offered by Central Bank of Sri Lanka. Capital to be repaid in 37 monthly instalments of Rs 1.7 Mn and a final instalment of Rs 2.23 Mn together with interest.	65,130,959	Fixed 10%		14,130,959

Financial institution	Repayment terms	Principal (Rs.)	Rate	Security	Closing balance as at 31st March 2025
Commercial Bank of Ceylon PLC	In 35 months instalments of Rs.1,875,000.00 & final instalment of Rs.1,900,000.	67,000,000	Fixed 10%	Corporate Guarantee of Rs.100,000,000/- dated 06/09/2017 signed by Ceylon Hotel Corporation PLC. , Corporate Guarantee of Rs.14,000,000/- dated 09/08/2019 signed by Ceylon Hotel Corporation PLC., Corporate Guarantee of Rs.50,000,000/- dated 23/12/2019 signed by Ceylon Hotel Corporation PLC. ,Primary floating mortgage bond No.4110 for Rs.50,000,000/- dated 10/02/2020 executed over debit & credit card sales of the total operations at Queens Hotel, Hotel Suisse and any other future locations routed through Commercial Bank's card center.	29,984,824
Commercial Bank of Ceylon PLC	Capital Repayments to be made from May 2023 for a period of 60 months as follows. First 12 months = Rs. 200,000/- X 12 = Rs. 2.400,000/- Next 12 months = Rs. 600,000/- X 12 = Rs. 7,200,000/- Next 24 months = Rs.1,000,000/-X 24= Rs.24,000,000/- Next 11 months = Rs.1,280,000/-X 11= Rs.14,080,000/- Final Instalment= Rs.1,320,000/- = Rs. 1,320,000/-	49,000,000	AWPLR +1.75%		41,800,000
Interest Morotorium (Accrued Interest)					10,991,716
					464,507,499
CHC Foods (Pvt) Ltd					
Peoples' Bank PLC	Loan to be repaid in 54 monthly instalments of Rs.92,592.59 after initial grace period of 6 months	5,000,000	AWPLR+ 3.5% (Weekly)	Corporate guarantee issued by Ceylon Hotels Corporation PLC	1,666,665
					1,666,665
Total Group					1,080,164,798

28 EMPLOYEE BENEFIT OBLIGATIONS

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
At the beginning of the year	25,953,191	20,544,913	5,405,836	6,985,350
Current service cost (b)	3,073,825	2,159,460	-	213,079
Interest cost (b)	2,854,851	3,787,068	-	765,250
Transferred to related company	-	(1,609,580)	(5,405,836)	(3,159,101)
Employee benefit obligations paid	(4,774,838)	(4,020,650)	-	(1,006,942)
Actuarial losses (b)	2,389,984	5,091,980	-	1,608,200
At the end of the year	29,497,013	25,953,191	-	5,405,836
(a) The amounts recognised in the balance sheet are as follows.				
Present value of the unfunded obligations	29,497,013	25,953,191	-	5,405,836
Recognised liability for defined benefit obligations	29,497,013	25,953,191	-	5,405,836

(b) Net Benefit Expense

Following amount are recognised in statement of profit or loss and other comprehensive income during the year in respect of the retirement benefit obligation.

For the year ended 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Total amount recognised in profit or loss				
Current service cost	3,073,825	2,159,460	-	213,079
Interest cost	2,854,851	3,787,068	-	765,250
	5,928,676	5,946,528	-	978,329
Total amount recognised in other comprehensive income				
Actuarial losses on obligations	2,389,984	5,091,980	-	1,608,200
	2,389,984	5,091,980	-	1,608,200
Net benefit expense	8,318,660	11,038,508	-	2,586,529

(c) An actuarial valuation of the provision for defined benefit plan was carried out as at 31 March 2025 by Actuarial & Management Consultants (Private) Limited. The valuation method used by the actuaries to value the employee benefits obligation is the ''Projected Unit Credit (PUC) method'', the method recommended by the Sri Lanka Accounting Standard (LKAS 19) '' Employee Benefits''.

Principal actuarial assumptions used for the Group and the Company are as follows :

As at 31st March	Group		Company	
	% Per Annum / Years		% Per Annum / Years	
	2025	2024	2025	2024
Financial assumptions				
a) Discount Rate	10% - 11%	11%	-	11%
b) Salary Increase	15%	15%	-	15%
Demographic assumptions				
c) Staff salary turnover rate	22% - 34%	24% - 43%	-	25%
d) Retirement age	60 Years	60 Years	-	60 Years
e) Expected average future working life of the active participants	2.4 - 4	1.9 - 3.8	-	3.8

The Liability is not externally funded.

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 1967/70 mortality table" issued by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

As per the Minimum Retirement Age of Workers Act No.28 of 2021, the minimum retirement age of private sector employees was extended to 60 years.

In the absence of a deep market in long-term bonds in Sri Lanka, a long-term interest rate of 10% to 11 % p.a. (2023/2024 – 11% p.a.) has been used to discount future liabilities considering yield available on government bonds with a tenure equivalent to the average future working life of the employees.

28.1 Sensitivity Analysis

The defined benefit obligation's sensitivity to changes in key assumptions as at 31 March 2025 and 2024 are shown below.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Discount Rate - (1% Increase)	(975,078)	(751,010)	-	(197,863)
Discount Rate - (1% decrease)	1,046,321	800,761	-	212,451
Salary Increment Rate - (1% Increase)	1,089,365	850,650	-	222,848
Salary Increment Rate - (1% decrease)	(1,034,369)	(812,640)	-	(211,228)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

28.2 Maturity analysis of Employee benefit

As at 31st March	Group 2025 Rs.	Company 2025 Rs.
With in 1 year or equal to 1 year	6,060,279	-
Over 1 year and less than or equal to 2 years	4,360,049	-
Over 2 years and less than or equal to 5 years	12,725,795	-
Over 5 years and less than or equal to 10 years	4,663,622	-
Over 10 years	1,687,268	-
	29,497,013	-

29 DEFERRED TAXATION

29.1 Deferred tax liabilities

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	2,044,063,667	2,042,291,206	-	-
Origination/(reversal) of temporary differences				
Recognised in income statement	(48,142,382)	13,937,162	-	-
Recognised in other comprehensive income	313,635,026	(12,164,701)	-	-
At the end of the year	2,309,556,311	2,044,063,667	-	-

29.2 Deferred tax Asset

	As at 31st March	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
	At the beginning of the year	22,351,373	-	22,351,373	-
	Origination of temporary differences				
	Recognised in income statement	2,259,863	21,868,913	3,565,859	21,868,913
	Recognised in other comprehensive income	-	482,460	-	482,460
	At the end of the year	24,611,236	22,351,373	25,917,232	22,351,373
a)	Total amount recognised in income statement	(50,402,245)	(7,931,751)	(3,565,859)	(21,868,913)
b)	Total amount recognised in other comprehensive income	313,635,026	(12,647,161)	-	(482,460)

Deferred income taxes are calculated on all temporary differences under the liability method using the applicable tax rates at the end of the financial reporting period.

29.3 Deferred tax for the year has been computed based on the substantively enacted rates as of the reporting date. Accordingly the enacted rates specified in the Inland Revenue Act No. 45 of 2022 and its amendments, which is 30%.

29.4 The deferred tax asset/ liability on each temporary difference which were recognised in the financial statements are disclosed below.

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Group / Company 2025 Rs.	Group / Company 2024 Rs.
	Net deferred tax liability		Net deferred tax asset	
Temporary Differences				
On property, plant and equipment	8,814,296,049	7,997,170,046	-	2,201
On Right of use assets	103,578,328	108,936,034	-	-
On inventories	(6,504,624)	(4,473,487)	-	-
On trade & other receivables	(9,932,941)	(9,784,401)	(6,021,194)	(5,196,437)
On amounts due from related companies	(35,372,621)	(6,193,942)	(20,457,208)	-
On retirement benefit obligation	(25,335,703)	(25,953,190)	-	(5,405,836)
On carried forward tax losses	(1,091,634,223)	(1,185,242,835)	(59,912,371)	(63,904,506)
On leases	(132,610,683)	(135,417,250)	-	-
	7,616,483,582	6,739,040,975	(86,390,773)	(74,504,578)
Net deferred tax liability/(assets) (Note 29.1 & 29.2)	2,284,945,075	2,021,712,294	(25,917,232)	(22,351,373)

29.4.1 Deferred tax asset has not been recognised in respect of the Group's brought forward tax losses as at 31st March 2025 amounting to Rs. 621.8 Mn (2024-Rs 448.5 Mn) since it is not probable that the future taxable profit will be available against which the Group can use the benefit therein. Recognised deferred tax asset on accumulated tax losses has been recognised only up to the extent of forecasted future taxable profit.

