

# A Culture of Hospitality, A People of Culture

TRANS ASIA HOTELS PLC | ANNUAL REPORT 2024/2025





# A Culture of Hospitality, A People of Culture

As travel trends evolve, so do we. At Trans Asia Hotels, we are committed to taking the connection between people and cultures to new heights.

From the very beginning, our mission has been to offer more than just a place to stay; we aim to provide immersive, meaningful experiences that exceed expectations. Driven by a passionate and diverse team, we ensure every guest is welcomed with warmth, care, and personalised attention.

This report highlights how we have embraced change over the years, continuously reimagining our services to meet the dynamic needs of both global and local travellers. By fostering cultural exchange, we not only create cherished memories for our guests but also build connections that last a lifetime.

At the core of our success is an unwavering dedication to exceptional service. We are where hospitality and culture unite, making every visit unforgettable, enriching, and impactful, as we continue to forge connections that transcend borders and unite people through authentic experiences.

At Trans Asia Hotels PLC - ours is a culture of hospitality and a people of culture.



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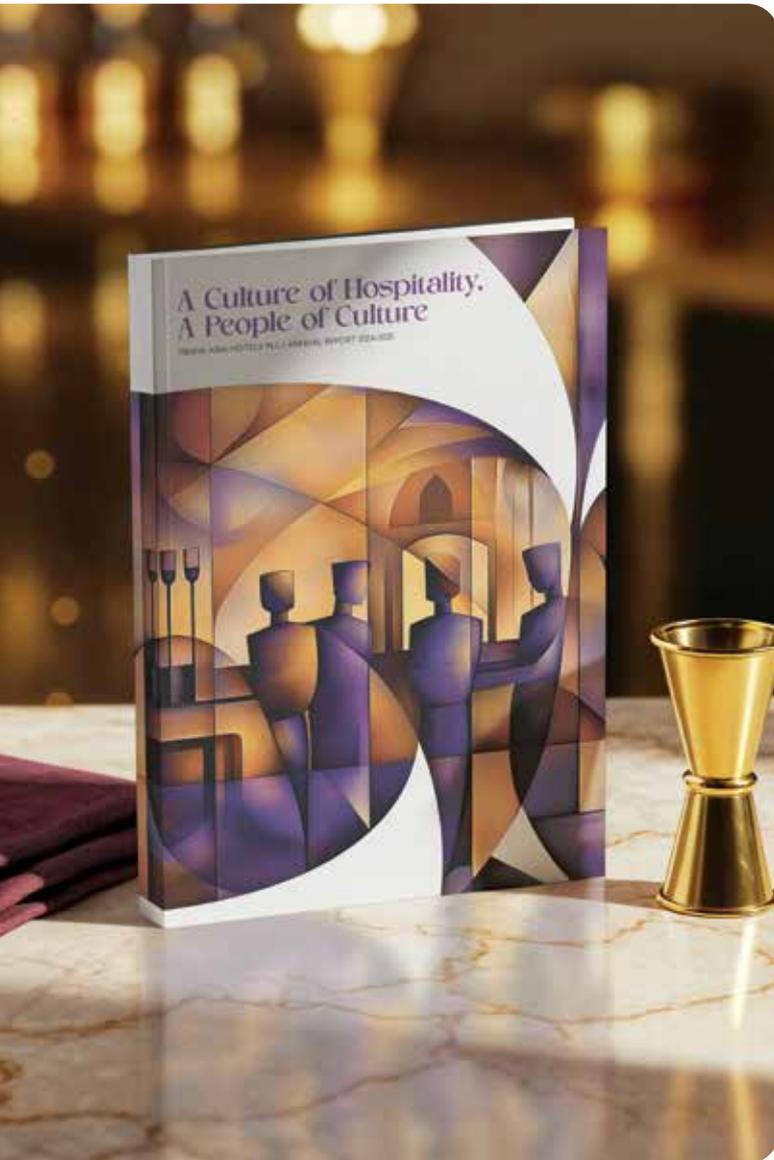
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# Our Approach to Reporting



## Welcome to Trans Asia Hotels PLC's fifth integrated annual report.

### REPORTING BOUNDARY

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

This report covers the operations of Trans Asia Hotels PLC. There were no significant changes to the structure, supply chain 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 of the reporting period, i.e. 31 March 2025 and up to the Board approval date of 27th May 2025 have also been included.

### FEEDBACK

We continuously endeavour to improve the quality and readability of our annual reports and value your feedback. Please share your feedback with Ruvindra Angunawela, Director Finance. Full contact details can be found on page 281. 

### 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 financial statements and conducted limited assurance on our GRI Reporting.

### REPORTING FRAMEWORKS

We have moved beyond regulatory reporting requirements to incorporate international best practices into our reporting process. Our disclosures are in compliance with the Sri Lanka Financial Reporting Standards (SLFRS) and the Listing Requirements of the Colombo Stock Exchange. We have also adopted globally recognised frameworks such as the International Integrated Reporting Framework, the Global Reporting Initiative (GRI) Standards, and the Sustainability Accounting Standards Board (SASB) Standards.

SLFRS Sustainability Standards—SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures) will become mandatory for Trans Asia Hotels PLC from the financial year commencing 01 April 2026. In preparation for full adoption, We have proactively begun disclosing selected information in alignment with the requirements of these standards.

# Our Approach to Reporting

A complete list of frameworks and guidelines adopted in this report is as follows.

## FINANCIAL STATEMENTS AND RELATED DISCLOSURES



### Regulatory Frameworks

- Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)
- Companies Act No. 7 of 2007 (as amended)
- Listing Rules of Colombo Stock Exchange (SEC)
- Code of Best Practices on Related Party Transactions (2013) advocated by the SEC

### Internal Assurance

- Internal Audit Process verifications and assessments conducted by Deloitte Advisory Services (Pvt) Ltd
- Internal controls
- Oversight of the Audit Committee and the Board of Directors

### External Assurance

- Independent Auditors' Report by Messrs. KPMG, Chartered Accountants.

## INTEGRATED AND SUSTAINABILITY REPORTING



### Voluntary Frameworks

- Integrated Reporting Framework of the International Integrated Reporting Council
- "Guidelines for Presentation of Annual Reports" issued by the CA Sri Lanka
- Global Reporting Initiative (GRI) Standards (2023)
- Sustainability Accounting Standards Board (SASB) Standards - Hotels & Lodging Sustainability Accounting Standard
- Guide on communicating sustainability issued by the Colombo Stock Exchange
- Carbon footprint Benchmarks - EarthCheck Pte Ltd - Australia
- Disclosures on the progress achieved in advancing the Sustainable Development Goals (SDGs)

### Internal Assurance

- Review of the Board of Directors

### External Assurance

- Independent Assurance on GRI Reporting by Messrs. KPMG, Chartered Accountants

## CORPORATE GOVERNANCE REGULATORY FRAMEWORKS



- Listing Requirements of the Colombo Stock Exchange Voluntary Frameworks
- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka - compliant to the extent of business exigency and as required by the Company
- Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka - compliant to the extent of business exigency and as required by the Company
- Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and CA Sri Lanka

### Internal Assurance

- Internally established governance frameworks
- Review by the Nominations and Governance Committee

**REPORT NAVIGATION ICONS**

To improve clarity and coherence, we have introduced navigation icons across the report. These icons serve as visual guides, enhancing connectivity, offering quick access to key information, and highlighting the integrated relationships that shape our value creation. This ensures a more intuitive and engaging experience for stakeholders.

<p><b>Capitals</b></p> <ul style="list-style-type: none"> <li> Financial Capital</li> <hr/> <li> Manufactured Capital</li> <hr/> <li> Human Capital</li> <hr/> <li> Intellectual Capital</li> <hr/> <li> Social and Relationship Capital</li> <hr/> <li> Natural Capital</li> </ul>	<p><b>Our stakeholder universe</b></p> <ul style="list-style-type: none"> <li> Shareholders</li> <hr/> <li> Employees</li> <hr/> <li> Customers</li> <hr/> <li> Suppliers and Business Partners</li> <hr/> <li> Government and Regulatory Bodies</li> <hr/> <li> Communities</li> </ul>	<p><b>Strategic priorities</b></p> <ul style="list-style-type: none"> <li> Service Excellence</li> <hr/> <li> Revenue Optimisation</li> <hr/> <li> Operational Excellence and Cost Optimisation</li> <hr/> <li> Talent Management</li> <hr/> <li> ESG Considerations</li> </ul>	<p><b>Other icon references</b></p> <ul style="list-style-type: none"> <li> Outlook and Way Forward</li> <hr/> <li> Page Reference</li> </ul>
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**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements regarding the Company's expected performance and future outlook. These projections are based on assessments made at the time of reporting; however, actual outcomes may differ due to external factors, uncertainties, and emerging risks beyond the Company's control. Additionally, these statements have not been reviewed by the Company's auditor.

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

-  Reflections from the Chairperson  16
-  Stakeholder Interactions  27
-  Management discussion and analysis  59

**BOARD RESPONSIBILITY STATEMENT**

The Board of Directors of Trans Asia Hotels PLC holds ultimate responsibility for ensuring the integrity of this Report. We affirm that this Annual Report for the financial year ending 31st 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.

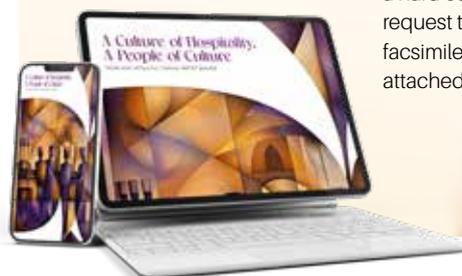
The comprehensive Annual Report of the Board of Directors is given in page 205. 

**REFER OUR REPORT**

**In PDF**

Corporate website - <https://keells.com/resource/reports/group-annual-reports/Trans-Asia-Hotels-PLC.pdf>

Read in print - 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 or facsimile to 0115377369 by filling the request form attached to the Form of Proxy .



# Our Approach to Reporting



## CA Sri Lanka's TAGS Awards 2024

Our commitment to transparency and impactful reporting recognised for the Annual Report 2023/24

**Gold** – Hotel Sector  
(Group assets upto **LKR 10 Bn**)



### ENHANCING TRANSPARENCY AND DISCLOSURE IN THIS YEAR'S REPORT

Reporting improvements introduced in this report include:

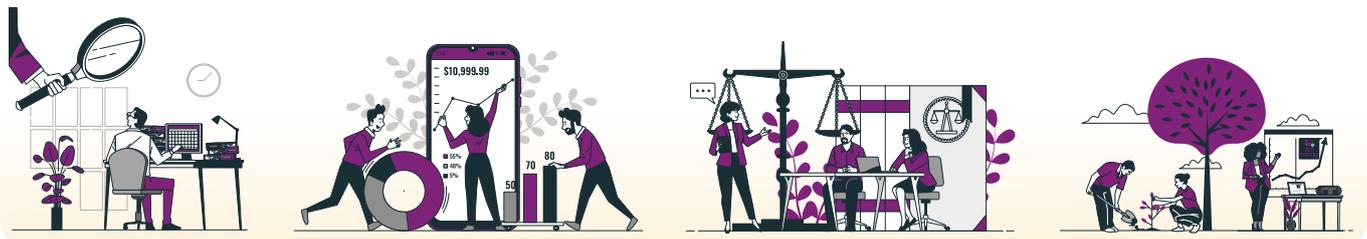
- Enhanced the Value Creation Model by incorporating the adequacy of each capital, illustrating the net impact of value creation on capital resources, and linking risks and opportunities that influence the business model. These are supported by in-depth discussions throughout the Report
- Introduced a Value Transformation Scorecard to demonstrate how strategic actions translate into value across stakeholder groups
- Included qualitative disclosures on sustainability and climate-related risks and opportunities that may affect the Company's operations and long-term outlook
- Improved connectivity across key reporting components, including strategic pillars, material matters, stakeholder impacts, and the capitals, through clear cross-referencing and consistent iconography
- Presented a detailed analysis of the Sri Lankan economy and the tourism industry, along with the Company's strategic responses to capitalise on emerging opportunities
- Expanded and strengthened corporate governance disclosures, reinforcing the Company's commitment to transparency and accountability



### DRIVING TRANSPARENCY, ACCOUNTABILITY, GOVERNANCE AND SUSTAINABILITY IN OUR REPORTING

- As a subsidiary of Asian Hotels and Properties PLC and a member of the John Keells Group, the Company has deeply embedded the principles of Transparency, Accountability, Governance, and Sustainability into its core ethos. Accordingly, shaping our reporting journey around these pillars has been an organic progression, reflecting the values we uphold across our operations.

	HOW IT IS REFLECTED IN OUR CORE ETHOS	HOW WE HAVE IMPROVED OUR REPORTING	REFER MORE INFORMATION
TRANSPARENCY	<p>Transparency lies at the heart of our operations. We ensure clear, timely, and accurate communication with all stakeholders to drive trust and enable informed decision-making. Our engagement with investors, suppliers and business partners, customers, and employees is grounded in openness and integrity. Employees are regularly updated on key developments and strategic direction, while their feedback is actively sought and used to drive improvements.</p>	<ul style="list-style-type: none"> <li>Adherence to global best practice frameworks such as Integrated Reporting, SASB, and GRI</li> <li>External assurance obtained to ensure accuracy and credibility of disclosures</li> <li>Full compliance with all applicable regulatory reporting requirements</li> <li>Reporting tailored to meet the information needs of both regulators and shareholders</li> </ul>	<p>Page 04 Reporting frameworks</p>
ACCOUNTABILITY	<p>As a responsible corporate, we embed accountability into all aspects of our operations through ethical conduct and sound governance. The Board steers strategic oversight with a focus on long-term stakeholder value, supported by active subcommittees like Audit Committee and Related Party Transaction Review Committee. A robust risk governance framework ensures management remains responsible for risk identification and mitigation. Regular performance updates, strong internal controls, independent audits, and a clear code of ethics drive accountability across all levels of the Company.</p>	<p>Accountability of key stakeholder groups of the Board of Directors and employees depicted through the Corporate Governance report and Risk Management reports</p>	<p>Page 130 Corporate Governance</p> <p>Page 196 Risk Management</p>
GOVERNANCE	<p>Our governance framework supports strategic decision-making, risk management, and regulatory compliance in line with global best practices. During the year, we further strengthened these mechanisms to foster sustainable growth. The Board of the Company, supported by key subcommittees, provides oversight across audit, risk, and remuneration, with regular assessments ensuring the right expertise is in place. We uphold full compliance with local and international regulations, while our strong risk governance—covering even climate-related risks—ensures long-term resilience and integrity.</p>	<p>Detailed Corporate Governance and Risk Management reports are included in the annual report, developed in line with both mandatory and voluntary frameworks</p>	<p>Page 130 Corporate Governance</p> <p>Page 196 Risk Management</p>
SUSTAINABILITY	<p>Sustainability at the Company is anchored in three core pillars: Wellbeing of the Planet, Wellbeing of its People, and Empowering all for Sustainable Development. We have implemented various initiatives with clear targets to advance each of these areas. Our sustainability efforts are guided by a strong policy framework, with strategic oversight provided by the Board to ensure alignment with long-term objectives.</p>	<p>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.</p>	<p>Page 53 ESG Performance</p>





Cinnamon  
LAKESIDE COLOMBO

## The great journey...

Ramada  
Renaissance –  
Opened on 15  
August 1985



The management was taken over  
by Asian Hotels and Properties (Pvt)  
Ltd, under the name Trans Asia  
Hotels in 1996



Colombo  
Renaissance  
in 1993



John Keells Holdings PLC acquired  
Asian and Properties (Pvt) Ltd, and  
along with that Trans Asia Hotels in  
September 2003



The hotel was  
launched as  
Cinnamon Lakeside  
Colombo In 2009

# About Us



## 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

Trans Asia Hotels PLC owns Cinnamon Lakeside Colombo, a premier 5-star city hotel strategically located in the heart of Sri Lanka's bustling capital. Established as a public limited company in 1981, the Company's largest shareholder is John Keells Holdings PLC, a respected and diversified conglomerate known for its leadership across various industries. As a key member of the Cinnamon Hotels & Resorts chain within the John Keells Group, the Company enjoys a reputation for excellence in hospitality.

Nestled by the picturesque Beira Lake, with expansive, meticulously landscaped surroundings, Cinnamon Lakeside Colombo offers guests a serene and luxurious escape. The company is led by a team of seasoned hospitality professionals committed to delivering exceptional service and creating memorable experiences for every guest. Renowned for its world-class standards of service and a collection of award-winning specialty restaurants, the Company has firmly established itself as a beacon of hospitality excellence in Sri Lanka.

Despite the challenges faced over the past year, the Company has remained committed to its core values of warmth, passion, and hospitality, ensuring that every guest receives the highest level of service.



