

A Celebration In Every Welcome

ASIAN HOTELS AND PROPERTIES PLC | ANNUAL REPORT 2024/25



Cinnamon
HOTELS & RESORTS



A Celebration
In Every Welcome



Asian Hotels and Properties PLC, we invite you to immerse yourself in the perfect blend of luxury, comfort, and authentic Sri Lankan warmth. Our properties are thoughtfully designed to reflect the unique charm of their destinations, ensuring that each stay is filled with unforgettable memories.

We believe that true hospitality begins with a warm welcome-and in every welcome, there is a celebration of people, culture and shared moments. Our team's dedication to personalised service guarantees that every guest enjoys a tailored experience, deeply rooted in the rich heritage and vibrant spirit of Sri Lanka.

This year, we reaffirmed our commitment to enhancing guest experiences through the relaunch of Cheers and the complete renovation of the main kitchen at Cinnamon Grand-setting new benchmarks in dining and hospitality. At Crescat Boulevard, renovations marked the beginning of a new chapter, with revitalised retail and leisure offerings that further enrich Colombo's urban lifestyle experience.

As we adapt to the evolving travel landscape, our focus remains on innovation, excellence, and cultural connection. At Asian Hotels and Properties PLC, every welcome is more than just a gesture-it's a celebration of the people we serve, the cultures we honour, and the experiences we create together.

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Our Approach to Reporting



WELCOME TO ASIAN HOTELS AND PROPERTIES PLC'S FOURTH INTEGRATED ANNUAL REPORT.

REPORTING BOUNDARY

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

This Report covers the operations of Asian Hotels and Properties PLC (the Company) and its Subsidiary (collectively referred to as the Group). The consolidated financial statements cover Asian Hotels and Properties PLC, and its subsidiary Trans Asia Hotels PLC. The non-financial information covers only the operations of Asian Hotels and Properties PLC, unless otherwise stated. There were no significant changes to the reporting boundary during the year, compared to the previous year. Where necessary, prior year non-financial indicators have been restated to align with the calculation methodology applied in 2024/25, as indicated in the respective sections.

REPORTING PERIOD

GRI 2-3

Our Report follows an annual reporting cycle for both financial and sustainability reporting covering the company's financial year from 1 April 2024 to 31 March 2025. The Report is a continuation of the Company's most recent report for the year ended 31 March 2024. We have made efforts to provide comparative information from the most recent reporting period where applicable. Material events subsequent to the end reporting period, i.e. 31 March 2025 and up to the Board approval date of 27 May 2025, have also been included.

FEEDBACK

We are dedicated to continuously improving the quality and clarity of our Annual Report and greatly value your insights and suggestions. Please share your feedback with Shelton Gunawardane - Finance Manager, whose contact details can be found on page 05.

COMBINED ASSURANCE

GRI 2-5

The accuracy and integrity of this report are maintained through a robust assurance framework, encompassing oversight from management, internal audit, and external auditors, Messrs. KPMG. Chartered Accountants, have provided external assurance on our consolidated financial statements and conducted limited assurance on our GRI Reporting disclosures.

REPORTING FRAMEWORKS

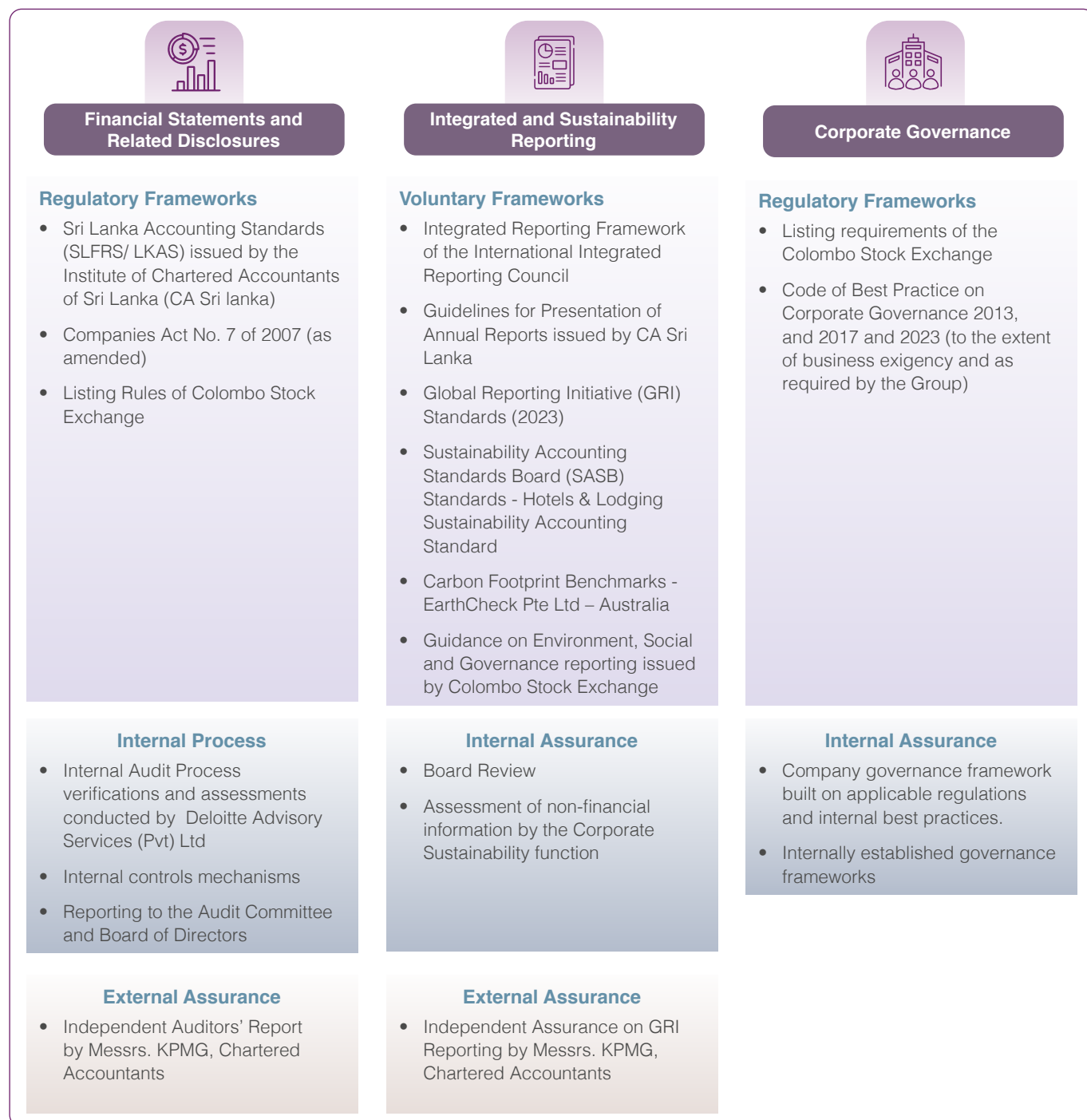
Over the years, we have continuously refined our reporting approach by balancing voluntary best practices – both local and international, with mandatory disclosure requirements. As in previous years, our disclosures adhere to Sri Lanka Financial Reporting Standards (SLFRS) and the Listing Requirements of the Colombo Stock Exchange while also aligning with globally recognised frameworks such as the International Integrated Reporting Framework, the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Standards. Also identifying Sustainability Related Risks and Opportunities (SRROs) and Climate-Related Risks and Opportunities (CRROs) relevant to our business.

Following the release of IFRS S1 and S2 standards by International Sustainability Standards Board (ISSB) and their localisation to SLFRS S1 and S2 by CA Sri Lanka, John Keells Group (JK group) is preparing for implementation of the standards. A consultant-led gap analysis will guide integration, supported by dedicated teams at sector and Group levels.











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Our Approach to Reporting



REPORT NAVIGATION ICONS


To improve clarity and coherence, we have introduced navigation icons throughout this report. These icons enhance connectivity, provide quick references, and highlight the integrated relationships driving our value creation, ensuring a seamless reading experience for stakeholders.

Capitals	Our stakeholder universe	Strategic priorities	Other icon references
 Financial Capital  Manufactured Capital  Human Capital  Intellectual Capital  Social and Relationship Capital  Natural Capital	 Shareholders  Employees  Customers  Suppliers and Business Partners  Government and Related Entities  Communities	 Service Excellence  Revenue Optimisation  Operational Excellence and Cost Optimisation  Talent Management  ESG Considerations	 Outlook and Way Forward  Page Reference

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements about the Company's anticipated performance and future outlook. These projections are based on assessments made at the time of reporting. However, actual results may vary due to external factors, uncertainties, and emerging risks beyond the Company's control. It is important to note that these statements have not been reviewed by the Company's Independent Auditor.

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

	Reflections from the Chairman 18
	Capital Management Review 55

Feedback

We welcome your feedback on our integrated annual report and are eager to hear how we can improve its readability and relevance. Please share your thoughts and suggestions with us.

Shelton Gunawardane
Finance Manager
Cinnamon Grand Colombo
No.77, Galle Road, Colombo 03
E-mail: shelton@cinnamonhotels.com

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Asian Hotels and Properties PLC holds ultimate responsibility for ensuring the integrity of this Report. We affirm that this Annual Report for the financial year ending 31 March 2025 comprehensively covers all pertinent material aspects and accurately reflects the Company's performance. Furthermore, the Board confirms that the Report has been prepared in accordance with the stipulations of the International Integrated Reporting Framework.

SEAMLESS ACCESSIBILITY

Refer our Report

In PDF

Corporate website - <https://www.keells.com/resource/reports/group-annual-reports/Asian-Hotels-and-Properties-PLC>

Scan QR code



Read in print - All shareholders of Asian Hotels and Properties PLC have the option to request a printed version of this Report by submitting a request letter.

Our Approach to Reporting

ENHANCING TRANSPARENCY AND DISCLOSURE IN THIS YEAR'S REPORT

In this year's Annual Report, we have taken deliberate steps to elevate our reporting standards, ensuring clearer and more impactful communication of how we utilise our capitals to generate sustainable value. These enhancements reflect our commitment to adapting to an evolving external landscape, particularly Sri Lanka's tourism sector, meeting stakeholder expectations, and aligning with Asian Hotels and Properties PLC's vision for transparent and effective corporate communication.

Key improvements introduced in this report include

- Improvements done to the Value Creation Model, inclusion of adequacy of each capital, demonstrating the net impact on capital through the value creation process and linking risks and opportunities that affect the business model, with detailed discussions placed within the Report
- Greater connectivity depicted on key reporting elements such as strategic pillars, material matters, impact on stakeholders and capitals across the Report through meaningful cross-referencing and iconology.
- A comprehensive analysis of the Sri Lankan economy and the tourism sector with the Company's strategies and actions discussed in responding to emerging opportunities.
- Strengthened disclosures on corporate governance.



ACHIEVING EXCELLENCE IN OUR 2023/24 ANNUAL REPORT

CA Sri Lanka TAGS Awards 2024

Bronze Award – Hotel Sector Group
Assets above **Rs. 10Bn**



DRIVING TRANSPARENCY, ACCOUNTABILITY, GOVERNANCE AND SUSTAINABILITY IN OUR REPORTING

Asian Hotels and Properties PLC, upholds the principles of Transparency, Accountability, Governance, and Sustainability as foundational elements of its operations. Here is how we embody these four pillars in our existence and also adopt the concepts in producing high quality, comprehensive and relevant disclosures in our annual report.

Transparency

Transparency is central to our ethos, and we are dedicated to maintaining open and honest communication with all stakeholders through structured and timely channels. By fostering clear communication, we aim to build trust and credibility, enabling stakeholders to make informed decisions and engage meaningfully in our value creation process. We prioritise strong relationships with our stakeholders, ensuring their needs are understood and addressed promptly. Our interactions with investors, business partners, customers, and employees are grounded in integrity, with accurate and transparent sharing of information. Additionally, we keep our employees well-informed about Company's developments, strategic initiatives, and performance outcomes, and actively engage them through surveys to gather feedback and implement improvements.

Reporting endeavours:

We ensure transparency in our reporting by adhering to best practice frameworks, including Integrated Reporting, SASB, and the Global Reporting Initiative. This commitment is further strengthened by obtaining external assurance on our reporting to validate its accuracy and reliability. Additionally, the Company complies with all relevant regulatory reporting requirements, meeting the information needed by both regulators and shareholders.

Reporting frameworks and assurances on page 04



Accountability

As part of John Keells Group (JK Group), we uphold accountability through ethical business practices every step of the way. The Board of Directors of the Company play a crucial role in overseeing the Company's strategic direction, ensuring that decisions align with long-term stakeholder interests. Regular evaluations, supported by sub-committees like the Related Party Transaction Review and Audit Committees, reinforce accountability. Our strong risk governance framework ensures that management is accountable for identifying and mitigating risks. We maintain transparency in our communications with all stakeholders, providing updates on performance, financials, and decisions. Additionally, our governance framework, underpinned by audits, internal controls, and a comprehensive code of ethics, promotes accountability at all levels, ensuring integrity in both employee conduct and corporate decision-making.

Reporting endeavours:

Accountability of key stakeholder groups of the Board of Directors and employees depicted through the Corporate Governance Report and Risk Management reports

Refer Page 110 and page 167



Governance

Our governance framework is designed to drive strategic decision-making, manage risks, and ensure compliance with regulatory requirements and global best practices. Throughout the year, we have strengthened these practices to support sustainable growth and long-term value creation. The Board of Directors undergo regular performance and fitness assessments to ensure the right expertise is in place. Supported by well-defined sub-committees, the Board efficiently oversees critical areas such as audit, risk, and remuneration. We maintain full compliance with all applicable laws and industry standards, both locally and internationally, reinforcing our commitment to integrity. Our robust risk governance system identifies, assesses, and mitigates risks, including climate-related ones, ensuring resilience and sustainability.

Reporting endeavours:

- Detailed corporate governance and risk management report is included in the annual report, developed in line with both mandatory and voluntary frameworks.

Sustainability

Sustainability is a core aspect of the Company's operations, encompassing economic, social, and environmental dimensions. The Company drives social empowerment through projects focused on education, health, livelihood development, arts and culture, and disaster relief. Environmental sustainability is guided by policies such as the Environmental, Social and Governance (ESG) framework of Cinnamon Hotels & Resorts, the Environmental Policy, and the elimination of Single-Use Plastic Policy. The Company actively participates in initiatives like the Central Environmental Authority's recycling programmes and promotes employee awareness on waste management and reducing single-use plastics. Additionally, a comprehensive ESG policy, aligned with the Colombo Stock Exchange Listing Rule requirements, underscores the Company's commitment to transparency, accountability and sustainable governance.

Reporting endeavours:

Sustainability reporting is integrated throughout the report, utilising frameworks such as Integrated Reporting, GRI, and SASB. Additionally, we provide an in-depth section detailing the Company's ESG performance.

Refer page 49 for ESG Performance.



Our Approach to Reporting

DRIVING THE SEVEN PRINCIPLES OF INTEGRATED REPORTING IN OUR ANNUAL REPORT

As we produced our fourth integrated annual report this year, we made additional efforts to drive the seven principles of the International <IR> Framework. Below is a concise summary of how we have implemented each principle.

Strategic Focus and Future Orientation

We have enhanced the disclosures around the Group's strategy compared to last year, including a clearer depiction of value influx (creation/preservation/erosion) through the capitals deployed under each strategic pillar. The disclosures under "Way Forward" have also been strengthened with references to the Group's short, medium, and long-term goals, where applicable.

Connectivity of Information

Our integrated annual report provides a holistic view of the combination, interrelatedness, and dependencies between the factors that affect the Group's ability to create value over time. We have enhanced the presentation of the Value Creation Model and disclosures under each of the Capital reports to ensure this.

Stakeholder Relationships

In addition to the usual disclosures regarding our stakeholder engagements, this year we have introduced additional reporting elements, such as the value derived per stakeholder group, how ensuring stakeholder interests link to our strategy, how key concerns raised by stakeholders are linked to our Material Matters, and how we contribute to the UN's Sustainable Development Goals through stakeholder engagement.

Materiality

We carefully reassessed the Material Matters that substantively affect the Group's ability to create value over the short, medium, and long term. We concluded that the twenty Material Matters from the prior year remain unchanged. For clarity, we have grouped the Material Matters under common themes.

Conciseness

While enhancing disclosures, we have maintained conciseness throughout the report. We have endeavoured to avoid content repetition through cross-referencing common disclosures and using iconology to establish the connectivity of information.

Reliability and Completeness

Our report includes all material matters, both positive and negative, which were identified through a thorough materiality assessment. We have also ensured the accuracy of the report through multiple mechanisms, including internal controls and external assurance on sustainability reporting from our external auditors, Messrs. KPMG, Chartered Accountants.

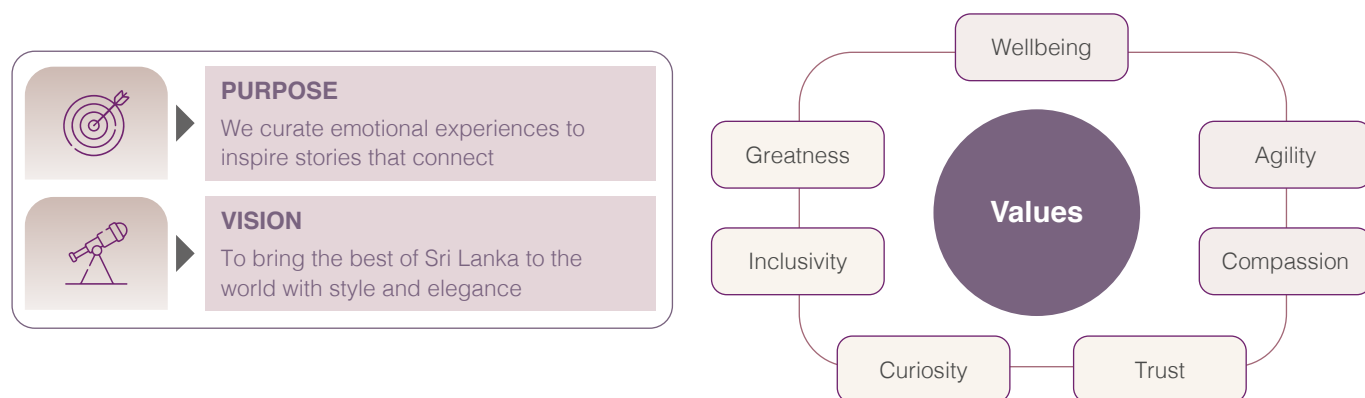
Consistency and Comparability

The information presented in our report follows the same basis as in the prior year, enabling comparison across years and with peers in both our sector and other sectors. The Report's Management Discussion and Analysis is based on the six capitals as defined in the International <IR> Framework, a widely used reporting approach in Sri Lanka that many users of annual reports are familiar with.

About Us



We are Asian Hotels and Properties PLC, embodying timeless allure seamlessly blending urban sophistication with warm hospitality. Our prime locations in the heart of Colombo keeps guests connected to the vibrant pulse of the city while offering the perfect setting to relax, stay, or host. We elevate the senses while catering to the refined city dweller within.



GROUP STRUCTURE

John Keells Holdings PLC

78.56%

Asian Hotels and Properties PLC

43.41%

Trans Asia Hotels PLC

About Us

OUR PROPERTIES

Asian Hotels and Properties PLC Group encompasses two prestigious five-star hotels, Cinnamon Grand Colombo and Cinnamon Lakeside Colombo (Trans Asia Hotels PLC), along with the Crescat Boulevard mall. Its strength is anchored in industry leadership, the backing of its ultimate parent company, John Keells Holdings PLC (JKH), a highly skilled professional team, and a commitment to innovation in guest experiences. As the flagship of Cinnamon Hotels & Resorts, the Group upholds its reputation as Sri Lanka's leading hospitality brand, built on decades of expertise and excellence despite rapid economic shifts and Colombo's evolving hospitality landscape,

Cinnamon Grand Colombo

An icon of luxury and sophistication, Cinnamon Grand Colombo is a premier five-star hotel located in the heart of the city. Offering an unparalleled hospitality experience, it features world-class accommodations, award-winning dining, and state-of-the-art event spaces, making it the preferred choice for business and leisure travellers alike.



Cinnamon Lakeside Colombo

Nestled by the serene Beira Lake, Cinnamon Lakeside Colombo blends urban elegance with tranquillity. Renowned for its resort-like ambiance, the hotel offers luxurious rooms, fine dining, and recreational facilities, providing a perfect retreat in the bustling city.



Crescat Boulevard Mall

Crescat Boulevard is a modern lifestyle mall offering a curated mix of retail, dining, and leisure experiences. Recently renovated, it serves as a vibrant hub for shoppers and diners, providing convenience and sophistication in Colombo's dynamic commercial district.



ACCOLADES

Our commitment to excellence, innovation, and exceptional service continues to be recognised on prestigious platforms. The awards and accolades we have received reflect our dedication to upholding the highest industry standards, enhancing guest experiences, and driving sustainable business growth.

Cinnamon Grand Colombo was named the 'Best 5-Star Hotel' and its restaurant Nuga Gama received the title of 'Most Authentic Sri Lankan Cuisine Restaurant' at the Sri Lanka Tourism Awards 2024. These repeat wins from 2018, highlight the hotel's consistent excellence, especially notable amid increased competition from new international brands. The awards were accepted by Kamal Munasinghe, Area Vice President - Colombo, General Manager - Cinnamon Grand Colombo who credited the dedicated staff for the achievements. With its roots going back 50 years and its 20th anniversary approaching in 2025, Cinnamon Grand Colombo continues to embody Sri Lankan hospitality through cultural connection, innovation, and destination marketing—strongly supported by the parent company John Keells Holdings PLC.



ACCREDITATIONS/ CERTIFICATIONS



ISO 14001:2015
– Environmental
Management System



Travelife Gold certification
for accommodation
sustainability



ISO 45001:2018 –
Occupational Health and
Safety Management System



Earth Check
Benchmarking

At Asian Hotels and Properties PLC, internationally recognised certifications such as ISO 14001:2015 for Environmental Management and ISO 45001:2018 for Occupational Health and Safety Management reflect our deep-rooted commitment to sustainable operations and the wellbeing of all stakeholders. These standards serve as a framework for continuous improvement, helping us reduce our environmental impact while maintaining a safe and healthy work environment. They also reinforce our compliance with global best practices, elevating our operational efficiency and strengthening stakeholder confidence in our long-term sustainability vision.

In addition, accreditations like the Travelife Gold certification, EarthCheck Benchmarking, and other sustainability-focused recognitions enhance our reputation as a responsible hospitality leader in the region. These benchmarks validate our dedication to environmentally conscious tourism whilst giving us a competitive edge in appealing to eco-conscious travellers and corporate partners. Collectively, these certifications position Asian Hotels and Properties PLC as a future-focused organisation that upholds the highest standards of environmental stewardship, health and safety, and ethical tourism, thereby reinforcing our brand equity and stakeholder trust.

UNLOCKING VALUE FOR INVESTORS – ASIAN HOTELS AND PROPERTIES PLC'S INVESTMENT CASE

1. Robust leadership and sound governance

Asian Hotels and Properties PLC operates with a strong governance framework that ensures transparency, accountability, and ethical decision-making at all levels. Backed by the expertise of John Keells Holdings PLC, the Company benefits from strategic leadership that drives sustainable growth while adhering to the highest corporate governance standards. The Board of Directors and executive management team are committed to long-term value creation, risk management, and operational excellence, ensuring investor confidence and business resilience in a dynamic market environment.

- Fines and penalties paid in the last five years: Nil
- Incidents of violation of human rights, corruption incidents and violation of applicable laws in the last five years: Nil

Corporate Governance – Page 110



2. Sustained value creation for shareholders

The Company is committed to delivering consistent and long-term value to its shareholders through strategic growth, operational excellence, and prudent financial management. With a strong market presence and a resilient business model, the Company continues to generate stable revenues and returns, even amidst evolving economic conditions. With solid experience in serving in the sector, as a renowned five-star establishment, its ability to innovate, optimise costs, and enhance guest experiences, ensures sustainable profitability and sharpening investor confidence in the Company's growth trajectory.

- Total shareholders' funds Rs. 30,509Mn
- Net asset value per share Rs. 68.90

Investor Relations – Page 242



3. Resilient revenue streams

With diversified income sources, including luxury accommodation, fine dining, banqueting, MICE (Meetings, Incentives, Conferences, and Exhibitions) and shopping mall complex operations, the Company benefits from multiple revenue-generating avenues, reducing dependency on any single segment. Also the strength of the Cinnamon Grand brand name has enabled the Company to remain resilient in revenue generation amidst intensifying competition in the hospitality segment in Colombo.

Financial Capital – Page 54



4. Commitment to sustainable growth

The Company integrates Environmental, Social, and Governance (ESG) principles into its business strategy, ensuring long-term value creation for investors. The company's ESG initiatives focus on reducing environmental impact, enhancing social responsibility, and upholding strong governance practices. Sustainability efforts include energy efficiency programmes, water conservation, waste reduction, and responsible sourcing, all of which contribute to operational resilience and cost efficiency. Social responsibility is reflected in community engagement projects, employee wellbeing programmes, and inclusive workplace policies, strengthening brand reputation and stakeholder trust. Governance structures ensure transparency, ethical decision-making, and regulatory compliance, minimising risks and safeguarding shareholder interests. The Company's proactive sustainability agenda, closely guided by the John Keells Group, positions it as an attractive choice for responsible investors seeking both financial returns and positive impact.

- YoY increase in carbon footprint of the Company: 11%
- Aggregate spend on community empowerment initiatives over the past three years: Rs. 12.3 Mn

ESG Performance – Page 49



5. Empowering people for driving excellence

At Asian Hotels and Properties PLC, our success is built on a culture that values, supports, and empowers our people. We foster an inclusive and dynamic workplace where employees are encouraged to grow, innovate, and contribute meaningfully to the Company's vision. Through comprehensive training programmes and career development opportunities, enabled through initiatives like the Cinnamon Academy, and employee engagement initiatives, we cultivate a highly motivated workforce committed to delivering exceptional guest experiences. Our focus on wellbeing, diversity, and collaboration ensures a positive work environment that enhances productivity and retention. By investing in our people, we strengthen our service excellence, operational efficiency, and long-term business sustainability which also translate to strong financial performance.

- Average training hours per employee 46.84 hours (57.53 hours 2023/24)
- Accreditations/ certifications on our HR practices: ISO, OHSMS, Cinnamon Care

Human Capital – Page 65



ASIAN HOTELS AND PROPERTIES PLC: A CATALYST IN SRI LANKA'S ECONOMIC RESURGENCE

As a veteran in the hospitality sector with a longstanding commitment to excellence, Asian Hotels and Properties PLC, under its brand names of Cinnamon Grand Colombo and Cinnamon Lakeside Colombo has played a pivotal role in elevating Sri Lanka's global reputation through world-class hospitality. As the nation emerges resiliently from past challenges and gains recognition as one of the world's most sought-after tourist destinations, the Group remains dedicated to driving this progress. Leveraging its expertise, experience, and strategic growth plans aligned with national objectives, the Group continues to support Sri Lanka's vision of increasing foreign exchange earnings from tourism and positioning the country as a premier global attraction.



Aligned to Sri Lanka's reviving the tourism industry

Sri Lanka's tourism sector has set ambitious targets to bolster the nation's economy through increased international arrivals and revenue generation. In 2025, the Government of Sri Lanka (GoSL) aims to attract 3 million tourists, generating approximately USD 5 billion in revenue. Looking further ahead, the long-term vision is to welcome 5 million tourists annually by 2030, with projected earnings between USD 8.5 billion and USD10 billion. The Group remains well-poised in supporting these targets, through serving international guests, corporate clients, and event attendees with star-class accommodation, food, services, and activities on offer, under the world-renowned brands of Cinnamon Grand Colombo and Cinnamon Lakeside Colombo. We will also leverage our strong partnerships with our global sales agents and travel agents in driving growth target.



Supporting Sri Lanka's Foreign Exchange Reserves build up

Post the economic crisis, sovereign debt default and the Extended Fund Facility of the International Monetary Fund and the finalised restructuring of the country's sovereign debt, the Government and the Central Bank of Sri Lanka have set goals in accumulating reserves sufficient to cover the country's short-term debt obligations, and provide a comfortable buffer in set time horizons. Tourism has been identified as a major driver in foreign exchange revenue generation as mentioned above, and the Group will directly contribute to these national targets through its business operations.



Job creation and skill development in the hotel industry

The hotel industry provides direct and indirect employment to thousands of Sri Lankans. From front-line staff to managerial positions, these hotels create a wide range of job opportunities, both skilled and unskilled. At Asian Hotels and Properties PLC, we have similarly created many job opportunities. Being a part of the Cinnamon Hotels & Resorts chain, which is a larger establishment with many hotels and resorts spread across Sri Lanka and Maldives, the Group possesses the unique proposition to channel staff and afford them training opportunities across the Cinnamon Hotels chain. Additionally, the Cinnamon Academy, is dedicated to grooming, nurturing and producing professionals in the hotel and leisure sector through an internationally accredited training programme. This focus on professional growth contributes to a more competitive and capable labour force, boosting the economy in the long term.



Supporting local businesses

The Group supports local, small and medium-sized enterprises, as well as minority-owned suppliers, and collaborate with them to establish a diverse, responsible, and resilient supply chain. Continued business opportunities, ease of transactions, timely payment and ethical business conduct are areas which the Group focuses on, and modes via which they empower the business partners, thereby enable stable revenue streams for them.








Tax Contributions to Government

The Group contributes to fiscal policy and national development by adhering to relevant tax regulations and supporting the Government's revenue objectives.

Group Performance Highlights (Financial)

	Metric	2025	2024	2023	2022	2021
Operational Performance						
Group revenue	Rs. Mn	10,362	10,772	8,417	4,095	1,790
Results from operating activities	Rs. Mn	450	612	93	(407)	(1,913)
Profit/(Loss) before tax	Rs. Mn	308	212	(133)	(459)	(2,370)
Profit/(Loss) after tax	Rs. Mn	85	78	(333)	(508)	(2,244)
EBITDA	Rs. Mn	1,227	1,153	766	142	(1,798)
Return on equity (ROE)	%	(0.15)	(0.07)	(0.92)	(1.62)	(5.54)
Pre-Tax return on capital employed (ROCE)	%	1.24	1.74	0.86	(0.65)	(6.43)
Balance Sheet Strength						
Total assets	Rs. Mn	49,179	48,381	45,912	42,509	40,869
Total liabilities	Rs. Mn	14,807	14,832	13,674	7,549	6,256
Net debt	Rs. Mn	1,873	2,284	2,101	1,645	691
Shareholders' funds	Rs. Mn	30,509	29,949	28,875	31,626	31,306
No. of shares in issue	Thousands	442,775	442,775	442,775	442,775	442,775
Net assets per share	Rs	68.90	67.64	65.21	71.43	70.70
Debt/Equity	Times	0.07	0.08	0.08	0.06	0.03
Debt/Total assets	Times	0.04	0.05	0.05	4.39	2.54
Investor Highlights						
Market price of share as at 31st March	Rs	53.00	61.00	44.00	37.00	37.40
Market capitalisation	Rs. Mn	23,467	27,009	19,482	16,383	16,560
Social Performance						
Economic value added	Rs. Mn	5,797	6,285	2,875	1,569	(7)
Employee benefit liabilities as of 31st March	Rs. Mn	397	474	334	344	378

Value Creation Highlights (Non-Financial)

For the year ended 31 March		Metric	2025	2024
 Manufactured Capital	Room inventory - Cinnamon Grand Colombo	No.	501	501
	Property, plant and equipment	Rs. Mn	36,287	35,188
	Capital expenditure	Rs. Mn	972	494
 Human Capital	Total employees	No.	836	990*
	Female representation	%	15	12
	Value added per employee	Rs. Mn	2.15	1.7
	Total training investment	Rs. Mn	15	9
	Total training hours	Hrs	39,161	56,956
	Training hours per employee	Hrs	46.84	57.53*
	Employee retention rate	%	77	80
	Workplace injuries	No.	7	17
 Social and Relationship Capital	Total suppliers	No.	925	863
	Payments to local suppliers	Rs. Mn	4,696	3,752
	Global Review Index	%	95	96
	Net Promoter Score	%	60	78
	Total investment in community projects	Rs. Mn	4.2	5.7
 Intellectual Capital	Average service length of an employee in years	No.	8	9
	ISO certifications in place	No.	2	3
	Awards won during the year	No.	3	10
	TripAdvisor Score (out of five scoring)	No.	4.7	4.5
 Natural Capital	Carbon footprint	tCO2 e	9,916	8,957*
	Carbon footprint per EarthCheck guest night	KgCO2 e	22.37	18.98
	Water withdrawn	m ³	157,501	179,985*
	Water withdrawn per EarthCheck guest night	Litres	355	381*
	Energy consumption	GJ	61,115	65,441*
	Energy consumption per guest night	Energy consumption per guest night	0.14	0.14
	Total waste	MT	414	496
	Landfill waste disposed per Earthcheck Guest night	Kg	0.021	0.002

* Restated

Leadership



True leadership lies in the ability to see what's possible before it becomes visible. At the heart of our journey is a team guided by purpose, united by foresight, and driven by a shared commitment to progress. Together, they shape the path forward, turning aspiration into action and vision into legacy proving that when leadership is clear, the future is limitless.

Celebration

of Vision



Chairperson's Message



Our strong performance during the year is a testament to the strength of our core values, the clarity of our strategic direction, and our commitment to people-focused leadership. These pillars continue to guide us as we remain steadfast in our pursuit of long-term, sustainable growth.



Dear Stakeholder,

On behalf of the Board, I am pleased to share with you the highlights of the Integrated Annual Report and Financial Statements of Asian Hotels and Properties PLC (the Company) for the financial year ended 31 March 2025.

Our strong performance during the year is a testament to the strength of our core values, the clarity of our strategic direction, and our commitment to people-focused leadership. These pillars continue to guide us as we remain steadfast in our pursuit of long-term, sustainable growth.

Operating Environment

Global

The UN World Tourism Barometer estimates that international tourist arrivals reached ~1.4 billion in 2024, representing 99 per cent of pre-pandemic levels and an 11 per cent increase over 2023, with 140 million additional trips recorded. Growth was underpinned by the release of the residual pent-up demand, improved air connectivity and the robust rebound of the Asian markets.

Sri Lanka

The Sri Lankan economy demonstrated a stronger-than-anticipated recovery in 2024, underpinned by robust macroeconomic performance and improved fundamentals that support a sustained growth trajectory. Real GDP recorded a growth of 5 per cent, the highest annual growth rate since 2017, albeit off a lower base. This rebound was primarily driven by the industrial and tourism sectors, bolstered by ongoing structural and policy reforms implemented in tandem with continued fiscal discipline.

Inflation maintained its downward trajectory from 0.9 per cent in March 2024, with the country entering a period of deflation from September 2024 onwards. Inflation reached a low of negative 4.2 per cent in February 2025 before moderating to negative 2.6 per cent by March 2025. Interest rates remained below 10 per cent throughout the period, with a marginal decline across the year reflecting

the impact of targetted and accommodative monetary policy measures. The external sector continued to demonstrate resilience, underpinned by a strengthening of official reserves driven by robust growth in exports, tourism earnings, and worker remittances. The combined impact of improved foreign exchange inflows and reserve accumulation contributed to the stabilisation of the Sri Lankan Rupee, which appreciated by ~10 per cent during calendar year 2024. However, a marginal depreciation of ~1 per cent was recorded in the fourth quarter of 2024/25, attributed to short-term market volatility.

The stable socio-economic environment in 2024, following a prolonged period of disruption starting from the Easter Sunday terror attacks in 2019, the pandemic, to the domestic macroeconomic crisis, paved the way for the recovery of the tourism sector. The resurgence of the tourism industry was also aided by, robust performance from key source markets, and growing confidence among travellers in choosing Sri Lanka as their destination. Sri Lanka's cumulative tourist arrivals for 2024 grew 38 per cent against 2023 and stood at 2.1 million, largely in line with the Sri Lanka Tourism Development Authority's (SLTDA) target, although still approximately 10 per cent below pre-pandemic levels. India emerged as the top source market with over 400,000 arrivals, recording a 38 per cent increase and constituting 20.3 per cent of total arrivals. Russia followed closely with ~200,000 arrivals, comprising 9.8 per cent of total arrivals. Additionally, arrivals from United Kingdom and Germany also witnessed a resurgence.

A Resilient Outcome

AHP recorded sound profitability during the year, with a profit after tax of Rs. 85.3 million, a year-on-year (YoY) increase of 10 per cent. Profit before tax was Rs. 307.8 million, a YoY increase of 45 per cent. Despite a slowdown in revenue compared to the prior year, profitability was supported by a notable increase in margins, on account of the downward revision of electricity tariffs, strategic initiatives aimed at enhancing operational efficiency and strengthening product offerings undertaken across the properties

Fostering human potential through a culture of empowerment

This year, our journey to unlock the full potential of our people took meaningful strides. We laid the foundation for future leadership by completing a new structure for succession planning and rolling out key development programs, marking a significant step in our talent pipeline.

Championing diversity remained central to our purpose. Through the EmpowHer campaign and thoughtful conversations with team members across the thirteen hotels, we gathered valuable insights to shape a more inclusive workplace. Leadership teams actively joined the dialogue to explore how we can further increase female participation in the year ahead.

Our values were not merely articulated—they were demonstrably upheld throughout the organisation. The Living Our Values initiative reinforced this commitment by integrating consistent messaging, structured weekly reflections, and a cohesive visual identity across all Cinnamon hotels, spanning the entire employee journey. The Hall of Greatness was launched to celebrate those who exemplify our culture.

Recognising that wellbeing fuels performance, we also introduced a Colleague Assistance Program with Sri Lanka Sumithrayo, ensuring our people feel supported both at work and beyond.

Driving Operational Excellence

During the reporting period, the Group continued to harness technology alongside our rich blend of global and local expertise to build a more agile, efficient, and high-performing business model. All our properties transitioned to the Opera Cloud PMS system which was a transformative step that has enhanced the way we manage and report on our operations. With Opera Cloud, our teams are better equipped to deliver seamless experiences while operating more efficiently than ever before. The Group is collaborating with Octave, the Data and Advanced Analytics Centre of Excellence, to develop use cases focusing on energy and targeted online marketing. The use cases are currently at a pilot stage and are expected to be rolled out in 2025/26. Furthermore, to enhance data-driven decision-making, a unified Data Lake House was implemented for the Commercial teams. This platform provides multiple dashboards and reporting views, enabling real-time access to insights and offering flexibility for teams to tailor dashboards to their specific needs.

Cultivating a Greener Tomorrow

We are committed to reducing our environmental footprint through energy efficiency, water conservation, waste reduction, and biodiversity protection and has embedded environmental stewardship across our operations, acknowledging our deep connection with natural ecosystems. From reducing our ecological footprint, reducing plastic waste to championing biodiversity conservation, our efforts are guided by a long-term commitment to sustainability. We actively engage guests, team members, and local communities, fostering a shared responsibility for protecting the planet.

Our commitment is evident in conservation initiatives spanning both marine and terrestrial ecosystems. In the Maldives and Sri Lanka, we offer immersive guest experiences that cultivate appreciation for marine life while supporting ocean protection. Key initiatives include coral reef restoration at our Maldivian resorts, preserving reef systems vital to biodiversity, coastal resilience, and the tourism economy.

On land, the Cinnamon Rainforest Restoration Project in Sri Lanka is reforesting 59 acres in the wet zone to create a safe haven for endemic and endangered species. Using assisted natural regeneration, the project promotes native biodiversity by controlling invasive species and enhancing natural habitat recovery. Together, these efforts underscore our commitment to sustainability and environmental resilience, further details are disclosed in the Nature Capital chapter of this report the Sustainability Report.

Creating Spaces of Belonging

We prioritise employee well-being, community engagement, and inclusive development to create lasting social impact. We maintain a strong commitment to advancing social responsibility through a diverse range of targets that promote inclusion, empowerment, and community engagement. Efforts are directed toward fostering a more equitable workforce, supporting marginalised groups, and strengthening local communities through education, employment, and supplier development. Our progress against the various goals set for ourselves have been discussed in page 52 of this report.

Recognition

Our unwavering commitment to building a truly sustainable and responsible brand has continued to earn us both local and international recognition. During the year Cinnamon Grand Colombo was named the “Best Five-star Hotel” and its flagship restaurant Nuga Gama received the title of “Most Authentic Sri Lankan Cuisine Restaurant” at the Sri Lanka Tourism Awards 2024. Additionally, Asian Hotels and Properties PLC’s annual report for the financial year 2023/24 was the recipient of the Bronze award of the Hotel Sector (Group assets above Rs. 10 Bn) at the CA Sri Lanka TAGS Awards.

Corporate Governance

Sound governance and ethical leadership remain cornerstones of our corporate philosophy. The AHP Group adheres to its Code of Business Conduct and Ethics, which is aligned with the principles of the Code of Best Practice on Corporate Governance 2023. I am pleased to report that there have been no reported violations of the Code. We remain firmly committed to upholding the Group Code of Conduct and related policies, with a strong emphasis on ethical and lawful practices, and a zero-tolerance stance on corruption, bribery, and any form of harassment or discrimination in the workplace or in any work-related context.

We continue to align with the broader policies and codes of the John Keells Group. In keeping with the Group’s governance framework and the revised Listing Rules of the Colombo Stock Exchange, we established dedicated Board sub-committees to enhance oversight, strengthen compliance, and support more effective execution of Board responsibilities. Previously overseen by the Parent Company, John Keells Holdings PLC, this transition to entity-specific governance allows for more focused subsidiary-level oversight, while remaining fully aligned with the Group’s core principles of transparency, accountability, and sound corporate governance. While our sub-committees now operate independently, the Parent’s Board Committees will retain an overarching oversight role to ensure consistency across the Group.

Guided by the strategic direction of the John Keells Group, we implemented several governance initiatives during the year. These included aligning with the Group’s data governance framework in compliance with the Personal Data Protection Act No. 09 of 2022 and strengthening financial governance through the introduction of a forensic data analytics platform for automated outlier detection. A comprehensive review of financial processes was also undertaken to streamline workflows and simplify financial reporting. Further details and additional initiatives are detailed in the Corporate Governance Commentary of this Report.

Integrated Reporting

This Report has been prepared in conformance with the Integrated Reporting Framework of the IFRS Foundation. The Board of Directors is responsible for ensuring the accuracy and integrity of this Annual Report. We confirm, to the best of our knowledge, the credibility, reliability, and integrity of the information presented, and in this regard, external assurance has also been sought from independent auditors, as applicable.

Chairperson's Message

Future Focus

Global Tourism

Looking ahead, international tourism is projected to grow by a further 3 per cent to 5 per cent in 2025 as per UN Tourism, supported by the continued recovery in Asia and the Pacific, sustained growth across other regions, favourable global economic conditions, and easing inflationary pressures.

Nevertheless, potential headwinds include elevated transport and accommodation costs, volatile oil prices, geopolitical tensions, extreme weather patterns, and labour shortages. Further, sustainability remains at the forefront of the industry's agenda, with a rising emphasis on responsible travel, eco-conscious practices, and the exploration of emerging and less-travelled destinations.

Sri Lanka Economy and Tourism

The emergence of strong macroeconomic fundamentals and a credible platform for broad-based growth marks a significant shift in Sri Lanka's economic landscape. The current deflationary environment is expected to gradually transition towards targeted inflation levels, supported by the Central Bank's independent and disciplined monetary policy, which allows interest rates to remain conducive to growth. Fiscal and monetary consolidation efforts are projected to continue, underpinned by the Government's commitment to reform and adherence to the IMF-EFF programme. The external outlook remains cautiously optimistic, supported by modest current account surpluses, manageable trade deficits, resilient services exports, and rising foreign exchange inflows. However, external risks persist, particularly from geopolitical tensions and shifts in global trade policies.

Tourism continues to be a key driver of Sri Lanka's macroeconomic recovery and long-term growth. As one of the country's highest foreign exchange earners and a key employment generator, the sector stands to benefit from supportive domestic policies and favourable global travel trends. Sri Lanka's strategic location, coupled with its diverse cultural, natural, and wellness offerings, positions it as an increasingly competitive and experiential tourism destination within the South Asian region.

The SLTDA anticipates the momentum in tourist arrivals to further accelerate as international airlines expand their frequencies and more charter flights resume services. In line with 2024 performance, the SLTDA has projected two growth scenarios for tourist arrivals in 2025, taking into account both peak and off-peak travel trends. The conservative scenario anticipates average growth, with arrivals reaching 2.6 million arrivals, while the optimistic scenario reflects accelerated growth targeting 3.0 million arrivals for 2025.

We are confident that the positive trend in arrivals will continue, as also seen in the forward bookings for our hotel properties. Despite the strengthening of the Rupee, Sri Lanka remains an affordable tourist destination. This affordability, coupled with the wide-ranging value proposition of its diverse landscape, cultural heritage and unique offerings that appeal to a broader range of traveller demographics continues to enhance its attractiveness as a destination.

A key opportunity for Sri Lanka lies in the robust economic expansion in India, which is expected to drive outbound travel, supported by the country's geographic proximity and increasing flight connectivity to Sri Lanka. Additionally, tourist arrivals from Middle Eastern markets continue to show encouraging growth momentum.

While a dedicated international marketing effort remains pending, various other initiatives are currently being implemented by the authorities to strengthen Sri Lanka's tourism brand and sustain global interest. Sri Lanka Tourism Promotion Bureau (SLTPB) has introduced 'Sri Lanka, A Story for Every Season', a campaign designed to position the country as a year-round travel destination highlighting Sri Lanka's wildlife safaris, cultural heritage sites, adventure tourism, scenic landscapes, and spiritual experiences.

It is imperative that the authorities fast-track the construction of the new airport terminal. The Bandaranaike International Airport (BIA) expansion project, which aims to boost annual passenger handling capacity from 6 million to 15 million, is gradually regaining momentum after facing significant delays. The expansion includes the new terminal building, arrival and departure piers, an elevated roadway, and a five-storey car park. As of early 2025, work has restarted on several components of the project, with overall completion now anticipated by 2027. Once finalised, the expansion is expected to significantly enhance Sri Lanka's international air connectivity, supporting the anticipated growth in tourist arrivals.

Dividends

The Board of Directors has declared a final dividend of Rs. 0.50 per share for the financial year ended 31 March 2025. This will be paid on or before 25th June 2025.

Acknowledgements

I take this opportunity to thank my colleagues on the Board for their invaluable guidance and constant support. I also wish to convey my appreciation to our management team and staff for their untiring effort, commitment and drive. Finally, I wish to convey my sincere appreciation to all our stakeholders including our tour partners, guests and shareholders for their continued support.



K N J Balendra
Chairperson

27 May 2025

Board of Directors

KRISHAN BALENDRA

Chairperson

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

GIHAN COORAY

Director

Gihan Cooray is the Deputy Chairperson/Group Finance Director of John Keells Holdings PLC and has overall responsibility of the Group's Finance and Accounting, Taxation, Corporate Finance and Strategy, Treasury, Information Technology and Corporate Communications functions. He is a former Chairman of Nations Trust Bank PLC. Gihan holds an MBA from the Jesse H. Jones Graduate School of Management at Rice University, Houston, Texas. He is a Fellow member of the Chartered Institute of Management Accountants, UK, a certified management accountant of the Institute of Certified Management Accountants, Australia and has a Diploma in Marketing from the Chartered Institute of Marketing, UK. He serves as a Committee member of The Ceylon Chamber of Commerce.

SURESH RAJENDRA

Director

Mr. Suresh Rajendra has over 30 years of experience in the fields of finance, travel and tourism, hotel management, property development and real estate management and business development both in Sri Lanka and overseas. Prior to joining the JKH Group, he was the Head of Commercial and Business Development for NRMA Motoring and Services in Sydney, Australia and Director/General Manager of Aitken Spence Hotel Managements (Pvt) Ltd, Sri Lanka. He is a Fellow member of the Chartered Institute of Management Accountants, UK.

He is a member of the Group Executive Committee of the John Keells Group. He is the President of the Leisure industry group and is also responsible for Union Assurance PLC, John Keells Information Technology (Private) Limited and John Keells Stockbrokers. Union Assurance PLC, Trans Asia Hotels PLC, John Keells Hotels PLC and also in many of the unlisted companies of the John Keells Group.

CHANGA GUNAWARDANE

Director

Changa Gunawardane oversees the financial health of the Leisure Industry Group of John Keells Holdings as the Chief Financial Officer and has been with the John Keells Group for over 19 years. Changa currently serves as a Non-Executive Director on the Board of Trans Asia Hotels PLC, and also in many of the unlisted companies of the John Keells Group.

Changa brings extensive financial leadership experience from his current role and his previous role within John Keells Group as the Chief Financial Officer for the Information Technology Sector as well as the Sector Financial Controller for the Airlines and Logistics Business Unit, within the Transportation Sector. He also has over 30 years of financial experience across diverse industries spanning Pharmaceutical, Manufacturing, Management Services, Electrical Engineering and Construction.

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

MIKAEL SVENSSON

Director

Mikael Svensson is the CEO of Cinnamon Hotels & Resorts and overlooks Cinnamon's entire portfolio of hotels and resorts in Sri Lanka and the Maldives including Cinnamon Life Colombo. Mikael brings with him extensive international senior leadership experience in managing and operating large scale luxury hotels across Asia, the Middle East and Australia, of which over 20 years was with the Hyatt Group. He was the opening General Manager of the landmark luxury hotel on the trunk of the Palm Jumeirah, the Viceroy Palm Jumeirah, Dubai and the Grand Hyatt Mumbai, India. He was also the General Manager of the Park Hyatt Canberra, Australia and Hyatt Regency Hua Hin, Thailand. Prior to joining the John Keells Group, he was the Senior Vice President of Louis T Collection, a Singapore based hospitality management and building solutions company which owns a portfolio of hotels across Asia and Australia.

AROSHI NANAYAKKARA

Director *

Aroshi Nanayakkara is the CEO of the Global Consulting Company and a dynamic leader in the fields of Strategic Planning, HR and Risk Management. She serves on the Boards of Sampath Bank PLC, Royal Palms Beach Hotels PLC, Tangerine Beach Hotels PLC and Keells Food Products PLC as an Independent Non-Executive Director. She is the Chairperson of the Sri Lanka Institute of Directors (SLID) and the Women Corporate Directors (WCD) Sri Lanka chapter and a member of the Strategy Committee of the Global Network of Director Institutes (GNDI).

Board of Directors

She holds a B.Sc. from the prestigious Massachusetts Institute of Technology (MIT), USA in addition to a M.Sc. from the London School of Economics (LSE), UK. She also holds the professional qualifications of ACMA and CGMA from the Chartered Institute of Management Accountants (CIMA), UK. She has been recognised with many awards including the recognition by APAC Insider Magazine as the Most Comprehensive Corporate Strategy & Risk Management Consultancy CEO (Sri Lanka) for 2023 and 2024.

JEGATHEESAN DURAIRATNAM

Director*

Jegatheesan Durairatnam joined the Commercial Bank of Ceylon PLC in 1982 and he is the retired Managing Director/ Chief Executive Officer. His banking experience covers all aspects of International Trade, Offshore Banking, Credit, Operations, and IT. He has been in the Bank's Corporate Management Team for 15 years. He holds a bachelor's degree from the University of Peradeniya. He has held positions in Senior Management, including the position of Chief Operating Officer, Deputy General Manager International Division, Assistant General Manager - International Division and Head of Imports. He also serves on the Boards of Commercial Development Company PLC, Lanka Financial Services Bureau Limited, Sri Lanka Banks' Association (Guarantee) Limited and The Financial Ombudsman Sri Lanka (Guarantee) Limited. He currently serves as an Independent Non-Executive Director on the Boards of Asset line Leasing Co Ltd, Ceylinco Life Ltd, Enviro Solutions (Pvt) Ltd and as the Non-Executive Chairman of DFCC Bank PLC.

ASHAN DE ZOYSA

Director*

Ashan De Zoysa counts 25 plus years of experience in the field of Information & Communication Technology; Communication Technology including several years of overseas exposure in IT and derivative/commodity trading in Australia. Ashan holds a Bachelor of Commerce Degree from the University of New South Wales. He is the Managing Director of A.E.C. Properties Private Ltd and serves on the Board of Associated Electrical Corporation Ltd. He has previously served on the Boards of AMW Group as a working Director and as an Independent Non-Executive Director of Union Assurance PLC.

* Independent Non-Executive Director

Operating Context and Strategy

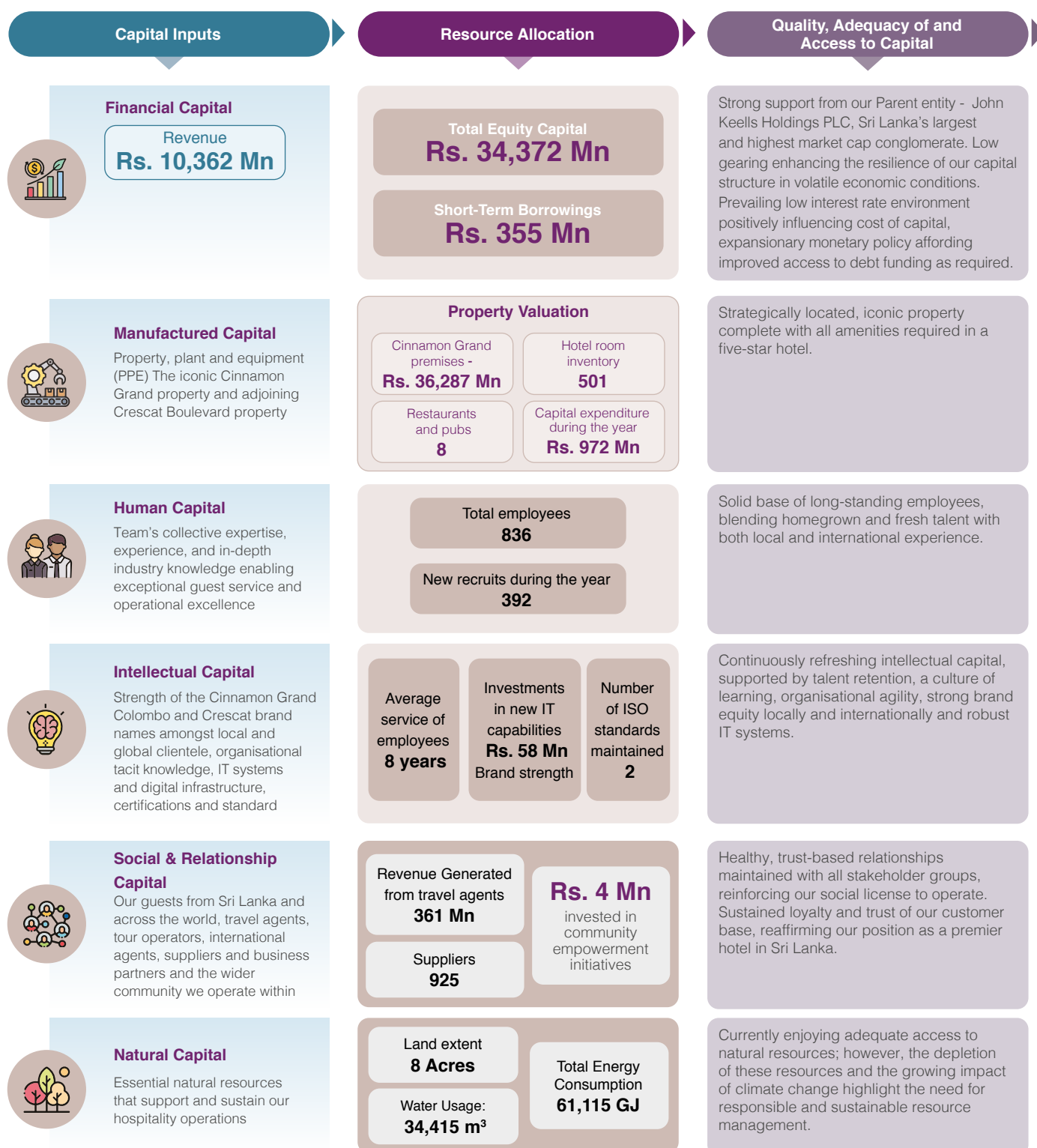
Celebration of Ambition



In a world of constant change, ambition finds its purpose through clarity and intention. At Asian Hotels and Properties, our strategic decisions are shaped by deep insight and a steady commitment to progress. We navigate complexity with care, balancing bold aspirations with enduring responsibility ensuring that every step we take is aligned with a future that is both visionary and sustainable.

Value creation model

Our value creation model illustrated below reflects how we transform a broad range of capitals into exceptional experiences and sustainable outcomes. Guided by the principles of the Integrated Reporting Framework, we leverage our financial strength, premium infrastructure, dedicated talent, strong stakeholder relationships, brand equity, and responsible use of natural resources to deliver lasting value to our guests, employees, investors, and the wider community. Through continuous innovation and operational excellence, we remain committed to creating memorable hospitality experiences while supporting economic progress, environmental stewardship, and social wellbeing.



Value Transformation

Key outputs



Vision

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



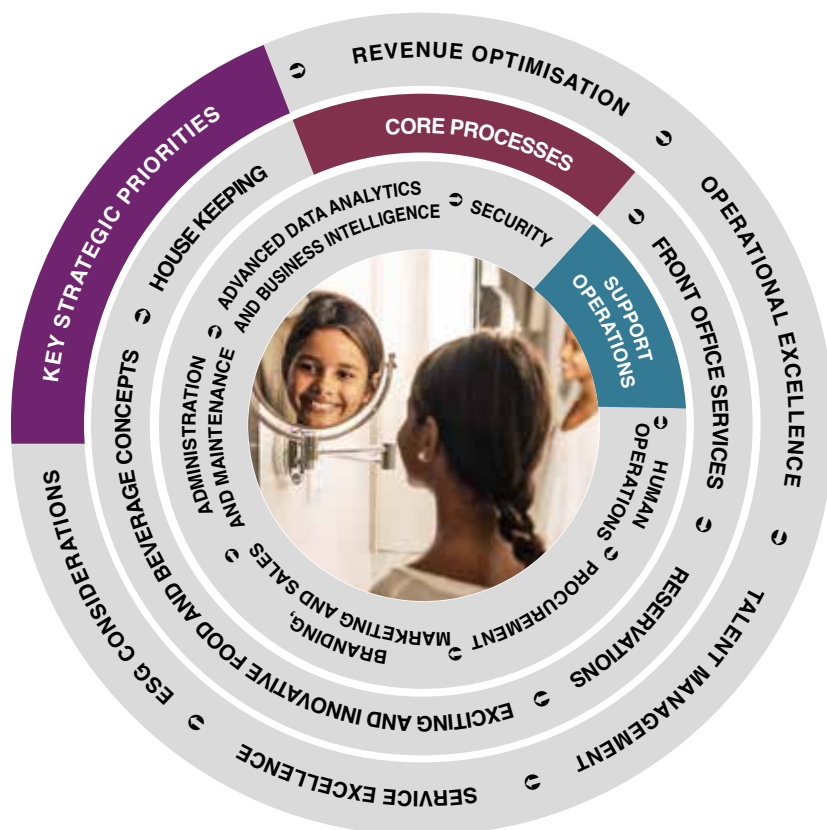
Purpose

We curate emotional experiences to inspire stories that connect



Values

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



Key risks

Page 39

Key opportunities

Page 39

Shaped by



Operating Environment
(Page 34)



Stakeholder Interactions
(Page 27)



Corporate Governance
(Page 110)



Risk Management
(Page 167)



ESG Priorities
(Page 49)



A consistently exceptional guest experience that reflects personalised service, attention to detail, and a deep understanding of diverse guest expectations

61 %

Occupancy rate

53,803

Room nights

Waste and emissions generated in the process

9,916 tCO₂e Total GHG emissions

414 MT Total waste generated

123,086 m³ Effluents discharged

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



Value creation model



Stakeholder Interactions

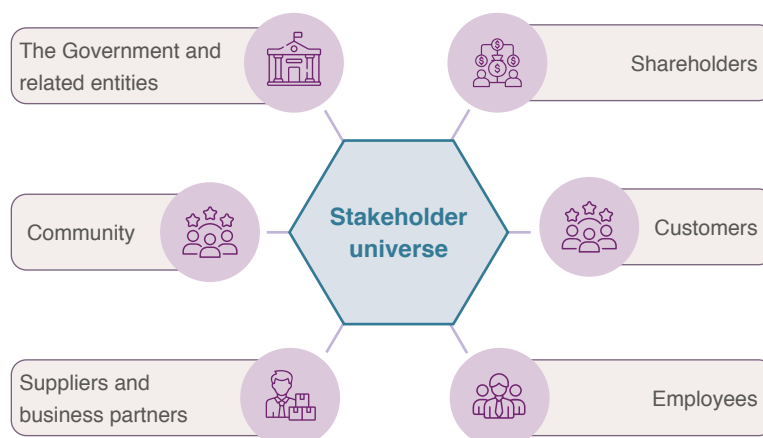
STAKEHOLDER ENGAGEMENT MECHANISM

Given the diverse and expansive range of stakeholders with whom we engage, Asian Hotels and Properties PLC adopts a structured and methodical approach to stakeholder interaction. Central to this process is a prioritisation model that evaluates stakeholders based on two primary dimensions: the level of interest they demonstrate in the Company's operations, and the extent of influence they exert on our value creation, strategic direction, and decision-making processes.

This dual assessment enables us to map stakeholders according to their significance, allowing us to tailor our engagement strategies to be both relevant and impactful. Stakeholders with high influence and high interest are accorded heightened attention through proactive, frequent, and in-depth interactions, while those with lower levels are still engaged appropriately to ensure inclusivity and transparency. Engagement mechanisms involve active consultation, collaboration, keeping them adequately informed and sustaining their interest.

All stakeholder engagements are governed by well-established internal policies and protocols, which guide the manner, frequency, and nature of communication. These engagements are carried out with a commitment to timeliness, accountability, and openness, ensuring that each stakeholder group receives the information and involvement appropriate to their role in our ecosystem.

This prioritised and policy-backed approach ensures that stakeholder voices are heard, respected, and meaningfully incorporated into our strategic planning and value creation efforts. A graphical representation of our stakeholder prioritisation matrix is presented below to illustrate this process more clearly.



Stakeholder Interactions



Shareholders

Profile

3,715 shareholders

96.05% institutional shareholders

98.50% local shareholders

Major shareholder - John Keells Holdings PLC with a holding of 78.56%

Engagement mechanisms		
Engagement modes	References	Dedicated point of contact
<ul style="list-style-type: none"> Annual General Meetings Extraordinary General Meetings Quarterly financial results publications 	<ul style="list-style-type: none"> Annual Reports Quarterly financial statements Announcements to the Colombo Stock Exchange Disclosures made in the corporate website 	<ul style="list-style-type: none"> Company Secretary Director Finance
Key concerns raised and connectivity to material matters		
Key concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> Sound financial performance Increasing business revenue in a thriving tourism sector Effectiveness of risk management frameworks to address geopolitical and operational uncertainties Adequate shareholder returns through consistent dividend payouts and share value appreciation Strength, vision, and continuity of the Board and senior leadership in navigating the industry landscape Integration of ESG priorities into the core business and long-term value creation strategy 	<p>Strengthened our strategic focus on operational efficiency, revenue diversification, and prudent cost management to sustain financial performance and shareholder returns amidst reviving tourism sector yet persisting macro-economic challenges. Simultaneously, the leadership prioritised robust governance, enhanced risk oversight, and deepened ESG integration to build long-term resilience and stakeholder trust.</p>	<ul style="list-style-type: none"> Corporate governance Transparency in disclosures Risk management Stakeholder relationship management Tax strategy
Driving value and strategy		
Value delivered	Link to strategy	
<ul style="list-style-type: none"> Group Pre-tax profits – Rs. 308 Mn Total equity – Rs. 34,372 Mn 	<ul style="list-style-type: none"> Revenue optimisation 	

WAY FORWARD

Continue alignment of the Company's strategic priorities with shareholder expectations by driving sustainable growth, enhancing transparency, and delivering consistent value through sound governance and responsible business practices.

Read more information: Financial capital – page 54, Information To Shareholders & Investors – page 242



Customers

Profile

53,803 Room nights

60 % Net Promoter Score

Engagement mechanisms

Engagement modes	References	Dedicated point of contact
<ul style="list-style-type: none"> All customer-serving front line staff Channel partners in Sri Lanka and overseas Global sales officers In-stay and post-stay surveys Newly introduced app for in-house guests "Eat App" Online reviews across multiple platforms such as booking.com, etc. Social media Corporate website www.cinnamonhotels.com 	<ul style="list-style-type: none"> Duly updated website content Brochures and flyers that are made available from time to time Social media posts Guest reviews and testimonials Sustainability Reports / ESG Highlights in annual reports Press releases and news articles Terms and conditions / booking policies Menus and event packages 	<ul style="list-style-type: none"> Cinnamon Connect hotline Front desk/ reception

Key concerns raised and connectivity to material matters

Key Concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> Quality of service Escalations in pricing Novel experiences in cuisine and events Rewarding customers for loyalty ESG considerations in our business 	<ul style="list-style-type: none"> Continuous enhancement of our offerings to meet evolving customer expectations, delivering exceptional service quality and superior value for money, while consistently upgrading amenities to enrich the guest experience Introduction of Cinnamon DISCOVERY customer loyalty programme 	<ul style="list-style-type: none"> Privacy and data security Guest health and safety Sustainable tourism Product safety and quality Stakeholder relationship management

Driving value and strategy

Value delivered	Link to strategy
Global Review Index 95%	<ul style="list-style-type: none"> Service excellence ESG considerations

WAY FORWARD

Moving forward, we aim to deepen our engagement with guests by introducing a comprehensive customer loyalty programme that rewards repeat stays and enhances brand affinity. We will continue to invest in service innovation, refine our offerings based on guest feedback, and elevate the overall experience through personalised services and upgraded amenities.

Read more information: Social and relationship capital – page 86

Stakeholder Interactions



Employees

Profile

836 employees

15% female representation

Engagement Mechanisms		
Engagement modes	References	Dedicated point of contact
<ul style="list-style-type: none"> Periodic meetings at different levels Employee satisfaction survey (bi-annually) Induction programmes for all new recruits Mid-year and full year performance appraisals Cinnamon Grand Long Service Awards Staff Engagement initiatives conducted throughout the year 	<ul style="list-style-type: none"> Employment contract Wide range of policies leading to a rewarding workplace for employees Code of Conduct Training resources 	<ul style="list-style-type: none"> Head of Human Resources Company Ombudsman

Key concerns raised and connectivity to material matters		
Key concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> Assurance of job security amidst economic uncertainties Competitive and timely remuneration aligned to rising cost of living Access to mental health and wellbeing support Opportunities for career progression in a growing tourism sector Fair and transparent performance appraisal systems Safe and hygienic working environment with necessary health protocols Ongoing training to meet international service standards Recognition and rewards for outstanding performance Inclusivity and equal opportunity within the workforce Engagement in sustainability initiatives and environmentally responsible practices 	<p>In response to employee concerns, the Company strengthened its focus on job stability and financial wellbeing through competitive remuneration, timely payments, and retention initiatives, amidst macro-economic challenges and rising competition within Colombo's star hospitality space. Comprehensive training programmes and performance-based growth opportunities were implemented to support career advancement, while ensuring safe and supportive working conditions.</p>	<ul style="list-style-type: none"> Human rights Health and safety Diversity and equal opportunity Talent attraction and retention Stakeholder relationship management

Driving value and strategy	
Value Delivered	Link to Strategy
<p>Rs.1,482Mn payments to employees</p> <p>46.84 average training hours per person</p>	<ul style="list-style-type: none"> Talent management

WAY FORWARD

The Company will continue to foster a supportive and inclusive work environment that prioritises employee wellbeing, professional growth, and job satisfaction. Enhanced engagement mechanisms and transparent communication channels will be implemented to better understand and respond to employee needs. Ongoing investment in training and development will ensure our teams remain future-ready in a dynamic hospitality landscape. We will remain a most-sought after employer in the sector

Read more information: Human capital –page 65



Suppliers and business partners

Profile

5 Global Sales Offices

925 Suppliers

Engagement Mechanisms

Engagement modes	References	Dedicated point of contact
Agents <ul style="list-style-type: none"> One-on-one meetings via virtual modes and in-person meetings in Colombo or overseas Road-shows and promotional events Periodic supplier reviews Suppliers <ul style="list-style-type: none"> Annual/bi-annual supplier reviews and audits Long-term contracts with clear performance KPIs Joint planning and forecasting sessions Ethical sourcing policies and compliance checks Supplier forums and feedback mechanisms 	<ul style="list-style-type: none"> Agreements and contracts executed 	<ul style="list-style-type: none"> Director of Room Sales Manager Purchasing

Key concerns raised and connectivity to material matters

Key concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> Timely settlement of dues and commissions Competitive and transparent pricing structures Room availability during peak seasons Consistency in service quality and guest experience Support for joint promotions and marketing efforts Clear communication channels and responsiveness Ethical procurement practices and fair treatment Supply chain disruptions or delays Sustainability practices and ESG compliance 	<p>The Company maintained consistent communication with agents and suppliers to ensure transparency, timely updates, and mutual understanding on operational matters. It adhered to fair procurement practices, ensured timely payments, and supported collaborative marketing efforts to boost occupancy. Additionally, the Company strengthened its supplier relationships by emphasising ethical sourcing and aligning with sustainability standards.</p>	<ul style="list-style-type: none"> Business conduct and ethics Supply chain management Supplier assessment Stakeholder relationship management

Driving value and strategy

Value Delivered	Link to Strategy
<ul style="list-style-type: none"> Rs. 961 Mn Revenue from travel agents Rs. 4,696 Mn Payments to local suppliers 	<ul style="list-style-type: none"> Revenue optimisation Operational excellence and cost optimisation

WAY FORWARD

Way forward initiatives include further expanding the global agent network, fostering stronger collaborative partnerships, and leveraging synergies for co-branded promotions. The Company also aims to enhance supplier engagement through streamlined procurement processes and more transparent communication channels to drive mutual growth.

Read more information: Social and relationship capital - page 86

Stakeholder Interactions



Community

Profile

The wider community within which we operate

Engagement Mechanisms		
Engagement modes	References	Dedicated point of contact
<ul style="list-style-type: none"> Community outreach programmes Local employment opportunities Partnerships with schools in the community Participation in local events and festivals Support for small and medium local enterprises (SMEs) Environmental and sustainability initiatives Sponsorships and donations for community welfare Volunteerism by staff in community activities Collaboration with local government authorities Awareness programmes on tourism and hospitality benefits 	<ul style="list-style-type: none"> Sustainability reporting, press releases and other related publications Social media platforms 	<ul style="list-style-type: none"> Director Human Resources Director Learning and Development Manager, Health, Hygiene and Sustainability General Manager/ Hotel Manager
Key concerns raised and connectivity to material matters		
Key concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> Employment opportunities for local residents Environmental impact, including waste disposal and water usage Support for local businesses and suppliers Cultural sensitivity and respect for local customs Safety and security in and around the hotel premises Contribution to community development initiatives Involvement of the hotel in local infrastructure or social programmes Transparency in the hotel's CSR and sustainability efforts 	<p>The Company actively engaged with the local community through employment generation, partnerships with local suppliers, and community upliftment initiatives. Additionally, environmental management practices and CSR programmes were strengthened to ensure minimal disruption and enhanced goodwill among the community, governed by strong policies and processes around the impact we create.</p>	<ul style="list-style-type: none"> GHG emissions and energy management Water management Waste management Community relations and empowerment Stakeholder relationship management
Driving value and strategy		
Value Delivered	Link to Strategy	
<ul style="list-style-type: none"> Rs. 4.2 Mn invested in community empowerment and environmental preservation initiatives 600+ beneficiaries of community empowerment projects 249 staff members recruited within the Western province 	<ul style="list-style-type: none"> ESG considerations 	

WAY FORWARD

The Company will continue to foster strong community ties through local employment initiatives, sustainability efforts, and ongoing support for local businesses. Further collaborations with community leaders and NGOs where permitted will be explored to drive social responsibility and ensure mutual growth.

Read more information: Social and relationship capital – page 86



The Government and related entities

Profile

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

- Sri Lanka Tourism Development Authority (SLTDA)
- Colombo Stock Exchange (CSE)
- Colombo Municipal Council (CMC)
- Securities and Exchange Commission of Sri Lanka (SEC)
- Consumer Affairs Authority (CAA)
- Central Environmental Authority (CEA)
- Board of Investment of Sri Lanka (BOI)
- Inland Revenue Department (IRD)
- Urban Development Authority (UDA)
- Department of Labour
- Central Bank of Sri Lanka (CBSL)

Engagement Mechanisms		
Engagement modes	References	Dedicated point of contact
<ul style="list-style-type: none"> • Periodic regulatory filings and disclosures • Statutory reporting and compliance submissions • On-site inspections and audits • Participation in industry consultations and forums • Licensing and permit applications • Public hearings and stakeholder meetings • Formal correspondence and notifications • Digital reporting platforms and online submissions • Regulatory training and awareness sessions 	Documentation with regards to Periodic regulatory filings and disclosures and statutory reporting and compliance submissions	<ul style="list-style-type: none"> • Director – Finance
Key concerns raised and connectivity to material matters		
Key concerns raised	Response action	Corresponding material topics
<ul style="list-style-type: none"> • Timely and accurate tax payments • Compliance with health and safety regulations • Environmental sustainability and waste management practices • Adherence to labour laws and fair employment practices • Accurate and transparent financial reporting • Contribution to national tourism goals and economic development • Security protocols and guest safety measures • Adherence to tourism and hospitality sector regulations 	The Company maintained full compliance with all applicable laws and regulations, ensuring timely tax and statutory payments. Regular audits and inspections were conducted, while staff received ongoing training on regulatory compliance and best practices. Active engagement with tourism and industry authorities further reinforced our alignment with national sectoral goals and expectations.	<ul style="list-style-type: none"> • GHG emissions and energy management • Transparency in disclosures • Guest health and safety • Tax strategy
Driving value and strategy		
Value Delivered	Link to Strategy	
Rs. 1,765 Mn paid as taxes to the Government Timely renewed environmental certificates/ permits	<ul style="list-style-type: none"> • ESG considerations 	

WAY FORWARD

The Company aims to further strengthen collaboration with government and regulatory bodies through timely information sharing, active participation in policy dialogue, and alignment with national tourism and economic development priorities. Continued focus will be placed on proactive compliance and contributing to sectoral initiatives that promote sustainable growth.

Read more information: Financial capital – page 54

Operating Environment Review

For a hospitality brand like Cinnamon Grand Colombo, which welcomes guests from across the globe, staying attuned to global and local economic dynamics is critical. Our performance is closely linked to the health of the tourism sector, both internationally and domestically, and shaped by broader economic trends that influence travel patterns, consumer spending, and investment flows. Understanding shifts in the global economy, the state of international tourism, and developments in Sri Lanka's own economic and tourism landscape enables us to anticipate changes in demand, align our strategy, and deliver exceptional guest experiences despite external volatilities. This section outlines the key macroeconomic and sectoral trends that defined our operating environment during the year under review.

GLOBAL ECONOMY

Real GDP, annual percent change	2024 %	Projections	
		2025 %	2026 %
World Output	3.3	2.8	3.0
Advanced Economies	1.8	1.4	1.5
United States	2.8	1.8	1.7
Germany	(0.2)	0.0	0.9
United Kingdom	1.1	1.1	1.4
France	1.1	0.6	1.0
Canada	1.5	1.4	1.6
Emerging Market and Developing Economies	4.3	3.7	3.9
China	5.0	4.0	4.0
India	6.5	6.2	6.3
Russia	4.1	1.5	0.9

(World Economic Outlook, International Monetary Fund April 2025)

GLOBAL TOURISM

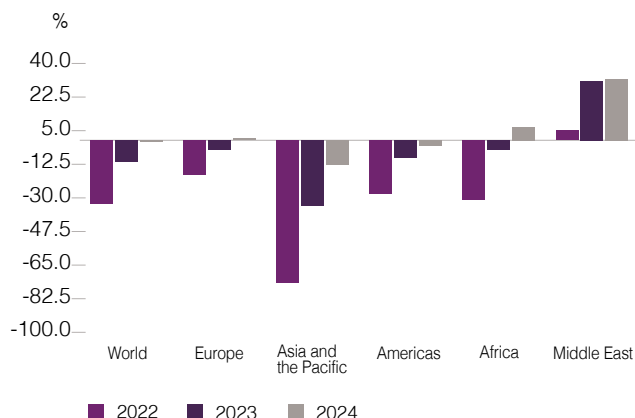
2024 performance

- International tourism virtually recovered to (99%) prepandemic levels in 2024, with most destinations exceeding 2019 numbers.
- 2024 marks the consolidation of international tourism recovery from its worst crisis ever, four years after the outbreak of the COVID-19 pandemic.
- An estimated 1.4 billion international tourists (overnight visitors) were recorded around the world in 2024, an increase of 11% over 2023, or 140 million more.
- Results were driven by strong post-pandemic demand, robust performance from large source markets globally, as well as the ongoing recovery of destinations in Asia and the Pacific.
- The Middle East remained the strongest-performing region when compared to 2019, with international arrivals climbing 32% above pre-pandemic levels in 2024, though 1% compared to 2023.
- According to preliminary estimates, receipts reached USD 1.6 trillion in 2024, about 3% more than in 2023 and 4% more than in 2019 (real terms). International tourism receipts had already recovered pre-pandemic levels in 2023.
- Total export revenues from tourism (receipts and passenger transport) are estimated at a record USD 1.9 trillion in 2024, about 3% higher than 2019.