29.5 Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax losses carried forward to the extend that the realisation of related tax benefit through future taxable profit is probable. According to the Inland Revenue Act No.24 of 2017, tax losses could be carried forward for a period of six years, to claim against taxable profits. Any carried forward tax losses prior year to Year of Assessment 2018/2019 shall be treated as loss incurred in the year of assessment 2018/2019.

Company	Group 2025 Temporary Differences	Group 2025 Tax Effect	Group 2024 Temporary Differences	Group 2024 Tax Effect	Company 2025 Temporary Differences	Company 2025 Tax Effect	Company 2024 Temporary Differences	Company 2024 Tax Effect
On carried forward tax losses	621,854,114	186,556,234	448,561,886	134,568,566	214,114,834	64,234,450	154,175,925	46,252,777
	621,854,114	186,556,234	448,561,886	134,568,566	214,114,834	64,234,450	154,175,925	46,252,777

Group deferred tax asset amounting to Rs.186,556,234/- (2023/24 - Rs. 134,568,566) and Company Rs. 64,234,450/- (2023/24 -46,252,777/-) has not been recognised for the above deductible temporary differences as the management is of the opinion that the reversal of the taxable asset will not be crystallised in the foreseeable future.

30 LEASE LIABILITIES

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
At the beginning of the year	135,417,252	155,609,672	-	-
Remeasurement during the year	-	5,788,048	-	-
Interest expense	17,423,691	17,744,967	-	-
Capital payments made during the year	(2,806,569)	(19,270,824)	-	-
Interest payments made during the year	(17,423,691)	(17,744,967)		
Transferred to other payables	-	(6,709,644)	-	-
At the end of the year	132,610,683	135,417,252	-	-
Lease liabilities included in the statement of financial position				
Payable within one year	21,931,109	21,199,309	-	-
Payable after one year	110,679,574	114,217,943	-	-
	132,610,683	135,417,252	-	-

30.1 Amounts recognised in statement of profit or loss

Interest expense	17,423,691	17,744,967	-	-
Amortisation of ROU	5,357,707	5,357,710	-	-

30.2 Amounts recognised in statement of cash flows

Total cash outflow for leases	(20,230,260)	(37,015,791)	-	-

30.3 Maturity Analysis - Contractual undiscounted cash flows

Less than one year	21,533,463	20,969,891	-	-
One to five years	92,518,396	112,334,680	-	-
More than five years	283,066,667	298,634,855	-	-
	397,118,526	431,939,426	-	-

31 TRADE & OTHER PAYABLES

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
Trade payable	223,233,978	169,488,635	-	-
Accrued expenses	245,538,055	31,314,871	2,781,424	2,948,938
Other payables	201,914,349	174,545,683	36,002	224,468
	670,686,382	375,349,189	2,817,426	3,173,406

Terms and conditions of the above financial liabilities.

* Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 days.

The carrying amounts of trade and other payables are considered to be the same as their fair value, due to their short-term nature.

32 CONTRACT LIABILITIES

a) The Group recognises advances received for future reservations as contract liabilities.

b) The following table shows unsatisfied performance obligations resulting from customer contracts.

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At the beginning of the year	7,248,877	5,436,821	-	-
Advance received during the year	64,563,348	32,905,090	-	-
Refunds due to cancellation of bookings	(781,671)	(266,614)	-	-
Utilised during the year	(58,242,139)	(30,826,420)	-	-
At the end of the year	12,788,416	7,248,877	-	-

33 AMOUNTS DUE TO RELATED COMPANIES

As at 31st March	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
GFH Management Co (Pvt) Ltd	Affiliate	25,947,290	8,148,881	-	1,165,284
The Galle Face Hotel Co Ltd	Ultimate Parent	33,957,170	42,221,270	-	-
Capital Land & General (Pvt) Ltd	Affiliate	-	1,100,000	-	1,100,000
Galle Face Group (Pvt) Ltd.	Affiliate	13,879,451	610,130	-	-
United Hotels Co. Ltd	Subsidiary	-	-	2,772,652	26,942,053
Airline Services (Pvt) Ltd	Subsidiary	-	-	18,959	125,821
Ceylon Hotel Holdings (Pvt) Ltd	Parent Company	163,620	163,620	-	-
Galle Face Hotel 1994 (Pvt) Ltd	Affiliate	1,131,371	1,115,560	15,811	-
Tissa Resort (Pvt) Ltd	Subsidiary	-	-	1,007,793	-
CHC Rest Houses (Pvt) Ltd	Equity- accounted investees	-	83,936	-	-
Studio Clay (Pvt) Ltd	Affiliate	66,125	66,126	-	-
		75,145,027	53,509,523	3,815,215	29,333,158

34 INCOME TAX PAYABLE

As at 31st March	Group 2025 Rs.	Group 2024 Rs.	Company 2025 Rs.	Company 2024 Rs.
At the beginning of the year	4,195,257	4,366,626	-	13,303
Transferred from income tax receivable (Note 23)	1,752,301	(1,136,646)	-	-
Provision/(reversal) for the year	(5,947,558)	5,947,558	-	-
Under provision of previous year	-	10,950,901	-	(13,303)
Payment made during the year	-	(15,933,182)	-	-
At the end of the year	-	4,195,257	-	-

35 ERROR CORRECTION

During 2025, the Group discovered that revaluation of Buildings of Suisse Hotel Kandy (Pvt) Ltd., that is a Joint Venture to the Group had not been included in consolidated financial statements to match with the Group accounting policies since 2023.

As a consequence, investment in joint venture and share of P&L and OCI of equity accounted investees have been understated. Further interest cost relating a borrowing of the same joint venture was not accrued in the prior periods. The errors have been corrected by restating each of the affected financial statement line items for prior periods as reflected in Note 17.4 - Investment in Joint Venture. The following tables summarise the impacts on the Group's consolidated financial statements.

35.1 Consolidated Statement of financial position

	Impact of correction of errors					
	1 April 2023			31 March 2024		
	As previously reported	Adjustment	As restated	As previously reported	Adjustment	As restated
	Rs.			Rs.		
Investment in joint venture	126,531,340	148,940,297	275,471,637	135,158,183	145,383,158	280,541,341
Other non-current assets	10,658,386,688	-	10,658,386,688	10,831,438,866	-	10,831,438,866
Current assets	3,600,215,861	-	3,600,215,861	2,947,381,260	-	2,947,381,260
Total assets	14,385,133,889	148,940,297	14,534,074,186	13,913,978,309	145,383,158	14,059,361,467
Stated capital	362,610,821	-	362,610,821	362,610,821	-	362,610,821
Revaluation reserves	5,075,443,219	126,806,569	5,202,249,788	4,903,688,570	126,806,569	5,030,495,139
Retained earning	1,886,323,260	(23,240,256)	1,863,083,004	1,629,566,717	(25,733,455)	1,603,833,262
Other reserves	175,207,671	-	175,207,671	175,207,671	-	175,207,671
Total equity attributable to equity holders of the company	7,499,584,971	103,566,313	7,603,151,284	7,071,073,779	101,073,114	7,172,146,893
Non controlling interest	2,275,144,627	45,373,984	2,320,518,611	2,603,047,719	44,310,044	2,647,357,763
Total equity	9,774,729,598	148,940,297	9,923,669,895	9,674,121,498	145,383,158	9,819,504,656
Total liabilities	4,610,404,291	-	4,610,404,291	4,239,856,811	-	4,239,856,811

35.2 Consolidated Statement of financial position

	Impact of correction of errors		
	For the year ended 31 March 2024		
	As previously reported	Adjustment	As restated
	Rs.		
Share of profit/(loss) of equity accounted investees (net of tax)	35,702,719	(3,557,139)	32,145,580
Others	(79,687,402)	-	(79,687,402)
Profit for the year	(43,984,683)	(3,557,139)	(47,541,822)
Other Comprehensive Income	(56,585,917)	-	(56,585,917)
Total Comprehensive Income (Expense)	(100,570,600)	(3,557,139)	(104,127,739)
Profit/(loss) attributable to:			
Equity holders of the Company	1,244,125	(2,493,199)	(1,249,074)
Non controlling interests	(45,228,808)	(1,063,940)	(46,292,748)
Profit/ (loss) for the year	(43,984,683)	(3,557,139)	(47,541,822)
Total comprehensive income/ (expenses) attributable to :			
Equity holders of the Company	(52,519,812)	(2,493,199)	(55,013,011)
Non controlling interests	(48,050,788)	(1,063,940)	(49,114,728)
Total comprehensive income / (expenses) for the year	(100,570,600)	(3,557,139)	(104,127,739)

There is no material impact on the Group's basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the year ended 31 March 2024.