# About Us

## ACCOLADES

Our commitment to excellence and innovation has been consistently recognised through prestigious industry awards, reflecting our dedication to delivering exceptional guest experiences and driving sustainable growth.



◀ National room stylist winner Colombo - Negombo region - July 2022

◀ National room stylist 1st runner-up All Island - August 2024



## ACCREDITATIONS/ CERTIFICATIONS

Our operations are certified by the ISO certifications and other certifications as listed below:



Re-Certification in progress for accommodation sustainability



### DRIVING SRI LANKA'S ECONOMIC RENAISSANCE THROUGH TOURISM AND HOSPITALITY

As a key player in the Sri Lankan hospitality sector, Trans Asia Hotels PLC stands at the forefront of catalysing economic growth and supporting the nation's recovery.

Through attracting international visitors, hosting high-profile MICE (Meetings, Incentives, Conferences, and Exhibitions) events, and driving local employment, we are committed to driving the country's economic revival. Our efforts go beyond just offering world-class facilities; we play an active role in generating foreign exchange, boosting the local economy, and promoting Sri Lanka as a premier destination for business and leisure tourism. By continuing to offer unparalleled service and unique experiences, we are confident that our contributions will support the growth of the tourism industry and enhance Sri Lanka's global competitiveness in the years ahead.

#### Attracting high-value international business tourism and generating foreign exchange

As a premier venue for MICE tourism, the Company plays a key role in attracting international corporate events, conferences, and exhibitions to Sri Lanka. These events position the hotel as a leading player in the MICE sector whilst contributing significantly to foreign exchange generation. According to the World Travel & Tourism Council (WTTC), business tourism is a major source of foreign currency for many economies, and Sri Lanka can capitalise on this by offering world-class facilities. By hosting international conferences and large-scale exhibitions, the Company attracts global business travellers, who contribute to the economy through their spending on accommodation, dining, transportation, and related services. This influx of foreign exchange is vital for the country's economic stability and growth, driving demand across various sectors, including hospitality, retail, and transportation.

Additionally, it creates lasting business opportunities, helping to position Sri Lanka as a competitive destination for international business tourism.

**Foreign currency receipts during the year : USD 2.5Mn**

#### Job creation and skill development

The Company, located in central Colombo attracts MICE tourism, hence possesses the ability to generate significant employment opportunities in the hospitality, tourism, and service industries. By expanding services tailored for international visitors, the Company creates both direct and indirect jobs, from front-line staff to back-end operations, thereby boosting local employment. Moreover, as the industry becomes more competitive, it can enhance skill development and training, elevating the workforce's capacity to meet international standards.

**Total recruitments during the year : 338**

#### Promoting local Small and Medium Enterprises (SMEs)

The Company is a catalyst for local SMEs. From local suppliers providing food and beverages to transport companies and event organisers, a range of SMEs connected benefit from their partnership with us. According to the Central Bank of Sri Lanka, tourism has a multiplier effect, stimulating local economies by engaging a wide range of service providers. Thus we partner with SMEs to foster sustainable local growth while simultaneously supporting the Sri Lankan economy by keeping a larger portion of the economic value within the local community.

**Payments made to local suppliers: Rs. 3,184 Mn**

#### Boosting Sri Lanka's international image and brand recognition

The Company is a frequent host of global MICE events which elevates Sri Lanka's profile on the international stage. As a

leading and reputed hotel, the Company attracts international conferences and exhibitions which in turn helps position the country as a growing business hub in Asia, at a particularly crucial time, as Sri Lanka seeks to diversify its economy beyond traditional exports. As events like international summits, conventions, and trade fairs are hosted, the Company indirectly boosts tourism by showcasing Sri Lanka's capabilities in hosting world-class events. This brand recognition is essential for promoting long-term foreign direct investment (FDI) in Sri Lanka.

**Total number of MICE events hosted during the year: 42**

#### Contributing to infrastructure development

The Company strives to drive tourism related infrastructure development in the country, which benefits both the hotel industry and the wider economy. By hosting large-scale events, hotels contribute to the growth of transport infrastructure (such as roads and airports), digital connectivity, and public services. The influx of international visitors for MICE events often triggers upgrades in local infrastructure, benefiting the tourism sector and improving the overall living standards for residents and enhancing the attractiveness of the region to investors. This can contribute to an improved business environment in Colombo and beyond, aligning with the Government's objectives to promote infrastructure development in line with national economic growth strategies.

#### Tax contributions to the Government

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

**Total taxes paid in 2024/25: LKR 748 Mn**

# Performance Highlights

		2025	2024	2023	2022	2021
<b>Key Financial Ratios-Income Statement and Other Comprehensive Income</b>						
Net revenue	Rs.000's	4,465,690	4,461,845	3,569,025	1,817,224	810,968
Gross profit margin	%	46	45	42	41	18
EBIT (Earnings before interest and tax)	Rs.000's	428,928	425,130	339,358	178,429	(921,809)
EBIT	%	10	10	10	7	(114)
Profit/(Loss) after tax	Rs.000's	229,944	173,117	(97,497)	4,100	(818,746)
Earnings / (loss) per share	Rs.	1.15	0.87	(0.49)	0.02	(4.09)
ROE (Return on Equity)	%	3	3	(2)	0	(13)
ROCE (Return on Capital Employed)	%	6	6	5	3	(14)
Interest cover	Times	4	2	2	1	(38)
<b>Key Financial Ratios-Statement of Financial Position</b>						
Total assets	Rs.000's	9,603,375	9,495,731	8,656,827	7,555,345	7,172,289
Net assets	Rs.000's	6,836,816	6,362,166	5,942,226	5,889,582	5,844,147
Interest bearing loans	Rs.000's	150,000	454,726	213,987	236,546	217,527
Debt/equity ratio	Times	0.10	0.21	0.19	0.04	0.08
Equity to asset ratio	%	71	67	69	78	81
Net assets per share	Rs.	34.18	31.81	29.71	29.45	29.22
Current ratio	Times	0.36	0.44	0.38	0.39	0.26
Quick asset ratio	Times	0.30	0.38	0.30	0.34	0.22
No. of shares in issue	000's	200,000	200,000	200,000	200,000	200,000
<b>Market/Shareholder information</b>						
Market value per share	Rs.	39.50	42.60	45.20	48.20	55.90
Market capitalisation	Rs.000's	7,900,000	8,520,000	9,040,000	9,640,000	11,180,000
Dividend per share	Rs.	0.50	-	-	-	-
Price earnings ratio	Times	34	49	(93)	2,410	(14)
Dividend cover times	Times	2	-	-	-	-
Dividend yield	%	1	-	-	-	-
Dividend payout ratio	%	43	-	-	-	-
<b>Key operational ratios</b>						
Occupancy	%	63	56	39	24	2
RevPAR	Rs.	12,387	10,999	7,157	3,425	301
Average room rate	Rs.	19,617	19,575	18,429	14,049	12,281
<b>Economic performance</b>						
Value generated by the Company	Rs.000's	2,625,146	2,423,380	1,601,985	866,536	734,821
<b>Value distributed to:</b>						
Employees as wages and benefits	Rs.000's	1,206,647	1,110,964	928,633	553,843	501,067
Payment to government	Rs.000's	748,265	683,398	389,138	19,659	22,338
Community investments	Rs.000's	2,012	181	3,209	389	19
Providers of funds	Rs.000's	100,998	183,438	202,387	122,173	24,210
Shareholders as dividends	Rs.000's	100,000	-	-	-	-
Value retained within the business	Rs.000's	467,225	445,400	78,618	170,472	187,187

# Operational Highlights

Company performance  
For the financial year ended 31 March

Metric

2025

2024

YoY Change

## MANUFACTURED CAPITAL

Room inventory	No.	346	346	-
Property, plant and equipment	Rs. Mn	5,006	4,586	420
Capital expenditure	Rs. Mn	204	338	(135)

## HUMAN CAPITAL

Total employees	No.	715	721	(6)
Female representation	%	17	14	3
Value added per employee	Rs. Mn	3	2	1
Total training investment	Rs. Mn	7.13	10.47	(3)
Total training hours	No.	55,379	75,880	(20,501)
Training hours per employee	No.	77	140	(63)
Employee retention rate	%	76	83	7
Workplace injuries	No.	10	6	4

## SOCIAL AND RELATIONSHIP CAPITAL

Total suppliers	No.	819	652	167
Payments to local suppliers	Rs. Mn	3,184	3,076	108
Global Review Index	%	92	95	(3)
Net Promoter Score	%	50	79	(29)
Total investment in community projects	Rs. Mn	2	0.18	1.82
Volunteer Hours	No.	623	652	(29)

## INTELLECTUAL CAPITAL

Average service length of an employee in years	No.	11	10	1
ISO certifications in place	No.	3	3	-
Awards won	No.	4	5	(1)

## NATURAL CAPITAL

Carbon footprint	tCO <sub>2</sub> e	7,180	5,579	1,601
Carbon footprint per EarthCheck guest night	kgCO <sub>2</sub> e	20	16	4
Energy Consumption	GJ	44,506	37,555	6,951
Energy Consumption per EarthCheck guest night	MJ	124	105	19
Solar Power Generated	kWh	32,052	42,396	(10,344)
Water withdrawn	m <sup>3</sup>	129,075	157,204	(28,129)
Water withdrawn per EarthCheck guest night	Litres	360	438	(78)
Total waste	MT	285	268	17
Waste disposed per EarthCheck guest night	kg	0.79	0.75	0.04
Total Single Use Plastic Consumption	kg	8,964	7,782	1,182
Guest facing single-use plastic consumption	g	25	22	3





# A Culture of Vision, A People of Possibility

At Trans Asia Hotels, our leaders see beyond the present to shape what's next. With clarity, foresight, and shared purpose, they turn ambition into action—driving innovation, empowering teams, and guiding the company toward a future built on excellence and possibility.

## LEADERSHIP

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# Chairperson's Message

## GLOBAL TOURISM GROWTH

**International tourism is projected to grow by a further 3 per cent to 5 per cent in 2025 as per UN Tourism.**

**The recovery trend in arrivals is expected to continue with growth across all major source markets. The strong economic growth in India and the resultant increase in travel in India is a significant opportunity for Sri Lanka.**

## 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 Trans Asia Hotels 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

## Profit before tax of the Company was Rs. 329 million in 2024/25 compared to Rs. 234 million in the comparative year in line with the EBITDA increase and savings recorded in interest and depreciation cost.

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

The Company recorded a strong growth in performance, driven by both an increase in occupancy and room rates on the back of an increase in tourist arrivals to the country. Revenue per available room (RevPAR) noted an improvement against the comparative period in line with the growth in occupancies and ARR. EBITDA and PBT growth were supported by an increase in revenue and a notable increase in margins, supported by the downward revision of electricity tariffs, strategic initiatives aimed at enhancing operational efficiency and strengthening product offerings undertaken by the Company.

The Company reported a revenue of Rs. 4,466 million in 2024/25, a marginal increase compared to Rs. 4,462 million recorded in the previous year. Additionally, the Company recorded an EBITDA of Rs. 668 million in 2024/25 as against Rs. 637 million recorded in the comparative period. The profit before tax of the Company was Rs. 329 million in 2024/25 compared to Rs. 234 million in the comparative year in line with the EBITDA increase and savings recorded in interest and depreciation cost.

### 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 Company continued to harness technology alongside our rich blend of global and local expertise to build a more agile, efficient, and high-performing business model. Our hotel 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.

# Chairperson's Message

The Company 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.

Together, these efforts underscore our commitment to sustainability and environmental resilience, further details are disclosed in the Natural Capital chapter of this 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 pages 55 of this report.

## RECOGNITION

Our unwavering commitment to building a truly sustainable and responsible brand has continued to earn us many accolades. At the Culinary Arts Food Expo 2024, the hotel team showcased exceptional talent and versatility, securing eleven gold, eight silver, and seven bronze medals, highlighting our commitment to excellence across departments. Demonstrating our progress in impactful and transparent corporate reporting, we were honoured as the Gold Winner in the Hotel Sector (Group Assets upto LKR 10Bn) at the CA Sri Lanka TAGS Awards 2024 for our annual report for the financial year 2023/24.

## CORPORATE GOVERNANCE

Sound governance and ethical leadership remain cornerstones of our corporate philosophy. The 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 are 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.

## 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 declared an interim dividend of Rs. 0.50 per share for the financial year ended 31 March 2025 which was paid on 17th April 2025.

### Appointment of Directors

As announced to the Colombo Stock Exchange, Mr. C P R Perera was appointed as an Independent Non-Executive Director with effect from 1st January 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.

*Krishan Balendra*

**K N J Balendra**

Chairperson

27th 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 Chairperson of the Ceylon Chamber of Commerce and the Hon. Consul General of the Republic of Poland in Sri Lanka. He is a former Chairperson of the Employers Federation of Ceylon, Nations Trust Bank 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.



## **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 (Pvt) Ltd. He serves as a Director of Asian Hotels & Properties PLC, Union Assurance PLC, Trans Asia Hotels PLC, John Keells Hotels PLC and also in many of the unlisted companies of the John Keells Group.



## **GIHAN COORAY**

Director

Gihan Cooray is the Deputy Chairperson/ Group Finance Director of the 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.



## **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 the development of the much-anticipated integrated resort project, 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.



## **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 Asian Hotels & Properties 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.



## **N L GOONERATNE**

Director\*

Navin Gooneratne has been a member of the Trans Asia Hotels PLC Board as a Non-Executive Director since its inception in 1984. He holds a Bachelor of Science Degree in Engineering and is a Member of the Institute of Engineers (Sri Lanka). He is the Chairman of 1:2:4 Designs Ltd, Radiance Film International (Pvt) Ltd and Trans Asia Films (Pvt) Ltd. He is the Honorary Chairman of SAMA International Trust, Swarajya Foundation, and the Light of Asia Foundation. He is also a Patron of Mahatma Gandhi Centre in Colombo

**S A ATUKORALE**

Director\*

Shivanthi Atukorale is a Non-Executive Director of Trans Asia Hotels PLC. She possesses over 25 years' experience in the financial services industry, in both Banking and Non-Banking Financial Institutions, covering large local corporates, Multinational Companies and SME sectors. She is currently attached to the State-Owned Enterprises Restructuring Unit of the Ministry of Finance, Planning and Economic Development. She is also an Independent Director of Melsta Tower (Pvt) Ltd. Previously, she was an Independent Director at Fintrex Finance Limited and was the General Manager, Operations and Investor Relations, at Melsta Corp Limited. Prior to that, she had a successful 16-year stint at Citibank N.A. Colombo where she held the titles of Head, Private Banking and Corporate Liabilities Group and Head, Global Relationship Banking and was a member of the Country Coordinating Committee and the Branch Credit Committee.

She possesses a first class in BSc. Statistics, Computing, Operational research and Economics from University College London, UK and an MBA from Imperial College London UK.

**H A J DE S WIJEYERATNE**

Director\*

Harin de S Wijeyeratne was appointed as a Non-Executive Director and as the Chairperson of the Board Audit Committee of Trans Asia Hotels PLC in June 2021. He counts over 30 years of experience in the fields of general management, financial management and auditing which has been acquired while being employed at InvestCorp Bank, Bahrain, Grindlays Bahrain Bank, Ernst & Young, Bahrain and Ernst & Young, Sri Lanka. In addition, he has held the position of Chief Executive Officer of the Sri Lanka Institute of Nanotechnology (Pvt) Limited (SLINTEC) for over five years (2013 to 2019) and a consultant for ZONE 24\*7, an IT company involved in data analytics and machine learning (2019 to 2020). He was an Independent Director of Union Assurance PLC and was also the Chairman of the Board Audit and Compliance Committee and retired after completing 9 years in September 2020.

He is an Associate member of the Institute of Chartered Accountants of Sri Lanka and a fellow member of The Chartered Institute of Management Accountants UK. Also, he is an Independent Non-Executive Director of DFCC Bank. Furthermore, he is the Audit Committee Chairman of MAS Holdings, commencing from June 15th, 2019. He is the Chairman of the Audit Committee and a Director of the Board of Ceylon Tobacco Company PLC and a Director of Ceylon Cold Stores PLC and is also a Director of the Gamini Corea Trust Fund and remains the Founder/ Owner of Avastha Financial Advisory Services and the Co-Founder of Kalyana, a mental health advocacy group.

**C P R PERERA**

Director\*

Chehan Perera counts for over 29 years in following financial markets and managing research and financial services businesses based in South-East Asia and South Asia. He spent over 10 years (1995-2005) with the ABN AMRO Group heading research operations in Malaysia, Singapore, Sri Lanka and Mauritius in addition to covering strategy and several other sectors during that period. He was also a part of the Group's equities management team for the ASEAN region.