Outlook

- International tourist arrivals are expected to grow 3% to 5% in 2025 compared to 2024.
- Economic and geopolitical challenges continue to pose significant risks to confidence levels.

International Tourist Arrivals (% change over 2019)



Source: <https://www.unwto.org>

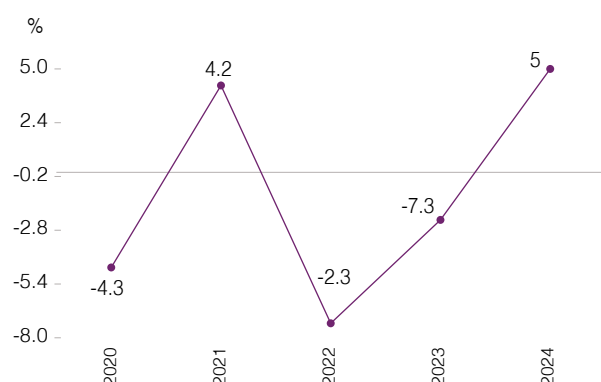
COUNTRY PERFORMANCE

Sri Lankan Economy

GDP growth

In 2024, Sri Lanka's economy rebounded strongly, recording a real GDP growth of 5.0%, a notable recovery following two years of contraction. This growth momentum was sustained across all four quarters, marking the first such consistency since 2017. The industrial sector led the recovery, driven by renewed activity in manufacturing and construction. The services sector also played a vital role, particularly through improvements in accommodation and transport. Agriculture added further support, reflecting a broad-based economic revival. As a result, GDP per capita increased to Rs. 1.36 million (USD 4,516) in 2024, up from Rs. 1.24 million (USD 3,801) in 2023.

YoY GDP growth

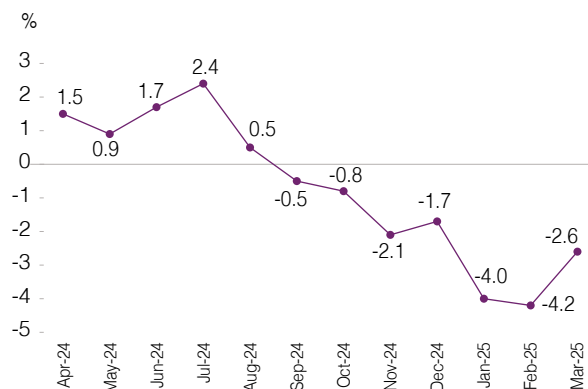


Source: <https://data.worldbank.org>

Inflation

Inflation moderated significantly in 2024, driven by tighter monetary and fiscal policies combined with declining global and local energy prices. By September 2024, inflation dipped into negative territory, marking a temporary period of deflation that helped reduce cost burdens on both households and businesses. March 2025 headline inflation as measured by the Colombo Consumer Price Index (CCPI) was -2.60%.

Inflation - Headline - CCPI



Source: <https://www.cbsl.gov.lk/en/measures-of-consumer-price-inflation>

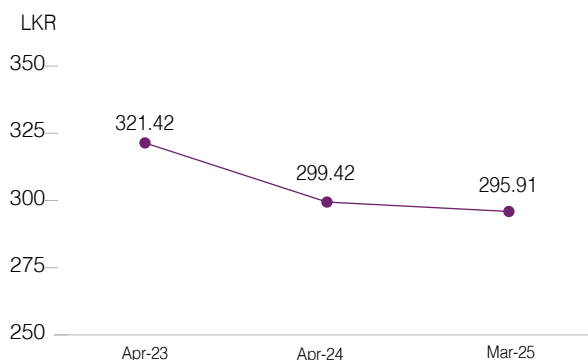
Market rates

The Central Bank of Sri Lanka reduced policy rates by 125 basis points in 2024, contributing to a total easing of 775 bps since June 2023, helping drive down market interest rates. A new single-rate framework was introduced with the launch of the Overnight Policy Rate (OPR) in November 2024, stabilising short-term rates around 8.0%. Lending and deposit rates declined as reflected in key market rates such as Average Weighted Prime Lending Rate (AWPLR). AWPLR by the end of March 2025 was 8.39%.

External sector performance

Although the trade deficit expanded amid increased imports, robust growth in tourism revenues and workers' remittances provided critical support to the balance of payments. Sri Lanka maintained an external current account surplus for the second year in a row, reflecting improved external sector dynamics. Record-high foreign exchange purchases by the Central Bank strengthened gross official reserves and led to a second consecutive year of currency appreciation. Gross official reserves (GOR) increased to US dollars 6.5 billion by end March 2025. Monthly average spot exchange rate moved to LKR 295.91/ USD, versus LKR 299.42/ USD in end March 2024.

Exchange Rate Movement



Source: <https://www.cbsl.gov.lk/en>

Operating Environment Review

Impact on Company performance

- Sustained disinflation easing cost pressures across operations, enabling more stable and predictable input costs for goods and services, including food and beverage procurement and utilities
- Continued exchange rate appreciation improving predictability in import pricing, supporting more accurate cost management and long-term pricing strategies, especially for imported premium materials and supplies
- Further easing of interest rates reducing financing costs, positively impacting cost of capital, supporting refurbishment and service enhancement initiatives as required
- Robust GDP growth and improved consumer sentiment fuelling travel, leisure, and event demand, leading to increased room occupancy, F&B revenues, and MICE activity
- Resilient tourism inflows and diaspora engagement strengthening foreign currency earnings, supporting revenue diversification and reducing dependency on purely local demand

How Asian Hotels and Properties PLC (AHP) strategised on the trends

AHP remained agile and strategically responsive to the evolving macroeconomic landscape in 2024/25. Building on the foundation laid in the previous year, operations were attuned to benefit from lower inflation and stabilising input costs, enabling more competitive and consistent pricing for guests across accommodation, dining, and event services. The appreciation of the Sri Lankan Rupee allowed more accurate forecasting and budgeting of imported materials for our Food & beverage and maintenance operations, while declining interest rates supported

cost-effective funding for ongoing upgrades and service enhancements.

AHP also capitalised on the renewed momentum in tourism and domestic economic activity by intensifying targeted marketing campaigns, refining package offerings for key visitor segments (including business travellers, event groups, and leisure tourists), and expanding promotional partnerships with online travel platforms and global travel operators. This strategic alignment ensured stronger occupancies, improved margins, and sustained growth in ancillary revenue streams.

Political Environment and Policy Direction

Sri Lanka's political landscape in 2024 and early 2025 remained broadly stable, underpinned by the Government's continued engagement with the IMF-led reform programme. The successful completion of the 3rd and 4th tranches under the Extended Fund Facility signalled ongoing commitment to fiscal consolidation, structural reforms, and improved public sector governance. Key reforms in the power sector aimed at reducing subsidies and attracting private investment, set the stage for more predictable utility pricing in the long term, benefiting large-scale commercial consumers such as hotels.

Importantly, the 2025 Budget proposals highlighted tourism as a national priority, with allocations to enhance destination marketing, simplify visa processes, and upgrade tourism-related infrastructure. These policy directions bode well for the hospitality sector including AHP, by enhancing the country's appeal as a premium tourist destination. The focus on macroeconomic stabilisation, improved investor sentiment, and strategic tourism development strengthens the outlook for sustained growth in international arrivals, boosting occupancy rates, event hosting opportunities, and overall guest spending at the Hotel.

Mega trends shaping globe tourism



Experience-driven travel

Tourists are increasingly seeking immersive and authentic experiences over traditional sightseeing. Cultural exchanges, local cuisine, adventure travel, and wellness tourism are seeing exponential growth as travellers prioritising emotional connection and personal enrichment.



Rise of digital and smart tourism

Technology is transforming travel planning, booking, and experiences. AI-powered travel assistants, virtual tours, mobile apps, and contactless services are becoming standard. Smart destinations using Internet of Things (IoT) and data analytics to enhance visitor engagement are also on the rise.



Sustainable and responsible tourism

Eco-conscious travellers now demand sustainable practices, including reduced carbon footprints, ethical wildlife tourism, and support for local communities. Destinations and operators are increasingly adopting ESG-focused strategies to stay relevant and competitive.



Workations and digital nomadism

With remote work becoming mainstream, more travellers are combining work and leisure, opting for longer stays in scenic or culturally rich locations. This trend is encouraging new types of hospitality services tailored to long-term stays and flexible workspaces.



Health and wellness tourism

Post-pandemic concerns have made health, hygiene, and wellbeing key factors in travel decisions. There is rising demand for wellness retreats, spa resorts, medical tourism, and destinations that promote physical and mental health.



Emerging markets as key source regions

The global middle class, particularly in Asia and Africa, is expanding rapidly, fueling outbound tourism from emerging economies. This shift is diversifying travel demographics and creating demand for multilingual services, tailored packages, and new marketing strategies.



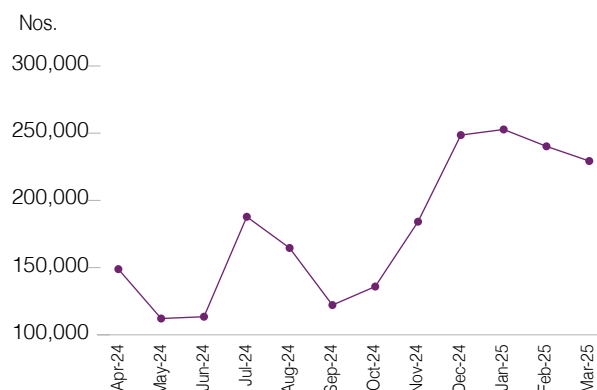
Resilience and crisis preparedness

Natural disasters, pandemics, and geopolitical instability have underlined the need for crisis-resilient tourism models. Destinations are investing in risk management, digital infrastructure, and policy frameworks to maintain continuity and traveller confidence.

SL tourism sector

Sri Lanka's tourism sector witnessed a robust resurgence during 2024 and the first quarter of 2025, marked by global accolades, record-breaking arrivals, and significant investments in infrastructure and promotion.

Monthly tourist arrivals



Source - <https://www.sltda.gov.lk/en/monthly-tourist-arrivals-reports-2025>

Highlights



Total tourist arrivals

Arrivals for 12 months ended 31 December 2024 - **2,053,468**

Year-on-year growth in 12 months ended 31 Dec 2024 against 2023 - **38%**

3 months ended 31 March 2025 - **722,276**

3 months ended 31 March 2024 - **635,784**

Maximum monthly arrivals since 01 January 2024 - **252,761 in January 2025**



Total earnings from tourism

For the Financial Year 2024 - **USD 3.2 Bn**

Year-on-year growth against 2023 - **53%**

Other highlights

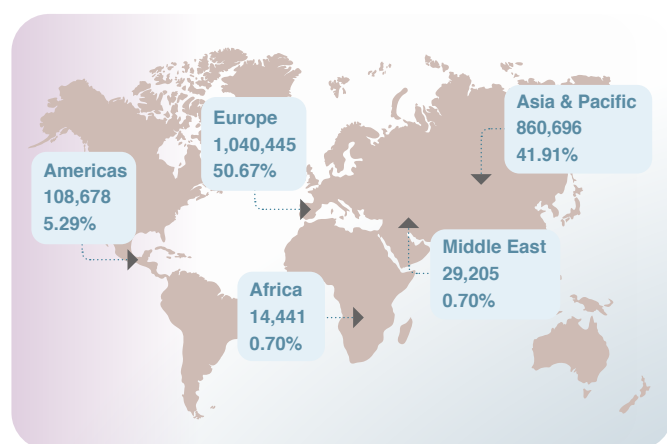
Average duration of stay during the year 2024 - **8.42 nights**

Average expenditure per tourist per day - **USD 181.15**

Operating Environment Review

Tourist arrivals by source country – 2024

Country	Arrivals	Percentage of arrivals
India	416,974	20%
Russian Federation	201,920	10%
United Kingdom	178,339	9%
Germany	136,084	7%
China	131,681	6%
Australia	89,573	4%
France	88,775	4%
United States	59,532	3%
Netherlands	50,116	2%
Maldives	47,222	2%
All other countries	653,252	32%
Total	2,053,468	100%



Key developments and strategic milestones in Sri Lanka's tourism sector

Global rankings

- Sri Lanka was ranked as the 5th most popular solo travel destination by Forbes in 2024
- The Pekoe Trail was listed among National Geographic's "Best of the World" for 2024, highlighting Sri Lanka's appeal to adventure travellers



World Bank support: In May 2025, the World Bank approved a USD 1.0 Bn loan to Sri Lanka aimed at aiding the country's economic recovery, with funds designated to revitalise key sectors including tourism (other sectors – energy and agriculture).

Digital Payments & Accessibility

- LankaQR Expansion:** In 2024, LankaQR expanded to support international payment systems, including India's Unified Payments Interface (UPI), enabling Indian tourists to make payments at over 350,000 merchant points. Plans for a 2025 relaunch aim to address adoption barriers and integrate LankaQR with digital identity and toll payment systems.

Key targets for 2025

- 3 million arrivals on an optimistic scenario
- 2.7 Mn arrivals on a conservative scenario

Strengths

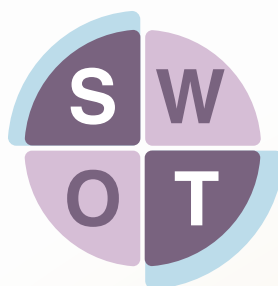
- Strong brand reputation: Established as a premier luxury hotel in Sri Lanka with significant brand equity under the Cinnamon Hotels & Resorts umbrella
- Prime location: Situated in the heart of Colombo's commercial and entertainment district, close to major embassies, offices, shopping, and tourist attractions
- Diverse F&B offering: Home to a wide range of popular restaurants and bars (e.g., Nuga Gama, Cheers Pub), catering to both local and international guests
- Event and MICE facilities: Renowned for hosting high-profile conferences, banquets, and weddings with extensive indoor spaces
- Strong parent company: Backed by John Keells Holdings PLC, offering financial stability, marketing muscle, and operational expertise

Opportunities

- Post-pandemic travel recovery: Surge in pent-up demand for luxury and business travel as global tourism rebounds
- Expansion of wellness and sustainability offerings: Growing demand for eco-conscious and wellness-based travel creates room to enhance offerings and reposition for new demographics.
- Leveraging digital transformation: Adoption of AI, smart rooms, and data analytics can improve personalisation, efficiency, and guest satisfaction
- Government tourism incentives: Budgetary focus on reviving the tourism sector, infrastructure improvement, and international marketing campaigns offer growth potential

Weaknesses

- High operating costs: As a five-star city hotel with extensive facilities, overheads and staffing costs are significant, especially in a economy recovering from a severe financial crisis
- Infrastructure: Despite periodic upgrades, maintaining exceptional quality and outstanding ambience, parts of the property may feel dated compared to newer regional competitors.
- Urban congestion: Location, while central, also suffers from Colombo's traffic and noise pollution, affecting the guest experience for leisure travellers seeking serenity



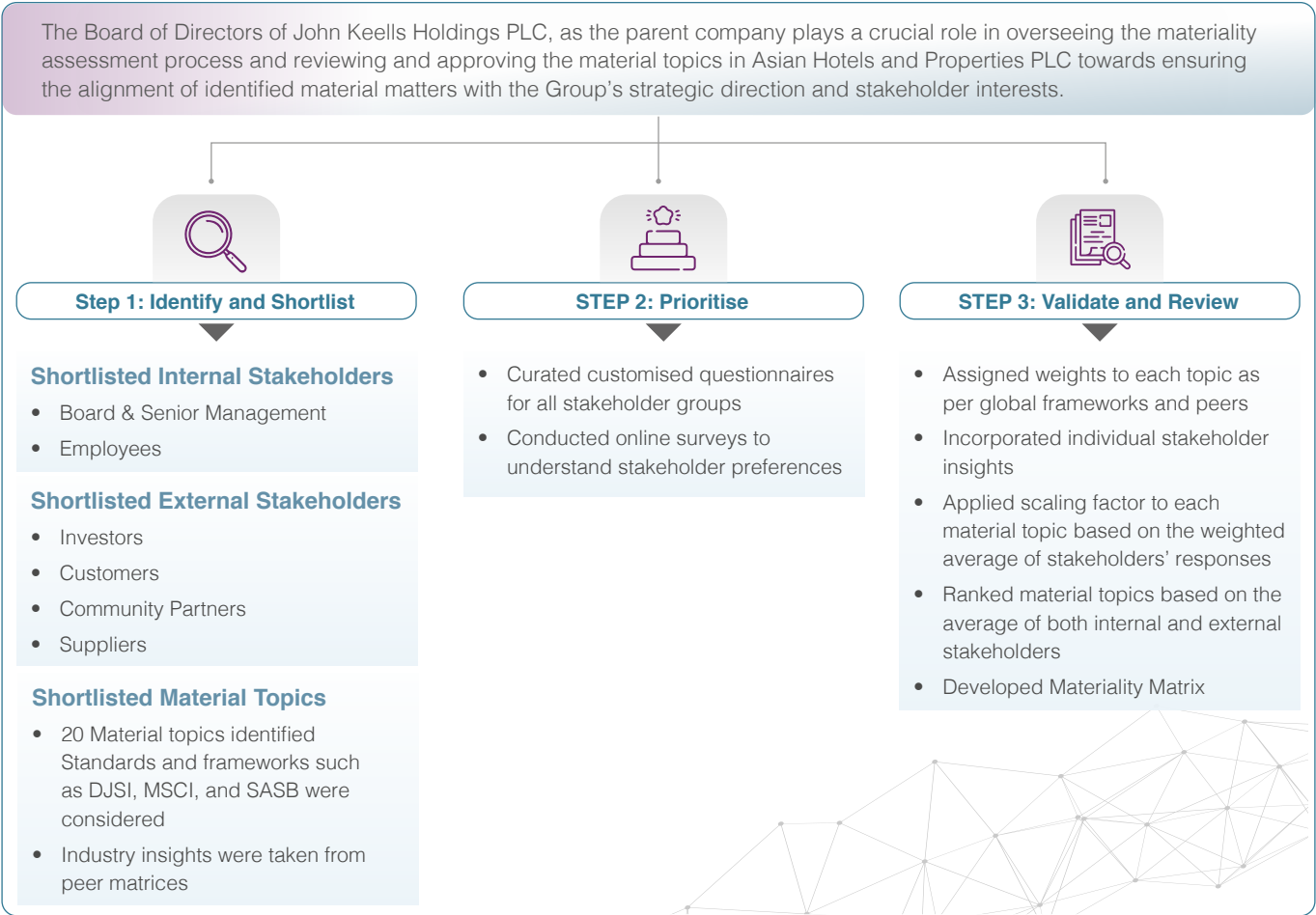
Threats

- Potential economic instability: Potential currency fluctuations, inflation, and changes in taxation can adversely impact both operating costs and tourist spending
- Geopolitical and global risks: Changes in travel advisories, pandemics, or regional unrest could suppress international arrivals
- Increasing competition: Entry of new global hotel chains and boutique offerings in Colombo and the South coast raises the bar for luxury experiences
- Changing consumer preferences: Rise of experiential travel and alternative accommodations (e.g., Airbnb, eco-lodges) can pull market share from traditional hotels

Material Matters

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

Asian Hotels and Properties PLC adopts a structured, stakeholder-driven approach to materiality assessment, recognising the balanced and holistic perspective it provides. The process involves three comprehensive steps to identify and prioritise material topics based on their significance to stakeholders (Influence) and their impact on the Company (Impact).



Materiality map



Changes in the material topics

At the commencement of the financial year, we conducted a comprehensive review of our material topics in accordance with GRI 3: Material Topics 2021. This review assessed our significant impacts on the economy, environment, and people, including human rights considerations. The evaluation concluded that no modifications were necessary to our existing list of material topics or the intensity of their impacts.

Material Topic in FY 2024/25	Impact Level	Relevant GRI/ SASB Standard (If applicable)	Refer more information Page
GHG emissions and energy management Taking steps to reduce air pollution and using lesser electricity and maximising the renewable energy usage	Very High	GRI 302: Energy, GRI 305: Emissions, SV-HL-130a.1, SV-HL-160a.2	101
Human rights Ensuring that humans are treated with dignity (E.g.: no discrimination, no child labor or forced labor, freedom of association and collective bargaining)	Very High	GRI 406: Non-Discrimination, SV-HL-310a.4	74
Health and safety Ensuring a safe and healthy workplace for employees (e.g.: zero accidents, safety trainings)	Very High	GRI 403: Occupational Health and Safety	74
Diversity and Equal opportunity Being inclusive, diverse and providing equal opportunities at the workforce irrespective of gender, age or religion	Very High	GRI 405: Diversity and Equal Opportunity	75
Talent attraction and retention Making the workplace an attractive environment and Upskilling and reskilling employees in order to achieve career and personal growth	Very High	GRI 401: Employment, GRI 402: Labor/Management Relations, GRI 404: Training and education, SV-HL-310a.1	69,70,71,72
Business conduct and ethics Ensuring all stakeholders internal or external are compliant with company policies and procedures	Very High	GRI 205: Anti-Corruption GRI 408 - Child labour GRI 417 - Marketing and labelling, SV-HL-310a.3	143,75,251
Corporate governance Ensuring a diverse, effective and ethical board of directors committed to preserving shareholder value	Very High	GRI 418: Customer Privacy GR1 201 – Direct economic impacts	86,59
Transparency in disclosures Provide clear, accurate, and relevant information that enables stakeholders to understand the organisation's performance, risks, and opportunities	Very High		19
Water management Utilising less water and reusing wastewater for other purposes like gardening	High	GRI 303: Water and Effluents, SV-HL-140a.1, SV-HL-160a.2	103
Waste management Preventing waste by reducing, reusing and recycling	High	GRI 306: Waste	104

Material Matters

Material Topic in FY 2024/25	Impact Level	Relevant GRI/ SASB Standard (If applicable)	Refer more information Page
Privacy and data security Ensuring zero leakage of customer, employee or supplier data	High	GRI 418: Customer Privacy	91
Guest health and safety Measures and protocols are put in place to ensure the well-being and protection of guests who visit a particular hotel or destination.	High	GRI – 416 Customer health and safety	92
Risk management Process of identifying, assessing, and prioritising potential risks or uncertainties related to a hotel, and implementing strategies to mitigate or manage those risks effectively.	High		167 - 173
Community relations and empowerment Building strong relationships with the local community in which the company operates	Medium	GRI 413: Local Communities	94
Sustainable tourism Tourism activities are carried out in a way that preserves the natural resources, culture, and heritage of the destination for future generations.	Medium	GRI - 203 Indirect Economic Impacts	
Supply chain management Coordination and integration of various functions within and across companies to ensure the smooth flow of materials and information throughout the supply chain.	Medium	GRI 204: Procurement Practices	94
Product safety and quality Material used in food production meets specified standards and regulations to ensure that the final food products are safe for guests to use and of high quality.	Medium	GRI 416: Customer Health and Safety	91
Supplier assessment Review various aspects such as quality, reliability, sustainability, cost-effectiveness, and compliance with regulations	Medium	GRI 308: Supplier Environmental Assessment	94
Stakeholder relationship management Systematic identification, analysis, and engagement of key stakeholders who are impacted by or have an interest on the organisation	Medium	GRI 413: Local Communities	27
Tax strategy Approach or plan adopted by an organisation to manage its tax obligations in a way that is considered significant or material to its overall financial performance and sustainability	Medium	GRI 207: Tax	134

Strategic Focus

GRI 2-22

The Company is guided by a five-year strategy that has positioned it for accelerated growth, with defined milestones for the near, medium, and long term. During the year, the strategy was adjusted to reflect prevailing macroeconomic conditions, particularly the political uncertainties surrounding two major elections. Nevertheless, guided by this strategy, we remained relevant and attractive to our target segments both at home and abroad.

Factors driving strategy formulation and tactical adjustments

P – Political

- Political stability in Sri Lanka
- Government tourism policies and incentives, regulatory frameworks
- Impact of elections and policy shifts
- Bilateral relations with key source markets
- Travel advisories and foreign embassy warnings

E – Economic

- Global economic trends affecting disposable income and travel budgets
- Economic conditions in key source markets (India, UK, Australia, Russia)
- Exchange rate fluctuations impacting tourist spending
- Inflation and cost of goods/services in Sri Lanka
- Tourism's contribution to GDP and government spending on tourism
- Conglomerate-wide economic strategy and resource allocation

S – Social

- Changing consumer preferences in luxury travel and hospitality
- Growth of wellness, experiential, and sustainable tourism
- Cultural expectations of diverse tourist demographics
- Rise of multi-generational and solo travel trends
- Importance of service excellence and personalisation
- Social media influence on travel choices and brand reputation

T – Technological

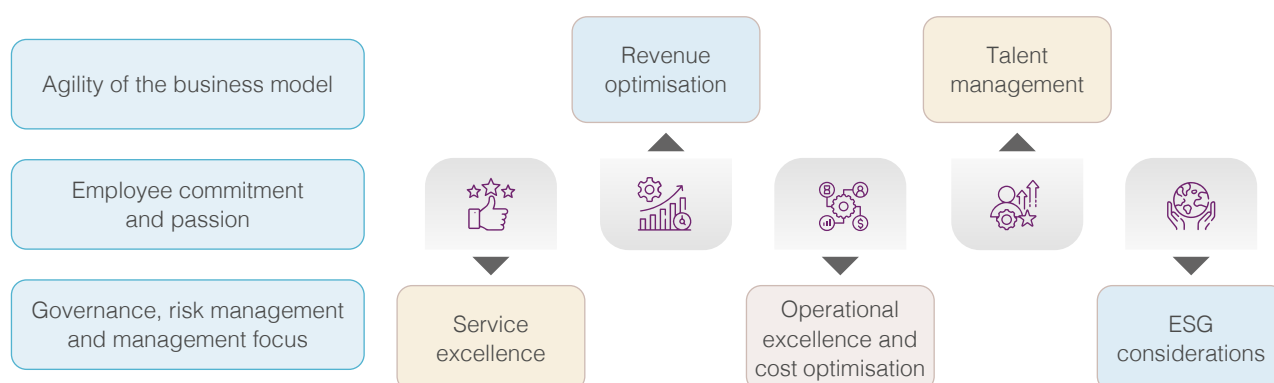
- Adoption of digital platforms for bookings and guest engagement
- Integration of smart hotel technologies (e.g., contactless check-in)
- Use of AI and data analytics for customer insights and service optimisation
- Cybersecurity and data privacy regulations
- Online travel agency (OTA) platforms and aggregator influence
- Influence of digital reviews and influencer marketing

E – Environmental

- Compliance with environmental regulations and sustainability standards
- Waste management and energy efficiency initiatives
- Climate change impacts on tourism seasonality and coastal operations
- Guest expectations for eco-conscious hospitality
- Green certifications and environmental branding

L – Legal

- Related laws around and labour, health and safety, licensing requirements for operations, etc.
- Intellectual property and brand protection (especially under conglomerate brand umbrella)
- Group-level legal and compliance frameworks from parent company








Strategic focus

Strategic pillar: Service excellence

We are committed to delivering exceptional guest experiences through personalised service, continuous innovation, and attention to detail. This pillar is at the centre of our brand reputation and guest loyalty, augmented through our best in class food and beverages proposition.

Resource allocation	Key actions taken in 2024/25
<ul style="list-style-type: none"> Continuous investments in training and development programmes for our staff to upskill them in customer service, communication and cultural sensitivity Investment in IT platforms for an enhanced customer service Investments in property upgrades 	<ul style="list-style-type: none"> Launch of world-class IT platforms for property management (PMS) and point of sales (POS) Launch of "Eat App" for in-house guests in February 2024, with benefits yielded in 2024/25 "My Menu" QR code based automated menu for in-house guests

Outputs	Stakeholders impacted	Capital trade-offs
<ul style="list-style-type: none"> Over 90% guest satisfaction rating maintained 61% Occupancy rate Leading awards won from Sri Lanka Tourism Development Authority 60% Net promoter score 95% Global Review Index (GRI) score Ranked 7 in TripAdvisor among Colombo City Hotels 	<div>Customer </div> <div>Employees </div>	<div>Social and relationship capital </div> <div>Human capital </div> <div>Manufactured capital </div>

Read more information

Social and relationship capital – page 86

Risks	Opportunities
<ul style="list-style-type: none"> Consumer behaviour Talent attraction and retention Condition of property and efficient functioning of equipment and machinery 	<ul style="list-style-type: none"> Potential upscaling in staycations Potential in health and wellness tourism



Way forward

Our focus moving forward is to blend authentic Sri Lankan warmth with globally benchmarked service standards. We aim to deepen guest engagement through personalised experiences, digital innovations, and agile service delivery models.

Investments in continuous training, empowered frontline teams, and data-driven guest feedback systems will support a culture of excellence and accountability. By embedding service excellence across every touchpoint, we strive to strengthen brand loyalty, enhance guest satisfaction, and set new benchmarks for luxury hospitality in the region.

Strategic pillar: Revenue optimisation

Strategic pricing, dynamic distribution, and data-driven decision-making enable us to maximise revenue across all business segments including MICE events, flagship events and room occupancy. Our focus is on capturing demand, enhancing profitability, and driving sustainable growth.

Resource allocation	Key actions taken in 2024/25	
<ul style="list-style-type: none"> Enhanced Global Sales Officers network in our key source markets such as India, the UK, Australia and Japan to drive more business volumes Enhancements done to the property 	<ul style="list-style-type: none"> Comprehensive business promotions done in the key source markets to attract more guests from the respective markets Relocation of the Cheers Pub to the Premier Wing, which has driven revenue from the restaurant up by 40% Timely upgrades done to our menus in maintaining our market leadership in food and beverages Curated offers and dynamic pricing strategies to match demand levels to sustain occupancy levels Extensive use of social media platforms in driving the Cinnamon Grand brand and the exceptional proposition offered Continued investment in IT systems for a swifter online booking experience for guests 	
Outputs	Stakeholders impacted	Capital trade-offs
<ul style="list-style-type: none"> 95% Global Review Index 	<div>Customer</div> <div>Shareholders</div> 	<div>Financial capital</div> <div>Social and relationship capital</div> 

Read more information

Financial capital – page 54

Social and relationship capital – page 86

Risks	Opportunities
<ul style="list-style-type: none"> Consumer behaviour Increased competitiveness in the industry Geo-political developments Macro-economic and political environment Inflation risk Exchange rate risk Condition of property and efficient functioning of equipment and machinery Brand reputation impact 	<ul style="list-style-type: none"> MICE tourism growth in Sri Lanka Upselling and cross-selling Channel diversification

Way forward

We will continue to leverage strategic pricing, data analytics, and dynamic distribution models to capture shifting demand patterns - particularly from key global markets such as India, the UK and Australia.





Due investments in digital infrastructure, guest experience, and culinary innovation will support both volume growth and margin enhancement. With continued emphasis on flagship events, MICE tourism, and curated guest offerings, we aim to optimise asset utilisation and drive sustainable topline performance.

Strategic focus

Strategic pillar: Operational excellence and cost optimisation

We streamline processes and leverage technology to enhance efficiency while maintaining the highest quality standards. Disciplined cost management supports long-term profitability without compromising the guest experience.

Resource allocation	Key actions taken in 2024/25
<ul style="list-style-type: none"> Investments in new IT systems and upgrades to existing ones Investments made in continuing global standards/certifications 	<ul style="list-style-type: none"> Maintained strict compliance with ISO standards and internal Standard Operating Procedures (SOPs) across all departments Delivered comprehensive training for new recruits and ongoing refresher programmes to ensure consistent SOP adherence Continued upgrades to IT infrastructure to streamline check-in, billing, and check-out processes, enhancing operational efficiency and guest convenience Launch of the work-order maintenance management system in effectively managing a wide range of work-orders Sustained efforts to reduce paper usage through increased digitisation and eco-friendly practices

Outputs	Stakeholders impacted	Capital trade-offs
<ul style="list-style-type: none"> 3% reduction in Operational Expenses compared to 2023/24 3.5% reduction in paper consumption compared to 2023/24 	<div>Employees </div>	<div>Intellectual capital </div> <div>Natural capital </div> <div>Financial capital </div> <div>(immediate term) (long term)</div>

Read more information

Financial capital – page 54

Intellectual capital – page 78

Risks	Opportunities
<ul style="list-style-type: none"> Digital innovation and technological transformation Inflation risk Exchange rate risk Condition of property and efficient functioning of equipment and machinery Operational resilience to incidents or disruption or control breakdown 	<ul style="list-style-type: none"> Deeper deployment of technological capabilities in business operations Further opportunities in energy-efficient systems, process automation, lean inventory & procurement and waste management among other things

Way forward

We will continue to embed a culture of operational discipline and innovation to drive sustainable efficiencies. We remain committed to streamlining processes, adopting new technologies, and reinforcing SOP compliance to ensure consistency and excellence across all guest touchpoints. Our focus will remain on reducing waste, digitising workflows, and optimising resource utilisation, thereby lowering operating costs without compromising service quality. Ongoing investments in IT systems, energy-efficient solutions, and employee upskilling will further enhance productivity and long-term profitability.

Strategic pillar: Talent management

Recognising that our people are our greatest asset, we invest in attracting, developing, and retaining top talent. A culture of empowerment and continuous learning ensures our team delivers excellence at every touchpoint.

Resource allocation	Key actions taken in 2024/25
<ul style="list-style-type: none"> Rs. 1,482 Mn as employee expenses Rs. 15 Mn invested in training and development 	<ul style="list-style-type: none"> Continued training and development including through the Cinnamon Academy Bi-annual employee survey conducted to understand employee pulse Meaningful employee engagement initiatives Annual salary revisions reflective of market rates and individual performance profiles

Outputs	Stakeholders impacted	Capital trade-offs
<ul style="list-style-type: none"> 77% employee retention rate 46.84 training hours per employee Rs 2.15 Mn revenue per employee 	<div>Employees </div>	<div>Human capital </div> <div>Financial capital </div>

Read more information

Human capital – page 65

Risks	Opportunities
<ul style="list-style-type: none"> Increased competitiveness in the industry Talent attraction and retention Occupational health and safety 	<ul style="list-style-type: none"> Upskilling and certifications Career pathway programmers Diversity and inclusion initiatives Employer branding Wellbeing and mental health programmers

Way forward

In the year ahead, we will further strengthen its talent management agenda by prioritising continuous learning, employee wellbeing, and inclusive leadership. Enhanced focus will be placed on building career pathways to nurture internal mobility and leadership readiness. Recognising evolving workforce expectations, we will also invest in mental health and wellness initiatives, while advancing diversity, equity, and inclusion across all levels of the organisation. These efforts are designed to build a resilient, future-ready workforce committed to delivering exceptional guest experiences.

Strategic pillar: ESG considerations

Our operations are guided by a strong commitment to environmental stewardship, social responsibility, and sound governance. We integrate ESG principles into decision-making to build a resilient and responsible hospitality business.

Resource allocation	Key actions taken in 2024/25
<ul style="list-style-type: none"> Rs. 4.2 Mn Investment on community empowering initiatives 800+ Employee volunteer hours on environment and social empowerment aspects 	Environment <ul style="list-style-type: none"> Continued investments in creating awareness among school children on environmental preservation Awareness session on Conscious Consumerism for employees Continued efforts in reducing single-use plastic at the property and reduction of GHG emissions Continued efforts in increasing energy efficiency, efficient water management and waste minimisation

Strategic focus

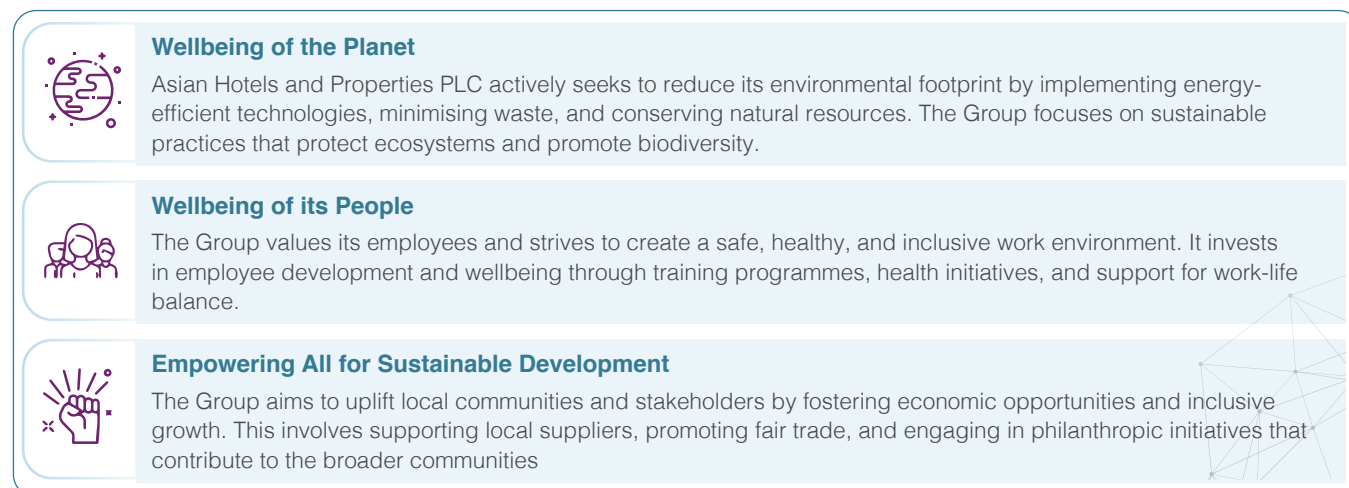
Resource allocation		Key actions taken in 2024/25	
		<div>Social</div> <ul style="list-style-type: none">Promoting employee wellbeing through fair labour practices and inclusive policiesEngaging local communities, including artisans, suppliers, women, and persons with disabilitiesSupporting education, health, and livelihood programs in surrounding areasUpholding diversity, equity, and inclusion across hotel operations <div>Governance</div> <ul style="list-style-type: none">Ensuring strong corporate governance and transparent operationsUpholding ethics and integrity in all business dealingsAdhering to laws, regulations, and industry best practicesEngaging stakeholders to promote accountability and responsible conduct	
Outputs	Stakeholders impacted	Capital trade-offs	
<ul style="list-style-type: none">7% reduction in energy consumption (base year 2024)7% reduction in freshwater consumption (base year 2024)97% reduction in single-use plastic consumption (base year 2021)15% Female participation in the work force (2018: 9.2%)20% Women in leadership (2018: 15%)0.25% Differently abled representation in the work force Governance73 Suppliers assessed under the Supplier Impact Assessments carried out for all contracted suppliers in top 06 purchase categories	<div>Community</div> <div>Employees</div> <div>Suppliers and Business Partners</div>	<div>Social and relationship capital</div> <div>Natural capital</div> <div>Financial capital</div>	
<div>Read more information</div> <div>Social and relationship capital – page 86</div> <div>Natural capital – page 96</div> <div>Corporate governance – page 110</div>			
Risks		Opportunities	
<ul style="list-style-type: none">Climate change riskSupply chain issues/ Supply Chain shortagesFraud and anti-corruptionTechnology, data and cyber security risk		<ul style="list-style-type: none">Green building certification for the Company propertySustainable sourcingStrengthened community engagementJourney towards net zero status	
<div>Way forward</div> <div>Please refer page 52.</div>			

For a detailed discussion on Risks and Opportunities listed under each strategic pillar, please refer Risk Management Report on pages 167 to 173 respectively.

ESG performance

Sustainability is a core value for Asian Hotels and Properties PLC. The Group prioritises the integration of Environmental, Social, and Governance (ESG) considerations across all decision-making processes and operational facets, as well as throughout its entire value chain. This unwavering commitment to ESG principles was guided by three foundational pillars, which we pursued from 2021 to 2025:

Our commitment to ESG



Our ESG strategy and framework

Cinnamon Hotels & Resorts sustainability policy – Guidance up to 2025

Cinnamon Hotels & Resorts acknowledges that the balance between the three pillars of sustainability (planet, people, and community) is at the core of our business. We are committed to providing a high standard of hospitality and related services in a manner that ensures a safe and healthy workplace for our employees while minimising our potential impact on the environment and neighbouring communities. We will comply with all relevant environmental legislation and strive to adopt environmental best practices in all we do. During the year, there were no instances of non-compliance with laws and regulations. Asian Hotels and Properties PLC follows a sustainability policy which is closely aligned to that of the JK Group, thereby be in step with the rest of the Group towards the achievement of the core sustainability agenda of the Group.



Anchor frameworks

- United Nations Global Compact (UNGC) Principles
- United Nations Sustainable Development Goals (UNSDGs)
- National priorities

Goals set for 2025

Organisational support

Realignment of the centre sustainability team to drive the group's sustainability agenda

Governance

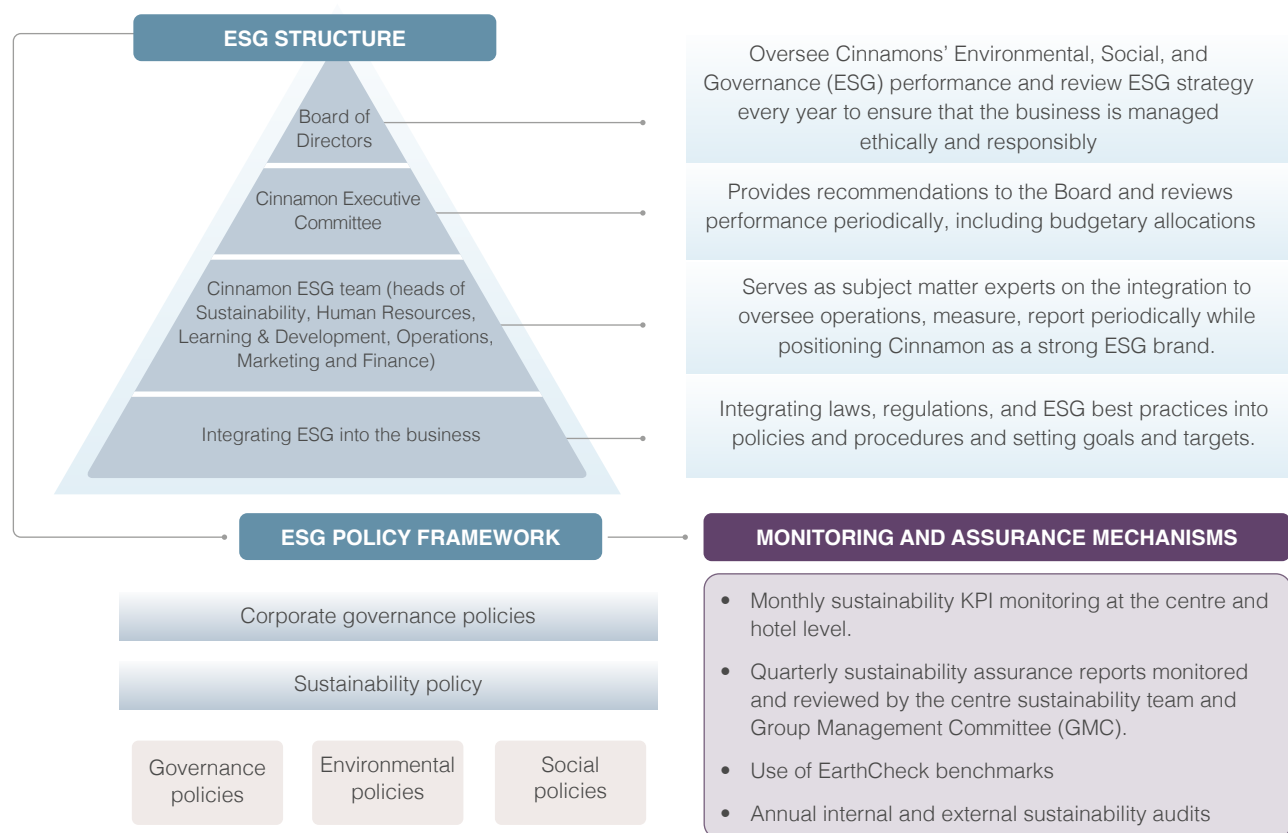
A robust governance framework that ensures accountability, participation, and transparency

Launch year 2021

Aim

Achieving measurable environmental and social progress through our business

ESG performance



Strong governance framework guiding our ESG actions

ESG endeavours at Asian Hotels and Properties PLC are subject to governance oversight stemming from Cinnamon Hotels and Resorts.



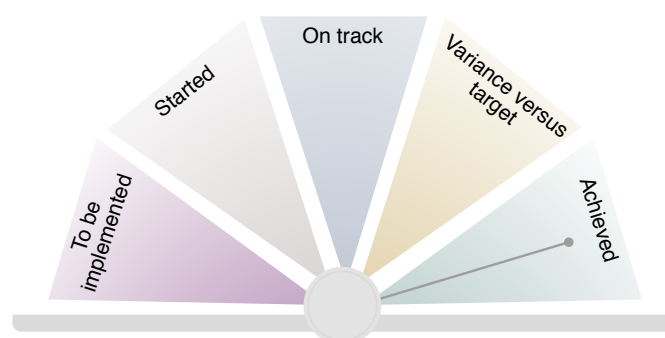
ESG related policies

The following policies are in place within the Company, providing a clear blueprint to follow around critical ESG aspects. They are reviewed as per a set frequency, mostly annually to ensure they are duly updated and remain relevant in the evolving operating, environmental and social context.

Policy	Additional information
Sustainability Policy	<ul style="list-style-type: none"> Derived based on the ESG framework of Cinnamon Hotels & Resorts (CH&R). New inclusions – Transparency and stakeholder engagement, employee wellbeing and community relations
Food Safety Policy	<ul style="list-style-type: none"> Derived based on ISO 22000:2018 requirements and Management has initiated the process to obtain the FSSC 22000 V6.0 certification-benchmarked by the Global Food Safety Initiative (GFSI). The Stage 1 audit has been completed, with continued progress underway to secure full certification by August 2025
Environment Policy	<ul style="list-style-type: none"> Derived based on ISO 14001:2015 requirements
Elimination of Single-use Plastic Policy	<ul style="list-style-type: none"> Includes banned plastic items, supplier management, plastic based awareness targeting both employees and the community
Equal Opportunity Policy	<ul style="list-style-type: none"> Derived based on JKH policies (One JKH) and the CH&R frameworks New inclusions – Fair and objective recruitment, respect for stakeholders, responsibility for execution
Human Rights Policy	<ul style="list-style-type: none"> Derived based on JKH policies (One JKH) and the CH&R frameworks New inclusions – Respect for stakeholders
Policy Against Sexual Harassments	<ul style="list-style-type: none"> Derived based on JKH policies (One JKH) and the CH&R frameworks New inclusion – Types of sexual harassments, legal consequences and training requirements
Community Engagement Policy	<ul style="list-style-type: none"> Derived based on JKH policies (One JKH) and the CH&R frameworks New inclusions – Women empowerment, local artisans' development programme and local supplier development
Child Protection Policy	<ul style="list-style-type: none"> Derived based on JKH policies (One JKH) and the CH&R frameworks
Data Protection Policy	<ul style="list-style-type: none"> Introduced in November 2023 and content includes obligations of Cinnamon, confidentiality and integrity of data, transferring of data, storing of data, data breach and reporting, asset classification etc.
Risk Management Policy	<ul style="list-style-type: none"> John Keells Holdings PLC (JKH Group) risk policy framework
Purchasing Policy	<ul style="list-style-type: none"> Derived based on JKH group policy
Anti- Fraud Policy	<ul style="list-style-type: none"> Derived based on JKH group policy
Brand Quality Assurance Policy	<ul style="list-style-type: none"> Internal processes and procedures
Organisation Health & Safety Policy	<ul style="list-style-type: none"> Derived based on ISO 45001:2018 requirements

Asian Hotels and Properties PLC – ESG Scorecard

Performance spectrum



ESG performance



ENVIRONMENT

2025 Goals	Target	Our achievement
Biodiversity Conservation	Implement one biodiversity conservation project by 2025	Supporting reforestation efforts of Young Zoologists Association of Sri Lanka
Energy reduction	Reduce energy consumption by 2% per guest night from 2023/24 base year	7% reduction in energy consumption
Reduce single-use plastic consumption	50% reduction of single-use guest facing plastic from 2021/22 base year	97% reduction in single-use plastic consumption
Water stewardship	Reduce water consumption by 2% per guest night from 2023/24 base year	7% reduction in freshwater consumption
Waste management	90% waste to be diverted from landfills	98% diversion of waste



SOCIAL

2025 Goals	Target	Our achievement
Health, Safety and Environment impact assessments to be conducted for suppliers	50% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment	Assessment done for 73 suppliers
Establish supplier base with women, individuals with disabilities and indigenous led businesses up to 25%	25% of businesses led by women, persons with disabilities (PWDs) and indigenous people	Current status Women led businesses -16 Businesses led by PWDs - 01
Community empowerment	Completion of 400 volunteer hours	800+ hours committed



GOVERNANCE

2025 Goals	Target	Our achievement
Foster an inclusive, equitable, and diverse work environment	Increase female participation in the workforce by 18%	Achieved 15%
	Increase women in leadership positions by 21%	Achieved 20%

WAY FORWARD

Having successfully delivered on its ESG agenda up to 2025, Asian Hotels and Properties PLC is now poised to embark on the next phase of its sustainability journey. Guided by the comprehensive ESG roadmap adopted by its immediate parent, John Keells Holdings PLC, and aligned with the overarching ESG ambitions of John Keells Holdings PLC, AHP is committed to implementing time-bound goals across environmental, social, and governance dimensions.

As a key player in the hospitality sector, a domain with significant environmental footprints and opportunities for positive environmental and social impact, AHP recognises its pivotal role in advancing the Group's sustainability objectives. The Company is dedicated to integrating ESG principles into its operations, focusing on areas specifically identified. By aligning its strategies with the JK Group's ESG framework, AHP aims to contribute meaningfully to sustainable development while enhancing its competitive advantage in the industry.

Management Discussion and Analysis

Celebration of Happiness



Insight emerges when numbers are seen not just as data, but as stories of progress and possibility. At Asian Hotels and Properties, thoughtful analysis brings clarity to complexity—highlighting patterns, surfacing challenges, and uncovering opportunity. It is through this lens of reflection that we transform performance into purpose and strategy into sustained impact.

Financial Capital



At Asian Hotels and Properties PLC, financial capital is the foundation that enables the Group to invest in world-class hospitality offerings, maintain operational excellence, and deliver sustainable value to stakeholders. It supports our capacity to fund strategic initiatives, enhance guest experiences, and pursue growth opportunities, while also ensuring resilience in an evolving economic landscape. Prudent management of financial capital remains vital to the Group's long-term progress and ability to generate stable returns for shareholders.



Key constituents of the capital

- Equity capital
- Debt capital

Rs. 34,372 Mn

Total Group equity base

Rs. 355 Mn

Total short-term borrowings

CAPITAL RELATED RISKS AND OPPORTUNITIES



RISKS

- Potential volatility in interest rates increasing cost of borrowings
- Potential exchange rate fluctuations impacting foreign currency obligations
- Reduced cash inflows due to lower occupancy or seasonal demand
- Rising operational costs eroding profit margins
- Delayed receivables affecting liquidity position
- Uncertainty in capital markets limiting access to funding



OPPORTUNITIES

- Growth in tourism driving higher revenue streams
- Access to low-cost financing improving capital structure
- Prudent cost management enhancing profitability
- Strategic reinvestment into high-return projects
- Strong balance sheet attracting investor confidence
- Efficient treasury management improving liquidity and returns

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



Shareholders

Shareholders are engaged through transparent and timely communication on financial performance, strategic priorities, and business risks, ensuring they remain informed and confident in the Company's direction. The Group strives to deliver sustainable returns through prudent capital allocation, effective cost management, and value-driven investments. Regular dividend declarations, investor meetings, and adherence to robust corporate governance practices reinforce the Group's commitment to protecting and enhancing shareholder value.

VALUE ADVANCED

Rs. 30,509 Mn
Total shareholders' funds

Rs. 10,362 Mn
Revenue

Rs. 68.90
Net asset value per share
during the year

Rs. 308 Mn
Profit Before Tax

Link to our material matters

Tax strategy

Link to our strategy

Revenue Optimisation

Financial Capital

Revenue, costs and profitability

GROUP - For the year ended 31st March In Rs.'000s	2025	2024	Change in Rs.	Change in %
Revenue from contracts with customers	10,362,110	10,771,758	(409,648)	-4
Cost of sales	(5,800,005)	(5,881,167)	81,162	-1
Gross profit	4,562,105	4,890,591	(328,486)	-7
Other operating income	77,005	82,053	(5,048)	-6
Selling and distribution expenses	(427,799)	(442,079)	14,280	-3
Administrative expenses	(2,992,547)	(2,786,533)	(206,014)	7
Other operating expenses	(768,305)	(1,131,576)	363,271	-32
Results from operating activities	450,459	612,456	(161,997)	-26
Finance cost	(196,569)	(336,016)	139,447	-42
Finance income	19,845	25,800	(5,955)	-23
Net finance cost	(176,724)	(310,216)	133,492	-43
Change in fair value of investment property	34,026	(89,904)	123,930	138
Profit before tax	307,761	212,336	95,425	45
Income tax expense	(222,438)	(134,679)	(87,759)	65
Profit for the year	85,323	77,657	7,666	10
Attributable to:				
Equity holders of the parent	(44,803)	(20,310)	(24,493)	121
Non-controlling interest	130,126	97,967	32,159	33
	85,323	77,657	7,666	10

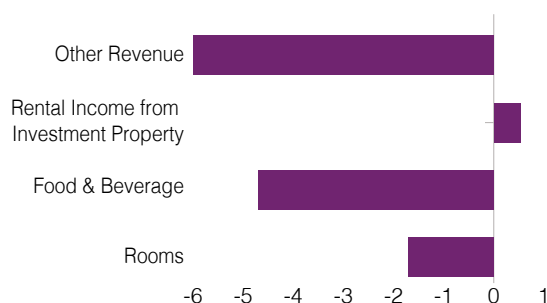
Revenue from contracts with customers

Revenue from contracts with customers for the year was Rs.10,362 Mn. This was a marginal decline of 4% over the prior year. Both major income categories viz., Food & beverages and Rooms reported a marginal decline of 5% and 2% respectively. Other revenue also declined by 6%. Conversely Rental income from investment property increased by 1%. The appreciating Sri Lankan Rupee and subdued spending by local guests during the year were the key reasons which drove revenue down.

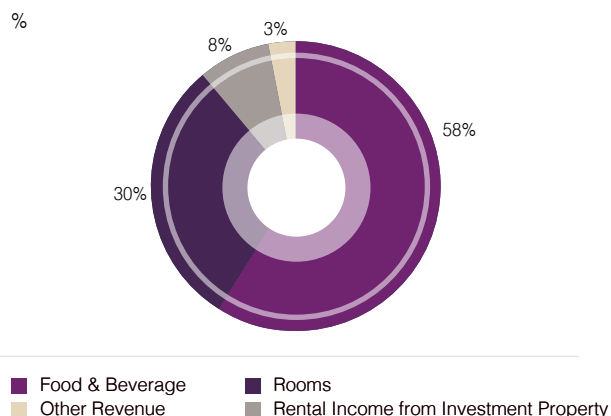
Revenue analysis

In Rs. '000	2024/25	2023/24	Change in Rs.
Rooms	3,151,072	3,205,512	(54,440)
Food & Beverage	6,042,211	6,342,469	(300,258)
Rental Income from Investment Property	323,358	321,640	1,718
Other Revenue	845,468	902,137	(56,668)
Total	10,362,110	10,771,758	(409,648)

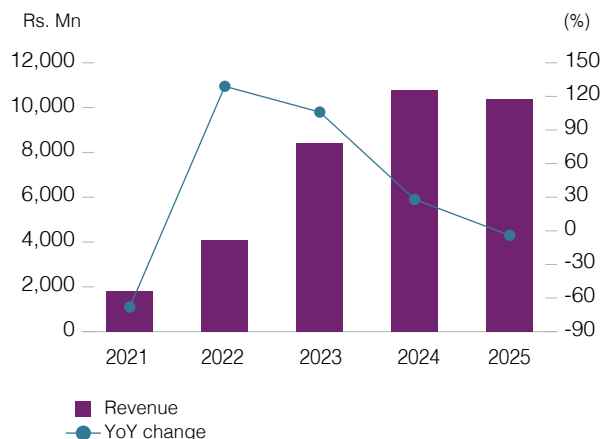
YoY % growth of key income categories



Revenue composition



5 year revenue trend



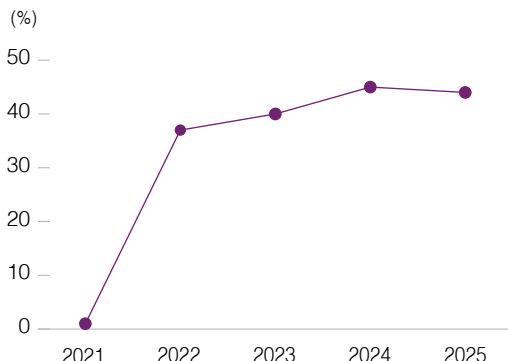
Cost of sales

Cost of sales declined by 1% to Rs 5,800Mn in tandem with the decline in revenue.

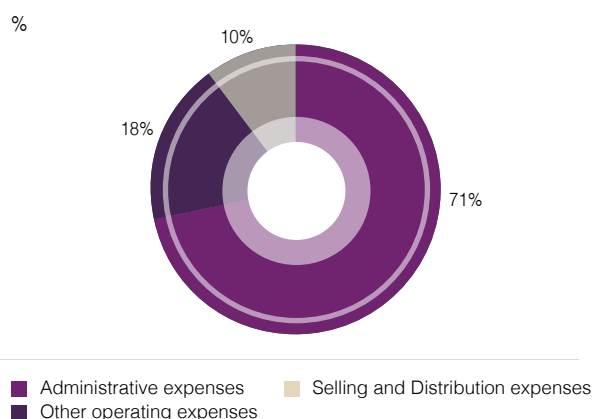
Gross profit

Gross profit was Rs. 4,562 Mn, which is a decline by 7% over last year. Gross profit margin for the year was 44%.

Gross profit margin



Expenses analysis - Composition



Operating expense

The three main expenses included selling and distribution expenses, administrative expenses and other operating expenses. Selling and distribution expenses declined by 3% to Rs. 427.8 Mn. Other operating expenses also declined by a notable 32% to Rs. 768.3 Mn. One reason for this decline was the reduction of energy tariffs during the year which drove down Heat, light and power expenses. Administrative expenses – the largest expenses category rose by 7% to Rs. 2,992.5 Mn.

Net finance cost

Net finance cost for the year was Rs. 176.7 Mn, a notable decline of 42%, which bolstered profitability. Within Net finance cost, both finance cost and finance income declined, but the former at a far faster pace. Notable items which drove down finance cost were, the reduction in Interest expense on short term borrowings and reduction in Interest expense on Bank overdraft. This was on account of the dual factors of reduced Interest bearing loans and borrowings by 39%, and the reduction in market-wide interest rates.

Taxes and profitability

The pre-tax profit of the Group for the year was Rs. 307.8 Mn, an impressive increase of 45%.

Tax charge for the year was Rs 222.4Mn.

Post-tax profitability was Rs. 85.3 Mn, a YoY increase of 10%, a commendable momentum in keeping YoY profitability growth in positive territories.

Financial Capital

Statement of Financial Position - Performance

GROUP - As at 31st March	2025 Rs.'000s	2024 Rs.'000s	Change in Rs.'000s	Change in %
ASSETS				
Non-current assets				
Property, plant and equipment	41,293,429	39,773,775	1,519,653	4
Right-of-use asset	682,220	694,624	(12,404)	(2)
Investment property	5,756,648	5,720,981	35,667	1
Intangible assets	50,873	2,173	48,699	2,241
Non-current financial assets	12,877	33,704	(20,827)	(62)
Other non-current assets	4,486	11,019	(6,533)	(59)
Total non-current assets	47,800,533	46,236,276	1,564,257	3
Current assets				
Inventories	256,418	328,009	(71,591)	(22)
Trade and other receivables	568,279	1,310,586	(742,307)	(57)
Amounts due from related parties	65,069	107,746	(42,677)	(40)
Other current assets	220,193	224,657	(4,463)	(2)
Cash in hand and at bank	268,477	174,028	94,449	54
Total current assets	1,378,436	2,145,026	(766,590)	(36)
Total assets	49,178,969	48,381,302	797,667	2

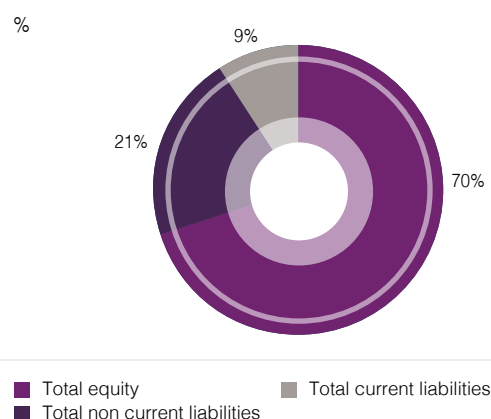
The Group Balance sheet strengthened during the year by 2% over the prior year with total assets closing in at Rs. 49,179 Mn by the end of the year. Property, plant and equipment grew by 4% to Rs. 41,293 Mn, Intangible assets increased on account of purchase of computer software.

Funding

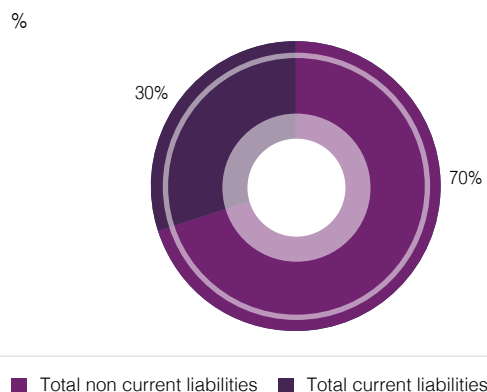
Group - As at 31st March In Rs.'000s	2025	2024	Change in Rs.	Change in %
Total equity	34,371,511	33,549,127	822,384	2
Total non current liabilities	10,384,332	10,029,222	355,110	4
Total current liabilities	4,423,126	4,802,953	(379,827)	-8
Total liabilities	14,807,458	14,832,175	(24,717)	-0.2
Total equity and liabilities	49,178,969	48,381,302	797,667	2

The Group continues to be well capitalised with 70% of the funding coming from equity capital. Total equity reached Rs. 34,372 Mn by the end of the year, with a 2% YoY growth. Total liabilities decreased at a marginal 0.2%, to Rs. 14,807 Mn.

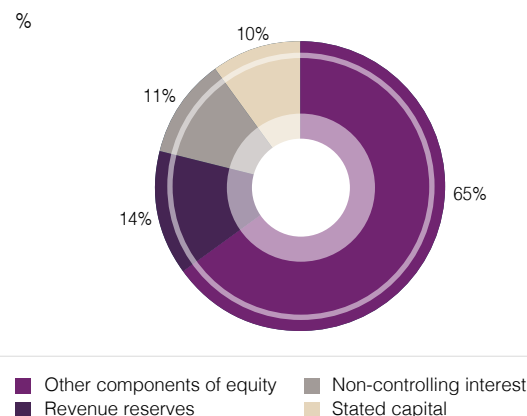
Funding



Composition of liabilities



Composition of total equity



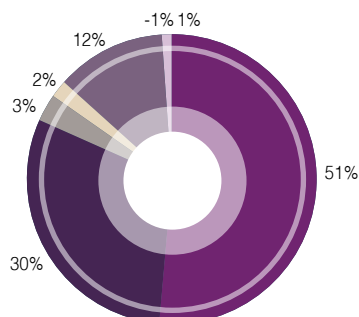
Consolidated value-added statement

Group In Rs.'000s	2024/25	2023/24
Revenue	10,362,110	10,771,759
Adjustment for Change in Fair Value of Investment Property	34,026	(89,904)
Adjustment for Finance Income	19,845	25,800
Adjustment for other Income	77,005	71,731
	10,492,986	10,779,386
Less : Cost of Materials & Services purchased from external sources	(4,696,404)	(4,494,717)
Value Added	5,796,582	6,284,668

In Rs.'000s	2024/25		2023/24	
Distributed as follows:				
To Employees as Remuneration	2,984,877	51%	3,617,682	58%
To the Government as Taxes	1,765,189	30%	1,712,972	27%
To the Providers of Capital				
as Interest on Loans & Borrowings	196,569	3%	336,016	5%
as Minority Interest	130,126	2%	97,967	2%
To Shareholders as Dividends	63,100	1%	-	0%
Retained within the business				
as Depreciation	701,524	12%	596,068	9%
as Reserves	(44,803)	-1%	(76,037)	-1%
	5,796,582	100	6,284,668	100

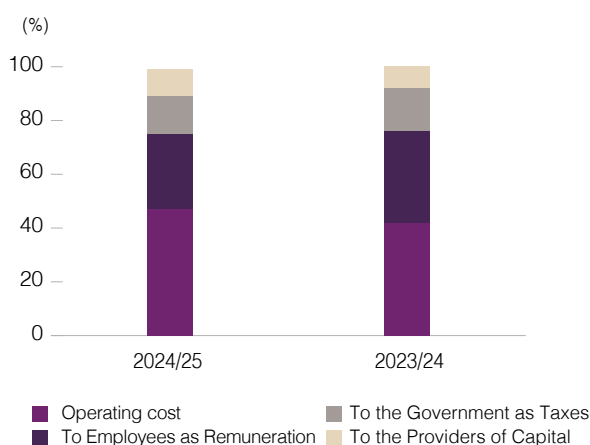
Financial Capital

2024/25

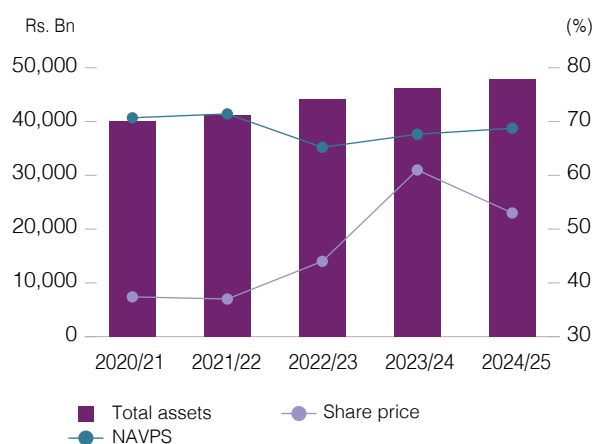


■ To Employees as Remuneration
 ■ To the Government as Taxes
 ■ as Interest on Loans
 ■ as Minority Interest
 ■ as Depreciation
 ■ as Reserves
 ■ To Shareholders as Dividends

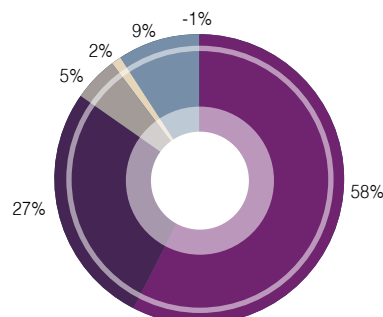
Group Economic Value Distributed



Total assets and NAVPS and Share Price



2023/24

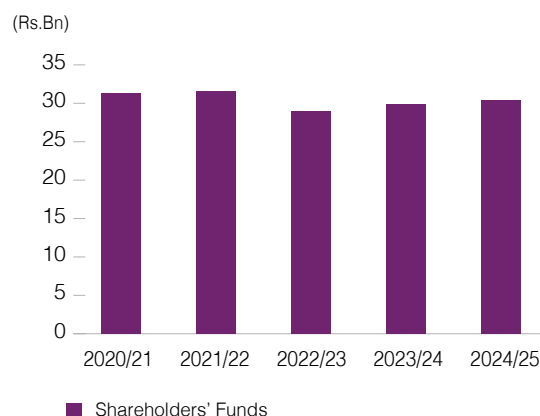


■ To Employees as Remuneration
 ■ To the Government as Taxes
 ■ as Interest on Loans
 ■ as Minority Interest
 ■ as Depreciation
 ■ as Reserves

Investor ratios

As at 31st March	2025	2024
ROCE (%)	1.24	1.74
Loss per share (Rs.)	(0.10)	(0.05)
Net Assets Value Per Share – NAVPS (Rs.)	68.90	67.64
Share price (Rs.)	53.00	61.00

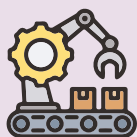
Shareholders' Funds



WAY FORWARD

As we move forward, AHP remain committed to optimising the deployment of our financial capital to deliver sustained value to shareholders. Our focus will be on strategic investments that elevate guest experiences, enhance operational efficiency, and expand our service offerings to capture high-yield market segments. To support this, we will maintain a balanced capital structure and pursue funding strategies that minimise the cost of capital, ensuring long-term financial resilience and agility in a dynamic hospitality landscape.

Manufactured Capital



Manufactured capital at Asian Hotels and Properties PLC encompasses its premium physical infrastructure and facilities that underpin Cinnamon Grand's ability to deliver exceptional guest experiences. As one of Colombo's flagship five-star properties, Cinnamon Grand's well-maintained buildings, world-class amenities, culinary venues, and state-of-the-art service capabilities play a vital role in sustaining operational excellence, driving occupancy, and enhancing brand equity. Continuous investment in refurbishments and energy efficiency ensures the property remains competitive and aligned with evolving guest expectations.



Key constituents of the capital

- The Cinnamon Grand building with 02 wings
- Crescat Boulevard

Rs. 36,287 Mn



Total property, plant and equipment value

Rs. 485 Mn


Depreciation and amortisation during the year

Manufactured Capital

CAPITAL RELATED RISKS AND OPPORTUNITIES

<div>  </div> <div>RISKS</div>	<div>  </div> <div>OPPORTUNITIES</div>
<ul style="list-style-type: none"> Fluctuations in tourist arrivals due to global/ local geopolitical events Macroeconomic instability in Sri Lanka impacting disposable incomes and business travel Currency depreciation increasing costs of imported goods and services Intense competition from emerging hotels and alternative hospitality platforms Rising utility and energy costs affecting profitability Health risks or pandemics disrupting travel and operations Dependence on international travel segments, which are vulnerable to external shocks Regulatory changes affecting tourism, environment, or labour laws Security concerns impacting destination image and guest confidence Climate change and environmental risks affecting long-term sustainability 	<ul style="list-style-type: none"> Post-crisis tourism recovery driving increased international arrivals Strategic partnerships with global travel platforms and airline operators Expansion of MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism Investment in eco-friendly practices to appeal to sustainable tourism markets Brand equity of Cinnamon Hotels & Resorts driving loyalty and repeat business Government support and incentives for tourism sector recovery and growth Potential for property enhancements and refurbishments to attract premium clientele Leveraging Sri Lanka's unique cultural and natural assets for experiential tourism Developing talent and upskilling staff to provide superior service and hospitality innovation

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

<div>  </div>	<div>Customers</div> <p>Leveraging premium-grade manufactured capital, including the iconic building to deliver exceptional guest experiences. Continuous upgrades to infrastructure, room amenities, dining outlets, and recreational facilities ensure high service standards and comfort. Regular maintenance, safety protocols, and compliance with global hospitality benchmarks further reflect our commitment to guest satisfaction, safety, and wellbeing.</p>
<div>  </div>	<div>Employees</div> <p>Our modern infrastructure creates a safe, efficient, and engaging work environment for our team. Continuous upgrades and investments also support training and development, enabling employees to grow alongside evolving technologies.</p>

VALUE ADVANCED

<div>60% Net Promoter Score</div>	<div>61% Occupancy</div>
<div>Rs. 972 Mn Capital expenditure</div>	<div>Rs. 30,835 Revenue per occupied room</div>

Link to our material matters

Guest health and safety

Link to our strategy

Service excellence

Revenue optimisation



Cinnamon Grand, the architectural landmark in the heart of Sri Lanka's capital, stands apart in the rapid evolving hospitality segment, blending the timeless elegance of its iconic structure with contemporary hospitality services and modern amenities, offering our guests not just a stay, but a warm, immersive experience rooted in heritage and heart.

What we offer

- 501 Rooms including 02 Presidential suites
- The Oak room, the Main Banquet Hall with a minimum seating capacity of 300 - 500 guests
- 5 corporate meeting rooms with total seating capacity of 270 pax
- The Atrium lobby, a unique indoor open space with a capacity 150 - 250 guests
- Plates, Main restaurant offering international cuisine
- Nuga Gama, an enchanting outdoor restaurant located in the shades of a 200 year old banyan tree offering Sri Lankan cuisine with a rural charm
- Executive Lounge exclusively for the use of guests occupying Executive Rooms and Suites
- 6 Other restaurants offering thematic experiences
- State-of-the-art fully equipped gymnasium
- Wellness centre
- Swimming pool
- Laundry facility
- Travel counter
- Cinnamon Nature Trails offering eco-tourism experiences in the City.



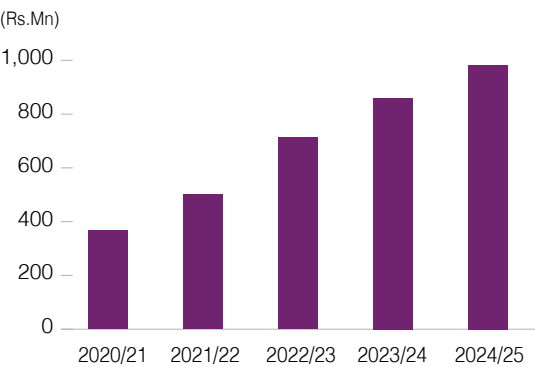
Manufactured Capital

Key strategic focus areas during the financial year

- Continued capital investments made in ensuring the upkeep of the property.
- Cheers now relocated to the Premium wing offering expansive space and a capacity to accommodate over 300 guests.
- Renovation of support service areas
- Receiving area, Store rooms and kitchen area



Additions to PPE



Creating a safe and secure environment

At Cinnamon Grand, the safety and wellbeing of our guests, employees, and visitors remain a top priority. We have instituted a comprehensive set of measures that ensure a secure environment within our premises balancing comfort with confidence at every touchpoint.

- Fire safety and basic firefighting training for staff
- Emergency evacuation drills
- Lifeguard training for Pool Attendants
- Safe chemical handling practices
- Food Safety and Hygiene

Crescat Boulevard – Colombo’s Lifestyle and Retail Pioneer

Established in 2009, Crescat Boulevard was among the first to introduce an upscale mall experience to the fast-evolving urban lifestyle of Colombo. Over the years, it has transformed into a go-to lifestyle and F&B hotspot, uniquely positioned to cater to the city’s growing demand for a sophisticated yet convenient retail and dining destination. Located adjacent to Cinnamon Grand and fully owned by the Company, Crescat Boulevard acts as a natural extension of the hotel experience, offering guests easy access to curated shopping and dining options. The Boulevard features a diverse mix of outlets, with a strong focus on tourist-friendly retail such as Sri Lankan cashews, ayurvedic products, jewellery, and handicrafts, making it an ideal one-stop shop for travellers seeking authentic souvenirs. Blending convenience with local charm, Crescat continues to play a vital role in elevating the guest experience at Cinnamon Grand while addressing a unique lifestyle niche in Colombo. Throughout the year, the venue hosted numerous activations and events that drew substantial footfall, adding vibrancy to the space and enhancing engagement among both tourists and city dwellers. These initiatives contributed to positioning Crescat as more than a shopping destination it is now a dynamic social and cultural hub in the heart of the city.



Connectivity to Company strategy - Revenue optimisation

53 outlets with **74%** occupancy

Area **115,111** Sq Ft

WAY FORWARD

As part of our commitment to continuous improvement and operational excellence, strategic initiatives are underway to optimise space utilisation at Cinnamon Grand. A key focus is the consolidation of hotel operations into one wing out of the two, enhancing operational efficiency, guest navigation, and service management. This restructuring is expected to streamline workflows and elevate the overall guest experience.

Additionally, plans are in motion to unlock further value within our existing premises by creating new usable spaces, to accommodate growing guest demand and enhance dining ambience. These enhancements, along with ongoing efforts to upgrade rooms, will ensure we remain competitive amidst the influx of newer properties in Colombo, offering our guests a blend of timeless charm and modern comfort.

Human Capital



At Asian Hotels and Properties PLC, our people are the heart of our brand promise and the true architects of the exceptional guest experiences we deliver daily. In a highly service-intensive and experience-driven industry like hospitality, human capital is not just a support function it is our core differentiator. From the warmth of our front-desk teams to the precision of our culinary staff and the attention to detail maintained by our housekeeping and maintenance crews, every interaction is a reflection of our commitment to excellence. Recognising this, we place strategic importance on nurturing, developing, and empowering our workforce across all levels. By investing in continuous learning, fostering a culture of inclusion, and creating clear pathways for career advancement, we ensure that our people deliver world-class service today and grow into the industry leaders of tomorrow.



Key constituents of the capital

- 836 staff strength
- 15% female representation
- Average service tenure of our employees 08 years

Rs.1,482 Mn

Employee expenses

Rs. 15 Mn

Total investment in training and development

Human Capital

CAPITAL RELATED RISKS AND OPPORTUNITIES



RISKS

- Rising attrition due to global talent migration and continuing local brain drain
- Increased competition for skilled hospitality talent in Colombo's growing five-star segment
- Skills mismatch in adapting to evolving guest expectations and digital platforms
- Difficulty in attracting younger talent due to perception gaps around hospitality careers
- Reputational risk arising from any lapses in labour practices or human rights issues
- Impact of global geopolitical tensions on staffing expatriates or attracting foreign specialists
- Challenges in maintaining DEI (Diversity, Equity, and Inclusion) amidst rapid workforce changes and culture linked attributes



OPPORTUNITIES

- Capitalising on the tourism rebound to create new employment and career growth opportunities
- Positioning as an employer of choice through structured training and certification pathways – as done through the Cinnamon Academy
- Enhancing guest satisfaction through investments in upskilling and service excellence
- Leveraging ESG alignment (e.g., gender parity, inclusive hiring, local sourcing of talent) to appeal to global partners and guests
- Embracing digital transformation in HR (e.g., AI-driven workforce planning, e-learning platforms)
- Building a pipeline of future-ready leaders through structured succession planning
- Strengthening employee loyalty through wellness programmes and recognition platforms
- Engaging youth talent through partnerships with hospitality schools and universities

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



Customers

Employees, as key stakeholders of human capital, are managed through a structured approach that prioritises engagement, development, and wellbeing. Regular training, open communication channels, and performance recognition programmes foster a motivated and skilled workforce. We also ensures inclusivity, workplace safety, and continuous feedback mechanisms to align employee needs with organisational goals.