36 CONTINGENT LIABILITIES

36.1 Company

There were no material contingent liabilities for the Company other that those disclosed below, as at the balance sheet date.

Name	Nature	Case No.
A.M. Jayathilleke	Money recovery	DMR 3389/15 (District court of Colombo)

36.2 Group

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from such legal claims.

There were no material contingent liabilities for the Group other than those disclosed below, as at the balance sheet date.

The Group is pursuing or is being pursued with legal action on the following legal cases. As per the representation given by the management these cases are still outstanding as at 31st March 2025.

36.3 Pending litigations - The Kandy Hotels Co. (1938) PLC.

Name	Nature	Case No.
M.W.H. Waheed of Tourist Shopping Centre	Money Recovery Action	DMR 02743/19 DC Kandy
H. M. Dingiri Menike	Tenant	RE/2645 - Rent Board
Pledge Holidays (Pvt) Ltd	Money Recovery Action	DMR 972/21 DC Kandy
Labour Department	Unpaid budgetary relief allowance	App/07/22/HC Kandy
Labour Department	Unpaid budgetary relief allowance	App/73/22/HC Kandy

36.4 Pending litigations - CHC Foods (Pvt) Ltd

Name	Nature	Case No.
Labour Department	Unpaid budgetary relief allowance	HC/Kegalle/6337/2022 (Appeal of Warakapola MC Case No.2854/LT)
S.A.Indika Kumara	Matter filed by ex-employee of the Company alleging unlawful termination.	KE/42/07/2022 - Labour Tribunal, Kegalle

36.5 Pending litigations - Tissa Resort (Pvt) Ltd.

Name	Nature	Case No.
Labour Department	Unpaid budgetary relief allowance	SC/SPL/LA/287/2023 - Supreme Court (Appeal of Hambanthota High Court - H.C.A 05/2022)
Labour Department	Unpaid budgetary relief allowance	SC/SPL/LA/286/2023 - Supreme Court (Appeal of Hambanthota High Court - H.C.A 04/2022)

36.6 Pending litigations - United Hotels Co. Ltd.

Name	Nature	Case No.
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	25263/MC Balapitiya
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	34452/MC Balapitiya
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	43335/MC Balapitiya
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	51834/MC Balapitiya
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	71863/MC Balapitiya
Bentota Pradeshiya Sabha	Operating a SLTDA approved hotel, without a valid license	64437/MC Balapitiya
1. Mr.Ranul Deelaka Thanthilage 2. Padmalatha Abeysinghe	Money recovery action filed for a sum of Rs. 50,000,000/- by the defendants allegedly for medical bills, mental stress and loss suffered by them after falling from a broken chair at the EKHO Lake House Hotel, Polonnaruwa.	DMR/1552/24 - District Court - Colombo

37 COMMITMENTS

There were no capital commitments approved by the Board of Directors, but not yet contracted as at the reporting date (2023/24- Nil).

38 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no any material events occurring after the reporting date that require adjustment to or disclosure in the consolidated financial statements.

39 RELATED PARTY TRANSACTIONS

The Company carries out transactions with parties who are defined as related parties in Sri Lanka Accounting Standard 24 'Related Party Disclosures', the details of which are reported below.

39.1 Recurrent Related party transactions

Company Name	Aggregate value of related party transactions as a % of revenue	Nature of Relationship	Name of the Director	Nature of Transaction	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
The Kandy Hotels Company (1938) PLC	1.14%	Subsidiary	Mr. Sanjeev Gardiner (Chairman)	Expenses paid by CHC on behalf of KHC	3,835,707	315,960
			Mr. Priyantha Maddumage	Settlement of intercompany loans against the consideration receivable from KHC at UHCL merger	-	1,164,835,549
			Mr. Shalike Karunasena	**Intercompany borrowings:**		
			Mr. Pradeep Nilanga Dila	- Settlement of expenses paid by CHC on behalf of KHC	(408,092)	(247,659)
			Mr. Indrajith Fernando	- Net temporary advances given by CHC/ (received from KHC)	15,693,040	72,190,553
			Mr. Nirmal De Soysa Cooke	Write-off of long outstanding opening balance	(69,779)	-
United Hotels Company Limited	1.44%	Subsidiary	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of UHCL	673,390	-
			Mr. Priyantha Maddumage	Settlement of expenses paid by CHC on behalf of UHCL	(337,480)	-
			Mr. Mangala Boyagoda	Net temporary advances given by CHC/ (received from UHCL)	28,067,181	51,122,023
			Mr. Revantha Devasurendra	Assets Transfer from CHC to UHCL LH	21,520	-
			Mr. Shalike Karunasena	Gratuity transfer from CHC to UHCL	(4,255,210)	(742,253)
			Mr. Kuwera De Soysa			
CHC Foods (Pvt) Ltd	-0.59%	Subsidiary	Mr. Priyantha Maddumage	Expenses paid by CHC on behalf of CHC Foods	25,764	367,584
			Mr. Asela Iddawala	Settlement of expenses paid by CHC on behalf of CHC Foods	(2,739)	-
				Net temporary advance given by CHC/ (received from CHCF)	(9,933,805)	(2,031,668)
				Issued of shares	-	(65,000,000)
				Gratuity transfer from CHC to CHC Food	-	(807,270)
Tissa Resort (Pvt) Ltd	-0.19%	Subsidiary	Mr. Priyantha Maddumage	Expenses paid by CHC on behalf of TRL	171,975	888,766
			Mr. Shalike Karunasena	Settlement of expenses paid by CHC on behalf of TRL	(134,366)	(171,802)
				Net temporary advance given by CHC/ (received from TRL)	(2,041,165)	(78,329,511)
				Gratuity transfer from CHC to TRL	(1,150,626)	-
CHC Rest Houses (Pvt) Ltd	-0.19%	Joint Venture	Mr. Binod Kumar Chaudhary	Expenses paid by CHC on behalf of CHC RH	239,192	403,954
			Mr. Tilak De Soysa	Settlement of expenses paid by CHC on behalf of CHC RH	(137,475)	-
			Mr. Rahul Chaudhary	Gratuity transfer from CHC to CHC RH	-	(1,609,578)
			Mr. Shalike Karunasena	Interest income on loan given to CHC RH	2,475,024	-
				Settlement of interest	(2,475,024)	-
				Net temporary advance given by CHC/ (received from CHC RH)	(3,300,000)	2,469,808