He thereafter co-founded Insite Equity Ltd and subsequently established Insite Holdings as an investment holding company in Sri Lanka. Insite Equity entered into a partnership with KAF Seagroatt & Campbell Securities in 2006 in Malaysia where Mr. Perera was the lead in building a competitive and well-respected institutional equities business. During that time the institutional business entered into global partnerships with the RBS Group and the New York based Jefferies Group.

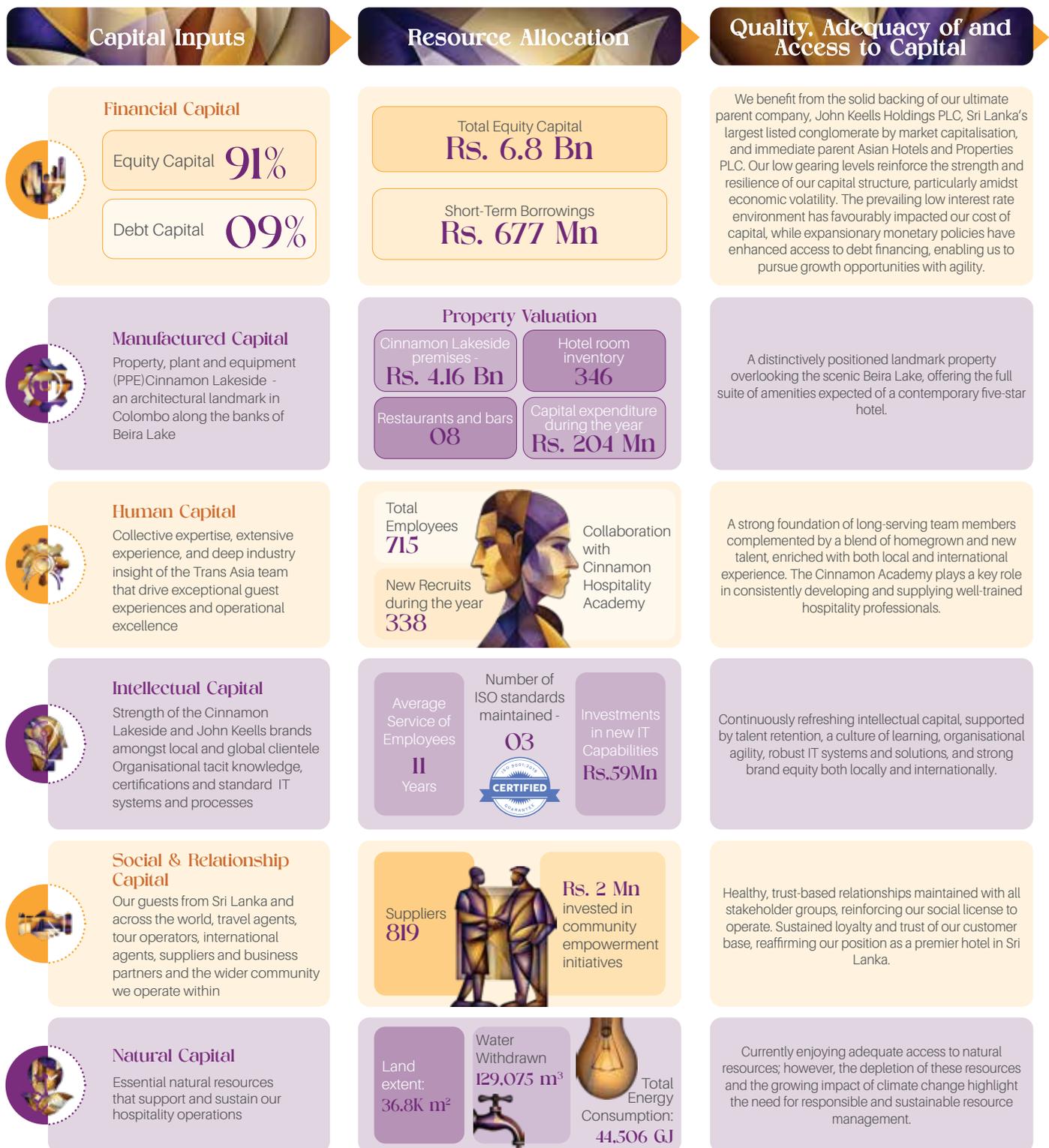
Mr. Perera worked two years (2017 and 2018) at Malaysian sovereign fund Valuecap Sdn Bhd as Head, Capital Market Research to set up an ASEAN research team with an ESG focus. In 2023, he was invited to lead the Malaysia Research team for one of the largest pan-Asian brokerage houses in Malaysia - CGS International Securities. In 2018, he co-founded Tempest P E Partners, a boutique private equity firm dedicated to exploring investment opportunities in the Sri Lankan private equities space. He continues as Managing Director of Tempest PE Partners. He also serves on several Boards in the capacity of Chairman and Non-Executive Director.

He graduated from Ithaca College NY in Economics and Mathematics and holds the CFA charter.

\* Independent Non - Executive Director (INED)

# Value creation model

At Trans Asia Hotels PLC, our approach to value creation is guided by the principles of the Integrated Reporting Framework developed by the International Integrated Reporting Council (IIRC). This model reflects our holistic understanding of how we create, preserve, and deliver value over the short, medium, and long term. By leveraging the six capitals, Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural, we aim to generate sustainable returns for our stakeholders while responsibly stewarding resources. Our value creation process is shaped by the dynamic external environment, our strategic objectives, stakeholder needs, and material matters, ensuring that our operations contribute meaningfully to economic progress, social wellbeing, and environmental



## Value Transformation

## Key outputs



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

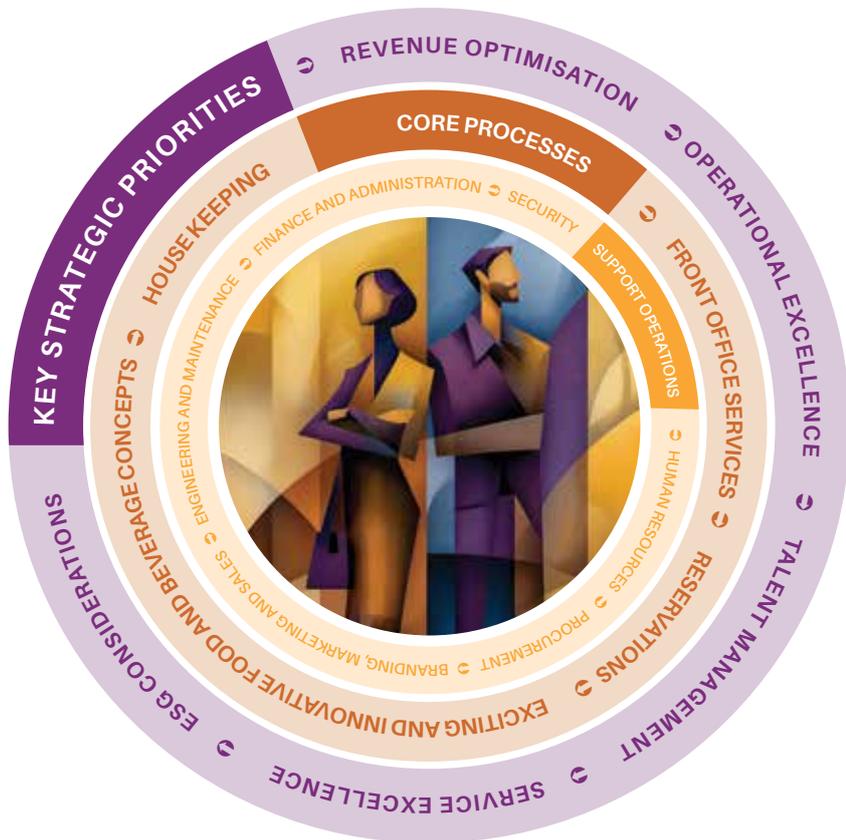


**Purpose**  
We curate emotional experiences to inspire stories that connect



**Values**

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



Outstanding guest experiences, marked by personalised service, meticulous attention to detail, and a keen understanding of the diverse needs and preferences of its guests

63%	Occupancy rate
76,059	Room nights
42	MICE* hosted
Waste and emissions generated in the process	
7,180 tCo <sub>2</sub> e	Total GHG emissions
284 MT	Total waste generated
105,529 m <sup>3</sup>	Effluents generated

Shaped by

-  Operating Environment (Page 34)
-  Stakeholder Interactions (Page 27)
-  Corporate Governance (Page 130)
-  Risk Management (Page 196)
-  ESG Priorities (Page 54)

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

# Value creation model



# Value Transformation Scorecard

FINANCIAL CAPITAL	KPI	Metric	2023/2024	Capital deployment through the year	2024/2025	Value movement
	Gross income	Rs. Mn	4,462	Strong and resilient financial capital deployment, underpinned by support from both immediate parent, Asian Hotels and Properties PLC, and ultimate parent, John Keells Holdings PLC. Strategic capital management, disciplined cost control and targeted revenue enhancement initiatives have strengthened overall financial performance. Improved profitability, coupled with efficient working capital management, has created a stable platform for ongoing reinvestment in service quality, infrastructure upgrades, and long-term value creation.	4,466	4
	Total assets	Rs. Mn	9,496		9,603	107
	Total equity	Rs. Mn	6,362		6,837	475
	Total borrowings	Rs. Mn	1,325		677	(648)
	Return on assets	%	2		2	-
	ROE	%	3		3	-
MANUFACTURED CAPITAL	KPI	Metric	2023/2024		Capital deployment through the year	2024/2025
	Property, plant and equipment	Rs. Mn	4,586	Strategically deployed manufactured capital to elevate both guest experience and operational performance. Investments directed towards comprehensive facility upgrades, incorporating modern amenities and refurbishments that align with evolving guest expectations. Energy-efficient technologies and smart systems installed aimed at improving resource utilisation and reducing its environmental footprint.	5,006	420
	Room occupancy rate	%	56		63	7
	Revenue per available room	Rs.	10,999		12,387	1,388
	Number of guest rooms and suites maintained	No.	346		346	-
	Compliance with building and safety standards	%	100		100	-
HUMAN CAPITAL	KPI	Metric	2023/2024		Capital deployment through the year	2024/2025
	Total employees	No.	721	Leveraged our human capital by consistently investing in staff development to uphold high service standards and ensure exceptional guest satisfaction. In the face of increasing competition for talent within Colombo's growing hospitality sector, placed strong emphasis on talent retention and continuous skill enhancement, enabling us to sustain a competitive advantage through service excellence and a highly engaged, capable workforce.	715	(6)
	Profitability per employee	Rs.000'	240		322	81
	New recruits during the year	No.	147		338	191
	Graduates from the Cinnamon Academy	No.	-		10	10
	Employee retention ratio	%	83		76	(7)
	Total training hours	No.	75,880		55,379	(20,501)

# Value Transformation Scorecard

SOCIAL AND RELATIONSHIP CAPITAL	KPI	Metric	2023/2024	Capital deployment through the year	2024/2025	Value movement
	Guest satisfaction score	%	95	Continued to foster long-standing partnerships with travel agents and suppliers, ensuring seamless service delivery and a resilient, reliable supply chain. At the same time, we strengthened guest loyalty and community goodwill through consistently exceptional customer experiences and thoughtfully designed community engagement initiatives. These initiatives were thematically focused on key areas such as education, health, environmental conservation, livelihood development, arts and culture, and disaster relief — reinforcing our commitment to creating shared value across all stakeholder groups.	92	(3)
	Number of continuing CSR initiatives	No.	04		06	2
	Cumulative number of beneficiaries of continuing CSR initiatives since inception	No.	590		1,095	505
	Total payments to local suppliers	Rs. Mn	3,076		3,184	108

INTELLECTUAL CAPITAL	KPI	Metric	2023/2024	Capital deployment through the year	2024/2025	Value movement
	Value of intangible assets	Rs. Mn	1,628	Leveraged our strong brand reputation around Cinnamon Lakeside and John Keells Hotels, exceptional service standards, and operational know-how to deliver outstanding guest experiences. Continuous process improvements, quality certifications, and innovation in service delivery supported our ability to differentiate in a competitive market.	25,424	23,796
	Employees with service exceeding 10 years	No.	233		227	(6)
	Investments in staff training and development	Rs. Mn	10		7	(3)
	Technology investments in guest services	Rs. Mn	12		59	47
	Total awards won (by category)	No.	5		4	(1)
	ISO certifications	No.	3		3	-

NATURAL CAPITAL	KPI	Metric	2023/2024	Capital deployment through the year	2024/2025	Value movement
	Energy consumption	GJ	37,555	Integrated sustainable practices across operations by focusing on core themes of optimising energy and water use, managing emissions and effluents responsibly, and minimising waste through effective recycling and resource consumption initiatives. Additionally, efforts were made to preserve surrounding biodiversity, aligning with global sustainability standards and enhancing the our long-term license to operate.	44,506	6,951
	Solar power generated	Kwh	42,396		32,052	(10,344)
	Water consumption	m <sup>3</sup>	157,204		129,075	(28,129)
	GHG emissions	tco <sub>2</sub> e	5,579		7,180	1,601
	Effluent discharge	%	N/A		105,529	N/A
	Number of environmental compliance violations	No.	None		None	-
	Total Single use plastic	kg	7,782		8,964	1,182

# Stakeholder Interactions

## GRI 2-29

### STAKEHOLDER ENGAGEMENT MECHANISM

Trans Asia Hotels PLC adopts a structured and methodical approach to stakeholder interaction. This enables the Company to clearly identify which stakeholder groups require what sort of engagement mechanisms.

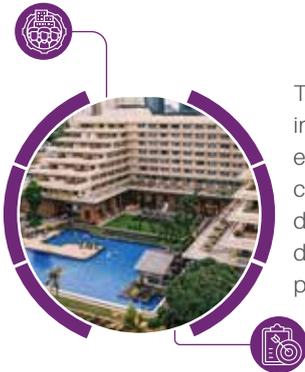
### STAKEHOLDER UNIVERSE

- Shareholders
- Customers
- Employees
- Suppliers and business partners
- Community
- The Government and related entities

### Curated engagements:

Our dual assessment approach enables us to map stakeholders based on their level of interest and influence, allowing for tailored engagement strategies that are both relevant and impactful.

The level of interest they demonstrate in the Company's operations



The extent of influence they exert on our value creation, strategic direction, and decision-making processes

### STAKEHOLDER PRIORITISATION

#### High Influence / High Interest:

Receive heightened attention through proactive, frequent, and in-depth interactions.

#### Lower Influence and/or Interest:

Are still engaged appropriately, ensuring inclusivity and transparency across all stakeholder groups.

### ENGAGEMENT MECHANISMS

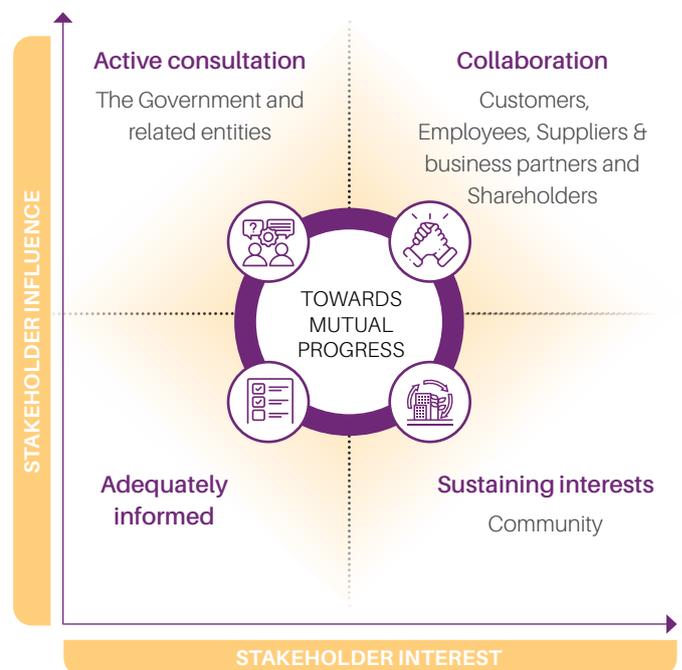
To effectively manage these relationships, we employ a range of engagement methods, including:

- Active consultation
- Collaboration
- Keeping stakeholders adequately informed
- Sustaining ongoing interest

### Stakeholder engagement governance:

All stakeholder engagements are governed by well-established internal policies and protocols, which guide the manner, frequency, and nature of communication, which is present across all Cinnamon Hotels and Resorts chain. 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

**1,669**  
shareholders

**4%**  
institutional shareholders

**99%**  
local shareholders

John Keells Holdings PLC and  
Asian Hotels and Properties PLC  
Key shareholders

## ENGAGEMENT MECHANISMS

### Engagement modes

- Annual General Meetings
- Extraordinary General Meetings
- Quarterly financial results publications

### References

- Annual Reports
- Quarterly financial statements
- Announcements to the Colombo Stock Exchange

### Dedicated point of contact

- Company Secretary
- Head of Finance

## DRIVING VALUE AND STRATEGY

### Value Delivered

**Rs. 329 Mn**  
Pre-tax profits

**3%**  
ROE

**Rs. 6,837 Mn**  
Total equity

### Link to Strategy

- Revenue optimisation

### Way forward

The Company remains committed to fostering transparent, timely, and consistent communication with shareholders through proactive disclosures and meaningful engagement. Going forward, we will continue to strengthen investor relations practices to ensure alignment with shareholder expectations and long-term value creation.