Employees

Customers, as recipients of service excellence driven by human capital, are managed through continuous service quality training and a strong customer-centric culture embedded in employee performance. Feedback mechanisms such as guest surveys and reviews are actively used to refine service delivery. Frontline staff are empowered and trained to anticipate and exceed guest expectations, reinforcing brand loyalty and satisfaction.

VALUE ADVANCED



Link to our material matters

Human rights
Health and safety
Diversity and Equal opportunity
Talent attraction and retention

Link to our strategy

Talent Management
ESG Considerations

Management approach

Human capital management of Asian Hotels and Properties PLC is grounded in comprehensive HR policies and procedures based on industry best practices and John Keells Holdings Group policies. These guidelines establish a workplace that values inclusive employment and fosters an environment based on dignity, mutual respect and employee wellbeing. All employees are expected to comply with HR policies that detail professional and ethical standards, ensuring consistent and fair treatment across the organisation. This commitment to ethical conduct and professionalism is essential for maintaining a positive and respectful work environment.

HR governance

The Group's HR practices are governed and guided by a formal governance structure and a set of clearly articulated policies which enable consistent, transparent and unbiased treatment to all employees alike. The policies cover diverse aspects that affect an employee's wellbeing.

The Board of Directors

Oversees the approval of the HR strategy, monitors its implementation, and ensures effective management of associated risks.

Human Resources and Compensation Committee

Provides strategic oversight of the Group's HR governance by reviewing and recommending remuneration policies, monitoring executive performance, ensuring succession planning, and aligning talent management practices with regulatory compliance and stakeholder interests.

Chief Executive Officer, Cinnamon Hotels & Resorts

Senior Vice President, Human Resources, Cinnamon Hotels & Resorts

General Manager

Asian Hotels and Properties PLC HR function

Tasked with executing the Group's HR strategy in alignment with overall business objectives and in compliance with applicable regulatory requirements.

Full list of HR policies and guidelines

The Group's HR practices are governed by a well-defined set of policies that ensure consistent, transparent, and impartial treatment for all employees. These policies comprehensively address various facets impacting employee wellbeing.

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

OUR PEOPLE, OUR POWER – TEAM PROFILE

At Asian Hotels and Properties PLC, we take pride in our diverse and inclusive workforce, which comprises a total of 836 employees. Our commitment to gender equality and non-discrimination ensures that every individual is valued and treated with respect, contributing to a collaborative and dynamic work environment. This diversity is not only our strength but also a key driver of innovation and success across our operations.

Human Capital

Workforce composition and employment indicators

45% of the staff cadre is engaged on a permanent basis while the remainder 55% is engaged on a contract basis.

Over 36% of our staff and senior management are recruited from outside the Western Province.

Zero incidents of child labour or forced labour were reported during the reporting year.

Workers who are not employees comprise those providing auxiliary services such as security and janitorial, engaged based on contracts. As these do not form core operations of the Company, information pertaining to this indicators is not tracked

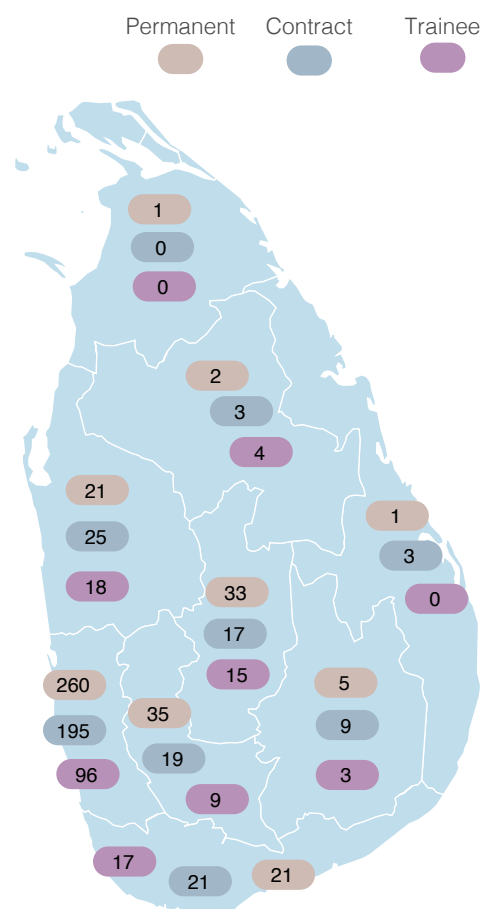
As at 31st March 2025

Employees by contract and gender	Male	Female
Permanent	342	37
Contract	238	57
Trainee	133	29
Total	713	123

Employees by Age & Gender	Male	Female
18-30 years	277	77
31-55 years	419	46
55 years above	17	0
Total	713	123

Employees by Staff Category & Gender	Male		Female	
	Number	%	Number	%
Senior Management & above	30	4.20	6	4.90
Executive	88	12.30	19	15.40
Non-executive	595	83.50	98	79.70
Total	713	100.00	123	100.00

Employees by Region/ Contract - 2024/25				
	Permanent	Contract	Trainee	Total
Western	260	195	96	551
Southern	21	21	17	59
North Western	21	25	18	64
Central	33	17	15	65
Sabaragamuwa	35	19	9	63
Northern	1	0	0	1
Eastern	1	3	0	4
North Central	2	3	4	9
Uva	5	9	3	17
Expats	0	3	0	3
	379	295	162	836



Staff movements

The recruitment and retention of skilled employees remains an ongoing challenge in the industry, with natural attrition and migration to overseas markets being common trends. During the year, we did experience some level of brain drain, which can be seen as a continuation of the economic crisis. However, the Group remained focused on minimising disruption and ensuring continuity through internal talent development and retention strategies.

To address staffing needs, the Group adopted a proactive internal hiring approach by repurposing roles, redeploying employees, and promoting from within the organisation. This approach enabled us to fill 35% of open positions internally, reinforcing our commitment to developing our existing talent pool.

Internal promotions and redeployments further encouraged a culture of learning and adaptability, giving employees opportunities to take on new challenges, expand their skillsets, and contribute to both personal and professional growth.

Staff movement	Male	Female
Promotions and job upgrades	116	27
Recruitments	314	78
Retirements	9	-
Resignations	443	94

Recruitment by Region - 2024/25	Number	%
Western	249	63.52
Southern	29	7.40
North Western	42	10.71
Central	28	7.14
Sabaragamuwa	22	5.61
Northern	-	-
Eastern	1	0.26
North Central	11	2.81
Uva	8	2.04
Expat	2	0.51
Grand total	392	100.00

Turnover by Region - 2024/25	Number	%
Western	349	63.92
Southern	37	6.78
North Western	43	7.88
Central	46	8.42
Sabaragamuwa	36	6.59
Northern	1	0.18
Eastern	5	0.92
North Central	19	3.48
Uva	10	1.83
Grand total	546	100.00

Recruitment by Gender - 2024/25	Number	%
Male	314	80
Female	78	20
Total	392	100

Recruitment by Age	Number	%
Under 30 Years	337	85.97
Between 30 - 55 Years	51	13.01
Over 55 Years	4	1.02
Total	392	100.00

Turnover by Gender - 2024/25	Number	%
Male	452	83.00
Female	94	17.00
Total	546	100.00

Turnover by Age	Number	%
Under 30 Years	368	67.40
Between 30 - 55 Years	156	28.57
Over 55 Years	22	4.03
Total	546	100.00

Hotels & lodging Industry voluntary and Involuntary turnover rates (SASB - SV-HL-310a.1)	2024/2025
Voluntary turnover rate for lodging facility employees	94.00%
Involuntary turnover rate for lodging facility employees	6.00%

Human Capital

Performance management

The foundation of our performance management process is a clear structure that ensures alignment with business goals and fosters individual growth. Through a systematic approach that begins with goal setting and concludes with final evaluations, we create a pathway for employees to enhance their skills, contribute to the company's success, and advance in their careers.



Goal setting and alignment

The performance management cycle begins at the start of the year with goal setting. The Group's strategic objectives cascade down to individual employees. Employees' who are executives and above KPIs are directly linked to the overall goals of the organisation, ensuring that every member of the team works towards the same vision. This alignment between personal and company goals is the cornerstone of our performance-driven culture.

Employees who are in the non-executive cadre were appraised based on 9 competencies.

Mid-year review

The first checkpoint occurs at the mid-year performance review. This review provides an opportunity for managers and employees to assess progress, identify skill gaps, and take corrective actions proactively. The mid-year review is an important stage, as it ensures that any issues or challenges are addressed early, providing employees with the necessary support and resources to meet their targets.

Key features of the Mid-Year Review:

- Evaluate progress on goals
- Identify skill gaps
- Implement corrective actions to ensure targets are met by year-end
- Provide feedback and support for career development

End-of-year appraisal

At the end of the year, the formal appraisal process takes place. This process involves both a self-appraisal by the employee and an appraisal by their supervisor. Employees assess their own achievements, strengths, and areas for improvement, while managers evaluate performance based on pre-set KPIs.

Key elements of the year-end appraisal:

- Self-appraisal: Employees reflect on their achievements and challenges.
- Supervisor appraisal: Managers provide feedback based on performance metrics.
- System integration: The entire process is carried out on a comprehensive HR system to ensure consistency and transparency.

Career Committee evaluation and calibration

Once the appraisals are submitted, the results are forwarded to a Career Committee for evaluation and calibration. This Committee reviews the appraisals, ensuring that all decisions are fair, unbiased, and aligned with organisational goals.

Key outcomes of the Career Committee:

- Identify talent for promotions
- Develop targeted training programs
- Foster career progression in line with the company's strategic goals
- Derive ratings of each employee based on their performances

Recognition and Development Reward & recognition

The final stage of the performance management process is the recognition of high performers and the identification of employees who require additional development. Employees who meet or exceed their goals are rewarded and recognised for their achievements, reinforcing a performance-based culture. Additionally, those with skill gaps are provided with the training and development opportunities they need to succeed in the future.

Key features:

- Recognition: Rewarding high performers.
- Development: Providing training and resources for growth.

Percentage of Staff receiving performance appraisals	Male	Female
Senior Management	89.00%	100.00%
Management	82.00%	-
Executive	91.00%	79.00%
Non-executive	94.00%	86.00%

Employee rewards

We attract top talent by offering a transparent, fair, and competitive compensation and reward structure that aligns with industry benchmarks. Our permanent employees receive a solid base salary with an additional performance-based pay component, ensuring that rewards are directly linked to individual achievements and company objectives. In addition to a stable fixed income, we offer a comprehensive benefits package that includes health insurance, paid time off, parental leave, and various opportunities for professional growth through training programs and career development pathways. By fostering a supportive work environment focused on employee growth and wellbeing, we aim to cultivate a culture of trust, loyalty, and long-term commitment to both our workforce and organisational goals.

Ensuring competitive compensation through market insights

As part of our commitment to ensuring competitive and fair compensation, we regularly conduct salary surveys, either independently or by participating in third-party industry salary surveys conducted by reputable and independent entities. These surveys provide valuable insights into how our employee compensation compares to market standards. The findings from these surveys are integrated into our annual salary revision process, ensuring that our compensation packages remain aligned with industry trends while also reflecting individual performance and contributions.

Hotels & Lodging industry labour practices (SASB -SV-HL-310A.3)

- The average hourly wage of employee of Asian Hotels and Properties PLC was Rs. 186.17 - (2023/24: Rs. 172.39)*

* Restated

- Furthermore 100% lodging facility employees earning minimum wage, with our operations being located in Colombo 03 (2023/24: 100%)

BENEFITS TO FULL-TIME EMPLOYEES

Employee wellbeing and support

- Accommodation for employees working night shifts
- Transport for female employees working night shifts
- Meals and uniforms
- Locker room / Dormitory
- Doctor and Clinic facility
- Welfare facility

Health and fitness benefits

- Gym facility
- Annual medical checkups

Work-life balance and perks

- Food, beverage, and restaurant discounts
- Birthday stay for permanent employees with a service period exceeding five years
- 100 days parental leave

TRAINING AND DEVELOPMENT STRATEGY

Our HR strategy is built on a foundation of continuous learning and growth, with a competency-based approach at its core. By mapping role-specific competencies across key business functions, we identify skill gaps and design targeted training programs that support both individual development and organisational goals.

Throughout the year, we offered diverse learning opportunities including formal training sessions, hands-on experiences, workshops, seminars, and digital courses. These initiatives are designed to empower employees with the knowledge and skills needed to grow their careers while making meaningful contributions to the Group's success.

Some dynamic programmes conducted during the year are as follows.

ElevateXperience

A training programme designed to equip participants with advanced complaint management skills in the hospitality industry, transforming guest complaints into opportunities for growth. Achieved a positive rating with 45 Executives and Supervisors trained.

Human Capital

English Language Proficiency Development Drive

1. Cinnamon English Proficiency Development Program (CEPDP)

Aimed at enhancing English fluency and grammatical accuracy in speaking, listening, reading, and writing for Supervisors, Executives, and STEP, TAP, MAP members at Cinnamon Colombo hotels. Achieved a positive rating with 26 Executives and Supervisors, and 12 Associates trained.

2. Arishte (English Dose)

Focused on developing foundational English language skills for trainees through interactive role-play activities to build confidence in everyday communication. A total of 179 Trainees attended the program.

3. Kadda Polish

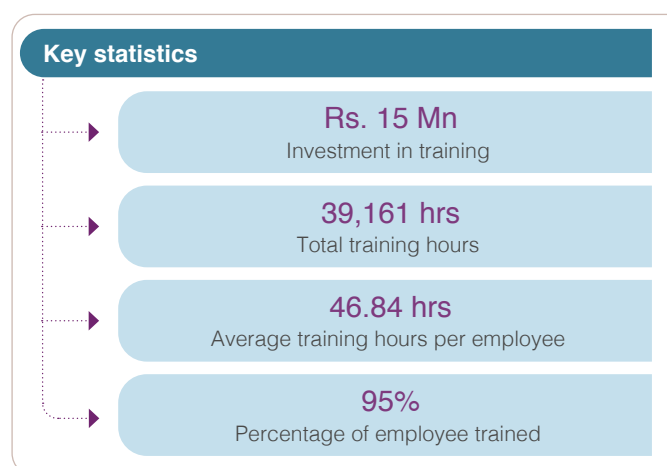
Designed for front-of-house Associates to enhance service delivery by: Using polite English expressions for courteous communication strengthening professional presence through effective body language engaging confidently in everyday conversations a total of 112 Associates attended the program.

Speech Craft Program – Grand Orators Club

An initiative to elevate presentational skills, providing a platform for staff to practice public speaking, refine communication techniques, and build audience confidence. A total of 30 Associates, Supervisors, and Executives participated.

Impact of training and development on organisational success

Our commitment to continuous development supports individual growth whilst driving organisational success. By investing in the skills of our employees, we enhance productivity, foster innovation, and maintain a competitive edge in the industry.



Type of training	Number of training hours	% of training hours
Health and safety	4,342.6	11.09
New Joiner Induction / Professional Presence/ Organisational infor/ Cinnamantra	3,985	10.18
Good to Grand (Role of the Supervisor/ Middle Manager)	337	0.86
Policy Training	2,576.3	6.58
Food Safety	581.9	1.49
English Language Development	2,225	5.68
Fire Safety	479.9	1.23
Business Continuity Planning (BCP) Related Training	1,289.1	3.29
Elevate experience (Complaint Mastery)	1,288.2	3.29
Child Protection Policy/ Awareness	683.2	1.74
Chemical Handling related Training	409.2	1.04
First Aid	577.5	1.47
Cinnamon Trainer Development Program	318.5	0.81
GDPR	410	1.05
Empowerment Matrix	215	0.55
Electrical Safety	173	0.44
Cinnamantra	626.6	1.60
Waste Management	352.5	0.90
Performance Management Appraisal Program / Objective setting	184.3	0.47
TAP/ STEP - Initiatives	270.5	0.69
JKH- Success Drivers	36	0.09
Other trainings and OJT	14,094.35	35.99
C.O.A	3,705.8	9.46
Total	39,161.3	100

Celebrating the stars of AHP

Our staff members are proud recipients of a host of awards. proud of their remarkable achievements which are a reflection of talent, dedication, and passion. These accolades reflect individual excellence and our collective commitment to service quality and professional growth we afford our team.

Chef's Guild Competition – June 2024**Awards Tally**Overall – **1st** Runners Up**16** Gold awards**25** Silver awards**4** Bronze awards**Dilmah High Tea Competition****2 Gold** awards**IDL Arrack & Gin Cocktail Competition****1 Gold** award and **2 Silver** awards**Sunquick Mocktail Competition****1 Gold** Award and **1 Silver** Award**Hotel Show – July 2024****1st place** - All Island National Room Stylist Competition**1st runner-up and 2nd runner-up** in the National Room Stylist Competition (Colombo and Negombo regions)**3rd place** – National Bartender Colombo region**3rd Place** - Tea Mixology - Colombo region**2nd Place** Tea Mixology – All Island**Gold Medal** - Zesta Tea Master Cup Live Cooking Competition**Silver Medal** - Zesta Tea Master Cup Live Cooking Competition

We are pleased with the following wins secured by our employees at track and field events.

Mercantile Athletics Championship**Silver medal** for the Hammer Throw event**Silver Medal** for Long Jump and Bronze Medal for 400m events**Employee health and wellbeing**

We are committed to creating an environment that nurtures all aspects of our workforce's wellbeing, ensuring they are equipped to thrive both personally and professionally. Our wellness initiatives reflect this commitment and are structured around several key focus areas:

1. Financial wellbeing

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

2. Mental wellbeing

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

3. Medical care

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

A holistic approach for a thriving workforce

By embedding these key wellness components into our HR strategy, we create a supportive environment that addresses the diverse needs of our employees. This comprehensive approach not only fosters employee satisfaction and wellbeing but also enhances productivity, engagement, and retention. Ultimately, our commitment to employee wellbeing aligns with our broader mission of fostering a positive, inclusive, and supportive organisational culture that drives long-term success.

Occupational health and safety

We adhere to a comprehensive Occupational Health and Safety Management System (OHSMS), ensuring that all employees are covered and protected. Since 2008, our company has maintained compliance with ISO 45001:2018, the globally recognised standard for occupational health and safety management systems. This certification underscores our commitment to maintaining the highest safety standards in all our operations.

Human Capital

Cinnamon Care

As part of our ongoing commitment to safety, Cinnamon Care Health, Safety, and Environment (HSE) strategy, sets the required parameters for care, cleanliness, and safety across our properties. This comprehensive strategy is designed to safeguard both employees and guests through rigorous health and safety protocols, focusing on prevention, preparedness, and a rapid response to any potential concerns.

Employee engagement in health and safety

To foster a proactive safety culture, we actively engage with our employees in matters related to their health and safety. This open communication not only allows employees to voice concerns but also enables their active participation in safety decision-making processes. By involving employees in identifying potential hazards and implementing preventive measures, we create a more secure work environment and build trust within our team.

Building trust through proactive safety

By prioritising employee engagement in safety matters, we reduce risks and build a stronger sense of trust and confidence within our workforce. Our proactive approach ensures that potential safety issues are addressed before they can escalate, further strengthening our commitment to a safe and supportive work environment.

Employee safety record 2024/25	
Workplace related accidents and incidents	7
Workplace related fatalities	0
No. of lost workdays due to workplace related injuries	121

Employee engagement

Employee engagement remains a key pillar in nurturing a sense of belonging and emotional wellbeing across the Cinnamon Hotels network. By creating informal and inclusive opportunities for interaction such as team-building activities, social gatherings, recognition programmes, and cross-functional events we promote collaboration, strengthen professional relationships, and encourage open communication beyond day-to-day responsibilities.

These initiatives help build a supportive and connected workplace culture where employees feel valued and motivated. Ultimately, a well-engaged workforce leads to greater job satisfaction, enhanced productivity, and stronger alignment with organisational goals, while also contributing to a positive, balanced work environment.

- New year celebrations
- Long service awards ceremony
- Inter department vesak lantern competition
- Poson Bakthi Gee
- Mother's Day celebrations

- Father's Day celebrations
- Anniversary commemoration multi religious ceremony
- Staff appreciation week along with staff party
- Staff appreciation dinner (For the Awards received from Sri Lanka Tourism Development Authority)
- Women's Day celebrations

Employee grievances

The Group has established a structured and transparent grievance handling process to ensure that employee concerns are addressed fairly and efficiently. Grievances may be raised either verbally or in writing and can be directed to the immediate supervisor or the relevant Head of Department.

Once a grievance is reported, it is typically addressed within 48 hours, although this timeframe may vary depending on the urgency and complexity of the matter. In instances where an employee feels the issue has not been adequately resolved or has not received a response, the grievance can be escalated to higher management for further attention.

The entire process is governed by clearly defined service-level timelines and procedures. Employees are regularly informed about this mechanism to ensure they are aware of their rights and the appropriate channels available for addressing workplace concerns.

Human rights

The Group is committed to upholding both local and international labour standards across all aspects of our operations and supply chain. We maintain a strong governance framework that reinforces our zero-tolerance stance on sexual harassment, child labour, and forced labour, ensuring the protection of human rights at every level.

Strict policies are in place to support this commitment, and we conduct regular training programs to raise awareness of fair labour practices and employee rights. These initiatives foster a culture of respect, inclusivity, and ethical conduct throughout the organisation.

We promote open and transparent communication through an open-door policy that encourages employees to freely share their concerns or suggestions. In addition, our whistle-blowing policy provides a confidential and secure avenue for reporting any suspected misconduct or policy violations, reinforcing our dedication to accountability and ethical behaviour.

Our continued focus on integrity and fairness has helped us maintain a safe and respectful work environment. Notably, there were no reported incidents of human rights violations, child labour, or forced or compulsory labour during the reporting year.

Hotels & Lodging industry labour practices (SASB - SV-HL-310a.2)

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

Freedom of Association

We maintain the right to freedom of association. The Hotel does not have any collective bargaining agreements in place. During the year under review, there were no material issues relating to employees or industrial relations which required disclosure. The Management maintains close relationship with employees of all levels and they are duly consulted when major changes are to be implemented in operations of the Company and their views are heard. We ensure a minimum notice period of one month before any significant operational change.

Commitment to diversity and inclusion

At the heart of our Company lies a deep commitment to inclusivity and compassion. We strive to nurture a workplace culture that embraces and celebrates diversity in all its forms, ensuring that every employee feels valued and respected.

Eliminating discrimination

We actively combat discrimination based on ethnicity, gender identity, sexual orientation, age, or ability. Our policies and practices are designed to promote fairness, equal opportunity, and mutual respect throughout the organisation.

Advancing gender equality

Challenging gender-based biases—particularly those affecting women—remains a central focus. We promote gender equality through equitable hiring practices, leadership development initiatives, mentorship programmes, and measures that support a healthy work-life balance.

Empowering women in the workforce

We take deliberate steps to encourage women to join and remain in the workforce by offering flexible work arrangements, growth opportunities, and an inclusive culture that acknowledges and supports their contributions at every level.

Supporting people with disabilities

Our efforts extend to creating a welcoming and accommodating environment for employees with disabilities. This includes providing accessible facilities, inclusive job roles, and tailored accommodations that enable individuals to perform at their best.

There were no incidents of discrimination reported during the year.

Gender parity

The Group is firmly committed to promoting gender parity, guided by a set of clear and strategic objectives. These include enhancing diversity and inclusion, improving overall performance and productivity, attracting and retaining top talent, boosting employee morale, and ensuring equitable opportunities for all. Our approach to gender parity is structured, purposeful, and aligned with the Company's broader goals, reflecting a deliberate and goal-driven commitment to fostering a balanced and inclusive workplace.

The discussion below is based on structured and deliberate Goals, Enablers and Targets that drive our endeavours.

Goals

Targets

Enablers

Goals

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

Human Capital

Targets

2025 Goals	Target	Our achievement so far
Foster an inclusive, equitable, and diverse work environment	Increase female participation in the workforce by 18%	Achieved 15%
	Increase women in leadership positions by 21%	Achieved 17%

Enablers

- Agile work arrangements
- Internship opportunities for the youth
- Special initiatives EmpowHer & The “Aloka” (Light) Project
- Talent pipeline
- Policies and practices

Gender Representation by Grade	Senior Management & above	Executive	Non-Executive
Male	30	88	595
Female	6	19	98
Total	36	107	693
Male - Percentage	83%	82%	86%
Female - Percentage	17%	18%	14%

EmpowHer

Cinnamon Hotels and Resorts, in partnership with its parent company John Keells Holdings PLC, is committed to promoting gender equality and inclusivity within the hospitality industry. Recognising the challenges and misconceptions surrounding women's employment in tourism, the Company has launched the EmpowHer Network to create a supportive platform for female employees to network, collaborate, and address workplace biases. This initiative aims to foster an environment where women are respected, empowered, and provided with opportunities to excel both professionally and personally. Through various activities and development programmes, The Company seeks to position itself as a leading example of a safe and enriching workplace for women in hospitality

Women at work: Inspiring journeys from within

Deanna Anthony

Kitchen Department

Working at Cinnamon Grand has been a transformative experience, shaping both my personal and professional growth. I began with industrial training at the hotel, which laid the foundation for my culinary career. With the hotel's support, I completed my hotel school studies and returned to gain hands-on experience. Now a Commis II in the Cold Kitchen, I've benefited from opportunities for leadership, mentorship, and continuous learning. The hotel fosters internal talent, especially among women, and I've been empowered through equal opportunities and recognition, including winning multiple medals at the Chef's Guild Culinary Competition. My time at Cinnamon Grand has strengthened my skills, values, and confidence, driving me to keep growing and striving for excellence”.

Parental Leave	Male	Female
Employees entitled to parental leave	580	94
Employees that took parental leave	18	-
Number of employees that returned to work in the reporting period after parental leave ended	15	1
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	12	-

Average Training Hours Per Gender	
Male	44.90
Female	58.13

Gender parity initiatives

- 100 days parental leave for both male and female employees.
- One JKH logo displayed on recruitment advertisements stating we don't discriminate in our recruitments
- Women recruited for non-traditional roles, example Banquet operations, Lifeguard, Engineering Technicians.



Jithari Rathnasiri**Banquet Operations Department**

"Joining Cinnamon Grand as a trainee in the Banquet Operations Department was the beginning of my career, and I couldn't have asked for a better start. Despite initial concerns about entering a male-dominated industry, I was welcomed with warmth, respect, and unwavering support. My colleagues and superiors took the time to guide me, helping me grow both personally and professionally. Today, I handle my responsibilities with confidence and have been honored with the Highflyer of the Month and Highflyer of the Year awards for 2024/2025. As a woman, I've always felt safe, empowered, and valued here. The inclusive and nurturing culture at Cinnamon Grand has been instrumental in shaping my journey, and I'm proud to be part of such an inspiring workplace."

**WAY FORWARD**

Looking ahead, Asian Hotels and Properties PLC remains committed to advancing diversity, equity, and inclusion across all levels of the organisation. We will continue to pursue our diversity targets with intention, fostering a workplace that reflects and respects the richness of our society.

We aim to harness the full potential of the Cinnamon Hospitality Academy, not only to cultivate future-ready talent for our own operations but also to uplift the broader hospitality industry in Sri Lanka through globally recognised training and certification.

In parallel, we will expand the integration of technology into our HR processes, enabling greater operational efficiency, data-driven decision-making, and enhanced employee engagement.

Under the guidance of John Keells Holdings PLC, we will remain steadfast in our efforts to create a fulfilling, inclusive, and growth-oriented environment for all our employees, ensuring that our people remain at the heart of our continued success.

Intellectual Capital



At Asian Hotels and Properties PLC, intellectual capital plays a pivotal role in sustaining our competitive edge in the hospitality sector. It encompasses the unique blend of our brand equity, proprietary operating procedures, service excellence frameworks, IT systems and institutional knowledge that support the delivery of distinctive guest experiences. Our investments in staff training, and quality assurance systems further enhance our intellectual capital, enabling us to respond to evolving market expectations while fostering long-term value creation.



Key constituents of the capital

- The strength of Cinnamon Grand brand
- Organisational tacit knowledge
- Strength of the organisational structure, together with the holding of John Keells Holdings PLC
- IT and digital infrastructure
- Well established systems, processes and standards

#2

ranking in Revenue Generation Index (RGI) among 5-star city hotels

CAPITAL RELATED RISKS AND OPPORTUNITIES



RISKS

- Potential loss of key personnel and institutional knowledge
- Cybersecurity breaches affecting proprietary systems
- Inadequate protection of intellectual property
- Obsolescence of legacy systems and software
- Failure to innovate in guest experience offerings
- Potential limited knowledge transfer across hotel properties within Cinnamon Hotels and Resorts



OPPORTUNITIES

- Leveraging guest data analytics for personalised service
- Enhancing brand value through digital marketing innovations
- Investing in AI and automation to streamline operations
- Building a knowledge-sharing culture across teams
- Developing proprietary hospitality training modules and delivering them through the Cinnamon Academy
- Strengthening customer loyalty through tech-driven experiences in addition to the strengths of F&B, property features, etc.
- Enhanced digital transformation to improve customer experience and operational efficiency

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



Customers

By strengthening the repository of intellectual capital, we have been able to deliver consistently exceptional and personalised guest experiences through refined service protocols and data-driven insights. Continuous innovation in systems and staff training ensures seamless, high-quality service that meets ever-evolving customer expectations in our sector. This approach has enhanced guest satisfaction and loyalty whilst strengthening the Cinnamon Grand brand premium in the hospitality sector.

Employees

Strengthening intellectual capital empowers our team through access to structured knowledge, continuous training, and advanced systems that enhance their skills and efficiency. This creates a culture of learning and innovation, increasing job satisfaction, performance, and retention. We manage our team by investing in capability development, fostering knowledge sharing, and aligning individual growth with organisational excellence, ensuring the team remains a key enabler of service excellence and brand value.

VALUE ADVANCED

95% Guest Satisfaction Score*

02 Certifications and standards complied with during the year

03 Awards won during the year

08 Years average length of service of an employee

Link to our material matters

- Business conduct and ethics
- Privacy and data security

Link to our strategy

- Operational Excellence
- Talent Management
- Service Excellence

*Guest satisfaction score as per Global Review Index Score (GRI) give source Review Pro.

Intellectual Capital

Our brand

Strategic deployment of brand strategy amidst competition



In a nation renowned for its warmth and generosity, Asian Hotels and Properties PLC strategically reinforced the Cinnamon Grand brand as a most hospitable brand, a philosophy deeply rooted in Sri Lankan culture. By aligning the brand identity with the intrinsic national values of genuine care and graciousness, the Group continued to embody a hospitality experience that resonated with both local and international guests.

- Showcasing authentic Sri Lankan experiences - Anchored by unique offerings like Nuga Gama, an iconic village-style restaurant deeply steeped in tradition, the Group provided authentic cultural experiences that celebrated Sri Lanka's heritage. These offerings became a vital part of the brand narrative, allowing guests to experience true Sri Lankan hospitality while enjoying world-class service.
- Delivering excellence across all guest segments – Asian Hotels and Properties PLC positioned itself as the hotel of choice for every customer segment, from families gathering for celebrations, to friends reconnecting over meals, to businesses hosting meetings and corporate events. The brand's strength in providing exquisite food and beverage experiences, luxurious accommodation, and seamless banquet services ensured its top-of-mind recall across diverse audiences.
- Strengthening market leadership in hospitality - With a clear ambition to remain the undisputed leader in Sri Lanka's five-star hospitality market, the Group's strategy focused on excellence in room services, food and beverage offerings, and banqueting solutions. Every touchpoint was designed to reinforce the brand's reputation for consistent, high-quality service and memorable experiences.

OUR INTELLECTUAL CAPITAL REPOSITORY

- Our brand
 - Social media presence
 - Organisational tacit knowledge
 - Cinnamantra – Corporate purpose and values
 - Continuous learning and development
 - Advanced analytics and business intelligence
 - Average length of service of the team
 - Ethical and strong stewardship
 - IT and digital infrastructure
 - Systems and processes
 - Certifications
 - Awards and recognition
 - Industry collaborations
- Driving growth through targeted marketing - To support the hotel's wider growth plans and penetrate deeper into key market segments, Asian Hotels and Properties PLC executed impactful, results-oriented, and market-specific marketing initiatives throughout the year. These campaigns were carefully crafted to showcase the brand's strengths, adapt to changing customer needs, and retain the hotel's market leadership. These included the Sri Lanka diaspora across the world as well.
 - Empowered by an exceptional team - This brand success was made possible through the dedication and expertise of an exceptional team, whose commitment to upholding service excellence, innovation, and cultural authenticity ensured that the Cinnamon Grand brand remained synonymous with hospitality leadership in Colombo.

KEY BRAND BUILDING INITIATIVES CONDUCTED DURING THE YEAR

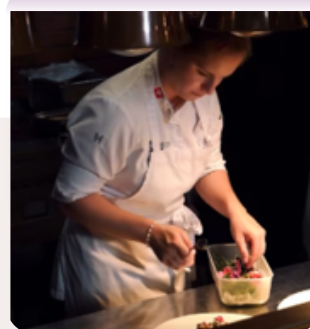
Italian Guest Chef Stefano La Penna at The London Grill

From May/ June 2024, The London Grill at Cinnamon Grand Colombo hosted Chef Stefano La Penna, Head Chef of Natalina. This collaboration, commemorating Italian National Day, featured a curated Italian menu inspired by Roman heritage, showcasing Chef Stefano's culinary expertise.



Swiss Culinary Experience with Guest Chef Celine Maier

Between 25th July to 4th August 2024, The London Grill transformed into a haven of Swiss cuisine under the guidance of award-winning Chef Celine Maier. Guests indulged in a specially curated à la carte menu that harmonised Alpine classics, offering an authentic Swiss dining experience.



Guest Mixologist Atila Iskif's Visit to Cinnamon Colombo Hotels

In August 2024, renowned mixologist Atila Iskif visited the Cinnamon Colombo hotels, including Cinnamon Grand. During his visit, he conducted bartender training sessions, performed mixology demonstrations, and engaged with hotel school students, enhancing the bartending standards across the hotels.



Australia Day Celebrations with Guest Chef Jay Taylor

Between 24th January and 2nd February 2025, Cinnamon Grand Colombo celebrated Australia Day with Chef Jay Taylor. He curated exclusive Australian menus at Cheers and The London Grill, focusing on sustainable ingredients and featuring dishes like Wagyu steak, fresh seafood, and Pavlova.



Guest Chef Salvatore Turturo from Puglia, Italy

Guest Chef Salvatore Turturo's Italian Culinary Showcase

In November 2024, Chef Salvatore Turturo from Puglia, Italy, presented authentic Italian cuisine at The London Grill, Cinnamon Grand Colombo. This event was part of the 8th Worldwide Week of Italian Cuisine, offering guests a curated selection of Italian dishes and wines.



Colombo Journalists Association Annual Cricket Tournament

The Colombo Journalists Association held its Annual Cricket Tournament for the third consecutive year at Kotte Angampitiya, bringing together over 200 media professionals. The event was graced by Sri Lanka's Prime Minister, Harini Amarasuriya, and Kamal Munasinghe, General Manager of Cinnamon Grand Colombo and Area Vice President of Cinnamon Colombo Hotels, who performed the ceremonial first toss. Cinnamon Grand Colombo, Cinnamon Lakeside Colombo, and Cinnamon Red Colombo served as key sponsors, supporting the media community through this event.



Tournament running for third consecutive year

Colombo Fashion Week

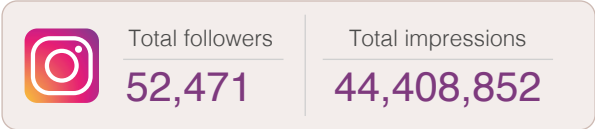
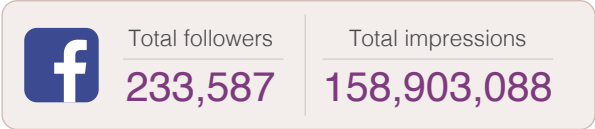
In March 2024, Cinnamon Grand Colombo hosted segments of Colombo Fashion Week, featuring collections by designers such as Ayani Athma, Aysha Faizer, Arsath Furkhan, Charini Suriyage, Fouzul Hameed, Indi Yapa Abeywardena, Mevini Amarasinghe, and Suneet Varma. The event, led by CEO Fazeena Rajabdeen and Founder Ajai Vir Singh, showcased creativity and highlighted Sri Lanka's vibrant fashion scene.



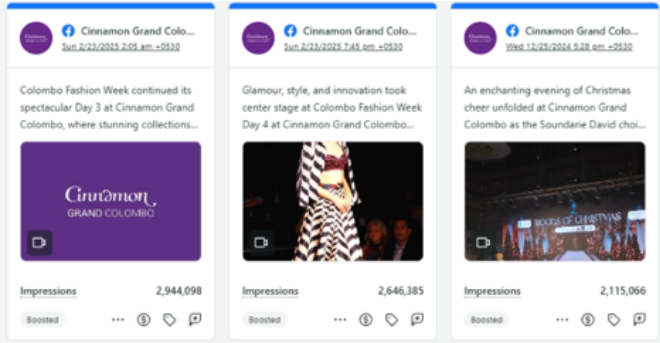
Intellectual Capital

Social media presence

The Group maintains a vibrant and engaging presence across key social media platforms, including Instagram and Facebook strategically amplifying the brand's core philosophy. Through curated content highlighting authentic guest experiences, signature dining options, cultural showcases like Nuga Gama, and behind-the-scenes service excellence, the hotel connects emotionally with a wide spectrum of audiences. Social media campaigns are thoughtfully tailored to drive brand recall, promote events, enhance direct bookings, and foster a dynamic community around the Cinnamon Grand lifestyle, reinforcing its position as the leader in five-star hospitality in Colombo.

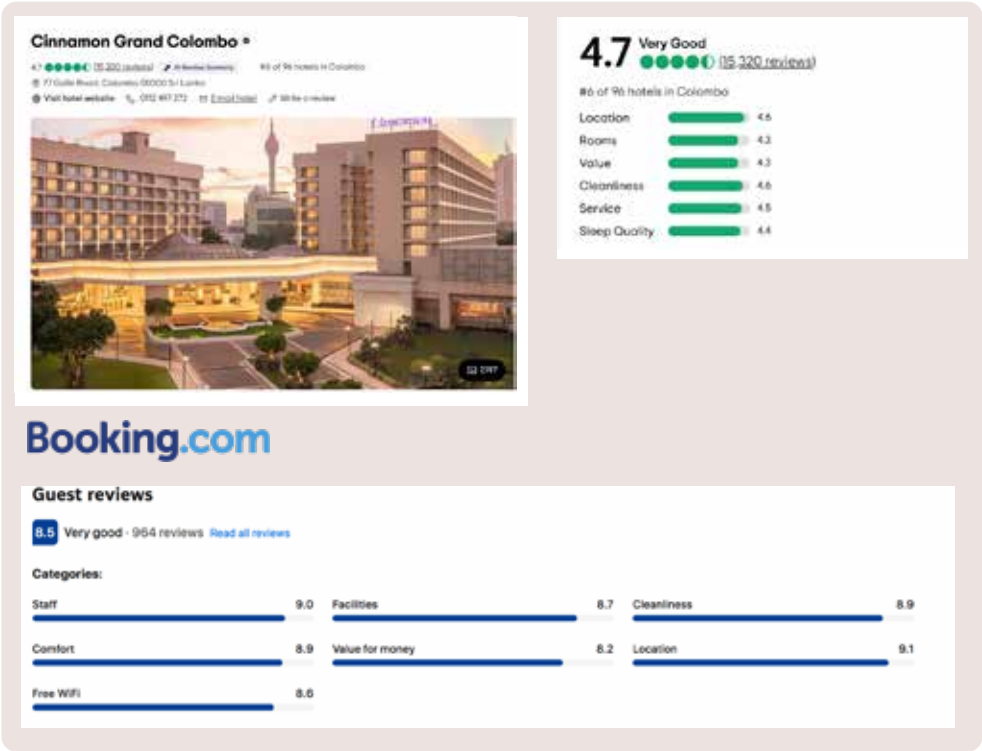


As of April 2025



Strong Online Reputation and Ratings

Cinnamon Grand consistently receives outstanding ratings across several online travel platforms, reflecting our commitment to exceptional service and guest satisfaction.



Crescat and Cinnamon Grand: A seamless lifestyle synergy



Crescat Boulevard, Asian Hotels and Properties PLC's fully owned lifestyle and F&B premises, serves as a powerful brand extension that complements the positioning of Cinnamon Grand Colombo. Located adjacent to the hotel, Crescat enriches the Cinnamon Grand experience by offering guests and visitors convenient access to curated retail, dining, and lifestyle options in a premium setting. This strategic integration reinforces brand equity by creating a unified luxury lifestyle ecosystem, enhancing customer engagement, and driving footfall in a competitive urban hospitality and retail landscape. Annual footfall exceeded 0.6 million, indicating sustained customer engagement and a continued recovery in consumer traffic.

Organisational tacit knowledge

Asian Hotels and Properties PLC strategically harnesses its organisational tacit knowledge rooted in its corporate philosophy Cinnamantra, long-serving team members, and a culture of continuous learning and ethical stewardship to deliver seamless, intuitive guest experiences that reflect the brand's deep service heritage. Combined with advanced analytics and business intelligence, this embedded knowledge drives smarter decision-making, enhances operational efficiency, and ultimately supports revenue growth, profitability, and long-term brand loyalty.

Continuous and learning and development

Continuous learning and development play a vital role in strengthening our organisational tacit knowledge, ensuring that critical skills, service excellence standards, and cultural values are deeply embedded across the Company. Through structured annual training initiatives, covering all categories of employees, we enable the seamless transfer of practical know-how, service intuition, and brand-specific protocols that are otherwise difficult to document but essential to sustaining our competitive edge. As detailed under Human Capital on page 65, our investment of Rs. 15 Mn enabled 39,161.3 hours of training during the year, reinforcing a culture of continuous improvement and enriching the collective wisdom that drives superior guest experiences, operational excellence, and long-term brand strength.

The Cinnamon Academy also played a crucial role in grooming young talent into skilled hospitality professionals, ensuring a steady and high-quality pipeline of talent into the organisation. This continuous influx of well-trained individuals strengthens our service delivery capabilities, enriches our organisational tacit knowledge, and enables us to accelerate and enhance the guest experience across all touchpoints.

Advanced analytics and business intelligence

In 2024/25, the Company made significant progress in its transformation journey towards becoming a fully digitised organisation. The Advanced Analytics and Business Intelligence Team, established with the expertise and knowledge transfer from OCTAVE the John Keells Group's Centre of Excellence for Data and Advanced Analytics became fully operational during the year. Key milestones included the upskilling of team members, enhancement of IT infrastructure, and widespread capacity building to drive user engagement and data literacy

across functions. With the full implementation of the analytics ecosystem, management is now equipped with predictive insights into guest demand patterns, spending behaviours, and revenue trends. These insights have already begun to inform agile, data-driven decision-making, enabling the Company to sharpen its strategic focus, optimise performance, and enhance guest experiences in real time.

Average length of service of the team

At Asian Hotels and Properties PLC, our diverse, talented, and resilient team delivers exceptional guest experiences. Despite the challenges posed by the national trend of skilled labour migration, the seamless integration of new talent with experienced team members ensured service excellence remained uncompromised. Supported by an average team tenure of 08 years, the Company continues to benefit from a strong foundation of collective expertise and institutional knowledge.

Ethical and strong stewardship

The Company is guided by a versatile and experienced Board of Directors, supported by a dynamic corporate management team with international exposure. As a subsidiary of John Keells Holdings PLC one of Sri Lanka's most respected conglomerates with a strong foundation in governance and ethics the Company benefits from robust leadership frameworks and a values-driven culture. This collective leadership has been instrumental in navigating recent challenges, driving value creation, and elevating the Cinnamon Grand brand experience.

Intellectual Capital

Strengthening Digital Foundations - IT and digital infrastructure

We continued to invest in its digital infrastructure to elevate operational efficiency and guest satisfaction. Our robust IT systems support core functions such as room reservations, food and beverage operations, and other key services enabling seamless, responsive, and data-driven hospitality experiences.

Opera - Cloud-based property management system	Enables speedier reservations, check-ins, check-outs and bill finalisations at restaurants
Digital menu	Digital menu for in-house guests integrated with POS systems
EAT App	Food and beverages app for restaurant reservations
SARA	Work order/ maintenance management system
Micro symphony - Food and beverages system (POS)	Enables efficient planning of related stocks

IT security

The Company operates under a robust IT security framework guided by the policies and protocols established by our ultimate parent company, John Keells Holdings PLC. These stringent standards ensure the highest levels of data protection and cybersecurity across our operations. All employees, across all grades and functions, are regularly trained and sensitised on IT security best practices, reinforcing a culture of vigilance and accountability in managing digital risks.

Systems, processes and certifications

Our operations are anchored in well-defined systems and processes, with comprehensive Standard Operating Procedures (SOPs) covering every aspect of the business. These SOPs ensure consistency and service excellence across all functions, providing a unified standard for all employees. New recruits are introduced to these protocols during induction and on-the-job training, while existing team members receive regular refreshers throughout the year to reinforce best practices.

Examples of SOPs

- Data Protection and Guest Privacy
- Empowerment Matrix
- Health and Safety, Environment Consequence Matrix

Training programmes conducted to ensure compliance of our processes

- Fire safety and basic fire fighting for staff
- Emergency evacuation drills
- Selected staff trained on lifesaving and first aid
- Annual food handlers' medicals done for all food handlers

Certification

Our operations are certified by the following ISO certifications and other certifications.

Certification	Issuing authority	Periodic review/ audit involved	Frequency
ISO 45001:2018 – Occupational Health and Safety Management System	International Standards Organisation	Yes	Annual
ISO 14001:2015 – Environmental Management System	International Standards Organisation	Yes	Annual
Travelife Gold certification for accommodation sustainability	Travelife Ltd - UK	Yes	Annual

Awards and recognition

Awards and recognition play a vital role in strengthening the intellectual capital of Asian Hotels and Properties PLC by validating the knowledge, expertise, and service excellence embedded across the organisation. Each accolade we have won drives the Company's brand equity, motivates continuous learning, innovation, and a culture of high performance, enhances employee pride, attracts top industry talent, and fosters knowledge-sharing, all of which contribute to sustaining a competitive edge in the hospitality sector.

A full depiction of the awards won by Asian Hotels and Properties PLC is available on page 10.

Industry collaborations

Asian Hotels and Properties PLC actively engages with industry stakeholders and associations to foster collaboration, share best practices, and support the collective growth of the tourism and leisure sector. Employees are encouraged to participate in industry forums, enabling knowledge exchange, professional development, and contribution to sector-wide innovation. These partnerships and affiliations help the Company stay ahead of trends, access valuable insights, and advocate for shared interests during a time of renewed industry momentum.

List of memberships held

- Biodiversity Sri Lanka
- Ceylon Chamber of Commerce
- Chefs Guild of Sri Lanka
- Employers' Federation of Ceylon
- European Chamber of Commerce Sri Lanka
- Pacific Asia Travel Association
- SKAL International Colombo
- Swiss Circle Sri Lanka
- The American Chamber of Commerce in Sri Lanka
- The Hotels Association of Sri Lanka

WAY FORWARD

Looking ahead, Asian Hotels and Properties PLC is committed to further strengthening its intellectual capital by investing in continuous learning, innovative technologies, and strategic industry collaborations. As the tourism sector in Sri Lanka continues to flourish, we aim to leverage our collective expertise and operational excellence to capitalise on new opportunities and deliver exceptional guest experiences. By fostering a culture of knowledge-sharing and agility, we are poised to maintain our leadership position in the hospitality industry and contribute to the sustainable growth of the sector.

In parallel, we will continue to drive Crescat Boulevard as a vibrant, lifestyle-oriented retail and F&B destination that meaningfully complements the Cinnamon Grand brand - reinforcing our position as a holistic hospitality and lifestyle provider in the heart of Colombo.

Social and Relationship Capital



At Asian Hotels and Properties PLC, strong relationships form the foundation of our success. Our customers, channel partners, suppliers, and the broader community are vital stakeholders who enable and sustain our value creation journey. We are committed to nurturing trust, loyalty, and shared growth through meaningful engagement, responsible business practices, and community collaboration. We continuously invest in strengthening these relationships, recognising that enduring partnerships and positive societal impact are critical to our long-term sustainability.



Key constituents of the capital

- Customers loyal to and satisfied with the Cinnamon Grand offerings
- Value chain partners, including our network of registered local and international suppliers, channel partners, business collaborators, and industry stakeholders
- Communities in the areas where we operate

Customer relations

95% Global Review Index

Payments to suppliers

Rs. 4,696 Mn

Investments in community empowerment initiatives

Rs. 4 Mn

CAPITAL RELATED RISKS AND OPPORTUNITIES



RISKS

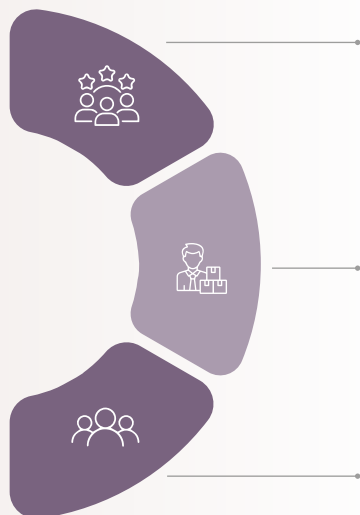
- Potential decline in customer satisfaction affecting reputation and loyalty
- Disruptions in supplier networks impacting service delivery
- Weak channel partner engagement leading to reduced market reach
- Community grievances over environmental or social impacts harming brand image
- Non-compliance of suppliers with sustainability standards causing reputational damage
- Competition for strong channel partnerships limiting growth opportunities
- Negative customer reviews spreading quickly through digital platforms



OPPORTUNITIES

- Building strong customer loyalty driving repeat business and advocacy
- Strengthening supplier relationships to secure quality, sustainable inputs
- Collaborating closely with channel partners to expand market share
- Enhancing community engagement to build goodwill and social license to operate
- Partnering with local suppliers to support economic development and local sourcing goals
- Leveraging customer feedback to drive service innovation and differentiation
- Forming industry alliances to promote responsible tourism and strengthen influence

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



Customers

Customers are central to our social and relationship capital, as their satisfaction, loyalty, and advocacy directly influence our success. Asian Hotels and Properties PLC maintains strong customer relationships through personalised service, continuous feedback mechanisms, and consistent quality standards. We also invest in enhancing the guest experience with sustainable and responsible hospitality practices.

Suppliers and business partners

Suppliers and channel partners form a vital part of our value chain, supporting service excellence and operational efficiency. We manage these relationships through fair, transparent procurement practices, regular evaluations, and by encouraging responsible business conduct aligned with our ESG commitments. Long-term partnerships are fostered through collaboration, mutual trust, and joint innovation opportunities.

Communities

The communities within which we operate are integral to sustaining our brand reputation and social license to operate. Asian Hotels and Properties PLC actively engages with local communities through employment generation, social development initiatives, and environmental stewardship programs. We prioritise community wellbeing, ensuring our operations contribute positively to local livelihoods and ecosystems.

VALUE ADVANCED

600+ beneficiaries of CSR initiatives

95%

Global Review Index

800+ Volunteer hours spent on CSR initiatives

60%

Net Promotor Score

Link to our material matters

Guest health and safety
Privacy and data security
Community relations and empowerment
Supply chain management
Product safety and quality
Supplier assessment

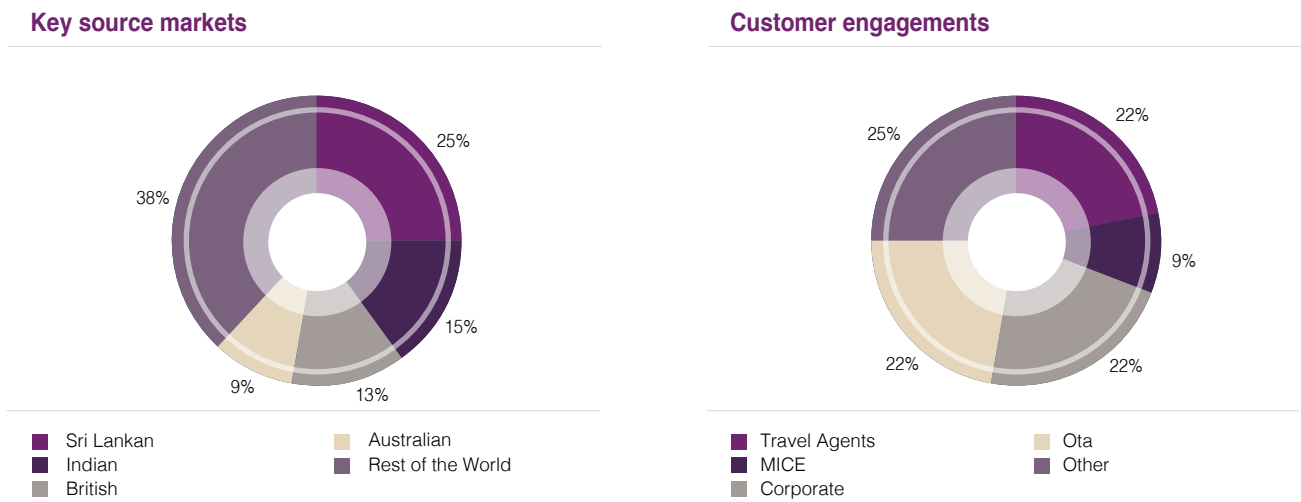
Link to our strategy

Service excellence
Revenue optimisation
ESG considerations

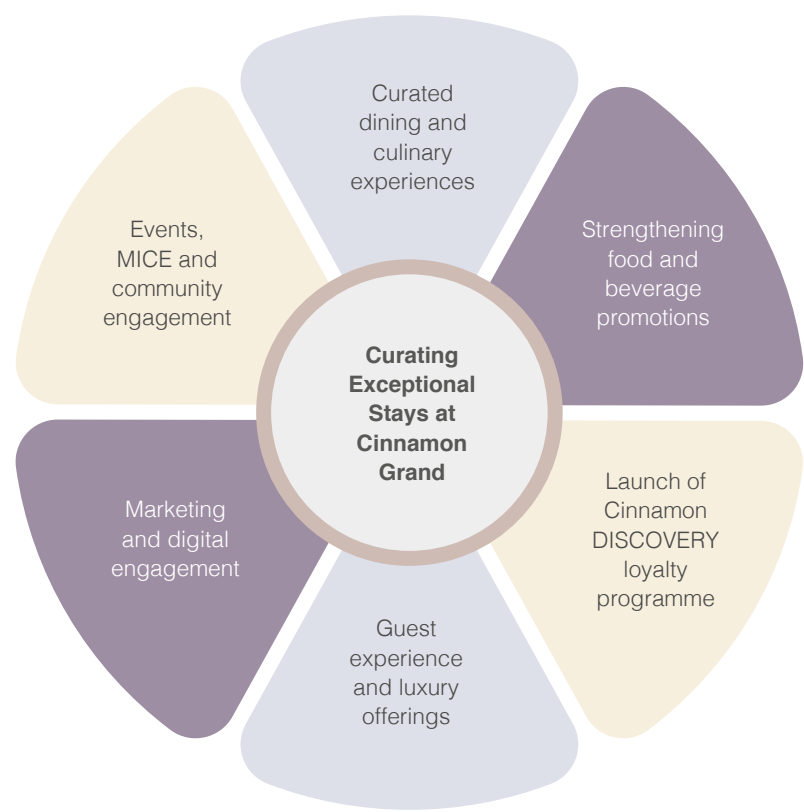
Social and Relationship Capital

CUSTOMERS

Customers are at the heart of Asian Hotels and Properties PLC's success, shaping our service philosophy and strategic direction. During the year, key concerns raised by our customers included the quality of service, escalating pricing, the desire for novel culinary and event experiences, and the importance of ESG considerations in business practices. In response, we focused on continuously enhancing our offerings, delivering exceptional service quality, superior value for money, and upgrading amenities to enrich the overall guest experience. Our commitment to meeting and exceeding customer expectations ensures that we not only retain their loyalty but also strengthen our brand reputation in a highly competitive market.



KEY STRATEGIC INITIATIVES ROLLED OUT DURING THE YEAR DRIVING AN ENHANCED CUSTOMER EXPERIENCE



Curated dining and culinary experiences

- Relaunched Breeze bar with a vibrant look enhancing the hotel's casual dining and social experience. Celebrated seasonal festivities with immersive experiences like the Christmas Tree Lighting, gourmet festive buffets, and the Grand New Year's Eve Gala Dinner, reinforcing Cinnamon Grand as Colombo's ultimate festive destination.
- Launched bespoke private dining experiences and curated menus at selected restaurants for VIP guests, elevating the hotel's luxury positioning.
- Relocated and relaunched Cheers Pub with a vibrant new look and expanded offerings, enhancing the hotel's casual dining and social experience.

Strengthening food and beverage promotions

- Rolled out attractive promotions such as weekday dining offers, loyalty discounts, and seasonal F&B campaigns to drive guest engagement and increase repeat visits.
- Introduced innovative themed dining experiences and collaborations with guest chefs and mixologists to refresh culinary offerings and sustain customer interest.

Launch of Cinnamon DISCOVERY loyalty programme

At Cinnamon Grand Colombo, we proudly offer the Cinnamon DISCOVERY loyalty programme — a gateway to exceptional benefits and unforgettable stays across Cinnamon Hotels & Resorts in Sri Lanka and the Maldives.

Through our partnership with the GHA DISCOVERY platform, members enjoy:

- Guaranteed discounts on rooms and exclusive dining privileges
- Curated local experiences that celebrate Sri Lankan culture and hospitality
- Access to over 800 hotels worldwide, offering global rewards and travel experiences

The programme also positions Cinnamon Grand guests to enjoy upcoming luxury developments like Cinnamon Life, providing early access to new entertainment and lifestyle offerings in Colombo.

Guest experience and luxury offerings

- Focused on personalised guest experiences by enhancing pre-arrival, in-stay, and post-departure touchpoints.
- Invested in continuous service training to uplift hospitality standards and deliver exceptional service excellence.
- Launched premium offerings such as bespoke wellness packages, curated city tours, and exclusive celebration packages for special occasions.
- Expanded luxury experiences with private spa sessions, VIP event hosting, and tailor-made dining adventures for elite clientele.

Marketing and digital engagement

- Strengthened online presence through targeted influencer collaborations and storytelling campaigns, boosting brand resonance among younger and global audiences.
- Ran strategic digital marketing initiatives to promote direct bookings and special packages.
- Leveraged CRM and data analytics to tailor offers, drive loyalty, and enhance guest communication.

Events, MICE and community engagement

- Reinforced Cinnamon Grand's reputation as a leading MICE venue by hosting prominent conferences, weddings, and corporate events
- Strengthened community ties through sustainability projects, charity collaborations, and cultural celebrations that reflect Cinnamon Grand's commitment to social responsibility.

DELIVERING REMARKABLE DINING AND ENTERTAINMENT EXPERIENCES

Asian Hotels and Properties PLC is home to some of Sri Lanka's most celebrated themed restaurants and pubs, attracting discerning guests throughout the year. With a rich variety of cuisines crafted by master chefs, inviting atmospheres, and exceptional service, we create unparalleled culinary and entertainment experiences for our customers.

Social and Relationship Capital

PLATES - An all-day dining restaurant featuring international cuisine with Asian and Mediterranean influences. Plates offers buffet service for breakfast, lunch, and dinner, along with a range of locally inspired beverages.



THE LAGOON - A seafood specialty restaurant where guests can select their preferred catch, which is then prepared to order by skilled chefs. The Lagoon is known for its fresh ingredients and diverse preparation styles.



CHEERS - Cheers now relocated to the Premium wing offering expansive space and a capacity to accommodate over 300 guests with live sports screenings in a lively and friendly setting.



THE LONDON GRILL - Renowned as one of Colombo's oldest fine dining establishments, The London Grill offers classic European cuisine with cloche service and an extensive wine selection from a curated cellar.



COFFEE STOP - A convenient café for guests seeking quick refreshments, Coffee Stop serves a variety of coffees, pastries, and light bites—ideal for a casual meet-up or a break during the day.



BREEZE BAR - A newly renovated poolside bar offering a relaxed atmosphere, ideal for casual gatherings. Breeze Bar serves a range of beverages and light snacks, making it a popular choice for both families and friends.



TEA LOUNGE - Serving premium teas and coffees throughout the day, the Tea Lounge offers a tranquil space for guests. By evening, it transforms into a whiskey lounge featuring a curated selection of spirits.



NUGA GAMA - An authentic Sri Lankan dining experience set in a recreated traditional village environment, Nuga Gama offers local cuisine prepared by experienced village cooks, creating a culturally immersive culinary journey in the heart of Colombo.



Review pro

Captures customer feedback from all channels. Comprises a guest satisfaction survey is emailed to the guest upon departure to obtain feedback.



Restaurant survey

QR code placed in outlets for diners to provide their feedback



In stay Survey

QR code in guest rooms which enables guests to provide their feedback during their stay



Analysis of social media reviews

(Trip Advisor/Google, Facebook etc.)

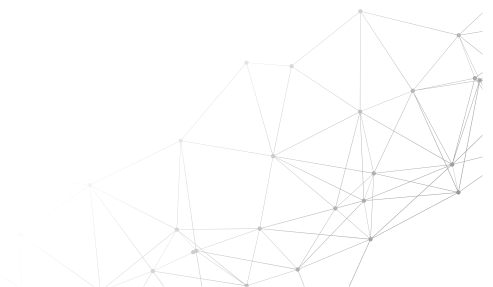
Food quality and safety

Asian Hotels and Properties PLC remains steadfast in aligning with global best practices across all operations. As part of this commitment, the Management has initiated the process to obtain the FSSC 22000 V6.0 certification-benchmarked by the Global Food Safety Initiative (GFSI). The Stage 1 audit has been completed, with continued progress underway to secure full certification by August 2025, in adherence to stringent food safety standards.

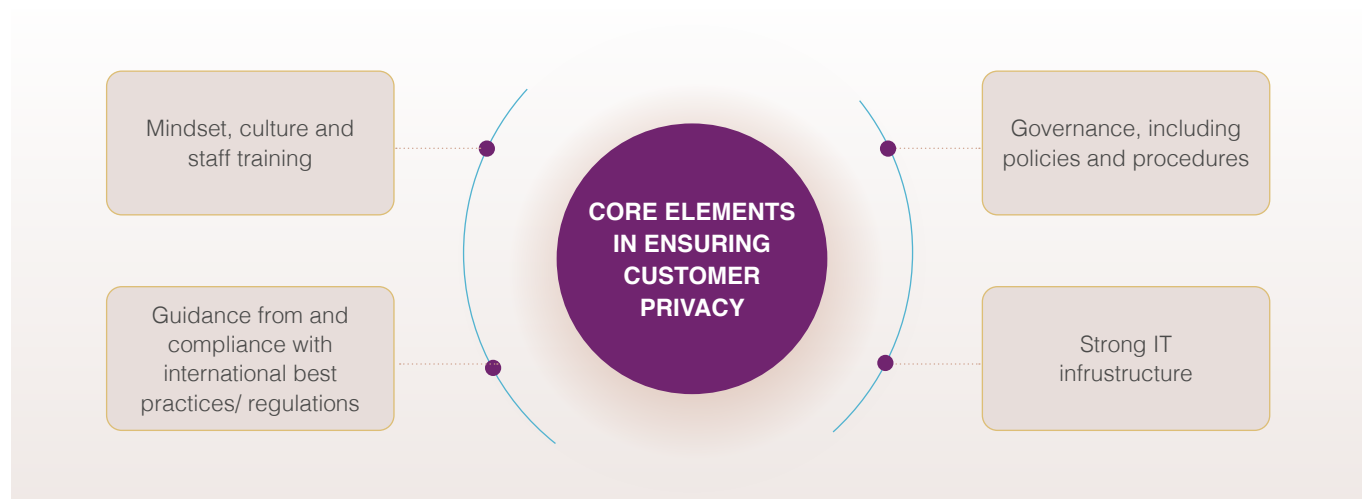
Our food safety protocols are tightly managed through Critical Control Points (CCPs), Operational Prerequisite Programs (OPRPs), and Prerequisite Programs (PRPs), with continuous monitoring, measurement, verification, and validation to ensure strict compliance with standards. Annual medical screenings for all food handlers, along with ongoing training and assessments, further safeguard our commitment to maintaining the highest levels of hygiene and food safety. Notably, there were no incidents of non-compliance with health and safety standards relating to our products and services during the year.

Customer privacy

Protecting customer privacy is a fundamental priority embedded in all our operations. We collect personal information such as names, addresses, and payment details with great care and safeguard it through robust data protection measures to prevent unauthorised access or breaches. Our practices are fully transparent, ensuring customer consent where required, and providing individuals with clear control over their personal information. All data handling is conducted with utmost respect for privacy and in strict compliance with applicable regulations, including the European Union's General Data Protection Regulation (GDPR). This commitment is underpinned by structured protocols, including comprehensive staff training, strong cybersecurity measures, and clearly articulated privacy policies that govern every aspect of data management.



Social and Relationship Capital



CUSTOMER HEALTH AND SAFETY

Customer health and safety is ensured through a number of touchpoints and modes as listed below.

Guest and premises security

- Electronic key cards for room access
- 24/7 security patrols
- CCTV monitoring in public and sensitive areas
- Explosives detection system
- Luggage and handbag scanning
- Security personnel on duty 24/7
- Non-smoking policies strictly enforced in designated areas

Food safety and hygiene

- Strict food safety protocols (HACCP compliant)
- Regular kitchen hygiene inspections
- Pest control carried out routinely by certified providers
- Food handler medical screenings
- Microbiological testing of food, water, and surfaces
- Stringent supplier evaluation
- Regular audits and third-party hygiene inspections

Housekeeping and sanitation

- Rigorous cleaning protocols
- Gym equipment sanitised regularly
- Regular HVAC maintenance and air quality control
- Personal protective equipment (PPE) for relevant staff

Fire safety and emergency preparedness

- Clearly marked fire exits and escape routes
- Emergency evacuation plans displayed in all guest rooms
- Fire drills and safety training conducted regularly
- Smoke detectors, fire alarms, and sprinklers throughout
- Emergency response plans and trained staff

Health and wellness

- Doctor on call
- Pool area monitored with trained lifeguards
- Water quality of the swimming pool tested daily

Guest engagement on safety

- Guest feedback on safety concerns actively monitored and addressed

COMPLIANCE STATUS

GRI 416, GRI 417 and GRI 418

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

CUSTOMER TESTIMONIALS

From TripAdvisor



Excellent

Was a wonderful stay overall. Courteous staff, excellent dining options including a great buffet as well as a comfortable and clean room. Special thanks to Dumith from the front desk who handled our check in and ensured the stay was hassle free.

[Read less](#)

Date of stay: April 2025

Trip type: Traveled with family

5.0 Value

5.0 Location

5.0 Service

5.0 Rooms

5.0 Cleanliness

5.0 Sleep Quality

Our overall stay at this hotel was great.

I've nothing except the praise for their great service and hospitality. We highly recommend fellow travelers this hotel in Colombo.

[Read less](#)

Date of stay: April 2025

5.0 Value

5.0 Location

5.0 Service

5.0 Rooms

5.0 Cleanliness

5.0 Sleep Quality

Review collected in partnership with this hotel



great service!

Attended to breakfast buffet on 29/03. Great service! Specially Mr Nalaka gave us a superb service! Thank you cinnamon grand team! We will come again! Food is tasty! Lot of varieties! Great service! We spent a lovely time by tasting superb breakfast buffet!

[Read less](#)

Date of stay: March 2025

Trip type: Traveled as a couple

5.0 Value

5.0 Location

5.0 Service

5.0 Rooms

5.0 Cleanliness

5.0 Sleep Quality



Online food order

I ordered a cake for my father, the day before his birthday. The address which is supposed to be delivered was sent to me wrong (the door number). The driver had gone around such a long time looking to find the location. Then the hotel called me and texted me on Whatsapp. Since I was at work, I could not pick up the call. Finally they found the place and delivered the cake. I am so pleased with the service provided. My father also said the person who was on the phone apologised and wished him for his birthday. They really do not have to apologise since the mistake was from outside. Also my father mentioned that everyone said the cake was really tasty. Thank you Kotuwage and the driver for your outstanding service. This is not the first time I've sent food to different places from CG hotel and you have never let me down. As well as the quality of the food, their service is outstanding. Thank you to the team CG.

[Read less](#)

CHANNEL PARTNERS

Our channel partners are key to expanding the Group's global reach. We leverage a range of sales and distribution channels, including travel agencies, OTAs, direct sales, and walk-ins, optimising visibility and occupancy. Additionally, our global sales offices in India, France, the UK, China, and Germany, alongside our Global Contact Center, enhance conversion rates and customer satisfaction through personalised service.

Key strategies deployed during the year

Strengthening engagement with Global Sales Agents:

We maintained continuous dialogue with our global sales network and hosted roadshows in Colombo to showcase the country's readiness to welcome international tourists and host world-class events.

Positioning Colombo as a MICE destination:

Through targetted marketing efforts, we promoted Colombo as a premier, value-for-money destination for MICE events, enhancing our ability to attract high-value corporate and event-related guests.

Expanding channel partner networks:

Focused efforts were made to grow our network of travel agents and distribution partners, particularly in key source markets such as India, China, and the Far East, strengthening our global footprint.

Primary sales and distribution channel

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

Thematic marketing campaigns:

We launched dynamic marketing campaigns under the theme "Bringing the Best of Sri Lanka to the World with Style and Elegance," reinforcing Cinnamon Grand Colombo's brand identity and broadening international appeal.

Innovative pricing and bundled offers:

Attractive promotional strategies, including bundled offers and competitive pricing, were rolled out to increase direct bookings and provide greater value to customers across various markets.

Social and Relationship Capital

SUPPLIERS

Asian Hotels and Properties PLC has established procedures to foster long term business relationships with suppliers, governed by a Supplier Code of Conduct. This Code ensures that all major suppliers comply with laws and regulations concerning labour, human rights, the environment, and ethical business practices. In addition, the Company maintains an overarching policy of clearly defining payment terms as part of commercial agreements with suppliers and ensures all properly invoiced items according to these agreed terms.

The following key concerns pertaining to suppliers were addressed throughout the year

- Continued business opportunities
- Ease of transactions
- Timely payment
- Ethical business conduct

We incorporate environmental and social best practices into our procurement processes by prioritising the sourcing of sustainable products, services, and technologies that align with

our corporate responsibility goals. This commitment extends to supporting local, small and medium sized enterprises, as well as minority owned suppliers, and collaborating with them to establish a diverse, responsible, and resilient supply chain. Our supplier selection follows a transparent, impartial tender process that includes documented social, environmental, and financial criteria.

During the year, 189 new suppliers were onboarded. There were no identified negative social or environmental impacts in the supply chain during the year.

Supplier related targets

2025 Goals	Target	Our achievement so far
Health, Safety and Environment impact assessments to be conducted for suppliers	50% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment	Assessment done for 73 suppliers
Establish supplier base with women, individuals with disabilities and indigenous led businesses up to 25%	25% of businesses led by women, persons with disabilities (PWDs) and indigenous people	Current status Women led businesses -16 Businesses led by PWDs - 01

*While we did not fully achieve our 2025 targets, the experience and insights gained have been instrumental in shaping our approach moving forward. Building on these learnings, we have established a new set of ambitious yet attainable targets for 2030. These objectives are designed to align with our long-term sustainability vision and are informed by the challenges and progress encountered during our previous efforts. For a detailed overview of our 2030 targets and the strategic initiatives planned to achieve them, please refer to the 'Way Forward' section.

John Keells Foundation's CSR Vision

Empowering the Nation for Tomorrow

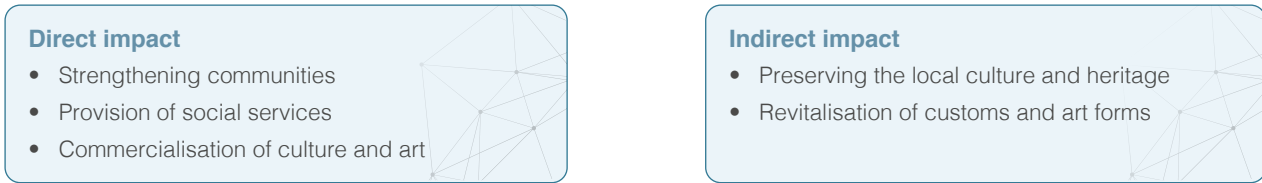
COMMUNITY

At Cinnamon Hotels & Resorts, community empowerment remains a core part of our purpose-driven approach to business. In collaboration with the John Keells Foundation (JKF), the CSR entity of the John Keells Group, our colleagues, and valued guests, we continued to extend meaningful support to communities through both monetary contributions and in-kind donations. These collective efforts are guided by a strong sense of mission and aligned with four core focus areas formed by JKF that address critical needs and create sustainable impact. By working closely with our partners and stakeholders, we aim to uplift communities, promote inclusive growth, and foster a lasting positive influence in the regions we operate.

Our focus areas

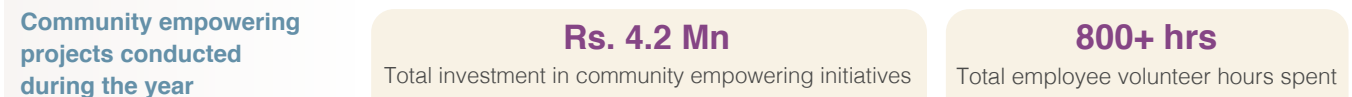
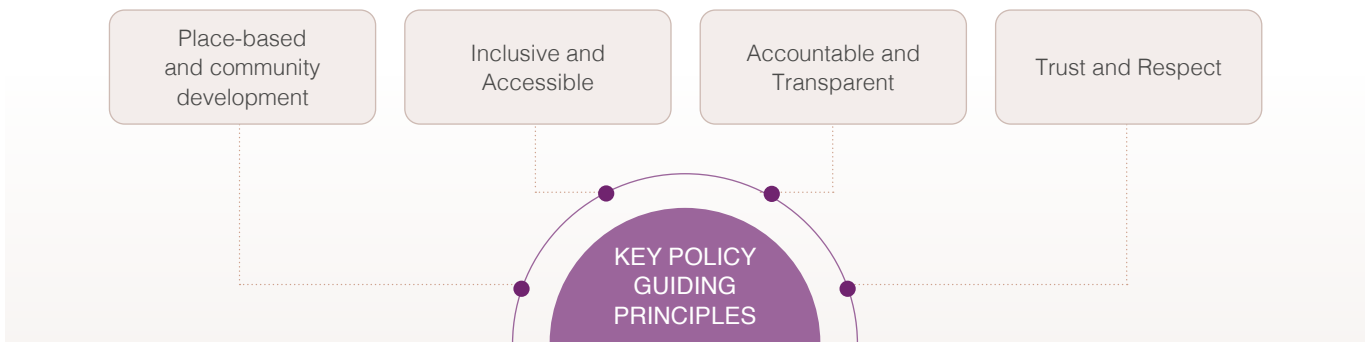


The impact we create



Governance around Community Engagement at Asian Hotels and Properties PLC

Community engagement at Asian Hotels and Properties PLC is guided by a clearly defined policy that reinforces our commitment to placing communities at the heart of our operations. The policy emphasises inclusive participation, shared value creation, and the development of resilient, connected, and empowered communities. Aligned with our vision of being a purpose-driven hospitality trendsetter, the policy ensures that engagement is meaningful, equitable, and contributes to sustainable progress at local, national, and global levels.



Natural Capital



At Asian Hotels and Properties PLC, natural capital forms a critical foundation of our value creation process. Essential resources such as energy, water, land, and paper are integral to our operations, supporting the seamless delivery of superior hospitality experiences. Recognising the finite nature of these resources, we place significant strategic emphasis on the responsible management of our environmental footprint. Guided by a clearly articulated Environmental, Social, and Governance (ESG) agenda, the Group has committed to measurable targets with defined timelines to reduce our environmental impact. We strive to maintain a healthy and balanced ecosystem, acknowledging that the continuity of our operations is closely tied to the preservation of natural resources. Our initiatives encompass energy efficiency, water conservation, waste minimisation, and biodiversity restoration, reflecting our deep commitment to sustainable value creation for all stakeholders.