Notes to the Financial Statements

Company Name	Aggregate value of related party transactions as a % of revenue	Nature of Relationship	Name of the Director	Nature of Transaction	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Ceylon Holiday Holdings (Pvt) Ltd	2.62%	Joint Venture	Mr. Priyantha Maddumage	Net temporary advance given by CHC/ (received from CHOH)	34,480,492	12,750,000
			Mr. Shalike Karunasena	Interest Income on loan given to CHOH	9,332,074	9,710,661
			Mr. Tilak De Soysa			
			Mr. Rahul Chaudhary			
			Mr. Parikshit Sen Gupta			
Ceylon Hotel Holdings (Pvt) Ltd.	-0.43%	Affiliate	Mr. Sanjeev Gardiner	Interest Income on loan given to CHH	36,269,085	58,598,212
			Mr. Priyantha Maddumage	Net temporary advance given by CHC/ (received from CHH)	(43,440,000)	(66,468,671)
			Mr. Shalike Karunasena			
			Mr. Harsha Amarasekera			
Airline Services (Pvt) Ltd	0.01%	Subsidiary	Mr. Sanjeev Gardiner	Expenses paid by CHC PLC on behalf of ALS	106,862	135,625
			Mr. Priyantha Maddumage			
Galle Face Group (Pvt) Ltd	0.00%	Affiliate	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of GFG	62,253	16,816
			Mr. Priyantha Maddumage	Settlement of Expenses paid by GFG on behalf of CHC	(76,982)	(23,331)
			Mr. Matthias Roeke			
GFH Management Co (Pvt) Ltd	0.29%	Affiliate	Mr. Sanjeev Gardiner	Service obtained during the year	(2,679,176)	(2,810,455)
			Mr. Priyantha Maddumage	Settlement of oustanding balance	7,461,198	1,782,468
			Mr. Dinesh Stephen Weerakkodi	Expenses paid by CHC on behalf of GFHM	10,229	-
			Mr. Harsha Amarasekera			
			Mr. Shalike Karunasena			
The Galle Face Hotel Co. Ltd	-0.84%	Ultimate Parent	Mr. Sanjeev Gardiner	Settlement of Expenses paid by CHC on behalf of GFHCL	(13,992,916)	5,432,024
			Ms. Sheanna Gardiner			
			Mr. Lalith Rodrigo			
Unionco (Pvt) Ltd	0.05%	Affiliate	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of Unionco	763,809	-
			Mr. Priyantha Maddumage	Settlement of Expenses paid by CHC on behalf of Unionco	-	-
			Mr. Shalike Karunasena			
Capital Land & General (Pvt) Ltd	0.07%	Affiliate	Mr. Sanjeev Gardiner	Vehicle rent expense	(180,000)	2,580,000
			Mr. Lalith Rodrigo	Settlement of vehicle rent	1,280,000	(2,680,000)
			Mr. Priyantha Maddumage	Expenses paid by CHC on behalf of CLG	(5,281)	-
			Mr. Seshaan Gardiner	Settlement of Expenses paid by GFG on behalf of CLG	-	-
			Ms. Sheanna Gardiner			
Gardiner Group (Pvt) Ltd	0.00%	Affiliate	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of Gardiner Group	40,084	-
				Settlement of Expenses paid by CHC on behalf of Gardiner Group	(34,991)	-

Company Name	Aggregate value of related party transactions as a % of revenue	Nature of Relationship	Name of the Director	Nature of Transaction	Year ended 31.03.2025 Rs.	Year ended 31.03.2024 Rs.
Galle Face Hotel 1994 (Pvt) Ltd	-0.02%	Affiliate	Mr. Sanjeev Gardiner	Expenses paid by CHC on behalf of GFH 1994	2,195,534	-
			Mr. Lalith Rodrigo	Settlement of Expenses paid by CHC on behalf of GFH 1994	(2,549,849)	-
			Mr. Priyantha Maddumage			
			Mr. Shalike Karunasena			

39.1.1 This note should be read in conjunction with the note 22 and 33 Related party receivable and Related party payable respectively.

The Kandy Hotels Co. (1938) PLC	KHC
United Hotels Co. Ltd.	UHCL
CHC Foods (Pvt) Ltd	CHCF
Tissa Resort (Pvt) Ltd.	TRL
CHC Rest Houses (Pvt) Ltd.	CHC RH
Ceylon Holidays Holding (Pvt) Ltd	CHOH
Ceylon Hotels Holdings (Pvt) Ltd	CHH
Airline Services (Pvt) Ltd	ALS
Galle Face Group (Pvt) Ltd	GFG
GFH Management Co. (Pvt) Ltd	GFHM
The Galle Face Hotel Co. Ltd.	GFH
Unionco (Pvt) Ltd	Unionco
Capital Land & General (Pvt) Ltd	CLG
Gardiner Group (Pvt) Ltd	GFG
Galle Face Hotel 1994 (Pvt) Ltd	GFH 1994

Note A) Transactions carried out in the ordinary course of business and charge at the face value of the expenses.

Note B) Temporary advances given in the ordinary course of business and no interest charge on the outstanding balances. Payable on demand and short term in nature.

Note C) Terms and conditions related to inter company borrowings/lending's : Company Party Repayment

Company	Party	Repayment
Ceylon Hotels Corporation PLC	Lender	
Ceylon Hotel Holdings (Pvt) Ltd	Borrower	AWPLR + 1.5%
Ceylon Holiday Holdings (Pvt) Ltd	Borrower	AWPLR
CHC Rest Houses (Pvt) Ltd	Borrower	

39.1.2 Recurrent transactions with related parties

There were no any recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the

Group as per 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 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.

39.1.3 Non- recurrent transactions with related parties

Please refer to the below for the non recurrent transaction occurred during the Financial year 2023/24.

Effect of changes in composition of the Group

Disposal of Holding in United Hotels Company Limited to The Kandy Hotels Company (1938) PLC (Transaction under common control)

Ceylon Hotels Corporation PLC (CHC PLC) has disposed of 67.51% of its holding in United Hotels Company Limited (UHCL), a direct subsidiary of CHC PLC, to The Kandy Hotels Company (1938) PLC (KHC), another direct subsidiary of CHC PLC as at 14 July 2023. The transaction was completed for a consideration of Rs.3,066,157,660/-. Of this amount, Rs.1,901,322,111/- was settled by The Kandy Hotels Company (1938) PLC (KHC) issuing ordinary shares to CHC PLC, while the remaining Rs.1,164,835,549/- was settled through an interest-bearing intercompany loan provided by KHC.

Following the approval of the Board of Directors, the proposed allotment and share transfer were completed on 14 July 2023. The newly issued shares were listed on the Colombo Stock Exchange (CSE) on 20 July 2023. The Kandy Hotels Company (1938) PLC (KHC) issued 127,093,724 ordinary shares to Ceylon Hotels Corporation PLC (CHC PLC) for a total consideration of Rs.1,901,322,111/-. As a result of this transaction, the holding percentage of Ceylon Hotels Corporation PLC (CHC PLC) in The Kandy Hotels Company (1938) PLC (KHC) increased to 70.09%.

Additionally, The Kandy Hotels Company (1938) PLC (KHC) issued 49,715,529 ordinary shares to the other shareholders of United Hotels Company Limited (UHCL) for a total consideration of Rs.743,744,314/-, thereby acquiring the remaining shareholding percentage of UHCL.

The restructuring resulted in United Hotels Company Limited (UHCL) and its subsidiaries becoming wholly owned subsidiaries of The Kandy Hotels Company (1938) PLC (KHC) from 14 July 2023 onwards.

An equity reserve, termed "Acquisition under Common Control," amounting to Rs.2,228,212,108/- (Purchase consideration of Rs.3,066,157,660/- less UHCL investment of Rs.837,945,552/-) was created in the Company, reflecting the fair value gain from share swaps with United Hotels Company Limited (UHCL) and The Kandy Hotels Company (1938) PLC (KHC). However, this does not impact the consolidated reserves, as the structural change occurred within common control transaction according to the “Statement of Recommended Practice for Merger Accounting for Common Control Combinations.

Name of the related party	Relationship	Value of the related party transactions entered into during the financial year 22.23	Value as a % of equity	Value as a % of total assets	Terms and conditions	Rationale for entering into the transaction
The Kandy Hotels Company (1938) PLC	Subsidiary	1,164,835,549	12%	8%	Note A	Settlement of loan as a part of restructuring explained above

Note A

The company had a related party loan receivable balance as at 14 July 2023 and interest was accrued based on following terms and conditions.

Borrower	Repayment	Interest rates
The Kandy Hotels Company (1938) PLC	On Demand	AWPLR + 2% for Rs 100 Mn
		AWDR + 1% for the remaining

The transactions were carried out in the ordinary course of business and were at arm's length price.

At the time of UHCL acquisition,related party loan receivable from CHC was set off for the amount payable by CHC as described above.

39.2 Compensation paid to key management personnel

According to Sri Lanka Accounting Standard 24 "Related Party Disclosures", Key management personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including executive and non-executive Directors) have been classified as Key Management Personnel of the Company. Directors' emoluments paid during the year is Rs.3,470,000 /- (2023/24 - 3,335,000/-).

39.3 Transactions, arrangements and agreements involving KMP and their close family members (CFM)

CFM of a KMP are those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the entity. They may include KMP's domestic partner and children, children of the KMP domestic partner and dependants of the KMP or the KMP domestic partner. CFM are related parties to the Group. There were no transactions carried out with above parties.

39.4 The Directors have disclosed the nature of their interests in contracts, which is entered in the interest register maintained by the Company.