### Read more information:

Financial capital - page 60, Information of Shareholders & Investors - page 261



## Key concerns raised and connectivity to material matters

### Key Concerns Raised

- Operating costs and profit margins
- Board effectiveness and governance transparency
- Risk management and business continuity
- Dividend policy and return on investment
- Occupancy rates and revenue per available room
- Asset utilisation and renovation plans
- Strategic positioning and brand competitiveness
- ESG and sustainability practices

### Response Action

Focused efforts were channelled towards optimising asset utilisation, revitalising core offerings, and enhancing guest experience to drive occupancy and yield. Disciplined capital allocation and cost controls supported margin stability, while maintaining dividend payouts in line with performance. The Board remained committed to strong governance, proactive risk management, and sustainable value creation through ESG-led initiatives.

### Corresponding Material Topics

- Corporate governance
- Transparency in disclosures
- Risk management
- Stakeholder relationship management
- Tax strategy



## CUSTOMERS

**76,059**  
Room nights

**92.3%**  
Global Review Index

## DRIVING VALUE AND STRATEGY

## Value Delivered

**50%**

Net Promoter Score

**92.3%**

Global Review Index

## Link to Strategy

- Service excellence
- ESG considerations

## Way forward

The Company will continue to prioritise personalised service, authentic hospitality, and consistent quality to enhance the overall guest experience. Leveraging customer feedback and digital touchpoints, we aim to refine offerings and anticipate evolving preferences. Strategic investments in staff training and service innovation will further drive our commitment to delivering memorable and meaningful stays.

## Read more information:

Social and relationship capital – page 96



## ENGAGEMENT MECHANISMS

## Engagement modes

- All customer-serving front line staff
- Channel partners in Sri Lanka and overseas
- Global sales officers
- In-stay and post-stay surveys
- Online reviews across multiple platforms such as booking.com, etc.
- Social media
- Corporate website www.cinnamonhotels.com

## References

- 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

## Dedicated point of contact

- Customer care hotline 011 2491000
- Front desk/ Reception

## Key concerns raised and connectivity to material matters

## Key Concerns Raised

- Quality of service
- Escalations in pricing
- Novel experiences in cuisine and events
- ESG considerations in our business

## Response Action

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.

## Corresponding Material Topics

- Privacy and data security
- Guest health and safety
- Sustainable tourism
- Product safety and quality
- Stakeholder relationship management

# Stakeholder Interactions



## EMPLOYEES

**715**  
employees

**17%**  
female representation

**76%**  
employee retention

### ENGAGEMENT MECHANISMS

#### Engagement modes

- Periodic meetings at different levels
- Skip level meetings - where employee can meet the levels above the immediate supervisor level
- Employee satisfaction survey (bi-annually)
- Induction programmes for all new recruits
- Mid-year and full year performance appraisals
- Long Service Awards
- Staff Engagement initiatives conducted throughout the year

#### References

- Employment contract
- Wide range of policies leading to a rewarding workplace for employees
- Code of Conduct
- Training resources

#### Dedicated point of contact

- Head of HR
- Ombudsperson

### Key concerns raised and connectivity to material matters

#### Key Concerns Raised

- Job security and career progression
- Workload and staffing levels
- Training and skill development
- Compensation and benefits
- Health, safety, and well-being
- Recognition and workplace culture

#### Response Action

Fortified commitment to employee well-being by enhancing career development pathways, optimising workforce planning, and expanding training programmes to support professional growth. Compensation structures were reviewed to ensure competitiveness, while health, safety, and wellness initiatives were strengthened to create a supportive work environment. A culture of recognition and open communication was fostered through ongoing feedback, appreciation efforts, and inclusive engagement.

#### Corresponding Material Topics

- Human rights
- Health and safety
- Diversity and Equal opportunity
- Talent attraction and retention
- Stakeholder relationship management

### DRIVING VALUE AND STRATEGY

#### Value Delivered

**Rs. 1,207 Mn**  
payments to employees

**77**  
average training hours per person

#### Link to Strategy

- Talent management

#### Way forward

Going forward, the Company will continue to invest in its people by nurturing talent, enhancing skills, and fostering a culture of collaboration and inclusivity. Emphasis will be placed on aligning HR strategies with business goals to drive performance and employee satisfaction. Technology-led HR solutions and continuous engagement will support a future-ready, motivated workforce.

#### Read more information:

Human capital - page 72





## SUPPLIERS AND BUSINESS PARTNER

7

Global Sales Officers

819

Suppliers

42

Number of MICE events

## ENGAGEMENT MECHANISMS

## Engagement modes

## Agents

- One-on-one meetings via virtual modes and in-person meetings in Colombo or overseas
- Road-shows and promotional events
- Periodic supplier reviews

## Suppliers

- Periodic 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

## References

- Agreements and contracts executed

## Dedicated point of contact

- Director Sales and Marketing
- Purchasing Manager

## DRIVING VALUE AND STRATEGY

## Value Delivered

Rs. 3,184 Mn

Payments to suppliers

76,059

Room nights

## Link to Strategy

- Revenue optimisation
- Operational excellence and cost optimisation

## Way forward

Committed to striking deeper, collaborative relationships with suppliers and business partners by establishing transparent communication channels and proactive engagement initiatives. We will work together to enhance supply chain resilience, adjust contractual terms as necessary, and ensure timely and reliable exchanges. By integrating sustainability and ethical practices into our operations, we aim to build long-term, mutually beneficial partnerships that drive shared success and innovation.

## Read more information:

Social and relationship capital - page 96



## Key concerns raised and connectivity to material matters

## Key Concerns Raised

- Timely payments and cash flow
- Adherence to contract terms and pricing
- Supply chain reliability and logistics
- Communication and transparency
- Sustainability and ethical practices
- Long-term partnership stability

## Response Action

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.

## Corresponding Material Topics

- Business conduct and ethics
- Supply chain management
- Supplier assessment
- Stakeholder relationship management

# Stakeholder Interactions



## COMMUNITY

The wider community within which we operate

### ENGAGEMENT MECHANISMS

#### Engagement modes

- 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

#### References

- Sustainability reporting, press releases and other related publications
- Social media platforms

#### Dedicated point of contact

- Manager, Health, Hygiene & Sustainability

### Key concerns raised and connectivity to material matters

#### Key Concerns Raised

- 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

#### Response Action

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.

#### Corresponding Material Topics

- GHG emissions and energy management
- Water management
- Waste management
- Community relations and empowerment
- Stakeholder relationship management

### DRIVING VALUE AND STRATEGY

#### Value Delivered

**Rs. 2 Mn**

invested in community empowerment and environmental preservation initiatives

**805**

beneficiaries of community empowerment projects

**64%**

staff members recruited within the Western province

#### Link to Strategy

- ESG considerations

#### Way forward

Remains dedicated to strengthening community bonds by driving local employment initiatives, advancing sustainability efforts, and consistently supporting local businesses. We will also seek out further opportunities to collaborate with community leaders and NGOs, where possible, to promote social responsibility and foster mutual growth.

#### Read more information:

Social and relationship capital - page 96





## THE GOVERNMENT AND RELATED ENTITIES

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

- Sri Lanka Tourism Development Authority (SLTDA)
- Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka (SEC)
- Sri Lanka Standards Institution (SLSI)
- Consumer Affairs Authority (CAA)
- Central Environmental Authority (CEA)
- Inland Revenue Department (IRD)
- Urban Development Authority (UDA)
- Department of Labour
- Excise Department of Sri Lanka
- Central Bank of Sri Lanka (CBSL)

## ENGAGEMENT MECHANISMS

### Engagement modes

- 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

### References

Documentation with regards to periodic regulatory filings and disclosures and statutory reporting and compliance submissions

### Dedicated point of contact

- Director - Finance
- Director-Human Resources
- Manager, Health, Hygiene & Sustainability

## Key concerns raised and connectivity to material matters

### Key Concerns Raised

- 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

### Response Action

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.

### Corresponding Material Topics

- GHG emissions and energy management
- Transparency in disclosures
- Guest health and safety
- Tax strategy

## DRIVING VALUE AND STRATEGY

### Value Delivered

**Rs. 748 Mn**

Total taxes paid to the Government

Timely renewal of environmental certificates/ permits

### Link to Strategy

- ESG considerations

### Way forward

Committed to deepening its collaboration with government and regulatory agencies by sharing timely information, engaging actively in policy discussions, and aligning with national priorities in tourism and economic development. We will continue to focus on proactive compliance and contribute to industry initiatives that promote sustainable growth.

### Read more information:

Financial capital - page 60



# Operating Environment Review

The Sri Lankan economy achieved considerable improvement in restoring macroeconomic stability through 2024/25, supported by fiscal consolidation, improved investor confidence, and renewed multilateral engagement. The tourism sector grew in tandem, benefiting from increased international arrivals, global recognitions, and targeted promotional campaigns. This positive momentum opened up new opportunities for premium hospitality providers like Trans Asia Hotels PLC (TAH). The evolving operating landscape, driven by economic recovery, infrastructure development, and a resurgent travel industry provided a favourable backdrop for TAH's continued growth and strategic positioning as a leading five-star destination.

## GLOBAL ECONOMY

Together with growth in our key source markets

Real GDP, Annual percentage change (%)	Projections		
	2024	2025	2026
<b>WORLD OUTPUT</b>	3.3	2.8	<b>3.0</b>
<b>Advanced Economies</b>	1.8	1.4	<b>1.5</b>
The United States	2.8	1.8	<b>1.7</b>
Germany	(0.2)	0.0	<b>0.9</b>
The United Kingdom	1.1	1.1	<b>1.4</b>
France	1.1	0.6	<b>1.0</b>
Canada	1.5	1.4	<b>1.6</b>
<b>Emerging Market and Developing Economies</b>	4.3	3.7	<b>3.9</b>
China	5.0	4.0	<b>4.0</b>
India	6.5	6.2	<b>6.3</b>
Russia	4.1	1.5	<b>0.9</b>

(World Economic Outlook, International Monetary Fund April 2025)

## GLOBAL TOURISM

### 2024 performance

- International tourism virtually recovered (99%) of 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

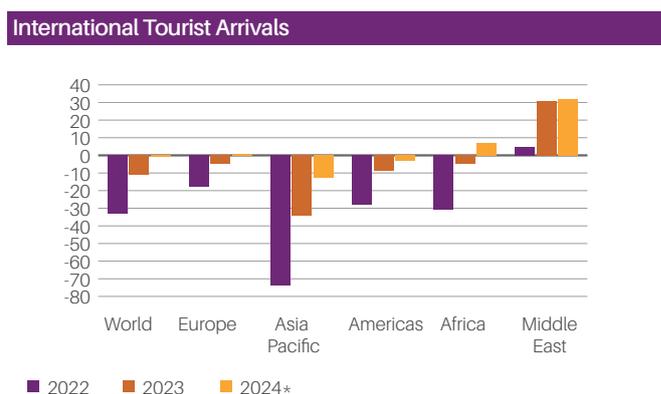
- The Middle East remained the strongest-performing region when compared to 2019, with international arrivals climbing 32% above pre-pandemic levels in 2024, though 1% compared to 2023.
- According to preliminary estimates, receipts reached USD 1.6 trillion in 2024, about 3% more than in 2023 and 4% 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)



\*Provisional  
(Source : <https://www.unwto.org/>)

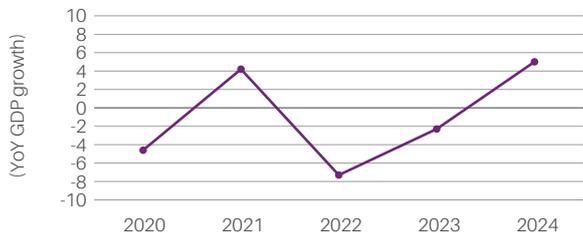
## COUNTRY PERFORMANCE

### 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), up from Rs. 1.24 million (USD 3,801) in 2023.

**YoY GDP growth**

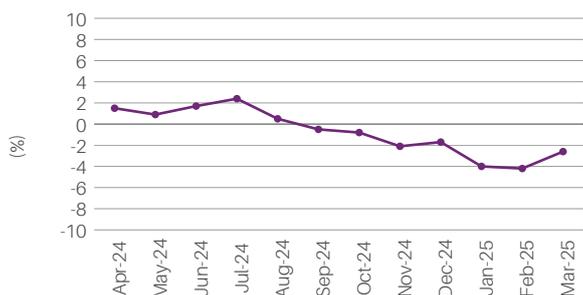


(Source : <https://www.cbsl.gov.lk/en>)

**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>)

**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%.

**Monthly AWPLR**

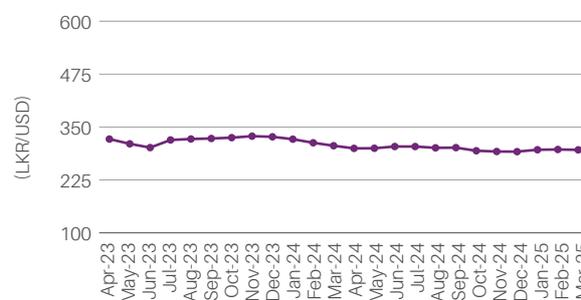


(Source : <https://www.cbsl.gov.lk/en>)

**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 305.66 in end March 2024.

**Exchange rate movement**



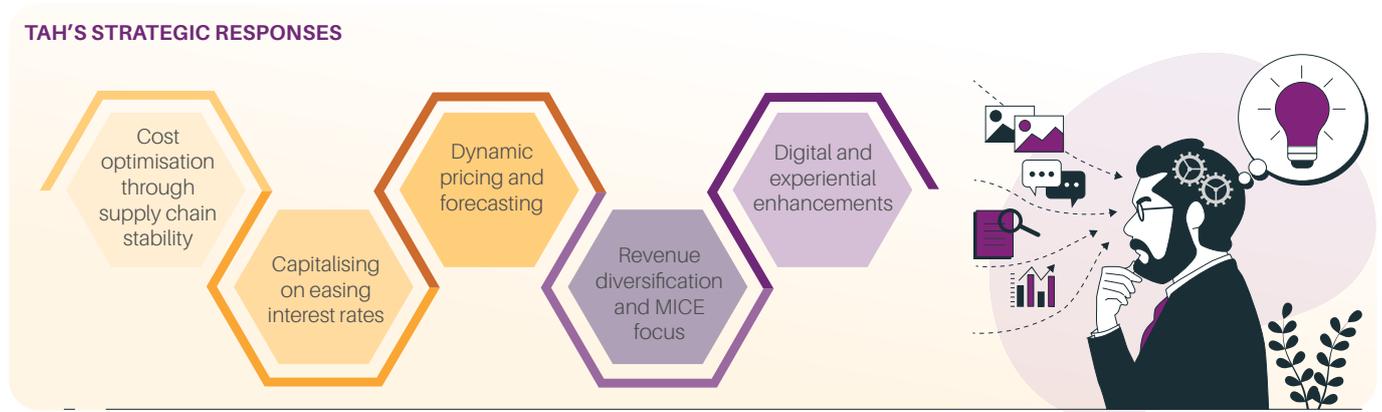
(Source : <https://www.cbsl.gov.lk/en>)

**Impact on TAH 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

# Operating Environment Review

## TAH'S STRATEGIC RESPONSES



### Cost optimisation through supply chain stability:

Leveraging disinflationary trends and a more stable exchange rate, TAH strengthened supplier partnerships and managed procurement contracts, particularly for food and beverage supplies and imported premium materials, enabling improved cost efficiency and quality assurance across operations.

### Capitalising on easing interest rates:

With financing costs easing, TAH strategically advanced the upkeep of the property and service enhancements across guest touchpoints, reinforcing its brand promise as a premier five-star property in Colombo and enhancing guest satisfaction and retention.

### Dynamic pricing and forecasting:

The improved predictability in input and import costs allowed TAH to refine its pricing with greater precision. Forward-looking pricing strategies helped capture value from higher-spending tourists and corporate clients, while maintaining competitiveness in the luxury segment.

### Revenue diversification and MICE focus:

Capitalising on rising GDP, better consumer sentiment, and increasing foreign tourist and diaspora arrivals, TAH intensified its focus on revenue diversification, expanding its MICE offerings, elevating curated dining experiences, and launching targeted leisure packages to drive occupancy and F&B income.