Key constituents of the capital

- Land
- Energy
- Water

Total land extent in Colombo

A08 - P05.08

Total energy consumption during the year

61,115 GJ

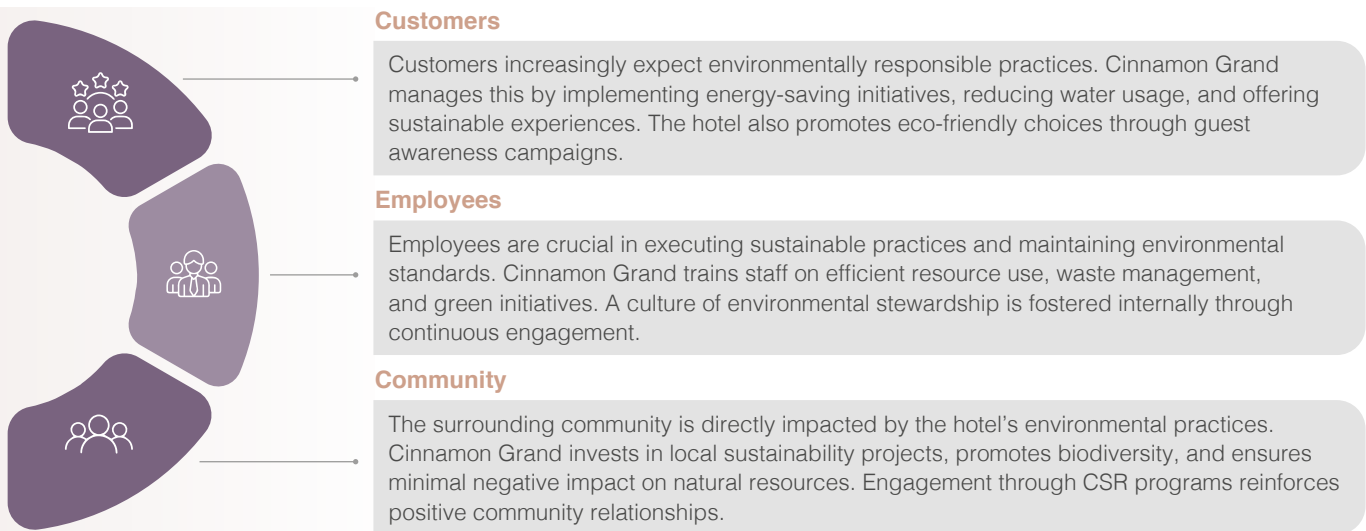
Total water withdrawn during the year

157,501 m³

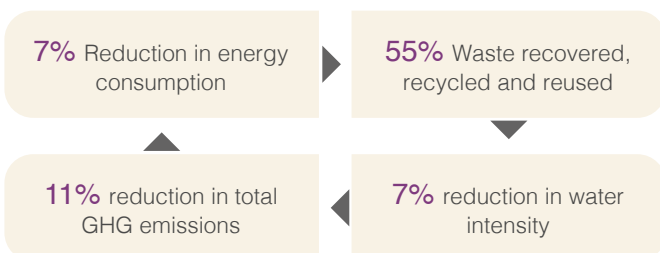
CAPITAL RELATED RISKS AND OPPORTUNITIES

 RISKS	 OPPORTUNITIES
<ul style="list-style-type: none"> • Rising energy costs due to increasing demand and regulation • Water scarcity impacting operations and guest services • Regulatory risks linked to environmental compliance • Increased frequency of extreme weather events (e.g., floods, heatwaves) • Biodiversity loss affecting landscaping and aesthetic appeal • Waste management challenges leading to reputational risks • Supply chain disruptions related to raw material shortages • Carbon, taxation or mandatory reporting requirements • Negative guest perception due to poor sustainability practices • Physical damage to property due to climate change 	<ul style="list-style-type: none"> • Energy efficiency upgrades reducing operational costs • Adoption of renewable energy enhancing brand value • Water recycling and conservation initiatives • Green certifications attracting environmentally conscious travellers • Sustainable sourcing practices strengthening supplier relationships • Waste-to-value initiatives (e.g., composting, recycling partnerships) • Urban greening and rooftop gardens enhancing guest experience • Participation in carbon offset and climate action programs • Leveraging sustainability achievements for marketing differentiation • Building climate resilience to safeguard long-term operations

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



VALUE ADVANCED



Link to our material matters

GHG emissions and energy management

Water management

Waste management

Link to our strategy

ESG Considerations

Operational excellence and cost optimisation

Natural Capital

Management approach

Our environmental impact;

Direct impact

- Reducing negative impacts and preserving the environment
- Reducing operational costs and cost control efficiency through interventions related to energy, water and waste management

Indirect impact

- Long term ability to stay in business and be profitable while contributing minimally to climate actions

The Group is deeply committed to minimising its impact on the environment, recognising the growing challenges posed by climate change and the need for sustainable business practices. We prioritise environmental responsibility across our operations and are actively taking steps to reduce our carbon footprint and resource consumption. These environmental sustainability efforts include the following.



Implementing energy efficient practices to reduce carbon footprint.

We invest in energy efficient technologies and practices, and the implementation of energy saving measures in our facilities. This helps us reduce greenhouse gas emissions and lower our overall energy consumption



Conserving water resources through efficient use and management

We take measures to conserve water by using water saving fixtures and systems and monitoring usage to prevent waste. This approach ensures the sustainable use of water resources and supports local ecosystems.



Minimising waste generation and promoting recycling and plastic waste reduction initiatives.

We strive to minimise waste generation by implementing recycling programmes as well as reducing single use plastics and packaging materials. This helps us lessen our impact on landfills and promotes a circular economy.



Supporting biodiversity conservation and protection of natural habitats

We work to protect and enhance local ecosystems by preserving natural habitats and supporting biodiversity conservation efforts. This includes collaborating with local organisations to create awareness on biodiversity, organising beach cleaning campaigns and habitat restorations.

Policies that drive our environmental initiatives

Policy	Revised in 2023/24	Our achievement so far
Sustainability Policy	No	Derived based on the ESG framework of Cinnamon Hotels & Resorts.
		Policies on Transparency and stakeholder engagement, employee wellbeing and community relations will be included next FY.
Environment Policy	No	Derived based on ISO 14001:2015 requirements.
Elimination of Single-use Plastic Policy	No	Includes banned plastic items, supplier management, plastic based awareness encompassing both employees and the community.
		Aligning to same policy of CH&R.

Standards and certifications

ISO 14001:2015 – Environmental Management System

Travelife Gold certification for accommodation sustainability

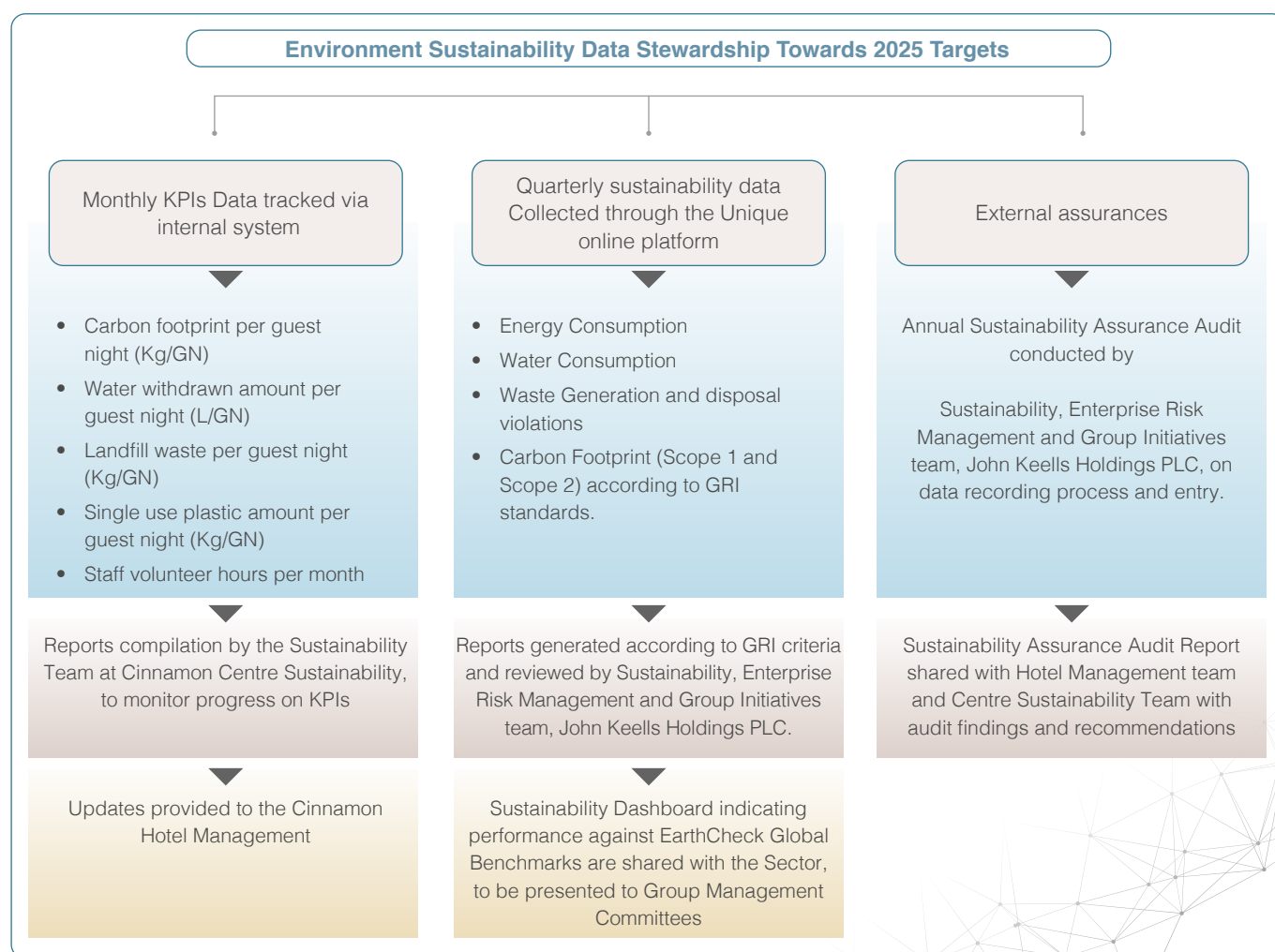
New development in 2024/25

Preliminary steps of ISO 14064-1:2018 certification scheme

During the year, Trans Asia Hotels PLC, subsidiary of Asian Hotels and Properties PLC, successfully completed the on-site preliminary assessment for ISO 14064-1:2018 certification, conducted by the Sri Lanka Carbon Fund (SLCF). This assessment was carried out as part of a Group-wide initiative covering all entities under Cinnamon Hotels & Resorts. As a result, Asian Hotels and Properties PLC also stands to benefit from this collective effort, particularly in enhancing the environmental sustainability of its operations.

Monitoring environmental sustainability

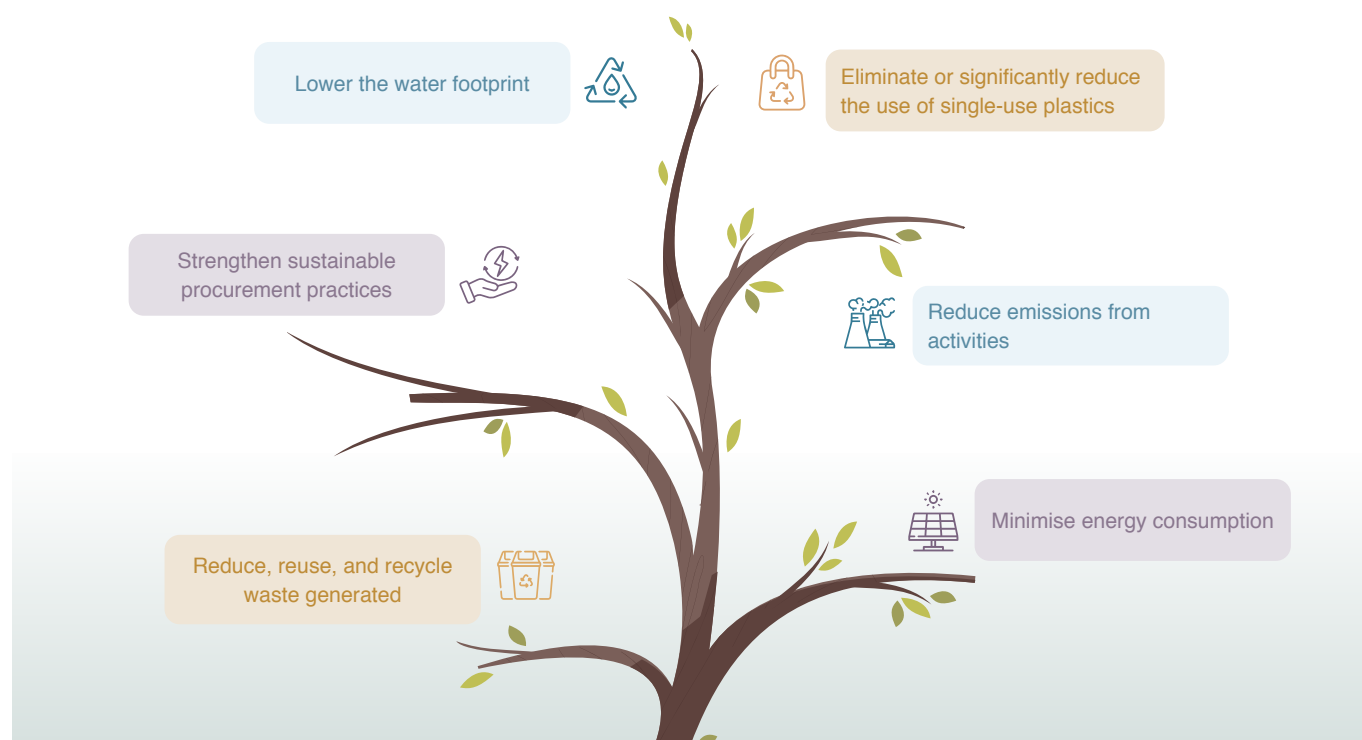
Monitoring environmental performance and obtaining external assurances are key components of our management approach. By regularly tracking our environmental impact and engaging third party assessments, we ensure transparency, accountability, and continuous improvement in our sustainability efforts. These practices allow us to identify areas for enhancement, validate our progress, and provide confidence to our stakeholders regarding our commitment to environmental responsibility.



EarthCheck Benchmarking and Certification

In 2024, the Group partnered with EarthCheck Pte Ltd., a globally recognised scientific benchmarking, certification, and advisory group for the travel and tourism industry based in Australia. EarthCheck conducted a thorough analysis of our environmental performance, comparing key operational parameters against similar regional hotels where applicable. Through this benchmarking process, our performance was assessed across ten critical areas: Energy Consumption, Greenhouse Gas Emissions (Scope 1 & 2), Total Water Consumed, Potable Water Consumption, Recycled/Captured Water, Water Savings, Total Waste Generated, Waste Sent to Landfill, Recycled/Reused/Composted Waste, and Waste Recycling Implementation. This independent assessment underscores our commitment to environmental stewardship and continuous improvement, supporting our journey towards achieving best-in-class sustainability standards.

Natural Capital



Performance against 2025 Goals

2025 Goals	Target	Our achievement so far
Biodiversity Conservation	Implement one biodiversity conservation project by 2025	Supporting reforestation efforts of Young Zoologists Association of Sri Lanka.
Energy reduction	Reduce energy consumption by 2% per guest night from 2023/24	7% reduction in energy consumption
Reduce single-use plastic consumption	50% reduction of single-use guest facing plastic from 2021/22 base year	97 % reduction in single-use plastic consumption
Water stewardship	Reduce water consumption by 2% per guest night from 2023/24 base year	7% reduction in freshwater consumption
Waste management	90% waste to be diverted from landfills	Diversion of waste from landfills by 98%

We have now set our sights on ambitious long-term goals leading up to 2030. These new targets reaffirm our commitment to advancing sustainable and environmentally responsible operations. A detailed overview of our 2030 goals and the path ahead is presented under the Way Forward section on page 108.

Energy Management and Emissions Management

GRI 302, GRI 305

11% Total GHG emissions

9,916 tco2e (2024/25)

8,957 tco2e (2023/2024)



Energy consumption by source

In GJ	2024/25	2023/24*	YoY Change (%)
Grid Electricity	37,171	38,758	(4)
Diesel	283	1,178	(76)
Petrol	106	7	1,415
Furnace Oil	17,751	19,673	(10)
LPG	5,804	5,825	0
Total Energy Consumptions	61,115	65,441	(7)

*Restated

Energy Footprint per Guest Night
0.14 GJ (2023/24 : 0.14GJ)

Greenhouse Gas (GHG) Emissions Verification for Cinnamon Hotels & Resorts (Scope 1, 2 & 3)

The global tourism industry accounts for around 8.8% of global GHG emissions, with the hospitality sector alone contributing 1%–3%. Recognising this, the Sustainable Hospitality Alliance has set ambitious targets to reduce carbon emissions by 66% per room by 2030 and 90% by 2050, relative to 2010. In Sri Lanka, tourism is a vital economic driver, and Cinnamon Hotels & Resorts (CH&R) aligns its emissions reduction strategy with the country's commitment to a 14.5% emissions cut by 2030 under its NDCs.

To support global and national climate goals, CH&R conducted a comprehensive GHG emissions inventory for the 2023/24 financial year in collaboration with the Sri Lanka Climate Fund. Adopting the operational control approach and following ISO 14064-1:2018 and the Greenhouse Gas Protocol, CH&R accounted for Scope 1, 2, and for the first time, Scope 3 emissions across its Sri Lanka and Maldives properties and administrative locations. Guest travel was excluded unless organised by CH&R.

- **Scope 1:** Direct emissions from onsite fuel combustion, mobile equipment, refrigerant leaks, and fugitive emissions.
- **Scope 2:** Indirect emissions from purchased electricity.
- **Scope 3:** Indirect emissions from business travel, employee commuting, supplier transport, and waste management.

The deep dive into Scope 3 emissions led to stronger supplier engagement, incorporating environmental performance into supplier assessments. Major emission sources identified include energy use, transportation, and waste, and CH&R is developing a reduction roadmap focused on energy efficiency, renewable energy adoption, and circular economy principles. This inventory forms a new baseline for CH&R's climate strategy, reinforcing its commitment to a resilient, sustainable hospitality industry.

Energy efficiency initiatives

The Group remained committed to sustainable operations by embedding energy-saving practices across all departments, even though large-scale projects were limited during the year. One of the key focus areas was the kitchen, a major operational hub with significant energy demand.

Centralised kitchen operations for greater efficiency

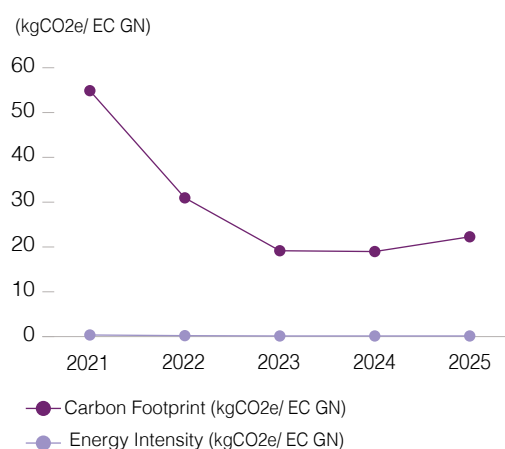
At Cinnamon Grand Colombo, recent refurbishment efforts led to the centralisation of kitchen operations and storage facilities. This strategic move resulted in notable energy and resource optimisation by streamlining workflow, reducing energy consumption, and minimising operational waste. Additionally, centralisation improved labour efficiency by enabling better workforce allocation across functions, further enhancing overall productivity and sustainability.

Environmental impact - Emissions

In tCO ₂ e	2024/25	2023/24*	YoY Change (%)
Direct (scope 1) GHG emissions	1,512	1,978	(24)
Indirect (scope 2) GHG emissions	8,404	6,979	20
Total carbon footprint	9,916	8,957	11

*Restated

Carbon footprint and energy intensity



Natural Capital

OTHER KEY INITIATIVES

Lighting and natural illumination improvements

- Continued transition to energy-saving LED lighting across hallways, kitchens, guest rooms, and offices.
- Painted department walls in light colours to enhance natural light reflection and reduce daytime lighting needs.

Staff and guest engagement

- Regular training sessions for employees on energy-efficient practices, such as proper equipment use and lighting protocols.
- Signage and awareness campaigns encouraged staff and guests to switch off lights and devices when not in use.

Optimised equipment and appliance usage

- Office and kitchen staff were instructed to power down or unplug appliances during non-operational hours.
- Kitchen operations were optimised by minimising oven preheating times, covering pots during cooking, and running ovens at full load.
- Laundry operations were streamlined to ensure full loads, use high-spin cycles to shorten drying times, and regulate water temperatures as needed.

Energy assessments and monitoring

- Ongoing tracking of energy usage and efficiency across the property to identify and correct inefficiencies, supported by collaboration with EarthCheck Pte Ltd to monitor the carbon footprint.

Resource recovery for energy savings

- Reuse of laundry steam return water for heating the primary tank, reducing boiler energy consumption and enhancing overall resource efficiency.

EMISSION REDUCTION INITIATIVES

The Group strengthened its commitment to reducing emissions through coordinated efforts across the Engineering, Housekeeping, and Purchasing departments.

Reduction of aerosols and VOCs

- Trained staff extensively on safe use of cleaning agents to prevent chemical interactions and toxic emissions.

Refrigeration and HVAC improvements

- Ensure all new acquisitions are CFC free and eco-friendly.
- Conducted regular maintenance of air conditioning filters, boilers, and cooling systems to enhance efficiency and reduce emissions.
- Carried out regular leak detection and airtightness tests for refrigeration systems, with certified safe disposal of harmful refrigerants.
- Maintained a comprehensive inventory of all cooling equipment, including service records, to monitor and manage performance.

Operational equipment upgrades

- Replaced outdated, high-emission housekeeping equipment with energy-efficient, low-emission models.
- Ongoing maintenance and upgrade programs ensure that systems with the greatest environmental impact are prioritised for improvement.
- The installation of a new insulated feed water tank resulted in an four percent reduction in boiler fuel oil consumption per day, improving thermal efficiency and reducing operational costs.

Sustainable procurement practices

- Reduced the purchase of high-emission food items such as beef and lamb, favouring poultry, seafood, and plant-based proteins.
- Prioritised local sourcing to minimise transportation emissions, focusing on fresh produce, dairy, and meats within a short radius.
- Emphasised seasonal purchasing to lower reliance on synthetic inputs and reduce carbon footprints.
- Adopted bulk purchasing strategies and optimised delivery schedules to cut down fuel consumption and transportation emissions.
- Engaged suppliers on adopting greener packaging, storage, and transport practices.
- The hotel continued its efforts to reuse used cooking oil as burner fuel for the operation of Boilers. In the year 2024/25 this initiative resulted in a saving of 8,899 litres of Furnace oil.

Celebrating Earth Hour with conscious hospitality

In solidarity with the global Earth Hour movement, we observed Earth Hour on 22 March 2025 by switching off all non-essential lights across the hotel for one hour. Guests were warmly invited to join this symbolic act of environmental consciousness. A serene candlelit atmosphere was created, offering a unique experience that blended sustainability with hospitality.

As part of the celebration, a special candlelit dining experience was curated at Nuga Gama, enhancing the ambience with tradition and warmth. Guests were also welcomed at the lobby with a refreshing Ayurvedic brew, further emphasising our commitment to wellness and nature. Through these efforts, we reinforced our dedication to environmental stewardship while delivering a memorable guest experience.



Water and effluent management

GRI 303

Water withdrawn per guest night

355 Ltrs/ GN

381 Ltrs/ GN (2023/24)

7%

Water withdrawn by source

In m ³	2024/25	2023/24*	YoY Change (%)
Pipe borne water from the municipality	137,660	165,754	(17)
Groundwater	19,841	14,231	39
Total water withdrawn	157,501	179,985	(12)

*Restated

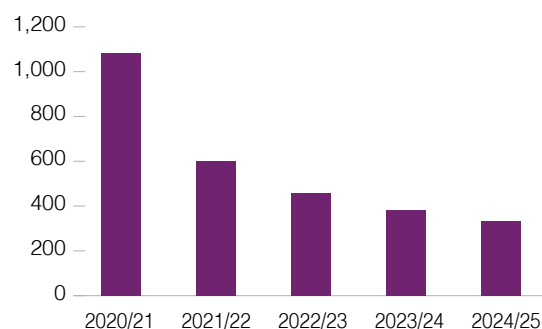
Water consumption

In m ³	2024/25	2023/24*	YoY Change (%)
Total water withdrawn	157,501	179,985	(12)
Total water discharged	123,086	120,679	2
Total water consumed	34,415	59,306	(42)

*Restated

Water withdrawn per EC GN

(Litres/GN)



Water management action plan deployed during the year

Monitoring and measurement

- Install individual water meters in key locations record and analyse monthly water consumption and costs
- Conduct regular audits of taps, toilets, showerheads, and dishwashing systems

Infrastructure improvements

- Install flow regulators on taps and showerheads across guest rooms, public areas, kitchens, laundry, and staff areas
- Maintain plumbing fixtures, promptly repair leaks, and ensure pool integrity

Water-efficient operations

- Adopt water-efficient dishwashers and kitchen appliances
- Soak dishes before dishwasher use to reduce rinsing
- Fill dishwashers to full capacity before running cycles
- Harvest and reuse rainwater for non-potable purposes

Employee and guest engagement

- Conduct regular staff training sessions across all departments on water conservation best practices
- Raise awareness through signage, onboarding programs, and periodic refresher courses
- Encourage towel and linen reuse among guests with polite communication in rooms
- Invite guest participation through digital messages

Sustainable housekeeping and laundry practices

- Use eco-friendly, biodegradable cleaning products
- Promote water-saving practices in laundry processes, including towel and linen reuse

Kitchen and food & beverage initiatives

- Prevent water wastage from taps and use water-free methods for defrosting
- Adjust water flow based on cleaning needs
- Regularly train kitchen and F&B staff on efficient water usage

Natural Capital

WASTE MANAGEMENT AND RESPONSIBLE CONSUMPTION OF RESOURCES (PLASTIC, ETC.)

GRI 303

Waste generated per guest night

0.93 kg / GN (2024/25)

1.05 kg / GN (2023/24)

(Significant waste generated by our operations include food waste and plastic waste)

11%

Our approach to waste management

Waste is segregated at the source based on material type to ensure effective disposal and recycling. Recyclable materials are sold to authorised collectors registered with the Central Environment Authority, transferred to licensed waste management companies, or collected by the Municipal Council. Hazardous waste such as electronic waste, toners, and cartridges is handed over to licensed entities with the appropriate approvals for safe handling and disposal.

Waste by disposal methods

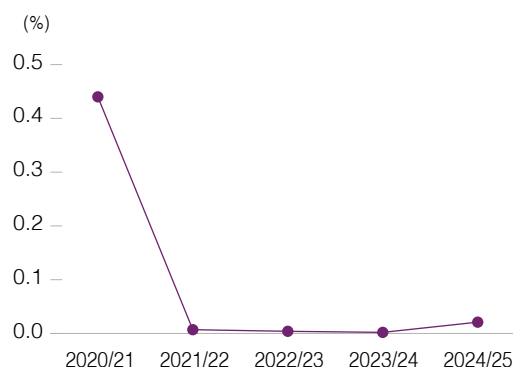
Waste Type	Method of Disposal	2024/25	2023/24
Non-Hazardous	Reuse	204,442	416,086
	Recycle	20,725	27,816
	Recovery	-	3,583
	Composting	129,362	-
	Landfill	9,402	728
Hazardous	Incineration	48,720	48,180
	Recycle	1,010	76
	Incineration	27	1
Total Measured Waste - kg	Recovery	0	401
		413,687	496,871

Waste Type	2024/25	2023/24
Organic Waste	333,803	416,086
Paper / Cardboard waste	50	8,724
Plastic / Polythene waste	6,253	7,974
E - waste	850	75
Hazardous Metal Waste	181	401
Non-Hazardous Metal Waste	3,003	3,583
Glass / Ceramic waste	12,821	11,846
Other Hazardous waste	0	1
Other non-Hazardous waste	56,720	48,180
Total Non-Hazardous waste disposed	412,650	496,393
Total Hazardous waste disposed	1,037	477
Total Measured waste	413,687	496,871

Waste generated

In kg	2024/25	2023/24	YoY Change (%)
Total Hazardous waste	1,037	478	117
Total Non Hazardous waste	412,650	496,393	(17)
Total Waste Generated	413,687	496,871	(17)

Landfill waste per guest night



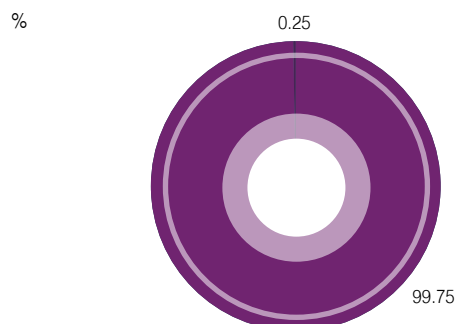
Single-use plastic consumption (g/GN)

2024/25	2023/24	Reduction
9.65	15.56	38%

Paper bundle purchases

2024/25	2023/24	Reduction
955	990	4%

Waste composition



- Hazardous waste
- Non-hazardous waste

Waste reduction initiatives taken during the year

- Purchasing in bulk, which reduces packaging waste.
- Use of technology to reduce the use of paper
- Sourcing reusable products or those that are made with recycled or biodegradable materials
- Reuse of kitchen waste oil as burner fuel for boilers, reducing the consumption of furnace oil
- Reduced single-use plastic consumption (Guest facing) by 38% in 2025, against 2024
- Awareness session on Conscious Consumerism conducted by Mrs Kanchana Weerakoon, for the staff of Cinnamon Grand, to educate on the impact of plastic and food additives on our health and the environment as well as to educate on Zero waste lifestyles.
- Waste audits and waste management awareness sessions conducted for staff.

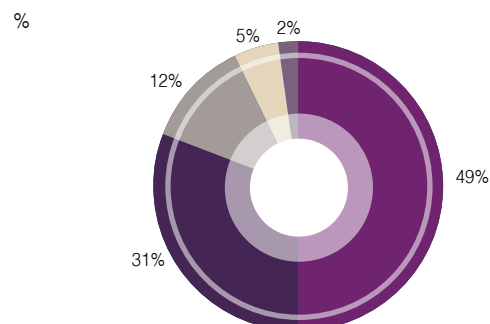
Biodiversity Conservation Efforts

Reforestation

Asian Hotels and Properties PLC, along with other Cinnamon city hotels supported the Young Zoologists' Association of Sri Lanka (YZA) in restoring a severely degraded site near the eastern boundary of the Bellanwila-Attidiya Wildlife Sanctuary in Sri Lanka's Western Province. Known for its rich bird diversity, the sanctuary hosts over 168 species, including globally threatened migratory birds. The wetland serves crucial functions, such as floodwater retention, carbon sequestration, air pollution control, and water conservation.

The selected site, heavily degraded by activities like vegetation clearing and waste dumping, has seen a loss of natural functions due to changes in land cover and use. Recognising the urgency of restoring this area to conserve the wetland ecosystem, employees of 'Cinnamon Grand Colombo', 'Cinnamon Lakeside Colombo' planted 100 trees to support the restoration effort.

Waste composition based on method of disposal



- Reuse
- Recycle
- Composting
- Incineration
- Landfill

Reducing Food Waste

Recognising the environmental and social impacts of food waste, we are committed to implementing proactive measures to minimise organic waste generation across our operations.

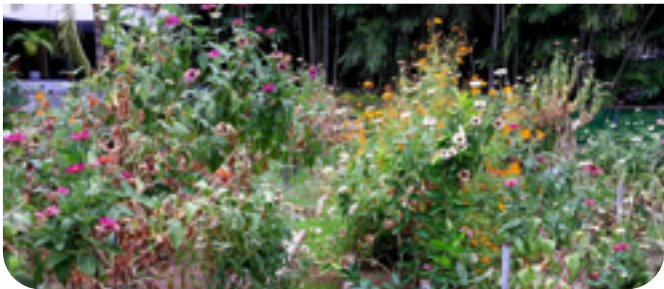
- Manage purchasing to avoid excessive purchasing
- Menu planning and portion controlling
- Re-purposing food
- Diverting waste for composting and or as animal feed
- Daily and monthly monitoring of organic waste disposal from each kitchen and restaurant outlet
- Awareness programs on food waste conducted for staff



Natural Capital

Planting of pollinator friendly plants within the hotel premises

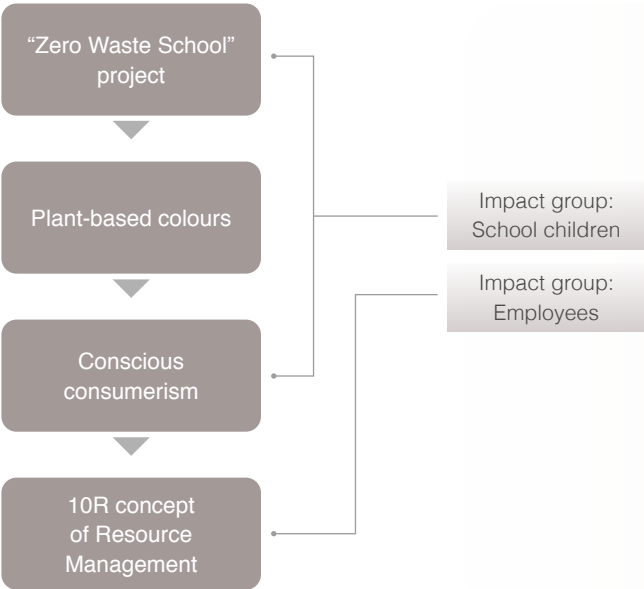
Cinnamon Grand Colombo is committed to environmental preservation by planting pollinator-friendly plants within hotel premises. This initiative supports local biodiversity by attracting beneficial pollinators such as bees and butterflies, essential for ecological balance. By integrating these plants into our landscaping, we promote sustainable practices and contribute to the preservation of natural ecosystems.



Beach cleanup

In celebration of Earth Day, Asian Hotels and Properties PLC organised a beach cleanup at Crow Island, aiming to raise awareness among employees about the environmental impact of waste. The initiative contributed to preserving the local ecosystem and served as an educational opportunity to highlight effective waste management practices.

A total of 280 kg of waste was collected, underscoring the importance of responsible waste disposal and reinforcing the Group’s commitment to environmental sustainability. Through this hands-on activity, employees were empowered to take a more active role in environmental stewardship.



Driving awareness across target stakeholder groups

Asian Hotels and Properties PLC is committed to raising awareness and driving sustainability across its key stakeholder groups. As part of this, we launched the "Zero Waste School" project and conducted a workshop on the "10 R" concept of resource management for students. We also organised a workshop on making plant-based colours, further educating participants on eco-friendly alternatives. Additionally, we held a session on conscious consumerism for the staff of Cinnamon Grand Colombo. These initiatives are part of our broader strategy to engage stakeholders and promote responsible environmental practices.

“Zero Waste School” project

Target group: Students, parents and teachers of St. Michael's College Colombo 03

Project initiation: 2022

Collaboration: Eco-friendly volunteers group

Project objective: Achieve **99%** waste-free status, which will enable the school to be recognised as a “Zero Waste School”

Project scope:

~Train and educate the target group on responsible resource management to reduce waste generation based on the 10R concept of resource management

~Divert **99%** resources from landfills

Other focus areas: Awareness on responsible consumerism, biodiversity and organising school events with zero waste.

Project status: Despite challenges, we remain committed to educating students on resource conservation and promoting positive lifestyle changes, recognising that lasting behavioural shifts require time, persistence, and collective effort.

10R concept of Resource Management

A training programme on resource management was conducted for students of St. Michael's College, to reinforce the importance of managing resources through the 10R concept. As communities become more aware of responsible resource use, they are empowered to reduce single-use plastics, make more sustainable purchasing decisions, and divert waste from landfills and waterways. These actions contribute to conserving resources, creating a cleaner urban environment, and protecting biodiversity



Workshop on making plant-based colours for Students

Through our "Athwalak" initiative, we aim to equip students of St. Michael's College with essential life skills, uncover their hidden talents, and empower them to face challenges with confidence. In line with this vision and our Zero Waste School project, we organised a special art class in collaboration with Sri_Arts and the Eco-Friendly Volunteers Group. The session guided students in the creative process of preparing and using plant-based colours for their artwork, promoting both artistic expression and environmental awareness.



Natural Capital

Awareness session on conscious consumerism for employees

A session on 'Conscious Consumerism' was conducted for the staff of Cinnamon Grand Colombo to raise awareness on the environmental impact of single-use plastics and the health effects of food additives. The session also included a stall offering sustainable alternatives to single-use plastic products, encouraging mindful purchasing habits.

Hotels & Lodging industry ecological impacts (SASB - SV-HL-160a.1)

Asian Hotels and Properties PLC does not have any lodging facilities located in or near areas of protected conservation status or endangered species habitat. The Group's property is located in Colombo 03.

THE WAY FORWARD

Way Forward

At Asian Hotels and Properties PLC, our sustainability journey is evolving with greater ambition and sharper focus. With 2025 marking the completion horizon of our initial sustainability goals, we have now set a new set of ambitious targets for 2030. Going forward, we will focus our efforts on achieving these goals through consistent, year-on-year improvements across all areas of our operations.

Environmental goals – 2030

Energy - 20% reduction of Scope 1 & 2 emissions by 2030

Water - Reduce freshwater use by 10% of total water by 2030

Single use plastic - 80% reduction from 2021/22 base year

Waste - Divert 90% of waste from landfills from 2021/22 base year

Corporate Governance and Risk Management

Celebration of Foresight



Foresight is the foundation of resilience, and transparency the cornerstone of trust. At Asian Hotels and Properties, our approach to corporate governance and risk management reflects a deep commitment to integrity, accountability, and long-term stability. These guiding frameworks not only safeguard our operations they empower us to navigate uncertainty with confidence and clarity.

CORPORATE GOVERNANCE

EXECUTIVE SUMMARY

A strong corporate governance framework remains central to ensuring operational continuity, sustainable growth, and corporate resilience. During the year under review, the governance structures of Asian Hotels and Properties PLC (“the Company / “AHP”) provided the stability needed to manage ongoing uncertainties effectively.

The Company met the Board’s expectations through well-defined policies, robust organisational frameworks, and internal control systems that uphold integrity in business conduct. As a subsidiary of John Keells Holdings PLC (“the Parent Company/

“JKH”), AHP, along with its subsidiary Trans Asia Hotels PLC (“TAH”/“Subsidiary”), aligns with JKH’s strategic direction, governance principles, and values.

The adherence by thh John Keells Group (JK Group) to a shared Code of Conduct and common set of values reinforces consistent policy implementation, accountability, and compliance across all levels of the organisation

This foundation is further reinforced by the core values of Cinnamon Hotels & Resorts (CH&R)-greatness, compassion, agility, wellbeing, inclusivity, trust, and curiosity-which guide the Company, it’s culture and decision-making processes.

Compliance Summary

Regulatory/ voluntary/ best practice framework and level of compliance	Specific framework/ standard
Mandatory Regulatory Frameworks <ul style="list-style-type: none">Fully compliant	The Companies Act No. 7 of 2007, including applicable regulations
	Listing Rules of the Colombo Stock Exchange (CSE), including circulars
	Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars
	Code of Best Practices on Related Party Transactions (2013) advocated by the SEC
Voluntary Framework and Standards <ul style="list-style-type: none">Fully compliantcompliant to the extent of business exigency and as required by the Company and its subsidiary	Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and CA Sri Lanka
	Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka
	Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka
Reporting Frameworks <ul style="list-style-type: none">Adopted with external assurance as applicable	International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)
	Global Reporting Initiative Standards
Internal Mechanisms <ul style="list-style-type: none">Compliant	Articles of Association
	Board Charter and Board Sub-Committee Charters
	Internal Policies
	Code of Conduct

The Structure of this Report

	Overview of the Corporate Governance Framework	Page 112
	Integrated Governance Systems and Procedures	Page 112
	Assurance Mechanism	Page 112
	Governance Outlook and Emerging Challenges	Page 112
	Compliance Summary	Page 151

Corporate Governance Highlights for 2024/25

Regulatory and Governance Updates

- Revised Listing Rules of the Colombo Stock Exchange on Corporate Governance

Digital Transformation Initiatives

- Strengthening Data Governance in Alignment with the Personal Data Protection Act (PDPA)

Sustainability Related initiatives

- Changes to Sustainability Reporting
- Implementation of the Environmental, Social, and Governance (ESG) Framework

OVERVIEW OF THE CORPORATE GOVERNANCE FRAMEWORK

In this section

Corporate Governance Highlights for 2024/25

Highlights of the 30th Annual General Meeting

Corporate Governance Framework

Corporate Governance Structure and Oversight

Regulatory and Governance Updates

Revised Listing Rules of the Colombo Stock Exchange on Corporate Governance

During the year under review, the Company thoroughly reassessed its internal policy framework to align with the updated Listing Rules of the Colombo Stock Exchange (CSE). A comprehensive Board Charter was also formulated to establish a clear and consistent governance structure for the Company Board, aiming to enhance oversight, accountability, and operational effectiveness.

Aligned with the revised Listing Rules of the CSE, the Company restructured the Board Committee framework. Effective 1 October 2024, separate Board Committees, namely Related Party Transactions Review Committee and Human Resource and Compensation Committee were established. This marked a shift from the earlier practice of sharing JKH's Board Committees as permitted under prior Listing Rules.

Digital Transformation Initiatives

Strengthening Data Governance in Alignment with Personal Data Protection Act (PDPA)

The Company has proactively aligned its data governance practices with the Personal Data Protection Act No. 09 of 2022 (PDPA). A Dedicated Data Protection Officer (DPO) has been appointed across the leisure sector to oversee compliance. A Data Governance Steering Committee has also been established at the JK Group's level to guide implementation and ensure compliance. The Company actively monitors regulatory developments and participates in public consultations with the Data Protection Authority (DPA) to maintain ongoing compliance and adhere to evolving best practices.

Sustainability Related initiatives

Changes to Sustainability Reporting

To align with SLFRS S1 and S2, the localised standards introduced by CA Sri Lanka, the JK Group's partnered with an external consultant with international expertise to perform a comprehensive gap analysis across the JK Group. This initiative ensures readiness to meet the CSE's reporting requirements for 2025/26. The Company is progressing with this transformation in alignment with the JK Group's roadmap.

The standards are effective for reporting periods starting 1 January 2025.

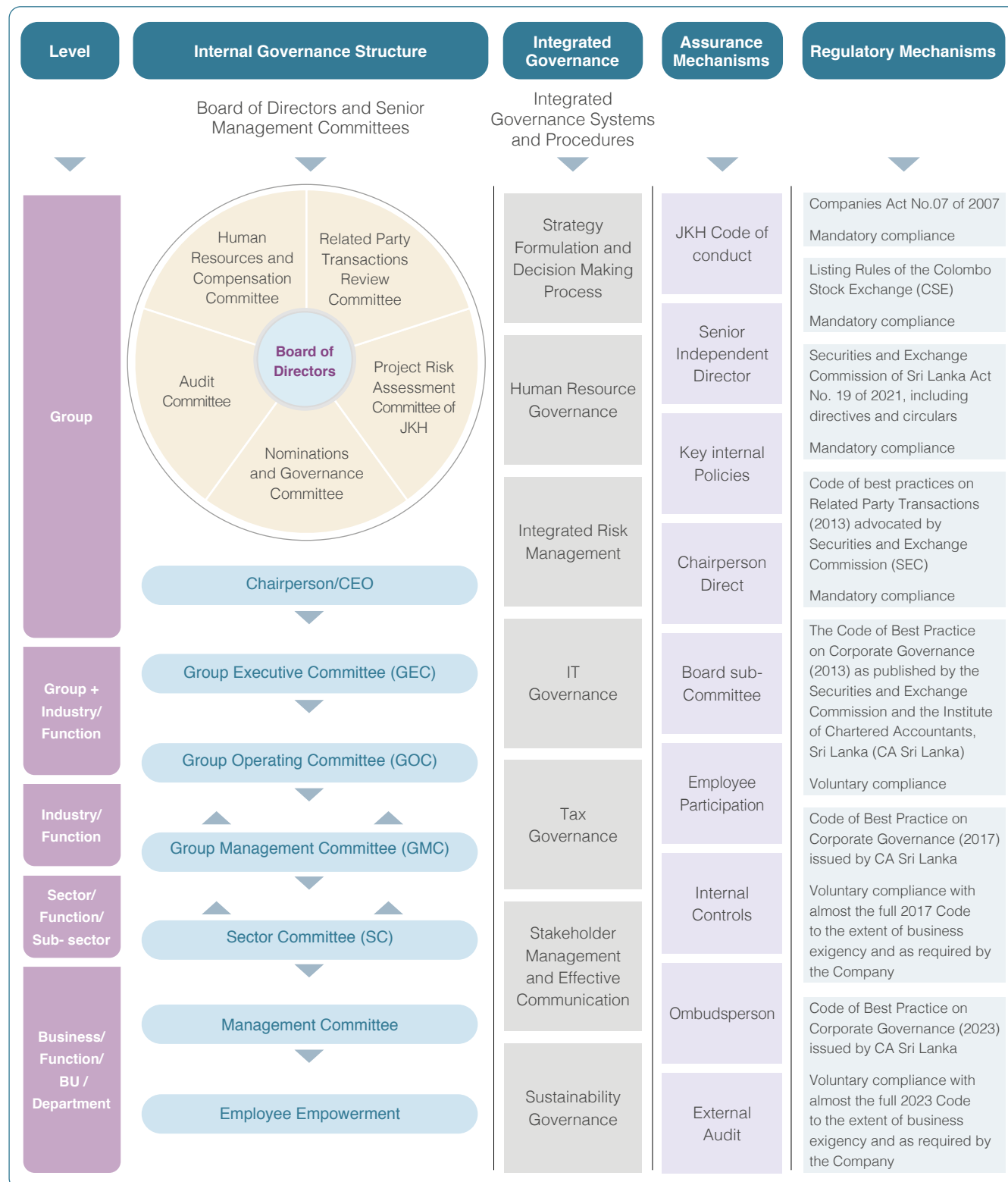
Implementation of the Environmental, Social, and Governance (ESG) framework

During the year under review, the JK Group strengthened its ESG framework by refining its ambitions and formalising a robust governance structure. The ESG goals were approved by the Executive Committee, followed by the establishment of a governance framework to guide implementation. Key roles including JK Group Ambition Heads, Ambition Champions, and a Steering Committee were appointed with clearly defined responsibilities. Kick-off meetings were held to set milestone plans, driving steady progress towards short, medium, and long-term ESG targets. This framework was cascaded to the Company in 2024/25.

CORPORATE GOVERNANCE

Corporate Governance Framework

This refers to the organisational framework and the positions responsible for overseeing and guiding corporate governance practices.



*The Project Risk Assessment Committee of JKH acts as the Company's sub-Committee. All five Board sub-Committees are chaired by Independent Directors appointed by the Boards of JKH and the Company, where relevant.

*Only the key components are depicted in the governance framework.

Highlights of the 30th Annual General Meeting

Highlights of the 30th Annual General Meeting Held on 27 June 2024

Re-election of Directors

- S Rajendra, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as a Non-Executive Director.
- A S De Zoysa, who retired in terms of Article 84 of the Articles of Association of the Company, was re-elected as a Non-Executive Independent Director.

Appointment of Auditors

- Messrs. KPMG, Chartered Accountants, were re-appointed as the External Auditors of the Company, and the Directors were authorised to determine their remuneration.

Corporate Governance Structure and Oversight

- Governance Structure and Fit and Proper Leadership
- Board Independence and Ethical Governance
- Board Membership and Succession
- Board Operations and Effectiveness
- Director Remuneration and Accountability
- Board Committees
- Management Committees

Governance Structure and Fit and Proper Leadership

Roles and Responsibilities of the Board

The Board is responsible for ensuring the Company's strategic direction, fostering and enhancing stakeholder relationships, determining risk appetite, reviewing performance against objectives, and appointing key management personnel. Additionally, the Board has delegated executive authority to the President of the Leisure Industry Group. Comprising eight notable professionals with expertise across various fields, the Board brings valuable skills and extensive experience to support informed deliberations and decision-making.

The Board's key responsibilities include:

- Providing direction and guidance to the Company, as applicable, in the formulation and implementation of sustainable, high-level, medium, and long-term strategies which are aimed at promoting the long-term success of the Company.
- Ensuring compliance with Applicable Law and ethical standards and monitoring systems of governance and compliance.
- Ensuring operations are carried out within the scope of the Company's enterprise risk management framework.
- Ensuring the development and implementation of an appropriate framework and policies including framework on corporate governance, accounting and financial reporting, and monitoring compliance with such framework.
- Overseeing the Company's systems of internal control and risk management, including IT governance, information and cybersecurity as well as establishing speak up/whistle-blowing conduits.
- Determining any changes to the discretions/authorities delegated from the Board to the executive levels.
- Reviewing and approving major acquisitions, disposals, capital expenditure and any amendments to constitutional documents.
- Approving in principle the issue of Company securities and pertinent corporate actions.
- Ensuring all stakeholder interests are considered in corporate decisions.
- Ensuring sustainable business development in corporate strategy decisions and activities, and that business is conducted with due consideration on environmental, social and governance (ESG) factors.
- Reviewing and approval financial statements of the Company:
- Supervising the performance of duties by individual Directors and Board Committees, as applicable.

CORPORATE GOVERNANCE

Board Composition, diversity and skills and experience

Board Composition

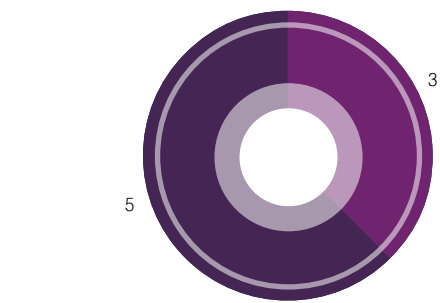
The Board is diverse in skills, experience, age, and tenure, contributing varied perspectives to boardroom deliberations and exercising independent judgement. Board composition is regularly reviewed to ensure adequate diversity and that the skills representation aligns with the Company's current and future strategic needs. Each Director is responsible for determining whether he or she has a potential or actual conflict of interest arising from external associations, interests or personal relationships in material matters which the Board considers from time to time.

The Composition of the Board is governed by the Company's Articles of Association, the Companies Act No 7 of 2007 and Listing Rules. In terms of the Listing Rules the Board is required to be composed of a minimum of 5 Directors and the Articles provide a maximum of 10 Directors which has considered the requirement for the Board to be agile and responsive to the Company's needs.

The Company has complied with Listing Rule No. 9.5.1(a) by maintaining the required balance of executive and non-executive directors on the Board.

As of 31 March 2025, the Board comprised eight Directors, with three of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and five Directors being Non-Independent

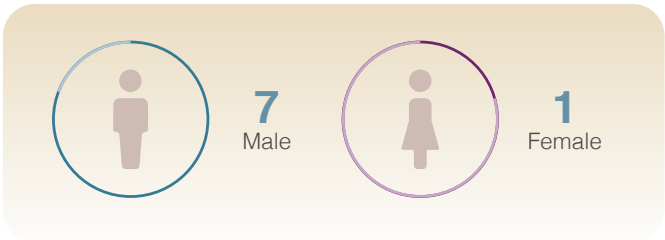
Board Composition



■ Independent Non-Executive Director
■ Non-Independent Non-Executive Director

Board Diversity

Board diversity brings a range of unique perspectives that enhance the Board's dynamics and overall effectiveness, supporting long-term value creation. The Company is committed to maintaining a diverse Board composition in terms of experience, skills, competencies, age, gender, and industry expertise, in alignment with Rule 9.5.1(c) of the CSE Listing Rules.



Skills and Experience

Collectively, the Board brings in a wealth of diverse exposure in the fields of Corporate Leadership, Finance, Travel and tourism, Management Consultancy, Legal, Banking, Strategy and Risk . All Directors possess the skills, expertise and knowledge complemented with a high sense of integrity and independent judgement. Further details of their qualifications and experience are provided under the Board Profiles section of the Annual Report and the table below. Furthermore, we are dedicated to providing additional training on the ESG framework, as well as pertinent policies and procedures, to the Board members as part of our commitment to enhancing corporate governance practices.

Name of Director	Gender	Area of Skills/Expertise/Competencies						
		Corporate Leadership	Finance	Travel and tourism	Management Consultancy	Legal	Banking	Strategy & Risk
K N J Balendra	M	✓	✓		✓	✓	✓	
J G A Cooray	M	✓	✓		✓		✓	
S Rajendra	M	✓	✓	✓				
M R Svensson	M	✓		✓				
C L P Gunawardane	M	✓	✓	✓				
A S De Zoysa	M	✓	✓					
J Durairatnam	M	✓	✓				✓	
A Nananyakkara	F	✓	✓		✓		✓	✓

Chairperson

Key roles and responsibilities of the Chairperson include:

- Providing leadership to the Board whilst inculcating good governance and ensuring the effectiveness of the Board
- Ensuring that constructive working relations are maintained between the members of the Board.
- Ensuring, with the assistance of the Company Secretary, that:
 - Board procedures are followed.
 - Information is disseminated promptly to the Board.

The Board is satisfied that the Chairperson allocates sufficient time to serve the Company effectively, and the Chairperson's other commitments do not interfere with his discharge of his responsibilities to the Company.

President of the Leisure Industry Group, JKH and Chief Executive Officer - Cinnamon Hotels & Resorts

While the Company does not have a Chief Executive Officer, the President of the Leisure Industry Group, JKH and Chief Executive Officer (CEO) Cinnamon Hotels & Resorts, who are Non-Executive Directors of the Company, undertake the following responsibilities:

President of the Leisure Industry Group, JKH: Provides leadership pertaining to business portfolio decisions, strategy, and planning for the Company.

CEO - Cinnamon Hotels & Resorts: Executes strategies and policies of the Board, in consultation with the President - Leisure Industry Group, JKH and ensures:

- The execution of strategies and policies of the Board.
- The efficient management of all businesses of the Company
- That the operating model is aligned with the short and long-term strategies of the Company
- Succession planning at the senior management levels of the Company

The President - Leisure Industry Group, JKH, and CEO - Cinnamon Hotels & Resorts regularly report on key matters to the Board, enabling the Board to oversee them effectively.

Company Secretary

The Company Secretary, Keells Consultants (Private) Limited provides secretarial services to the Board. The Company Secretary and Management apprise the Board of new and potential laws, revisions, regulations, and requirements relevant to them as individual Directors and collectively to the Board. The Company 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 Company 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.

Board Independence and Ethical Governance

Maintaining Board Independence and Managing Conflicts of Interest

Stringent nominating procedures, systematic and comprehensive board evaluation processes, and independent director-led engagement emphasise Board independence. All Directors are experienced leaders in their respective fields and exercise independent and unfettered judgement, promoting constructive Board deliberations and objective evaluation of matters set before them.

Each Director is continuously responsible for identifying potential or actual conflicts of interest or biases arising from external associations, interests, or personal relationships in material matters and disclosing them in a timely manner to the Board. Directors make a general disclosure of interests, as illustrated below, at appointment, at the beginning of every financial year, and during the year as required. The Board reviews potential conflicts from time to time to ensure integrity and Board independence.

CORPORATE GOVERNANCE

The Company Secretary maintains records of companies in which Board members hold Board position, which include internal and external positions (as disclosed to it) and Board Committee membership in the Company for shareholders to inspect on request

Prior to Appointment	Once Appointed	During Board Meetings
<ul style="list-style-type: none"> Nominees are requested to make known their various interests. Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria (to the extent applicable). 	<ul style="list-style-type: none"> Directors obtain Board clearance prior to; <ul style="list-style-type: none"> Accepting a new position Engaging in any transaction that could create or potentially create a conflict of interest All Non-Executive Directors (NEDs) are required to notify the Chairperson of any changes to their current Board representations or interests and a new declaration is made annually Provision of declarations and documents to confirm that there are no conflicts, meet the fit and proper criteria and satisfy the independence criteria. (to the extent applicable) 	<p>Directors who have an interest in a matter under discussion;</p> <ul style="list-style-type: none"> Excuse themselves from deliberations on the subject matter Abstain from voting on the subject matter (abstention from decisions are duly minuted)

The independence of all its Independent Non-Executive Directors (INED) was reviewed against the criteria of the Listing Rules summarised below:

Criteria for defining Independence	Status of conformity of INED
None of the INEDs has Shareholding carrying 10 per cent or more of voting rights.	Compliant
None of the INEDs is a Director of another company*	Compliant
None of the INEDs have income/non-cash benefits equivalent to 20 per cent of the Director's annual income, excluding income/non-cash benefits received, which apply on a uniform basis to all non-executive Directors on the Board.	Compliant
None of the INEDs have employment at the Company or a material business relationship with the Company currently or in the three years immediately preceding their appointment as Directors.	Compliant
None of the INEDs have a close family member who is a Director, CEO or Key Management Personnel.	Compliant
None of the INEDs have served on the Board continuously for nine years from the date of the first appointment.	Compliant
None of the INEDs are employed or have a material business relationship and/or significant shareholding in other companies*. Entails other companies that have substantial shareholding in the Company, and the Company has a business connection with	Compliant
None of the INEDs are above 70 years of age unless such designation is recommended by the Nominations and Governance Committee, approved by the Board and approved by a majority vote of public shareholders voting at a General Meeting.	Compliant

* Other companies in which a majority of the other Directors of the listed company are employed or are Directors, or have a significant shareholding or have a material business relationship or where the core line of business of such company is in direct conflict with the line of business of the listed company.

Amendment to Section 9.8.3 (ix) of the Listing Rules of the CSE

With effect from 1st March 2025, CSE amended the listing rule 9.8.3 (ix) relating to a Director losing his/her independence after reaching the age of Seventy (70) years. As per the amended rule, a Director above Seventy (70) years may be considered independent if:

1. The Nominations and Governance Committee recommends the appointment, providing justification and rationale.
2. The Board of Directors approves the recommendation.
3. The recommendation and Board approval are affirmed by passing a resolution through majority vote of public shareholders at a General Meeting.

The existing Directors above Seventy (70) years may continue as Independent Directors if the entity complies with these conditions at the next General Meeting, held within 12 months of the rule's adoption and the approval process for Directors over Seventy (70) years to be considered independent must be repeated at each Annual General Meeting.

The Parent Company's Related Party Transactions Review Committee acted as the Company's Related Party Transactions Review Committee until 30th September 2024. The Company appointed its own Related Party Transactions Review Committee w.e.f. 1st October 2024 considered all transactions that require approval to be in line with the Company's Related Party Transactions Policy and compliance with the applicable rules and regulations. The related party transactions are disclosed in note 30 to the financial statements. The Committee noted that there are no related party transactions by the Directors.

The Nominations and Governance Committee having reviewed the disclosures and declarations provided by Directors is of the view that no Non-Executive Independent Director has a conflict of interest and that all Independent Non- Executive Directors satisfy the criteria on independence outlined above.

In accordance with the John Keells (JK) Group policy and applicable law the Directors shall not hold more than fifteen directorships in listed companies. The following table illustrates the total number of Board seats held and employed as key management personnel in other companies by each director as of 31 March 2025.

Name of Director	Directorship Status	Board Seats Held in Other Listed Sri Lankan Companies			Board Seats Held in Other Unlisted Sri Lankan Companies
		Executive Capacity	Non-Executive capacity	Key Management Personnel	
K N J Balendra	NED	JKH PLC	Director of several companies in the JK Group*	Nil	Director of several companies in the JK Group*
J G A Cooray	NED	JKH PLC		Nil	
S Rajendra	NED	Nil		Nil	
M R Svensson	NED	Nil		Nil	
C L P Gunawardane	NED	Nil	Trans Asia Hotels PLC	Nil	
A S De Zoysa	INED	Nil	Nil	Nil	A E C Properties (Pvt) Ltd Associated Electrical Corporation Ltd Econic (Private) Ltd Ashan de Zoysa & Co (Pvt) Ltd Forest Sense (Pvt) Ltd, ADZ Insurance Brokers (Pvt) Ltd
J Durairatnam	INED	Nil	DFCC Bank PLC Tokyo Cement (Lanka) PLC	DFCC Bank PLC	Nil
A Nananyakkara	INED	Nil	Sampath Bank PLC Tangerine Beach Hotels PLC Royal Palms Beach Hotels PLC	Nil	Global Consulting Company, Rubik International (Pvt) Ltd Sri Lanka Institute of Directors Lanka India Business Association

*Refer pages 159 to 160 of the Annual Report for further details

Board Access to Information

Directors receive their Board packs at least seven days before the meetings. Directors have unrestricted access to the management and organisation information and the resources required to clarify matters and carry out their duties and responsibilities effectively. The Management makes presentations on matters including business performance against operating plans, strategy, investment proposals, risk management, compliance and regulatory changes. Access to independent professional advice, coordinated through the Company Secretaries, is available to Directors at the Company's expense.

Board Access to Independent Professional Advice

To preserve the independence of the Board and to strengthen decision making, the Board is encouraged, where applicable and relevant, to seek independent professional advice, in furtherance of their duties, at the JK Group's expense. This is coordinated through the Company Secretary, as and when requested.

Board Membership and Succession

Appointment, Re-election and Resignation of Board Directors

The Nominations and Governance Committee of the Company recommends the appointment of all Directors based on an assessment of the strategic demands of the Company and required skills and competencies. Independent Non-Executive Directors are appointed to the Board for a 3-year term and are eligible for re-appointment thereafter up to a maximum of 3 successive terms unless the exigencies of the Company necessitate an extended tenure at the time and applicable law permits such appointment. Casual vacancies are filled by the Board based on the recommendations of the Nominations and Governance Committee in accordance with the Articles of Association of the Company. Non-Executive Directors nominated by John Keells Holdings PLC (JKH), the Parent Company are subject to the retirement rules and policies of the Parent Company.

CORPORATE GOVERNANCE

As prescribed by Article 84 of the Articles of Association of the Company, one-third of the Directors, except the Chairperson, retire by rotation. Directors retiring by rotation are those who have been in office for the longest time since their appointment/re-appointment. In addition, any new Director appointed to the Board during the year is required to stand for re-election at the next Annual General Meeting in terms of Article 91 of the Articles of Association of the Company.

Appointments and Resignations during the year

- There were no appointments or resignations during the year

The proposal for the re-election of Directors is set out in the Annual Report of the Board of Directors on pages 21 to 22 of this Report.

Details of new Directors are disclosed to shareholders at the time of their appointment through a public announcement covering the following:

- A brief resume of the Director.
- The nature of his expertise in relevant functional areas.
- The names of companies in which the Director holds directorships or memberships in Board Committees.
- Whether such a Director can be considered 'Independent'.

The relevant Interim Releases and Annual Reports also include details of such appointments.

The appointment of all Directors complies with applicable laws and rules, including all qualifying and fit-and-proper criteria stipulated by the Listing Rules (Section 9.7.3 (a) (b) and (c)) and Companies Act. The Nominations and Governance Committee evaluates the fulfilment of the fit and proper criteria outlined in the Listing Rules prior to presenting nominations at the shareholders' meeting or making appointments. Further, each Independent Director annually signs a declaration confirming their compliance with the independence criteria prescribed by the Listing Rules (Rule 9.8.3) which is considered by the Nominations and Governance Committee and the Board. Directors are required to report any substantial change in their professional responsibilities and business associations to the Chairperson of the Company or Nominations and Governance Committee, which will examine the facts and circumstances and make recommendations to the Board accordingly.

Induction and Training for Directors

All newly appointed Directors undergo a formal induction process under the oversight of the Nominations and Governance Committee, which includes knowledge-sharing sessions on Company values and culture, governance framework, policies

and processes, the JK Group Code of Conduct and Ethics adopted by the Company (which includes anti-corruption and anti-bribery), the sector business model, strategy, and Directors' responsibilities. Board members are also given insights into regulatory changes that may impact the industry at Board meetings.

Further, newly appointed Directors are granted access to relevant parts of the business. They can meet with key management personnel and third-party service providers, such as External Auditors and Risk Consultants. Directors recognise the need for continuous training and expansion of their knowledge and skills to discharge their duties effectively and regularly participate in industry forums and other personal development training to expand their knowledge and skills. To this effect, the Chairperson and the Nominations and Governance Committee periodically reviews any training and development needs of the Board and recommends any identified gaps to the Board.

Each Director is responsible for ensuring continuous learning and development in their areas of expertise and that their professional qualifications/licenses and memberships are maintained.

The Chairperson ensures that the Board is informed of significant developments in applicable laws, rules, regulations and corporate governance practices, including any impacts to the Company and its subsidiaries, including ensuring that the senior management reports on the Company's compliance with applicable laws, rules and regulations to the Nominations and Governance Committee and the Board.

Board Operations and Effectiveness

Board Meetings

Regularity of Meetings

Board meetings are held every quarter with the flexibility to increase the number of meetings based on the requirement. Directors are required to attend the higher of a minimum two (2) or fifty (50%) of the meetings held during the financial year, unless otherwise excused by the Board. The Board continued with hybrid model of Board Meetings this year as and when needed.

Pertinent Board discussions and decisions are recorded by the Company Secretary in the Board minutes and such minutes are put forward for approval of the Board at the next Board Meeting. All records pertaining to Board meetings and decisions are maintained in the minute book by the Company Secretary.

The attendance at Board meetings held during the financial year 2024/25 is given below:

Name of Director	Executive/ Non- Executive Director	Independent/ Non- Independent Director	Year of Appointment	Tenure on the Board (Years)	Age	25.04.2024	22.07.2024	25.10.2024	27.01.2025	Eligibility	Attended
K N J Balendra	NED	NID	2016/17	9 Years	51	✓	✓	✓	✓	4	4
J G A Cooray	NED	NID	2017/18	7 Years +	48	✓	✓	✓	✓	4	4
S Rajendra	NED	NID	2005/06	19 Years +	61	✓	✓	✓	✓	4	4
M R Svensson	NED	NID	2019/20	5 Years +	54	✓	✓	✓	✓	4	4
C L P Gunawardane	NED	NID	2020/21	4 Years +	51	✓	✓	✓	✓	4	4
A S De Zoysa	NED	ID	2018/19	6 Years +	54	✓	✓	✓	✓	4	4
J Durairatnam	NED	ID	2018/19	6 Years +	66	✓	✓	✓	✓	4	4
A Nananyakkara	NED	ID	2021/22	3 Years +	55	✓	✓	✓	✓	4	4

ID - Independent Director

NED - Non-Executive Director

Board Agenda

The Chairperson ensures that all Board proceedings are conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Company Secretary. During the period under review, the Chairperson ensured that all Board proceedings were conducted smoothly and efficiently, approving the agenda for each meeting prepared by the Company Secretary.

The typical Board agenda in 2024/25 entailed confirmation of previous minutes, ratification of circular resolutions, ratification of the use of the Company seal, discussion of matters arising from the previous minutes, submission of Board Committee reports, status updates of projects, review of performance, strategy formulation, approval of quarterly and annual financial statements, review of risks, sustainability and corporate social responsibility related aspects, ratification of capital expenditure, amongst others. Added emphasis was also placed on business performance, taking into account the challenges stemming from the macroeconomic environment.

Time Dedicated by Non-Executive Directors

The Board has dedicated adequate time for fulfilling and discharging their duties as Directors of the Company. It is recognised that Directors have to dedicate sufficient time before a meeting to review Board papers and call for additional information and clarification, and after a meeting to follow up on issues consequent to the meeting. This should be supplemented by a time allocation for familiarisation with business changes, operations, risks and controls. In addition to attending Board meetings, the Directors attend the relevant Board Committee meetings and have also contributed to decision-making via Circular Resolutions and one-on-one meetings with key management personnel, when necessary.

Performance Evaluation of the Board and Board Committees

Board and Board Committee performance evaluations are conducted annually. The process for the periodic evaluation of the performance of Board is established under the oversight of the Nominations and Governance Committee. This process is conducted independently. Committee evaluations involve each Committee member completing a questionnaire, which is provided to the chairperson of the respective Committee

The process involves each Director self-appraising the performance of the Board against identified criteria:

- Role clarity and effective discharge of responsibilities
- People mix, balance and structure
- Systems and procedures
- Quality of participation
- Board and corporate image and reputation

The results are analysed to indicate the Board's and Board Committee's effectiveness and areas that require addressing and/ or strengthening.

The Board and its Committees conducted their annual performance appraisal for the financial year 2024/25, and accordingly, the Board and its Committees are seen as effective in discharging their role and responsibilities.

CORPORATE GOVERNANCE

Director Remuneration and Accountability

Director Remunerations

Due care is taken to ensure that the remuneration paid to Board members is commensurate with their skills, knowledge, competencies and involvement in Board activities. The compensation of Non-Executive Directors was determined in reference to fees paid to other Non-Executive Directors of comparable companies, and adjusted, where necessary, in keeping with the complexity of the Company. Non-Executive Directors were paid additional fees for either chairing or being a member of a Board Committee and did not receive any performance/incentive payments/ share option plans. Director fees for nominee Directors of JKH are paid to JKH, not individual Directors. The aggregate remuneration paid to NEDs by the Company in FY 2024/25 is Rs. 8.9 Mn. As at date the Company has no Executive Directors.

Compensation for Early Termination

In the event of an early termination of a Director, there are no compensation commitments other than for accrued fees payable, if any, as per the terms of their contract.

Board Committees

The Board has delegated certain functions to five Sub-Committees while retaining final decision rights. Members of these Board Committees focus on their designated areas of responsibility and impart knowledge and oversight in areas where they have greater expertise. The respective Board Committees is responsible for reporting their findings and recommendations to the Board. This shall include regular reports to the Board during Board meetings, or as relevant. In terms of the CSE Rule 9.3.1, the Company ensures that the Nomination and Governance Committee, Human Resources and Compensation Committee, Audit Committee, and Related Party Transaction Review Committee are established and function per applicable regulations, best practices, and their terms of reference. The Parent Company's Project Risk Assessment Committee act as the Company's Project Risk Assessment Committee. The composition of Committees as at 31st March 2025 is shown below.

Board Committees for the Company as at 31st March 2025

Name of Director	Executive / Non-Executive Director	Independent / Non-Independent Director	Year of Appointed	Age	Board of Directors	Board Sub Committee Membership				Tenure on the Board (Years)
						Audit Committee	Human Resources and Compensation Committee	Nomination and Governance Committee	Related Party Transactions Review Committee	
K N J Balendra	NED	NID	2016/17	51	Chair	-	-	Member	-	9
J G A Cooray	NED	NID	2017/18	48	Member	-	Member	-	-	7
S Rajendra	NED	NID	2005/06	61	Member	-	-	-	-	19
M R Svensson	NED	NID	2019/20	54	Member	-	-	-	-	5
C L P Gunawardane	NED	NID	2020/21	51	Member	-	-	-	-	4
A S De Zoysa	NED	ID	2018/19	54	Member	Member	Member	Chair	Member	6
J Durairatnam	NED	ID	2018/19	66	Member	Member	Chair	Member	Member	6
A Nanayakkara	NED	ID	2021/22	55	Member	Chair	-	-	Chair	3

• ID - Independent Director • NED - Non-Executive Director • NID - Non-Independent Director

JKH Sub-Committee acting on behalf of the Company as at 31st March 2025

Name of Director	Executive / Non-Executive Director	Independent / Non-Independent Director	Year of Appointed	Age	Board Sub Committee Membership	Tenure on the Board
					Project Risk Assessment Committee	
K N J Balendra	ED of JKH	NID	2016/17	51	Member	9 years
J G A Cooray	ED of JKH	NID	2016/17	48	Member	9 years
S S H Wijayasuriya*	NED	INED	2016/17	57	Chair	9 years
D A Cabraal	NED	INED	2013/14	68	Member	12 years

• ED - Executive Director

*Senior Independent Director-John Keells Holdings PLC

JKH Sub-Committee acting on behalf of the Company from 1st April 2024 to 30th September 2024

Name of Director	Executive / Non-Executive Director	Independent / Non - Independent Director	Year of Appointment	Age	Board Sub Committee Membership		Tenure on the Board
					Human Resources and Compensation Committee	Related Party Transactions Review Committee	
K N J Balendra	ED of JKH	NID	2016/17	51	-	-	8 Years
J G A Cooray	ED of JKH	NID	2016/17	48	-	-	8 Years
D A Cabraal	NED of JKH	NID	2013/14	68	Member	Member	11 Years
S Fernando	NED of JKH	ID	2023/24	51	Chair	Member	1 Year
M Jayasinghe	NED of JKH	ID	2024/25	62	-	Chair	9 Months
S S H Wijayasuriya*	NED of JKH	ID	2016/17	57	Member	-	8 Years

*Senior Independent Director-John Keells Holdings PLC

Composition and Scope of Board Committees

The independence of all its Independent Non-Executive Directors was reviewed against the criteria of the Listing Rules summarised below:

Audit Committee (Asian Hotels and Properties PLC)

Role: Assist the Board in meeting its oversight responsibilities pertaining to Company financial statements, risk management, internal controls, legal and regulatory frameworks.

Composition							Scope
<ul style="list-style-type: none">Membership of the Committee shall be as appointed by the Board from time to time, with due regard to applicable laws, rules and regulations.To be comprised of a minimum of three (03) Directors out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. The Chairperson of the Board shall not be the Chairperson of the Committee.Chief Financial Officer – Leisure Industry JK Group is the Secretary of the Committee.							<ul style="list-style-type: none">i. Overseeing the preparation, presentation, and review of the quarterly and annual financial statements, including their quality, transparency, integrity, accuracy, and compliance with accounting standards, laws, and regulations before tabling them for the approval of the Board of Directors.ii. Assess the adequacy and effectiveness of the internal control environment in the JK Group and ensure that appropriate action is taken by management on the recommendations of the internal auditors and to prevent the leakage of material information to unauthorised persons.iii. Obtain and review assurance from the President, CEO, CFO, and other key management personnel, as relevant, that the financial records have been adequately maintained and that the financial statements give a true and fair view of the Company's operations and finances.iv. Evaluate the competence and effectiveness of the risk management systems and internal controls of the JK Group and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.v. Review the adequacy and effectiveness of internal and external audit arrangements.vi. Review the risk policies adopted by the Company annually.vii. Recommend the appointment, re-appointment and removal of the External Auditors, including their remuneration and terms of engagement, by assessing qualifications, expertise, resources and independence.
Name of Director	26/04/2024	24/07/2024	22/10/2024	24/01/2025	Eligibility to Attend	Attended	
A Nanayakkara – Chairperson * (INED)	✓	✓	✓	✓	4	4	
A S De Zoysa (INED)	✓	✓	✓	✓	4	4	
J Durairatnam (INED)	✓	✓	✓	✓	4	4	
By Invitation							
C L P Gunawardane - CFO** (NED)	✓	Excused	✓	✓	4	3	
M R Svensson - CEO Cinnamon Hotels & Resorts** (NED)	✓	Excused	✓	✓	4	3	

* Member of a professional Accounting body

** Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

Date of Appointment	
A Nanayakkara – Chairperson	25/06/2021
A S De Zoysa	08/09/2018
J Durairatnam	08/09/2018

* Member of a professional Accounting body

** Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

Date of Appointment	
A Nanayakkara – Chairperson	25/06/2021
A S De Zoysa	08/09/2018
J Durairatnam	08/09/2018

CORPORATE GOVERNANCE

Human Resources and Compensation Committee (JKH and Asian Hotels and Properties PLC)

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Human Resources and Compensation Committee from 1st October 2024, replacing the previous arrangement of relying on the Human Resources and Compensation Committee of the Parent Company, JKH until 30th September 2024

Role: Determines Remuneration Policy and reviews implementation of the same, reviews and ratifies the remuneration of key executives

Composition	Scope																																																																	
<p>The Board of Directors shall determine the composition of the Committee in compliance with the requirements of the Listing Rules that mandate that the Committee comprise of a minimum of three (03) Directors out of which a minimum of two (02) shall be Independent Directors</p> <p>The Chairperson of the Committee must be an Independent Non-Executive Director.</p> <p>The Chairperson of the Committee shall not be the Chairperson of the Board.</p> <p>The Chairperson will determine how objectively and effectively the Committee carries out its tasks in the best interests of the Company.</p> <p>Currently comprises of two Independent Non-Executive Directors and one Non Executive Director members.</p> <p>The Non-Executive Directors appointed to the Committee shall be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.</p> <p>Company Secretary is the Secretary of the Committee.</p> <p>Deputy Chairperson/JK Group Finance Director acts as the Secretary to the JKH Committee</p> <p>The composition of the Committee as of 30 September 2024 and 31 March 2025, along with the members' attendance at Committee meetings is provided below.</p> <p>JKH Sub-committee acting on behalf of the company met on one occasion from April to September 2024</p> <table><tr><th>Name of Director</th><th>Date of appointment</th><th>01/07/ 2024</th><th>Eligible to Attend</th><th>Attended</th></tr><tr><td>D A Cabraal - Chairperson (INED)</td><td>29/01/2015</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>S Fernando* (INED)</td><td>01/07/2024</td><td>N/A</td><td>N/A</td><td>N/A</td></tr><tr><td>S S H Wijayasuriya (INED)</td><td>05/11/2016</td><td>✓</td><td>1</td><td>-</td></tr><tr><td>By Invitation</td><td></td><td></td><td></td><td></td></tr><tr><td>S Coorey (INED)</td><td>-</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>A N Fonseka (INED)</td><td>-</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>K N J Balendra (NED)</td><td>-</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>J G A Cooray (NED)</td><td>-</td><td>✓</td><td>1</td><td>1</td></tr></table> <p><i>*Appointed with effect from 1st July 2024</i></p> <p>The Committee met on one occasion after 1st October 2024</p> <table><tr><th>Name of Director</th><th>Date of appointment</th><th>Date of Meeting 28/10/ 2024</th><th>Eligible to Attend</th><th>Attended</th></tr><tr><td>J Durairatnam – Chairperson</td><td>01/10/2024</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>A S De Zoysa</td><td>01/10/2024</td><td>✓</td><td>1</td><td>1</td></tr><tr><td>J G A Cooray</td><td>01/10/2024</td><td>✓</td><td>1</td><td>1</td></tr></table>	Name of Director	Date of appointment	01/07/ 2024	Eligible to Attend	Attended	D A Cabraal - Chairperson (INED)	29/01/2015	✓	1	1	S Fernando* (INED)	01/07/2024	N/A	N/A	N/A	S S H Wijayasuriya (INED)	05/11/2016	✓	1	-	By Invitation					S Coorey (INED)	-	✓	1	1	A N Fonseka (INED)	-	✓	1	1	K N J Balendra (NED)	-	✓	1	1	J G A Cooray (NED)	-	✓	1	1	Name of Director	Date of appointment	Date of Meeting 28/10/ 2024	Eligible to Attend	Attended	J Durairatnam – Chairperson	01/10/2024	✓	1	1	A S De Zoysa	01/10/2024	✓	1	1	J G A Cooray	01/10/2024	✓	1	1	<p>i. Adhere and follow the overall remuneration philosophy for the Company in alignment with the JK Group's strategies, priorities and the policies and practices to support the same, based on the recommendations of the JKH Human Resource and Compensation Committee (HRCC).</p> <p>ii. Establish systems and processes to ensure that no individual is involved in decisions relating to his/her own remuneration.</p> <p>iii. Review regularly the appraisal systems for the evaluation of key executive staff based on the recommendations of the JKH HRCC and confirm its appropriateness to the Board.</p> <p>iv. The performance evaluation of KMPs will be carried out by the JKH HRCC, keeping in line with the JK Group, and the Board or Board Committee will be informed, as relevant.</p> <p>v. To review, monitor and recommend processes on succession planning of Senior Management subject to the recommendation of JKH HRCC and within the JK Group's framework.</p> <p>vi. Review and recommend to the Board matters relating to Director or officer indemnification and insurance in compliance with applicable law and the Company's Articles of Association.</p> <p>vii. To consider such other matters relating to remuneration and human resource issues as may be referred to it by the Board.</p>
Name of Director	Date of appointment	01/07/ 2024	Eligible to Attend	Attended																																																														
D A Cabraal - Chairperson (INED)	29/01/2015	✓	1	1																																																														
S Fernando* (INED)	01/07/2024	N/A	N/A	N/A																																																														
S S H Wijayasuriya (INED)	05/11/2016	✓	1	-																																																														
By Invitation																																																																		
S Coorey (INED)	-	✓	1	1																																																														
A N Fonseka (INED)	-	✓	1	1																																																														
K N J Balendra (NED)	-	✓	1	1																																																														
J G A Cooray (NED)	-	✓	1	1																																																														
Name of Director	Date of appointment	Date of Meeting 28/10/ 2024	Eligible to Attend	Attended																																																														
J Durairatnam – Chairperson	01/10/2024	✓	1	1																																																														
A S De Zoysa	01/10/2024	✓	1	1																																																														
J G A Cooray	01/10/2024	✓	1	1																																																														

Nominations and Governance Committee (Asian Hotels and Properties PLC)

Role: Lead the process of Board appointments and recommendations to the Board and to define and establish a nomination process for Directors.