There are no other related party transactions other than disclosed above.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital. Further, quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

Financial instruments held by the Group principally comprise of cash, trade and other receivables, amount due from/(to) related parties, trade and other payables, loans and borrowings/(lease payable). The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Group.

Financial risk management of the Group is carried out based on guidelines established by its parent Group's finance department which comes under the preview of the Board of Directors.

Parent company's finance department evaluates financial risk in close co - operation with the hotel operational units. The parent company provides guidelines for overall risk management as well, covering specific areas such as credit risk ,liquidity risk ,interest rate risk and foreign currency risk.

The Group has established guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlements, accounting and related controls. The guide lines and systems are regularly reviewed and adjusted accordingly to changes in markets and products. The Group's Executive Directors monitor these risks primarily through its operating and financing activities.

40.1 Credit risk

Credit risk is the risk that a customer or counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

40.1.1 Exposure to credit risk

The Group's maximum exposure to credit risk as at the year end based on the carrying value of financial assets in the statement of financial position is given below. There were no off-balance sheet exposures as at the year end date.

As at 31st March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade receivables	180,834,572	214,947,935	-	-
Other receivables	76,695,813	121,113,415	422,247	-
Amount due from related parties	539,790,751	520,285,088	562,760,005	538,114,569
Cash & cash equivalents				
- Cash at banks	315,396,354	706,164,504	4,106,697	49,750
- Fixed Deposits	894,930,148	1,180,910,304	-	-
	2,007,647,638	2,743,421,246	567,288,949	538,164,319

Details of fixed deposits with institutions in the Group and their credit ratings are as follows;

Institute	Instrument	2025		2024	
		Credit Rating	Total Investment LKR	Credit Rating	Total Investment LKR
Hatton National Bank PLC	Fixed Deposit - USD	AA (lka)	894,930,148	A (lka)	1,180,910,304

40.1.2 Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers various statistics of the Group's customer base, including the default risk, business relationships with due attention given to past performances, stability in the industry and creditworthiness, as these factors may have an influence on credit risk.

In monitoring customer credit risk customers are grouped according to their business volumes and consider separately for granting credit limits. Some customers are graded as "high risk" based on the credit worthiness established through past experience. Such customers are monitored carefully and future sales are made on a prepayment basis.

Impairment losses

Impairment for trade receivables is established based on expected credit loss method. The main component of this allowance is a specific loss component that relates to individually significant exposures based on aging of the outstanding's. The loss rate calculated based on the historical provision matrix is adjusted based on the future calibrated probability of default and the loss given default. Forward looking factors that affect customer default rates and macro-economic data such as GDP are considered in calculating the probability of default.

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

Group

As at 31st March	2025		2024	
	Gross trade receivables Rs.	Impairment provision Rs.	Gross trade receivables Rs.	Impairment provision Rs.
Neither past due nor impaired				
Past due				
01–29 days	119,287,276	-	120,988,699	-
30–60 days	31,656,104	-	46,988,138	-
61–90 days	13,354,509	-	24,934,385	2,779,279
91–120 days	2,911,761	-	16,565,725	1,846,477
121–180 days	3,986,594	-	11,363,345	1,266,601
> 356 days	16,403,028	6,764,700	1,548,561	1,548,561
	187,599,272	6,764,700	222,388,853	7,440,918
Impaired				
Gross carrying value	187,599,272		222,388,853	
Less: Impairment provision	(6,764,700)		(7,440,918)	
Total	180,834,572		214,947,935	

40.1.3 Credit risk relating to cash and cash equivalents

In order to mitigate concentration, settlement and operational risks related to cash and cash equivalents, the Group limits the maximum cash amount that can be deposited with a single counterparty. In addition, the Group maintains an authorised list of acceptable cash counterparties based on current ratings and economic outlook, taking into account analysis of fundamentals and market indicators. The Group held cash and cash equivalents of Rs.315 Mn as at 31 March 2025 (2024 - Rs.706 Mn). The cash at bank with counterparties, which are reted AA/A, based on fitch ratings.

40.2 Liquidity Risk

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

The Group policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets such as fixed deposits) and projected cash flows from operations.

40.2.1 Net (debt)/cash

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash in hand and at bank	1,218,195,658	1,895,411,577	4,106,697	49,750
Total liquid assets	1,218,195,658	1,895,411,577	4,106,697	49,750
Interest bearing loans and borrowings	1,080,164,798	1,367,722,520	-	-
Lease liabilities	132,610,683	135,417,252	-	-
Bank overdrafts	340,341,154	226,397,335	-	288,617
Total liabilities	1,553,116,635	1,729,537,107	-	288,617
Net (debt)/cash	(334,920,977)	165,874,470	4,106,697	(238,867)

40.2.2 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 against a combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement or other secured borrowing.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities at 31 March 2025 based on contractual undiscounted payments.

Group	Carrying Amount Rs.	Contractual Cash flows Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Interest bearing borrowings	1,080,164,798	1,131,912,577	346,370,464	785,542,113	-	1,131,912,577
Trade and other payables	425,148,327	425,148,327	425,148,327	-	-	425,148,327
Amounts due to related parties	75,145,027	75,145,027	75,145,027	-	-	75,145,027
Lease liabilities	132,610,683	397,118,526	21,533,463	92,518,396	283,066,667	397,118,526
Bank overdrafts	340,341,154	340,341,154	340,341,154	-	-	340,341,154
	2,053,409,989	2,280,610,279	1,139,512,300	858,031,313	283,066,667	2,280,610,279

Company	Carrying Amount Rs.	Contractual Cash flows Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Trade and other payables	36,002	36,002	36,002	-	-	36,002
Amounts due to related parties	3,815,215	3,815,215	3,815,215	-	-	3,815,215
	3,851,217	3,851,217	3,851,217	-	-	3,851,217

Group's financial liabilities at 31 March 2024 based on contractual undiscounted payments.

Group	Carrying Amount Rs.	Contractual Cash flows Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Interest bearing borrowings	1,367,722,520	1,510,389,276	356,358,611	1,154,030,665	-	1,510,389,276
Trade and other payables	344,034,318	344,034,318	344,034,318	-	-	344,034,318
Amounts due to related parties	53,509,523	53,509,523	53,509,523	-	-	53,509,523
Lease liabilities	135,417,252	431,939,426	20,969,891	112,334,680	298,634,855	431,939,426
Bank overdrafts	226,397,335	226,397,335	226,397,335	-	-	226,397,335
	2,127,080,948	2,566,269,878	1,001,269,678	1,266,365,345	298,634,855	2,566,269,878

Company	Carrying Amount Rs.	Contractual Cash flows Rs.	Within 1 year Rs.	Between 1-5 year Rs.	More than 5 years Rs.	Total Rs.
Trade and other payables	224,468	224,468	224,468			224,468
Amounts due to related parties	29,333,158	29,333,158	29,333,158			29,333,158
Bank overdrafts	288,617	288,617	288,617			288,617
	29,846,243	29,846,243	29,846,243	-	-	29,846,243

Management of Liquidity Risk

The Group'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 Group's reputation. The Group has access to approved short-term financing facilities from commercial banks, if required.

The Group monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables and it is estimated that the maturity of trade receivables as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and some of the currently available information that will enable the Group to meet its contractual obligations are as follows.

- Maintaining a diversified funding base and appropriate contingency facilities.
- Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.
- Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.
- Regular reviews cash flow projections.
- Availability of stand by overdraft facility to be used in the event of an emergency.

40.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprise three types of risk:

- Interest rate risk
- Currency risk
- Price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

40.3.1 Interest rate risk

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in the market interest rates.

The Group has borrowings with variable interest rates such as AWPLR would expose the Group to cashflow/ profits as the amount of interest paid would be changed depending on market interest rates.

The interest rates have decreased during the year, bringing positive impact on the reported profits of the Group.

a) Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows.

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Variable rate instruments				
Interest-bearing-borrowings	1,080,164,798	1,367,722,520	-	-
Bank overdrafts	340,341,154	226,397,335	-	288,617
	1,420,505,952	1,594,119,855	-	288,617

Cash flow sensitivity for variable rate instruments

A change of 1% in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

As at 31st March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Variable rate instruments				
1% Increase in interest rate	(14,205,060)	(15,941,199)	-	(2,886)
1% Decrease in interest rate	14,205,060	15,941,199	-	2,886

40.3.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on mainly borrowings and net investments in foreign subsidiaries that are denominated in a currency other than the respective functional currencies of the Group. These currencies primarily are in US Dollars (USD).