### Digital and experiential enhancements:

With improved market conditions, TAH accelerated investments in digital marketing, online booking channels, and guest experience innovations to stay ahead of competition, enhance visibility in global markets, and attract discerning travellers.

## 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 TAH, 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 GLOBAL 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 prioritise emotional connection and personal enrichment.



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.



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.



Health and wellness tourism

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



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.



Emerging markets as key source regions

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



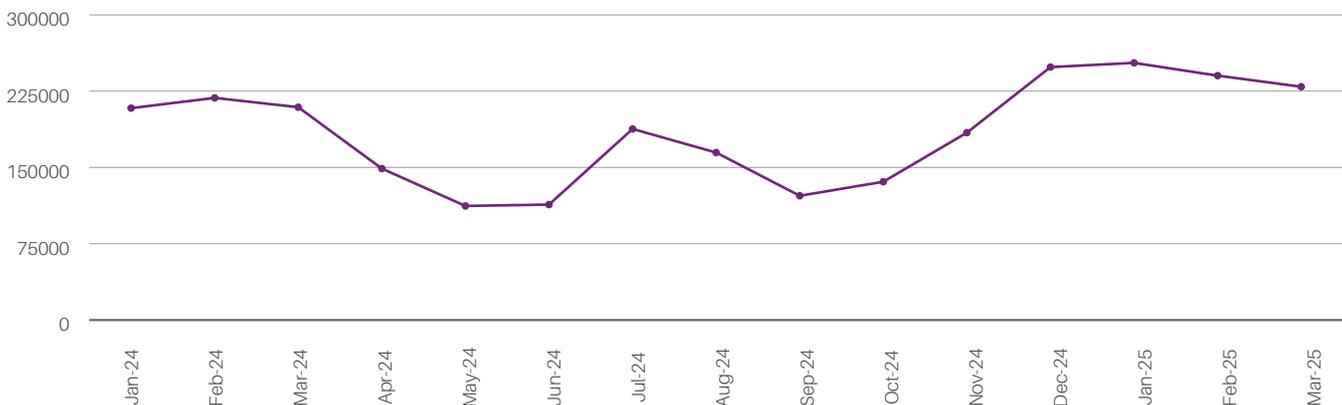
Resilience and crisis preparedness

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.

SRI LANKA'S 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



# Operating Environment Review

## TOTAL TOURIST ARRIVALS



12 months ended 31 December 2024

**2,053,465**

Year-on-year growth compared to 12 months ended 31 December 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

## OTHER HIGHLIGHTS

**8.42 nights**

Average duration of stay

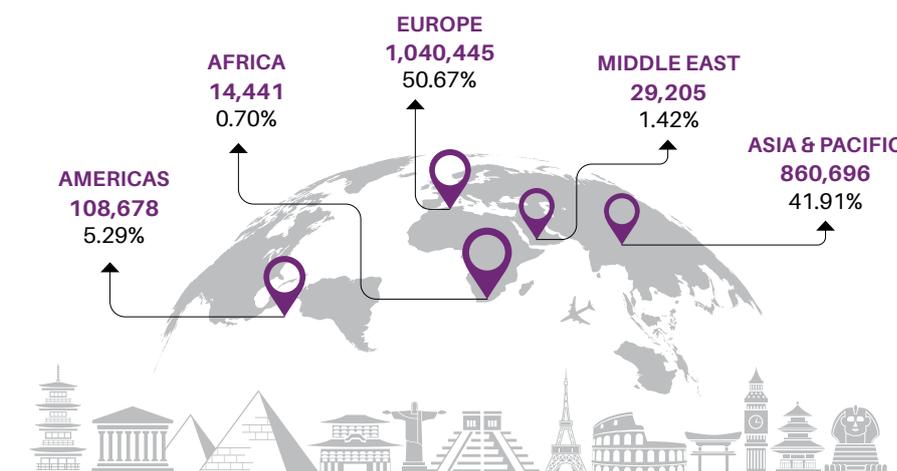
**USD 181.15**

Receipt per tourist per day / average expenditure per day

## TOURIST ARRIVALS BY SOURCE COUNTRY - 2024

Country	Arrivals	Percentage of arrivals
India	416,974	20%
Russian Federation	201,920	10%
The United Kingdom	178,339	9%
Germany	136,084	7%
China	131,681	6%
Australia	89,573	4%
France	88,772	4%
The United States	59,532	3%
The Netherlands	50,116	2%
The Maldives	47,222	2%
All other countries	653,252	32%
<b>Total</b>	<b>2,053,465</b>	<b>100%</b>

## TOURIST ARRIVALS BY REGION



## TOTAL EARNINGS FROM TOURISM



**USD 3.2 Bn**

2024

**53%**

YoY improvement

Source: <https://www.stda.gov.lk/en/statistics>

## 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
- Wanderlust Reader travel awards - "Most Desirable Island (World)"
- CEO World - Sri Lanka ranked 5th in "Best Country to visit in your life time"
- Taste Atlas - Sri Lankan Rice and Curry ranked 6th in the "Top 100 rice dishes in the World"
- Condè Nast Reader's Choice Awards - Sri Lanka listed as the "7th Friendliest Country in the World"
- Nat Geo - Sri Lanka's Pekoe Trail featured in "Top 20 Travel Experience" in 2024

### MAJOR INVESTMENTS & INFRASTRUCTURE DEVELOPMENTS

Colombo witnessed the launch of several large-scale hospitality developments in 2024, driving the city's evolution as a premier urban destination. These high-profile openings are led by both renowned international hotel chains and leading homegrown brands and significantly expanded the city's premium room inventory.

In addition to enhancing accommodation capacity, these properties have introduced a diverse range of upscale amenities and lifestyle experiences. From expansive retail promenades and luxury dining concepts to high-energy entertainment venues, the offerings are set to elevate Colombo's appeal to both business and leisure 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.



# Operating Environment Review

## SWOT ANALYSIS - TRANS ASIA HOTELS PLC

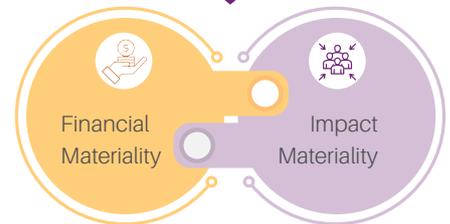
 <b>S Strengths</b>	 <b>W Weaknesses</b>	 <b>O Opportunities</b>	 <b>T Threats</b>
 <ul style="list-style-type: none"> <li>• Premier location and brand legacy: Centrally located in Colombo with a long-standing reputation for luxury and service excellence</li> <li>• Diverse revenue streams: Balanced mix of room occupancy, food &amp; beverage, and MICE (Meetings, Incentives, Conferences, Exhibitions) offerings</li> <li>• Experienced management and skilled workforce: Strong leadership and a well-trained team supporting consistent service delivery</li> <li>• Strong foreign currency earnings: Significant patronage from foreign tourists and business travellers aids in revenue stability</li> <li>• Operational resilience: Effective cost controls, digital adoption, and agile supply chain strategies enable responsive operations</li> <li>• Strong Ultimate parent company: Backed by John Keells Holdings PLC, offering financial stability, marketing muscle, and operational expertise</li> <li>• ESG focus: Strong alignment to ESG aspects, driving patronage among ESG concerned travellers</li> </ul>	 <ul style="list-style-type: none"> <li>• High cost structure: Premium positioning entails higher operational and maintenance costs, impacting margins during low-demand periods</li> <li>• Dependence on tourism flow: Vulnerable to external shocks such as geopolitical events or global travel disruptions</li> <li>• Limited regional footprint: Concentrated presence in Colombo limits exposure to other growing tourist hotspots within Sri Lanka</li> </ul>	 <ul style="list-style-type: none"> <li>• Tourism sector growth: Rising international arrivals, global accolades, and improved national branding offer growth potential.</li> <li>• Favourable macroeconomic conditions: Disinflation, stable exchange rates, and easing interest rates support investment and margin growth</li> <li>• Expansion of MICE and experiential travel: Increased demand for high-end event spaces and curated local experiences opens new revenue channels</li> <li>• Digital transformation: Strengthening digital presence, direct booking platforms, and customer relationship management tools can boost guest acquisition and loyalty</li> <li>• Sustainability and wellness trends: Growing demand for eco-conscious travel and wellness tourism presents avenues for brand differentiation</li> </ul>	 <ul style="list-style-type: none"> <li>• Intensifying competition: Entry of new international hotel brands and local boutique players could challenge market share</li> <li>• Policy and regulatory uncertainty: Shifts in tax policy, tourism regulation, or urban development rules may affect operations or expansion plans</li> <li>• Global economic volatility: External economic shocks or declining global disposable income can impact inbound travel</li> <li>• Labour market pressures: Skilled hospitality staff shortages and wage pressures could challenge service consistency</li> </ul>

# Material matters

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

Trans Asia Hotels PLC employs a systematic, stakeholder-centric approach to materiality assessment, recognising its value in providing a balanced and comprehensive view of key issues. This process is structured around three in-depth steps designed to identify and prioritise material topics by evaluating both their influence on stakeholders and their potential impact on the Company. By using this rigorous framework, the organisation ensures that its strategic focus remains aligned with the most significant concerns and opportunities, ultimately driving sustainable value creation.

## DUAL MATERIALITY FOCUS ADOPTED



As the parent company, the Board of Directors of John Keells Holdings PLC plays a pivotal role in overseeing the materiality assessment process of Trans Asia Hotels PLC. The Board is responsible for reviewing and approving the identified material topics to ensure they align with the Group's strategic direction and stakeholder interests

### STEP 1: IDENTIFY AND SHORTLIST

#### Shortlisted Internal Stakeholders

- Board & Senior Management
- Employees

#### Shortlisted External Stakeholders

- Investors
- Customers
- Community Partners
- Suppliers

#### Shortlisted Material Topics

- 20 Material topics identified - Standards and frameworks such as DJSI, MSCI, and SASB were considered
- Industry insights were taken from peer matrices



### STEP 2: PRIORITISE

- Curated customised questionnaires for all stakeholder groups
- Conducted online surveys to understand stakeholder preferences



### STEP 3: VALIDATE AND REVIEW

- Assigned weights to each topic as per global frameworks and peers
- Incorporated individual stakeholder insights
- Applied scaling factor to each material topic based on the weighted average of stakeholders' responses
- Ranked material topics based on the average of both internal and external stakeholders
- Developed Materiality Matrix



# Material matters

## MATERIALITY MATRIX



## MATERIAL MATTERS

To enhance clarity in presentation, we have grouped our material topics under five broader thematic areas, namely:

- Environmental preservation
- Employee relations and well-being
- Good governance and ethics
- Guests, suppliers and community relations
- Other

## THE FOLLOWING TABLE FURTHER DISCUSSES THE KEY MATERIAL MATTERS FOR THE COMPANY

No	Material topic	What it constitutes	Material matters theme	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
1	GHG emissions and energy management	Taking steps to reduce air pollution and using lesser electricity and maximising the renewable energy usage	Environmental preservation	Very High	Universal*	GRI 302: Energy, GRI 305: Emissions, SV-HL-130a.1, SV-HL-160a.2	Natural capital	Page 114
2	Human rights	Ensuring that humans are treated with dignity (E.g.: no discrimination, no child labour or forced labour, freedom of association and collective bargaining)	Employee relations and well-being	Very High	Employees	GRI 406: Non Discrimination, SV-HL 310a.4	Human capital	Page 81

No	Material topic	What it constitutes	Material matters theme	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
3	Health and safety	Ensuring a safe and healthy workplace for employees (e.g.: zero accidents, safety trainings)	Employee relations and well-being	Very High	Employees	GRI 403: Occupational Health and Safety	Human capital	Page 80
4	Diversity and Equal opportunity	Being inclusive, diverse and providing equal opportunities at the workforce irrespective of gender, age or religion	Employee relations and well-being	Very High	Employees	GRI 405: Diversity and Equal Opportunity	Human capital	Page 82
5	Talent attraction and retention	Making the workplace an attractive environment and Upskilling and reskilling employees in order to achieve career and personal growth	Employee relations and well-being	Very High	Employees	GRI 401: Employment, GRI 402: Labour/ Management Relations, GRI 404: Training and education, SV-HL-310a.1	Human capital	Page 75
6	Business conduct and ethics	Ensuring all stakeholders internal or external are compliant with company policies and procedures	Good governance and ethics	Very High	Universal*	GRI 205: Anti-Corruption GRI 408 - Child labour GRI 417 - Marketing and labelling, SV-HL-310a.3	Intellectual capital	Page 92
7	Corporate governance	Ensuring a diverse, effective and ethical board of directors committed to preserving shareholder value	Good governance and ethics	Very High	Universal*	GRI 418: Customer Privacy GR1 201 - Direct economic impacts	Intellectual capital	Page 130
8	Transparency in disclosures	Provide clear, accurate, and relevant information that enables stakeholders to understand the organisation's performance, risks, and opportunities	Good governance and ethics	Very High	Universal*		Intellectual capital	Page 203

# Material matters

No	Material topic	What it constitutes	Material matters theme	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
9	Privacy and data security	Ensuring zero leakage of customer, employee or supplier data	Guests, suppliers and community relations	Very High	Customers and Suppliers and Business Partners	GRI 418: Customer Privacy	Social and relationship capital	Page 103
10	Waste management	Preventing waste by reducing, reusing and recycling	Environmental preservation	High	Universal*	GRI 306: Waste	Natural capital	Page 117
11	Water management	Utilising less water and reusing wastewater for other purposes like gardening	Environmental preservation	High	Universal*	GRI 303: Water and Effluents, SV-HL-140a.1, SV-HL-160a.2	Natural capital	Page 116
12	Guest health and safety	Measures and protocols are put in place to ensure the well being and protection of guests who visit our property.	Guests, suppliers and community relations	High	Customers	GRI - 416 Customer health and safety	Social and relationship capital	Page 103
13	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.	Good governance and ethics	High	Universal*		Intellectual capital	Page 196
14	Community relations and empowerment	Building strong relationships with the local community in which the company operates	Guests, suppliers and community relations	Medium	Community	GRI 413: Local Communities	Social and relationship capital	Page 105
15	Sustainable tourism	Tourism activities are carried out in a way that preserves the natural resources, culture, and heritage of the destination for future generations.	Other	Medium	Universal*	GRI - 203 Indirect Economic Impacts	Natural capital, Social and relationship capital	Page 111

No	Material topic	What it constitutes	Material matters theme	Impact level	Key stakeholders impacted	GRI /SASB Disclosure	Value delivered through	Management of material topic
16	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.	Guests, suppliers and community relations	Medium	Suppliers and Business Partners	GRI 204: Procurement Practices	Social and relationship capital	Page 104
17	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.	Guests, suppliers and community relations	Medium	Customers	GRI 416: Customer Health and Safety	Social and relationship capital	Page 103
18	Supplier assessment	Review various aspects such as quality, reliability, sustainability, cost-effectiveness, and compliance with regulations	Guests, suppliers and community relations	Medium	Suppliers and Business Partners	GRI 308: Supplier Environmental Assessment	Social and relationship capital	Page 104
19	Stakeholder relationship management	Systematic identification, analysis, and engagement of key stakeholders who are impacted by or have an interest on the organisation	Other	Medium	Universal*	GRI 413: Local Communities	Intellectual capital	Page 27
20	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	Other	Medium	Shareholders	GRI 207: Tax	Financial capital	Page 166

\*In our assessment, the material topics impact all our identified stakeholder groups

# Business strategy

## GRI 2-22

Trans Asia Hotels PLC is driven by a five-year strategy designed to accelerate growth and create value through clear, measurable milestones in the near, medium, and long term. In response to shifting macroeconomic conditions and the political uncertainties accompanying two major elections, we refined our approach to maintain agility and ensure that our strategic objectives remain relevant in a dynamic environment. This adaptive framework reinforces our competitive edge both domestically and internationally, ensuring that we continue to attract and serve our target segments effectively.

### 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 Ultimate parent company

### Factors ensuring the success of the Strategy and its execution



### Key strategic pillars pursued

- Service excellence
- Revenue optimisation
- Operational excellence and cost optimisation
- Talent management
- ESG considerations

**STRATEGIC PILLAR: SERVICE EXCELLENCE**

Service Excellence is at the centre of our strategy, embodying our commitment to consistently delivering exceptional and personalised customer experiences. It means going beyond standard service to anticipate and exceed guest expectations, ensuring every interaction reinforces our reputation for quality and care.