Composition

Committee to comprise a minimum of three (3) members of which a majority shall be Independent Non-Executive Directors. Should not comprise of Executive Directors.

The Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board and shall in no event be the Chairperson of the Board.

Company Secretary is the Secretary of the Committee.

In the absence of the Chairperson, and when duly excused, those present may appoint an Independent Non- Executive Director to chair the meeting.

The composition of the Committee as of 31 March 2025, along with the members' attendance at Committee meetings is provided below.

The Company Nominations and Governance Committee met on two occasions during the period from April to March 2025

Name of Director	Date of appointment	Date of the meeting		Eligibility to Attend	Attended
		28.10.2024	25.04.2024		
A S De Zoysa ** (INED) - Chairperson	08/09/2018	✓	✓	2	2
J Durairatnam * (INED)	01/01/2019	✓	✓	2	2
K N J Balendra (NED)	08/09/2018	✓	✓	2	2

* Resigned as the Chairperson with effect from 30th September 2024.

** Appointed as the Chairperson with effect from 1st October 2024.

Scope

- Subject to the oversight of the Nominations and Governance Committee of the ultimate Parent Company, JKH, follow a formal and transparent procedure and criteria to evaluate, select and appoint/re-appoint Directors including:
 - Relevant academic/professional qualifications, skills, experience, industry expertise and such other key attributes as deemed appropriate.
 - Matters pertaining to Board balance and diversity.
 - Requirements under applicable laws, rules and regulations, such as fit and proper and independence criteria.
- Evaluate and consider any appointment, re-appointment or re-election to the Board. The performance evaluation of KMPs will be carried out by the JKH HRCC and to the extent relevant reviewed and ratified by the Company HRCC, keeping in line with the JK Group's philosophy, and the Board will be informed.
- Provide advice and recommendations to the Board on any such appointment.
- Assess the skills required by the Board and needs of the business.
- Regularly review the structure, size, composition, balance, diversity and competencies of the Board, including the skills, knowledge and experience of the Board and make recommendations to the Board with regard to any changes deemed necessary.
- Ensure that on appointment to the Board, Directors receive a formal letter of appointment.
- Ensure that every appointee undergoes an induction to the organisation, on the corporate governance framework of the Company and applicable laws and regulations.
- Establish processes for the periodic evaluation of the Board to ensure that their responsibilities are satisfactorily discharged.
- Periodically review the independence of all Independent Non-Executive Directors in terms of independence criteria specified by applicable laws, rules and regulations.
- Review and recommend the overall corporate governance framework considering the requirements of applicable laws, rules, regulations and international best practices and annual update to the Board.

CORPORATE GOVERNANCE

- xi. Receive and review reports from management on compliance/non-compliance (reason and rationale for non-compliance) with the corporate governance framework.
- xii. Ensure the adoption of a process to inform Independent Non-Executive Directors of major issues relating to the Company.
- xiii. The Committee is authorised by the Board to seek appropriate professional advice from outside the Company as and when it considers necessary.
- xiv. The appointment of all Directors shall be the collective decision of the Board.

Related Party Transactions Review Committee (JKH and Asian Hotels and Properties PLC)

In line with the recent amendments to the Listing Rules of the Colombo Stock Exchange ("CSE") the Company constituted its own Related Party Transactions Review Committee from 1st October 2024, replacing the previous arrangement of relying on the Related Party Transactions Review Committee of the Parent Company, JKH until 30th September 2024

Role: Ensure that all related party transactions of the JK Group are consistent with the Code on Related Party Transactions issued by SEC and with the Listing Rules of the CSE.

Composition

The Related Party Transactions Review Committee shall comprise of a minimum of three (3) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity

The Board shall appoint as the Chairperson a member of the Committee who is an Independent Non-Executive Director. The Chairperson of the Board shall not be the Chairperson of the Committee.

The Committee shall invite any person deemed necessary to assist in its work for meetings as and when necessary and seek expert/professional advice/guidance as deemed appropriate.

Chief Financial Officer – Leisure Industry JK Group is the Secretary of the Committee.

Below is provided the composition of the Committee as of 30 September 2024 and 31 March 2025, along with the members' attendance at Committee meetings.

JKH Sub-Committee acting on behalf of the Company met on two occasions from April to September 2024.

Name of Director	Date of Appointment	20/05/ 2024	29/07/ 2024	Eligibility to Attend	Attended
A N Fonseka* (INED)	29.01.2014	✓	-	1	1
H M A Jayasinghe** - Chairperson (INED)	01.07.2024	-	✓	1	1
D A Cabraal (INED)	29.01.2014	✓	✓	2	2
S Fernando (INED)	08.11.2023	✓	✓	2	2
By Invitation					
K N J Balendra (NED)		✓	✓	2	2
J G A Cooray (NED)		✓	✓	2	2

* Retired with effect from 1 July 2024.

**Appointed with effect from 1 July 2024.

The Company Committee met on two occasions after 1st October 2024

Name of Director	Date of appointment	22/10/ 2024	24/01/ 2025	Eligible to Attend	Attended
A Nanayakkara – Chairperson (INED)	01/10/2024	✓	✓	2	2
A S De Zoysa (INED)	01/10/2024	✓	✓	2	2
J Durairatnam (INED)	01/10/2024	✓	✓	2	2
By Invitation					
C L P Gunawardane (NED)		✓	✓	2	2
M R Svensson (NED)		✓	✓	2	2

Scope

- i. To develop, and recommend for adoption by the Board of Directors of the Company and as relevant its listed subsidiaries, a Related Party Transaction (RPT) Policy which is consistent with applicable laws, rules and regulations, the Operating Model and delegated decision rights of the JK Group and which sets out, amongst others, the following:
 - Defining relevant requirements and threshold values for the Company in setting a benchmark for RPTs, including those requiring detailed discussion, the approval of the Board and/or annual review.
 - The guiding principles on which RPTs require prior approval of the Board and which transactions do not require the prior approval of the Board and therefore, can be reviewed retrospectively.
 - Establishment of the starting base for Recurrent RPTs.
 - Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.
 - Instances where an immediate market disclosure of the RPT is required.
 - Instances where shareholder approval for the RPT is required.
 - Formats to be used by the Company and Listed subsidiaries/companies in presenting the RPT information to the Committee.
- ii. To provide updates to the Board on any listed subsidiaries/companies on a quarterly basis, of the RPTs pertaining to the Company and where relevant its listed subsidiaries/companies as follows:
 - Starting Recurrent RPTs.
 - RPTs during the quarter.
 - RPTs which were above the thresholds.
 - Market announcements made in-keeping with the RPT disclosure guidelines.
- iii. Members of the Committee or invitees shall refrain from participating in meetings/deliberations of the Committee and voting on matters where such member/invitee (including any member of the Board) as relevant is directly or indirectly interested in any RPT under discussion. Provided, however, that such a member or invitee may participate in such discussions for the express purpose of providing information concerning the RPT to the Committee.
- iv. In the event a potential conflict is presented that may prevent the Committee from being seen as independent, the Committee shall recommend to the Board that a special Committee be set up for the specific purpose.

CORPORATE GOVERNANCE

Project Risk Assessment Committee (JKH)	
Role: evaluate and assess risks associated with significant new investments at the initial stages of formulation and in any event prior to making any contractual commitments for the long term.	
Composition	Scope
<ul style="list-style-type: none"> Should comprise of a minimum of four Directors. Must include the Chairperson - CEO and Deputy Chairperson/ JK Group Finance Director. Must include two Non-Executive Directors. The Chairperson must be a Non-Executive Director. <p>Chairperson - S S H Wijayasuriya (INED)</p> <p>Committee Members -</p> <p>K N J Balendra (NED)</p> <p>D A Cabraal* (INED)</p> <p>J G A Cooray (NED)</p> <p>* Appointed with effect from 1 October 2024</p> <ul style="list-style-type: none"> No meetings were held during the period. 	<ul style="list-style-type: none"> i. Review and assess risks associated with large-scale investments and the plans to mitigate them if mitigation is possible, and identify risks that cannot be mitigated. ii. Ensure stakeholder interests are aligned, as applicable, when making investment decisions. iii. Where appropriate, obtain specialised expertise from external sources to evaluate risks in consultation with the JK Group Finance Director. iv. Recommend to the Board the necessary action required, to mitigate risks identified while evaluating a project to ensure that the JK Group Risk Matrix captures those risks for monitoring and mitigation. <p>*The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.</p>

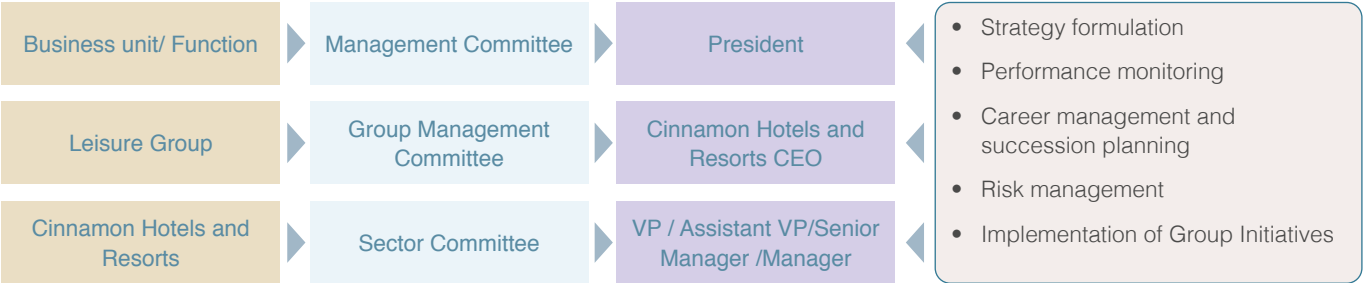
Management Committees

Group Operating Committee (GOC)

The Group Operating Committee (GOC) included the Chairperson-CEO of JKH, Deputy Chairperson/JK Group Finance Director, Presidents and Executive Vice Presidents of the Leisure Group, and functional heads from Centre Functions. The GOC meets monthly to share insights, identify synergies, and ensure alignment across the JK Group. The Company and its subsidiary, under the Leisure Industry Group of JKH, are regularly reviewed at these meetings, focusing on performance, strategy, and operational alignment, highlighting their central role in group governance.

Other Management Committees

At the Leisure Industry Group, governance is driven through the JK Group Management Committee, Sector Committee, and Management Committee - each operating at the JK Group, sector, and business unit levels. These Committees are designed to promote accountability and ownership at the operational level through structured teams and clear objectives. Their agendas are aligned to ensure effective, non-duplicative communication, enabling both top-down and bottom-up flows of information. The Company and its subsidiary, which are under the Leisure Industry Group of JKH, are a key focus in these regular meetings, with ongoing reviews of its performance, strategic direction, and operational execution, reinforcing its pivotal role in overall governance. Illustrated below is the structure of the three Committees.



Employee Empowerment

The Company and its Subsidiary aligns its human capital practices with the overarching governance framework of the JK Group, ensuring robust policies, processes, and systems are in place to effectively recruit, develop, and retain talent. These practices are grounded in the JK Group's updated and refined competency framework, ensuring consistency and relevance to current business needs.

To support this framework, the JK Group strengthened the following governance-driven practices:

- Senior leadership is required to engage employees at all levels in goal-setting, strategy, and planning processes.
- Clearly defined decision rights at each employment level promote ownership, reduce bureaucracy, and accelerate decision-making.
- A bottom-up approach is adopted in developing annual and long-term plans, encouraging employee involvement and empowerment.

- Organisational and Committee structures are designed for high accessibility across all levels of management.
- Open, transparent, and constructive communication is actively encouraged, with an emphasis on the value of healthy debate for sound decision-making

Further, all employees are required to avoid conflicts of interest and in the event of any potential conflict of interest, to disclose the same to their supervisors and where relevant to withdraw themselves from the conflicting circumstance.

In line with JKH's ethical standards, the Company prioritises a safe, secure and conducive environment for all its employees, allows freedom of association and collective bargaining, prohibits child labour, forced or compulsory labour and any discrimination based on gender, race, religion, gender identity or sexual orientation, and promotes workplaces which are free from physical, verbal or sexual harassment.

INTEGRATED GOVERNANCE SYSTEMS AND PROCEDURES

Listed below are the primary governance systems and procedures of the JK Group, adopted by the Company and its Subsidiary. These systems and procedures strengthen the Company's Internal Governance Structure and are benchmarked against industry best practices.

- | | |
|---|---|
| a. Strategy formulation and decision-making process | e. Tax governance |
| b. Human resource governance | f. Sustainability Governance |
| c. Integrated risk management | g. Stakeholder management and effective communication |
| d. IT governance | |

Strategy formulation and decision-making processes

Strategy Mapping

Strategy mapping exercises, concentrating on each business's short, medium, and long-term aspirations, are conducted annually and reviewed, at minimum, quarterly/ half-yearly or as and when a situation demands.

This exercise entails the following key aspects, among others.

1. Progress and deviation report of the strategies formed.
2. Competitor analysis and competitive positioning.
3. Analysis of key risks and opportunities.
4. Management of stakeholders such as suppliers and customers.
5. Value enhancement through initiatives centred on the various forms of capital under an integrated reporting framework.
6. Review of ESG Considerations.
7. Digitisation and IT Strategy.

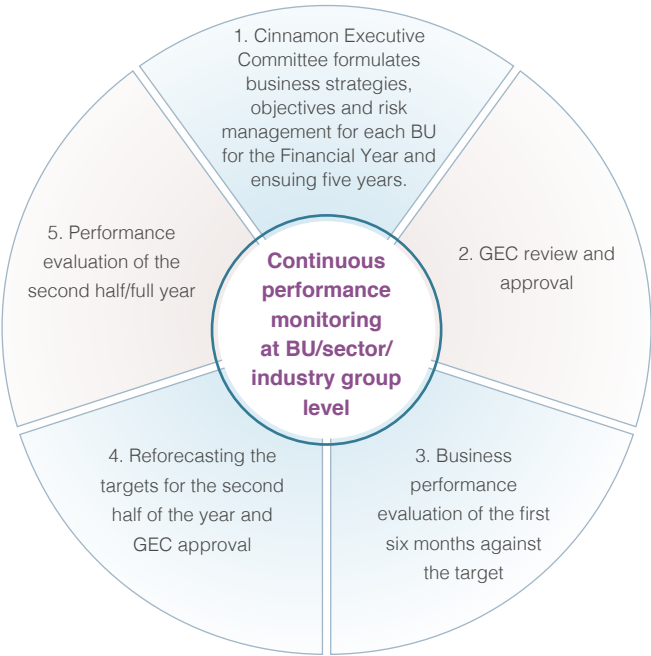
CORPORATE GOVERNANCE

The strategies of the various business units operating in diverse industries and markets will always revolve around the JK Group strategy while considering their domain-specific factors. The prime focus is always to enhance value for all stakeholders. The JK Group's investment appraisal methodology and decision-making process ensure the involvement of all key stakeholders relevant to evaluating the decision.

In this manner:

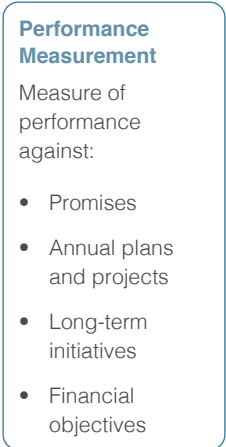
- A broad range of views, opinions and advice is obtained before making an investment decision.
- A holistic view is taken of any project's commercial viability and potential, including its operational, financial, funding, legal, risk, sustainability, and tax implications.
- Sensitivity and scenario analyses are conducted to understand the macroeconomic environment impacts, especially during periods of volatility and uncertainty.
- All investment decisions are consensual, made through the afore-discussed management Committee structure, where no single individual has unfettered decision-making powers over investment decisions.

The Chairperson of JKH is ultimately responsible and accountable for the investment decision. The following section further elaborates on the JK Group's strategy formulation and planning process.



Medium-term Strategy

The ensuing section illustrates the comprehensive process followed by each business in developing the business strategy for the medium term.



Project Approval Process

Projects undertaken at the JK Group follow a detailed feasibility report covering key business considerations under multiple scenarios, within a framework of sustainability. The feasibility stage is not restricted to a financial feasibility and encompasses a wider scope of work covering risk management, sustainable development, ESG and HR considerations.

Based on the decision rights matrix, subsequent to review by the relevant leadership Committee of the feasibility report and post in principle approval, a multi-disciplined project team will proceed to the next phase of the project evaluation which will focus on detailed operational, commercial, financial and legal due diligence, including a deep dive into ESG impacts and risks. Discussions will also commence with regulatory and licensing authorities, financial institutions and possible partners, worker representatives, as relevant and deemed necessary.

- Where the transaction involves the transfer or lease of land, title searches would be conducted for private and State land. In the case of state land, every action will be taken to ensure compliance with the relevant rules and regulations. As appropriate, written authority and approvals will be obtained.
- Any project which involves bidding on contracts and tenders, including those of local and foreign governments and related bodies, is executed in conformance with the JK Group's policy on bidding on contracts and tenders. It is noted that, while the Company currently has no contracts with any local and foreign Governments, the Company and its Subsidiary will disclose the same in its financial statements, in such an event.
- Where the project is a part of a privatisation, the entire process will be conducted in line with the directives of the relevant administrative authority as communicated through expressions of interests, request for proposals, pre-bid meetings, official approvals and correspondence.

Subsequent to the project satisfying the above highlighted criteria, the final approval to proceed will be granted by the Board. Based on thresholds of the investment quantum, the Project Risk Assessment Committee, on behalf of the Board, will review and assess risks associated with such investments and the mitigatory plans thereto, if mitigation is possible, and identify risks that cannot be mitigated. The aim of this intervention is to ensure alignment with the interest of various stakeholders and to recommend to the Board, necessary action required, to mitigate risks that are identified in the course of evaluating a project in order to ensure that those risks are captured by the JK Group's Risk Matrix for monitoring and mitigation. When appropriate, the GEC is empowered to approve such proposals in terms of the delegated decision rights with the Board being kept informed.

The aforementioned project appraisal framework flow is illustrated below:



Human Resource Governance

Our Human Resource Governance framework is consistent with the policy framework of our Parent Company, JKH and is aligned with industry best practice. It is built on the principles of trust, fairness and integrity and designed to create an equitable workplace where everyone can thrive. Our Code of Conduct clearly outlines the ethical expectations of our employees. Constant dialogue and facilitation are also maintained regarding issues ranging from work-related issues to matters of general interest that could affect employees and their families. The Company and its Subsidiary follow an open-door policy for its employees, and this is promoted at all levels of the Company and its Subsidiary.

CORPORATE GOVERNANCE

The Human Resource Information System (HRIS) manages the entire employee lifecycle from onboarding to performance management, succession planning, compensation, learning and development, and offboarding.

Our decentralised approach to HR has empowered our properties with greater autonomy and flexibility, enhancing engagement and increasing responsiveness to colleagues' needs. Moreover, through the integration of digital solutions we continue to streamline processes and eliminate inefficiencies enabling greater engagement. Key implementations in 2024/25 include:

- Application Tracking System (ATS) - To support efficiency and transparency in recruitments.
- Digital onboarding and offboarding - Streamlining processes for onboarding and exits.
- Automated documentation - Automation of letters, forms, agreements and approvals.
- Digitalised personnel files - Streamlines workforce management.
- HR Audit efficiency and automation - Improving compliance while reducing manual work.

During the year under review the below mentioned policies were introduced / updated across Cinnamon Hotels & Resorts which is applicable to all employees in the Company.

Updated policies in 2024/25

- Gift and entertainment policy
- Bereavement support policy
- Employment contract and confirmation policy
- Transfer policy
- Learning and development policy
- Exit interview policy

New policies introduced in 2024/25

- Reward and recognition policy
- Policy on HR audits

Performance Management

The Performance Management System, as illustrated below, supports human resource management processes such as learning and development, career development, succession planning, talent management, rewards/ recognition and compensation/benefits.



Whilst the employees are appraised for their performance, equal emphasis is placed on how well they embody JK Group Values, namely: Caring, Trust, Integrity, Excellence and Innovation.

Living our Values - Introduction of the Hall of Greatness







The Company and its Subsidiary invests significant resources to align its corporate culture with its core values of Greatness, Trust, Compassion, Agility, Curiosity, Wellbeing and Inclusivity. During the year under review, we integrated our core values into every colleague's job description ensuring that these principles guide daily decision-making and workplace behaviours. This was complemented by a property-level learning and development journey, reinforcing how our values translate into action across roles and teams. Through our 'Hall of Greatness' recognition initiative we celebrate colleagues who embody our core values in their daily activities reinforcing the behaviours that define our culture. This involves the recognition of

- Highflyer of the Month – Spotlighting individuals who make an exceptional impact each month.
- Highflyer of the Year – Honouring top-performing colleagues who have consistently excelled throughout the year.
- Leader of the Quarter – Recognising leaders who inspire, support, and drive success every quarter.
- Leader of the Year – Celebrating the leader who has made the most significant impact across the organisation.

JKH Success Drivers

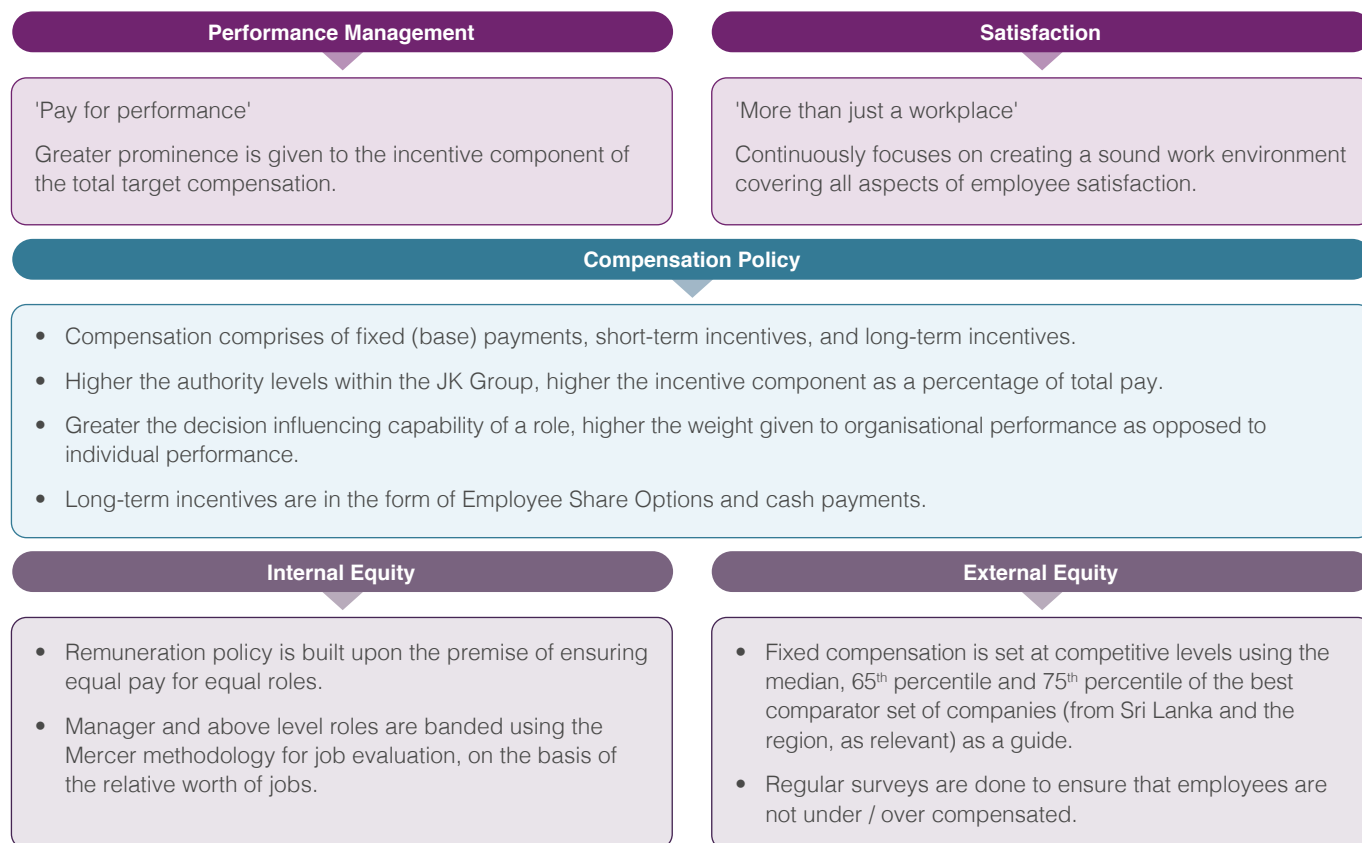
In 2023/24, the JK Group initiated a project to revamp its Competency Framework, which had been used for over a decade. This effort resulted in the creation of Success Drivers, a refreshed and more relevant set of competencies. These nine Success Drivers were developed through discussions and workshops involving various internal and external stakeholders at various levels.

In 2024/25, the JK Group introduced sector-specific awareness sessions and digital learning initiatives to enhance understanding and encourage the adoption of these Success Drivers within teams. As a result, Cinnamon Hotels & Resorts adopted six Success Drivers to be implemented across the organisation. Furthermore, Success Drivers are set to become a key part of the performance management process in 2024/25. Employees will be evaluated based on these competencies, with opportunities for development identified as part of the process.

 1. Inclusive Leadership <ul style="list-style-type: none"> • Inclusivity and diversity • Collaboration and open communication • Compassion and empathy • Coaching and mentoring • Upholding values 	 2. Being Agile <ul style="list-style-type: none"> • Adapting to change • Thriving in uncertainty • Bouncing back from adversities • Rapid experimentation approach • Solution-oriented growth mindset 	 3. Storytelling <ul style="list-style-type: none"> • Impactful communication • Inspiring people • Creative ways of engagement • Active listening
 4. Connecting the Dots <ul style="list-style-type: none"> • Big picture perspective • Multidisciplinary approach • Critical thinking • Value driven approach 	 5. Relentless Execution <ul style="list-style-type: none"> • Action orientation • Prioritisation • Effective time management focus and commitment 	 6. 360 Stakeholder Commitment <ul style="list-style-type: none"> • Passion for all stakeholders • Building synergies • Trust and credibility • Commitment to financial outcomes + ESG

CORPORATE GOVERNANCE

The Company and its Subsidiary's Compensation Policy is as follows:



During the year a comprehensive designation levelling and salary band realignment exercise was carried out to align ourselves with bench-marked international players. This is in line with our policy of ensuring internal and external equity.

Employee Share Option Plan

JKH Employee Share Option Plans are offered at defined career levels based on pre-determined criteria, which are uniformly applied across the eligible levels and performance levels. These long-term incentives have been significantly instrumental in inculcating a deep sense of ownership in the recipients and are seen to be a key driver of performance driven rewards. Share options are awarded to individuals based on their immediate performance and the potential importance of their contribution to the JK Group's future plans.

The JKH issues share options not exceeding a specified percentage of the total issued shares of the JKH as at the date of awarding every such option, which is subject to in principle approval of the Exchange and shareholder approval by way of a Special Resolution at a General Meeting.

Integrated Risk Management

The Company and its Subsidiary's risk management programme focuses on wider sustainability development. It aims to identify, evaluate, and manage significant JK Group risks and stress test various risk scenarios, including a review of materiality. The programme ensures that the multitude of risks arising from the JK Group's diverse operations are effectively managed to create and preserve stakeholder wealth. The Company and its Subsidiary manage their enterprise risk, audit, and incident management processes through an automated risk management platform that enables the maintenance of live, dynamic, and virtual risk registers linked to business goals and responsible personnel. Features such as timely alerts on action plans and escalation processes for risks where action plans are overdue ensure the maintenance of live risk grids.

Continuous steps taken towards promoting the Company and its Subsidiary's integrated risk management process are:

- Integrating and aligning activities and processes related to planning, policies/ procedures, culture, competency, internal audit, financial management, monitoring and reporting with risk management.
- Support executives/managers in moving the organisation forward in a cohesive, integrated, and aligned manner to improve performance while operating effectively, efficiently, ethically, and legally within the established limits for risk taking. The risk management programmes have allowed greater visibility and understanding of risk appetites. Enabled by the automated risk management platform, key management personnel have virtual visibility of the risks, as relevant, while the Board has visibility of all Company and its Subsidiary's risks.

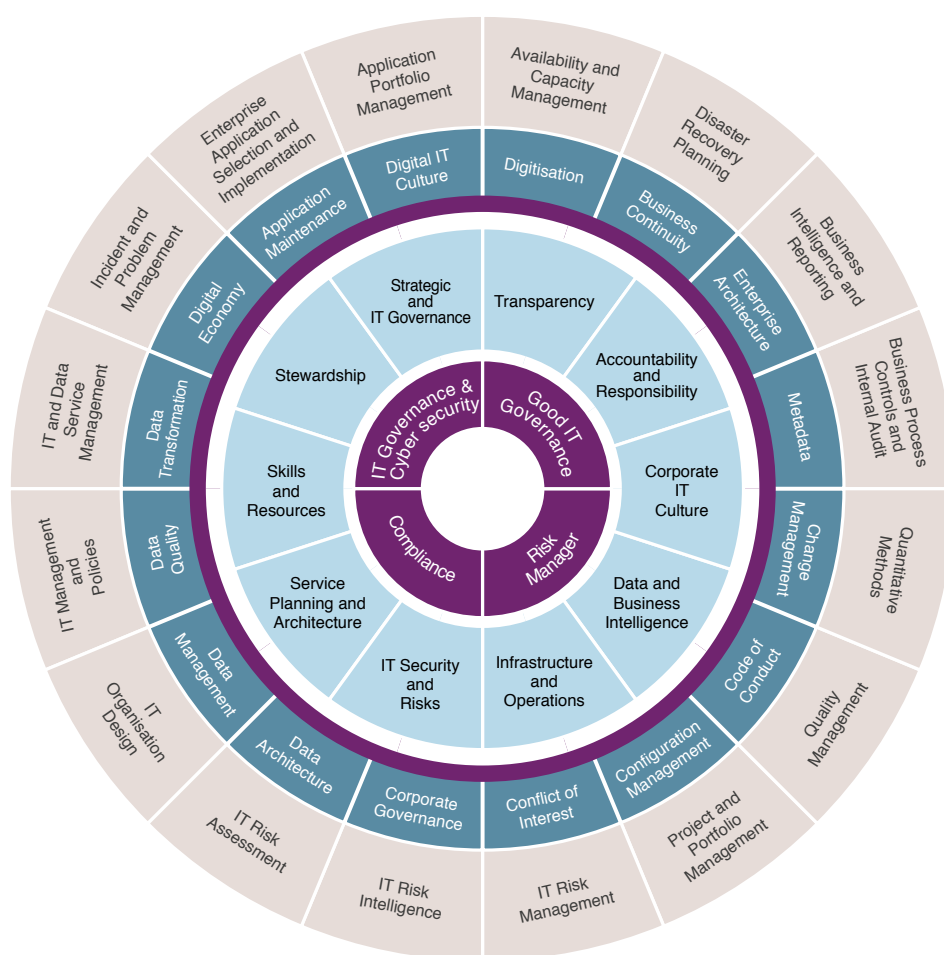
The Board, GEC and Group Management Committee, and the Cinnamon Executive Committee oversee risk management across the Company to ensure that risks are brought within tolerance, managed and/or mitigated.

Please refer to the Risk Management Report on page 167 and Notes to the financial statements.

Information Technology Governance

IT governance stewardship roles are governed through layered and nested Committees, cascading from the GEC to the JK Group IT Steering Committee to the JK Group IT Operation Committee, with well-defined roles and responsibilities at the Group, industry group, and business unit levels.

The JK Group's IT governance framework focuses on five broader segments: strategic alignment, value delivery, performance management, risk management, and resource management. Additionally, the IT governance framework used within the JK Group leverages best practices and industry-leading models such as CoBIT (Control Objectives for Information and Related Technology), ISO 35800, ISO27001, ISO 9001:2015, COSO(Committee of Sponsoring Organisations of the Treadway Commission)/BCP (Business Continuity Planning), ITIL (Information Technology Infrastructure Library), CMMI (Capability Maturity Model Integration), NIST (National Institute of Standards and Technology), FAIR (Factor Analysis of Information Risk), among others, in formulating a state-of-the-art framework for IT governance, risk and compliance management across the JK Group. The key focus areas of the governance framework are as follows:



The JK Group continually focuses on enhancing the IT governance framework in line with its business and IT strategies with a focused shift towards a zero-trust model built on a mobile-first, internet-first, cloud-first and AI-first strategy.

CORPORATE GOVERNANCE

Key Initiatives during the year:

- As part of JKH ongoing digital transformation, the JK Group is transitioning to S/4HANA on the SAP 'Rise' cloud platform. This initiative aims to enhance operational efficiency, enable real-time decision-making, and improve agility, customer experience, innovation, and cost management. The integration of AI-driven analytics will provide deeper insights into customer behaviour, market trends, and operational performance, supporting data-driven decisions and personalised services. The Company and its Subsidiary is progressing in line with the JK Group's transformation roadmap.
- The implementation of a centralised Property Management System (PMS) for the Company was completed during 2023/24. This standardised system will strengthen data governance, ensure consistency, and enhance operational efficiency while enabling more accurate and reliable performance analytics.

Tax Governance

overarching principles of compliance, transparency, and accountability. They acknowledge the Company and its Subsidiary's duty in fulfilling its tax obligations in line with fiscal legislation while preserving value for other stakeholders, particularly investors.

Governance Structure

1. Voluntary compliance and efficient tax management are key aspects of the JK Group's overall tax strategy.
2. This is enabled through a decentralised tax structure where expertise is built at each industry group level. The Head of Tax of each industry group, reporting functionally to the JK Group Head of Tax, ensures compliance and implements JK Group tax strategy across all businesses.

Policy and Strategy

Ensure:

1. Integrity of all reported tax disclosures.
2. Robust controls and processes to manage tax risk.
3. Openness, honesty and transparency in all dealings.
4. Presence of legitimate business transactions underpinning any tax planning or structuring decision/ opportunity.
5. Contribute to fiscal policy decisions constructively in the interest of all stakeholders.

Role

1. Implement and maintain strong compliance processes.
2. Analyse and disseminate business impact from change in tax legislation.
3. Provide clear, timely, and relevant business focused advice across all tax aspects.
4. Ensure the availability of strong and well-documented technical support for all tax positions.
5. Obtain independent/external opinions where the law is unclear or subject to interpretation.

Review and Monitoring

1. Leverage digital platforms to support, record and report on tax compliance status across the JK Group.
2. Periodic updates to the Board of Directors on various tax matters (quarterly at minimum).

The Company's approach to tax governance is directly linked to the sustainability of business operations. The presence of a well-structured tax governance framework ensures the following:

- Ability to manage tax efficiently by reducing the tax burden on the Group within the ambit of applicable laws.
- Manage tax risks and implications on JK Group reputation through adequate policies, proactive communication and defence.
- Facilitate healthy relationships amongst stakeholders, Government and tax authorities.
- Ensuring the integrity of reported numbers and timely compliance.

Sustainability Governance

The Company and its Subsidiary remains steadfast in its commitment to being responsible and conducting operations in a sustainable manner whilst focusing on environmental, social and governance aspects. Sustainable practices remain a strategic priority of the Company and its Subsidiary, and this is ensured through embedding into day-to-day operations.

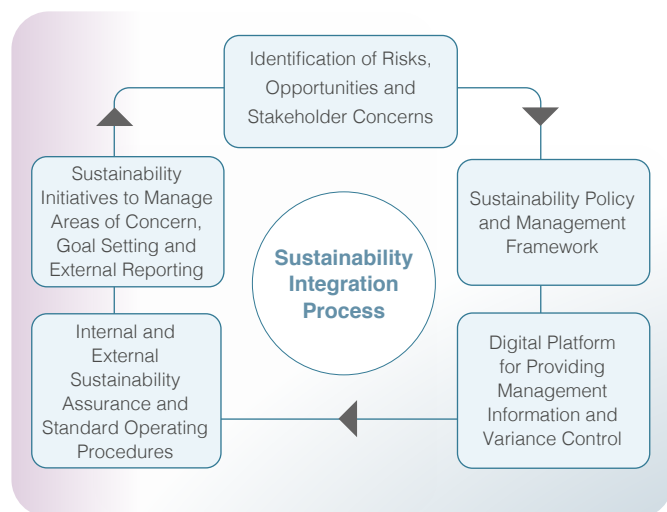
Approach

The Company and its Subsidiary adopted the JK Group's approach to sustainability. The Board firmly embeds sustainability concerns within the Company and its Subsidiary's strategic planning process, with companies striving to optimise performance from a triple bottom line lens and Internal and External Sustainability Assurance and Standard Operating Procedures are in place to review the effectiveness of the procedures embodied by the group on a need's basis.

The Company and its Subsidiary has in place a sound sustainability integration process, management framework and sustainability organisational structure through which sustainable practices are embedded to the Company and its Subsidiary's operations.

With the introduction of the JK Group's Environmental, Social, and Governance (ESG) ambitions, a governance framework has been put in place to ensure accountability. This structure will enable top-down undertaking of material aspects at JK Group and Sector levels which includes the Company and its Subsidiary and assign accountability as well as further contribution.

Sustainability Integration Process



The JK Group's well-established sustainability integration processes and its sustainability management framework works alongside other key functions and management systems such as human resources, health and safety and product responsibility processes, as well as risk management, internal audit, legal and statutory compliance and corporate social responsibility initiatives. The Sustainability Management Framework is updated on a continuous basis to incorporate changing requirements and updates to the global sustainability landscape.

Environmental issues such as, climate change, resource scarcity and environmental pollution, social issues such as, the JK Group's labour practices, talent management, product safety and data security, and Governance aspects such as, Board diversity, executive pay and business ethics are given significant emphasis within the JK Group and are periodically reviewed at a GEC and Board level.

JK Group's effort towards ESG initiatives during the year:

- Outlined a comprehensive roadmap to achieve Environmental, Social, and Governance (ESG) ambitions, focusing on short, medium, and long-term goals across various dimensions.
- Governance framework established to drive ambitions with senior leadership appointed as ambition heads and champions from across the JK Group to spearhead ambitions at a JK Group level.
- Cross cutting steering Committees have been appointed for each ambition to assist with sector level implementation
- Developed and updated JK Group policies to support ambitions.

ESG Focus areas and Governance structure



* Group's ESG focus areas

These ambitions are also focus areas for the John Keells Foundation (JKF). Efforts through JKF will also contribute towards the achievement of ambitions set under these pillars.

CORPORATE GOVERNANCE

The JK Group has outlined a comprehensive roadmap to achieve ESG ambitions, focusing on short, medium, and long-term goals across various dimensions. On the environmental front, the JK Group aims to achieve net-zero greenhouse gas (GHG) emissions reflecting its commitment to energy management. For waste management and packaging, the medium-term targets include using 100% recyclable plastics, eliminating 50% of internally consumed plastics, achieving zero waste to landfill, and becoming plastic-neutral. Looking further ahead, the JK Group aspires to become plastic-positive. Under water stewardship, medium-term goals include reducing water consumption per revenue earned, with group-wide targets to be determined, while the long-term vision is to achieve water neutrality and water positivity.

In the social domain, health and safety targets aim for zero preventable injuries across all businesses in the medium term, with all businesses achieving Occupational Health and Safety (OHS) accreditation in the long term. Diversity and equal opportunity initiatives include increasing female workforce representation to 40% by 2030, ensuring workplace accessibility by all in the medium term, and committing leadership to the Champions of Change pledge.

Medium-term objectives include achieving 30% women in leadership positions and enhancing accessible communication for all. Long-term goals target gender parity and establishing a specific representation target for persons with disabilities (PWDs).

Under community empowerment, the JK Group's short-term objectives involve enhancing skills, increasing market access, and implementing activities to promote social health in the shorter term. For stakeholder management, the JK Group is committed to enhancing the sustainability of its supply chain. These goals demonstrate the JK Group's commitment to fostering a sustainable, inclusive, and equitable future through deliberate and phased ESG strategies.

Cinnamon Hotels & Resorts has formulated its 2030 Goals in alignment with the long-term strategic objectives of the JK Group, ensuring a cohesive approach to sustainable growth and value creation.

Asian Hotels and Properties PLC, as a part of the Cinnamon Hotels and Resorts (CH&R) is guided and well aligned to these goals, in making its individual contribution which will lead to the achievement of ultimate goals of the JK Group. Accordingly, we have depicted below, the goals of CH&R, which applies to Asian Hotels and Properties PLC as well.

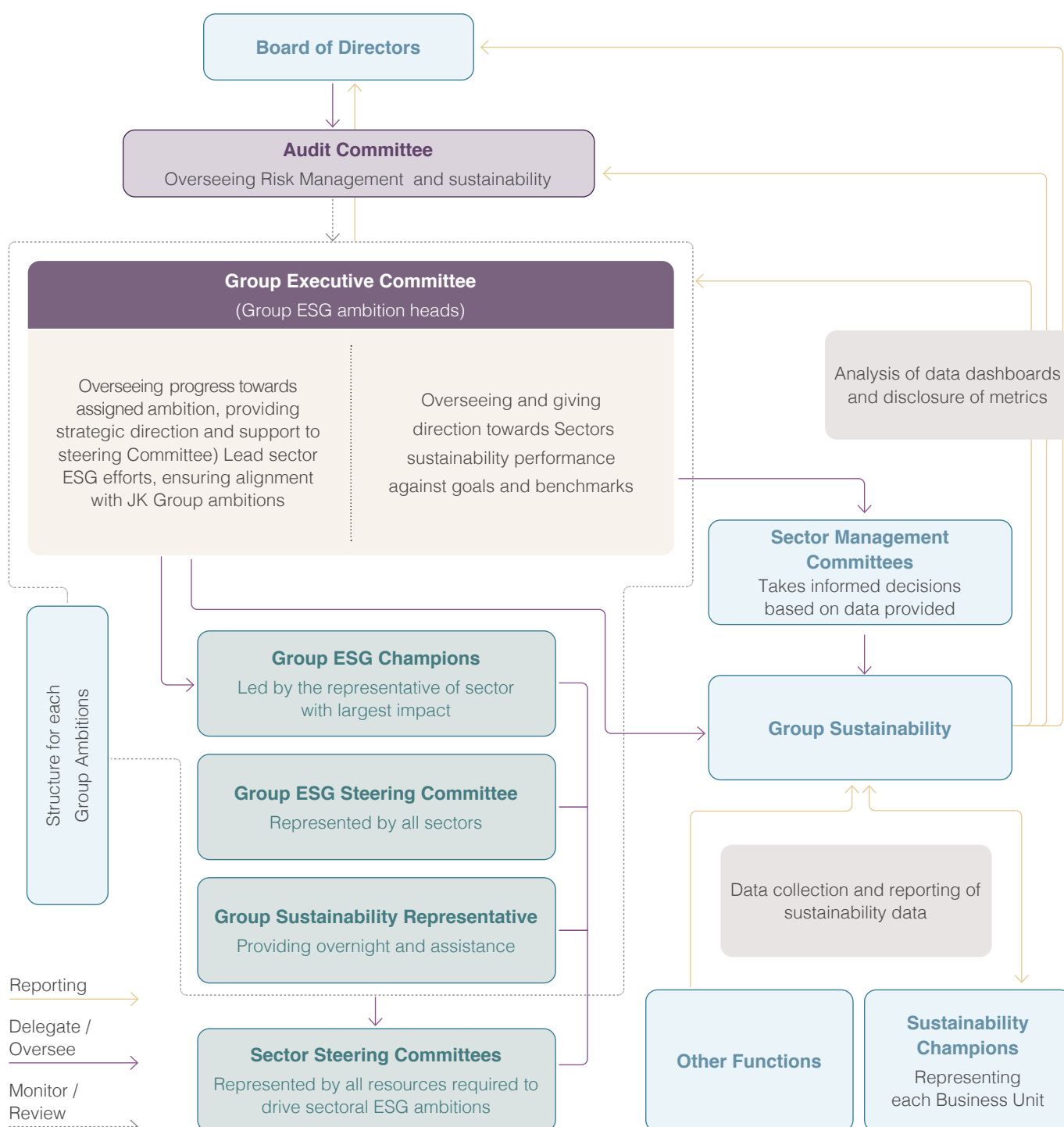
CH&R Goals 2030 (Medium Term)

Environment Pillar	
Energy Management/ GHG Emissions	20% reduction of Scope 1 & 2 emissions by 2030
Energy Management/ GHG Emissions	90% Waste diverted from Landfill by 2030
	To achieve 80% reduction of guest facing plastic from 2021 base year
Waste Management: Food Waste	Every hotel has a reduction plan for food waste by 2030
Water Management	Reduce freshwater use by 10% of total water use by 2030
Biodiversity	Every property has a biodiversity conservation plan: Wherever there are RED list species identified in our properties
	Increase forest cover - 100,000 trees
Social Pillar	
Health and Safety	Global Food Safety Initiative aligned by 2030 (FSSC 22000)
Human Rights	Committed to protecting women and children by reaching 10,000 individuals by 2030 from 2021 base year
Community Empowerment	Complete 100,000 volunteer hours by 2030 from 2021 base year
1. To make our communities more productive and self-reliant	
2. To make Sri Lanka strong by promoting social cohesion	
Stakeholder Management	100% suppliers to be assessed with the Cinnamon Supplier Impact Assessment
(Customers/Suppliers/Regulators)	
1. To create the best value for our customers	All top suppliers to be rated as gold in Cinnamon Supplier Impact Assessment
2. To support sustainable supply chains	
3. To partner with our regulators to improve life in Sri Lanka	

JKF, the CSR arm of the JK Group, undertook a strategic review of its focus areas, guided by research into evolving socio-economic needs. The initiatives carried out under the areas of Education, Community and Livelihoods, Social Health and Cohesion, and Biodiversity not only fulfil the Foundation's purpose but also contribute meaningfully towards achieving the JK Group's Environmental and Social (E&S) ambitions, as illustrated.

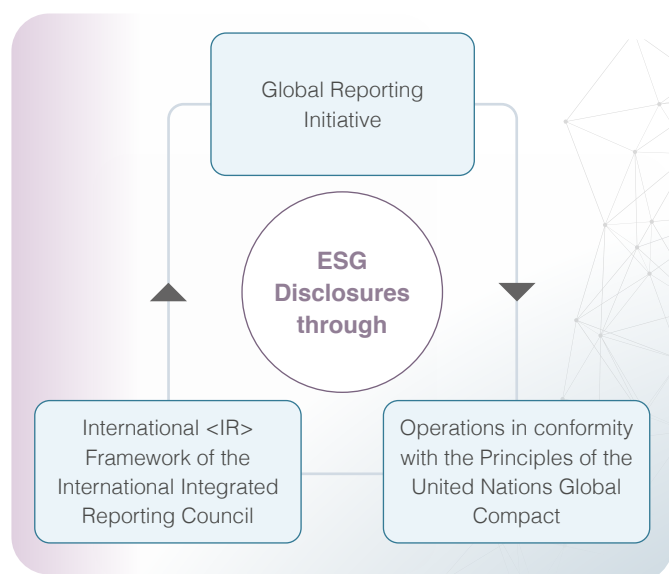
The JK Group established a comprehensive governance framework to ensure accountability, consistency, and support the effective delivery of the ambitions set out under the ESG pillars. This included the appointment of JK Group ESG Ambition Heads, ESG Champions, and Steering Committees, all guided by a clearly defined mandate outlining roles, responsibilities, reporting structures, and frequencies. This framework was integrated into the existing sustainability governance structure to create a unified, streamlined system for reporting and decision making

JK Group's Sustainability Governance structure



CORPORATE GOVERNANCE

JK Group's ESG framework is an amalgamation of the various frameworks within the JK Group, and, through this, the JK Group endeavours to ensure sustainable value creation for all stakeholders and mitigate any adverse impacts of JK Group businesses on the environment, economy and society. As such, the ESG disclosures across the Report are captured through the following frameworks:



Sustainability Organisation Structure

Group Executive Committee

Responsible for formulating and steering the JK Group's overall Sustainability strategy.

Sustainability, Enterprise Risk Management and Group Initiatives Division

Operationalises the Sustainability Management Framework (SMF) and carries out JK Group-wide processes, including identification of stakeholder and material issues, stakeholder engagements, risk assessments, JK Group-wide awareness campaigns and overall review and monitoring of the SMF.

Business Units

The Company is responsible for their sustainability performance, operating under the umbrella of the JK Group's SMF. Sustainability Champions under the leadership of their respective Heads of Business/Sector Heads, and working closely with the central sustainability division, have responsibility for implementing sustainability initiatives and management of performance of their individual businesses.

JK Group firmly embeds sustainability concerns within the JK Group's strategic planning process, with companies striving to optimise performance from a triple bottom line lens. All business units are required to identify non-financial risks and material impacts and include strategies to address these through sustainability initiatives and projects. Business and individual objectives are therefore aligned with overall sustainability goals, resulting in an entrenched focus on sustainability.

The SMF extends beyond JK Group boundaries, also focusing on the Group's value chain with the purpose of benefiting suppliers and their own dependent supply chains. Through its Supplier Code of Conduct, annual assessment of supply chain partners and ongoing awareness and engagement through Supplier Fora, the JK Group hopes to have a positive impact on key external stakeholders.

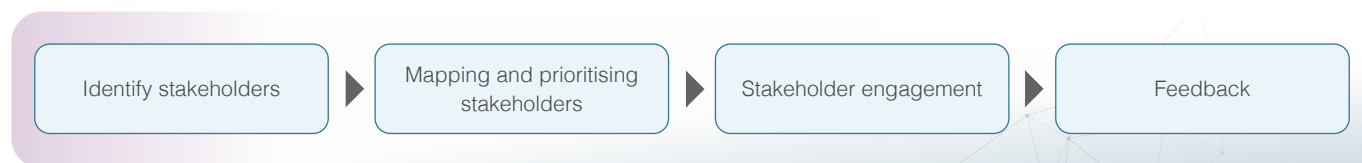
Sustainability Disclosures

The Company and its Subsidiary uses both its Annual Integrated Report and JKH corporate website as the primary means of responding to stakeholder concerns and outlining its sustainability strategy, including materiality assessments and management policies and processes. The data measurement techniques, calculation methodologies, assumptions and estimations applied in the compilation of the sustainability indicators contained in this Report, are in accordance with standard industry practices and GRI Standard. Such data measurement techniques, methodologies, assumptions and estimations are detailed in the relevant Management Approach Disclosures section and can be found in the relevant management approach disclosures in the Integrated Annual Report. Reference to specific information and disclosures required by the GRI Standards can be found through the GRI content index. Figures and statements have been rearranged, wherever necessary, to conform to the current year's presentation in terms of restatements and comparisons to the previous year.

Stakeholder Management and Effective Communication

Stakeholders play a crucial role in the Company and its Subsidiary, contributing labour, capital, and market demand. The Company and its Subsidiary is committed to transparently communicating its ambitions to its diverse stakeholder groups and actively seeks their input to refine its initiatives. With well-defined objectives aligned with its sustainability and business goals and targets, the Company and its Subsidiary prioritises the achievement of these commitments across the short, medium, and long term.

Engagement of significant stakeholders



Recognising the broad impact of its operations, the Company and its Subsidiary actively engages with a wide range of stakeholders across different industries, communities, and regions.

Internally, the Company and its Subsidiary's stakeholders consist of its business units and employees. Externally, it engages with shareholders, investors, lenders, customers, suppliers, business partners, government bodies, regulators, industry peers, advocacy groups, media, and the wider community. Through ongoing dialogue and collaboration, the Company and its Subsidiary strives to integrate diverse perspectives into its sustainability efforts.

The JK Group's key stakeholder management methodologies adopted by the Company and its Subsidiary are shown below.

Stakeholder Expectations	Management	Methods of Engagement
Customers		
Products and services being up to their required standards, in terms of high quality and safety.	<ul style="list-style-type: none"> Constant engagement with customers. Providing products that meet their requirements. 	<ul style="list-style-type: none"> Road shows, trade fairs and field visits (R) Customer satisfaction survey (O) Information dissemination through printed reports, telephone, SMS, e-mail, corporate website, workshops and business development activities (O)
Products and services are provided in an environmentally and socially responsible manner.		
Employees		
Provide a safe and enabling environment.	<ul style="list-style-type: none"> Accessibility to all levels of the management. Involvement through means such as staff volunteerism. 	<ul style="list-style-type: none"> Performance reviews and skip level meetings (B) Employee satisfaction surveys and group- wide year end get-together (A) Intranet communications (Q) Training and development, team building, joint consultative Committees, open door policy, sports events, Corporate Social Responsibility programs (O)
Ensure equal opportunity within a meritocratic culture		
Enhancement of skills and knowledge, continuous engagement		
Work-life balance		
Community		
Stimulate local economy through procurement and employment.	<ul style="list-style-type: none"> Provide updates on business activities that may impact the community. Support local businesses through partnerships and sourcing from local suppliers Provide direct and indirect employment 	<ul style="list-style-type: none"> Community engagement prior to entry and on exit via one-on-one meetings, workshops, forums (On) Corporate Social Responsibility programs (O)
Operate with minimal impact on shared natural resources		

CORPORATE GOVERNANCE

Stakeholder Expectations	Management	Methods of Engagement
Institutional Investors etc.		
Consistent economic performance. Economic growth	<ul style="list-style-type: none"> • Maintain transparency in reporting and corporate governance. • Stay updated on policy changes and proactively adapt business strategies. 	<ul style="list-style-type: none"> • Annual reports, disclosures and reviews (A) • Quarterly reports (Q) • JKH Investor Road shows (R) • Phone calls, e-mail, written communication, websites, one-on-one meetings (O)
Government		
Contribute to economy through strategic investments Create direct and indirect employment Timely payment of taxes and levies	<ul style="list-style-type: none"> • Transactions in compliance with all relevant laws and regulations, transparently and ethically. • Zero- tolerance policy in ensuring that all business units meet their statutory obligations in time and in full. 	<ul style="list-style-type: none"> • Participation of senior management in chambers and industry associations. (Q) • Meetings, business forums, newsletters, circulars, presentations and briefings, advisory meetings of industry associates. (O)
Legal and regulatory bodies		
Compliance with laws and regulations Practice sound corporate governance	<ul style="list-style-type: none"> • Regularly review policies and procedures to align with legal changes. • Conduct regular legal audits and risk assessments. 	<ul style="list-style-type: none"> • Participation of senior management in chambers and industry associations (Q) • Meetings, periodic disclosures, correspondence (O)
Business partners		
Long-term business relation and adherence to contractual obligations Knowledge sharing Representation in business councils and Committees	<ul style="list-style-type: none"> • Set clear service-level agreements (SLAs) and key performance indicators (KPIs). • Implement a Supplier Code of Conduct to enforce ethical business practices. 	<ul style="list-style-type: none"> • Distributor conferences, contract renegotiations and reviews, road shows, supplier assessments, supplier fora (A) • Supplier review meetings (A) • Market reports (R) • Conference calls, e-mails, circulars, corporate website and sourcing, contracting and supplier management platform (O)
Society, media, pressure groups		
Operate in accordance with social norms, cultures with minimal negative social and environmental impact Adhere to laws and regulations Operate as a responsible corporate citizen	<ul style="list-style-type: none"> • Invest in social causes that align with business values and stakeholder expectations. • Demonstrate commitment to ethical and sustainable business practices. 	<ul style="list-style-type: none"> • JKH Website, press releases, media briefings, correspondence (O).
Industry peers and Competition		
Ethical business practices Participation in business councils and Committees	<ul style="list-style-type: none"> • Foster healthy competition and ethical practices • Stay agile and adapt to market changes 	<ul style="list-style-type: none"> • Participation of senior management in chambers and industry associations (Q) • Membership of trade associations, conferences, discussion forums (R)

(A)-Annually, (B)- Biannually, (Q)- Quarterly, (O)- Ongoing, (On)- One- off, (M)- Monthly, (R)- Regular

Policy on Corporate Disclosures and Relations with Shareholders and Investors

This policy ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant stakeholders in a timely, accurate, complete, understandable, convenient and affordable manner, in compliance with the JK Group's governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to shareholders and investors of the Group such as disclosures of material information, financial information, Annual Reports, press releases and website management.

Corporate disclosures and relations with shareholders and investors are mainly centrally managed at JKH, on behalf of the JK Group companies.

This Policy is governed by the Company's Board of Directors and is periodically reviewed by the Board to ensure alignment with evolving regulatory changes, best practices and the strategic interests of the JK Group and its stakeholders.

A mechanism is in place under the policy for keeping Directors aware of major issues and concerns of shareholders.

Communication with Shareholders

The Company and its Subsidiary encourages effective communication with shareholders who are engaged through multiple channels of communication, including the AGM, EGM, Annual Report, Interim Financial Statements, press releases, social media platforms and announcements to the CSE. The Board recognises its responsibility to present a balanced and understandable assessment of the Company and its Subsidiary's financial position, performance and prospects and is committed to fair disclosure, with emphasis on the integrity, timeliness and relevance of the information provided so as not to create a false market.

Shareholders may also, at any time, direct queries and concerns to Directors or Management of the Company and its Subsidiary through the Company Secretaries Keells Consultants (Pvt) Ltd. The Company Secretaries maintain a record of all correspondence received and keep the Board apprised of issues raised by the shareholders to ensure that they are addressed appropriately. Matters raised in writing are responded to in writing directly by the Company Secretaries as relevant.

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim financial statements	Quarterly
JKH Investor Relations Webinar	Quarterly
JKH Investor presentations	As required, quarterly at a minimum
JKH Transcript of the Investor Relations Webinar	Quarterly
Press releases	As required
Announcements to CSE	As required
One-to-one discussions	As required
Investors' section in the corporate website	Continuous
Feedback surveys	As required

Investor Relations

The JK Group's Investor Relations team actively dialogues with shareholders, potential investors, investment banks, analysts, and other interested parties to ensure effective investor communication.

- The Investor Relations team has regular discussions with shareholders, as and when applicable, to disseminate highlights of the JK Group's performance and obtain constructive feedback.
- The online quarterly investor forums allow stakeholders to directly engage with the JK Group's Chairperson-CEO and the Deputy Chairperson/ JK Group Finance Director. The recording and the transcript of the investor forum are made available on the corporate website for reference by all stakeholders/shareholders.
- Quarterly Investor Presentations, which include an update on the latest financial results, are made available on the corporate website, to provide easier access and in-depth detail of the operational performance of the Group.
- Annual Investor Presentations, detailing an overview of the Group and industry groups with financial and non-financial performance indicators, are made available on the corporate website to provide easier access and in-depth detail of the overall JK Group.
- Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to Directors or management of the JK Group by contacting the Investor Relations team, Secretaries or the Chairperson. However, individual shareholders are encouraged to carry out adequate analysis or seek independent advice on their investing, holding or divesting decisions at all times.

CORPORATE GOVERNANCE

Release of Information to the Public and CSE

The Board of Directors, in conjunction with the Audit Committee where applicable, is responsible for ensuring the accuracy and timeliness of published information and for presenting a true and fair view, and a balanced assessment of results in the quarterly and annual financial statements. Accordingly, the Company has reported a true and fair view of its financial position and performance for the year ended 31 March 2025 and at the end of each quarter of the financial year 2024/25.

All other material and price-sensitive information about the Company and its Subsidiary is promptly communicated to the CSE and released to employees, the press, and shareholders.

The Company and its Subsidiary focuses on open communication and fair disclosure, emphasising the integrity, timeliness, and relevance of the information provided. It ensures that information is communicated accurately and in a manner that will avoid the creation or continuation of a false market.

Constructive use of the Annual General Meeting (AGM)

The AGM is the primary mechanism for the Board to interact with and account to shareholders, and allows shareholders' views to be heard. At the AGM, the Board provides an update to shareholders on the Company's performance, and shareholders may ask questions to clarify matters prior to voting on resolutions. It is the key forum for shareholders to engage in decision-making matters reserved for them, including proposals to adopt the Annual Report and Accounts, appointing Directors and Auditors and other matters requiring special resolutions as defined in the Articles of Association or the Companies Act. The Chairperson ensures that the Chairperson of the Audit Committee, Board members and members of other Board Committees, key management personnel, and External Auditors are present to respond to queries the shareholders may raise.

The JK Group makes use of the AGM constructively towards enhancing relationships with the shareholders, and towards this end, the following procedures are followed:

- Notice of the AGM and related documents are made available to the shareholders along with the Annual Report no later than 15 working days before the AGM.
- A summary of procedures governing voting at the AGM is communicated.
- The Board ensures that the external auditors are present at the AGM.
- Most Executive and Non-Executive Directors are made available to answer queries.
- The Chairperson ensures that the relevant senior managers are also available at the AGM to answer specific queries.
- Separate resolutions are proposed for each item that is required to be voted on.
- Proxy votes are counted for, against, and withheld (abstained).
- The AGM for the year was held virtually, complying to the guidelines issued by the CSE.

Serious Loss of Capital

In the unlikely event that the Company's net assets fall below half of its stated capital, shareholders will be notified, and the requisite resolutions will be passed on outlining the proposed way forward.

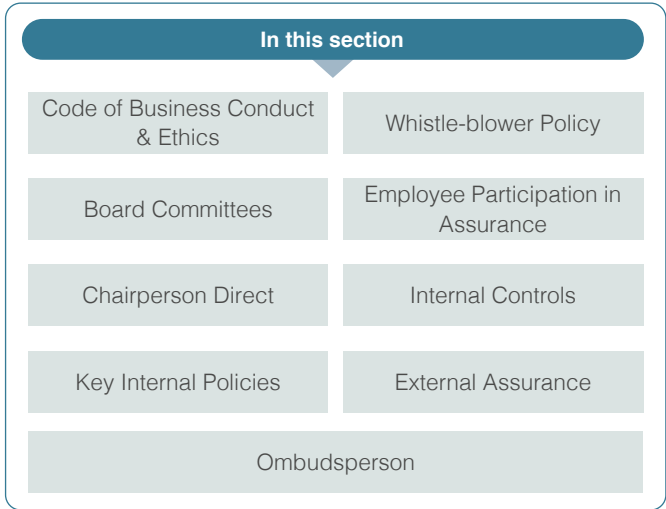
Extraordinary General Meetings, including Shareholder Approval through Special Resolution

The Company will seek shareholder approval, either via special or ordinary resolution as permitted under applicable law and the Company's articles of associations, when transactions and events that are material in the Group and Company's context occur or are undertaken in line with all applicable rules and regulations.

During the year under review, an amendment to the Articles of Association was done through passing a special resolution in an extraordinary general meeting, to facilitate the revised rules on Alternative Directors.

ASSURANCE MECHANISM

The Assurance Mechanisms comprise the various supervisory, monitoring and benchmarking elements of the Company and its Subsidiary Governance System, which are used to measure 'actuals' against 'plan' with a view to highlighting deviations, signalling the need for quick corrective action, and quick redress when necessary. These mechanisms also act as 'safety nets' and internal checks in the Governance system. The Company and its Subsidiary also conduct internal and external audits periodically, at a minimum annually. As outlined in the ensuing sections, the Company and its Subsidiary have various mechanisms for escalated concerns at a Board or GEC level. Other than matters on significant transactions linked to the operations of the Company and its Subsidiary, there were no critical concerns which have a material adverse effect on the Company and its Subsidiary that were raised during the year.



Code of Business Conduct & Ethics

JK Group's ethical business practices, adopted by the Company and its Subsidiary;

- Seeks to ensure that ethical business practices are adhered to from the most senior to the most junior employee, including the Board of Directors. All JK Group companies have established procedures and processes to prevent and reduce corruption and bribery. Each business unit is expected to assess the risk of corruption as part of its risk management process and implement mitigation measures. Transparent control and prevention mechanisms extend this expectation to the entire value chain, including customers, suppliers, and business partners. The JK Group analyses all its business units and functions, incorporating the risk of corruption into its risk management process. Additionally, the JK Group maintains a zero-tolerance policy towards bribery and corruption.
- Implements stringent checks during the recruitment process to ensure compliance with minimum age requirements.
- Ensures that all businesses are educated on potential sources of forced and compulsory labour.
- Is committed to upholding the universal human rights of all its stakeholders.
- Is an equal opportunity employer and has a zero-tolerance policy against physical or verbal harassment based on gender identity, race, religion, nationality, age, social origin, disability, sexual orientation, political affiliations, or opinion

The Company and its Subsidiary adhere to the JK Group Code of Conduct, which reflects a unified set of corporate values and governs all employees, including Directors. Established by the Board, these guidelines promote cohesive growth, ethical behaviour, and legal compliance. The Code is actively communicated across all levels to reinforce awareness and sustain stakeholder trust.

The Code of Conduct also entails conformance to JK Group policies, and includes, amongst many others, policies on gifts, entertainment, facilitation payments, and proprietary and confidential information. Policies on anti-fraud, anti-corruption and anti-money laundering and countering the financing of terrorism and JKH's Code of Conduct, amongst other policies, also encompass:

- anti-bribery controls to prevent payments and contributions being made with the aim of obtaining an improper business benefit from any party, including, but not limited to, clients, service providers, customers, business associates and political parties; and

• Controls on gifting and favours

The giving or accepting gifts or favours in whatsoever form, including from clients, service providers, customers, business associates and political parties and any other stakeholder

we engage with in the course of carrying out duties in our professional capacity, is prohibited if it was possible on the part of a 'reasonable person' to conclude that the giving/ acceptance of such gifts or favours could directly or indirectly affect one's independence in decision making and conduct as an employee and/or if others could see it as a consideration for an official or business favour. The 'reasonable person' test should also be applied regarding charitable donations and sponsorships (financial or in-kind).

If a gift or benefit with a threshold above USD 50 per gift is given or received based on business exigencies, it is monitored to ensure conformance with the JK Group's policies, including policies on gifts and entertainment. Such exceptions must be reported to the respective Finance Head of the business (Chief Financial Officer or Sector Financial Controller), where they are collated and monitored centrally.

Our Stakeholders are kindly requested to refrain from giving gifts to our personnel for all occasions, as part of our commitment to good corporate governance

JKH Code of Conduct

- Allegiance to the Company and the JK Group, that ensures the JK Group will do the right thing, by going further than the letter of any contract, the law and the JK Group's written policies.
- Compliance with rules and regulations applying in the territories that the JK Group operates in.
- Conduct all businesses in an ethical manner at all times in keeping with acceptable business practices and demonstrate respect for the communities the JK Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

CORPORATE GOVERNANCE

The Code of Conduct and all JK Group policies apply to all employees and Directors. These policies are approved at Board level and made accessible in Sinhala, Tamil, and English. The Company Leadership, both the Board of Directors and the JK Group Executive Committee, spearheads the implementation of the Code.

During the year under review, the JK Group continued to strengthen its internal policy framework in line with best practices and the revised CSE Listing Rules. This included reviewing the interdependencies among its policies, revamping existing policies, and formalising processes already in place through the introduction of overarching policies for these processes. As part of this effort, the JK Group's Code of Conduct is currently being revamped to consolidate all employee expectations into a single, more informative, and comprehensive policy document.

A strong set of values, institutionalised at all levels within the group through structured communication, strongly affirms the objectives of the Code of Conduct. The degree of employee conformance with Values and their degree of adherence to the JKH Code of Conduct are key elements of the reward and recognition schemes.

The Code is underpinned by strong JK Group Values, communicated across all levels, and embedded in performance and reward systems. The chairperson-CEO and senior leadership consistently reinforce these values in employee and stakeholder engagements to embed them deeply within the organisation's culture.

Board Committees

In addition to the Company Audit Committee, Nominations and Governance Committee, Human Resources and Compensation Committee and the Related Party Transactions Review Committee, Project Risk Assessment Committee of JKH PLC's Board play an important supervisory and monitoring role by focusing on the designated area of responsibility passed to it by the Board. For more information refer Board Committee section pages 120 to 126 of this Commentary.

Chairperson Direct

JKH has a formal mechanism in place that enables both shareholders and employees to directly communicate with the Chairperson regarding any critical grievances or concerns. This platform ensures transparency, accountability, and open dialogue, allowing stakeholders to voice their issues in a structured and confidential manner.

Key Internal Policies

The Company and its Subsidiary's policy framework is largely aligned to that of the JK Group and tailored to suit the specific requirements of the industry wherever relevant. Policies are reviewed and updated regularly to ensure relevance to internal dynamics and the external landscape.

Key internal policies:

- Policy on Conduct and Business Ethics
 - Code of Conduct, which also includes policies on gifts, entertainment, facilitation payments, proprietary and confidential information
- Policy on diversity, equity and inclusion, including a gender policy
- Policies on equal opportunities, non-discrimination, career management and promotions, including on employees with disabilities
- Information Technology (IT) policies and procedures, including data protection, classification and security
- Policy on communications and ethical advertising, complemented by social media and crisis communication guidelines
- Insider trading policy
- Supplier Code of Conduct
- Policy against sexual harassment
- Policy on Matters Relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Nominations and Re-election
- Policy on Remuneration
- Policy on Relations with Shareholders and Investors
- Policy on Control and Management of Company Assets and Shareholder Investments
- Policy on Corporate Disclosures
- Policy on the Engagement of the External Auditor for Non-Audit Services
- Policy on Anti-Bribery, Anti-Corruption, Anti-Fraud, Anti-Money Laundering, Anti-Terrorism and Proliferation Financing and Sanctions.
- Leave (which also encompasses the equal parental leave), flexi-hours, tele-working and agile working policies including health and safety enhancements and protocols
- Enterprise Risk Management and Internal Controls Policy
- Policies on products and services
- Recruitment and selection, rewards and recognition, and learning and development policies
- Policies on whistleblowing (speak up policy), grievance handling and disciplinary procedures

- Policy on forced, compulsory child labour and child protection
- JK Group accounting procedures and policies
- Policies on fund management and foreign exchange risk mitigation
- Ombudsperson policy
- Environmental, Social and Governance (ESG) Policy

The JK Group's policy commitments are available to all employees of the Company and its Subsidiary via the JK Group's employee portal. These policy commitments are approved by the JK Group Executive Committee with Board oversight. No material changes were done to the JK Group policies during the reporting period and all the policies were complied with and no waivers from compliance or exemptions for the internal code of conduct and business ethics were granted during the year under review. The Company and its Subsidiary is in the process of making available all applicable policies in the public domain as required by applicable laws, rules and regulations.

Ombudsperson

An Ombudsperson is available to report any complaints from employees of alleged violations of the published Code of Conduct if the complainant feels that the alleged violation has not been addressed satisfactorily by the internally available mechanisms.

The findings and the recommendations of the Ombudsperson, subsequent to an independent inquiry, are confidentially communicated to the Chairperson-CEO of JKH or to the Senior Independent Director of JKH upon which the involvement duty of the Ombudsperson ceases.

On matters referred to him by the Ombudsperson, the Chairperson-CEO of JKH or the Senior Independent Director of JKH, as the case may be, will place before the Board:

- the decision and the recommendations;
- action taken based on the recommendations;
- where the Chairperson-CEO of JKH or the Senior Independent Director of JKH disagrees with any or all of the findings and or the recommendations thereon, the areas of disagreement and the reasons, therefore.

In situation (iii), the Board must consider the areas of disagreement and decide on the way forward. The chairperson-CEO of JKH or the Senior Independent Director of JKH is expected to take such steps as are necessary to ensure that the complainant is not victimised in any manner for having invoked this process.

The current Ombudsperson is an attorney-at-law by profession.

There were no critical concerns communicated to the highest governance body during the reporting period.

Key initiatives during the year

During the year under review, the JK Group revisited its internal policy universe to ensure adherence with the revised Listing Rules of the CSE. The key developments include:

- While the JK Group has a Code of Conduct applicable to all Employees, a Policy on the Code of Conduct was introduced to provide a structured framework to govern ethical business practices and professional behaviour.
- A Policy on Environmental, Social and Governance (ESG) was newly developed.
- A Policy on Relations with Shareholders and Investors was introduced, and while the JK Group already had relevant processes in places for the same, this Policy ensures alignment with the Listing Rules while incorporating existing governance measures.
- A Policy on Control and Management of Company Assets and Shareholder Investments was formalised to enhance transparency and accountability in the oversight of shareholder assets and investment decisions.

Corporate Governance Policy :

<https://www.cinnamonhotels.com/investor-relations>

Policy PDF :

https://d18sll4wlf9ku.cloudfront.net/www.cinnamonhotels.com1302818674/cms/pressroom/statement_for_website_adoption_of_policies.pdf

Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

- legal and ethical violations of the Code of Conduct for employees, but in an appellate capacity, when a satisfactory outcome using existing procedures and processes has not resulted or when the matter has been inadequately dealt with;
- violations referred to above by individuals at the Executive Vice President, President and Executive Director levels, including that of the Chairperson-CEO of JKH, in which case the complainant has the option of either complaining to the Ombudsperson in the first instance, or first exhausting the internal remedies;
- sexual harassment, in which event the complainant has the option of either complaining to the Ombudsperson in the first instance or first exhausting the internal remedies.

The mandate excludes disciplinary issues from the Ombudsperson's responsibilities. The right to take disciplinary action is vested exclusively in the Chairperson- CEO of JKH and those to whom this authority has been delegated.

No issues were raised by any member of the Companies covered during the year under review.

Ombudsperson

31 March 2025

CORPORATE GOVERNANCE

Whistle-blower Policy

The Company and its Subsidiary continued with its whistle-blower policy and securities trading policy. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up. The respective outcomes are duly recorded. The JK Group's Whistle-blower Policy provides an effective mechanism for employees and other stakeholders to report any concerns regarding compliance and ethics. The Policy provides a transparent and confidential process that encourages reporting any such concerns. The Policy covers the reporting process, how such reports will be addressed and emphasises that those who make a report in good faith under the Policy will be protected from retaliation.

Key aspects of the Policy:

- Guidelines on the process through which concerns raised will be investigated and appropriate corrective/preventive action will be taken
- Designated persons to whom reports can be made.
- Management responses and steps taken
- Details of the internal inquiry process
- Maintaining confidentiality

The Whistleblower policy which was also established at CH&R serves as a vital framework to uphold ethical standards and protect colleagues who report unauthorised or unethical practices within the organisation. The anonymity and protection of the reporting employee is maintained and there is two-way communication with the management.

Employee Participation in Assurance

Employee engagement is encouraged at all levels, and the Company and its Subsidiary continue to work towards introducing innovative and effective ways of employee communication and employee awareness. Whilst employees have many opportunities to interact with senior management, the Company and its Subsidiary has created the ensuing formal channels for such communication through feedback, without the risk of reprisal. The whistle-blower and securities trading policies remain in effect, supporting transparency. Further, any of the communication channels mentioned here are available to any of the employees of the Company and its Subsidiary through which employees can report suspected acts of corruption or breaches of anti-corruption policies. Such communication and feedback received from the employees by the management are recorded, irrespective of the level of anonymity, and subsequently discussed and followed up. The respective outcomes are duly recorded.