During 2024/25, the Sri Lankan Rupee remained relatively stable compared to the sharp appreciation observed in 2023. This stability was supported by the continuation of a market-based exchange rate regime, improved external sector performance, and the inflow of multilateral funding. While foreign exchange reserves strengthened further, underpinned by sustained tourism earnings, workers' remittances, and disbursements from the IMF's Extended Fund Facility (EFF) and other international agencies, exchange rate fluctuations continued to pose a risk to foreign currency–denominated liabilities and investments. Accordingly, the Group continues to closely monitor currency movements and implement appropriate risk management strategies to mitigate potential impacts on its financial position.

a) Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows,

As at 31st March	2025		2024	
	Amount in USD	Amount in LKR	Amount in USD	Amount in LKR
Financial Assets				
Fixed Deposit	3,019,870	894,930,148	3,920,897	1,180,910,304
	3,019,870	894,930,148	3,920,897	1,180,910,304
Financial Liability				
Interest-bearing-borrowings	1,721,159	510,060,669	1,922,472	579,017,236
	1,721,159	510,060,669	1,922,472	579,017,236
Net Finance assets exposure	1,298,711	384,869,479	1,998,425	601,893,068

Closing exchange rate as at 31st March 2025 is Rs.296.3472/- (2023/2024 - Rs.301.1837/-).

b) Sensitivity to foreign exchange risk

The following tables demonstrate the sensitivity to a reasonably possible change in the US dollar, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies are not material.

Currency	Increase decrease in exchange rate	Effect on profit before tax
USD	1%	3,848,695
	-1%	(3,848,695)

Management of foreign exchange risk

- The Treasury officer analyses the market condition of foreign exchange and analyse the utilisation of cash flows.
- Regularly review timing of foreign currency cash in flows and outflows and takes decisions on whether to reinvest the foreign cash flows or utilise to make the foreign currency payments.
- Looking out forward contract possibilities.

40.4 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back of shares.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows;

	Group		Company	
	2025 Rs.	As restated 2024 Rs.	2025 Rs.	2024 Rs.
Interest-bearing-borrowings	1,080,164,798	1,367,722,520	-	-
Bank overdraft	340,341,154	226,397,335	-	288,617
Cash in hand and bank	(1,218,195,658)	(1,895,411,577)	(4,106,697)	(49,750)
Total debts	202,310,294	(301,291,722)	(4,106,697)	238,867
Total equity	10,858,846,563	9,819,504,656	2,749,628,468	2,711,709,304
Debt to equity ratio (Times)	0.02	(0.03)	(0.00)	0.00

41 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

The following table shows the carrying amounts of financial assets and financial liabilities by category as defined in SLFRS 9-Financial Instruments, including their levels in the fair value hierarchy. The carrying value approximates the fair value of these balances.

Group

As at 31 March 2025	Fair Value through Profit or Loss	Amortised cost	Total
Financial assets not measured at fair value			
Trade and other receivables	-	257,530,385	257,530,385
Amounts due from related companies	-	539,790,751	539,790,751
Cash and cash equivalents	-	1,218,195,658	1,218,195,658
	-	2,015,516,794	2,015,516,794

Group

As at 31 March 2025	Fair Value through Profit or Loss	Amortised cost	Total
Financial liabilities not measured at fair value			
Bank overdrafts	-	340,341,154	340,341,154
Trade payables	-	223,233,978	223,233,978
Lease Liabilities	-	132,610,683	132,610,683
Interest bearing borrowings	-	1,080,164,798	1,080,164,798
Amounts due to related companies	-	75,145,027	75,145,027
	-	1,851,495,640	1,851,495,640

Year ended 31 March 2024	Fair Value through Profit or Loss	Amortised cost	Total
Financial assets measured at fair value			
Financial assets at fair value through profit or loss	26,337,500	-	26,337,500
Financial assets not measured at fair value			
Trade and other receivables	-	336,061,350	336,061,350
Amounts due from related companies	-	520,285,088	520,285,088
Cash and cash equivalents	-	1,895,411,577	1,895,411,577
	26,337,500	2,751,758,015	2,778,095,515
Financial liabilities not measured at fair value			
Bank overdrafts	-	226,397,335	226,397,335
Trade payables	-	169,488,635	169,488,635
Interest bearing borrowings	-	1,367,722,520	1,367,722,520
Lease Liabilities	-	135,417,252	135,417,252
Amounts due to related companies	-	53,509,523	53,509,523
	-	1,952,535,265	1,952,535,265

Company

As at 31 March 2025	Fair Value through Profit or Loss	Amortised cost	Total
Financial assets not measured at fair value			
Trade and other receivables	-	422,247	422,247
Amounts due from related companies	-	562,760,005	562,760,005
Cash and cash equivalents	-	4,106,697	4,106,697
	-	567,288,949	567,288,949
Financial liabilities not measured at fair value			
Amounts due to related companies	-	3,815,215	3,815,215
	-	3,815,215	3,815,215

Year ended 31 March 2024	Fair Value through Profit or Loss	Amortised cost	Total
Financial assets measured at fair value			
Financial assets at fair value through profit or loss	26,337,500	-	26,337,500
Financial assets not measured at fair value			
Amounts due from related companies	-	538,114,569	538,114,569
Cash and cash equivalents	-	49,750	49,750
	26,337,500	538,164,319	564,501,819
Financial liabilities not measured at fair value			
Bank Overdraft	-	288,617	288,617
Amounts due to related companies	-	29,333,158	29,333,158
	-	29,621,775	29,621,775

Financial Assets classified under Fair Value Through Profit or Loss (FVTPL) are categorised as "Level 1" within the fair value hierarchy. The fair value of these assets, which consist primarily of investments in quoted equity shares, is determined based on active market prices.

42 NUMBER OF EMPLOYEES

The total number of employees of the Group as at 31st March 2025 was 556. (31st March 2024 - 529)

Investor Information

SUMMARY OF SHAREHOLDING AS AT 31ST MARCH 2025

	Share Range			No. of Shareholders	No. of Shares	Holding %
1	1	-	1000	6,501	1,000,110	0.56%
2	1001	-	10000	887	3,000,114	1.67%
3	10001	-	100000	234	6,686,278	3.71%
4	100001	-	1000000	18	3,787,717	2.10%
5	1000001	-	& Above	9	165,556,723	91.96%
	Totals			7,649	180,030,942	100.00%

INFORMATION FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2025

a) Directors Shareholding in the company

Name of Director	31st March 2025	31st March 2024
Mr. Sanjeev Gardiner	Nil	Nil
Mr. Priyantha Maddumage	1	1
Mr. Mangala Boyagoda	Nil	Nil
Mr. Kamantha Amarasekera	Nil	Nil
Mr. Ajith Devasurendra	Nil	Nil
Mr. Ranil Pathirana	Nil	Nil
Mr. Shalike Karunasena	Nil	Nil
Mr. Nirmal De Soysa Cooke	Nil	Nil
Mr. Dinesh Weerakkody	Nil	Nil
Mr. Sutheash Balasubramaniam	Nil	Nil

PUBLIC SHAREHOLDING AS AT 31ST MARCH 2025

b) Public Shareholding - 40,897,019 (2024 - 40,891,429)

c) Percentage of the ordinary shares held by public - 22.72% (2024 - 22.71%)

d) No. of Public shareholders - 7,643 (2024 - 7,852)

e) Related Companies

Name of Company	Number of Shares
National Development Bank / Ceylon Hotels Holdings (Pvt) Ltd	60,245,919
Ceylon Hotel Holdings (Pvt) Ltd	37,994,096
Seylan Bank Ltd / The Galle Face Hotel Company Ltd	10,365,500
The Galle Face Hotel Co Ltd.	77,220
Hotel International (Pvt) Ltd	1,048,230
Rosewood (Pvt) Limited	18,343,901
Seylan Bank Ltd / ARRC Capital (Pvt) Ltd (Collateral)	10,791,878
Seylan Bank Ltd / ARRC Capital (Pvt) Ltd	267,178

f) Highest, lowest and market value per share from 1st April 2024 to 31st March 2025

Period	Year ended 31st March 2025
Date High	1/22/25
High - Rs.	29.40
Date Low	9/3/24
Low - Rs.	16.80
Close - Rs.	22.50
Trade Vol	10,210
Share Vol	17,251,527
Turnover - Rs.	408,206,271.60
Last Traded date	3/28/25
Days Traded	235

MARKET PRICE PER SHARE FOR THE PERIOD FROM 01/04/2024 TO 31/03/2025

Name of Director	2024-25		2023-24	
	Date	Share Price (Rs.)	Date	Share Price (Rs.)
Highest Market Price	1/22/25	29.40	8/24/23	25.00
Lowest Market Price	9/3/24	16.80	5/30/23	16.50
Last Traded Price	3/28/25	22.50	3/28/24	19.00

As the float- adjusted market capitalisation is less than Rs.2.5 billion, Ceylon Hotels Corporation PLC complies under option 5 of the listing rules 7.13.1(i) (a) with the minimum public holding.