**Resource Allocation**

- 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

**Key actions taken in 2024/25**

- Cinnamon Academy training staff aligned to the Cinnamon ethos
- Launch of world-class IT platforms for property management (PMS) and point of sales (POS)
- "My Menu" QR code based automated menu for in-house guests

Outputs	Stakeholders impacted	Contribution to SDG	Capital trade-offs
<ul style="list-style-type: none"> <li>• Over <b>90%</b> guest satisfaction rating maintained</li> <li>• <b>63%</b> Occupancy rate</li> <li>• Leading awards won from Sri Lanka Tourism Development Authority</li> <li>• <b>50%</b> Net promoter score</li> <li>• <b>92.3%</b> Global Review Index (GRI) score</li> <li>• Number <b>07</b> ranking in TripAdvisor among <b>96</b> hotels in Colombo</li> </ul>	<ul style="list-style-type: none"> <li>• Customer</li> <li>• Employees</li> </ul>	 	<ul style="list-style-type: none"> <li>+ Social and relationship capital</li> <li>+ Human capital</li> <li>+ Manufactured capital</li> </ul>

**Read more information**

Social and relationship capital - **page 96**

**Risks**

- Consumer behavior
- Talent attraction and retention
- Condition of property and efficient functioning of equipment and machinery

**Opportunities**

- Potential upscaling in staycations
- Potential in sports tourism
- Potential upselling

**WAY FORWARD**

Short-term	Medium-term	Long-term
Consistent focus on staff training on customer satisfaction and elevating service standards	Enhancing customer engagement using digital platforms, customer relationship management strategies and new technology	Investment in refurbishments, renovations, and facility upgrades based on infrastructure needs, evolving guest expectations, and external factors

# Business strategy

## STRATEGIC PILLAR: REVENUE OPTIMISATION

Revenue Optimisation is a key strategic pillar that harnesses innovative pricing strategies, agile distribution channels, and robust data analytics to unlock revenue potential across our diverse business segments. This approach enables us to capture emerging demand, enhance profitability, and fuel sustainable long-term growth.

### Resource Allocation

- Enhanced Global Sales Officers network in our key source markets such as India, UK, Australia and Japan to drive more business volumes
- Enhancements done to the property

### Key actions taken in 2024/25

- Comprehensive business promotions done in the key source markets to attract more guests from the respective markets
- 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 Lakeside brand and the exceptional proposition offered
- Continued investment in IT systems for a swifter online booking experience for guests

Outputs	Stakeholders impacted	Contribution to SDG	Capital trade-offs
<ul style="list-style-type: none"> <li>• <b>92.3%</b> Global Review Index</li> <li>• <b>33%</b> YoY growth in Profit After Tax</li> <li>• <b>13%</b> YoY growth in RevPAR</li> </ul>	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Shareholders</li> </ul>	 	<ul style="list-style-type: none"> <li>+ Financial capital</li> <li>+ Social and relationship capital</li> </ul>

### Read more information

Financial capital - [page 60](#)

Social and relationship capital - [page 96](#)

### Risks

- 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

### Opportunities

- MICE tourism growth in Sri Lanka
- Upselling and cross-selling
- Channel diversification
- Guest Loyalty programs

## WAY FORWARD

Short-term	Medium-term	Long-term
Customer centric staff training	Solidify relationships with global sales agents, travel agents and tour operators	Tapping into new markets with a focus on expanding and finding new source markets

**STRATEGIC PILLAR: OPERATIONAL EXCELLENCE AND COST OPTIMISATION**

Operational excellence and cost optimisation are integral cogs of our strategy, driving continuous improvement and efficiency across every level of our operations. By streamlining processes, harnessing technological innovations, and ensuring effective resource allocation, we reduce operational costs while consistently delivering high-quality performance and sustainable competitive advantage.

**Resource Allocation**

- Investments in new IT systems and upgrades to existing ones
- Investments made in continuing global standards/certifications

**Key actions taken in 2024/25**

- 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 SARA 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	Contribution to SDG	Capital trade-offs
<ul style="list-style-type: none"> <li>• <b>95%</b> Cost to income ratio (2024: 96%)</li> <li>• <b>20%</b> Increase in profit from operating activities</li> <li>• <b>47%</b> Reduction in paper consumption from the 2018 base year</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> </ul>		<ul style="list-style-type: none"> <li>+ Intellectual capital</li> <li>+ Natural capital</li> <li>- Financial capital (immediate term)</li> <li>+ Financial capital (long-term)</li> </ul>

**Read more information**

Financial capital - **page 60**

Intellectual capital - **page 86**

**Risks**

- Inflation risk
- Exchange rate risk
- Condition of property and efficient functioning of equipment and machinery
- Operational resilience to incidents or disruption or control breakdown

**Opportunities**

- Digital innovation and technological transformation
- 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**

Short-term	Medium-term	Long-term
Continuing investment in training of staff on SOPs	Consolidation of operations	Capitalising on new technological advancements and developments in Artificial Intelligence

# Business strategy

## STRATEGIC PILLAR: TALENT MANAGEMENT

Talent Management is a critical pillar of our strategy, reflecting our commitment to building a high-performing, engaged workforce. By focusing on attracting, nurturing, and retaining exceptional talent, we foster a culture of empowerment and continuous development that drives success across all levels of the organisation.

### Resource Allocation

- **LKR 1,207 Mn** in employee expenses
- **LKR 7 Mn** invested in training and development

### Key actions taken in 2024/25

- 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	Contribution to SDG	Capital trade-offs
<ul style="list-style-type: none"> <li>• <b>76%</b> retention rate</li> <li>• <b>55,379</b> training hours</li> <li>• <b>LKR 6 Mn</b> revenue per employee</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> </ul>	 	<ul style="list-style-type: none"> <li>+ Human capital</li> <li>-Financial capital</li> </ul>

### Read more information

Human capital - [page 72](#)

### Risks

- Increased competitiveness in the industry
- Talent attraction and retention
- Occupational health and safety

### Opportunities

- Upskilling and certifications
- Career pathway programmers
- Diversity and inclusion initiatives
- Employer branding
- Wellbeing and mental health programs

## WAY FORWARD

Short-term	Medium-term	Long-term
Seeking avenues to garner staff motivation and improve on retention rate	Focused training on aligning staff to achieve service excellence	Capitalising on the Cinnamon Hospitality Academy

**STRATEGIC PILLAR: ESG CONSIDERATIONS**

ESG considerations are a foundational pillar of our strategy, ensuring that we operate in an environmentally sustainable, socially responsible, and ethically governed manner. By embedding these principles into our core decision-making, we aim to create long-term value for all stakeholders while contributing to a more sustainable and inclusive future.

**Resource Allocation**

- **LKR 2 Mn** Investment on community empowering initiatives
- **LKR 0.08 Mn** Investment on environment preservation related initiatives
- **623** Employee volunteer hours on environment and social empowerment aspects

**Key actions taken in 2024/25****Environment**

- 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

**Social**

- Promoting employee wellbeing through fair labour practices and inclusive policies
- Engaging local communities, including artisans, suppliers, women, and persons with disabilities
- Supporting education, health, and livelihood programs in surrounding areas
- Upholding diversity, equity, and inclusion across hotel operations

**Governance**

- Ensuring strong corporate governance and transparent operations
- Upholding ethics and integrity in all business dealings
- Adhering to laws, regulations, and industry best practices
- Engaging stakeholders to promote accountability and responsible conduct

Outputs	Stakeholders impacted	Contribution to SDG	Capital trade-offs
<b>Environment</b> <ul style="list-style-type: none"> <li>• Despite a 28.69% increase in the carbon footprint from the 2023/2024 base year value of 15.55 kg—falling short of the 2% reduction target—the 2024/2025 carbon footprint per guest night of 20.02 kg remained 2.4% below the 2024/2025 benchmark of 20.5 kg.</li> <li>• Increased energy consumption by 18.5% per guest night (2023/2024)</li> <li>• 17.84% Reduction in water withdrawn (base year 2023/2024)</li> <li>• 51.60% increase in single use plastic (base year 2021)</li> </ul>	<ul style="list-style-type: none"> <li>• Community</li> <li>• Employees</li> </ul>		<ul style="list-style-type: none"> <li>+ Social and relationship capital</li> <li>+ Natural capital</li> <li>-Financial capital</li> </ul>

# Business strategy

## STRATEGIC PILLAR: ESG CONSIDERATIONS

### Social

- 50.26% Volunteer hours focused on women and children
- 17% Female participation in the work force (2018: 10%)
- 16% Women in leadership (2018: 15%)
- 0% Differently abled representation in the work force against the set goal of 1%

### Governance

- 233 Suppliers assessed under the Supplier Impact Assessments carried out for all contracted suppliers in top 10 purchase categories

### Read more information

Human capital – **page 72**

Social and relationship capital – **page 96**

Natural capital – **page 110**

Corporate governance – **page 130**

### Risks

- Climate change risk
- Supply chain issues/ supply chain shortages
- Fraud and anti-corruption
- Technology, data and cyber security risk

### Opportunities

- Green building certification for the Company property
- Sustainable sourcing
- Strengthened community engagement
- Journey towards net zero status

## WAY FORWARD

Short-term

Medium-term

Long-term

Strive towards achieving the ESG targets set for 2025 and 2030

# ESG performance

The Company 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 is guided by three foundational pillars:

## OUR COMMITMENT TO ESG



### Wellbeing of the Planet

The Company actively seeks to reduce its environmental footprint by implementing energy-efficient technologies, minimising waste, and conserving natural resources. The Company focuses on sustainable practices that protect ecosystems and promote biodiversity.



### Wellbeing of its People

The Company values its employees and strives to create a safe, healthy, and inclusive work environment. It invests in employee development and well-being through training programmes, health initiatives, and support for work-life balance.



### Empowering all for Sustainable Development

The Company aims to uplift local communities and stakeholders by fostering economic opportunities and inclusive growth. This involves supporting local suppliers, promoting fair trade, and engaging in philanthropic initiatives that contribute to the broader community's development. Trans Asia Hotels PLC aligns its sustainability policy with that of the John Keells Group, which offers a comprehensive management and accountability framework for sustainability. By following these guidelines, the Company is able to track its progress and ensure alignment with the specific sustainability targets set for 2025. Regular monitoring and reporting mechanisms enable the Company to assess its sustainability performance, identify areas for improvement, and take corrective action when necessary. This approach ensures a consistent focus on achieving long-term, sustainable success that benefits the planet, people, and the business.

## OUR ESG STRATEGY AND FRAMEWORK

### Cinnamon Hotels & Resorts sustainability policy

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 noncompliance with laws and regulations. Trans Asia Hotels PLC follows a sustainability policy which is closely aligned to that of the John Keells Group, thereby be in step with the rest of the Group towards the achievement of the core sustainability agenda of the Group.

#### Launch year

2021

#### Goals set for

2025 and 2030

#### Aim

Achieving measurable environmental and social progress through our business



#### Governance

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

#### Organisational support

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

#### Anchor frameworks

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

# ESG performance

## ENVIRONMENTAL GOALS

### Single use plastic

Short-term goal (2025) - 50% reduction of guest facing plastic from 2021/22 base year.

Long-term goal (2030) - 80% reduction from 2021/22 base year

### Energy

Short term goal (2025): 2% energy reduction from 2023/2024 consumption.

Long term goal (2030): 20% reduction of Scope 1 & 2 emissions by 2030

### Water

Short term goal (2025): 2% reduction in water consumption from 2023/2024 consumption.

Long term goal (2030): Reduce freshwater use by 10% of total water use by 2030

## Waste

Short-term goal (2025) – Increase recycling and reuse

Long-term goal (2030) - 90% waste diverted from landfills

## SOCIAL GOALS

### Community Empowerment

Short-Term Goal (by 2025/26): Complete 400 volunteer hours

Medium-Term Goal (by 2030): Complete 2,000 volunteer hours (base year: 2021)

### Female Participation

Short term Goal (By 2025/2026)- Increase female participation in the workforce to 20 %

Long Term (By 2030)- Increase female participation in the workforce to 30 %

## Female Representation in leadership

Short-Term Goal (by 2025/26): Increase female leadership representation in the workforce to 19 %.

Long Term (By 2030)- Increase female leadership representation in the workforce to 22 %.

## Differently abled participation

Short-Term Goal (by 2025/26): Improving differently abled participation across the board to 1%

## GOVERNANCE GOALS

### Stakeholder Management

Short-Term Goal (by 2025): 50% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment

Medium-Term Goal (by 2030): 100% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment

## OUR SUSTAINABILITY GOVERNANCE STRUCTURE



## OUR SUSTAINABILITY POLICY ARCHITECTURE



## ESG related policies

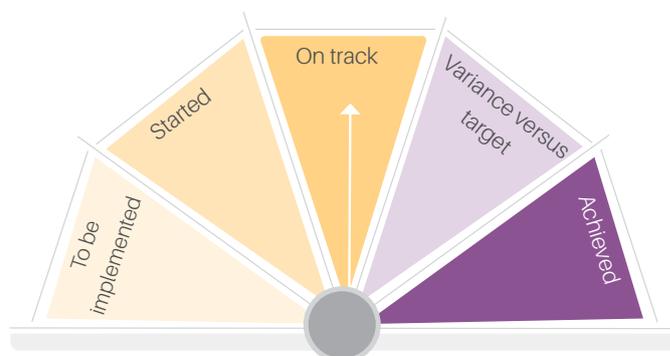
The following policies are in place within the Company, providing a clear blueprint to follow around critical ESG aspects. They are reviewed as per a set frequency, mostly annually to ensure they are duly updated and remain relevant in the evolving operating, environmental and social context.

Policy	Additional information
Sustainability Policy	<ul style="list-style-type: none"> <li>Derived based on the ESG framework of Cinnamon Hotels &amp; Resorts.</li> <li>New inclusions – Transparency and stakeholder engagement, employee wellbeing and community relations</li> </ul>
Environment Policy	<ul style="list-style-type: none"> <li>Derived based on ISO 14001:2015 requirements</li> </ul>
Elimination of Single-use Plastic Policy	<ul style="list-style-type: none"> <li>Aligned with Cinnamon Hotels &amp; Resorts, includes banned plastic items, supplier management, plastic based awareness targeting both employees and the community</li> </ul>
Equal Opportunity Policy	<ul style="list-style-type: none"> <li>Derived based on JKH policies and CH&amp;R</li> <li>New inclusions – Fair and objective recruitment, respect for stakeholders, responsibility for execution</li> </ul>
Human Rights Policy	<ul style="list-style-type: none"> <li>Derived based on JKH policies and CH&amp;R</li> <li>New inclusions – Respect for stakeholders</li> </ul>
Policy Against Sexual Harassments	<ul style="list-style-type: none"> <li>Derived based on JKH policies and CH&amp;R</li> <li>New inclusion – Types of sexual harassments, legal consequences and training requirements</li> </ul>
Community Engagement Policy	<ul style="list-style-type: none"> <li>Derived based on JKH policies and CH&amp;R</li> <li>New inclusions – Women empowerment, local artisans' development programme and local supplier development</li> </ul>
Child Protection Policy	<ul style="list-style-type: none"> <li>Derived based on JKH policies and CH&amp;R</li> </ul>
Data Privacy Policy	<ul style="list-style-type: none"> <li>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.</li> </ul>
Risk Management Policy	<ul style="list-style-type: none"> <li>John Keells Holdings PLC (JKH Group) risk policy framework</li> </ul>
Purchasing Policy	<ul style="list-style-type: none"> <li>Derived based on JKH Group policy</li> </ul>
Anti- Fraud Policy	<ul style="list-style-type: none"> <li>Derived based on JKH Group policy</li> </ul>
Brand Quality Assurance Policy	<ul style="list-style-type: none"> <li>Internal processes and procedures</li> </ul>
Organisation Health & Safety Policy	<ul style="list-style-type: none"> <li>Derived based on ISO 45001:2018 requirements</li> </ul>

# ESG performance

## TRANS ASIA HOTELS PLC - ESG SCORECARD

Performance spectrum



### ESG SCORECARD

#### Environment

2025 Goals	KPI/ Target	Progress	Our achievement so far	SDGs linked	More information
Reduce carbon footprint (Base year 2023/2024)	Reduce carbon footprint by 2% per guest night at the end of 2025 with a benchmark maximum limit of 20.5kg per guest night (Base Year 2023/2024)	Started	Although the 2% reduction target from the 2023/2024 base year (15.55 kg) was not achieved, instead the carbon footprint increased by approximately 28.69%, the 2024/2025 figure of 20.02 kg per guest night remained 2.4% below the set benchmark of 20.5 kg.	13	Page 115
Reduce water consumption by 2% per guest night from 2023/2024 base year	Reduction of water withdrawn by 2% per guest night	Achieved	17.84% reduction in water consumption per guest night	6	Page 116
50% reduction of single-use guest facing plastic from 2021/22 base year	50% of guest facing plastic	To be implemented	Single-use guest-facing plastic rose from 16.49 g in 2021/22 to 25 g in 2024/25, moving away from the 50% reduction goal. To address this, initiatives such as replacing PET bottles with glass bottles and installing water fountains are planned for the FY 2025/26	12	Page 118
Obtain GSTC recognised certification (GSTC)	100% at the end of 2025	Achieved	Achieving the Travelife Gold certification is currently in progress, following the recertification audit conducted in March 2025	17	Page 93
Percentage of energy requirements covered by renewable energy	15 %	To be implemented	Only 0.43 % of total energy is covered by solar power	7	Page 115
Review and establish sustainability benchmarks	Define hotel specific sustainability benchmarks	On track	On-going EarthCheck data evaluation process	12, 13	Page 113

## Social

2025 Goals	KPI/ Target	Progress	Our achievement so far	SDGs linked	More information
Percentage of volunteer hours to be focused on women and children	50%	Achieved	Of the total volunteer hours, 50.26% were accounted for by activities targeting women and children.	5, 10	Page 107
Increase female participation in the work force to 20 %	20 %	On track	Current composition of female employees: 17 %	5, 10	Page 83
Increase female representation in leadership to 19 %	19 %	On track	Current representation of females in leadership: 16 %	5, 10	Page 83
Improving differently able participation across the board into 1%	1%	Variance versus target	Current differently-abled participation in workforce: 0 % Will be achieved during the FY 2025/2026	10	Page 54
100 % on property associates to be trained on child protection.	100%	On track	E-awareness on child protection will be facilitated through Cinnamon Online Academy, in addition to on-site programs.	16	Page 79
100 % on property associates to be trained on plastic minimisation and elimination efforts	100%	On track	E-awareness on plastic minimisation will be facilitated through Cinnamon Online Academy, in addition to on-site programs.	12	Page 79

## Governance

2025 Goals	KPI/ Target	Progress	Our achievement so far	SDGs linked	More information
Supplier Impact Assessments to be carried out for all contracted suppliers in top 10 purchase categories	50% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment by the end of 2026	On track	233 suppliers responded and answered the assessment.	12	Page 105
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	On track	Planned commencement - During FY 2025/26 Current status Women led businesses – 50 Achieved 7.73% Suppliers with PWDs employed-18	12	Page 105





# A Culture of Insight, A People of Perspective

At Trans Asia Hotels, insight comes from more than numbers—it comes from understanding the stories they tell. Our people bring sharp perspective to performance, revealing patterns, challenges, and opportunities that shape our strategic direction. Through this lens, we turn data into action and insight into impact.