Employee Communication Channels

- Skip level meetings
- Exit interviews
- 360 Degree evaluation
- Employee surveys
- Monthly staff meeting
- Chairperson-Direct
- Ombudsperson
- Continuous reiteration and the practice of the "Open-Door" policy

Internal Controls

The Board has taken necessary steps to ensure the integrity of the Company and its Subsidiary's accounting and financial reporting systems and that internal control systems remain robust and effective by periodically reviewing and monitoring such systems.

Internal Compliance and System of Control

A quarterly self-certification programme requires the Leisure industry JK Group's President, CEO, COO and CFO to confirm compliance with statutory and other regulatory procedures and identify any significant deviations from the expected norms. The compliance statement, which gets collated every quarter and tabled at the respective Audit Committee meeting, is subject to periodic review and, where applicable, revised to reflect and capture any material changes that drive the macro and micro-operating contexts for reporting and monitoring purposes.

The Board has taken steps to obtain assurance that systems designed to safeguard the Company and its Subsidiary's assets and provide management information are functioning according to expectations and proper accounting records are in place through the involvement of the JK Group Business Process Review function.

This also entails automated monitoring and workflow-based escalation to facilitate timely clearing of all transactional entries, including complete reconciliation, unreconciled and open entries being flagged and periodically scrutinised, and formal disclosure being made to the relevant Audit Committees, efficient management and tracking of cash and cheque deposits, in line with international best practice and continual streamlining and optimisation of the Internal Audit function via identification of focus areas, improvement opportunities and feedback reporting to reinforce governance and assurance.

The JK Group has in place two integrated frameworks, the 'Fraud Deterrent and Investigation Framework' and the 'Process Review Framework', that complement each other to strengthen the JK Group's effort to promote anti-fraud, anti-corruption and anti-bribery by proactively recognising the changing context and operating landscape. The integrated fraud deterrent and investigation framework, which enables an integrated platform for handling all aspects of fraud and stakeholder assurance, reinforces uniformity across common processes in matters relating to fraud,

employs a data-driven approach to the continuous assessment of control efficacy and assesses and deploys appropriate preventive and detective controls against frauds. The Integrated Process Review Framework provides an innovative approach to internal audits, which enables audits to be specific and highly focused on matters relevant to a business entity. Emphasis is placed on use cases and events stemming from the current business strategy, which must be facilitated by participating processes, systems, and personnel which form micro-value chains with special attention to the efficacy of control and its placement to ensure the integrity of transaction as each traverse through each micro-value chain, at the time of audit reviews.

The digital system for quarterly financial and operational information management implemented continues to perform as per expectations, facilitating data capturing for compliance reporting, providing a sustainable and structured mechanism to enable top-down and bottom-up stakeholder engagement, and tracking the progression of how the compliance posture at an entity level has evolved, among others. The Forensic Data Analytics platform feeds into 'Internal Audit Scoping' and continues to identify areas for process optimisation, strengthening controls and feedback reporting to reinforce governance (management) and assurance structures.

Initiatives to Strengthen Internal Controls

- A Forensic Data Analytics platform was implemented for automated transaction outlier detection, to monitor key financial data such as Accounts Payable, Accounts Receivable, the General Ledger and other financial transactions. The system detects anomalies and routes alerts for timely management review, helping deter fraud and reinforce internal controls. Alerts are classified as 'Useful' or 'Not Useful', with the latter undergoing independent internal audit review. This process includes a formal root-cause analysis and an evaluation of the efficacy of remedial measures. Findings and trends are regularly reviewed with governance bodies to drive continuous improvements. Utilising machine learning and behavioural analytics, the platform enhances risk mitigation, fraud detection, and regulatory compliance.
- The JK Group launched a pilot for an advanced, data-driven Integrated Risk Intelligence System to enhance financial governance, compliance oversight, and credit risk mitigation. Utilising behavioural analytics and machine learning, the system analyses customer payment patterns, generating actionable insights. Aligned with IFRS 9 guidelines, it supports informed decision-making, strengthens governance, and ensures regulatory compliance.
- The JK Group maintained a robust Business Continuity Management (BCM) framework; a process driven approach designed to safeguard operational integrity, protect stakeholder interests, and align with globally recognised resilience standards such as ISO22301:2019 and DRI best practices. This framework integrates proactive risk mitigation, rigorous testing, and governance oversight to ensure continuity of critical functions during disruptions.
- In order to ensure compliance with the Personal Data Protection Act No. 09 of 2022 (PDPA), Data Protection

Officer (DPO) have been appointed in the Company who is responsible for overseeing data protection practices within their respective, supported by a Data Governance Steering Committee that provides strategic guidance on data governance and personal data protection matters. External professionals have also been engaged to conduct comprehensive analyses, which have helped to identify discrepancies and areas of improvement in the JK Group's data protection framework leading to enhancements in technical, security, and organisational measures. Regular compliance reports are submitted to senior leadership, while the Audit Committee receives updates on emerging issues. The JK Group actively monitors regulatory developments and engages with the Data Protection Authority (DPA) to ensure adherence to evolving standards.

Segregation of Duties (SoD) under Sarbanes-Oxley (SOX)

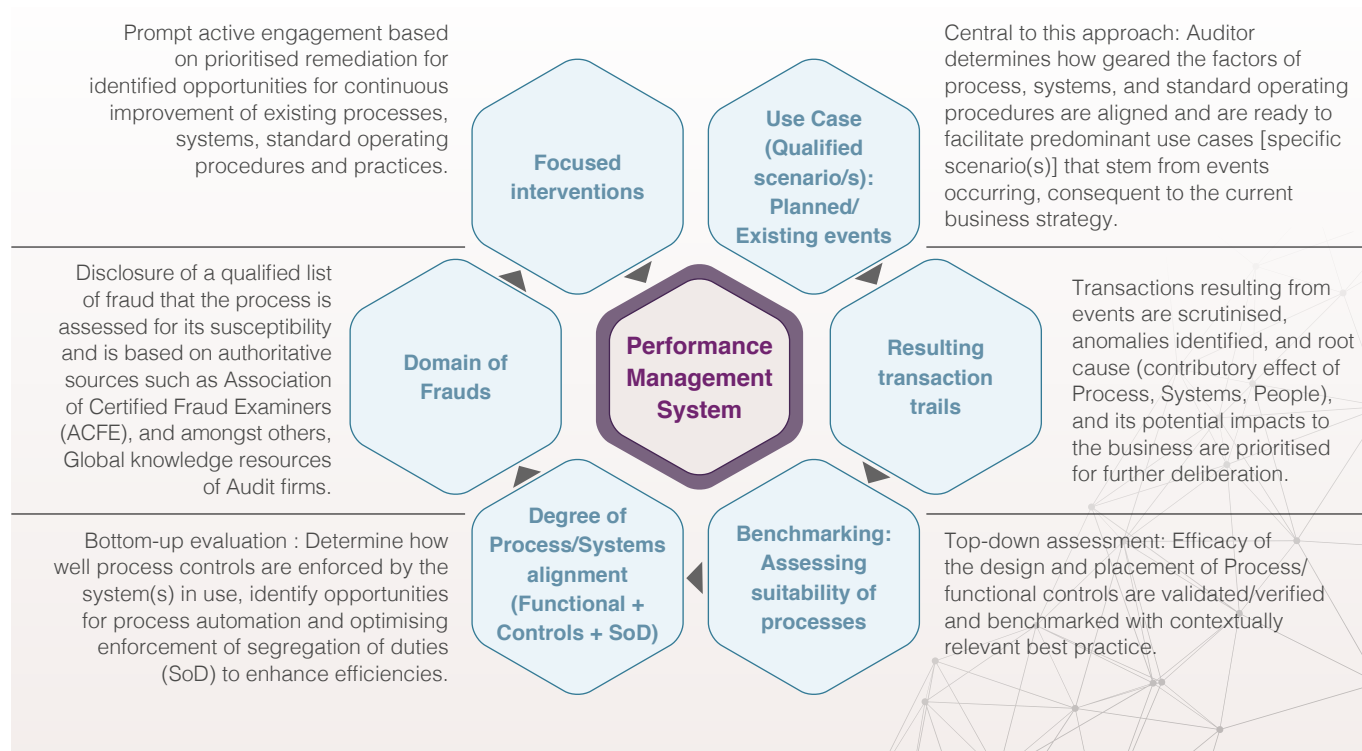
The Company and its Subsidiary are well aware of the need to ensure that no individual has excessive system access to execute transactions across an entire or several business processes which have critical approval linkages in the context that increase in use of information technology and integrated financial controls creates unintended exposures within the Company and its Subsidiary. SoD dictates that problems such as fraud, material misstatements and manipulation of financial statements have the potential to arise when the same individual is able to execute two or more conflicting, sensitive transactions. Separating disparate jobs into task-oriented roles can often result in inefficiencies and costs which do not meet the cost versus benefit criteria. Whilst the attainment of a zero SoD conflict state is utopian, the Company and its Subsidiary continue to take steps to identify and evaluate existing conflicts and reduce residual risks to an acceptable level under a cost versus benefit rationale. No material conflicts were reported during the year.

Internal Audit

The internal audit process of the Company and its Subsidiary is conducted by outsourced parties at regular intervals, coordinated by the JK Group Business Process Review function (GBPR) of the JK Group. GBPR ensures that the internal audit plan adequately covers the significant risks of the Company and its Subsidiary and reviews the important internal audit findings and follow-up procedures. Internal audit reports are first considered and discussed at the business/functional unit levels. These reports are forwarded to the Audit Committee on a regular basis. Further, the Audit Committees also assess the effectiveness of the risk review process and systems of internal control regularly. Whilst there are merits and demerits associated with outsourcing an internal audit, the Company and its Subsidiary are of the view that having an external-based internal auditor is more advantageous. However, there are certain industries where the domain is very operationally specific and requires an internal auditor in addition to the external auditor.

CORPORATE GOVERNANCE

Internal audit approach: Continuous emphasis on context



Forensic Data Analytics

The Company and its Subsidiary uses forensic data analytics to facilitate action towards investigating transactions that are distinct within its population. Based on well-established algorithms, it prompts attention to strengthen process and system controls to ensure the integrity of such transactions within its contextual domain.

A key success factor of this oversight mechanism is the use of advanced machine learning algorithms that are continuously sensitised to each business's operating circumstances that trigger such transactions and remain relevant and insightful by increasing its utility and providing optimisation opportunities for Continuous Controls Monitoring (CCM) and active intervention.

The Company and its Subsidiary conjunction with the JK Group piloted and implemented a series of new initiatives throughout the year to strengthen the effectiveness of the forensic data analytics platform and related capabilities to complement CCM and internal audit engagements.

External Assurance

The External Auditor is appointed subject to the provisions of the Companies Act. The Audit Committee recommends to the Board for the appointment, re-appointment or removal of the External Auditor in line with professional and ethical standards and regulatory requirements. It monitors and reviews the External

Auditor's independence, objectivity, and effectiveness in the audit process, considering relevant professional and regulatory requirements.

When assigning non-audit services to External Auditors, the Audit Committee ensures that the External Auditor has the necessary skills and experience for the assignment and ascertains that independence and objectivity in carrying out his duties and responsibilities will not be impaired.

On the recommendation of the Board, the shareholders approved the reappointment of Messrs. KPMG, Chartered Accountants, as the External Auditor for 2024/25 at the last AGM.

The audit fees paid by the Company to its auditors are separately classified in the Notes to the Financial Statements.

GOVERNANCE OUTLOOK AND EMERGING CHALLENGES

A robust corporate governance framework is essential to ensure accountability, transparency, fairness, and sustainable value creation in an increasingly dynamic and volatile environment.

The Company and its Subsidiary remain committed to adopting governance best practices and continuously reviewing their preparedness to manage evolving challenges. Ongoing improvements in governance, alongside growing emphasis on

environmental, social, and accountability standards, continue to shape the role of the Board—mitigating risks, building stakeholder trust, attracting investment, and supporting long-term growth.

The following section presents key areas of focus and challenges being addressed by the Company.

In this section

Key areas of focus and challenges being addressed by the Company

Board Diversity	Continual Strengthening of Internal Controls
Board Independence	Digital Oversight and Cyber Security
Anti-Fraud, Anti-Corruption and Anti-Bribery	Data Protection, Information Management and Adoption
Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects	Greater Employee Involvement in Governance
	Need for Increased Transparency

Board Diversity

The Company recognises the importance of a diverse Board with the skills, values, and vision aligned to the JK Group's varied business interests. Diversity enhances Board perspectives, strengthens stakeholder engagement, and supports more responsive decision-making. The Company remains committed to attracting Directors from diverse demographics, experiences, and backgrounds, while upholding a strong culture of meritocracy.

Board Independence

Board independence remains a key priority for stakeholders, regulators, and stock exchanges. The Company is committed to fostering independent decision-making and mitigating conflicts of interest through sound structures and nomination processes.

When looking at criteria for defining independence of Boards, there is evidence that the intended outcome of achieving improved governance and greater independence can be achieved through various checks and balances, whilst not compromising on the underlying operating model of a corporate. These checks and balances may entail, among others, establishment of various assurance mechanisms and the use of systematic and comprehensive Board evaluation processes and Independent Director led engagements. To this end, The Company will continue to place emphasis on further augmenting the Board's independence whilst striking a balance with the JK Group's operating model, which addresses the complexities and intricacies of a diversified conglomerate setting.

Anti-Fraud, Anti-Corruption and Anti-Bribery

The Company places the utmost importance on ethical practices in all its business operations and has promulgated a zero-tolerance policy towards bribery and corruption in all aspects of doing business and strives to maintain a culture of transparency and honesty in all its dealings with both internal and external stakeholders. The JKH Code of Conduct, anti-fraud, fraud prevention, anti-corruption, anti-bribery, anti-money laundering, counter-terrorist financing, gifting, audit and transparency policies, amongst many others, outline the principles to which the Company is committed in relation to preventing, reporting and managing unethical practices. Accordingly, all forms of fraud and corruption, including, but not limited to, theft, embezzlement, overriding controls, giving or receiving kickbacks, facilitation payments, bribery, allowing oneself to be placed in situations of conflict of interest and dishonesty in financial and non-financial statements is prohibited across the Company.

Furthermore, the JK Group is continuously engaged in taking steps to strengthen its Code of Conduct deviation monitoring and resolution process. There were no material incidents of corruption reported during the year by the Company.

Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects

ESG-focused investing is gaining momentum globally as governments, funding agencies, and investors seek to minimise irresponsible corporate practices that harm the environment, infringe on human rights, and encourage corruption. Effective ESG policies are vital for attracting talent, retaining employee loyalty, and ensuring sustainable growth.

The Company believe that prioritising ESG fosters a comprehensive performance analysis, enabling a sustainable business model that benefits all stakeholders. Efforts include managing natural resources, reducing environmental impact, enhancing stakeholder wellbeing, and ensuring robust governance. ESG metrics are regularly reviewed during decision-making to stay ahead of developments and integrate ESG elements into strategy, operations, and reporting.

In collaboration with an international consultancy, JKH conducted detailed studies across industries to identify material ESG topics, benchmark performance against industry leaders, and engage stakeholders for insights. This resulted in the identification of key ESG priorities for each sector including the Company.

Following the release of IFRS S1 and S2 standards by ISSB and their localisation to SLFRS S1 and S2 by CA Sri Lanka, JKH is preparing for their implementation. A consultant-led gap analysis will guide integration, supported by dedicated teams at sector and JK Group levels.

CORPORATE GOVERNANCE

Continual Strengthening of Internal Controls

Augmenting transactional and financial internal controls with operational aspects, in line with international best practice, remains a medium-term priority for the Company. Continuous strengthening of internal controls through a structured process that optimises and facilitates process audit information, lifecycle management and related processes are expected to:

- eliminate inefficiencies inherent in manual processes.
- provide a platform based on process enforcement.
- enable management follow-up based on centrally held data in a compliance repository.
- identify trends, action taken, effectiveness and opportunities for process improvement by analysing movement of the compliance posture.
- strengthen the JK Group's ability to prevent and detect fraud.
- leverage data analytics and technology to raise alerts.

Refer System of Internal Control Section of this Commentary page 146 for initiatives during the year aimed at strengthening internal controls.

Digital Oversight and Cyber Security

Whilst the rapidly advancing nature of technology and the continual integration of the Company and its Subsidiary's operations with technological progress has enhanced and streamlined processes and controls and opened up opportunities, it has resulted in increased vulnerability for the Company and its Subsidiary from a digital standpoint. As a result, the Board places significant emphasis on ensuring that the JK Group's soft and hard infrastructure is designed in a manner, and adequate, to deal with and prevent potential breaches. Data protection and cyber security are regularly addressed during the Risk Management and Audit Committee meetings and periodically discussed at a Board level.

Data Protection, Information Management and Adoption

The presence of continuously evolving IT infrastructure and platforms to meet day-to-day business requirements continues to augur well for the JK Group. Given the emergence of regulations such as the European Union General Data Protection Regulation (GDPR) and the Sri Lankan Personal Data Protection Act No. 9 of 2022, data security, integrity and information management have become pivotal. In addition, the Company's initiatives on advanced data analytics also necessitate an established governance framework to manage the data flow. To this end, the Company and its Subsidiary will continue strengthening its data governance structure to ensure ownership and accountability of clearly articulated data governance policies and processes and JK Group-wide data quality standards.

Greater Employee Involvement in Governance

Whilst all necessary compliance and assurance frameworks are believed to be in place, the Company and its Subsidiary recognise the pivotal role played by employees in reinforcing an effective governance system across the Group. The Company will continue to encourage greater employee participation through:

- ongoing training and refreshers on the Code of Conduct and related governance policies, including non-discrimination, anti-corruption and anti-bribery.
- a further strengthened performance management process envisages continuous feedback and greater engagement via employee information systems.
- engagement and empowerment via greater delegation of authority.
- increased communication and collaboration.
- adoption of differentiated means of communication based on the demographical dynamics of employee segments.

Need for Increased Transparency

Ensuring transparency is a continually evolving journey given progressing regulations, advancements in global best practice and complex stakeholder needs. Staying abreast of internally accepted best practice and continuously challenging the status quo is vital in this journey of being transparent. Additionally, transparency and accountability in reporting foster a foundation of trust with stakeholders which improves the credibility of the organisation, whilst also strengthening an organisation's legitimacy and reputation. Openly reporting on activities and challenges builds public trust and demonstrates a commitment to ethical practices. In today's information age, such aspects will aid organisations in differentiating themselves from a stakeholder's point of view, including attracting investment so long as the information is relevant to the stakeholder and does not create information overload where the material information may lose the perspective and attention it warrants.

In an organisation's journey towards transparency, the Government and regulatory bodies also need to play a pivotal role in ensuring the required foundations and criteria for good governance are advocated and put in place. Hence, it is vital for the regulatory frameworks of the country to evolve as corporates cannot operate in isolation within the ecosystem. For instance, Transparency International, including its local counterpart, Transparency International Sri Lanka advocates for the disclosure of Ultimate Beneficial Owners (UBO) of corporates. However, collating information on ultimate beneficial owners of entities is not possible as the country's regulations do not require this to be disclosed when purchasing shares in the Colombo Stock Exchange (CSE), and a listed entity cannot compile this information in isolation.

COMPLIANCE

In this section

Compliance Summary

Statement of Compliance under Section 9 of the Revised Listing Rules of the CSE on Corporate Governance, effective 1 April 2024

Statement of Compliance pertaining to Companies Act No. 7 of 2007

Statement of Compliance with applicable Codes of Best Practice – Voluntary Compliance

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

Compliance Summary

The Directors are conscious of their duty to comply with the laws, regulations, regulatory guidelines, internal controls, and approved policies in all areas of the Company's business. The Board receives Compliance Statements from the President – Leisure Industry Group confirming compliance with regulatory requirements each quarter in accordance with its commitment

to regulatory compliance. The Company is compliant with all relevant legal and statutory requirements. Any litigations currently pending, if any, have been disclosed in the Annual Report of the Board of Directors on page 177 of this Report.

The Company is fully compliant with all the mandatory rules and regulations stipulated by the following:

- Listing Rules of the CSE (effective as of 1 April 2024);
- Companies Act No.7 of 2007;
- Securities and Exchange Commission of Sri Lanka (SEC) Act No.19 of 2021, including rules, regulations, directives and circulars; and
- Code of Best Practices on Related Party Transactions (2013) advocated by the SEC

The JK Group has also given due consideration to the Best Practice on Corporate Governance (2023) Reporting guidelines set out by CA Sri Lanka and has, in all instances, barring a few, embraced such practices voluntarily, particularly if such practices have been identified as relevant and value-adding. In the very few instances where the JK Group has not adopted such best practices, the rationale for such non-adoption is articulated.

The Company is fully compliant with all the mandatory rules and regulations stipulated by the following:

Statement of Compliance pertaining to Companies Act No. 7 of 2007

Mandatory Provisions - Fully Compliant

Rule	Compliance Status	Reference (within the Report)
168 (1) (a) The nature of the business together with any change thereof	Yes	Annual Report of the Board of Directors
168 (1) (b) Signed Financial Statements of the AHP Group and the Company	Yes	Financial Statements
168 (1) (c) Auditors' Report on Financial Statements	Yes	Independent Auditors' Report
168 (1) (d) Accounting policies and any changes therein	Yes	Notes to the Financial Statements
168 (1) (e) Particulars of the entries made in the Interests Register	Yes	Annual Report of the Board of Directors
168 (1) (f) Remuneration and other benefits paid to Directors of the Company	Yes	Notes to the Financial Statements
168 (1) (g) Corporate donations made by the Company	Yes	Notes to the Financial Statements
168 (1) (h) Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	Yes	Board of Directors
168 (1) (i) Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered	Yes	Notes to the Financial Statements
168 (1) (j) Auditors' relationship or any interest with the Company and its Subsidiaries	Yes	Report of the Audit Committee/ Financial Statements
168 (1) (k) Acknowledgement of the contents of this Report and signatures on behalf of the Board	Yes	Financial Statements/Annual Report of the Board of Directors
168 (2) Information specified in paragraphs (b) to (j) of subsection (1) in relation to Subsidiaries.	Yes	Financial Statements/Annual Report of the Board of Directors

CORPORATE GOVERNANCE

Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosures

Mandatory Provisions - Fully Compliant

Rule		Compliance Status	Reference (within the Report)
(i)	Names of persons who were Directors of the Entity	Yes	Profiles of Directors – Page 21
(ii)	Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	Annual Report of the Board of Directors – Page 177
(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	Yes	Information to Shareholders and Investors - Page 242
(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Yes	
	a) The public holding percentage in respect of non- voting Shares (where applicable)	N/A	
	b) The public holding percentage in respect of Foreign Currency denominated Shares	N/A	
(v)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Yes	Annual Report of the Board of Directors - Page 177
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Yes	Risk and Opportunities Report Page 39
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Yes	During the year 2024/2025, there were no material issues pertaining to employees and industrial relations of the Company
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Yes	Notes to the Financial Statements – Pages 195 to 238
(ix)	Number of shares representing the Entity's stated capital	Yes	Information to Shareholders and Investors – Page 242
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	
(xi)	Financial ratios and market price information	Yes	Performance Highlights - 14
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year	Yes	Notes to the Financial Statements – Pages 195 to 238
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	Yes	Information to Shareholders and Investors There were no funds raised during FY 24/25 through public issues, rights issues and/or through private placement. - Page 242
(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	Yes	Notes to the Financial Statements - Pages 195 to 238
(xv)	Disclosures pertaining to Corporate Governance practices in terms of section 9 of the Listing Rules	Yes	Corporate Governance - Page 110
(xvi)	Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower	Yes	Notes to the Financial Statements - Pages 195 to 238
(xvii) to (xxi)	Disclosures pertaining to Foreign Currency denominated Securities, Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds and/or Shariah Compliant Debt Securities listed on the CSE	N/A	N/A

Statement of Compliance under Section 9 of the Revised Listing Rules of the CSE on Corporate Governance

Mandatory Provisions - Fully Compliant

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.1 Corporate Governance Rules			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	The Company is in compliance with the Corporate Governance Rules and has stated so within the Report with any deviations explained where applicable.
9.2 Policies			
9.2.1	Specified set of policies to be maintained together with the details relating to the implementation of such policies mentioned of website	Yes	Board adopted policies at AHPL that are aligned with the corporate governance framework of John Keells Group.
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	
9.2.3 (i) (ii)	List of policies to be disclosed along with any changes made to policies	Yes	
9.2.4	Policies to be made available on written request to shareholders	Yes	
9.3 Board Committees			
9.3.1 a/b/c/d	Minimum required Board Committees	Yes	The required Committees are maintained and are functioning effectively.
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Yes	The Company is in compliance with the requirements in respect of the Board Committees.
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred in 9.3.1	Yes	The Company is in compliance with the requirements in respect of the Board Committees. refer Board Sub Committee Report
9.4 Meeting procedures and the conduct of all General Meetings with shareholders			
9.4.1	Maintenance of records relating to all resolutions considered at any General Meeting including requisite information. Making available copies of the same on request to the CSE and/or SEC	Yes	The Company maintains all records and information regarding resolutions considered at General Meetings.
9.4.2 a/b/c/d	Communication and relations with shareholders and investors	Yes	Refer Stakeholder management and effective communications under Corporate Governance Report
9.5 Policy on matters relating to the Board of Directors			
9.5.1 a	Balanced representation between EDs and NEDs, covering Board composition, roles of the Chairperson and CEO, Board balance, and procedures for evaluating Board and CEO performance	Yes	Corporate Governance - Composition of the Board
9.5.1 b	Rationale for combining the roles of Chairperson and CEO, terms of reference of SID, and measures implemented to protect the interests of the SID in the event the Chairperson and CEO roles are combined	N/A	N/A
9.5.1 c	Require diversity in Board composition for Board effectiveness	Yes	Corporate Governance - Composition of the Board
9.5.1 d	The rationale and the maximum number of Directors	Yes	Corporate Governance - Composition of the Board
9.5.1 e	Frequency of Board meetings	Yes	Corporate Governance – Board Meetings

CORPORATE GOVERNANCE

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.5.1 f	Establish mechanisms to keep Directors informed of Listing Rules and the Company's status of compliance/non-compliance	Yes	Corporate Governance - Induction and training for Directors
9.5.1 g	Minimum number of meetings (number and percentage) that a Director must attend	Yes	Corporate Governance – Board Meetings
9.5.1 h	Requirements relating to trading in securities of the Company and its listed group companies, including disclosure obligations	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
9.5.1 i	Maximum number of directorships that may be held by Directors In listed companies	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
9.5.1 j	Permit participation in Board and Committee meetings through audiovisual means, with such participation counting toward the quorum	Yes	Corporate Governance – Board Meetings
9.5.2	Confirmation of compliance with policy in the annual report, with reasons for non-compliance and proposed remedial action	Yes	Corporate Governance – Key Internal Policies
9.6 Chairperson and CEO			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	N/A as the Chairperson is a NED and Chairperson and CEO roles are not combined.
9.6.2	Market announcement on the rationale behind the appointment of a SID	N/A	N/A
9.6.3 a-d	Requirement for a SID	N/A	N/A
9.6.3 E	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	N/A
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	N/A
9.7 Fitness of Directors and CEO			
9.7.1	Company to take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons in terms of the rules	Yes	Directors are required to provide general disclosures and declarations on fitness and propriety annually and are required to report any material changes to the information provided therein, including any changes to their professional responsibilities and business associations, to the Board.
9.7.2	Ensure nominees meet fit and proper criteria before shareholder approval or appointment as Director	Yes	
9.7.3	Assessment Criteria: Honesty, Integrity and Reputation, Competence and Capability and Financial Soundness	Yes	
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with Fit and Proper Assessment Criteria	Yes	The Nominations and Governance Committees reviews and makes recommendation to the Board on the fitness and propriety of Directors.
9.7.5	Disclosures in the Annual Report	Yes	No non-compliances were reported during the year in this regard.
9.8 Board Composition			
9.8.1	Minimum number of Directors on the Board	Yes	Corporate Governance Report – Board Composition
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Details of the independence criteria are explained within the Corporate Governance Commentary.

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.8.5 a/b/c	The Board to ensure that IDs annually submit declarations on independence/non-independence. Board to make an annual determination on the independence or otherwise of IDs and name the Directors who are determined to be independent Market announcement if ID independence has been impaired	Yes	All independent NEDs have submitted declarations as to their independence, and a determination of their independence is evaluated.
9.9 Alternate Directors			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association.	Yes	No Alternate Directors were appointed during the financial year. Additionally, an EGM was held during the year and Articles of Association was amended to incorporate changes required as per the Rules
9.10 Disclosures relating to Directors			
9.10.1	Disclose policy on the maximum number of directorships Board members are permitted to hold	Yes	Corporate Governance Report – Board Composition
9.10.2/9.10.3	Market announcement upon the appointment of a new director and any changes to the Board composition	Yes	Market announcement of the new independent NEDs appointed are made through the CSE.
9.10.4 a-i	Details in relation to the Board members	Yes	Refer Board of Director Profiles report
9.11 Nominations and Governance Committee			
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	Refer to the Nominations and Governance Committee Report
9.11.2	Formal procedure for the appointment and re-election of Directors	Yes	
9.11.3	NGC to have a written Terms of Reference	Yes	
9.11.4 (1) a-b	The Composition of NGC	Yes	
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members	Yes	
9.11.5 (i) – (x)	Functions of NGC	Yes	
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	
9.12 Remuneration Committee			
9.12.2	Establishment of a Remuneration Committee (RC)	Yes	Refer Human Resources Compensation Committee Report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual Directors	Yes	
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence	Yes	
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	

CORPORATE GOVERNANCE

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.12.6 (1)	Composition of RC	Yes	Refer Human Resources Compensation Committee Report
9.12.6 (2)	Chairperson of RC to be an ID	Yes	
9.12.7	Functions of the RC	Yes	
9.12.8 a	Disclosure of names of Chairperson and members of RC	Yes	
9.12.8 b	Statement of Remuneration policy	Yes	
9.12.8 c	Aggregate remuneration paid to EDs and NEDs	Yes	Corporate Governance - Directors Remunerations
9.13 Audit Committee			
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	Refer Audit Committee section of the Corporate Governance Report
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Yes	
9.13.3 (1) a-b	Composition of AC	Yes	
9.13.3 (2)	The quorum for AC meeting shall require a majority of those in attendance to be IDs	Yes	
9.13.3 (3)	AC to meet as often as required, provided it meets compulsorily on a quarterly basis, at minimum, prior to recommending the release of financials	Yes	
9.13.3 (4)/(6)	ID who is a member of a recognised professional accounting body to be appointed as Chairperson of the AC	Yes	
9.13.3 (5)	CEO and the Chief Financial Officer (CFO) to attend the Audit Committee meetings by invitation.	Yes	
9.13.4	Functions of AC	Yes	
9.13.5 (1)	Report of the AC	Yes	
9.13.5 (2) a-i	Disclosures to be included in the AC report	Yes	
9.14 Related Party Transactions Review Committee			
9.14.1	Establishment of a Related Party Transactions Review Committee (RPTRC)	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.2 (1)	Related Party Transactions Review Committee shall comprise of a minimum of 3 members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	Yes	The Related Party Transactions Committee comprises only of Independent Directors and maintained the minimum requirement of three members throughout the year.
9.14.3	Functions of the RPTRC	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.4 (1) - (4)	General Requirements including requirement for RPTRC to meet at least once a quarter, access to all aspects of Related Party Transactions (RPTs), RPTRC to request Board to approve RPTs reviewed by it and requirements relating to Director's material personal interest in a matter being considered at a Board Meeting in relation to a RPT	Yes	
9.14.5	Review of Related Party Transactions by the RPTRC	Yes	

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.14.6	Shareholder Approval for Related Party Transactions	Yes	Refer Extraordinary General Meetings, including Shareholder Approval through Special Resolution section. During the year under review there was no requirements for Shareholder Approval
9.14.7	Immediate Disclosures	Yes	Refer to the Related Party Transactions Review Committee section.
9.14.8 (1)	Details and disclosures pertaining to Non-Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements.
9.14.8 (2)	Details and disclosures pertaining to Recurrent Related Party Transactions	Yes	Refer Notes to the Financial Statements.
9.14.8 (3)	Report of RPTRC	Yes	Refer Report of the Related Party Transactions Review Committee.
9.14.8 (4)	Declaration by the Board of Directors as an affirmative statement of compliance with the rules about Related Party Transactions or a negative statement otherwise	Yes	Refer Annual Report of the Board of Directors.
9.14.9 (1)/(2)	Shareholder approval for the acquisition and disposal of substantial assets	Yes	Refer Extraordinary General Meetings, including Shareholder Approval through Special Resolution section. During the year under review there was no requirements for Shareholder Approval
9.14.9 (4)/(5)/(6)	RPTRC to obtain competent, independent advice on the acquisition and disposal of substantial asset	Yes	There were no acquisition and disposal of substantial assets during the year 2024/25.
9.17 Additional Disclosures			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	Directors make a disclosure of interests at appointment, at the beginning of every financial year and during the year as required.
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Yes	Board takes steps to ensure the integrity of internal control systems remain effective via the review and monitoring of such systems on a periodic basis.
(iii)	Arrangements made for Directors to be made aware of laws, rules and regulations and any changes thereto particularly to Listing Rules and applicable capital market provisions	Yes	Refer Board Induction and Training section.
(iv)	Disclosure of material non-compliance with laws/regulations and fines by relevant authorities where the Entity operates.	Yes	There were no significant instances of non-compliance with laws and regulations during the reporting period.

CORPORATE GOVERNANCE

Statement of Compliance with applicable Codes of Best Practice – Voluntary Compliance

The Company is also compliant with the Code of Best Practices on Related Party Transactions (2013) advocated by the SEC (mandatory) and the Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and CA Sri Lanka (voluntary). The Company has also opted to voluntarily comply with the Code of Best Practice on Corporate Governance (2017) and Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka to the extent of business exigency and as required by the Company and its Subsidiary.

Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

VOLUNTARY PROVISIONS

The Company is compliant with the 2023 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka to the extent of business exigency and as required by the JK Group.

Directors	<ul style="list-style-type: none"> The Company is directed, controlled and led by an effective Board that possess the skills, experience and knowledge and thus all Directors bring independent judgement on various subjects, particularly financial acumen. Regular meetings of the Board are held and at the minimum once a quarter, with access to information, the advice of Company Secretary and independent professional advice, as required. The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country. Board Balance is maintained as the Code stipulates. Whilst there is a transparent procedure for Board Appointments under the oversight of the Nominations and Governance Committee, election and re-election, subject to shareholder approval, takes place at regular intervals. Specified information regarding Directors, such as annual appraisal of the Board is shared in the Corporate Governance Commentary.
Directors' Remuneration	<ul style="list-style-type: none"> The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of the ED's if ED's are appointed to the Board. ED compensation includes performance related elements in the pay structure. Compensation commitments in the event of early termination, determination of NED remuneration by the Board as a whole, remuneration policy and aggregate remuneration paid is disclosed under the Director Remuneration section and is in line with the Code.
Relations with Shareholders	<ul style="list-style-type: none"> There is constructive use of the AGM, as per the Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute. The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section. Disclosure of material transactions and requisite shareholder approvals for major transactions.
Accountability and Audit	<ul style="list-style-type: none"> Interim and other price sensitive and statutorily mandated reports are disclosed to Regulators. As evident from the Annual Report of the Board of Directors, the company carried out all business in accordance with regulations and applicable laws, equitably and fairly. The Company continues to be a going concern and remedial action for any material events is in place. All related party transactions are reported under the Notes to the Financial Statements. There is an annual review of the effectiveness of the Group's risk management and internal controls which ensures the maintenance of a sound system of internal control which is reported on under the Internal Controls section. The Internal Audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section. A Related Party Transactions Review Committee is in place and functions in line with the Code. There were no violations of the Group Code of Conduct, the Code of Business Conduct and Ethics during the year, which is mentioned under the Chairperson's Message section. All Corporate Governance disclosures under CSE rules have been complied with.

Institutional Investors	<ul style="list-style-type: none"> The Company conducts regular and structured dialogue with shareholders based on a mutual understanding of objectives. This is done via the Investor Relations team and through the AGM or other General Meetings as convened on a need basis.
Other Investors	<ul style="list-style-type: none"> Individual shareholders investing directly in shares of the Company are encouraged to carry out adequate analysis and seek independent advice in all investing and/or divesting decisions. They are encouraged to participate at the AGM and any General Meetings that are convened and to exercise their voting rights and seek clarity, whenever required.
Sustainability	<ul style="list-style-type: none"> ESG (environmental, social, and governance) is a pivotal consideration in the Group's decision making. In reporting performance, the Annual Report covers ESG disclosures through the <IR> framework, GRI standards and operations in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals. The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.
Internet and Cybersecurity	<ul style="list-style-type: none"> A designated team member is responsible for overseeing the implementation of the Group's cybersecurity policy, which has been adopted to reflect best practices and comply with applicable regulatory standards. The policy is subject to periodic reviews to evaluate its effectiveness. The Audit Committee receives updates on relevant risks, with significant risks and material issues escalated to the Board for discussion and where relevant informed decision-making. Furthermore, measures have been taken to secure connectivity for both internal and external devices.
Special Considerations for Listed Entities	<ul style="list-style-type: none"> The Company maintains policies relating to its governance and matters relating to Board of Directors in line with the Listing Rules of the CSE and the Code.

BOARD SEATS HELD IN OTHER UNLISTED SRI LANKAN COMPANIES UNDER JK GROUP

K N J BALENDRA

- John Keells Foundation
- Octave Advanced Analytics (Private) Limited
- John Keells CG Auto (Private) Limited
- Sancity Hotels and Properties Limited
- Waterfront Properties (Private) Limited
- Vauxhall Land Developments (Private) Limited
- Braybrooke Residential Towers (Private) Limited
- D H L Keells (Private) Limited
- South Asia Gateway Terminals (Private) Limited
- Colombo West International Terminal (Private) Limited
- Rajawella Holdings Limited

J G A COORAY

- Keells Consultants (Private) Limited
- John Keells Foundation
- Mackinnons Keells Limited
- John Keells International (Private) Limited
- John Keells Capital (Private) Limited
- Jaykay Marketing Services (Pvt) Limited
- Infomate (Private) Limited
- Infomate Global Business Services (Private) Limited
- Octave Advanced Analytics (Private) Limited
- John Keells Information Technology (Private) Limited
- Vauxhall Land Developments (Private) Limited

- Braybrooke Residential Towers (Private) Limited
- South Asia Gateway Terminals (Private) Limited
- Colombo West International Terminal (Private) Limited
- Saffron Aviation (Private) Limited
- John Keells Singapore (Pte) Limited
- Rajawella Holdings Limited
- Waterfront Properties (Private) Limited
- John Keells CG Auto (Private) Limited

S RAJENDRA

- John Keells Stock Brokers (Private) Limited
- Sancity Hotels and Properties Limited
- Braybrooke Residential Properties (Private) Limited
- Braybrooke Residential Towers (Private) Limited
- Whittall Boustead (Travel) Limited
- Rajawella Holdings Limited
- Waterfront Properties (Private) Limited
- J K O A Mobiles (Private) Limited
- Walkers Tours Limited
- Ceylon Holiday Resorts Limited
- Habarana Lodge Limited
- Yala Village (Private) Limited
- Indra Hotels & Resorts Kandy (Private) Limited
- John Keells Maldivian Resorts (Pte) Limited
- Tranquility (Pte) Limited
- Travel Club (Pte) Limited
- Fantasea World Investments (Pte) Limited

CORPORATE GOVERNANCE

M R Svensson

- Ceylon Holiday Resorts Limited
- Habarana Lodge Limited
- Habarana Walk Inn Limited
- International Tourists and Hoteliers Limited
- Kandy Walk Inn Limited
- Rajawella Hotels Company Limited
- Trinco Walk Inn Limited
- Wirawila Walk Inn Limited
- Resort Hotels Limited
- Trinco Holiday Resorts (Private) Limited
- Beruwala Holiday Resorts (Private) Limited
- Yala Village (Pvt) Limited
- Hikkaduwa Holiday Resorts (Private) Limited
- Cinnamon Holidays (Private) Limited
- Ahungalla Holiday Resorts (Private) Limited
- Nuwara Eliya Holiday Resorts (Private) Limited
- John Keells Maldivian Resorts (Pte) Limited
- Tranquility (Pte) Limited
- Travel Club (Pte) Limited
- Fantasea World Investments (Pte) Limited
- Cinnamon Hotel Management Limited
- Capitol Hotel Holdings Limited
- Cinnamon Hotel Management International (Private) Limited
- Cinnamon Hotels & Resorts (Private) Limited

C L P Gunawardane

- Ceylon Holiday Resorts Limited
- Habarana Lodge Limited
- Habarana Walk Inn Limited
- International Tourists and Hoteliers Limited
- Kandy Walk Inn Limited
- Rajawella Hotels Company Limited
- Trinco Walk Inn Limited
- Wirawila Walk Inn Limited
- Resort Hotels Limited
- Beruwala Holiday Resorts (Private) Limited
- Yala Village (Private) Limited
- Trinco Holiday Resorts (Private) Limited
- Hikkaduwa Holiday Resorts (Private) Limited
- Cinnamon Holidays (Private) Limited

- Ahungalla Holiday Resorts (Private) Limited
- Sentinel Realty (Private) Limited
- Indra Hotels & Resorts Kandy (Private) Limited
- John Keells Maldivian Resorts (Pte) Limited
- Tranquility (Pte) Limited
- Travel Club (Pte) Limited
- Fantasea World Investments (Pte) Limited
- Cinnamon Hotels & Resorts (Private) Limited
- Walkers Tours Limited
- Whittall Boustead (Travel) Limited
- Cinnamon Hotel Management International (Private) Limited
- Nuwara Eliya Holiday Resorts (Private) Limited

Board Seats Held in Other Listed Sri Lankan Companies Under JK Group

K N J BALENDRA

- John Keells Hotels PLC
- Trans Asia Hotels PLC
- Ceylon Cold Stores PLC
- John Keells PLC
- Keells Food Products PLC
- Tea Smallholder Factories PLC*
- Union Assurance PLC

J G A COORAY

- John Keells Hotels PLC
- Trans Asia Hotels PLC
- Ceylon Cold Stores PLC
- John Keells PLC
- Keells Food Products PLC
- Tea Smallholder Factories PLC*

S RAJENDRA

- John Keells Hotels PLC
- Union Assurance PLC
- Trans Asia Hotels PLC

M R Svensson

- John Keells Hotels PLC
- Trans Asia Hotels PLC

C L P Gunawardane

- Trans Asia Hotels PLC

* Resigned with effect from 3 April 2025

Board Committee Reports

REPORT OF THE AUDIT COMMITTEE

COMPOSITION OF THE AUDIT COMMITTEE

The Board appointed Audit Committee comprised three Independent Non-Executive Directors inclusive of the Chairperson.

As at 31 March 2025, the Committee comprised of the following members:

- A Nanayakkara – Chairperson (INED)
- A S De Zoysa (INED)
- J Durairatnam (INED)

COMMITTEE MEETINGS

The Committee held four meetings during the year under review. The attendance of Committee Members at meetings is stated in the table below. As per the requirements of the Audit Committee, the majority of those in attendance for the Committee meetings were Independent Directors.

Name of Director	26/04/ 2024	24/07/ 2024	22/10/ 2024	24/01/ 2025	Eligible to Attend	Attended
A Nanayakkara – Chairperson * (INED)	✓	✓	✓	✓	4	4
A S De Zoysa (INED)	✓	✓	✓	✓	4	4
J Durairatnam (INED)	✓	✓	✓	✓	4	4
By Invitation						
C L P Gunawardane - CFO** (NED)	✓	Excuse	✓	✓	4	3
M R Svensson - CEO Cinnamon Hotels & Resorts** (NED)	✓	Excuse	✓	✓	4	3

*Member of a professional Accounting body

** Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

Date of Appointment	
A Nanayakkara – Chairperson	25/06/2021
A S De Zoysa	08/09/2018
J Durairatnam	08/09/2018

CHARTER OF THE AUDIT COMMITTEE

The Committee functions under a clearly defined Charter that outlines its terms of reference, which are aligned with the principles of good governance as detailed in the Code of Best Practice jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission (SEC) of Sri Lanka. As per the Charter:

- Membership of the Committee shall be as appointed by the Board from time to time, with due regard to applicable laws, rules and regulations.
- To be comprised of a minimum of three (03) Directors of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.
- An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.

The proceedings of the Committee Meetings were reported regularly to the Board of Directors.

Invitees to meetings included:

- The President of the Property Group of JKH
- Chief Executive Officer of Cinnamon Hotels and Resorts
- Chief Financial Officers of the Leisure Industry Group and Property Group
- General Manager of Cinnamon Grand
- Sector Financial Controllers (Hotels and Properties)
- Head of JKH Group BPR Division
- Representatives from outsourced Internal Auditors Messrs. (Deloitte) and External Auditors (Messrs. KPMG)

SCOPE OF THE AUDIT COMMITTEE

- Overseeing the preparation, presentation and review of the quarterly and annual financial statements, including their quality, transparency, integrity, accuracy and compliance with accounting standards, laws and regulations, before tabling them for the approval of the Board of Directors.
- Obtain and review assurance from the President, CEO, CFO and other key management personnel, as relevant, that the financial records have been adequately maintained and that the financial statements give a true and fair view of the Company's operations and finances.
- Assess the adequacy and effectiveness of the internal control environment of the Group and ensure that appropriate action is taken by management on the recommendations of the internal and external auditors to ensure an effective and compliant operating environment.
- Evaluate the competence and effectiveness of the risk management systems and internal controls of the Group and ensure robustness and effectiveness in monitoring and controlling risks.

Board Committee Reports

- v. Annually Review the risk policies adopted by the Company.
- vi. Review the adequacy and effectiveness of internal and external audit arrangements.
- vii. Recommend the appointment, re-appointment and removal of the External Auditors, including their remuneration and terms of engagement, by assessing qualifications, expertise, resources and independence.

KEY ACTIVITIES OF THE AUDIT COMMITTEE IN 2024/25

Financial Reporting

The Committee reviewed the Group's quarterly and annual financial statements in consultation with Management and External Auditors, ensuring compliance with Sri Lanka Accounting Standards, relevant disclosures, accounting policy changes and material judgements.

It discussed with the auditors their observations and recommendations and engaged regularly with Management to ensure robust controls in the operating environment, identification and mitigation of risks and the execution of strategic plans for future growth.

The Committee obtained independent advice from the auditors on new accounting standards introduced during the year and ensured the Company was adequately prepared to comply with them.

Internal Audit, Risk Management and Controls

Deloitte continued to serve as the outsourced Internal Auditors. Audit plans were developed with the JKH Group BPR division and approved by the Committee.

The Committee's primary objective in this area was to assess the adequacy of internal controls, risk frameworks, governance structures and compliance systems. Audit findings were reviewed with their implementation followed up through subsequent audits. Furthermore, quarterly assurance was received from senior management on legal and regulatory compliance.

The Committee also reviewed the Company's risk management processes including how operational risks were identified, evaluated and mitigated. Discussions were held with Management, the Group BPR and JKH's Sustainability team to ensure effective monitoring and timely action.

The Committee also reviewed the Company's speak up policy mechanism which is aligned with the JKH Group framework and had direct access to the Group Ombudsperson.

External Audit

The Committee reviewed and discussed the audit engagement letter and scope of work with Messrs. KPMG, Chartered Accountants. prior to the commencement of the audit and after - both with and without Management.

The Committee was satisfied that auditor independence was maintained throughout, with the auditors confirming compliance with ethical requirements regarding independence. The audit and non-audit fees were also reviewed and recommended for Board approval.

Following an assessment of Messrs. KPMG's performance, the Committee recommended their reappointment as the Company's External Auditors for the financial year ending 31 March 2026, subject to shareholder approval.

IT Risk Oversight

The Committee periodically reviewed IT infrastructure, data security and adaptability to technological changes, seeking inputs from the Head of IT for the Leisure Group when necessary.

Insurance Assessment

The adequacy of the Hotel's insurance coverage was reviewed annually. This included assessing employee protection, public liability and economic risk. Inputs were sought from the Group Insurance Broker to ensure compliance and best practice.

Governance and Compliance

The Committee confirms its adherence to:

- The Code of Best Practice on Audit Committees, jointly issued by CA Sri Lanka and the SEC
- The Corporate Governance Code, as detailed in section 9.13 of the Colombo Stock Exchange Listing Rules

COMMITTEE EVALUATION

The Audit Committee undergoes an annual performance assessment involving its members and key participants. The assessment is tabled and reviewed annually at the Audit Committee Meeting and at a Board meeting of the Company.

CONCLUSION

Based on audit reports, management assurances and discussions throughout the year, the Committee is of the view that the Company's internal control environment is sound, asset protection measures are in place and financial oversight is effective.



Aroshi Nanayakkara

Chairperson – Audit Committee

27 May 2025

REPORT ON THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE (RPTRC)

Following recent changes to the CSE Listing Rules, Asian Hotels and Properties PLC (AHPL) established its Related Party Transactions Review Committee with effect from 1 October 2024. This initiative transitioned AHPL from the previous arrangement where the RPTRC was combined with that of its parent company, John Keells Holdings PLC (JKH). The Company has established the RPTRC policy and procedures in accordance with corporate governance standards set by the SEC/CSE/CASL.

Committee Composition and Attendance

The RPTRC consists of three Independent Non-Executive Directors. Their profiles are available on pages 21 to 22 of the report. Meeting minutes of the Committee are regularly submitted to the Board of Directors. The composition and attendance of the Committee as of both 30 September 2024 and 31 March 2025 are outlined below.

Since formation of the new Committee on 1 October 2024, two meetings were held up to 31 March 2025.

Committee Members

- Aroshi Nanayakkara (Chairperson) – Appointed: 01.10.2024 | Status: Independent Non-Executive Director | Attendance: 2/2
- Ashan De Zoysa – Appointed: 01.10.2024 | Status: Independent Non-Executive Director | Attendance: 2/2
- J. Durairatnam – Appointed: 01.10.2024 | Status: Independent Non-Executive Director | Attendance: 2/2
- Regular Invitees to Meetings:
 - Changa Gunawardane - Secretary/ RPTRC AHPL Director/AHPL - Chief Financial Officer - Leisure Group
 - Shanaka Silva - Vice President, Finance - Colombo Hotels

Three meetings were held between April and September 2024.

Committee Members (up to 30 September 2024)

- H M A Jayasinghe (Chairperson) – Appointed: 01.07.2024 | Independent Non-Executive | Attendance: 1/1
- N Fonseka (served until 01 July 2024) – Appointed: 29.01.2014 | Independent Non-Executive | Attendance: 2/2
- A Cabraal – Appointed: 29.01.2014 | Independent Non-Executive | Attendance: 3/3
- S Fernando – Appointed: 08.11.2023 | Independent Non-Executive | Attendance: 3/3

Committee's purpose and policies

The primary role of the Committee is to ensure that all related party transactions (RPTs) conducted by the Company comply with the Code of Best Practices on RPTs issued by the Securities and Exchange Commission of Sri Lanka, the CSE Listing Rules, and all other relevant legal and regulatory frameworks.

The Committee's responsibilities include:

- Ensuring compliance with relevant rules and regulations.
- Safeguarding the interests of shareholders.
- Upholding fairness, integrity, and transparency in all transactions.
- Aligning the Company's RPT practices with the broader policies of the John Keells Group.

Key Functions of the Committee

- Formulating and recommending to the Board an RPT Policy aligned with applicable laws, regulations, and Group operational models. The policy outlines:
 - Thresholds and criteria for RPTs.
 - Which transactions require prior Board approval, and which may be reviewed post-transaction.
 - Base values for recurrent RPTs.
 - Guidelines for management when dealing with related parties, ensuring compliance with transfer pricing rules.
 - Conditions under which immediate market disclosures or shareholder approvals are necessary.
 - Templates for presenting RPTs to the Committee.
- Providing quarterly updates to the Board on:
 - Initiated recurrent RPTs.
 - All RPTs that were conducted in the quarter, including non-recurrent ones.
 - Transactions exceeding threshold values.
 - Relevant market disclosures.
- Relying on validated internal processes and regular reporting from business units and key management personnel (KMP) to confirm:
 - Compliance with applicable codes and rules.
 - Shareholder protection.
 - Maintenance of transparency and fairness.
- Reviewing and pre-approving all proposed non-recurrent RPTs.
- Conducting an annual review of recurrent RPTs.

Additionally, all senior executives, including Presidents, Executive Vice Presidents, CEOs, CFOs, and Financial Controllers across the Group, are designated as KMPs to promote transparency and sound governance. Each KMP submits an annual disclosure of any related party transactions they are involved in.



Aroshi Nanayakkara

Chairperson – Related Party Transactions Review Committee

27 May 2025

Board Committee Reports

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee, appointed by the Board, is constituted in compliance with the Listing Rules and the Company's Corporate Governance framework. Governed by a Charter (Terms of Reference), it defines the Committee's mandate, functions, composition, and operative practices, reviewed annually for alignment with regulatory requirements, including Section 9.11.5 of the Listing Rules and corporate governance best practices voluntarily adopted by the Company. The Company Secretary serves as its Secretary.

The Committee reaffirmed its mandate to:

- Lead the process of Board appointments and to make recommendations to the Board in respect of all new Board appointments, and the re-election/re-appointment of those retiring in terms of the Articles of Association, under contract or applicable law.
- Oversee the process of appointment, re-election and re-appointment of Directors to the Board of the Company, in accordance with the John Keells Group's philosophy and framework on matters pertaining to the appointment and tenure of Directors of the listed subsidiaries.
- Ensure a comprehensive Board induction process is in place and is carried out in a timely manner.
- Define and establish processes for the nomination and re-appointment/re-election of Independent Non-Executive Director and Non-Independent Non-Executive Directors.
- Ensure that there is an acceptable methodology in place to periodically carry out a self-evaluation of the Board, which will be administered by the Chairperson of this Committee and the outcomes discussed at the Board level.
- Review and recommend an overall corporate governance framework, considering applicable laws, rules, regulatory requirements and industry/international best practices.

Activities During the Year

During the financial year ended 31 March 2025, the Committee undertook the following key activities:

- Collaborated with the Board in reviewing the skills and competencies required for effective Board functioning.
- Prioritised Board balance and diversity by considering a broad range of factors including experience, skills, age, gender, and other attributes to foster a well-rounded mix of perspectives that enhance decision-making and Board performance. These considerations were integrated into the Director appointment process.
- Evaluated all appointments and re-appointments to the Board, ensuring that all appointments were made in alignment with the Company's corporate governance policies and framework, including succession planning, and were conducted in an informed, equitable, and impartial manner, with no individual participating in decisions pertaining to their own appointment/re-appointment.

The following Director appointment and contract renewals to the Board of the Company and its listed subsidiary were recommended in accordance with the nominations and re-election policy, following due diligence and a thorough review of each Director's qualifications, experience, compliance with fit and proper requirements, and, where applicable, independence criteria:

Asian Hotels and Properties PLC

- A S De Zoysa, Independent Non-Executive Director (renewal)
- J Durairatnam, Independent Non-Executive Director (renewal)
- A Nanayakkara, Independent Non-Executive Director (renewal)

Trans Asia Hotels PLC

- C P R Perera, Independent Non-Executive Director (new appointment)
- H A J De Silva Wijeyeratne, Independent Non-Executive Director (renewal)
- N L Gooneratne, Non-Independent Non-Executive Director (renewal)
- Ensured that in accordance with Article 84 of the Company's Articles of Association, one-third of the Directors on the Board being subject to retirement by rotation by virtue of being the longest-serving members in office (excluding the Chairperson) retired by rotation at each Annual General Meeting. Additionally, ensured adherence to Article 91, requiring Directors appointed during the year, if any, to retire at the first Annual General Meeting following their appointment.

During the year, the following Directors, retiring under Article 84 and being eligible for re-election, were presented along with their respective profiles, to the shareholders of the Company for re-election at the Annual General Meeting held on 27 June 2024:

- S Rajendra – Non-Executive Director
- A S De Zoysa, – Independent Non-Executive Director
- Ensured that the newly appointed Director was provided with an induction to the Company and the Group together with an induction pack containing key governance documents.
- Ensured that all Directors, including Independent Non-Executive Directors, remained informed of regulatory updates, governance developments and significant matters relevant to the Company and the Group, through periodic briefings at Board and Board Committee meetings from the Chairperson, CEO, Company Secretary, and senior management and through Board notes.
- Reviewed general disclosure of interests, statutory and fit and proper declarations submitted by Directors and confirmed their eligibility in accordance with the Listing Rules and applicable governance requirements.

- Reviewed the independence declarations submitted by Independent Non-Executive Directors and confirmed their compliance with the criteria outlined in Rule 9.8.3 of the Listing Rules.
- Reviewed key Company policies ensuring compliance with Rule 9.2 of the Listing Rules.

Director Profiles and Information Disclosures

The profiles of the Company's Directors, including details of their first appointment to the Board, most recent re-appointment, nature of Directorship, appointments to Board Committees, principal commitments and positions held and any relevant relationships (including relationships with other Directors, the Company, or significant shareholders of the Company), are provided in the Board of Directors and Corporate Governance Commentary sections of this Annual Report.

Directors retiring at the Annual General Meeting of the Company for the financial year 2024/2025.

The following Directors who are retiring under Articles 84 of the Articles of Association of the Company will be placed before the shareholders at the Annual General Meeting of the Company for re-election:

Members proposed for re-election and contract renewal	Nature of Directorship	Date of first appointment as a Director	Date of last re-appointment as a Director	Current membership in Board Committees Other principal commitments Any other relationships*
J G A Cooray (Article 84)	Non-Executive Director	01/01/2018	21/06/2022	The details are provided in the Board of Directors and Corporate Governance Commentary sections of this Annual Report
J Durairatnam (Article 84)	Independent Non-Executive Director	08/09/2018	21/06/2022	

Board, CEO and Board Committee Evaluations

- The Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.
- All other Committees of the Board underwent similar performance assessments.
- The Board completed an annual self-assessment of its performance for the financial year 2023/24, the outcome of which were discussed between the Board and the Committee.

Reporting

The Committee reports its activities at each Board Meeting of the Company.

Governance Practices and Compliance with Listing Rules

The Committee has reviewed the management report confirming compliance with the corporate governance framework and confirms that all applicable requirements under Section 9 of the Listing Rules have been met. The Company continues to strengthen its governance practices to promote transparency, accountability, and stakeholder confidence. A detailed statement of the Company's compliance with the Listing Rules may be found in the Corporate Governance Commentary section of the Annual Report.



A S De Zoysa

Chairperson of the Nominations and Governance Committee

27 May 2025

Board Committee Reports

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The following Directors served as members of the Committee during the financial year:

J Durairatnam (Chairperson)
A De Zoysa
G Cooray

The Company established its own Human Resources and Compensation Committee, effective 1 October 2024, in compliance with the revised listing rules of the Colombo Stock Exchange on corporate governance. This replaced the previous arrangement of sharing the parent company, John Keells Holdings PLC's Human Resources and Compensation Committee, as permitted under prior rules. The Committee is governed by a Charter (Terms of Reference) that defines its mandate, functions, composition, and practices. The Charter is reviewed periodically to ensure alignment with regulatory requirements and corporate governance best practices, including Section 9.12 of the Listing Rules. The Company Secretary serves as its Secretary.

The Committee plays a vital role in the Company's governance framework by ensuring compensation and benefits policies are fair, competitive, and aligned with the John Keells Group's compensation philosophy. It reviews and ratifies the compensation of key executives, who are pivotal in shaping business strategy and decision-making, while also making recommendations to the Board. Additionally, the Committee monitors and evaluates top talent performance to support organisational growth and succession planning, with a focus on key executive roles. In fulfilling these responsibilities, it ensures the alignment of stakeholder interests, the retention of top talent, and compliance with legal and regulatory standards.

The Chairperson of the Committee updates the Board on pertinent matters during Board meetings, ensuring key developments and relevant issues are addressed. The Committee confirms compliance with the Companies Act No 7 of 2007 regarding Director remuneration and confirms that no Director or key executive participated in decisions regarding their own remuneration. Performance appraisals, along with short-term and long-term incentive calculations for the key executives, were conducted in line with approved processes and the framework of the John Keells Group. As part of its governance responsibilities, the Committee conducted a self-evaluation of its performance for the year and concluded that its functions were carried out effectively in accordance with the Committee Charter.



J Durairatnam

Chairperson of the Human Resources and Compensation Committee

27 May 2025.

PROJECT RISK ASSESSMENT COMMITTEE (JKH)

The following Directors served as members of the Committee during the financial year:

S S H Wijayasuriya (Chairperson)
D A Cabraal
K N J Balendra
J G A Cooray

The Project Risk Assessment Committee was established with the purpose of augmenting the Group's Investment Evaluation Framework. The Committee provides the Board with enhanced illumination of risk perspectives with respect to large scale new investments and also assists the Board in assessing the potential impact of risks associated with such investments. Investments which are referred to the Committee are those which exceed a board-agreed threshold in terms of quantum of investment and/or potential impact to the Group. The Committee, accordingly, provides early-stage recommendations to the Board with respect to the extent of risk and adequacy of mitigation strategies.

During the year under review, the context of Project Risk Assessment was centred primarily on the two landmark investment projects - 'City of Dreams Sri Lanka' and the West Container Terminal. Given the scale and impact of the risks and opportunities associated with the said projects and the near operational status of both projects, the committee and board were of the view that related deliberations should take place with participation of the full Board as regular board agenda items.

While there were no specific new investments during the year which required the approval of the Committee as per the Board agreed financial thresholds, matters pertaining to the operationalisation of the BYD - New Energy Vehicle business were presented to the full Board and duly deliberated.



S S H Wijayasuriya

Chairperson of the Project Risk Assessment Committee

26 May 2025

Risk Management

The hospitality and leisure sector is among the most vulnerable industries to disruptions arising from macroeconomic imbalances, geopolitical tensions, pandemics and more recently climate change among other multifaceted challenges. As part of the John Keells Group, Asian Hotels and Properties PLC (AHPL Group) adopts a comprehensive enterprise-wide risk management approach. This robust framework clearly delineates governance structures, policies, processes and procedures, guiding effective risk management while balancing profitability and financial stability. The framework has proven its effectiveness, particularly in recent years marked by unprecedented external shocks, by supporting strategic foresight and agility.

Risk Governance

AHPL draws deep strength from the very robust risk governance process that has been instilled within the Cinnamon Hotels and Resort. With the Board of Directors assuming ultimate responsibility in risk management, the following factors contribute to efficient risk governance.

Audit Committee

Oversees risk and internal control matters supported by John Keells Group Business Process Review (GBPR) Division and Outsourced Internal Auditors through regular reviews and recommendations on the robustness of the internal control systems

Sector Risk Management Team

Responsible for the effective execution of the risk management framework

Enterprise Risk Management

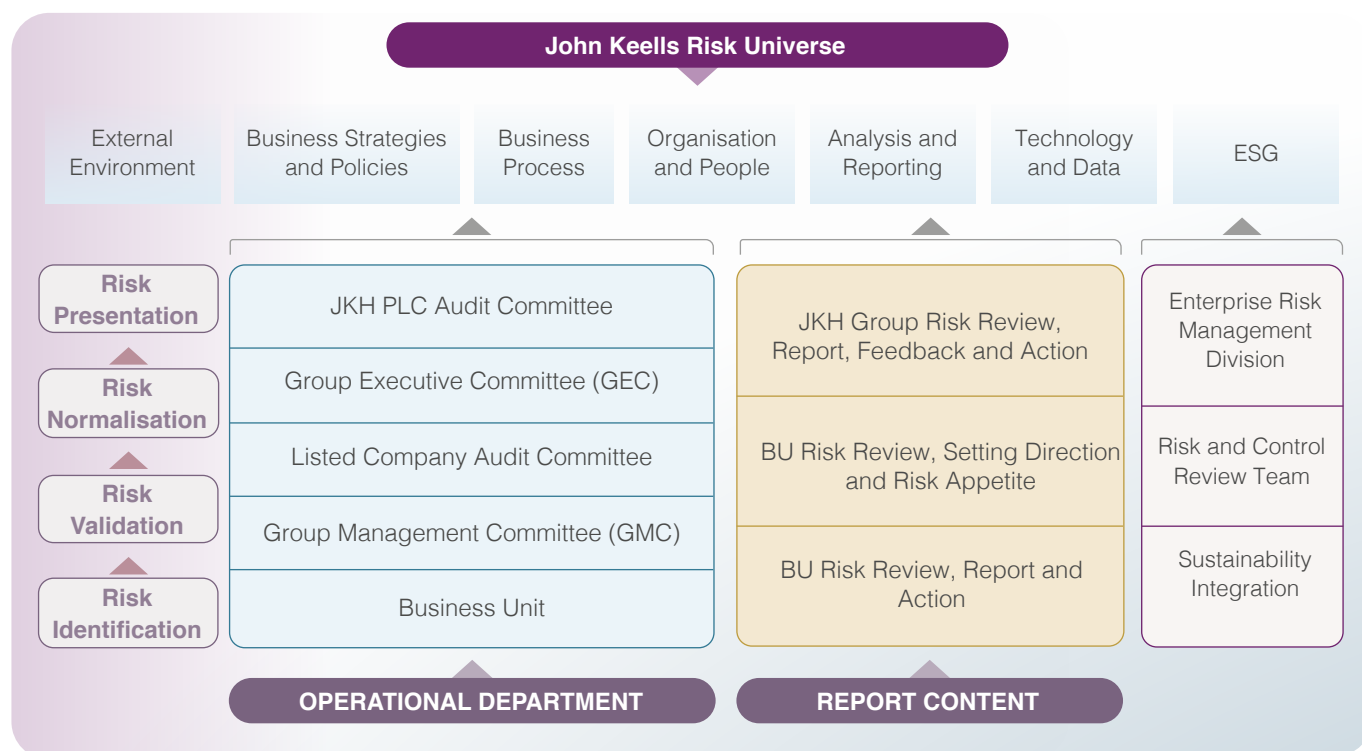
Enterprise Risk Management (ERM) is an ongoing process at the Group which follows a structured process and enables the pre-identification of potential risks that may impact on the performance of the Group. This also enhances the Board's capabilities in discharging its responsibilities in identifying, assessing and responding to the identified risks efficiently and effectively.

ERM Process

Consideration of the existing and emerging risk factors that may impact the business

Evaluation of risks in terms of likelihood and impact

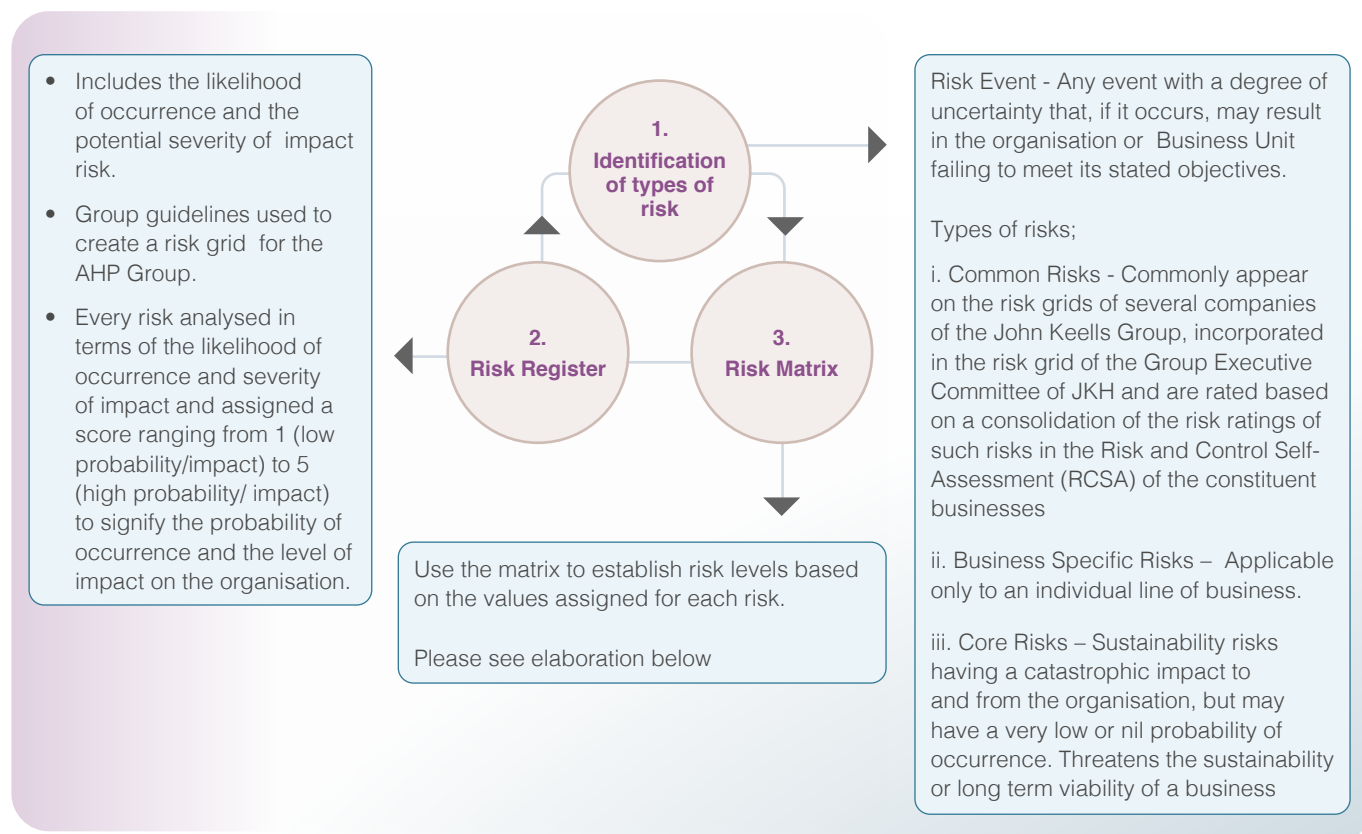
Designing appropriate risk treatments



Risk Management

Key cogs of the ERM Framework

The ERM Framework adopted by the John Keells Group and implemented by the AHP Group, involves the following:



Risk Matrix

The Group's Risk Matrix is built up on a dual factor scoring model of Impact/ severity of the risks and Occurrence/ likelihood of risks. The spectrum for both these factors ranges across five sub classifications increasing in severity and likelihood of occurrence with scores assigned.

In a second step the scoring is interpreted based on a colour matrix in assessing the priority level of the risks.

Step 1 – Guideline for risk rating and identification of risk score

Impact / Severity	5 Catastrophic/ Extreme Impact	5	10	15	20	25
	4 Major/ Very High Impact	4	8	12	16	20
	3 Moderate/ High Impact	3	6	9	12	15
	2 Minor Impact	2	4	6	8	10
	1 Low/ Insignificant Impact	1	2	3	4	5
		Rare/ Remote to Occur	Unlikely to Occur	Possible to Occur	Likely to Occur	Almost Certain to Occur
		1	2	3	4	5
		Occurrence/ Likelihood				

Step 2 – Determining the priority level of risks

Occurrence/ Likelihood

The Colour Matrix implies the following;

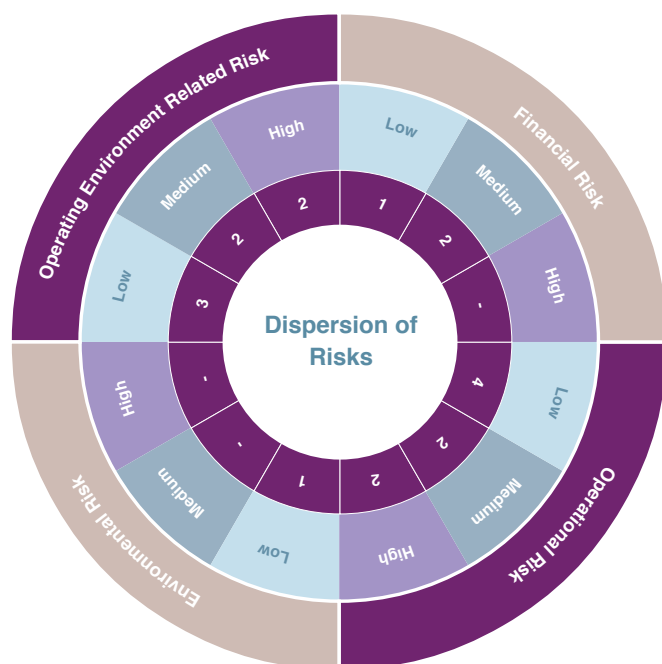
Priority level	5	4	3	2	1
Colour code	Ultra High	High	Medium	Low	Insignificant
Score	13-25	10-12	7-9	3-6	1-2

Key risks for Asian Hotels and Properties PLC and their risk priorities

Cinnamon Hotels and Resorts have identified nineteen risks across four macro categories, viz. operating environment related risks, financial risks, operational risks and environmental risks - applicable to all hotels of the sector. These risks are assessed and prioritised ranging from High, Medium and Low assigned to each risk as per the above illustrated Risk Matrix.

Dispersion of risks

Number of risks, per risk category and prioritisation



RISK MANAGEMENT STRATEGY

The Hotels Group adopts a comprehensive approach to risk management, seamlessly integrating it with its sustainability and Corporate Social Responsibility (CSR) frameworks. This alignment ensures that risk management transcends traditional operational and financial domains, encompassing broader Environmental, Social, and Governance (ESG) considerations. By doing so, the Group addresses potential challenges related to environmental impact, community engagement, employee welfare, and value chain sustainability.

The Sector Risk Management Team, led by the Industry Group President, systematically reviews core risks to validate and enhance risk processes at the Business Unit level. This proactive oversight ensures that significant risks impacting the company's strategic objectives are identified and mitigated effectively. The subsequent sections delve into these key risk areas and the measures implemented to address them.