Investor Information

20 LARGEST ORDINARY SHAREHOLDERS (VOTING) OF THE COMPANY AS AT 31ST MARCH 2025

	Shareholder Name	No. of Ordinary Voting Shares	Holding %
1	National Development Bank PLC/ Ceylon Hotels Holdings (Pvt) Ltd	60,245,919	33.46%
2	Ceylon Hotel Holdings (Pvt) Ltd	37,994,096	21.10%
3	Employees Provident Fund	21,389,031	11.88%
4	Rosewood (Pvt) Limited- Account No. 1	18,343,901	10.19%
5	Seylan Bank PLC/ARRC Capital (Pvt) Ltd (Collateral)	10,791,878	5.99%
6	Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	10,365,500	5.76%
7	Bank of Ceylon - No 2 A/C (BOC PTF)	4,037,070	2.24%
8	J. B. Cocoshell (Pvt) Ltd	1,341,098	0.74%
9	Hotel International (Pvt) Ltd	1,048,230	0.58%
10	Senkadagala Finance PLC/ Mr. S. Gobinath	602,000	0.33%
11	Sithlanka (Private) Limited	482,706	0.27%
12	Dr. G. S. Perera	307,012	0.17%
13	Seylan Bank Plc/Arrc Capital (Pvt) Ltd	267,178	0.15%
14	Mrs. S. Vasudevan	222,104	0.12%
15	Mr. K. N. Karunarathne	209,000	0.12%
16	Hatton National Bank PLC/ Mrs. Anuja Chamila Jayasinghe	205,000	0.11%
17	Dr. A. A. M. Dharmadasa	172,595	0.10%
18	Mr. C. N. Jayasooriya	163,259	0.09%
19	Cocoshell Activated Carbon Company (Pvt) Ltd	160,000	0.09%
20	People Leasing & Finance PLC/Mr. F.B.R.D.Silva	155,000	0.09%
21	Mr. S. Abishek	148,572	0.08%
22	Miss. C. P. Gomes	125,000	0.07%
	Sub Total	168,776,149	93.75%
	Balance Held by Others	11,254,793	6.25%
	Total	180,030,942	100.00%

20 LARGEST ORDINARY SHAREHOLDERS (VOTING) OF THE COMPANY AS AT 31ST MARCH 2024

	Shareholder Name	No. of Ordinary Voting Shares	Holding %
1	National Development Bank PLC/ Ceylon Hotels Holdings (Pvt) Ltd	60,245,919	33.46%
2	Ceylon Hotel Holdings (Pvt) Ltd	37,994,096	21.10%
3	Employees Provident Fund	21,519,334	11.95%
4	Rosewood (Pvt) Limited- Account No. 1	18,343,901	10.19%
5	Seylan Bank PLC/ARRC Capital (Pvt) Ltd (Collateral)	10,791,878	5.99%
6	Seylan Bank Ltd/The Galle Face Hotel Co .Ltd	10,365,500	5.76%
7	Bank of Ceylon - No 2 A/C (BOC PTF)	4,237,070	2.35%
8	Hotel International (Pvt) Ltd	1,048,230	0.58%
9	Sithlanka (Private) Limited	447,706	0.25%
10	Dr. G. S. Perera	307,012	0.17%
11	Senkadagala Finance PLC/ Mr. S. Gobinath	270,000	0.15%
12	Seylan Bank Plc/Arrc Capital (Pvt) Ltd	267,178	0.15%
13	Mr. K. N. Karunarathne	217,500	0.12%
14	Mr. S. A Jayathilake	202,277	0.11%
15	Mr. I. D. Bandarigodage	200,000	0.11%
16	Mr. S. Abishek	148,572	0.08%
17	Mr. L. S. W. Abharana Dewage	143,900	0.08%
18	Mr. S. M. Hassan Mohamed (Deceased)	139,146	0.08%
19	Dr. A. A. M. Dharmadasa	127,731	0.07%
20	Miss. C. P. Gomes	125,000	0.07%
21	PMF Finance PLC/ N.R. Waidyasekara	124,289	0.07%
22	Cocoshell Activated Carbon Company (Pvt) Limited	123,000	0.07%
	Sub Total	167,389,239	92.98%
	Balance Held by Others	12,641,703	7.02%
	Total	180,030,942	100.00%

Five Year Summary

Year ended 31st March	2025		2024		2023		2022		2021	
	Group	Company	As Restated Group	Company	Group	Company	Group	Company	Group	Company
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000 Restated*	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trading Results										
Turnover Net of Tax	1,674,317	-	1,382,590	2,199	877,862	7,043	561,936	6,887	423,572	6,435
Operating profit/(Loss) before net interest expenses and other income	79,264	(19,807)	(49,721)	(24,387)	(220,392)	(20,330)	(172,984)	(11,635)	(237,842)	(11,343)
Profit/(Loss) before Taxation	114,968	34,353	(37,594)	56,699	(242,912)	(36,995)	(34,978)	(55,357)	(432,063)	(73,431)
Taxation Provision	56,350	3,566	(9,948)	21,869	90,514	-	(10,878)	-	46,837	-
Profit /(Loss) from continuing operations	171,317	37,919	(47,542)	78,568	(152,398)	(36,995)	(45,856)	(55,357)	(385,226)	(73,431)
Share Capital & Reserve										
Issued Share Capital	362,611	362,611	362,611	362,611	362,611	362,611	362,611	362,611	362,611	362,611
Capital, Revaluation, Translation & Acquisition Under Common Control Reserves	5,585,980	2,236,340	5,038,623	2,236,340	5,083,571	8,128	6,123,642	192,295	5,268,766	192,295
General Reserves	167,080	166,718	167,080	166,718	167,080	166,718	167,080	166,718	167,080	166,718
Accumulated Profit / (Losses)	1,803,960	(16,041)	1,603,833	(53,960)	1,886,323	(131,403)	1,269,037	(94,041)	1,229,398	(39,458)
Total equity attributable to equity holders	7,919,631	2,749,628	7,171,147	2,711,709	7,499,585	406,055	7,922,369	627,583	7,027,856	682,166
Assets Employed										
Current Assets	2,274,558	567,289	2,947,381	564,502	3,600,216	704,926	3,042,946	608,095	1,602,366	580,787
Current Liabilities	1,479,987	6,633	1,010,834	32,795	1,121,071	1,326,573	1,178,638	1,193,751	769,619	1,110,145
Working Capital	794,572	560,656	1,936,547	531,707	2,479,144	(621,647)	1,864,308	(585,655)	832,747	(529,358)
Property, Plant and Equipment	12,357,303	-	10,697,196	2	10,346,505	9	10,485,924	15	9,195,325	22
Non-Current Liabilities	3,170,803	-	3,229,022	5,406	3,489,333	6,985	2,411,674	5,622	2,262,955	7,343
Ratio & Statistics										
Current Ratio (Times)	1.54	85.53	2.92	17.21	3.21	0.53	2.58	0.51	2.1	0.5
Market Price per share	-	22.50	-	19.00	-	22.50	-	9.10	-	10.60
Earning/(Losses) per Share	0.77	0.21	(0.01)	0.44	3.02	(0.21)	(0.22)	(0.31)	(1.73)	(0.41)
Net Assets Per Ordinary Share	43.98	15.26	39.83	15.05	41.66	2.26	44.01	3.49	39.04	3.79

Notice of Annual General Meeting

CEYLON HOTELS CORPORATION PLC – PB 3283

NOTICE IS HEREBY GIVEN that the 59th Annual General Meeting of Ceylon Hotels Corporation PLC (CHC) will be held as a Virtual Meeting on 26th September 2025 at 03.30 p.m., assembled at the Corporate Office No.327, Union Place, Colombo 2 via Audio/Video Technology for the purpose of conducting the following businesses:

1. To receive, consider and adopt the Annual Report of the Board of Directors on the affairs of the company, the Audited Accounts for the year ended 31st March 2025 and the Report of the Auditors thereon.
2. To re-elect Mr. Nirmal De Soysa Cooke in terms of Article 28(2) of the Articles of Association.
3. To re-elect Mr. Dinesh Weerakkody in terms of Article 28(2) of the Articles of Association.
4. To re-elect Mr. Sutheash Balasubramaniam in terms of Article 28(2) of the Articles of Association.
5. To re-elect Mr. Ranil Pathirana who retires by rotation in terms of Articles 30(1), 30(2) and 30(3) of the Articles of Association.
6. To re-appoint Mr. Mangala Boyagoda as a Director of the Company who is over seventy years of age and to consider and pass the following resolution if deemed fit.