## MANAGEMENT DISCUSSION AND ANALYSIS

<b>60</b>	Financial capital
<b>66</b>	Manufactured capital
<b>72</b>	Human capital
<b>86</b>	Intellectual capital
<b>96</b>	Social and relationship capital
<b>110</b>	Natural capital

# Financial Capital



## Financial Capital

At Trans Asia Hotels PLC, financial capital represents the pool of financial resources available to us for use in the running of our operations, sourced through equity, debt, or generated through operations. Financial capital is a critical enabler that underpins our ability to sustain operations, invest in growth opportunities, and deliver long-term value to our stakeholders. Prudent financial management, responsible allocation of capital, and a strong focus on returns have allowed us to maintain resilience amid economic volatility while supporting continued enhancements in service excellence and infrastructure.



### KEY CONSTITUENTS OF THE CAPITAL

- Equity capital
- Borrowed funds

**Rs. 6.8 Bn**  
Total equity

**Rs. 2.8 Bn**  
Total liabilities

## CAPITAL RELATED RISKS AND OPPORTUNITIES

## RISKS

- Fluctuations in tourist arrivals affecting occupancy and revenue
- Exchange rate volatility impacting earnings from foreign guests
- Rising operational costs reducing profit margins
- High dependency on economic cycles leading to revenue unpredictability
- Increased interest rates raising the cost of borrowing
- Liquidity challenges due to seasonality and fixed costs

## OPPORTUNITIES

- Tourism rebound boosting room demand and revenue
- Revenue diversification through events, dining, and wellness services
- Premium market positioning enabling strong pricing power
- Operational efficiencies through smart technology adoption
- Access to green financing for sustainability initiatives
- Supportive government incentives for the hospitality sector

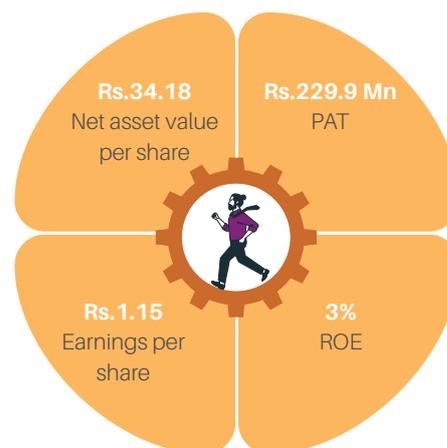
## CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

## SHAREHOLDERS

Shareholders, as providers of financial capital, are central to the Company's long-term value creation. They are engaged through transparent and timely communication of financial and strategic performance via quarterly reports, the annual report, and investor meetings. The Company upholds strong governance practices to safeguard shareholder interests and delivers consistent returns through prudent financial management. Regular engagement ensures that shareholder expectations are understood and aligned with the Company's growth strategy. Additionally, the interests of our lenders are safeguarded through sound financial capital management, including the timely servicing and repayment of both interest and capital obligations.

Trans Asia Hotels PLC delivered strong financial results for the year ended 31 March 2025 (year under review). Building on the solid financial foundation achieved in the previous year with healthy profits recorded, we sustained the positive momentum, recording a 32.8% growth in post-tax profit for the year under review.

## VALUE ADVANCED



## LINK TO OUR MATERIAL MATTERS

Risk management  
Stakeholder relationship management  
Tax strategy

## LINK TO OUR STRATEGY

Revenue Optimisation

# Financial Capital

## REVENUE, EXPENSES, AND PROFITABILITY

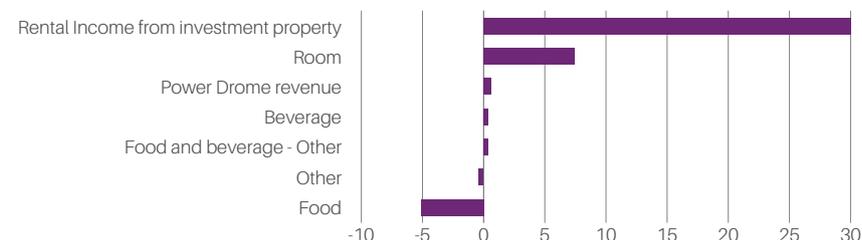
All values are in Rupees' 000s, unless otherwise stated				
For the year ended 31st March	2025	2024	Variance - Rs.	Variance %
<b>Continuing operations</b>				
Revenue from contracts with customers	4,465,690	4,461,845	3,845	0.1
Cost of sales	(2,425,041)	(2,434,412)	9,371	0.4
<b>Gross profit</b>	<b>2,040,649</b>	<b>2,027,433</b>	<b>13,216</b>	<b>0.7</b>
Other operating income	3,293	9,900	(6,607)	(66.7)
Administrative expenses	(1,067,557)	(1,002,622)	(64,935)	(6.5)
Sales and marketing expenses	(200,805)	(217,247)	16,442	7.6
Other operating expenses	(410,633)	(513,632)	102,999	20.1
<b>Results from operating activities</b>	<b>364,947</b>	<b>303,832</b>	<b>61,115</b>	<b>20.1</b>
Finance income	4,347	18,526	(14,179)	(76.5)
Finance Cost	(100,998)	(183,438)	82,440	44.9
Net finance Cost	(96,651)	(164,912)	68,261	41.4
Change in fair value of investment property	60,233	95,055	(34,822)	(36.6)
<b>Profit before tax</b>	<b>328,529</b>	<b>233,975</b>	<b>94,554</b>	<b>40.4</b>
Income tax expense	(98,585)	(60,858)	(37,727)	(62.0)
<b>Profit for the year</b>	<b>229,944</b>	<b>173,117</b>	<b>56,827</b>	<b>32.8</b>

## REVENUE FROM CONTRACTS WITH CUSTOMERS

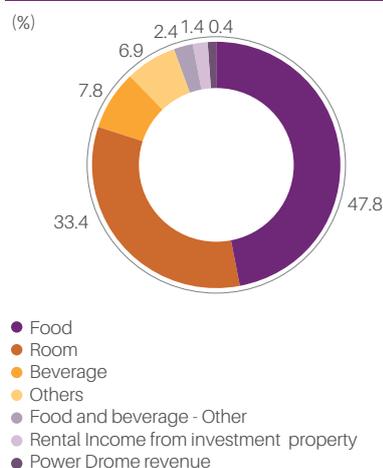
Revenue from contracts with customers for the year was Rs. 4.5 Bn. Compared to the prior year this was a marginal growth of 0.09%. Revenue from Food led the revenue from customers, accounting for 48% of our revenue. Revenue from Rooms, the next highest contributor accounting for 33% of revenue posted a healthy growth of 7% over the prior year (year-on-year/ YoY).

The momentum maintained in revenue is commendable, although marginal, considering the competition which heightened during the year amongst the city hotels in Colombo with at least two new major establishments opening up in Colombo. Furthermore, although international tourist arrivals did improve, volumes have not returned to pre-crisis levels, limiting occupancy growth. Slower recovery of MICE (Meetings, Incentives, Conferences, and Exhibitions) and business travel than expected, an appreciated Sri Lankan Rupee and subdued local spending by domestic guests with an impact on discretionary spending due to high living costs or economic uncertainty, are some other reasons that can be quoted for the marginal growth in revenue.

## YoY growth in revenue categories %



## Revenue composition FY 2024/25



## Cost of sales

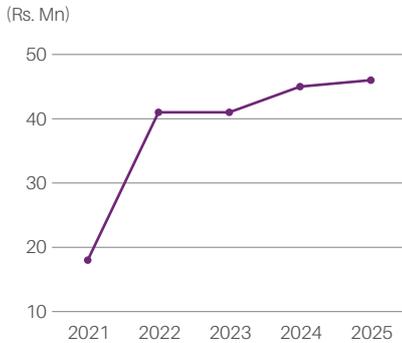
Cost of sales for the year was Rs. 2.4 Bn, although marginal, a reduction of 0.4% compared to the growth in revenue. Improved procurement efficiencies, menu engineering focusing on high-margin or low-wastage items leading to reduced kitchen and inventory costs, enhanced inventory management and appreciating exchange rate favourably impacting cost of imported items are some reasons which helped us drive down cost of sales.

## Gross profit

The resultant gross profit for the year was Rs. 2.0 Bn, a YoY increase of 0.7%. The gross profit margin for the year was 46% up by 1% year on year.

## Gross profit margin over five years

### Gross profit margin



### OPERATING EXPENSES

Operating expense comprised administrative expenses, sales and marketing expenses and other operating expenses. Administrative expenses posted a YoY increase of 6.5% to Rs. 1.1 Bn, whilst both other expenses categories posted decrease of 7.6% and 20.1% respectively. Other operating expenses comprised repairs and maintenance expenses, heat, light and power expenses and bank charges. Heat, light and power accounted for 67% of other operating expenses, and posted a reduction of 27% which was the largest contributor for driving other operating expenses down. Reduction in energy tariffs and energy efficiencies drove heat, light and power expenses down.

### RESULTS FROM OPERATING ACTIVITIES

Resultantly, the Company achieved a Profit from operating activities of Rs. 364.9 Mn, a commendable YoY growth of 20.1%.

### NET FINANCE COST

Finance income for the period under review was Rs. 4.3 Mn, a 76.5% reduction over the prior year. The main reason for this YoY decline was the reduction in Exchange gain on Interest bearing loans and borrowings to Rs. 0.6Mn from Rs. 14.3 Mn in the prior year owing to lower appreciation of the LKR against the USD compared to the previous year. With regards to Interest income on short term investments increased by 11% YoY.

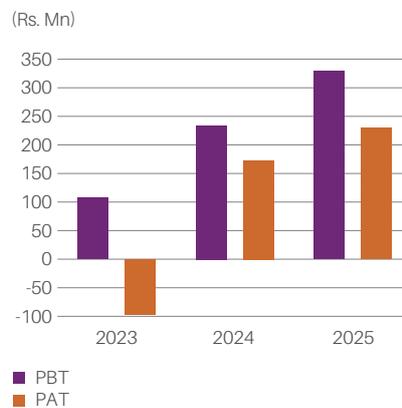
Finance costs also posted a reduction of 44.9% YoY on account of reduced market interest rates in an expansionary monetary policy stance adopted by the Central Bank of Sri Lanka and also the 49% reduction in short term interest bearing loans and borrowings and bank overdrafts of the Company.

The resultant net finance cost for the year was Rs. 96.7 Mn, down by 41.4% YoY.

### TAXATION AND PROFITABILITY

The Company posted a pre-tax profit of Rs. 328.5 Mn, with a YoY growth of 40.4%. Income tax expense for the year was Rs. 98.6 Mn representing the deferred tax expense for the year. Consequently, the Company posted a net profit of Rs. 229.9 Mn for the year, a commendable growth of 32.8% YoY.

### PBT and PAT movement



### EBITDA

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for the financial year reached Rs. 667.6 Mn compared to Rs. 636.5 Mn of 2024, a YoY increase of 5%. EBITDA was driven by revenue growth, higher revenue flowthrough, and constant cost minimisation programmes rolled out across our operations. Gross profit margin of 46% also drove EBITDA.

### BALANCE SHEET PERFORMANCE

#### Total assets

All values are in Rupees' 000s, unless otherwise stated

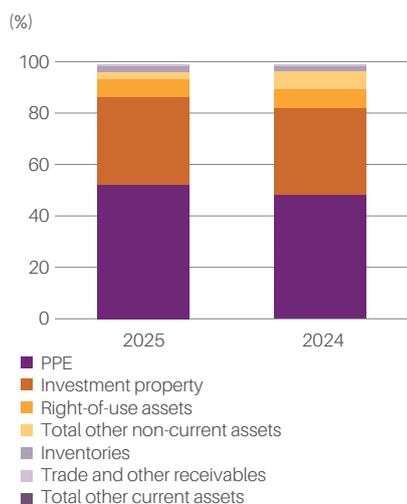
As at 31st March	2025	2024	Change - Rs.	Change %
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5,006,292	4,586,082	420,210	9
Right-of-use assets	682,220	694,624	(12,404)	(2)
Investment property	3,302,321	3,242,088	60,233	2
Total other non-current assets	34,683	21,254	13,429	63
<b>Total non-current assets</b>	<b>9,025,516</b>	<b>8,544,048</b>	<b>481,468</b>	<b>6</b>
<b>Current assets</b>				
Inventories	104,808	119,806	(14,998)	(13)
Trade and other receivables	247,507	633,336	(385,829)	(61)
Total other current assets	225,544	198,541	27,003	14
<b>Total current assets</b>	<b>577,859</b>	<b>951,683</b>	<b>(373,824)</b>	<b>(39)</b>
<b>Total assets</b>	<b>9,603,375</b>	<b>9,495,731</b>	<b>107,644</b>	<b>1</b>

# Financial Capital

Balance sheet growth moderated during the year, with total assets growing by 1% over 2023/24 to Rs. 9.6 Bn. Property, plant and equipment – the largest component in our total asset base accounting for 52%, grew by 9% to Rs. 5.0 Bn. Investment property which accounts for 34% of total assets grew by 2% to Rs. 3.3 Bn. New additions to property, plant and equipment netted Rs. 203.8 Mn whilst increase via revaluations netted Rs. 448.9 Mn.

Current assets posted a reduction of 39% to Rs. 577.9 Mn. Both inventories and trade and other receivables, the largest components within current assets declined by 13% and 61% respectively.