Risks analysis

Risk categorisation: Operating Environment

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Consumer behaviour Failure to adapt to the rapidly evolving traveller needs driven by technological and socio-economic advancements can negatively affect customer satisfaction levels.	Revenue optimisation	High	<ul style="list-style-type: none"> Greater focus on revenue management to predict customer behaviour Refining product and rate positioning to correspond with the value proposition of Cinnamon Grand High level of guest engagement through satisfaction surveys, social media platforms and face-to-face interactions, including positioning staff with multilingual skills in guest interface areas Reassure employees and existing and potential guests of the Hotel's commitment to safety and wellbeing, through a dedicated page on the Hotels Group website Reviewing and innovating our experiential offerings to cater to evolving requirements

Risk Management

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Increased competitiveness in the industry Continuous increase in quality standards to keep in line with competition resulting in cost increases	Revenue optimisation	High	<ul style="list-style-type: none"> Close monitoring of competitors using reliable industry analysis Pricing to be frequently revisited under a robust pricing strategy Excellent upkeep of property Excellence in service levels ensured through retention of talent, training and development Timely updates to product and services in line with emerging customer needs
Threat from terrorism and civil unrest Possible attacks on civilians and economic targets by terrorists may lead to civil unrest and imposition of travel advisories against Sri Lanka	Revenue optimisation	Low	<ul style="list-style-type: none"> Establishment of protocols as per the Business Continuity Plans (BCP) on action to be taken in such an event Appointment of vigilance officers at the Company and establishment of reporting protocols Establishment of direct links with local intelligence for information on potential risks Review/Implementation of Emergency Response Plans for armed intrusions/hostage handling/isolation/bomb threat Annual evacuation drills <ul style="list-style-type: none"> Emergency Preparedness plans to be in place Monitoring of Political Environment Insurance covers
Digital innovation and technological transformation Inability to be technologically advanced at customer touch-points as well as in internal processes may lead to loss of competitive advantage, reduced efficiency & higher operating costs	Revenue optimisation Operational excellence and cost optimisation	Medium	Comprehensive gap analysis to be conducted to identify the current position
Geo-political developments Recent geopolitical events, such as the conflict involving Russia and Ukraine, tensions between Israel and Hamas militants in Palestine and neighbouring countries, coupled with sluggish economic growth in key feeder markets.	Revenue optimisation	Low	<ul style="list-style-type: none"> Proactively implement marketing strategies to pursue other key feeder markets Expanding geographical coverage Continued efforts into enhancing revenue in all sales channels Robust and carefully thought-out contingency plans
Macro-economic and political environment Sri Lanka's macroeconomic instabilities affects both demand and supply dynamics. Political instability together with inconsistency in Government policies also affect operations.	Revenue optimisation	Low	<ul style="list-style-type: none"> Scenario testing and proactively identifying action plans to mitigate risks The senior management of Cinnamon Hotels and Resorts actively participates in the development and promotion of economic policies by engaging in consultative Committees, trade associations, and policy-making bodies
Inflation Risk Inflationary pressures can have a significant impact on our business and operational results	Revenue optimisation	Low	<ul style="list-style-type: none"> Supply chain management viz. lock in short-term, medium-term, and long-term supplier contracts, expanding supplier base and building up stocks – thereby managing the potential fluctuations of prices of input goods due to inflation Menu re-engineering with price effective inputs Company-wide cost optimisation initiatives

Risk categorisation: Financial Risks

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Exchange rate risk Devaluation of the Rupee is likely to increase operating cost base and finance cost of Dollar borrowings. With policy maker intervention the exchange rate is currently stabilised yet with possibility of sudden shocks	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> Regular monitoring of fluctuations in exchange rates and hedging the exposure by matching foreign currency earnings and payments, in close liaison with the John Keells Group Treasury Inclusion of terms in third party agreements to mitigate foreign currency exposure
Interest rate risk Impact of interest rate fluctuations on investments and borrowing costs, together with planning in to the medium to long term rendered challenging	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> Prudent management of financial assets Closely monitoring interest rate movements in the market and regular communication with John Keells Group Treasury Continuous negotiations with financial institutions Diversifying the sources and tenors of debt Renegotiation of credit periods and constant follow ups on outstanding debt
Credit and liquidity risk With challenging macroeconomic conditions, high taxes, reduced income levels and resultant heavily reduced spending capabilities, potential defaults by customers may occur elevating credit risk. The Hotel's financial performance and growth have been negatively impacted by uncertainty surrounding geopolitical events. Therefore, our primary focus is on safeguarding cash flow and preserving our cash reserves, as well as maximising the use of available credit facilities to maintain adequate liquidity for the future, eliminating any liquidity risk.	Revenue optimisation Operational excellence and cost optimisation	Low	Managing credit quality <ul style="list-style-type: none"> Stringent credit policy in place with controls in place to mitigate the impact of default Evaluation of customer creditworthiness Obtaining periodic confirmation of outstanding balances Regular follow-up on debtors with collection targets and adapt progressive action Regular review of credit limits Weekly meeting with Management to review debtor balances and credit processes Regular internal audits Managing liquidity risk <ul style="list-style-type: none"> Regular review mechanisms in place to monitor the performance of the company against approved budget Preserving cash flow by reducing cash burn Capital augmentation and governance around capital and discretionary expenses Regular internal audits

Risk Management

Risk categorisation: Operational Risks

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Talent attraction and retention The hospitality industry faces persistent challenges in attracting and retaining skilled employees due to increasing levels of migration in the country and high demand for and employability of skilled labour from the sector	Talent management Service excellence	High	<ul style="list-style-type: none"> • Explore innovative recruitment and employment models such as part-time work and flexible work options to attract and retain non-traditional cohorts • Communicating Employer Brand Value proposition more effectively to attract and retain new employees, including the use of Great Place To Work score • Ongoing investment in talent and competency development • Strengthening rewards and benefits schemes through global benchmarking and levelling exercises • Talent management and succession planning programmes for critical positions • Offer employment opportunities in other business units within the Group
Operational resilience to incidents, disruptions or control breakdown The inherent operational risks associated with our business persist, encompassing aspects such as safety, security, reliance on equipment, and financial control procedures	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> • Comprehensive schedule of preventive maintenance programmes • Valid service provider agreements with local spare part suppliers • Additional provisions for backup generators and identified generator providers in each resort location
Occupational health and safety Non-compliance with health and safety standards can disrupt operations and seriously impact brand reputation	Operational excellence and cost optimisation Talent management ESG considerations	Low	<ul style="list-style-type: none"> • Outsourced internal audits Special investigations • The Company has set environmental, health and safety policies and standards • Conducting periodic audits and addressing of gaps identified through training
Supply chain issues/ Supply Chain shortages Disruption to operations, increased cost & reputational loss	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> • Continuous supplier engagements, maintenance of a pool of alternate suppliers and regular monitoring of the operating environment for potential disruptions affecting supplier operations • Alterations to menus in accordance with evolving supply conditions and changes to order processes
Fraud and anti-corruption Possibility for fraud and engaging in corruption can lead to financial losses as well as reputational damages to the entity	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> • Regular supplier audits • Internal audits Special investigations • Data driven analytics in identifying potential fraudulent trends, and monitoring of same

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Brand reputation impact Events that could negatively affect the reputation and relationships with key stakeholders	Revenue optimisation	Low	<ul style="list-style-type: none"> • Training and development of staff who are in effect brand ambassadors • Carrying out compliance audits/brand audits Brand positioning, development, and marketing
Technology, data and cyber security risk Given the nature of our business, we handle substantial volumes of guest data both domestically and internationally. The heightened reliance on remote technology, encompassing digital sales channels, remote work setups, and online marketing, has elevated the vulnerability to cyber threats. As a result, prioritising cybersecurity is imperative to safeguarding business operations and preserving the reputation of the Hotels	Operational excellence and cost optimisation	Low	<ul style="list-style-type: none"> • Establishment of a Crisis Communication Plan/Team and Spokesperson • Well-defined cyber security incident response process addressing the pillars of device, information and user • Training employees and creating staff awareness on the importance of maintaining information security and handling sensitive information • Implementation and regular testing and verification of network protection technology • Pursuing opportunities with cloud-based applications Establishing a disaster recovery plans • Continuous monitoring of potential threats.

Risk categorisation: Environment Risks

Risk description	Impacted strategic imperative	Risk Rating	Risk responses
Climate change risk The Hotel's operations are affected by climate change - which is one of the triple planetary crises, posing current and emerging risks to its operations. These include global warming and erratic weather patterns which lead to for example, greater usage of energy in air-conditioning affecting profitability and carbon footprint and disruptions to events, specially outdoor events	ESG considerations	Low	<ul style="list-style-type: none"> • The Company recognises sustainability as an operational priority and has set long-term environmental goals, which include a reduction in greenhouse gas emissions and a reduction in <ul style="list-style-type: none"> • Single-use plastics • Promoting biodiversity conservation • Company's commitment to establishing long-term goals focusing on efficient resource utilisation and reducing emissions • Setting up standards, training and monitoring a range of environmental indicators, including water, energy, waste, and carbon footprint • Consider long-term climate change. Impacts in evaluating expansion plans • Promoting awareness among key stakeholders on sustainable operations • Business Continuity Plans including alternate working arrangements and emergency response plans in the event of natural disasters

Financial Information



Celebration of Excellence



Excellence begins with precision and ends in trust. Our financial performance reflects a commitment to transparency, discipline, and accuracy—offering a clear and reliable view of value created over the year. With every line and ledger, we strengthen confidence, inform decisions, and uphold the standards that define enduring success.

Financial Calendar

Interim Reports for 2024/25	
1st Quarter	29-Jul-24
2nd Quarter	04-Nov-24
3rd Quarter	03-Feb-25
4th Quarter	27-May-25
Audited Financial Statements	
2023/24	21-May-24
2024/25	27-May-25
Annual General Meetings	
30th Annual General Meeting	27-Jun-24
31st Annual General Meeting	26-Jun-25

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Annual Report of the Board of Directors

The Directors have the pleasure of presenting the 31st Annual Report of Asian Hotels and Properties PLC ("Company") together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of Asian Hotels and Properties PLC ("Company") and its subsidiary ("AHP Group") for the year ended 31st March 2025.

This Report has been prepared in accordance with the relevant requirements of the Companies Act No. 7 of 2007 (Companies Act), the relevant Listing Rules of the Colombo Stock Exchange (CSE), recommended reporting and corporate governance best practices, including the Code of Best Practices on Related Party Transactions (2013) issued by the Securities and Exchange Commission of Sri Lanka (SEC), Code of Best Practice on Corporate Governance (2017) issued by Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), Code of Best Practice on Corporate Governance (2023) jointly advocated by the SEC and CA Sri Lanka to the extent of business exigency as required by the Company and recommended accounting practices.

PRINCIPAL ACTIVITIES

The Company is engaged in the business of hoteliering, property development and management. Trans Asia Hotels PLC (the owner of Cinnamon Lakeside Colombo) is the subsidiary of the Company, which is incorporated in Sri Lanka, and its principal activity is hoteliering. There has been no material change in the activities of the AHP Group during the period under review.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The financial and operational performance, during the year ended 31st March 2025 and future business development of the Company and the AHP Group, is provided in the Chairperson's message and reports on Management Discussion & Analysis and Financial Review.

These reports, which form an integral part of the Annual Report of the Board of Directors, together with the Audited Financial Statements, state of affairs of the Company and the AHP Group.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Financial Statements, duly signed by the Directors, are provided on pages 188 to 238 and Independent Auditors' Report on the Financial Statements is provided on pages 185 to 187 of this Annual Report.

CORPORATE GOVERNANCE

A comprehensive report on Corporate Governance practices and principles with respect to the management and operations of the Company are set out on page 110.

SEGMENT REPORTING

Segment-wise contribution to AHP Group revenue, results, assets and liabilities are provided in Note 33 to the Financial Statements.

REVENUE

Revenue generated by the Company amounted to Rs 5,896Mn (Rs. 6,310 Mn in 2024) whilst the AHP Group revenue amounted to Rs. 10,362 Mn (Rs. 10,772Mn in 2024). Contribution to AHP Group revenue, from the different business segments are provided in Note 05 to the Financial Statements.

RESULTS AND APPROPRIATIONS

The loss after tax of the Company was Rs. 108 Mn (Rs. 95 Mn in 2024) whilst the AHP Group loss attributable to the Owners of the Company, for the year was Rs. 45 Mn (Rs. 20 Mn in 2024). A detailed description of the Group results and appropriations are given below.

Annual Report of the Board of Directors

For the year ended 31st March In Rs.'000s	2025	2024
Net profit for the year after providing for expenses including depreciation on property, plant and equipment was:	307,761	212,336
From which income tax has been reversed/(deducted):	(222,438)	(134,679)
Leaving thereafter a Net profit after tax of:	85,323	77,657
The amount attributable to Minority Interest which has been deducted is:	(130,126)	(97,967)
Leaving a Loss available to the Group of:	(44,803)	(20,310)
The brought forward Profit after adjustments is:	4,851,535	4,916,727
Total Comprehensive Expenditure	(3,997)	(76,103)
Transferred to Revenue Reserve of:	21,991	10,911
Final dividend declared Rs. 0.50 per share	(221,388)	
Leaving an un-appropriated balance to be carried forward: (adjusted)	4,648,141	4,851,535

ACCOUNTING POLICIES

All the significant accounting policies adopted by the Company and the AHP Group are mentioned in the Notes to the Financial Statements. The Financial Statements, which comprise the Statement of Profit or Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes ('The Financial Statements') have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by CA Sri Lanka and the requirement of the Companies Act. The changes to accounting policies have been applied consistently to all financial periods presented in these Financial Statements, unless otherwise indicated. The accounting policies adopted in preparation of the Financial Statements are given from pages 195 to 238 of this report.

There have been no changes in the accounting policies adopted by the Group during the year under review. For all periods up to and including the year ended 31 March 2025, the Company and the Group prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) which have materially converged with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

RESPONSIBILITY OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Financial Statements so that they present a true and fair view of the state of affairs of the Company. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRS/LKAS), Companies Act, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules.

The Statement of Directors' Responsibility for financial reporting is given on page 184 and forms an integral part of this Annual Report of the Board of Directors

DIVIDENDS

The Board of Directors has declared a final dividend of Rs. 0.50 per share for the Financial Year ended 31 March 2025. This final dividend will be paid on or before 25th June 2025 to those shareholders on the register as of 06 June 2025.

As required by Section 56(2) of the Companies Act No 7 of 2007, the Board of Directors have confirmed that the Company satisfies the solvency test in accordance with Section 57 of the Companies Act No 7 of 2007, and has obtained certificates from the auditors, prior to declaring all dividends.

PROPERTY, PLANT AND EQUIPMENT

The book value of Property, Plant and Equipment of the Company as at the reporting date amounted to Rs.36,287 Mn (2024 - Rs. 35,188 Mn) and for the AHP Group amounted to Rs. 41,293 Mn (2024 - Rs.39,774 Mn).

Capital expenditure for the Company and the AHP Group amounted to Rs. 972 Mn (2024 - Rs. 494 Mn) and Rs 1,176 Mn (2024 - Rs. 832 Mn) respectively.

Total Freehold Land available - Asian Hotels and Properties PLC - Eight Acres and Five Decimal Naught Eight Perches (A8. P05.08).

Total Leasehold Land available - Trans Asia Hotels PLC - Seven Acres, Two Rood and Twenty-Four Decimal Two Eight Perches (A07. R02. P24.28).

Details of Land and Buildings with net book values including details of Property, Plant and Equipment of the Company and the AHP Group and their movements are given in Note 12 to the Financial Statements.

MARKET VALUE OF PROPERTIES

All buildings owned by the Company and its subsidiary were last revalued as at 31st December 2024. The valuation was carried out by M/s P. B. Kalugalagedara and Associates, Chartered Valuation Surveyor.

All properties classified as investment property were also revalued as at 31st December 2024 in accordance with the requirements of LKAS 40. This valuation too was carried out by M/s P. B. Kalugalagedara and Associates, Chartered Valuation Surveyor.

Details of property valuations, including the valuation methods are provided in Note 12 to the Financial Statements.

INVESTMENT PROPERTIES

In accordance with LKAS 40-Investment Property, the net book value of properties held to earn rental income, and properties held for capital appreciation have been classified as Investment Properties. The details of Investment Properties are explained in Note 14 to the Financial Statements.

INVESTMENT IN SUBSIDIARY

Company	% Holding	
Trans Asia Hotels PLC (Quoted)	86,823,028	43.41

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 Rs. 3,345 Mn (2024 - Rs. 3,345 Mn) comprising of 442,775,300 ordinary shares.

SHARE INFORMATION

The market value of an ordinary share of the Company as at 31st March 2025 was Rs. 53.00 (31st March 2024 - Rs. 61.00).

The distribution and composition of shareholders and the information relating to earnings, dividend, net assets, and market value per share is given in the Information to Shareholders and Investors and Financial Review section of this annual report.

INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information and relevant announcements have been sent to the CSE in a timely manner.

EQUITABLE TREATMENT OF ALL SHAREHOLDERS

The Company has made every endeavour to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

MAJOR SHAREHOLDERS

Details of the twenty three (23) largest shareholders of the Company and the percentage shareholding held by the public are disclosed in the Information to Shareholders and Investors section of this Annual Report on page 242.

RESERVES

Total reserves as at 31st March 2025 for the Company and the AHP Group amounted to Rs. 24,850 Mn (2024 - Rs. 24,502 Mn) and Rs. 27,164 Mn (2024 - Rs. 26,604 Mn) respectively.

The movements in Other Components of Equity Revenue Reserve of the Company are shown in the Statement of Changes in Equity on page 192 of this report.

CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

Commitments made for capital expenditure as at 31st March 2025 and the contingent Liabilities as at that date are given in Note 34 and 35 the Financial Statements.

DIRECTORS

The Board of Directors of the Company as at 31st March 2025 and brief profiles of each Director are given in the Board of Directors section of this Annual Report.

The Directors of the Company who held office during the year under review are set out below:

K. N. J. Balendra - Chairperson
J. G. A. Cooray
S. Rajendra
A. S. De Zoysa
J. Durairatnam
M. R. Svensson
C.L.P. Gunawardane
A. Nanayakkara

The Board consists of eight (8) Directors comprising of five (5) Non-Executive Non- Independent Directors (NENID) and three (3) Non-Executive Independent Directors (NEID).

In accordance with the criteria for 'Independence' specified by section 9.8.3 of the listing rules of the CSE and as identified by the Code of Best Practice on Corporate Governance jointly advocated by the SEC and CA Sri Lanka, the Board affirms that the aforesaid NED/IDs satisfy the criteria for independence and have satisfied Rule 9.8.5 (a)

Annual Report of the Board of Directors

The Directors of the subsidiary, Trans Asia Hotels PLC who held office during the year under review are set out below:

K. N. J. Balendra - Chairperson
J. G. A. Cooray
N. L. Gooneratne
M. R. Svensson
C.L.P. Gunawardane
S. Rajendra
H. A. J. D S Wijeyeratne
C P R Perera*

*Appointed w.e.f 1.1.2025

RESPONSIBILITY OF THE BOARD

Details of responsibilities of the Board and the manner in which those responsibilities were discharged during the year are disclosed in the Corporate Governance section of this annual report.

RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with Article 84 of the Articles of Association of the Company, Mr. J G A Cooray and Mr. J Durairatnam retire by rotation and offer themselves for re-election. Brief profiles of Mr. J G A Cooray and Mr. J Durairatnam are contained on Page 21 and 22 of this Annual Report.

BOARD SUB - COMMITTEES

Information relating to members of the Audit Committee, Human Resources and Compensation Committee, Nominations and Governance Committee and Related Party Transactions Review Committee including reports of each of the committees, where applicable, and attendance of Directors for each of the committee meetings, are disclosed in the Corporate Governance Commentary section of the Annual Report.

Project Risk Assessment Committee

The Project Risk Assessment Committee of JKH, the ultimate parent company, functions as the Project Risk Assessment Committee of the Company. The Project Risk Assessment Committee members of JKH are as follows;

Dr. S S H Wijayasuriya - Chairperson
A. Cabraal
K N J Balendra
J G A Cooray

The Project Risk Assessment Committee Report is contained on page 166 of this Annual Report.

INTERESTS REGISTER

The Company and its subsidiary have maintained Interests Registers as contemplated by the Companies Act. In compliance with the requirements of the Companies Act, this annual report also contains particulars of entries made in

the interest register of its subsidiary which is a Public Listed Company as permitted by Section 30 of the Companies Act. The Interest Register is available at the Registered office of the Company, in keeping with the requirement of the Section 119 (1) (d) of the Companies Act.

Particulars of entries in the Interests Register of the Company for the Financial Year 2024/25 are as follows.

a. Directors Interests in Contracts

All the Directors have made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act and no additional interests have been disclosed by any Director of the Company.

b. Share Dealings

There have been no disclosures of share dealings during the financial year ending as at 31st March 2025.

c. Indemnities and Directors' Remuneration

The contract and standard Director fees of the following Independent Non-Executive Directors have been approved/ renewed by the Board. The Director fees are commensurate with the market complexities associated with the Company:-

- Mr. A S De Zoysa
- Mr. J Durairatnam
- Ms. A Nanayakkara

Director fees applicable to NEDs nominated by JKH are paid directly to JKH and not to individual Directors.

Particulars of entries in the Interests Register of the Subsidiary

Trans Asia Hotels PLC has maintained an Interests Register as contemplated by the Companies Act No.7 of 2007.

a) Interests in contracts

The Directors have all made a general disclosure to the Board of Directors as permitted by Section 192 (2) of the Companies Act and no additional interests have been disclosed by any Director of TAH

b) Share Dealings

There have been no disclosures of share dealings during the financial year ending 31 March 2025.

c) Indemnities and Remuneration

1. C P R Perera was appointed as an Independent Non-Executive Director to the Board with effect from 1 January 2025 at the standard Non-Executive Director fees approved by the Board for Non-Executive Directors, which fees are commensurate with the market complexities of the Company
2. The contract and standard Director fees of the following Non-Executive Directors have been approved/ renewed by the

Board. The Director fees are commensurate with the market complexities associated with the Company:-

- H A J De Silva Wijeyeratne
- N L Gooneratne

The fees payable to Directors nominated by John Keells Holdings PLC were remitted to John Keells Holdings PLC rather than to individual Directors.

DIRECTORS' SHAREHOLDINGS OF THE COMPANY

The shares held by Directors and their spouses in the Company as of 31st March 2025 are as follows.

Full Name	Shares as at 31st March 2025	Shares as at 31st March 2024
Krishan Niraj Jayasekara Balendra	Nil	Nil
Joseph Gihan Adisha Cooray	10,600	10,600
Suresh Rajendra	Nil	Nil
Jegatheesan Durairatnam	Nil	Nil
Ashan Suresh De Zoysa	Nil	Nil
Mikael Svensson	Nil	Nil
Changa Lashantha Poojitha Gunawardane	Nil	Nil
Aroshi Nanayakkara	Nil	Nil

EMPLOYEE SHARE OPTION PLAN (ESOP)

The Company does not offer its shares under an ESOP Scheme. Employees of the Company receive remuneration in the form of share-based payment under the John Keells Group's ESOP Scheme. Share options of the parent Company JKH are granted to senior executives of the Company, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of the employee services received in respect of the shares or share options granted is recognised in the Income Statement over the period that employees provide services, from the time when the award is granted up to the vesting date of the options. The overall cost of the award is calculated using the number of share options expected to vest and the fair value of the options at the date of grant. The Company has not directly or indirectly provided funds to its employees to purchase shares under ESOP Scheme.

The employee remuneration expense resulting from the John Keells Group's ESOP scheme to the employees of the Company is recognised in the Income Statement of the Company. This transaction does not result in a cash outflow to the Company and expense recognised is met with a corresponding equity reserve increase, thus having no impact on the Statement of Financial Position (SOFPI). The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into

account the terms and conditions upon which the share options were granted. The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected volatility of share price, expected dividend yield and risk-free interest rate.

DIRECTORS MEETINGS

Details of the meetings of the Directors are given on pages 118 to 119.

DIRECTORS' DECLARATIONS

(i) Chairperson's declaration

The Chairperson declares that there were no departures from any of the provisions of the Code of Business Conduct and Ethics.

(ii) Directors' declarations

- the Company and its subsidiary have complied with all applicable laws and regulations in conducting its business.
- they have declared all material interests in contracts involving the Company and refrained from voting on matters in which they were materially interested.
- the Company has made all endeavours to ensure equitable treatment of shareholders.
- the business is a going concern with supporting assumptions or qualification as necessary,
- they have conducted a review of internal control covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.
- the Company has a Code of Business Conduct and Ethics for Directors and members of the senior management team and that all Directors and members of the senior management team have complied with this Code.
- the Company being listed on the CSE is compliant with the rules on Corporate Governance under the Listing Rules of the CSE with regard to the composition of the Board and its Sub-Committees.

The adverse effects of the pandemic and the macro-economic conditions in the Country, have directly impacted the share price of the subsidiary, Trans Asia Hotels PLC (TAH), resulting in its decrease. This in turn has resulted in the TAH's float adjusted market capitalisation to fall below the required threshold of Rs.1.0 Bn, despite TAH satisfying the other criteria, as per Option 1 of Rule 7.14.1 (i) (b) of the Listing Rules thus rendering TAH non-compliant with the Minimum Public Holding Requirements of the Listing Rules.

Annual Report of the Board of Directors

Pursuant to the announcement dated 27th August 2021, TAH was transferred to the Secondary Board on 27th August 2021, due to its continued non-compliance with the said Minimum Public Holdings requirements.

TAH in accordance with Rule 7.14.1 (b) of the Listing Rules, has made announcements to the Market by notices dated last year, 10, April 2024, 9 July 2024, 7 October 2024 and 7 January 2025.

TAH continues to be non compliant with the Minimum Public Holding Requirement specified in Rule 7.13.1 (i) (b) of the Listing Rules. The non-compliance is due to the float adjusted market capitalisation not meeting the required threshold, owing to the anomalies brought about through the macro economic conditions of the country. TAH continues to aggressively pursue its business strategies in order to capitalise on all available opportunities and maximise stakeholder value creation. TAH also monitors the situation towards ensuring compliance with the required Public Holding threshold as specified in the CSE Listing Rules.

SUSTAINABILITY

The Company is conscious of the need to preserve the environment and its natural resources and has taken specific steps, particularly in ensuring the conservation of its natural resources and environment as well as addressing material issues highlighted by its stakeholders. Every endeavour has been made to minimise adverse effects on the environment to ensure sustainable continuity of natural resources.

HUMAN RESOURCES

The Company continued to implement appropriate human resource management policies to develop employees and optimise their contribution towards the achievement of corporate objectives. The policies and procedures ensure the equitable treatment of all employees.

EMPLOYMENT

The Company has an equal opportunity policy in respect of employment and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The Company, in line with the JKH Group policy, practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

The number of persons (including Trainees) employed by the Company and the AHP Group as at 31st March 2025 was 836 (990 in 2024) and 1,559 (1,436 in 2024), respectively.

There have been no material issues pertaining to employees and industrial relations of the Company and the AHP Group during the financial year 2024/25.

SUPPLIER POLICY

The Company, in line with the JKH Group's policies, applies an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers and endeavours to pay for all items properly charged in accordance with these agreed terms. As at 31st March 2025, the trade and other payables of the Company and AHP Group amounted to Rs. 887 Mn (2024 - Rs921Mn) and Rs. 1,443 Mn (2024 - Rs. 1,491 Mn) respectively.

ENVIRONMENTAL PROTECTION

The Company is in compliance with the relevant environmental laws, regulations and endeavours to comply with best practices applicable in the Country. The Company has not engaged in any activity that is harmful to the environment.

STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its Subsidiary, all contributions, levies and taxes payable on behalf of, and in respect of the employees of the Company and its Subsidiary, and all other known statutory dues that were due and payable by the Company and its Subsidiary as at the Balance Sheet date have been paid or, where relevant provided for, except as specified in Note 34 to the Financial Statements, covering Contingent Liabilities.

ENTERPRISE RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Company, where annual risk reviews are carried out by the Enterprise Risk Management Division and the risks are further reviewed each quarter by the Company. The headline risks are presented to the Board Audit Committee for review by the respective business units. The details of the Risks Report and Risk Management Process are set out on page 167.

INTERNAL CONTROL

The Board, through the involvement of the Group Business Process Review (Group BPR) Division, takes steps to gain assurance on the effectiveness of internal control systems in place. The Audit Committee receives regular reports on the adequacy and effectiveness of internal controls in the Company. These include compliance with laws, regulations and established policies and procedures of the Company.

The Head of the Group BPR Division has direct access to the Chairperson of the Audit Committee. Reports of the outsourced Internal Auditors are also reviewed by the Audit Committee on matters pertaining to the Company.

The Directors acknowledge their responsibility for the Company's systems of internal controls. The statement of Corporate Governance from pages 110 to 166 sets out in detail the Company's system of internal controls.

RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 30 to the Financial Statements, have complied with CSE Listing Rule 9 and the Code of Best Practices on Related Party Transactions under the SEC Directive dated 12th December 2013.

DONATIONS

Total donations made by the Company and AHP Group during the year amounted to Rs. 3.7 Mn (2024 - Rs. 4.5 Mn) and Rs. 5.7 Mn (2024 - Rs. 4.7 Mn) respectively.

EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

Except for the matters disclosed in Note 36 to the Financial Statements and there were no material events that require adjustments or disclosure in the Financial Statements.

GOING CONCERN

The Company has prepared the Financial Statements for the year ended 31st March 2025 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the Financial Statements for the year ended 31st March 2025, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Company and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Company's ability to continue to operate as a going concern. The management has formed the judgement that the Company has adequate resources to continue in operational existence for the foreseeable future, driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans along with the financial strength of the Company.

In determining the above significant management judgements, estimates and assumptions, the impact of the macroeconomic uncertainties, including supply chain disruptions, power interruptions and distribution challenges on account of the prevailing foreign exchange market limitations have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

Having presented the outlook for the Company and subsidiary to the AHP Board, the Directors are satisfied that the Company and its subsidiary have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these Financial Statements.

AUDITORS

The Audit Committee reviews the appointment of the Auditors, their effectiveness, independence, and relationship with the Company, including the level of audit. As far as the Directors are aware, the

Auditors, Messrs. KPMG, Chartered Accountants, do not have any relationship or interest in the Company and its Subsidiaries. Messrs. KPMG, Chartered Accountants have indicated their willingness to continue as Auditors of the Company, and accordingly, a resolution proposing their re-appointment as Auditors will be proposed at the Annual General Meeting. Details of the Audit Fees paid to the Auditors are set out in Note 7 to the Financial Statements of this report.

Further details of the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on page 161.

ANNUAL REPORT

The Board of Directors approved the Consolidated Financial Statements on 27 May 2025. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board as required.

ANNUAL GENERAL MEETING

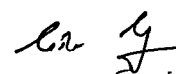
The Annual General Meeting will be held as a virtual meeting on 26 June 2025 at 9.30 am.

This Annual Report is signed for and on behalf of the Board of Directors.

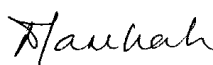
By Order of the Board



Director



Director



Keells Consultants (Private) Limited
Secretaries

27th May 2025

Statement of Directors Responsibility

The responsibility of the Directors, in relation to the Financial Statements of Asian Hotels and Properties PLC (the "Company") and the Consolidated Financial Statements of the Company and its Subsidiary (AHP Group) is set out in this Statement. This Statement of Directors' Responsibility is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and the Auditors in relation to the Financial Statements contained in this Annual Report.

As per the provisions of the Companies Act No. 07 of 2007 (Companies Act), the Directors are required to prepare, for each financial year and place before a general meeting, financial statements which comprise of:

- Statement of profit or loss, statement of comprehensive income of the Company and AHP Group, which present a true and fair view of the financial performance of the Company and AHP Group for the respective financial year.
- Statement of financial position, which represents a true and fair view of the state of affairs of the Company and AHP Group as at the end of the financial year:
- A statement of changes in equity; and
- A cash flow statement for the year ended 31st March 2025 together with notes to the financial statements.

The Board of Directors have ensured that the Financial Statements of the Company and of the AHP Group for the year ended 31 March 2025 presented in the report have been prepared :

- using appropriate accounting policies which have been selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained;
- in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS) and that reasonable and prudent judgements and estimates have been made so that the form and substance of transactions are properly reflected; and
- provide the information required by and otherwise comply with the Companies Act the Listing Rules of the Colombo Stock Exchange (CSE), the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the code of best practice on Corporate Governance (2023) jointly advocated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) and the code of best practice on Corporate Governance (2017) issued by CA Sri Lanka

In preparing the Financial Statements, the Board of Directors have ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis.

After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance Code, the Directors have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the financial statements. Additionally, the Board Directors have a responsibility to;

- Ensure that the Company maintains sufficient accounting records to disclose, with reasonable accuracy, the financial position of the Company and of the AHP Group; and
- Take all reasonable steps expected of them to safeguard the assets of the Company and of the AHP Group to establish appropriate systems of internal controls to prevent, deter and detect any fraud, misappropriation or other irregularities.

The Board of Directors have taken all reasonable steps to ensure that the Company and its subsidiaries maintain adequate and accurate accounting books of record, which reflect the transparency of transactions and provide an accurate disclosure of the financial position of the Company and of the AHP Group.

Further in the event of a dividend distribution, as required by Section 56 (2) of the Companies Act, and based on the information available, the Board of Directors will ensure that the Company has satisfied the solvency test immediately after the distribution of any dividends in accordance with Section 57 of the Companies Act and have obtained a certificate from the auditors, prior to declaring such dividends.

The Board of Directors is required to provide the Auditors with every opportunity to take whatever steps and undertake whatever inspection they consider appropriate for the purpose of enabling them to give an independent Audit Report.

The Board of Directors is of the view that they have discharged their responsibilities as set out in this Statement.

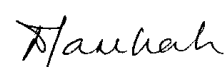
The Board of Directors approved the Annual Report on 27th May 2025. The appropriate number of copies of this report will be submitted to the Colombo Stock Exchange and to the Sri Lanka Accounting and Auditing Standards Monitoring Board as required.

COMPLIANCE REPORT

The Directors confirm that, to the best of their knowledge, all taxes and levies payable by the Company and AHP Group, and all contributions, levies and taxes payable on behalf of the employees of the Company and AHP Group, and all other known statutory obligations as at the reporting date, have been paid or provided for, except as specified in Note 34 to 35 to the Financial Statements covering Contingent Liabilities.

The Board of Directors confirm that the Company and AHP Group have complied with the Para 23 of the LKAS 24, and all related party transactions are carried out at "arm's length" basis.

By Order of the Board



ASIAN HOTELS AND PROPERTIES PLC
Keells Consultants (Private) Limited

Secretaries

27th May 2025

Independent Auditors' Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF ASIAN HOTELS AND PROPERTIES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asian Hotels and Properties PLC ("the Company") and the consolidated financial statements of the Company and its subsidiary ("the Group"), which comprise the statement of financial position as at March 31, 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 as set out on pages 188 to 238 of this annual report.

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 March 31, 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

01. Management assessment of the Company's ability to continue as going concern.

Risk Description	Our Response
<p>The Company incurred net loss of Rs. 107.7 Mn for the year ended 31st March 2025. Further, the Company's current liabilities exceeded its current assets by Rs 2,039 Mn as at the reporting date.</p> <p>However, these financial statements have been prepared on a going concern basis. In adopting the going concern basis in preparation of the financial statements, the directors have reviewed the Company's cash flow projections, prepared by the management. The cash flow projections were based on management's assumptions and estimation of future cash inflows and outflows.</p> <p>We identified management assessment of the Company's ability to continue as going concern and related disclosures as a key audit matter because the cash flow projections referred to above involves consideration of future events and circumstances which are inherently uncertain, and effect of those uncertainties may significantly impact the resulting accounting estimates. Therefore, the assessment requires the exercise of significant management judgement in assessing future cash inflows and outflows which could be subject to potential management bias.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Obtaining and evaluating the appropriateness of management assessment of going concern. Obtaining the cash flow projections and evaluating the key assumptions used in preparing the projections. Assessing adequacy of disclosures in the financial statements Note 2 (g), in relation to company's ability to continue as going concern.

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C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.L. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R.Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D Corea Dharmaratne

INDEPENDENT AUDITORS' REPORT



02. Valuation of the land and buildings (Property, Plant and Equipment and Investment Property) – the Group and the Company	
Refer to note 12 and 14 to the financial statements	
Risk Description	Our Response
<p>As at 31st March 2025, the Group's Land and Buildings stated at fair value, classified as Property, Plant and Equipment and Investment Properties amounted to Rs. 38.5 Bn and Rs. 5.8 Bn respectively and in the Company: Rs. 34.4 Bn and Rs. 2.5 Bn respectively.</p> <p>The Group has engaged an independent professional Valuer with appropriate expertise to determine the fair value of these properties in accordance with recognised industry standards.</p> <p>Estimating the fair value is a complex process which involves a significant degree of judgment and estimates in respect of price per perch of the land, capitalisation rates, value per square feet, fair market rental and diversity of locations and nature of the land and buildings and investment properties.</p> <p>We identified this as a key audit matter because of the significance of the value of these properties to the Financial Statements and significant judgement/estimation involves in the valuation.</p>	<p>Our audit procedures included:</p> <p>Discussions with management and the external valuer and comparison of the key assumptions used against externally published market comparable or industry data where available and challenging the reasonableness of key assumptions based on our knowledge of the industry.</p> <p>Discussions with management and the external valuer in relation to the possible impact on the key assumptions and the resulting valuation due to current uncertain economic conditions.</p> <p>Assessing the key inputs used in the valuation by the independent external valuer against our expectations based on our experience, externally published market comparable and our knowledge of property market, consultation with internal valuation specialist.</p> <p>Assessing the objectivity, independence, competence and qualifications of the external valuer.</p> <p>Assessing the adequacy of the disclosures in the financial statements, including the description and appropriateness of the inherent degree of subjectivity and key assumptions in the estimates.</p>

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 2599.

Colombo, Sri Lanka
27 May 2025

STATEMENT OF PROFIT OR LOSS

For the year ended 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Continuing operations					
Revenue from contracts with customers	5	10,362,110	10,771,758	5,896,420	6,309,914
Cost of sales		(5,800,005)	(5,881,167)	(3,374,963)	(3,446,755)
Gross Profit		4,562,105	4,890,591	2,521,457	2,863,159
Dividend income	11	-	-	36,900	-
Other operating income	6	77,005	82,053	73,712	72,153
Selling and Distribution expenses		(427,799)	(442,079)	(226,994)	(224,832)
Administrative expenses		(2,992,547)	(2,786,533)	(1,924,990)	(1,783,912)
Other operating expenses		(768,305)	(1,131,576)	(357,681)	(617,944)
Results from operating activities	7	450,459	612,456	122,404	308,624
Finance cost		(196,569)	(336,016)	(95,570)	(152,578)
Finance income		19,845	25,800	15,499	7,274
Net Finance Cost	8	(176,724)	(310,216)	(80,071)	(145,304)
Change in fair value of investment property	14	34,026	(89,904)	(26,208)	(184,959)
Profit/(Loss) before tax		307,761	212,336	16,125	(21,639)
Income tax expense	9	(222,438)	(134,679)	(123,853)	(73,821)
Profit/(Loss) for the year		85,323	77,657	(107,728)	(95,460)
Attributable to:					
Equity holders of the parent		(44,803)	(20,310)	(107,728)	(95,460)
Non-controlling interest		130,126	97,967	-	-
		85,323	77,657	(107,728)	(95,460)
		Rs.	Rs.	Rs.	Rs.
Loss per share - Basic/Diluted	10	(0.10)	(0.05)	(0.24)	(0.22)
Dividend per share		-	-	-	-

Figures in brackets indicate deductions

The accounting policies and notes as set out in pages 195 to 238 form an integral part of these Financial Statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31st March In Rs.'000s	Notes	GROUP		COMPANY	
		2025	2024	2025	2024
Profit/(Loss) for the year		85,323	77,657	(107,728)	(95,460)
Other comprehensive income					
Items that will not to be reclassified to Income Statement in subsequent periods					
Revaluation of land and buildings	12	1,055,357	1,862,721	606,442	1,471,548
Re-measurement gain/(loss) on defined benefit plans	26.1	82,398	(84,366)	39,801	(43,323)
		1,137,755	1,778,355	646,243	1,428,225
Deferred tax effect on actuarial valuation		(24,719)	12,313	(11,940)	-
Deferred tax effect on land & building revaluation		(316,607)	(558,816)	(181,933)	(441,465)
Tax on other comprehensive income		(341,326)	(546,503)	(193,873)	(441,465)
Other comprehensive income not to be reclassified to Income Statement in subsequent periods, net of tax		796,429	1,231,852	452,370	986,760
Total comprehensive income for the year, net of tax		881,752	1,309,509	344,642	891,300
Attributable to :					
Equity holders of the parent		556,924	1,072,845	344,642	891,300
Non-controlling interests		324,828	236,664	-	-
		881,752	1,309,509	344,642	891,300

Figures in brackets indicate deductions

The accounting policies and notes as set out in pages 195 to 238 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
ASSETS					
Non current assets					
Property, plant and equipment	12	41,293,429	39,773,775	36,287,136	35,187,698
Right-of-use asset	13	682,220	694,624	-	-
Investment property	14	5,756,648	5,720,981	2,454,326	2,478,893
Intangible assets	15	50,873	2,173	25,450	544
Investment in subsidiary	16	-	-	660,045	660,045
Non current financial assets	17	12,877	33,704	6,305	20,337
Other non current assets	18	4,486	11,019	1,798	4,760
Total non current assets		47,800,533	46,236,276	39,435,060	38,352,277
Current assets					
Inventories	19	256,418	328,009	151,611	208,202
Trade and other receivables	20	568,279	1,310,586	320,775	677,250
Dividend receivable	11.1	-	-	36,900	-
Amounts due from related parties	30.2	65,069	107,746	58,910	88,735
Other current assets	21	220,193	224,657	139,891	111,319
Cash in hand and at bank		268,477	174,028	174,933	127,765
Total current assets		1,378,436	2,145,026	883,020	1,213,271
Total assets		49,178,969	48,381,302	40,318,080	39,565,548
EQUITY & LIABILITIES					
Equity					
Stated capital	22	3,345,117	3,345,117	3,345,117	3,345,117
Revenue reserves		4,869,529	4,851,535	3,279,951	3,359,649
Other components of equity	23	22,294,421	21,752,125	21,569,674	21,142,080
Equity attributable to owners of the company		30,509,067	29,948,777	28,194,742	27,846,846
Non-controlling interest		3,862,444	3,600,350	-	-
Total equity		34,371,511	33,549,127	28,194,742	27,846,846
Non current liabilities					
Deferred tax liabilities	25	9,987,459	9,555,409	8,969,569	8,783,558
Employee benefit liabilities	26	396,873	473,813	232,240	284,949
Total non current liabilities		10,384,332	10,029,222	9,201,809	9,068,507
Current liabilities					
Trade and other payables	27	1,442,826	1,490,628	887,295	921,404
Amounts due to related parties	30.3	323,346	340,251	246,308	255,757
Income tax liabilities	28	39,570	60,196	34,111	34,575
Interest bearing loans and borrowings	24	355,072	581,085	205,072	126,359
Other current liabilities	29	412,664	453,911	289,570	305,900
Dividend payable	11.2	63,100	-	-	-
Bank overdrafts		1,786,548	1,876,882	1,259,173	1,006,200
Total current liabilities		4,423,126	4,802,953	2,921,529	2,650,195
Total liabilities		14,807,458	14,832,175	12,123,338	11,718,702
Total equity and liabilities		49,178,969	48,381,302	40,318,080	39,565,548

I certify that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

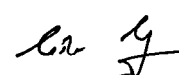


C.L.P. Gunawardane
Director/ Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.



K.N.J. Balendra
Chairperson



J.G.A. Cooray
Director

The accounting policies and notes as set out in pages 195 to 238 form an integral part of these financial statements.

27 May 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

GROUP In Rs.'000s	Note	Attributable to equity holders of the parent					Non controlling interest	Total Equity
		Stated Capital	Revaluation Reserve	Other Capital Reserve	Revenue Reserve	Total		
As at 1st April 2023		3,345,117	20,434,910	178,428	4,916,727	28,875,182	3,362,706	32,237,888
Total comprehensive income								
Profit /(Loss) for the year		-	-	-	(20,310)	(20,310)	97,967	77,657
Other comprehensive income		-	1,148,949	-	(55,794)	1,093,156	138,697	1,231,853
Total comprehensive income		-	1,148,949	-	(76,104)	1,072,845	236,664	1,309,509
Transactions with owners of the company								
Transferred to revenue reserve (Note a)		-	(10,911)	-	10,911	-	-	-
Share based payments	23.2	-	-	749	-	749	980	1,729
As at 31st March 2024		3,345,117	21,572,948	179,177	4,851,535	29,948,777	3,600,350	33,549,127
As at 1st April 2024		3,345,117	21,572,948	179,177	4,851,535	29,948,777	3,600,350	33,549,127
Total comprehensive income								
Profit/(Loss) for the year		-	-	-	(44,803)	(44,803)	130,126	85,323
Other comprehensive income		-	560,921	-	40,806	601,727	194,702	796,429
Total comprehensive income		-	560,921	-	(3,997)	556,924	324,828	881,752
Transactions with owners of the company		-	-	-	-	-	-	-
Transferred to revenue reserve Note (a)		-	(21,991)	-	21,991	-	-	-
Subsidiary Interim dividend to Non-controlling Interest -2024/2025		-	-	-	-	-	(63,100)	(63,100)
Share based payments	23.2	-	-	3,366	-	3,366	366	3,732
As at 31st March 2025		3,345,117	22,111,878	182,543	4,869,529	30,509,067	3,862,444	34,371,511

Note (a) - According to the Sri Lanka Accounting Standard - 16 "Property, Plant and Equipment", when the revalued asset is used by an entity, the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets' original cost is transferred from revaluation surplus to retained earnings amounting Rs.21.99 Mn. (Rs.10.91 Mn in 2024).

Figures in brackets indicate deductions.

The Notes to the Financial Statements from Pages 195 to 238 form an integral part of these Financial Statements.

Statement of Changes In Equity

COMPANY In Rs. '000s	Note	Stated Capital	Revaluation Reserve	Other Capital Reserve	Revenue Reserve	Total Equity
As at 1st April 2023		3,345,117	19,944,552	167,676	3,498,432	26,955,777
Total comprehensive income						
Loss for the year		-	-	-	(95,460)	(95,460)
Other comprehensive income		-	1,030,083	-	(43,323)	986,760
Total comprehensive income		-	1,030,083	-	(138,783)	891,300
Transactions with owners of the company						
Share based payments/ (reversal)	23.2	-	-	(231)	-	(231)
As at 31st March 2024		3,345,117	20,974,635	167,445	3,359,649	27,846,846
As at 1st April 2024		3,345,117	20,974,635	167,445	3,359,649	27,846,846
Total comprehensive income						
Adjustment on revenue reserve		-	-	-	169	169
Loss for the year		-	-	-	(107,728)	(107,728)
Other comprehensive income			424,509		27,861	452,370
Total comprehensive income		-	424,509	-	(79,698)	344,811
Share based payments /(reversal)	23.2			3,085	-	3,085
As at 31st March 2025		3,345,117	21,399,144	170,530	3,279,951	28,194,742

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 195 to 238 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year ended 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Operating Profit /(Loss) before working capital changes					
Profit /(Loss) before tax		307,761	212,336	16,125	(21,639)
Adjustments for:					
Finance income	8	(19,845)	(25,800)	(15,499)	(7,274)
Finance cost	8	196,569	336,016	95,570	152,578
Dividend income	11	-	-	(36,900)	-
Change in fair value of investment property	14	(34,026)	89,904	26,208	184,959
Depreciation of property, plant and equipment	12	701,524	596,068	478,409	397,410
(Profit) / loss on disposal of property, plant & equipment	6	(7,329)	(7,920)	(5,753)	209
Amortisation of right-of-use assets	13	12,404	12,404	-	-
Amortisation of intangible assets	15	8,940	645	5,757	283
Provision for doubtful debts	20	54,233	7,596	39,559	11,661
Employee benefit provision and related costs	26	89,752	105,307	51,850	68,803
Share based payment expenses/(reversal)	23.2	3,732	1,729	3,085	(231)
Reversal made on slow moving Inventory	19	(48)	(662)	-	-
Provision/ (reversal)for net releasable value	19	1,487	(4,006)	1,487	(4,006)
Unrealised (gain)/ loss on foreign exchange	7	(55)	(5,498)	115	10,321
		1,315,099	1,318,119	660,013	793,074
Operating Activities					
Operating Profit Before Working Capital Changes		1,315,099	1,318,119	660,013	793,074
Decrease in Inventories		70,152	91,257	55,104	60,224
(Increase) / Decrease in Trade and Other Receivables		688,074	(726,753)	316,916	(428,331)
Decrease Amounts Due from Related Parties		42,677	8,936	29,825	5,335
(Increase) / Decrease Other Current Assets		4,464	137,480	(28,572)	114,181
Increase / (Decrease) Trade and Other Payables		(47,802)	260,492	(34,109)	205,905
Increase / (Decrease) Amounts Due to Related Parties		(16,905)	209,935	(9,449)	174,715
Decrease Other Current Liabilities		(41,247)	(194,369)	(16,330)	(103,790)
Cash Generated from Operations		2,014,512	1,105,097	973,398	821,313
Finance income received	8	19,276	25,800	15,499	7,274
Finance cost paid	8	(196,273)	(336,016)	(95,274)	(152,578)
Tax paid	28	(152,287)	(112,269)	(132,125)	(112,269)
Gratuity paid	26	(84,294)	(49,491)	(64,758)	(33,852)
Net Cash Flows from Operating Activities		1,600,934	633,121	696,740	529,888

STATEMENT OF CASH FLOWS

For the year ended 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Investing Activities					
Purchase / Transfers and construction of property, plant and equipment	12	(1,175,584)	(832,080)	(971,812)	(494,243)
Addition / Transfers to Investment Property	14	(1,641)	(26,371)	(1,641)	(26,371)
Addition to intangible assets	15	(57,640)	(1,616)	(30,663)	-
Proceeds from sale of property, plant and equipment		17,094	18,697	6,160	1,009
Proceeds from other assets (Net)		27,360	7,449	16,994	5,805
Net Cash Flows used in Investing Activities		(1,190,411)	(833,921)	(980,962)	(513,800)
Financing Activities					
Repayment Long Term Borrowings	24	(1,030,516)	(175,468)	(126,359)	(86,522)
Proceeds from Long/short Term Borrowings	24	804,776	344,000	204,776	-
Net Cash Flows from/(used in) Financing Activities		(225,740)	168,532	78,417	(86,522)
Net increase/(decrease) in Cash and Cash Equivalents		184,783	(32,268)	(205,805)	(70,434)
Cash and cash equivalents at the beginning of the year		(1,702,854)	(1,670,586)	(878,435)	(808,001)
Cash and cash equivalents at the end of the year		(1,518,071)	(1,702,854)	(1,084,240)	(878,435)
Analysis of cash and cash equivalents					
Favourable Balances					
Cash at Bank		234,744	146,292	149,298	109,084
Cash in hand		33,733	27,736	25,635	18,681
Unfavourable Balances					
Bank Overdrafts		(1,786,548)	(1,876,882)	(1,259,173)	(1,006,200)
Total Cash and Cash Equivalents		(1,518,071)	(1,702,854)	(1,084,240)	(878,435)

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdraft.

Figures in brackets indicate deductions

The accounting policies and notes as set out in pages 195 to 238 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Reporting Entity

Asian Hotels and Properties PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and principal place of business of the Company is located at No.77, Galle Road, Colombo 03.

The company's controlling entity and ultimate parent undertaking is John Keells Holdings PLC which is incorporated in Sri Lanka.

Group Information

Consolidated financial statements

The consolidated financial statements of the Company as at and for the year ended 31st March 2025 comprise the financial information of the Company and its subsidiary; Trans Asia Hotels PLC (together referred to as the 'Group' and individually as 'Group entities').

Approval of financial statements

The financial statements for the year ended 31st March 2025 were authorised for issue by the Board of Directors on 27th May 2025.

Principal activities and nature of operations

The principal activities of the Company and the Group during the year were hoteliering and property development. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review.

The Group had 1,298 (2024 – 1,435) employees and the Company had 836 (2024- 990) employees excluding industrial trainees as at the reporting date.

Responsibility for financial statements

The responsibility of the Board of Directors in relation to the financial statements is set out in the Statement of Directors' Responsibility Report in the Annual report.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements which comprise the statement of profit or loss, statement of comprehensive income, statement of financial position, statement of changes in equity and the statement of cash flows, together with the accounting policies and notes (the "financial statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/ LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

(b) Statement of presentation

The Financial Statements of the Company have been presented in compliance with the requirements of the companies Act No. 7 of 2007 and provide appropriate disclosures as required by the listing rules of Colombo Stock Exchange.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis except for followings items, which are measured on an alternative basis on each reporting date.

- Freehold land and buildings which are measured at cost, at the time of acquisition are subsequently recognised at revalued amounts which are the fair values at the date of revaluation less accumulated depreciation and impairment cost if any.
- Investment properties which are stated at fair values.
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 26.

(d) Presentation and functional currency

The Financial Statements are presented in Sri Lankan Rupees, the Group's functional and presentation currency, which is the currency of the primary economic environment in which the Group operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency. All values are rounded to the nearest Sri Lankan Rupees thousand (Rs.'000) unless otherwise indicated.

(e) Use of estimates and judgements

The preparation of the Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following note:

- Consolidation: whether the Group has de facto control over an investee - Note 16

ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2025 is included in the following notes:

- Measurement of Freehold land & buildings - Note 12
- Measurement of Investment Properties - Note 14
- Measurement of Defined Benefit Plans - key actuarial assumptions - Note 26
- Impairment test: key assumptions underlying recoverable amounts – Note 20
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 34
- Recognition of deferred tax assets; availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised - Note 25

NOTES TO THE FINANCIAL STATEMENTS

(f) Measurement of fair values:

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

I. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

II. Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

III. Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

(g) Going concern

The company has recorded a net loss of Rs.107.7 Mn for the year ended 31st March,2025, and as at that date, current liabilities exceeded its current assets by Rs.2,039 Mn.

The Board of Directors has conducted a comprehensive review of the Company's affairs including, but not limited to:

- The cash flow forecast of the Company for the period up to next 12 months.
- The Company's ability of settling the statutory payables and other liabilities when they fall due and payable.

Further, management believes that the repayment of the short- term interest bearing loans and borrowings, and bank overdraft facilities will be met out of operating cash flows and the mitigation actions taken such as the management's evaluation of resilience of its businesses considering a wide range of factors such as current and expected profitability, expected revenue streams, ability to defer non-essential capital expenditure and strong reserve position. Moreover, the Board of Directors have no plans to liquidate the Company or cease operations in the near future.

As a consequence, in view of the above, the Management continue to have a reasonable expectation that the Company has adequate resources to continue in operations for at least the next 12 months that the going concern basis of accounting remains appropriate. Management firmly believe that the Company will be able to continue as a going concern into the foreseeable future and, accordingly, the Financial Statements of the Company have been prepared on a going concern basis without making adjustments that may be required to the recorded assets and the classification of liabilities if the Company is unable to continue as a going concern.

(h) Comparative information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages and those accounting policies presented with each note, have been applied consistently by the Group and the Company.

Other material accounting policies not covered with individual notes.

The following accounting policies, which have been applied consistently by the Company and the Group, are considered to be material but not covered in any other sections.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date - i.e. when control is transferred to the Group, control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. 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, a input and substantive process and whether the acquired set has the ability to produce outputs.

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

(ii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Subsidiaries

Subsidiaries are those enterprises 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 over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements.

3.2 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is recognised as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is recognised as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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

3.3 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in statement of profit or loss.

3.4 Non financial assets impairment

The carrying amounts of the Group/Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset or Cash Generating Unit (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. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (Group of CGUs) on a pro rata basis.

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.

3.5 Financial instruments**(i) Recognition and initial measurement**

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

NOTES TO THE FINANCIAL STATEMENTS

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

Financial Assets

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; fair value through other comprehensive income (FVOCI)
- debt investment; fair value through other comprehensive income (FVOCI)
- equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the 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 outstanding.

The Groups' consolidated financial assets classified and measured at amortised cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

A debt investment is measured at FVOCI 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 achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes 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. The Group's investment in equity investments are classified as Fair Value through OCI (FVOCI).

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 de-recognition 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.

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method.
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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 de-recognition is recognised in profit or loss.

Financial Liabilities

Classification, subsequent measurement and gain and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. 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 de-recognition is also recognised in profit or loss.

(i) De-recognition

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

(ii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the Group's effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. 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.

4 CHANGES IN ACCOUNTING STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

Changes in accounting standards

The following amendments and improvements are not expected to have a significant impact on the Company's and the Group's financial statements.

- Amendments to LKAS 1: Classification of Liabilities as Current or Noncurrent and Noncurrent Liabilities with Covenants
- Amendments to SLFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to LKAS 7 and SLFRS 7 : Supplier Finance Arrangements
- Amendments to LKAS 12 : International Tax Reform - Pillar Two Model Rules

Standards issued but not yet effective

- Amendments to LKAS 21: Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS

5 REVENUE

ACCOUNTING POLICY

Contracts with customers

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

Performance obligations and significant judgements

The Group's performance obligations and significant judgements are summarised below:

The revenue for providing the services are usually recognised at or after the guests' departure, over the period of stay or at the point of arrival of guests. The entity identifies the services under each contract as one performance obligation. The revenue is accounted based on the output method. Since revenue will be based on the final good or service provided, the output method will provide a faithful depiction in recognising revenue. Accordingly revenue is recognised on the rooms occupied on daily basis and food and beverages and hotel related sales are accounted for at the time of sale and rental income is recognised on an accrual basis.

When obtaining destination management service (travel agents), the entity acts as the principal. Customer receives and consumes the benefits of the entity's performance, as and when the service is performed. Therefore, revenue is recognised at gross over the period, based on the output method. The timing and the amount of cashflow will vary according to the agreements. Transaction price shall comprise of supplier fee and company mark-up, summing up to be the gross service fee. The advance payments are recognised as a liability. Upon provision of the services, the liability is set off and revenue is recognised over the period.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
REVENUE				
Rooms	3,151,072	3,205,512	1,659,022	1,816,392
Food & Beverage	6,042,212	6,342,469	3,561,022	3,748,525
Other Revenue	845,469	902,137	415,310	471,196
Revenue from contracts with customers	10,038,753	10,450,118	5,635,354	6,036,113
RENTAL INCOME				
Rental Income from Investment Property	323,357	321,640	261,066	273,801
Total Revenue	10,362,110	10,771,758	5,896,420	6,309,914

6 OTHER OPERATING INCOME

ACCOUNTING POLICY

Other income is recognised on an accrual basis. Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non current assets, including investments, are accounted for in the statement of profit or loss, after deducting the proceeds from disposal, the carrying amount of such assets and the related selling expenses. Gains and losses arising from activities incidental to the main revenue generating activities and those arising from a group of similar transactions, which are not material are aggregated, reported and presented on a net basis.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Net gain/(loss) on disposal of property, plant and equipment	7,329	7,920	5,753	(209)
Car park income	15,628	15,892	15,628	15,892
Promotional income	2,986	3,173	2,986	3,173
Taxi line commission	3,643	4,908	3,643	4,908
Insurance claim	7,850	3,352	7,850	3,352
Sundry income (Note 6.1)	39,569	46,808	37,852	45,037
	77,005	82,053	73,712	72,153

6.1 Sundry Income

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Engineering Sales	12,644	13,209	12,644	13,209
Other Income	26,925	33,599	25,208	31,828
Total Sundry Income	39,569	46,808	37,852	45,037

7 PROFIT FROM OPERATIONS

ACCOUNTING POLICY

Expenditure recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the statement of profit or loss.

For the purpose of presentation of the statement of profit or loss, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company's and Group's performance.

Profit/ (Loss) before tax is stated after charging all expenses including the following;

For the year ended 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Remuneration to Non-Executive Directors	30.5	19,477	16,140	8,900	6,300
Remuneration to Auditors					
Audit		3,054	2,777	1,890	1,719
Cost of defined employee benefits					
Defined benefit plan cost	26.1	89,752	99,737	51,850	63,233
Defined contribution plan cost - EPF and ETF		206,622	196,687	122,247	119,818
Staff Expenses		2,688,505	2,323,667	1,481,859	1,212,703
Depreciation of property, plant and equipment	12	701,524	596,068	478,409	397,410
Amortisation of right of use assets	13	12,404	12,404	-	-
Donations/CSR		5,737	4,678	3,725	4,497
Amortisation of intangible assets	15	8,940	645	5,757	283
Provision for impairment losses on trade and other receivables	20.1	54,233	7,596	39,559	11,661
Reversal for slow moving inventory	19	(48)	(662)	-	-
Provision/(Reversal) for Net Realisable value	19	1,487	(4,006)	1,487	(4,006)
Foreign exchange (gain)/loss		(55)	(5,498)	115	10,321

NOTES TO THE FINANCIAL STATEMENTS

8 FINANCE INCOME AND FINANCE COSTS

ACCOUNTING POLICY

Finance income

Finance income comprises interest income derived on funds invested as fixed deposits and savings. Interest income is recorded as it accrues using the effective interest rate (EIR).

Finance cost

ACCOUNTING POLICY

Finance costs comprise interest expense on borrowings, overdraft and exchange loss on borrowings. Interest expenses are recognised using the effective interest method.

Borrowing cost

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent the borrowing costs that are directly attributable to the acquisition or construction of an asset that takes a substantial period of time to get ready for its intended use, and are capitalised as part of that asset.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Finance income				
Interest income on loans to employees	4,251	6,597	2,022	3,777
Exchange gain on long term borrowings	569	14,315	-	-
Income from short term investments/ Savings	15,025	4,888	13,477	3,497
Total finance income	19,845	25,800	15,499	7,274
Finance cost				
Interest expense on long term borrowings	37,686	85,266	8,304	19,197
Interest expense on Bank overdraft	158,883	250,750	87,266	133,381
Total finance cost	196,569	336,016	95,570	152,578
Net finance Cost	(176,724)	(310,216)	(80,071)	(145,304)

9 INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expenses comprise of current tax and deferred tax. It is recognised in profit or loss except items recognised directly in Equity or in Other Comprehensive Income. 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 are therefore accounted for under LKAS 37 provision for contingent liabilities and contingent assets.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax assets and liabilities are offset only if certain criteria are met.

The subsidiary was liable for taxation at the rate of 30% as per the Inland Revenue (Amendment) Act No. 45 of 2022.

In accordance with BOI agreement dated 11th March 1994 the profits and income of the Company were exempt from taxation until 2014 and at the expiry of said period the following options were available for the Company."

- (a) Income tax payable for the year of assessment shall be computed at 2% of the turnover of the Company or
- (b) To adapt the provisions of the Inland Revenue Laws for the time being imposed

The Board of the Company resolved to compute the income tax at 2% of the turnover of the Company with effective from 01st April 2014. The Group is liable for Income Tax on any other income at 30% as per the new rates legislated as per the Inland Revenue (Amendment) Act No 45 of 2022.

The Group has complied with the arms' length principles relating to transfer pricing as prescribed in the Inland Revenue Act.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Income tax expense				
Current tax charge (Note 9.1)	131,715	129,309	131,715	129,309
Deferred tax charge/(Reversal) Note 9.2	90,723	5,370	(7,862)	(55,488)
	222,438	134,679	123,853	73,821

9.1 Reconciliation between Income Tax Expense and the Product of Accounting Profit

For the year ended 31st March In Rs.'000s	GROUP	
	2025	2024
COMPANY		
Taxable Revenue	5,972,027	6,390,085
Income Tax charged at		
Standard rate of 30%	8,443	2,182
Concessionary rate of 2%	118,931	127,656
Under / (Over) provision on Income tax for previous years	4,341	(529)
Current income tax charge	131,715	129,309
SUBSIDIARY		
Profit Before Tax	328,529	233,975
Income not liable for Income Tax	(2,389)	(2,377)
Accounting profit chargeable to income taxes	326,140	231,598
Disallowable expenses	317,569	259,400
Aggregate Allowable expenses	(502,144)	(305,508)
Tax losses utilised during the year	(141,565)	(185,490)
Taxable Income	-	-
Income Tax charged at		
Standard rate of 30%	-	-
(Under)/Over provision on income tax for previous years	-	-
Current income tax charge	-	-
Deferred Tax Charge	98,585	60,858
Total Tax Expense	98,585	60,858
Effective Tax Rate	30%	26%

NOTES TO THE FINANCIAL STATEMENTS

9.2 Provision for Deferred Tax

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Deferred Tax arising from				
Change in fair value of investment property	470	(47,156)	(7,862)	(55,488)
Benefit arising from tax losses and other credits	43,355	61,290	-	-
Accelerated depreciation for tax purposes	(5,491)	(6,372)	-	-
Others (Trade receivables etc)	57,898	3,867	-	-
Employee benefits	(5,509)	(6,259)	-	-
Total deferred tax charge /(reversal)	90,723	5,370	(7,862)	(55,488)

Deferred tax has been computed at the tax rate of 30% as per the Inland Revenue (Amendment) Act No.45 of 2022.

9.3 Tax Losses Carried Forward

For the year ended 31st March In Rs.'000s	GROUP	
	2025	2024
At the beginning of the year	709,336	913,636
Adjustment to tax loss brought forward	(2,952)	(18,810)
Tax losses utilised during the year	(141,565)	(185,490)
Balance at the end of the year	564,819	709,336

10 LOSS PER SHARE

ACCOUNTING POLICY

Basic EPS is calculated by dividing the loss for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. The basic loss per share is based on the loss attributable to Asian Hotels and Properties PLC.

Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the parent (after adjusting outstanding share option scheme and warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year/previous year. Therefore diluted loss Per share is the same as basic loss per share.

For the year ended 31st March	GROUP		COMPANY	
	2025	2024	2025	2024
Net Loss attributable to equity holders of the parent for the year	(44,803)	(20,310)	(107,728)	(95,460)
Number of ordinary shares(In'000s)	442,775	442,775	442,775	442,775
Basic/Diluted loss per share	(0.10)	(0.05)	(0.24)	(0.22)

11 DIVIDEND INCOME

ACCOUNTING POLICY

Dividend income is recognised when right to receive the payment is established.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Interim dividend from Trans Asia Hotels PLC (24/25)	-	-	36,900	-
Total Dividends	-	-	36,900	-

11.1 Dividend Receivable

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Dividend receivable from subsidiary - Trans Asia Hotels PLC	-	-	36,900	-
	-	-	36,900	-

11.2 Dividend Payable

ACCOUNTING POLICY

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Dividend Payable by subsidiary - (Trans Asia Hotels PLC) to Non Controlling Interest	63,100	-	-	-
	63,100	-	-	-

11.3 Dividend per share

The Company declared the final dividend for the financial year ended 31st March,2025 (2024-Nil) and it is disclosed under Note 36.

12 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Basis of recognition

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

Basis of measurement

All items of property, plant and equipment are initially recorded at cost. Where items of property, plant and equipment are subsequently revalued, the entire class of such assets is revalued at fair value. The Group applies cost model to property, plant and equipment except for land and buildings and records at cost of purchase or construction together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Revaluation of land and buildings

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence of transaction prices for similar properties. Valuations are based on open market prices, adjusted for any difference in the nature, location, or condition of the specific property. These valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The date of the most recent revaluation was carried out on 31st December 2024

NOTES TO THE FINANCIAL STATEMENTS

When an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in the statement of profit or loss.

When an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in the statement profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in their considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

De-recognition

An item of property, plant and equipment is de-recognised upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognised.

Depreciation

Depreciation is calculated by using straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets. The estimated useful life of assets is as follows:

Assets	Years
Buildings	75
Plant and Machinery	10-20
Motor Vehicles	4-10
Vessel of Floating Restaurant	18
Furniture, Furnishings Equipment	5-15
Computers	5
Base Stock/Circulating Assets	3-10
Outdoor Carpark Development	10

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

Buildings of the subsidiary are depreciated using straight line method in order to depreciate over the balance lease period of 55 years.

Depreciation of an assets ceases at the earlier of the date that the asset is classified as held for sale and the date that asset is de-recognised.

Capital work-in-progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred on property, plant and equipment, awaiting capitalisation.

12.1 GROUP

As at 31st March In Rs. '000s	Freehold Land	Buildings	Outdoor Carpark Development	Plant & Machinery	Base Stock & Circulating Assets	Furniture, Fittings & Equipment	Motor Vehicles	Capital Work In Progress	Total 2025	Total 2024
Cost or Valuation										
At the beginning of the year	25,806,000	11,537,190	11,783	1,692,382	2,046,423	3,282,400	68,905	9,863	44,454,946	42,075,105
Additions	-	109,273	-	140,560	112,787	264,603	-	548,361	1,175,584	832,080
Disposals	-	(4,543)	-	(27,181)	(107,070)	(56,508)	-	-	(195,302)	(133,038)
Revaluations gain	-	1,055,357	-	-	-	-	-	-	1,055,357	1,862,721
Depreciation adjustment on revaluation	-	(238,185)	-	-	-	-	-	-	(238,185)	(181,922)
Transfers	-	-	-	-	(7,520)	7,520	-	-	-	-
Transfers from work in progress	-	450,198	-	32,149	-	75,877	-	(558,224)	-	-
At the end of the year	25,806,000	12,909,290	11,783	1,837,910	2,044,620	3,573,892	68,905	-	46,252,400	44,454,946
Accumulated Depreciation										
At the beginning of the year	-	82,947	11,783	1,036,048	1,587,213	1,916,028	47,152	-	4,681,171	4,389,287
Charge for the year	-	283,664	-	77,815	141,039	195,747	3,259	-	701,524	596,068
Disposals	-	(366)	-	(27,032)	(104,570)	(53,571)	-	-	(185,539)	(122,262)
Depreciation adjustment on revaluation	-	(238,185)	-	-	-	-	-	-	(238,185)	(181,922)
At the end of the year	-	128,060	11,783	1,086,831	1,623,682	2,058,204	50,411	-	4,958,971	4,681,171
Carrying Value										
As at 31st March 2025	25,806,000	12,781,230	-	751,079	420,938	1,515,688	18,494	-	41,293,429	-
As at 31st March 2024	25,806,000	11,454,243	-	656,334	459,210	1,366,372	21,753	9,863	-	39,773,775

Note-12.1 (a) Freehold Land and Buildings of the Group were valued by M/s. P.B. Kalugalagedara & Associates, an independent Chartered Valuer as at 31st December 2024, and the book values were written up to correspond with the valuation. Further there is no significant value change as at 31st March 2025.

Note-12.1 (b) Had the revalued buildings of the Group been included at cost, the carrying value of the said asset would amount to Rs.5,694 Mn. (Rs.5,191 Mn in 2024) had the revalued Land of Group been included at cost, the carrying value of the said asset would amount to Rs.470 Mn (Rs.470 Mn in 2024). (Details of the fair Value hierarchy is given in note 12.3)

Note-12.1 (c) Details of Group's Land and Building stated at valuation are indicated below.

NOTES TO THE FINANCIAL STATEMENTS

Property		Land /Building Extent	Location	Fair Value as at 31.12.2024 In Rs. '000s
Freehold Land and Building				
Company	Land (I)	A06 - R2- P22.21	No 77, Galle Road, Colombo 03	25,806,000
	Land (II)	A01 - R1- P22.87	No 77, Galle Road, Colombo 03	
	Building- Stage(I)	350,237 Sq Ft	No 77, Galle Road, Colombo 03	
	Building- Stage (II) & (III)	299,975 Sq Ft	No 77, Galle Road, Colombo 03	
	Life style Building	49,280 Sq.Ft	No 77, Galle Road, Colombo 03	8,263,000
	New Associate Life Style Building	36,859 Sq. Ft	No 77, Galle Road, Colombo 03	
Investment Properties				
Company	Building	145,196 Sq Ft	No 89, Galle Road, Colombo 03	Note 14
Subsidiary	Building	55,548 Sq Ft	No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.	
	Land	A01 - R02- P30.0	No. 117, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.	
Lease hold Properties				
Subsidiary	Building	344,383 Sq Ft	No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.	4,177,016
	Land	A05 - R02- P34.28	No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 02.	Note 13

Note-12.1 (d) The cost of the fully depreciated assets in the Group which are still in use of the Group amounted to 2,536 Mn (Rs. 2,516Mn in 2024).

Note-12.1 (e) There are no assets pledged as at the reporting date that require disclosure by the Group.

12.2 COMPANY

As at 31st March In Rs. '000s	Freehold Land	Buildings	Outdoor Carpark Development	Plant & Machinery	Base Stock & Circulating Assets	Furniture, Fittings & Equipment	Motor Vehicles	Capital Work In Progress	Total 2025	Total 2024
Cost or Valuation										
At the beginning of the year	25,806,000	7,789,545	11,783	988,570	990,862	2,302,941	3,450	9,863	37,903,014	36,112,816
Additions	-	84,759	-	55,976	85,722	196,994	-	548,361	971,812	494,243
Disposals	-	-	-	(16,348)	(18,733)	(34,453)	-	-	(69,534)	(40,246)
Revaluations gain	-	606,442	-	-	-	-	-	-	606,442	1,471,548
Depreciation adjustment on revaluation	-	(238,185)	-	-	-	-	-	-	(238,185)	(135,347)
Transfers from work in progress	-	450,198	-	32,149	-	75,877	-	(558,224)	-	-
At the end of the year	25,806,000	8,692,759	11,783	1,060,347	1,057,851	2,541,359	3,450	-	39,173,549	37,903,014
Accumulated Depreciation										
At the beginning of the year	-	95,977	11,783	642,189	706,950	1,254,967	3,450	-	2,715,316	2,492,280
Charge for the year	-	211,041	-	48,235	79,605	139,528	-	-	478,409	397,410
Disposals	-	-	-	(16,291)	(18,516)	(34,320)	-	-	(69,127)	(39,027)
Depreciation adjustment on revaluation	-	(238,185)	-	-	-	-	-	-	(238,185)	(135,347)
At the end of the year	-	68,833	11,783	674,133	768,039	1,360,175	3,450	-	2,886,413	2,715,316
Carrying Value										
As at 31st March 2025	25,806,000	8,623,926	-	386,214	289,812	1,181,184	-	-	36,287,136	-
As at 31st March 2024	25,806,000	7,693,568	-	346,381	283,912	1,047,974	-	9,863	-	35,187,698

Note-12.2 (a) Freehold Land and Buildings of Asian Hotels and Properties PLC were valued by M/s. P.B. Kalugalagedara & Associates, an independent Chartered Valuer as at 31st December 2024, and the book values were written up to correspond with the valuation. Valuation Method used is direct capital comparison approach. Further there is no significant value change as at 31st March 2025.

Note-12.2 (b) Had the revalued Buildings of the company been included at cost, the carrying value of the said asset would amount to Rs.3,911 Mn. (Rs.3,279 Mn in 2024) had the revalued Land been included at cost, the carrying value of the said asset would amount to Rs.470 Mn (Rs.470 Mn in 2024).

Note- 12.2 (c) The cost of the fully depreciated assets which are still in use of the Company amounted to Rs.1,316 Mn (Rs.1,361 Mn in 2024).

Note-12.2 (d) There are no assets pledged as at the reporting date that require disclosure in the Company.

NOTES TO THE FINANCIAL STATEMENTS

12.3 Details of Group's land, building and other properties stated at valuation are indicated below;

	Method of valuation	Effective date of valuation"	Property valuer
Buildings on leasehold land of Trans Asia Hotels PLC.	Direct Capital Comparison Method	31-Dec-24	P B Kalugalagedara, Chartered Valuation Surveyor
Land and building of Asian Hotels and Properties PLC.	Direct Capital Comparison Method	31-Dec-24	P B Kalugalagedara, Chartered Valuation Surveyor

(i) Fair value hierarchy

The fair value of property was determined by external independent property values having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for all of properties has been categorised as level 03 fair value based on the input to the valuation technique used.

(ii) Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used.

Valuation Technique	Significant Unobservable Inputs	Estimates for unobservable inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurements
GROUP			
Direct Capital Comparison Method	Estimated price per square feet of building	Rs.12,000/- per sq. ft. Rs.6,000/- per sq. ft. Rs.8,000/- per sq. ft. Rs.650/- per sq. ft. Rs.475/- per sq.ft.	Estimated fair value will increase/(decrease) if the price per square feet for building increase/(decrease)
	Capitalisation rate	6.25% & 3% for 55 years	Estimated fair value will increase/(decrease) if the capitalisation rate (increase)/(decrease)
COMPANY			
Direct Capital Comparison Method	Estimated price per square feet of building	Rs.16,000/- per sq. ft. Rs.13,000/- per sq. ft. Rs.12,000/- per sq. ft. Rs. 7,500/- per sq. ft. Rs. 5,000/- per sq. ft. Rs. 4,000/- per sq. ft. Rs. 3,500/- per sq. ft.	Estimated fair value will increase/(decrease) if the price per square feet for building increase/(decrease)
	Estimated cost per perch of land	Rs.21 Mn per perch Rs.20 Mn per perch Rs.18 Mn per perch	Estimated fair value will increase/(decrease) if the cost per perch of land increase/(decrease)

(iii) Summary description of valuation methodologies

Direct capital comparison method

This method may be adopted when the rental value is not available from the property concerned, but there are evidences of sale price of properties as a whole. In such cases, the capitalised value of the property is fixed by direct comparison with capitalised value of similar property in the locality.

13 RIGHT OF USE ASSET

ACCOUNTING POLICY

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

As at 31st March In Rs.'000s	GROUP	
	2025	2024
Cost	945,160	945,160
Accumulated amortisation		
At the beginning of the year	250,536	238,132
Charge for the year	12,404	12,404
Balance at the end of the year	262,940	250,536
Carrying amount	682,220	694,624

Leasehold property is the land which the hotel (Cinnamon Lakeside Colombo Hotel owned by subsidiary) is located. The leasehold land is on a 99 years long term lease agreement entered with the Urban Development Authority, Sri Lanka, which commenced from 7th August 1981 and is being amortised on a straight line basis over a period of 94 years which commenced from 1st April 1986.

13.1 DETAILS OF LEASEHOLD PROPERTY

As at 31st March In Rs.'000s	Land extent (in acres)	Lease period	GROUP	
			2025	2024
Trans Asia Hotels PLC, Colombo	A07 - R01 - P24.28	99 years from 7th August 1981	682,220	694,624
			682,220	694,624

14 INVESTMENT PROPERTY

ACCOUNTING POLICY

Basis of recognition

Investment properties are measured initially at cost, including transaction costs.

Basis of measurement

The carrying value of an investment properties includes the cost of replacing part of an existing investment properties, at the time that cost is incurred if the recognition criteria are met and excludes the costs of day to- day servicing of the investment properties. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Fair values are revaluated at least every 3 years by an accredited external, independent valuer. The most recent revaluation was carried out on 31 December 2024.

Derecognition

Investment properties are derecognised when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognised in the income statement in the year of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

Transfer of Investment properties

Transfers are made to or from investment properties only when there is a change in use from a transfer from investment property to owner occupied property or inventory (WIP). The deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Company and the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements, and accounted for using accounting policy for property, plant and equipment.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	5,720,981	5,784,514	2,478,893	2,637,481
Additions	1,641	26,371	1,641	26,371
Net gain/(loss) from fair value remeasurement	34,026	(89,904)	(26,208)	(184,959)
At the end of the year	5,756,648	5,720,981	2,454,326	2,478,893
Freehold property	2,454,326	2,478,893	2,454,326	2,478,893
Leasehold property	3,302,322	3,242,088	-	-
	5,756,648	5,720,981	2,454,326	2,478,893

14.1 Valuation details of investment property

Investment properties of the Group were valued by a qualified professional valuer as at 31st December 2024, details of which are as follows;

In order to adopt the Fair Value model on Investment Property, as per Sri Lanka Accounting Standard 40 "Investment Property" the Land & Building classified as Investment Property of Asian Hotels and Properties PLC which includes Crescat Boulevard was valued by Mr. P.B. Kalugalagedera, a Chartered Valuation Surveyor using Investment/Income method of valuation on 31st December 2024.

The Commercial Centre of Trans Asia Hotels PLC was valued by Mr. P.B. Kalugalagedera, a Chartered Valuation Surveyor using the direct capital comparison method on 31st December 2024.

Changes in the values are recognised as gains in Statement of profit or loss. All gain are unrealised. Further there is no significant value change as at 31st March 2025 as per Valuer's statement.

Consequently, as at the reporting date, the value reflected represents the best estimate based on the market conditions that prevailed, which in considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

Rental Income earned from Investment Property by the Company and Group amounted to Rs.261 Mn (Rs. 274 Mn in 2024) and Rs. 323 Mn (Rs. 322 Mn in 2024) respectively. Direct Operating Expenses incurred by the Company and Group amounted to Rs.231 Mn (Rs. 236 Mn in 2024) and Rs.244 Mn (Rs.248 Mn in 2024) respectively.