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act, No.07 of 2007 shall not apply to Mr Mangala Boyagoda who has reached the age of 74 years and that he be re-appointed as a Director of the Company from the conclusion of this Annual General Meeting to next Annual General Meeting."
7. To re-appoint Messrs. KPMG, Chartered Accountants, and the retiring Auditors for the ensuing Financial Year and authorise the Directors to fix their remuneration.
8. To authorise the Directors to determine donations for 2025/2026 and up to the next Annual General Meeting date.
9. To transact any other business that may properly be brought before the meeting.

By Order of the Board of
CEYLON HOTELS CORPORATION PLC

(Sgd)
Deloitte Corporate Services (Pvt) Limited
Company Secretaries
Colombo, this 1st September 2025

Note:

a. Only persons who are shareholders of the Company and whose names appear on the Share Register as of the AGM date will be entitled to attend the above meeting.

b. A shareholder entitled to attend and vote at the above meeting is required to complete and submit a pre-registration form in order to ensure participation at the AGM of the Company. Only members of CHC are entitled to take part in the AGM of CHC.

c. A Pre-registration form is enclosed for this purpose to be completed by CHC Shareholders only.

d. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a member of the Company.

e. A form of proxy is enclosed for this purpose.

f. The instruments for registration and appointing a proxy must be completed and deposited at the Deloitte Corporate Services (Private) Limited, No.100, Braybrooke Place, Colombo 02, 48 hours before the meeting or e-mail to afirdhous@deloitte.com

g. For more information on how to participate by virtual means in the above meeting, please refer to the supplementary notice to shareholders.

Note

Form of Proxy

CEYLON HOTELS CORPORATION PLC
(Company Registration No PB 3283) No.327, Union Place, Colombo 2

I/We ....

(bearer of NIC) .... of..

....

being a shareholder/shareholders of Ceylon Hotels Corporation PLC, hereby appoint:

- Full name of proxy : ....
- NIC of Proxy : ....
- Address of Proxy : ....
- Contact Numbers: Land - .... Mobile - ....
- Email address : ....

failing him/her
Mr. Sanjeev Gardiner of Colombo (or failing him)
Mr. Priyantha Maddumage of Colombo (or failing him)
Mr. Mangala Boyagoda of Colombo (or failing him)
Mr. Kamantha Amarasekara of Colombo (or failing him)
Mr. Ajith Devasurendra of Colombo (or failing him)
Mr. Ranil Pathirana of Colombo (or failing him)
Mr. Shalike Karunasena of Colombo (or failing him)
Mr. Nirmal De Soysa Cooke (or failing him)
Mr. Dinesh Weerakkody (or failing him)
Mr. Sutheash Balasubramaniam

as my/our Proxy to represent me/us** to vote for me/us on my/our behalf at the 59th Annual General Meeting of the Company to be held on 26th September 2025 and at any adjournment thereof and at every poll which may be taken in consequence thereon.

I/We** the undersigned, hereby direct my/our* proxy to speak and vote for me/us and on my/our behalf on the resolution set out in the Notice convening the meeting, as follows:

		For	Against
1.	To receive, consider and adopt the Annual Report of the Board of Directors on the affairs of the company, the Audited Accounts for the year ended 31st March 2025 and the Report of the Auditors thereon.		
2.	To re-elect Mr. Nirmal De Soysa Cooke in terms of Article 28(2) of the Articles of Association.		
3.	To re-elect Mr. Dinesh Weerakkody in terms of Article 28(2) of the Articles of Association.		
4.	To re-elect Mr. Sutheash Balasubramaniam in terms of Article 28(2) of the Articles of Association.		
5.	To re-elect Mr. Ranil Pathirana who retires by rotation in terms of Articles 30(1), 30(2) and 30(3) of the Articles of Association.		
6.	To re-appoint Mr. Mangala Boyagoda as a Director of the Company who is over seventy years of age and to consider and pass the following resolution if deemed fit.		
7.	To re-appoint Messrs. KPMG, Chartered Accountants, and the retiring Auditors for the ensuing Financial Year and authorise the Directors to fix their remuneration.		
8.	To authorise the Directors to determine donations for 2025/2026 and up to the next Annual General Meeting date.		
9.	To transact any other business that may properly be brought before the meeting.		

In witness my/our* hands this ....day of...Two Thousand and Twenty-Four.

....
Signature of Shareholder

Notes:
* Please indicate your folio number given in the address sticker carrying this annual report pack, ** Instructions as to completion appear overleaf, ***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 in his discretion will vote as he thinks fit.

Form of Proxy

INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy by filling in legibly your full name, address and the National Identity Card number and by signing in the space provided and filling in the date of signature.

2. A proxy need not be a shareholder of the Company. However, the proxy must be above 18 years of age.

3. The completed form of proxy must be deposited at the Deloitte Corporate Services (Private) Limited, No. 100, Braybrooke Place, Colombo 02, or e-mail to the Company Secretaries via e-mail afirdhous@deloitte.com not less than forty-eight hours before the time fixed for the meeting

4. If you wish to appoint a person other than the Chairman or a Director of the Company, please insert the relevant details at the space provided (above the names of the Board of Directors) on the Proxy Form.

5. If the Form of Proxy is signed by an Attorney, the relative Power of Attorney should accompany the Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.

6. If the appointor is a company/ Incorporated body, this form must be executed in accordance with the Articles of Association/ Statute.

Corporate Information

NAME OF THE COMPANY
Ceylon Hotels Corporation PLC

REGISTRATION NO.
P.B.3283

LEGAL FORM
A public quoted company with limited liability

STOCK EXCHANGE LISTING
The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka

DIRECTORS
Mr. Sanjeev Gardiner - Chairman

Mr. Priyantha Maddumage

Mr. Mangala Boyagoda

Mr. Kamantha Amarasekara

Mr. Ajith Devasurendra

Mr. Ranil Pathirana

Mr. Shalike Karunasena

Mr. Dinesh Stephen Weerakkody - Senior Independent Director

Mr. Nirmal De Soysa Cooke – Independent Non-Executive Director

Mr. Sutheash Balasubramaniam - Independent Non-Executive Director

REGISTERED OFFICE
No. 327, Union Place, Colombo 02
Tel : 011 7657900, 011 2421847
Email : Corporateoffice@ceylonhotels.net
Corporate website: www.chcplc.com

SECRETARIES
Deloitte Corporate Services (Private) Limited
No. 100, Braybrooke Place
Colombo 02.
Tel : 011 7719700

REGISTRARS
Deloitte Corporate Services (Private) Limited
No. 100, Braybrooke Place
Colombo 02.
Tel : 011 7719700

EXTERNAL AUDITORS
Messrs. KPMG, Chartered Accountants
No. 32A, Sir Mohamed Macan Markar Mawatha,
Colombo 03.

BANKERS
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Sampath Bank PLC
Cargills Bank Ltd
People's Bank

HOTEL RESERVATIONS
Ceylon Hotels Corporation PLC
No. 327, Union Place, Colombo 02
Tel: 011 7765555
Email : reservations@ceylonhotels.net
info@ceylonhotels.net
Website: www.chcplc.com

WEBSITES
www.chcplc.com - corporate website
www.ekhohotels.com
www.queenshotel.lk
www.hotelsuisse.lk

Designed & produced by
emagewise

Ceylon Hotels Corporation PLC
No.327, Union Place,
Colombo 02