The methods used by the valuer are as follows;

Property	Method of Valuation	Fair Value as at 31.12.2024 In Rs. '000s
Asian Hotels and Properties PLC. Crescat Boulevard, Colombo 3	Investment Income Method	2,452,687
Trans Asia Hotels PLC. Commercial Centre, Colombo 2	Direct Capital Comparison Method	3,302,322

(i) Fair Value Hierarchy

The fair value of property was determined by external independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for all of properties has been categorised as level 03 fair value based on the input to the valuation technique used.

(ii) Valuation Technique and Significant Unobservable Inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation Technique	Significant Unobservable Inputs	Estimates for unobservable inputs	Interrelationship between Key Unobservable Inputs and Fair Value Measurement
Direct Capital Comparison Method	Capitalisation rate	6.25% & 3% for 55years	Estimated fair value will increase/(decrease) if the capitalisation rate (increase)/decrease
	Estimated price per square feet	Rs. 7,000/- per sq. ft	Estimated fair value will increase/(decrease) if the price per square feet increase/(decrease)
	Estimated price per perch	Rs.16.75 Mn per perch	Estimated fair value will increase/(decrease) if the price per perch increase/(decrease)
Investment/Income method	Annual rent income	Rs. 142 Mn	Estimated fair value will increase/(decrease) if the annual rent income increase/(decrease)
	Capitalisation rate	6.00%	Estimated fair value will increase/(decrease) if the capitalisation rate (increase)/decrease

15 INTANGIBLE ASSETS

ACCOUNTING POLICY

Basis of Recognition

An intangible asset is an identifiable non monetary asset without physical substance held for use in the production or supply goods or other services, rental to others or for administrative purposes. An intangible asset is initially recognised at cost, if it is probable that future economic benefit will flow to the enterprise, and the cost of the asset can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

(i) Computer software

All computer software costs incurred, licensed for use by the Group, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it is probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Amortisation

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets are amortised on a straight line basis in the Statement of profit or loss from the date on which the asset was available for use, over the best estimate of its useful life. The estimated useful life of software is 5 years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year- end.

Amortisation shall cease at the earlier of the date that the asset is classified as held for sale or the date that asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

(iii) De-recognition

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use and subsequent disposal.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Computer Software				
Cost				
At the beginning of the year	12,543	10,927	7,740	7,740
Additions	57,640	1,616	30,663	-
At the end of the year	70,183	12,543	38,403	7,740
Accumulated Amortisation				
At the beginning of the year	10,370	9,725	7,196	6,913
Amortisation	8,940	645	5,757	283
At the end of the year	19,310	10,370	12,953	7,196
Carrying value				
As at 31 March	50,873	2,173	25,450	544

The Company's intangible assets with a cost of Rs.6 Mn (2024- Rs.6 Mn) have been fully amortised and continue to be in used by the Company.

16 INVESTMENT IN SUBSIDIARY

ACCOUNTING POLICY

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the statement of profit or loss. After the initial recognition, Investments in subsidiaries are carried at cost less any accumulated impairment losses.

As at 31st March In Rs.'000s	COMPANY	
	2025	2024
Carrying value		
Investments in subsidiary at cost	660,045	660,045
	660,045	660,045

		Number of shares	Effective holding %	Cost of Investment	Market Value
Trans Asia Hotels PLC. (Quoted)	2025	86,823,028	43.41%	660,045	3,429,510
	2024	86,823,028	43.41%	660,045	3,698,661

Power and exposure, or rights, to variable returns

Trans Asia Hotels PLC (the owner of Cinnamon Lakeside Colombo) is a subsidiary of the Company, and its principal activity is Hoteliering. There has been no material change in the activities of the subsidiary during the period under review. Asian Hotels and Properties PLC (AHP) consider Trans Asia Hotels PLC (TAH) as a subsidiary since the AHP has power and exposure, right to variable return and ability to use its powers over TAH, based on the factors mention below even though it has only 43.41% ownership.

It is AHP that strategises the marketing, positioning and sales of TAH, thereby, affecting the operating return, in addition to the dividend. This duly approved operating model established for AHP and TAH is driven by AHP as the lead.

AHP is exposed to variable returns from its involvement with TAH as a result of its performance. In addition AHP has quantitative, and qualitative, returns that are not available to other interest holders, due to its ability to use TAH's assets in combination with its own to achieve economies of scale, cost savings and other synergies in their mutual interest.

In addition to having the lead of the operating model, AHP also has the right to nominate directors to the TAH Board. JKH had assigned the power to AHP in order to nominate Directors for TAH.

Non Controlling Interest in subsidiary

The following table summarises the information relating to the Group's subsidiary that has NCI.

As at 31st March In Rs. '000s	2025	2024
NCI percentage	56.59%	56.59%
Non current assets	9,025,516	8,544,048
Current assets	577,859	951,683
Non current liabilities	(1,182,520)	(960,715)
Current liabilities	(1,584,039)	(2,172,850)
Net assets	6,836,816	6,362,166
Net assets attributable to NCI before Advance Income Tax	3,868,954	3,600,350
Advance Income Tax on Dividend payable to Asian Hotels and Properties PLC	(6,510)	-
Net assets attributable to NCI	3,862,444	3,600,350
Revenue	4,465,690	4,461,845
Profit	229,944	173,117
Other comprehensive income	344,058	245,091
Total Comprehensive income	574,002	418,208
Profit allocated to NCI	130,126	97,967
OCI allocated to NCI	194,702	138,697
	324,828	236,664
Cash flow from operating activities	517,546	59,350
Cash flow from investing activities	(124,388)	(182,089)
Cash flow from financing activities	(172,122)	144,335
Net increase in cash and cash equivalents	221,036	21,596

NOTES TO THE FINANCIAL STATEMENTS

17 NON CURRENT FINANCIAL ASSETS

Loans to executives

Refer Note 32.1.2

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	43,957	60,511	28,069	36,816
Loans granted / (transfers)	2,667	18,854	1,076	10,854
Recoveries	(28,202)	(35,408)	(19,193)	(19,601)
At the end of the year	18,422	43,957	9,952	28,069
Receivable within one year (Note 20)	5,545	10,253	3,647	7,732
Receivable between one and five years	12,877	33,704	6,305	20,337
	18,422	43,957	9,952	28,069

18 OTHER NON CURRENT ASSETS

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Prepaid cost of staff motor vehicle loan	4,486	11,019	1,798	4,760

19 INVENTORIES

ACCOUNTING POLICY

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Food & Beverage	152,994	204,361	89,012	127,730
General	50,217	61,190	26,089	34,648
Diesel/ Furnace/ Gas	19,918	24,762	19,919	24,761
Engineering	38,922	41,890	21,698	24,683
Provision for net releasable value	(3,028)	(1,541)	(3,028)	(1,541)
Provision for slow moving inventory	(2,605)	(2,653)	(2,079)	(2,079)
Amount at the end of the year	256,418	328,009	151,611	208,202

20 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Refer note 3.5 for accounting policy of financial instruments

The Group has obtained customer deposit from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experiencing with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and other receivable in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Trade receivables	794,588	1,508,202	319,507	635,112
Other receivables	126,975	96,727	62,456	59,682
Loans to executives (Note 17)	5,545	10,253	3,647	7,732
Impairment (Note 20.1)	(358,829)	(304,596)	(64,835)	(25,276)
	568,279	1,310,586	320,775	677,250

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
20.1 Impairment				
At the beginning of the year	304,596	297,001	25,276	13,615
Provision for the year	61,020	12,985	46,346	12,985
Reversal	(6,787)	(5,389)	(6,787)	(1,324)
At the end of the year	358,829	304,596	64,835	25,276

21 OTHER CURRENT ASSETS

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Prepayments and non cash receivables	99,091	62,967	81,636	49,953
Tax Receivable	48,853	39,923	13,831	12,427
VAT Refund	52,900	52,900	40,281	40,281
Advance to Creditors	19,349	68,867	4,143	8,658
	220,193	224,657	139,891	111,319

NOTES TO THE FINANCIAL STATEMENTS

22 STATED CAPITAL

The ordinary shares of Asian Hotels and Properties PLC are quoted in the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are eligible for one vote per share at Annual General Meetings of the Company.

As at 31st March In Rs.'000s	2025		2024	
	Number of shares	Value of shares	Number of shares	Value of shares
Issued and fully paid ordinary shares	442,775	3,345,117	442,775	3,345,117

23 OTHER COMPONENTS OF EQUITY

As at 31st March In Rs.'000s	Note	GROUP		COMPANY	
		2025	2024	2025	2024
Revaluation reserve	23.1	22,111,878	21,572,948	21,399,144	20,974,635
Share based payments	23.2	182,543	179,177	170,530	167,445
		22,294,421	21,752,125	21,569,674	21,142,080

23.1 Revaluation Reserve

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	21,572,948	20,434,911	20,974,635	19,944,552
Revaluation gain on freehold land & buildings	801,316	1,641,355	606,442	1,471,548
Transferred to revenue reserve	(21,991)	(10,911)	-	-
Deferred tax on land & building	(240,395)	(492,407)	(181,933)	(441,465)
At the end of the year	22,111,878	21,572,948	21,399,144	20,974,635

The Revaluation Reserve relates to revaluation of land and buildings and comprises the cumulative increase in the fair value of the property at the date of revaluation and related deferred tax adjustments. Further, it includes transfer from revaluation surplus to retained earnings, as per the LKAS 16 – Property plant and equipment, when the revalued asset is used by an entity, the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

23.2 Share-based payment plans - Group

ACCOUNTING POLICY

In accounting for employee remuneration in the form of shares, SLFRS 2 – Share based payments, is effective for the Company's parents entity John Keells Holdings PLC, from the financial year beginning 2013/14.

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments of the Parent entity John Keells Holdings PLC (equity settled transactions). The cost of the employee services received in respect of the shares or share options granted is recognised in the statement of profit or loss over the period that employees provide services, from the time when the award is granted up to the vesting date of the options. The overall cost of the award is calculated using the number of share options expected to vest and the fair value of the options at the date of grant.

The employee remuneration expense resulting from the John Keells Holdings PLC's share option scheme to the employees of Asian Hotels and Properties PLC is recognised in the Statement of Profit or Loss of the Company. This transaction does not result in a cash outflow to the Company and expense recognised is met with a corresponding equity reserve increase, thus having no impact on the Statement of Financial Position (SOFPI). The fair value of the options granted is determined by the John Keells Holdings PLC using an option model and the relevant details are communicated by the John Keells Holdings PLC to all applicable subsidiary companies.

Accounting judgments, estimates and assumptions

Estimating fair value for share-based payment transactions require determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires the determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The John Keells Group measures the cost of equity settled transactions with employees relevant to the entire Group by reference to the fair value of the equity instruments on the date at which they are granted. The same assumptions have been used by the Company as John Keells Group's Employee Share Option Scheme applies to the Company. The expected life of the share options is based on the historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome either.

The following information were used and results were generated using binomial model for ESOP.

As at 31st March	2025 Plan No 11 Award 3	2024 Plan No 11 Award 2.1	2024 Plan No 11 Award 2	2023 Plan No 11 award 1	2022 Plan No 10 award 3	2021 Plan No 10 award 2
Dividend yield (%)	1.46	2.07	2.54	2.90	3.28	3.87
Expected volatility (%)	24.54	25.05	24.99	24.15	22.37	21.35
Risk free interest rate (%)	12.76	14.49	26.92	23.10	8.87	6.44
Expected life of share options (Years)	5	5	5	5	5	5
Weighted average share price at the grant date (Rs)	194.00	158.36	137.83	119.85	132.63	134.74
Weighted average remaining contractual life for the share options outstanding (Years)	3	3	3	3	3	3
Weighted average fair value of options granted during the year (Rs)	64.67	52.79	45.94	39.95	44.21	44.91
Exercise price for options outstanding at the end of the year (Rs)	200.74	145.59	137.86	121.91	136.64	132.86
Exercise price for options outstanding at the end of the year (Rs)	20.03	14.53	13.76	12.17	13.64	13.26

NOTES TO THE FINANCIAL STATEMENTS

Employee Share Option Scheme

Under the John Keells Group's Employees Share Option scheme (ESOP), share options of the parent are granted to senior executives of the Company with more than 12 months of service. The exercise price of the share options is equal to the 30 day volume weighted average market price of the underlying shares on the date of grant. The share options vest over a period of four years and is dependent on a performance criteria and a service criteria. The performance criteria being a minimum performance achievement of "Met Expectations" and service criteria being that the employee has to be in employment at the time the share options vest. The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The contractual term for each option granted is five years. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

The expense recognised for employee services received during the year is shown in the following table:

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	179,177	192,444	167,445	167,676
Expense arising from equity-settled share-based payment transactions	3,732	1,729	3,085	(231)
At the end of the year with non- controlling interest	182,909	194,173	-	-
Non-controlling interest at the end of the year	(366)	(14,996)	-	-
At the end of the year	182,543	179,177	170,530	167,445

Movements during the year - Group

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2025		2024	
	No.	WAEP	No.	WAEP
Outstanding as at 1st April	247,600	135.72	327,499	141.16
Granted during the year	40,000	20.03	38,100	133.06
Lapses/Forfeited during the year	(26,400)	13.76	(127,299)	173.25
Adjusted - sub division during the year	2,356,971	-	-	-
Exercised during the year	(31,073)	13.76	(3,100)	137.86
Transfers in/ (out)	-	-	12,400	154.11
Outstanding as at 31st March	2,587,098	14.53	247,600	135.72
Exercisable as at 31st March	1,096,082	13.44	94,291	80.65

Movements during the year - Company

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2025		2024	
	No.	WAEP	No.	WAEP
Outstanding as at 1st April	213,500	135.38	242,783	139.80
Granted during the year	40,000	20.03	38,100	145.59
Lapses/Forfeited during the year	(26,400)	13.76	(79,783)	154.10
Adjusted - sub division during the year	2,049,266	-	-	-
Transfers in/ (out)	-	-	12,400	137.86
Outstanding as at 31st March	2,276,366	14.63	213,500	135.38
Exercisable as at 31st March	971,789	13.40	56,775	133.95

Fair value of the share option and assumptions

The fair value of the share options is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the share options were granted.

The valuation takes into account factors such as stock price, expected time to maturity, exercise price, expected, volatility of share price, expected dividend yield and risk free interest rate.

24 INTEREST BEARING LOANS AND BORROWINGS

ACCOUNTING POLICY

Borrowings are initially recognised at fair value less any directly attributable transaction costs. Subsequently, they are stated at amortised cost, any difference between the proceeds (net of transaction cost) and the repayable amount (including interest) is recognised in Statement of Profit or Loss over the period of the loan using effective interest method.

Refer note 3.5 for accounting policy of financial liabilities

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	581,085	426,868	126,359	212,881
Loans obtained	804,776	344,000	204,776	-
Repayments	(1,030,516)	(175,468)	(126,359)	(86,522)
Accrued interest	296	-	296	-
Exchange difference	(569)	(14,315)	-	-
At the end of the year	355,072	581,085	205,072	126,359
Repayable within one year	355,072	581,085	205,072	126,359
Repayable after one year	-	-	-	-
	355,072	581,085	205,072	126,359

NOTES TO THE FINANCIAL STATEMENTS

Security and repayment terms

In Rs.'000s			Security	2025		2024	
Nature of facility	Interest rate	Repayment terms		Face value	Carrying value	Face value	Carrying value
Company							
Invoice Financing Facility	1 month - 9.25 %	Repayable within in 3 months	None	64,962	64,962	-	-
	2 months - 9.25 %						
	3 months - 9 %						
Short term revolving loan	AWPR + 1% Revised monthly	Each sub-loan granted under the facility should be repaid in full within one year	None	140,110	140,110	-	-
Term Loan	Year 1 - 8.25% Year 2 - 8.50%	12 equal monthly instalments of Rs.4 Mn commencing from Jan 2023 11 equal monthly instalments of Rs. 9 Mn and final instalment of Rs.53 Mn commencing from Jan 2023		-	-	126,359	126,359
Company Total			None	205,072	205,072	126,359	126,359
Subsidiary							
Term Loan (USD)	SOFR+ Margin	12 equal monthly instalments of USD 17,552 commencing from January 2023 and 11 equal monthly instalments of USD 40,955 commencing from January 2024 and final instalment of USD 40,957 on December 2024.	None	-	-	110,726	110,726
Short Term Loan (LKR)	AWPLR + 1.75%	To be settled within a maximum period of 3 months from the date of drawdown. Interest to be serviced monthly.	None	150,000	150,000	344,000	344,000
Short Term Loan (LKR)							
Group Total				355,072	355,072	581,085	581,085

The Group and the Company continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Company and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Company. The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

25 DEFERRED TAXATION

ACCOUNTING POLICY

Deferred taxation is provided using the Statement of Financial Position liability method providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date. Deferred tax assets including those related to tax effects of income tax losses and credits available to be carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realised.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	9,555,409	9,003,536	8,783,558	8,397,581
Recognised in statement of profit or loss	90,723	5,370	(7,862)	(55,488)
Recognised in other comprehensive income	341,327	546,503	193,873	441,465
At the end of the year	9,987,459	9,555,409	8,969,569	8,783,558

Income tax and Deferred tax have been provided as per the new rates legislated by the Inland Revenue (Amendment) Act No 45 of 2022.

The closing deferred tax liability arrives as follows;

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Revaluation of land	7,600,800	7,600,800	7,600,800	7,600,800
Revaluation of buildings	2,059,856	1,743,249	1,570,263	1,388,330
Accelerated depreciation for tax purposes	747,008	752,499	-	-
Employee Benefit Liability	(37,448)	(56,659)	11,940	-
Losses available for offset against future taxable income	(169,446)	(212,802)	-	-
Revaluation of investment property	(163,383)	(163,852)	(213,434)	(205,572)
Others	(49,929)	(107,826)	-	-
	9,987,459	9,555,409	8,969,569	8,783,558

The Group has recognised deferred tax on revaluation of it's buildings classified as investment property (Investment assets) as per the Inland Revenue (Amendment) Act No 45 of 2022. Accordingly the Company has recognised deferred tax asset of Rs.213 Mn as at 31st March 2025 on the revaluation loss reported during the year.

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 Subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

26 EMPLOYEE BENEFIT LIABILITIES

ACCOUNTING POLICY

(i) Defined Contribution Plans - EPF/ETF

Employees' Provident Fund and Employees' Trust Fund (EPF & ETF) are recognised as incurred.

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions in line with respective statutes and regulations.

The Company and the Group contribute 3% of gross emoluments of employees to the Employees' Trust Fund.

The Company contributes 15% of the gross emoluments of the employees as of September 30, 2022, and 12% of the employees hired after October 1, 2022, to the Employees' Provident Fund. The subsidiary contributes 12% of the gross emoluments of employees to the Employees' Provident Fund.

(ii) Defined benefit plans - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company and the Group are liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983.

The liability recognised in the Statement of Financial Position is the present value of the defined benefit obligation as at 31st March 2025.

The defined benefit obligation is calculated by a qualified actuary as at 31st March 2025 using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out every year.

The liability is not externally funded. All Actuarial gains or losses are recognised immediately in the other comprehensive income. 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.

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

26.1 Employee defined benefit plan - Gratuity

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	473,813	333,631	284,949	206,674
Current service cost	32,894	34,679	17,656	22,932
Interest cost on benefit obligation	56,858	70,628	34,194	45,871
Payments	(76,951)	(54,914)	(56,309)	(39,345)
(Gain)/Loss arising from changes in assumptions	(82,398)	84,366	(39,801)	43,323
Transfers	(7,343)	5,423	(8,449)	5,493
At the end of the year	396,873	473,813	232,240	284,949

The employee benefit liability of the Company and Group is based on the actuarial valuations carried out as at 31st March 2025 by Mr. P Gunasekera, AIAA, Messrs. Smiles Global (Pvt) Ltd and Mr. M. Poopalanathan, AIA, Messrs. Actuarial & Management Consultant (Pvt) Ltd; firms of professional actuaries respectively.

The principal assumptions used in determining the cost of employee benefits were:

	GROUP		COMPANY	
	2025	2024	2025	2024
Discount rate	11.00%	12.00%	11.00%	12.00%
Future salary increases	6.00%	12.00%	6.00%	12.00%

The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Management tested several scenarios based calculations on possible changes of the assumptions due to the prevailing macroeconomic conditions. Based on those calculations, the management has concluded that there is no material impact to retirement benefit obligations liability of the Company and its Subsidiary.

A long term treasury bond rate of 11% per annum (2024 :12%) has been used to discount the future liability by taking into consideration of remaining working life of eligible employees.

26.1.1 Sensitivity of assumptions used

If one percentage point change in the assumed discount rate would have the following effects:

In Rs.'000s	2025		2025	
	Discount rate		Salary increment	
	GROUP	COMPANY	GROUP	COMPANY
Increase by one percentage point	(13,621)	(7,091)	15,989	8,365
Decrease by one percentage point	14,577	7,569	(15,159)	(7,954)

26.1.2 Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years.

In Rs.'000s	2025		2024	
	GROUP	COMPANY	GROUP	COMPANY
Within the next 12 months	25,779	3,440	39,583	7,611
Between 1-2 years	35,223	6,116	46,745	4,274
Between 2-5 years	293,389	222,684	136,687	87,387
Between 5-10 years	35,447	-	237,042	185,677
Beyond 10 years	7,035	-	13,756	-
Total	396,873	232,240	473,813	284,949

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.35 years.

NOTES TO THE FINANCIAL STATEMENTS

27 TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Trade payables are the aggregate amount of obligations to pay for goods or services, that have been acquired in the ordinary course of business. Trade payable are classified as current liabilities if payment is due within one year and initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Trade Payables	663,796	561,765	510,599	402,558
Retention on Construction	24,856	26,514	11,694	13,708
Accrued Expenses	356,712	372,013	76,159	107,102
Other Creditors	397,462	530,336	288,843	398,036
	1,442,826	1,490,628	887,295	921,404

28 INCOME TAX LIABILITIES

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
At the beginning of the year	60,196	39,763	34,575	18,302
Charge for the year	127,320	129,838	127,320	129,838
Payments, adjustments and set off against refunds	(152,287)	(108,876)	(132,125)	(113,036)
Under/(over) provision	4,341	(529)	4,341	(529)
At the end of the year	39,570	60,196	34,111	34,575

29 OTHER CURRENT LIABILITIES

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Contract liabilities	196,203	190,224	138,635	127,582
Other Advances	101,598	110,090	87,030	91,493
Other tax payables	114,863	153,597	63,905	86,825
	412,664	453,911	289,570	305,900

30 RELATED PARTY DISCLOSURES

Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 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 Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 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 Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

Group carried out transactions in the ordinary course of its business on an arm's length basis with parties who are defined as related parties as per LKAS 24 "Related Party Disclosure".

30.1 Parent and Ultimate Controlling Party

The Company's Ultimate Parent undertaking and controlling party is John Keells Holdings PLC (JKH PLC). The amounts receivable from and payable to related parties as at 31st March 2025, are presented below,

30.2 Amounts due from related parties

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Parent-John Keells Holdings PLC(JKH PLC)	10,636	15,914	2,665	7,943
Subsidiary-Trans Asia Hotels PLC	-	-	41,703	19,930
Companies under common control of JKH PLC	54,433	91,832	14,542	60,862
	65,069	107,746	58,910	88,735

30.3 Amounts due to related parties

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Parent-John Keells Holdings PLC(JKH PLC)	30,117	37,298	16,654	30,892
Subsidiary-Trans Asia Hotels PLC	-	-	3,838	5,890
Companies under common control of JKH PLC	293,229	302,953	225,816	218,975
	323,346	340,251	246,308	255,757

Provision for Related Party Receivables

No provision has been made in respect of related party receivables and no Guarantees provided for third party on behalf of related party payables.

NOTES TO THE FINANCIAL STATEMENTS

30.4 Transactions with Related Parties

The Group and Company carried out transactions with the following related parties.

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
(a) Transactions with Parent Company				
The company's parent is JKH PLC				
Rendering of services	19,083	23,335	4,792	14,816
Receiving of Services	146,097	138,649	84,751	80,792
Rent Received	37,957	35,933	6,461	7,009
(b) Transactions with Subsidiary - Trans Asia Hotels PLC				
Rendering of services	-	-	60,980	15,865
Receiving of services	-	-	31	8,094
Dividend Income	-	-	36,900	-
(c) Transaction with companies Under common control of JKH PLC				
Purchase of Goods	108,584	116,468	56,901	62,830
Rendering of services	269,701	273,884	152,452	190,343
Receiving of services	685,626	795,592	415,006	484,833
Rent Received	70,873	89,565	40,384	67,658
(d) Transactions with Equity Accounted Investees of JKH PLC				
Rendering of services	34,523	15,331	26,412	10,055
Receiving of services	29,631	26,213	29,471	26,213
Interest Paid	15,631	-	-	-

30.5 Compensation of key management personnel

For the year ended 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Remuneration to Non-executive Directors	19,477	16,140	8,900	6,300

31 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATION AND FAIR VALUES OF THE GROUP

31.1 Financial Assets and Liabilities by Categories - Group

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

As at 31st March In Rs.'000s	Note	Financial assets at amortised cost		Financial liabilities measured at amortised cost	
		2025	2024	2025	2024
Financial instruments in non-current assets/non-current liabilities					
Non-current financial assets	17	12,877	33,704	-	-
Other non-current assets	18	4,486	11,019	-	-
Financial instruments in current assets/current liabilities					
Trade and other receivables / payable	20 & 27	568,279	1,310,586	1,442,826	1,490,628
Amounts due from/ due to related parties	30.2-30.3	65,069	107,746	323,346	340,251
Interest bearing loans and borrowings	24	-	-	355,072	581,085
Cash in hand and at bank		268,477	174,028	-	-
Bank overdrafts		-	-	1,786,548	1,876,882
Total		919,188	1,637,083	3,907,792	4,288,845

31.2 Financial Assets and Liabilities by Categories - Company

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

As at 31st March In Rs.'000s	Note	Financial assets at amortised cost		Financial liabilities measured at amortised cost	
		2025	2024	2025	2024
Financial instruments in non-current assets					
Other non-current financial assets	17	6,305	20,337	-	-
Other non-current assets	18	1,798	4,760	-	-
Financial instruments in current assets					
Trade and other receivables / payable	20 & 27	320,775	677,250	887,295	921,404
Amounts due from/ due to related parties	30.2-30.3	58,910	88,735	246,308	255,757
Interest bearing borrowings	24	-	-	205,072	126,359
Cash in hand and at bank		174,933	126,765	-	-
Bank overdrafts		-	-	1,259,173	1,006,200
Total		562,721	917,847	2,597,848	2,309,720

The management assessed that the fair value of cash at bank, short term deposits, trade receivables, other payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. Accordingly the fair value hierarchy does not apply.

NOTES TO THE FINANCIAL STATEMENTS

32 FINANCIAL RISK MANAGEMENT

Objectives and Policies

Financial instruments held by the Group, principally comprise of cash at bank, short-term deposits, other non current assets, amounts due from/ due to related parties, trade receivables, trade payables, bank overdrafts, borrowings and other current financial liabilities. 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 company's central treasury department (Group Treasury) which comes under the purview of the Group Executive Committee (GEC) of the parent company.

Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The parent company provides guidelines for overall risk management, as well, covering specific areas such as credit risk, investment of excess liquidity, interest rate risk and foreign currency risk.

The 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, settlement, accounting and related controlling. The guidelines upon which the Group's risk management processes are based are designed to identify and analyse these risks throughout the Group, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Group manages and monitors these risks primarily through its operating and financing activities.

The Audit Committee of John Keells Holdings PLC, the parent Company, oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

32.1 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group trades only with recognised, credit worthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents, Trade receivables, Related party receivables and investments in fixed deposits, the Group's exposure to credit risk arises from default of the counterparty. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counterparties fulfil their obligations.

The individual receivable balances were re-assessed, specific provisions were made wherever necessary, existing practice on the provisioning of trade receivables were re-visited and adjusted to reflect the different rearrangement of homogeneous groups. Receivable balances are monitored on an ongoing basis to minimise bad debt risk and to ensure default rates are kept very low, whilst the improved operating environment resulted in improved collections during the financial year although there could be stresses in the ensuing year on account of the macroeconomic uncertainty and related impacts to our customers on account of elevated inflation and interest rates and the possible impact on consumer discretionary spend.

32.1.1 Risk exposure

Credit risk is the risk of financial loss to the Group, if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and placements in deposits with banking institutions.

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

As at 31st March In Rs. '000s Risk exposure Group	2025						2024						% of allocation
	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total		
Loans to executives	12,877	-	-	-	12,877	1%	33,704	-	-	-	33,704	2%	
Trade and other receivables	-	-	568,279	-	568,279	62%	-	-	1,310,586	-	1,310,586	81%	
Amounts due from related parties	-	-	-	65,069	65,069	7%	-	-	-	107,746	107,746	7%	
Cash in hand and at bank	-	268,477	-	-	268,477	29%	-	174,028	-	-	174,028	10%	
Total credit risk exposure	12,877	268,477	568,279	65,069	914,702	100%	33,704	174,028	1,310,586	107,746	1,626,064	100%	
As at 31st March In Rs. '000s Risk exposure Company	2025						2024						% of allocation
Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation	Other non current financial assets	Cash in hand and at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation		
Loans to executives	6,305	-	-	-	6,305	8896%	20,337	-	-	20,337	2%		
Trade and other receivables	-	-	320,775	-	320,775	175%	-	-	677,250	-	677,250	74%	
Amounts due from related parties	-	-	-	58,910	58,910	952%	-	-	-	88,735	88,735	10%	
Cash in hand and at bank	-	174,933	-	-	174,933	321%	-	127,765	-	-	127,765	14%	
Total credit risk exposure	6,305	174,933	320,775	58,910	560,923	10344%	20,337	127,765	677,250	88,735	914,087	100%	

32.1.2 Loans to executives

Loans to executive portfolio is largely made up of vehicle loans which are given to staff at manager level and above. The respective business units have obtained the necessary Power of Attorney as collateral for the loans granted.

NOTES TO THE FINANCIAL STATEMENTS

32.1.3 Trade and other receivables

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Neither past due nor impaired	190,350	151,569	94,222	92,958
Past due but not impaired				
0-30 days	281,633	441,489	154,217	264,082
31-60 days	125,870	317,071	82,609	126,339
61-90 days	60,764	149,244	22,295	100,304
91-120 days	(4,769)	79,098	5,051	19,832
121-180 days	9,826	172,606	8,506	56,242
> 181 days	263,434	304,105	18,710	42,769
Gross carrying value	927,108	1,615,182	385,610	702,526
Less: impairment provision				
Individually assessed impairment provision	(358,829)	(304,596)	(64,835)	(25,276)
Total	568,279	1,310,586	320,775	677,250

The Group has obtained customer deposit from major customers by reviewing their past performance and credit worthiness, as collateral. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers and uses a provision matrix to calculate Expected Credit Loss (ECL) for the balance. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix was initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset including trade and receivable in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows."

32.1.4 Amounts due from related parties

The Group's amounts due from related party mainly consists from Parent, Subsidiary and other related entities.

32.1.5 Credit risk relating to cash and cash equivalents

In order to mitigate settlement and operational risks related to cash and cash equivalents, the Company and Group use several banks with acceptable rating for its deposits.

The Group and the Company held cash in hand and at bank of Rs.268 Mn (2024 Rs.174 Mn) and Rs.175Mn (2024 Rs.127 Mn) respectively excluding bank overdrafts as at 31 March 2025.

Cash and cash equivalents include the following cash balances held at banks.

As at 31st March BANK Fitch Ratings		GROUP				COMPANY			
		2025		2024		2025		2024	
		Rs.000	%	Rs.000	%	Rs.000	%	Rs.000	%
DFCC Bank	A(Ika)	27,567	11.74	99,279	67.86	27,553	18.46	99,279	91.01
Hatton National Bank	AA-(Ika)	129,018	54.96	26,551	18.15	96,881	64.89	65	0.06
Commercial Bank	AA-(Ika)	2,034	0.87	1,554	1.06	1,957	1.31	1,119	1.03
Deutsche Bank	A	1,068	0.46	1,224	0.84	496	0.33	518	0.47
City Bank	AAA(Ika)	43,048	18.34	7,169	4.90	2	0.00	35	0.03
Bank of Ceylon	AA-(Ika)	5,630	2.40	311	0.21	5,630	3.77	311	0.28
Nation Trust Bank	A(Ika)	22,206	9.46	8,520	5.82	15,756	10.55	6,736	6.17
HSBC	AA-	1,391	0.59	1,679	1.15	1,024	0.69	1,017	0.93
Sampath Bank	AA-(Ika)	2,781	1.18	5	0.00	-	-	5	0.00
		234,744	100	146,292	100	149,298	100	109,084	100

32.2 Liquidity Risk

Liquidity risk is the risk that will encounter difficulty in meeting the obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

32.2.1 Net debt

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Cash in hand and at bank	268,477	174,028	174,933	127,765
Total liquid assets	268,477	174,028	174,933	127,765
Non current portion of borrowings	-	-	-	-
Current portion of borrowings	355,072	581,085	205,072	126,359
Bank overdrafts	1,786,548	1,876,882	1,259,173	1,006,200
Total liabilities	2,141,620	2,457,967	1,464,245	1,132,559
Net debt	1,873,143	2,283,939	1,289,312	1,004,794

NOTES TO THE FINANCIAL STATEMENTS

32.2.2 Liquidity risk management

The Group's approach to managing liquidity is to as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Group maintains a portion of its assets in highly liquid form in order to meet its contractual obligations during the normal course of its operations.

The Group monitors the level of expected cash flows on trade and other receivables together with expected cash outflow on trade and other payables and it expected a significant portion of trade receivables as at the reporting date would mature within a shorter period of time, given the historical trends, which enable to meet its contractual obligations.

The Group has implemented a mixed approach that combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets and other secured borrowings.

The Group continued to place emphasis on ensuring that cash and undrawn committed facilities are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities. Constant dialogue between Group companies and banks regarding financing requirements, ensures that availability within each single borrower limit is optimised by efficiently reallocating under-utilised facilities within the Group.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

Maturity analysis - Group

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2025 based on contractual undiscounted payments.

In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total 2025
Interest bearing borrowings	355,072	-	-	-	-	-	355,072
Trade and other payables	1,442,826	-	-	-	-	-	1,442,826
Amounts due to related parties	323,346	-	-	-	-	-	323,346
Bank overdrafts	1,786,548	-	-	-	-	-	1,786,548
	3,907,792	-	-	-	-	-	3,907,792

The table below summarises the maturity profile of the Group's financial liabilities at 31st March 2024 based on contractual undiscounted payments.

In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total 2024
Interest bearing borrowings	581,085	-	-	-	-	-	581,085
Trade and other payables	1,490,628	-	-	-	-	-	1,490,628
Amounts due to related parties	340,251	-	-	-	-	-	340,251
Bank overdrafts	1,876,882	-	-	-	-	-	1,876,882
	4,288,846	-	-	-	-	-	4,288,846

Maturity analysis - Company

The table below summarises the maturity profile of the Company financial liabilities at 31st March 2025 based on contractual undiscounted payments.

In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total 2025
Interest bearing borrowings	205,072	-	-	-	-	-	205,072
Trade and other payables	887,295	-	-	-	-	-	887,295
Amounts due to related parties	246,308	-	-	-	-	-	246,308
Bank overdrafts	1,259,173	-	-	-	-	-	1,259,173
	2,597,848	-	-	-	-	-	2,597,848

The table below summarises the maturity profile of the Company financial liabilities at 31st March 2024 based on contractual undiscounted payments.

In Rs. '000s	Within 1 year	Between 1-2 years	Between 2-3 years	Between 3-4 years	Between 4-5 years	More than 5 years	Total 2024
Interest bearing borrowings	126,359	-	-	-	-	-	126,359
Trade and other payables	921,404	-	-	-	-	-	921,404
Amounts due to related parties	255,757	-	-	-	-	-	255,757
Bank overdrafts	1,006,200	-	-	-	-	-	1,006,200
	2,309,720	-	-	-	-	-	2,309,720

32.3 Market risk

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 prices comprise four types of risk:

- Interest rate risk
- Currency risk
- Commodity price risk
- Equity price risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

32.3.1 Foreign Currency risk

Foreign currency risk that the fair value or future cash flows of a financial instrument will fluctuate, due to changes in foreign exchange rates.

The Group as at the reporting date, do not hold significant "Financial Instruments" denominated in currencies other than its functional/ reporting currency, hence do not get significantly exposed to currency risk from transaction of such balances in to the functional/ reporting currency, which is Sri Lankan Rupees.

The bank loan obtained in US Dollar terms are matched with US Dollar receipts from customers. The annual average US Dollar receipts of the Company and the Group are approximately USD 2.4 Mn and USD 4.9 Mn respectively.

However, Company engages in transactions associated with foreign currencies in its ordinary course of operations, hence exposed to 'Currency risk'.

Across the industry, the hotel rates targeting the foreign tourists are quoted in US Dollar terms. However a fluctuation in the exchange rate will not have a significant impact since majority of the quotes are converted to local currency at the point of invoicing. The Company attempt to mitigate the exposure to currency risk arising from its transactions.

The Group adopted prudent measures, as and when required, to manage the financial impacts arising from the liquidity constraints and currency fluctuations by matching liabilities with corresponding inflows. At a Group level, the translation risk on foreign currency debt is largely hedged "naturally" as a result of the conscious strategy of maintaining US Dollar cash balances at the holding company whilst also ensuring obligations can be managed through US Dollar denominated revenue streams.

The table below illustrates the Group's and the Company's profit before tax sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

	Increase/(Decrease) in exchange rate (USD)	"Effect on profit before tax Rs.000's"	
		GROUP	COMPANY
2025	+1.48%	11,722	870
	-1.48%	(11,722)	(870)
2024	+7.5%	38,169	5,835
	-7.5%	(38,169)	(5,835)

NOTES TO THE FINANCIAL STATEMENTS

32.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Short-term debt obligations with floating interest rates.

The Group has managed the risk of volatile interest rates by having a balanced portfolio of borrowings at fixed and variable rates while interest rate swap agreements are in place for a significant portion of the Group's foreign currency borrowing portfolio.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and the Company's profit before tax.

	Increase/(decrease) in basis points	Other currency borrowings	Effect on profit before tax Rs.000's	
			GROUP	COMPANY
	Rupee borrowings			
2025	+266	+72	20,732	4,792
	-266	-72	(20,732)	(4,792)
2024	+1,036	+57.56	(107,937)	-
	-1,036	-57.56	107,937	-

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment and changes to base rates such as AWPLR and LIBOR. The Company has a fixed rate of interest as of the reporting date.

32.4 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 Group may issue new shares, have a rights issue or buy back of shares.

As at 31st March In Rs.'000s	GROUP		COMPANY	
	2025	2024	2025	2024
Total liabilities	14,807,458	14,832,175	12,123,338	11,718,702
Less: cash and fixed deposits	268,477	174,028	174,933	127,765
Adjusted net debt	14,538,981	14,658,147	11,948,405	11,590,937
Total equity	34,371,511	33,549,127	28,194,742	27,846,846
Adjusted net debt to adjusted equity ratio	42.30%	43.70%	42.38%	41.82%

33 OPERATING SEGMENT INFORMATION

ACCOUNTING POLICY

A segment is a distinguishable component of the Company that is engaged either in providing products or services which are subject to risks and rewards that are different from those of other segments.

The Group has the following two strategic divisions, which are its reportable segments.

The following summary describes the operations of each reportable segment.

Reportable Segments	Operations					
Hotel	Provide hoteliering services to local and foreign tours					
Property	Property Development and rent out premises					

For the year ended 31st March In Rs.'000s	HOTELS		PROPERTY		Group Total	
	2025	2024	2025	2024	2025	2024
External revenue	10,038,752	10,497,958	323,358	273,801	10,362,110	10,771,758
Inter segment revenue	(62,292)	(47,840)	62,292	47,840	-	-
Total Segment Revenue	9,976,460	10,450,118	385,650	321,641	10,362,110	10,771,758
Segment Operating Profit Before Finance Expenses	376,906	564,912	130,298	73,345	507,203	638,257
Inter Company Dividends	(36,900)	-	-	-	(36,900)	-
Finance Expenses	(176,415)	(307,611)	(20,154)	(28,405)	(196,569)	(336,016)
Change in Fair Value of Investment Properties						
Company	-	-	(26,207)	(184,959)	(26,207)	(184,959)
Commercial Centre of Subsidiary	-	-	60,233	95,055	60,233	95,055
Profit/ (Loss) Before Taxation	163,591	257,301	144,170	(44,962)	307,761	212,336
Income Tax Expense/(Reversal)	(216,160)	(184,500)	(6,278)	49,821	(222,438)	(134,679)
Profit/ (Loss) After Taxation	(52,569)	72,801	137,892	4,858	85,323	77,657
Non-Controlling Interest	33,837	(29,915)	96,289	127,882	130,126	97,967
Profit/ (Loss) attributable to equity owners	(86,406)	102,716	41,603	(123,024)	(44,803)	(20,310)
As at 31 March						
Assets						
Segment Assets -	39,335,820	38,482,806	10,585,633	10,578,471	49,921,453	49,061,277
Elimination	-	-	-	-	(742,484)	(679,975)
Total Assets	39,335,820	38,482,806	10,585,633	10,578,471	49,178,969	48,381,302
Liabilities						
Segment Liabilities	14,686,856	14,623,295	203,043	228,810	14,889,899	14,852,105
Elimination	-	-	-	-	(82,441)	(19,930)
Total Liabilities	14,686,856	14,623,295	203,043	228,810	14,807,458	14,832,175

NOTES TO THE FINANCIAL STATEMENTS

34 CONTINGENT LIABILITIES

ACCOUNTING POLICY

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event, but either a payment is not probable or the amount cannot be reasonably estimated.

The contingent liability of subsidiary as at 31st March 2025, relates to the following:

Income Tax Assessments - Subsidiary

This pertains to years of assessments 2012/13 to 2017/2018. The Subsidiary has lodged appeals against the assessments and is contesting these under appellate procedure. Having discussed with independent legal and tax experts and based on the information available, the contingent liability as at 31st March 2025 is estimated at Rs.183.3 Mn.

CMC Tax matter

In the year 2009, Colombo Municipal Council (CMC) imposed a trade tax on the hotel revenue for all the hotels within the city limits with subsequent gazetted amendments. However, the hoteliers together with Tourist Hotels Association of Sri Lanka (THASL) are in the process of negotiations with CMC through court, for which the resolution is still pending. Accordingly, the Company has made a provision in the financial statements amounting to Rs. 3 million per year based on the guidelines issued by THASL.

The management is confident that the ultimate resolution of the above contingencies are unlikely to have a material adverse effect on the financial position of the company.

35 CAPITAL AND OTHER COMMITMENTS

There are no capital and other commitments pertaining to the Company where as the Group has the following capital and other commitments as at the reporting date.

Guarantee	Amount	Purpose
Airport and Aviation Services	3,438,075	Security deposit for the rental
Sri Lanka Ports Authority	4,401,600	Security deposit for the rental

36 EVENTS SUBSEQUENT TO THE REPORTING DATE AND OTHER MATTERS

ACCOUNTING POLICY

The Board of Directors of the Company has declared a final dividend of Rs. 0.50 per share for the financial year ended 31 March 2025.

As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfies the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and has obtained a certificate from auditors, prior to declaring a final dividend which is to be paid on or before 25th June 2025.

In accordance with LKAS 10, Events after the reporting period, the final dividend has not been recognised as a liability in the financial statements as at 31 March 2025.

Other than the contingent liabilities and commitments referred to in Note 34 and 35 to the Financial Statements and the final declaration of Dividend for 2024/2025, there have been no events subsequent to the reporting date which would have any material effect on the Company and the Group.

37 DIRECTORS' RESPONSIBILITY STATEMENT

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

Please refer to the page 184 for the Statement of Directors Responsibility for Financial Reporting.

Supplementary Information

Celebration of Detail



At Asian Hotels and Properties, we recognise that the finest details shape the broader narrative. Every insight, every data point contributes to a fuller understanding, offering context and depth that enriches our journey and enhances the complete story of our success.

10 YEAR FINANCIAL REVIEW OF THE GROUP

	2024/25 Rs '000	2023/24 Rs '000	2022/23 Rs '000	2021/22 Rs '000	2020/21 Rs '000	2019/20 Rs '000	2018/19 Rs '000	2017/18 Rs '000	2016/17 Rs '000	2015/16 Rs '000
Revenue	10,362,110	10,771,758	8,416,558	4,094,672	1,790,116	5,559,550	7,658,470	8,628,053	9,066,959	8,066,693
Profit after taxation	85,323	77,657	(332,763)	(507,847)	(2,244,002)	105,919	1,077,935	2,185,746	2,779,116	2,022,671
Profit/(Loss) attributable to equity owners	(44,803)	(20,310)	(277,589)	(510,167)	(1,780,674)	(49,828)	811,157	1,685,950	2,265,412	1,841,133
Share Capital & Reserves										
Stated Capital	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117	3,345,117
Other Components of Equity	22,294,421	21,752,126	20,613,338	23,093,391	22,287,036	22,151,217	21,532,409	20,415,314	22,139,389	12,824,188
Revenue reserves	4,869,529	4,851,535	4,916,727	5,187,893	5,673,539	7,445,171	7,907,652	7,977,471	7,624,291	7,139,930
	30,509,067	29,948,777	28,875,182	31,626,401	31,305,692	32,941,505	32,785,178	31,737,902	33,108,797	23,309,235
Minority Interest	3,862,444	3,600,350	3,362,706	3,332,915	3,307,203	3,750,825	3,646,757	3,499,028	3,399,725	3,227,406
Total Shareholders' Fund	34,371,511	33,549,127	32,237,888	34,959,316	34,612,895	36,692,330	36,431,935	35,236,930	36,508,522	26,536,641
Assets & (Liabilities)										
Current Assets	1,378,436	2,145,026	1,680,911	1,316,880	788,058	2,033,169	2,457,373	2,284,129	3,405,078	2,822,210
Current Liabilities	(4,423,126)	(4,802,953)	(4,090,138)	(3,096,157)	(2,081,448)	(1,617,135)	(1,906,545)	(1,805,411)	(1,774,608)	(1,587,999)
Net Current Assets / (Liabilities)	(3,044,690)	(2,657,927)	(2,409,227)	(1,779,277)	(1,293,390)	416,034	550,828	478,718	1,630,470	1,234,211
Non Current Assets	47,800,533	46,236,276	44,230,736	41,191,770	40,080,874	40,548,653	40,066,525	38,863,818	35,786,694	26,281,198
Non Current Liabilities	(10,384,332)	(10,029,222)	(9,583,621)	(4,453,177)	(4,174,589)	(4,272,357)	(4,185,418)	(4,105,606)	(908,642)	(978,767)
	34,371,511	33,549,127	32,237,888	34,959,316	34,612,895	36,692,330	36,431,935	35,236,930	36,508,522	26,536,641

Ratio Analysis	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Earnings per Share (Rs)	(0.10)	(0.05)	0.63	(1.15)	(4.02)	(0.11)	1.83	3.81	5.12	4.16
Net Assets per Share (Rs)	68.90	67.64	65.21	71.43	70.70	74.40	74.04	71.68	74.78	52.64
Current Ratio (Times)	0.31	0.45	0.41	0.43	0.38	1.26	1.28	1.27	1.92	1.78
After Tax Return on Net Assets (%)	(0.15%)	(0.07%)	(0.96%)	(1.61%)	(5.69%)	(0.15%)	2.47%	5.31%	6.84%	7.90%
Dividend Per Share (Rs)*	-	-	-	-	-	1.00	2.00	3.00	4.00	5.50
P/E Ratio (Times)	(523.78)	(1,220.00)	(70.18)	(32.11)	(9.30)	(257.70)	22.87	13.18	10.85	11.50
Dividend Payout Ratio*	-	-	-	-	-	(8.89)	1.09	0.79	0.78	1.32

* Dividend declared for the financial year ended 31st March 2025.

10 YEAR FINANCIAL SUMMARY Property Development Division

	2024/25 Rs '000	2023/24 Rs '000	2022/23 Rs '000	2021/22 Rs '000	2020/21 Rs '000	2019/20 Rs '000	2018/19 Rs '000	2017/18 Rs '000	2016/17 Rs '000	2015/16 Rs '000
Revenue	261,066	273,801	174,932	39,011	83,479	255,031	355,038	349,837	349,872	331,033
Cost of Sales	(160,184)	(143,397)	(91,562)	(48,969)	(73,530)	(102,006)	(108,693)	(99,958)	(114,056)	(98,141)
Gross Profit/(Loss)	100,882	130,404	83,370	(9,958)	9,949	153,025	246,345	249,879	235,816	232,892
Net Finance and Other Income	14,915	2,841	(4,389)	11,344	53,341	75,021	80,183	81,621	74,771	62,122
Administration & Other Overheads	(115,573)	(124,174)	(94,318)	(88,496)	(106,193)	(136,279)	(126,047)	(99,644)	(110,682)	(111,002)
Change in Fair Value of Investment Property	(26,207)	(184,959)	(59,909)	(42,374)	(349,236)	(9,410)	(39,351)	180,138	155,761	98,565
Profit/(Loss) before tax	(25,983)	(175,888)	(75,246)	(129,484)	(392,139)	82,357	161,130	411,994	355,666	282,577

10 YEAR FINANCIAL SUMMARY

Cinnamon Grand Colombo Hotel

	2024/25 Rs '000	2023/24 Rs '000	2022/23 Rs '000	2021/22 Rs '000	2020/21 Rs '000	2019/20 Rs '000	2018/19 Rs '000	2017/18 Rs '000	2016/17 Rs '000	2015/16 Rs '000
Revenue										
Rooms	1,659,022	1,816,392	1,173,976	509,745	38,918	1,077,116	1,899,741	2,370,490	2,677,204	2,610,729
Food	3,159,747	3,302,068	2,768,480	1,398,746	689,331	1,479,204	1,993,705	2,081,894	2,161,764	2,030,676
Beverage	401,275	446,457	388,306	179,229	108,122	237,819	338,664	360,002	357,311	348,910
Food & Beverage Others	83,941	106,328	122,768	68,541	8,808	3,104	16,861	20,157	21,084	17,573
Telephone	23	83	197	9	3	316	532	1,107	2,023	2,736
Rental Income	56,080	32,494	21,865	15,202	6,939	22,212	27,983	25,073	22,532	20,400
Other Operating Income	275,265	332,291	197,009	66,964	43,548	156,153	200,521	220,642	224,127	220,947
Total Revenue	5,635,354	6,036,113	4,672,601	2,238,436	895,669	2,975,924	4,478,007	5,079,365	5,466,045	5,251,972
Expenses										
Room	484,249	443,477	306,298	172,706	130,879	305,939	399,502	483,530	458,653	430,593
Food Cost	1,262,192	1,334,311	1,171,552	559,211	284,007	527,123	782,792	803,421	820,476	797,165
Beverage Cost	113,552	134,322	130,547	57,384	36,542	66,041	105,968	121,068	130,376	125,311
Food & Beverage Other	1,073,523	1,070,572	994,792	639,196	538,305	745,206	810,446	799,777	696,180	651,684
Telephone	8,116	6,074	5,458	4,089	3,787	4,163	4,330	4,876	4,855	5,874
Other	273,146	314,602	185,496	65,692	43,730	136,676	174,831	182,654	184,091	182,427
Total Expenses	3,214,779	3,303,358	2,794,143	1,498,278	1,037,250	1,785,148	2,277,869	2,395,327	2,294,631	2,193,054
Gross Operating Income/ (Expense)	2,420,575	2,732,755	1,878,458	740,158	(141,581)	1,190,776	2,200,138	2,684,039	3,171,414	3,058,918
Expenses										
Administration & General	693,474	595,150	484,187	283,225	298,634	414,744	443,507	447,787	415,982	357,623
Advertising & Sales Promotion	211,643	207,531	141,836	64,771	77,771	137,314	142,066	130,026	116,048	124,584
Heat, Light & Power	350,307	604,764	458,579	198,232	165,041	240,112	287,212	301,367	263,709	318,894
Repair & Maintenance	300,010	318,145	239,624	120,771	98,921	151,562	170,055	186,049	170,916	178,994
Total Deductions	1,555,434	1,725,589	1,324,226	666,999	640,367	943,732	1,042,840	1,065,229	966,655	980,095
Gross Operating Profit/ (Loss)	865,141	1,007,166	554,232	73,159	(781,948)	247,044	1,157,298	1,618,810	2,204,759	2,078,823
Interest Income	15,365	7,026	7,532	1,802	8,755	49,273	77,213	100,099	174,425	134,912
Dividend Income	36,900	-	-	-	-	43,412	74,668	273,493	234,422	156,281
Sundry Income	27,294	30,832	32,077	100,578	168,311	64,979	10,481	14,662	15,765	23,988
	944,701	1,045,024	593,841	175,539	(604,882)	404,708	1,319,660	2,007,064	2,629,371	2,394,004
Insurance	32,457	36,743	19,544	20,108	15,090	11,048	9,999	9,641	11,262	12,595
Interest Expenses	75,417	124,173	161,770	52,416	7,497	-	-	-	-	-
Rates	20,280	20,280	17,658	16,784	16,784	16,784	16,884	16,784	12,939	11,658
Operating/ Marketing Fee	290,571	312,385	223,820	93,745	35,860	135,237	240,647	288,384	333,126	317,699
Depreciation	483,869	397,193	336,208	327,203	351,437	385,052	393,262	351,873	323,058	304,629
	902,594	890,775	759,000	510,256	426,668	548,121	660,792	666,682	680,386	646,581
Profit/(Loss) before tax	42,107	154,249	(165,159)	(334,717)	(1,031,550)	(143,413)	658,868	1,340,381	1,948,985	1,747,423

INFORMATION TO SHAREHOLDERS & INVESTORS

STOCK EXCHANGE LISTING

The issued Ordinary Shares of Asian Hotels and Properties PLC are listed with the Colombo Stock Exchange. The Audited Financial Statements of the Company and the Consolidated Financial Statements for the year ended 31st March 2025 have been submitted to the Colombo Stock Exchange.

From	To	31.03.2025			31.03.2024		
		Number of Shareholders	Total Shareholdings	Percentage of Shareholdings	Number of Shareholders	Total Shareholdings	Percentage of Shareholdings
1	1,000	2,531	667,553	0.2	2,335	579,594	0.1
1,001	10,000	885	3,203,819	0.7	707	2,561,424	0.6
10,001	100,000	248	6,943,150	1.6	223	6,578,134	1.5
100,001	1,000,000	41	13,366,502	3.0	53	17,896,878	4.0
1,000,001	and above	10	418,594,276	94.5	9	415,159,270	93.8
		3,715	442,775,300	100.0	3,327	442,775,300	100.0

ANALYSIS OF SHAREHOLDERS

Categories of Shareholders

	31.03.2025		31.03.2024	
	Number	%	Number	%
Individual	17,471,929	3.95	15,604,287	2.73
Institutions	425,303,371	96.05	427,171,013	97.27
	442,775,300	100.00	442,775,300	100.00
Resident	436,137,096	98.50	439,188,470	99.20
Non Resident	6,638,204	1.50	3,586,830	0.80
	442,775,300	100.00	442,775,300	100.00
Public	94,940,508	21.44	94,940,508	21.44
Non Public*	347,834,792	78.56	347,834,792	78.56
	442,775,300	100.00	442,775,300	100.00

*Includes shareholdings of Parent Company, Directors & Spouses.

Public shareholding

	2025	2024
The Public Shareholding (%)	21.44	21.44
Number of Public Shareholders	3,713	3,325
Compliant under option 3, Float adjusted market capitalisation (LKR Bn)	5.03	5.79

		Date	2025	Date	2024
Market Value					
Highest Market Price per share	Rs.	03-05-2024	75.00	27-09-2023	64.50
Lowest Market Price per share	Rs.	10-09-2024	50.00	31-05-2023	32.10
Last Traded Market Price per share as at	Rs.	31-03-2025	53.00	31-03-2024	61.00

TOP TWENTY THREE SHAREHOLDERS

	As at 31.03.2025		As at 31.03.2024	
	Shareholdings	Shareholdings Percentage	Shareholdings	Shareholdings Percentage
John Keells Holdings PLC	347,824,192	78.56	347,824,192	78.56
Employee's Provident Fund	45,249,798	10.22	45,249,798	10.22
Bank of Ceylon A/C Ceybank Unit Trust	8,753,884	1.98	8,978,984	2.03
Dr. S. Yaddehige	3,415,200	0.77	3,415,200	0.77
M.N.Wijesuriya Muthukuda Nahil	2,945,455	0.67	-	-
Bank of Ceylon-No. 2 A/C (BOC PTF)	2,481,053	0.56	2,481,053	0.56
Bank of Ceylon-No. 1 Account	2,367,741	0.53	2,367,741	0.53
J.B.Cocoshell (Pvt) Ltd	2,009,766	0.45	2,089,132	0.47
DFCC Bank PLC/A.I.Wickremasinghe	2,000,000	0.45	1,000,000	0.23
Merchant Bank of Sri Lanka & Finance PLC/S.A.A.Hasitha	1,547,187	0.35	1,476,932	0.33
Employee Trust Fund Board	767,478	0.17	767,478	0.17
Akbar Brothers (Pvt) Ltd A/C No 1	750,000	0.17	750,000	0.17
Bank of Ceylon A/C Ceybank Century Growth Fund	744,502	0.17	998,830	0.23
Sampath Bank PLC/Anadaradeniya Estate Private Limited	733,712	0.17	-	-
Merchant Bank of Sri Lanka & Finance PLC/D.Weerasinghe	700,000	0.16	700,000	0.16
Mr. M. Mannawarajan	650,124	0.15	650,124	0.15
Hatton National Bank PLC-Astrue Alpha Fund	650,000	0.15	650,000	0.15
Richard Pieris & Co Ltd - Account No. 01	639,400	0.14	639,400	0.14
Commercial Bank of Ceylon PLC/W.Jinadasa	600,000	0.14	600,000	0.14
Commercial Bank of Ceylon PLC/A.N.Weerakkody	556,560	0.13	387,495	0.09
People's Leasing and Finance PLC/R.L.Perera	502,062	0.11	628,000	0.14
Merchant Bank of Sri Lanka & Finance PLC/A.C.Ukwatta	500,000	0.11	743,030	0.17
Thread Capital (Private) Limited	499,086	0.11	499,086	0.11
	426,887,200	96.41	422,896,475	95.51

GRI content index

Company as at the reporting date as follows.

Statement of use	Asian Hotels and Properties PLC has reported in accordance with the GRI Standards for the period 01 April 2024 to 31 March 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	9			
	2-2 Entities included in the organisation's sustainability reporting	3			
	2-3 Reporting period, frequency and contact point	3 and 5			
	2-4 Restatements of information	3			
	2-5 External assurance	3			
	2-6 Activities, value chain and other business relationships	24 to 26			
	2-7 Employees	68 to 60			
	2-8 Workers who are not employees	68			
	2-9 Governance structure and composition	113 to 114			
	2-10 Nomination and selection of the highest governance body	117			
	2-11 Chair of the highest governance body	115			
	2-12 Role of the highest governance body in overseeing the management of impacts	115			
	2-13 Delegation of responsibility for managing impacts	115			
	2-14 Role of the highest governance body in sustainability reporting	138			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
	2-15 Conflicts of interest	149			
	2-16 Communication of critical concerns	145 to 146			
	2-17 Collective knowledge of the highest governance body	115			
	2-18 Evaluation of the performance of the highest governance body	119			
	2-19 Remuneration policies	120			
	2-20 Process to determine remuneration	120			
	2-21 Annual total compensation ratio			Information unavailable/ incomplete	This ratio is not currently calculated. It will be calculated going forward
	2-22 Statement on sustainable development strategy	49 to 52			
	2-23 Policy commitments	51			
	2-24 Embedding policy commitments	51			
	2-25 Processes to remediate negative impacts	74			
	2-26 Mechanisms for seeking advice and raising concerns	74			
	2-27 Compliance with laws and regulations	157			
	2-28 Membership associations	85			
	2-29 Approach to stakeholder engagement	27			
	2-30 Collective bargaining agreements	75			
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40			
	3-2 List of material topics	41 to 42			

GRI content index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Economic performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	59			
	201-2 Financial implications and other risks and opportunities due to climate change	97			
	201-3 Defined benefit plan obligations and other retirement plans	224			
	201-4 Financial assistance received from government		201-4 Financial assistance received from government	Not applicable	Company did not receive financial assistance from the government during the year
Indirect economic impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	13			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	94,95			
	203-2 Significant indirect economic impacts	14 and 15			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	94			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	94			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	143			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	143			
	205-2 Communication and training about anti-corruption policies and procedures	118			
	205-3 Confirmed incidents of corruption and actions taken		205-3	Not applicable	There were no identified of corruption or actions taken
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	134			
GRI 207: Tax 2019	207-1 Approach to tax	134			
	207-2 Tax governance, control, and risk management	134			
	207-3 Stakeholder engagement and management of concerns related to tax	33			
	207-4 Country-by-country reporting			Not applicable	
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	100 to 102			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	100			
	302-2 Energy consumption outside of the organisation		302-2	Information unavailable/ incomplete	This is beyond the scope of current energy management policy
	302-3 Energy intensity	101			
	302-4 Reduction of energy consumption	100			
	302-5 Reductions in energy requirements of products and services		302-5	Information unavailable/ incomplete	This information was not captured in last financial year.

GRI content index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	103			
	303-2 Management of water discharge-related impacts	103			
	303-3 Water withdrawal	103			
	303-4 Water discharge	103			
	303-5 Water consumption	103			
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	101			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	101			
	305-2 Energy indirect (Scope 2) GHG emissions	101			
	305-3 Other indirect (Scope 3) GHG emissions		305-3	Not applicable	This is beyond the scope of our current energy monitoring system.
	305-4 GHG emissions intensity	101			
	305-5 Reduction of GHG emissions	101			
	305-6 Emissions of ozone-depleting substances (ODS)		305-6	Not applicable	As a service organisation, we do not generate significant amount of these substances.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		305-7	Not applicable	“As a service organisation, we do not generate significant amount of these substances.

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Waste					
GRI 3: Material Topics 2021	3-3 Management of material topics	104 to 105			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	104			
	306-2 Management of significant waste-related impacts	105			
	306-3 Waste generated	104 to 105			
	306-4 Waste diverted from disposal	104 to 105			
	306-5 Waste directed to disposal	104 to 105			
Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3 Management of material topics	94			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	94			
	308-2 Negative environmental impacts in the supply chain and actions taken	94			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	67			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	69			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	71			
	401-3 Parental leave	76			

GRI content index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Labour/management relations					
GRI 3: Material Topics 2021	3-3 Management of material topics	67			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	75			
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	73 to 74			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	73 to 74			
	403-2 Hazard identification, risk assessment, and incident investigation	73 to 74			
	403-3 Occupational health services	73 to 74			
	403-4 Worker participation, consultation, and communication on occupational health and safety	73 to 74			
	403-5 Worker training on occupational health and safety	72			
	403-6 Promotion of worker health	73 to 74			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	73 to 74			
	403-8 Workers covered by an occupational health and safety management system	73 to 74			
	403-9 Work-related injuries	73 to 74			
	403-10 Work-related ill health	73 to 74			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Training and education					
GRI 3: Material Topics 2021	3-3 Management of material topics	71			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	72			
	404-2 Programs for upgrading employee skills and transition assistance programs	72			
	404-3 Percentage of employees receiving regular performance and career development reviews	71			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	68,114			
	405-2 Ratio of basic salary and remuneration of women to men	76			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	75			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	75			
Child labour					
GRI 3: Material Topics 2021	3-3 Management of material topics	74			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	68			

GRI content index

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S)	Reason	Explanation
			Omitted		
Local communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	94 to 95			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	94 to 95			
	413-2 Operations with significant actual and potential negative impacts on local communities	No such operations			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	92			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	92			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	92			
Marketing and labelling					
GRI 3: Material Topics 2021	3-3 Management of material topics	89			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	89			
	417-2 Incidents of non-compliance concerning product and service information and labelling	92			
	417-3 Incidents of non-compliance concerning marketing communications	92			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	91 to 92			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	92			

SASB Content Index

Hotels & Lodging - Sustainability Accounting Standard

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO/ RELATED DISCLOSURES
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Quantitative	"Gigajoules (GJ), Percentage (%)"	SV-HL-130a.1	100
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m³), Percentage (%)	SV-HL-140a.1	103
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Quantitative	Number	SV-HL-160a.1	None
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	n/a	SV-HL-160a.2	105 to 108
Labour Practices	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Quantitative	Percentage (%)	SV-HL-310a.1	69
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations 1	Quantitative	Presentation currency	SV-HL-310a.2	Nil
	(1) Average hourly wage and (2) percentage of lodging facility employees earning minimum wage, by region	Quantitative	Presentation currency, Percentage (%)	SV-HL-310a.3	71
	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	n/a	SV-HL-310a.4	51, 67
Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	Quantitative	Number	SV-HL-450a.1	None

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE NO
Number of available room-nights	Quantitative	Number	SV-HL-000.A	25
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	25
Total area of lodging facilities	Quantitative	Square metres (m²)	SV-HL-000.C	74,932m²
Number of lodging facilities and the percentage that are: (1) managed, (2) owned and leased, (3) franchised	Quantitative	Number, Percentage (%)	SV-HL-000.D	(1) Nil (2) 1 - 100% (3) Nil

Assurance on non-financial reporting



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INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF ASIAN HOTELS AND PROPERTIES PLC ON SUSTAINABILITY INDICATORS IN THE INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 (summarised in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Group Performance Highlights (Financial)	14
Value Creation Highlights (Non-Financial)	15
Information provided on following	
Financial Capital	54 to 60
Manufactured Capital	61 to 64
Human Capital	65 to 77
Intellectual Capital	78 to 85
Social and Relationship Capital	86 to 95
Natural Capital	96 to 108

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

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Ms. C.T.K.N. Perera ACA
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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D. Corea Dharmaratne



Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Intended purpose of our Report

We have been engaged by the Directors of Asian Hotels and Properties PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Restriction on use or distribution of our Report

This report has been prepared for the Directors of Asian Hotels and Properties PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Asian Hotels and Properties PLC, for any purpose or in any other context. Any party other than Asian Hotels and Properties PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Asian Hotels and Properties PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 that are free from material misstatement, whether due to fraud or error.
- selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 and appropriately referring to or describing the criteria used; and
- preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.
- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected. Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Assurance on non-financial reporting



Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 are free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and;
- reporting our conclusion to the Board of Directors.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025;
- enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025, including the aggregation of the reported information;

- comparing the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- reading the Sustainability Indicators in the Integrated Annual Report of Asian Hotels and Properties PLC for the year ended 31st March 2025 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Asian Hotels and Properties PLC.

CHARTERED ACCOUNTANTS
Colombo

27 May 2025

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Accrual Basis

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or its equivalent.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Average Room Rate (ARR)

Hotel room revenue divided by the number of rooms sold.

Booking Engine

Application which helps the travel and tourism industry to support reservation through the Internet. It helps guests to book hotel services online.

Capital Employed

Shareholders' funds plus debt.

Cash Equivalents

Short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Contingencies

A condition or situation existing at Balance Sheet date where the outcome will be confirmed only by occurrence or non-occurrence of one or more future events.

Current Ratio

Current assets divided by current liabilities.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Capital expenditure

The total additions to property, plant and equipment.

Corporate Governance

The process by which corporate entities are governed. It is concerned with the way in which power is exercised over the management and direction of an entity, the supervision of executive actions and accountability to owners and others.

Debt/Equity Ratio

Debt as a percentage of shareholders' funds.

Deferred Tax

Sum set aside in the Financial Statements for taxation that may become payable in a financial year other than the current financial year.

Dividend Yield

Dividend earned per share as a percentage of its market value.

Dividend Cover

The ratio of company's earnings (net income) over the dividend paid to shareholders, calculated as earnings per share divided by the dividend per share.

Dividend Per Share (DPS)

The total dividends paid out over an entire year (including interim dividends but not including special dividends) divided by the number of outstanding ordinary shares issued.

Dividend Payout Ratio

The percentage of earnings paid to a shareholder as dividends.

Earnings Per Share (EPS)

Profit attributable to equity holders divided by the weighted average number of ordinary shares in issue during the period.

EBIT

Earnings before interest and tax (includes other operating income). EBIT includes interest income, depreciation and fair value gains/losses on investment property, but excludes exchange gain or loss.

EBITDA

Earnings before interest, tax, depreciation and amortisation. EBITDA includes interest income and fair value gains/losses on investment property, but excludes exchange gain or loss.

Effective Tax Rate

Provision for taxation for the year divided by the profit before tax.

EPS Growth

Percentage increase in the EPS over the previous year.

Equity Assets Ratio

Total assets divided by shareholder's equity.

GLOSSARY OF FINANCIAL TERMS

Fair Value

Fair value is the amount for which an asset could be exchanged between knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction.

Gross Profit Margin

Gross profit is how much total profit a company makes after deducting the cost of goods sold. Gross profit margin is the profit a company makes expressed as a percentage

Impairment

This occurs when recoverable amount of an asset is less than its carrying amount.

Intangible Asset

An intangible asset is an identifiable non-monetary asset without physical substance.

Interest Cover

Profit before interest and tax over finance expenses.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether Executive or otherwise) of that entity.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the economic decisions of users of financial Statements.

Market Value Per Share

The price at which an Ordinary share can be purchased in the stock market.

Market Capitalisation

Number of shares in issue at the end of period multiplied by the market price at end of period.

Net Assets

Total assets minus current liabilities minus long term liabilities.

Net Assets Per Share

Shareholders' funds divided by the weighted average number of ordinary shares.

Occupancy

The number of rooms occupied at a given time at the Hotel

Operational Risk

This refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Pre-Tax Return on Capital Employed (ROCE)

Profit before interest and tax as a percentage of average capital employed at year end.

Price Earnings Ratio

Market price per share over Earnings per Share.

Prudence

Inclusion of a degree of caution in the exercise of judgement needed in making the estimates required under conditions of uncertainty, such that assets or income are not overstated and liabilities or expenses are not understated.

Quick Asset Ratio

The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets and is calculated by deducting the inventories from the current assets and comparing with the current liabilities.

Related Parties

Parties where one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

Return on Equity (ROE)

Profit attributable to shareholders as a percentage of average shareholders' funds.

Room Night

One hotel room occupied for one night; a statistical unit of occupancy.

Shareholders' Funds

Stated capital, other components of equity and revenue reserves.

Total Debt

Long term loans plus short-term loans and overdrafts

Corporate Information

NAME OF COMPANY

Asian Hotels and Properties PLC

LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka in 1993 and registered with the Board of Investment of Sri Lanka under Section 17 of the Board of Investment Law No. 4 of 1978.

The Company was re-registered as per the New Companies Act No. 7 of 2007 on 15th June 2007.

STOCK EXCHANGE LISTING

The issued Ordinary shares of the Company are listed on the Main Board of the Colombo Stock Exchange of Sri Lanka

COMPANY REGISTRATION NO.

PQ 2

BOARD OF DIRECTORS

Mr. Krishan Niraj Jayasekara Balendra - Chairperson

Mr. Joseph Gihan Adisha Cooray

Mr. Suresh Rajendra

Mr. Jegatheesan Durairatnam

Mr. Ashan Suresh De Zoysa

Mr. Mikael Roland Svensson

Mr. Changa Lashantha Poojitha Gunawardane

Ms. Aroshi Nanayakkara

AUDIT COMMITTEE

Ms. A Nanayakkara – Chairperson

Mr. J Durairatnam

Mr. A S De Zoysa

HUMAN RESOURCES AND COMPENSATION COMMITTEE

Mr. J Durairatnam – Chairperson

Mr. A S De Zoysa

Mr. J G A Cooray

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. A S De Zoysa - Chairperson

Mr. K N J Balendra

Mr. J Durairatnam

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Ms. A Nanayakkara - Chairperson

Mr. J Durairatnam

Mr. A S De Zoysa

COMPANY SECRETARIES

Keells Consultants (Private) Limited

117, Sir Chittampalam A .Gardiner Mawatha, Colombo 2.

REGISTERED OFFICE

No.77, Galle Road, Colombo 03.

Tel: +94 112 437 437 Fax: +94 11 5547555

E-mail: grand@cinnamonhotels.com

AUDITORS

Messrs. KPMG

Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha
Colombo 03.

BANKERS

Deutsche Bank AG

Seylan Bank

Hongkong & Shanghai Banking Corporation.

Nations Trust Bank

DFCC Bank

CITI Bank N.A

Bank of Ceylon

Commercial Bank of Ceylon

Hatton National Bank

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty First Annual General Meeting ("Meeting") of Asian Hotels and Properties PLC ("Company") will be held as a virtual meeting on 26 June 2025 at 9:30 a.m. via Microsoft Teams for the following purposes:

1. To read the Notice Convening the Meeting.
2. To receive and consider the Annual Report and Financial Statements of the Company for the Financial Year ended 31 March 2025 with the Report of the Auditors thereon.
3. To re-elect as a Director, Mr. J.G.A. Cooray, who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. J.G.A Cooray is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Mr. J. Durairatnam, who retires in terms of Article 84 of the Articles of Association of the Company. A brief profile of Mr. J. Durairatnam is contained in the Board of Directors section of the Annual Report.
5. To re-appoint Auditors, Messrs. KPMG, Chartered Accountants, and to authorise the Directors to determine their remuneration.
6. To consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of Asian Hotels and Properties PLC for 2024/25, is accessible via:

(1) Corporate website of the Company https://keells.com/resource/reports/group-annual-reports/Asian-Hotels-and-Properties-PLC.pdf and		(2) The Colombo Stock Exchange website - https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=AHPL.N0000	
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Shareholders may also access the Annual Report and Financial Statements on their electronic devices by scanning the above QR code.

For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Mr. Shelton Gunawardene - Finance Manager on +94(0)112 497 208 during normal office hours (8.30 a.m. to 4.30 p.m.) or email shelton@cinnamonhotels.com

Any Shareholder who wishes to obtain a hard copy of the Annual Report, may send a written request to the registered office of the Company by filling the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request, subject to the circumstances prevailing at the time, unless collected in person

By Order of the Board,

ASIAN HOTELS AND PROPERTIES PLC



KEELLS CONSULTANTS (PRIVATE) LIMITED
Secretaries

Colombo
27 May 2025

Note:

- A Shareholder unable to attend the meeting is entitled to appoint a Proxy to attend and vote in their place.
- A Proxy need not be a Shareholder of the Company.
- A Shareholder wishing to vote by Proxy at the Meeting may use the Form of Proxy enclosed herein.
- Shareholders are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.
- In order to be valid, the completed Form of Proxy must be lodged at the No 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 or forwarded to the email address: keellsconsultants@keells.com or Fax No. +94 11 2439037 not later than 48 hours before the Meeting.
- A vote can be taken on a show of hands or by poll. If a poll is demanded, each share is entitled to one vote. Votes can be cast in person, by Proxy or corporate representatives. In the event an individual Shareholder and their Proxy holder are both present at the Meeting, only the Shareholder's vote is counted. If the Proxy holder's appointor has indicated the manner of voting, only the appointor's indication of the manner to vote will be used.

FORM OF PROXY

I/We.....of
.....being
a Shareholder/s of Asian Hotels and Properties PLC hereby appoint.....
..... of
..... or failing him/her

Mr. Krishan Niraj Jayasekara Balendra

or failing him

Mr. Joseph Gihan Adisha Cooray

or failing him

Mr. Suresh Rajendra

or failing him

Mr. Changa Lashantha Poojitha Gunawardane

or failing him

Mr. Mikael Roland Svensson

or failing him

Ms. Aroshi Nanayakkara

or failing her

Mr. Jegatheesan Durairatnam

or failing him

Mr. Ashan De Zoysa

as my/our proxy to represent me/us and vote on my/our behalf at the Thirty First Annual General Meeting of the Company to be held on the 26 June 2025 at 9:30 a.m. and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter “X” in the appropriate cage:

	FOR	AGAINST	ABSTAINED
1. To re-elect as a Director, Mr. J.G.A. Cooray, who retires in terms of Article 84 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Mr. J. Durairatnam, who retires in terms of Article 84 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Auditors Messrs. KPMG, Chartered Accountants and to authorise the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of Two Thousand and Twenty-Five

.....

Signature/s of shareholder/s

Note: INSTRUCTIONS AS TO COMPLETION OF PROXY FORM ARE NOTED ON THE REVERSE.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF THE FORM OF PROXY

- 1. Please perfect the Form of Proxy by filling in legibly your full name and address, signing in the space provided and filling in the date of signature.
- 2. The completed Form of Proxy should be deposited at No 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 or forwarded to the email address: keellsconsultants@keells.com or facsimile No. +94 11 2439037, no later than 48 hours before the time appointed for the holding of the Meeting.
- 3. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the Company.
- 4. If the appointor is a Company or Corporation, the Form of Proxy should be executed under its Common Seal or by a duly authorised officer of the Company or Corporation in accordance with its Articles of Association or Constitution.

If this Form of Proxy is returned without any indication of how the person appointed as Proxy shall vote, then the Proxy shall exercise their discretion as to how they vote or, whether or not they abstain from voting

Please fill in the following details:

Name :

Address :
.....
.....

Jointly with :

Share Folio No./CDS account No.:

National Identity Card No.:

[illegible]

Designed & produced by



Digital Plates & Printing by Nethu Print Solutions

Asian Hotels and Properties PLC

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E-mail: grand@cinnamonhotels.com