## Composition of Total Assets



Times	2025	2024
Current ratio	0.36	0.44
Quick asset ratio	0.30	0.38

## BALANCE SHEET FUNDING

All values are in Rupees' 000s, unless otherwise stated

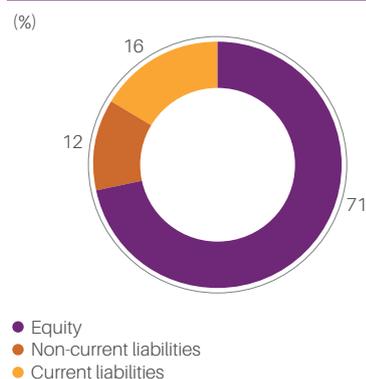
As at 31st March	2025	2024	Change - Rs.	Change %
<b>Equity</b>				
Stated capital	1,112,880	1,112,880	-	-
Revenue reserves	3,553,548	3,343,128	210,420	6
Other components of equity	2,170,388	1,906,158	264,230	14
<b>Total equity</b>	<b>6,836,816</b>	<b>6,362,166</b>	<b>474,650</b>	<b>7</b>
<b>Non-current liabilities</b>				
Employee benefits	164,630	188,864	(24,234)	(13)
Deferred tax liabilities	1,017,890	771,851	246,039	32
<b>Total non-current liabilities</b>	<b>1,182,520</b>	<b>960,715</b>	<b>221,805</b>	<b>23</b>
<b>Current liabilities</b>				
Trade and other payables	555,532	569,386	(13,854)	(2)
Other current liabilities	123,094	148,011	(24,917)	(17)
Amounts due to related parties	122,579	104,424	18,155	17
Current tax liabilities	5,459	25,621	(20,162)	(79)
Dividend payable	100,000	-	100,000	100
Interest bearing loans and borrowings	150,000	454,726	(304,726)	(67)
Bank overdrafts	527,375	870,682	(343,307)	(39)
<b>Total current liabilities</b>	<b>1,584,039</b>	<b>2,172,850</b>	<b>(588,811)</b>	<b>(27)</b>
<b>Total liabilities</b>	<b>2,766,559</b>	<b>3,133,565</b>	<b>(367,006)</b>	<b>(12)</b>
<b>Total equity and liabilities</b>	<b>9,603,375</b>	<b>9,495,731</b>	<b>107,644</b>	<b>1</b>

The Company continued to be well capitalised with 71% of the funding coming from equity capital. Total equity reached Rs. 6.8 Bn by the end of the year with a 7% YoY growth. Total liabilities netted Rs. 2.8 Bn, a YoY reduction of 12%. There was considerable reduction in Interest bearing loans and borrowings and Bank overdrafts which were the main contributors for the decrease in total liabilities. This benefitted the Company's finance costs, as was previously discussed.

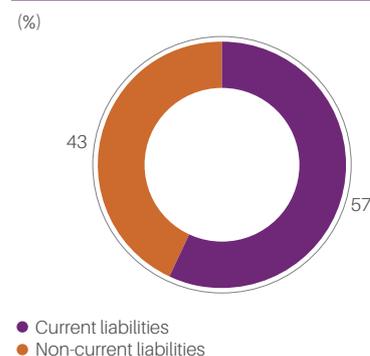
## DIVIDENDS

The Company declared an interim dividend amounting to Rs. 0.50 per share in March 2025. This is the first dividend payout post - covid and economic downturn, highlighting the recovery of the Company after crises.

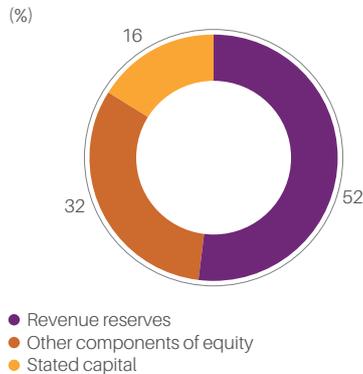
## Balance Sheet Funding Composition



## Maturity Compositing of Liabilities



### Composition of Total Equity



### INVESTOR RATIOS

Key investor ratios continued to be strong during the year which reflected the Company's unwavering commitment to deliver value to our shareholders.

	2025	2024	Change - %.
ROE (%)	3.48	2.81	24
Earnings per share (Rs.)	1.15	0.87	33
Net assets value per share (Rs.)	34.18	31.81	7
Share price (Rs.)	39.50	42.60	(7)
Dividend per share (Rs.)	0.50	Nil	100
ROCE (%)	5.64	5.80	(3)

### WAY FORWARD

Looking ahead, we remain focused on strengthening our financial capital by deploying funds in a disciplined and strategic manner to maximise shareholder value. Capital will be channelled into high-impact areas such as guest experience enhancements, digital transformation, and operational efficiency improvements that yield strong returns. We will also prioritise revenue-generating investments including facility upgrades, service diversification, and targeted marketing aimed at high-value customer segments.

To ensure long-term financial sustainability, our funding strategy will maintain an optimal capital structure with a sharp focus on reducing the overall cost of funds. This will be achieved through prudent debt management, careful selection of financing instruments, and strong relationships with financial institutions. Our commitment to sound financial governance will continue to drive efficient use of resources, enabling us to remain agile in a competitive market and deliver consistent value to our stakeholders.

### ECONOMIC VALUE ADDED STATEMENT

All values are in Rupees' 000s, unless otherwise stated

As at 31st March	2025	2024	Change - Rs.	Change %
Net Revenue inclusive of taxes	5,048,926	4,981,276	67,651	1%
Adjustment for change in fair value of investment property	60,233	95,055	(34,822)	(37%)
Adjustment for finance income	4,347	18,526	(14,179)	(77%)
Adjustment for other income	3,293	9,900	(6,607)	(67%)
Less : Cost of materials & services purchased from external sources	(2,491,653)	(2,681,376)	(189,688)	(7%)
Value Added	2,625,146	2,423,380	201,731	8%
<b>Distributed as follows</b>				
To Employees as Remuneration	1,206,647	1,110,964	95,683	9%
To the Government as taxes	748,265	683,398	64,833	9%
To the providers of capital	100,998	183,438	(82,440)	(45%)
To the shareholders as dividends	100,000	-	100,000	100%
To Community investments	2,012	181	1,831	1,013%
<b>Retained within the company</b>				
As depreciation and amortisation	238,695	211,424	27,271	13%
As Reserves	228,529	233,976	(5,447)	(2%)

# Manufactured Capital



Manufactured  
Capital

Cinnamon Lakeside, the flagship property of Trans Asia Hotels PLC, leverages a prime location on the banks of the scenic Beira Lake in the heart of Colombo. This prestigious five-star hotel represents significant investment in high-quality built infrastructure, and best-in-class facilities - elements that collectively form its manufactured capital.



#### KEY CONSTITUENTS OF THE CAPITAL

- The Cinnamon Lakeside hotel building with 330 rooms
- Digital infrastructure
- Other property, plant and equipment

**Rs. 5,006 Mn**

Total property, plant and equipment value

**Rs. 204 Mn**

capital expenditure

CAPITAL RELATED RISKS AND OPPORTUNITIES

RISKS	OPPORTUNITIES
<ul style="list-style-type: none"> <li>• Volatility in tourism due to economic or geopolitical factors</li> <li>• Rising competition from international and boutique hotels</li> <li>• Increasing operational costs (utilities, imports, staffing)</li> <li>• Technological disruption and digital lag</li> <li>• Climate-related risks due to extreme weather patters</li> <li>• Challenges in talent retention and maintaining service quality</li> </ul>	<ul style="list-style-type: none"> <li>• Growth in luxury staycations and domestic tourism</li> <li>• Rising demand for MICE (Meetings, Incentives, Conferences &amp; Exhibitions)</li> <li>• Adoption of sustainability and green hospitality practices</li> <li>• Digital transformation to enhance guest experience</li> <li>• Synergies from being part of the Cinnamon Hotels &amp; Resorts brand</li> <li>• Expansion of curated culinary, wellness, and lifestyle offerings</li> </ul>

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

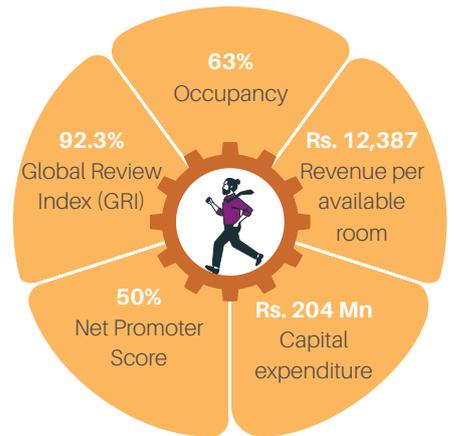
**CUSTOMERS**

Customers are central to the strategic management of manufactured capital at Trans Asia Hotels PLC. The hotel continuously invests in upgrading its physical infrastructure and service facilities to meet evolving customer expectations and enhance guest satisfaction. Elegant rooms, modern event spaces, premium dining outlets, and wellness amenities are maintained to world-class standards, ensuring a superior hospitality experience.

**EMPLOYEES**

The effective utilisation of manufactured capital at the Company is closely intertwined with the management of human capital. While the hotel invests in premium physical infrastructure and digital systems to enhance the guest experience, it is the people behind the service who bring these assets to life.

VALUE ADVANCED



LINK TO OUR MATERIAL MATTERS

Guest health and safety

LINK TO OUR STRATEGY

Service excellence  
Revenue optimisation

# Manufactured Capital

Overlooking the serene waters of Beira Lake, Cinnamon Lakeside is a distinctive city resort that offers a rare blend of urban convenience and resort-style tranquillity. Located in the heart of Colombo, the Hotel combines contemporary luxury with natural charm, making it an ideal retreat for both business and leisure travellers.

The property features the manufactured capital elements of elegantly designed rooms, award-winning restaurants, lush gardens, and a scenic lakeside pool, creating a relaxing escape within the city. With state-of-the-art facilities, versatile event spaces, and warm, attentive service, Cinnamon Lakeside redefines five-star hospitality at the heart of Colombo.



## What we offer

- Prime location at 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 in close proximity to key travel attractions in Colombo city limits
- Scenic view of the Beira lake
- 346 room inventory
- 190 Superior rooms
- 108 Premium rooms
- 29 Executive rooms
- 18 Suites
- 01 Presidential Suite
- The Kings Court – Main Banquet Hall with seating capacity of 400
- A range of other banquet halls and meeting spaces
  - Earl’s Court
  - Dukes Court 1
  - Dukes Court 2
  - Baroness Suite
  - Countess Suite
  - Goodies Meeting Room with varying seating capacities and amenities, for customers to choose from to suit their unique occasion
- The Dining Room – Main restaurant offering international cuisine
- 07 Thematic restaurants and Bars complete with amenities offering unique thematic experience including:
  - Royal Thai: Authentic Thai culinary experience
  - Long Feng: Authentic Chinese restaurant
  - Colombar: Most Happening outdoor Bar with true Sri Lankan Essence
  - Library: Exclusive members and in-house guest only private dining space
  - Goodies: Signature cake & coffee shop offering delightful savouries, coffee, and cakes for any special occasions
  - Pool & Bistro: Situated alongside the swimming pool offering a wide array of gourmet Italian cuisine
- 8 Degrees - An open show kitchen with action stations, two floors, elegant white interiors and a venue that floats out onto the lake, 8 Degrees on the Lake is an extraordinary place to host events of any type.
- Pool Terrace - A relaxed, refined space for any social event such as evening high teas, weddings, poruwa or church ceremonies and pre dinner cocktails
- State of the art fully equipped gymnasium, Tennis Court, Squash Court and Yoga Space
- Swimming pool
- Laundry facility
- Shopping arcade





### Management of manufactured capital during the year

- The Colombar flooring deck was upgraded for better stability and strength with new flooring, while maintaining its original charm.
- New service elevator was installed in place of 2 decade old elevator to ensure safety and enhanced service delivery to the customers.
- The new boiler system was installed to ensure continuous hot water supply to the rooms and to the laundry, while reducing the fuel consumption.
- New Liquid Petroleum Gas storage tank was installed to increase the existing capacity and ensure uninterrupted supply for cooking fuel.

SASB - Sustainability disclosure topics & metrics - Hotels & Lodging

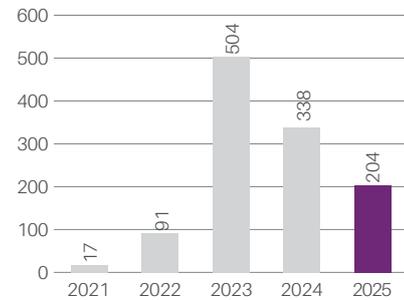
#### Activity Metrics

Activity metric	Category	Unit of measure code	Code	Value
Number of available rooms	Quantitative	Number	SV-HL-000.A	346
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	63%
Total area of lodging facilities	Quantitative	Square metres (m <sup>2</sup> )	SV-HL-000.C	29,954

# Manufactured Capital

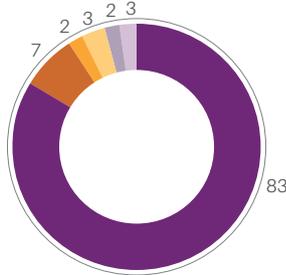
## Additions to PPE

(Rs. Mn)



## Composition of PPE

(%)



- Buildings
- Plant and Machinery
- Soft Furnishing Base Stock
- Kitchen, Hotel and Laundry Equipment
- Furniture, Fixtures and Fittings
- Others

## PRIORITISING WELLBEING AND PEACE OF MIND

At Trans Asia Hotels PLC, the wellbeing of our guests, team members, and visitors is deeply embedded in our hospitality philosophy. We maintain stringent health, safety, and security protocols across the property, ensuring a seamless blend of luxury and reassurance. From discreet surveillance systems and trained emergency response teams to hygiene certifications and preventive maintenance, every measure is thoughtfully designed to create a safe, comfortable, and worry-free environment for all who walk through our doors.

Training programmes conducted to ensure safety within premises and related compliances of our processes

- Fire safety and basic firefighting training for staff
- Emergency evacuation drills
- First-aid trainings
- Chemical handling trainings
- Business Continuity Plan (BCP) trainings
- Accident/incident prevention trainings
- Workplace hazards awareness
- Mental health and wellbeing
- Near miss identification and reporting process
- Emergency preparedness trainings

## Climate resilience of our property

SASB - SV-HL-450a.1

Climate Change Adaptation - Number of lodging facilities located in 100-year flood zones

Trans Asia Hotels PLC is not located in a 100-year flood zone, hence nil.

## WAY FORWARD

In the immediate term, Trans Asia Hotels PLC will introduce a newly established marquee with the capacity to host up to 1600 guests. This addition is expected to significantly enhance our event hosting capabilities, creating a versatile space for large-scale gatherings and celebrations. Concurrently, the relocation of the tennis court will be undertaken with careful planning to ensure that the recreational amenities available to our guests remain uncompromised.

As we move forward, the Company will undertake necessary refurbishments, renovations, and facility upgrades based on infrastructure needs, evolving guest expectations, and external factors. While we remain fully confident in the current physical setup, we continuously evaluate opportunities to reshape our spaces as needed to stay competitive and appealing.



# Human Capital



Human  
Capital

At Trans Asia Hotels PLC, we view human capital as a key driver of long-term value creation. Our human capital comprises the collective competencies, experience, motivation, and engagement of our people-elements that are fundamental to delivering exceptional guest experiences and sustaining operational excellence. We are committed to nurturing a workplace culture that attracts, retains, and empowers talent while aligning individual growth with the strategic direction of the business.



## KEY CONSTITUENTS OF THE CAPITAL

**715** staff strength

**17%** female representation

**11 years** Average service tenure of our employees

**Rs. 1,207 Mn**  
Employee expenses

**Rs. 7 Mn**  
Total investments in training and development

**CAPITAL RELATED RISKS AND OPPORTUNITIES**

**RISKS**



- High employee turnover driven by competitive poaching and overseas opportunities, especially among trained and experienced staff
- Rising costs associated with recruiting, training, and retaining skilled staff
- Risk of skill gaps in critical areas such as digital guest engagement and sustainable operations
- Employee burnout due to demanding service expectations in a fast-paced city environment
- Difficulty in maintaining service quality with seasonal or contractual staff
- Reduced employee morale during off-peak seasons or economic downturns

**OPPORTUNITIES**



- Strong employer brand can attract top-tier talent in a competitive market
- Investment in training and development to upskill staff and improve service standards
- Cinnamon Hospitality Academy affording direct access to trained staff groomed under the ethos Cinnamon Hotels and Resorts
- Use of technology and automation to reduce workload and improve efficiency
- Enhanced employee engagement through structured recognition and career progression
- Leveraging diversity and inclusion to strengthen workplace culture and innovation
- Partnering with hospitality academies and institutions for a steady talent pipeline
- Promoting internal mobility and cross-training to build multi-skilled teams

**CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH**

**EMPLOYEES**



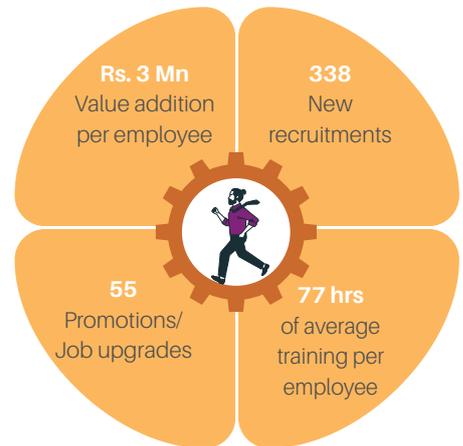
Managed through a structured and people-centric approach that prioritises their well-being, development, and engagement. This includes ensuring fair and transparent remuneration practices, providing equal growth opportunities through continuous learning and career development, maintaining a safe and inclusive work environment, and fostering open communication through grievance mechanisms and engagement platforms. Regular feedback, recognition, and wellness initiatives further support a culture where employees feel valued, motivated, and aligned with the organisation's goals.

**COMMUNITIES**



Ensuring the well-being of customers by delivering exceptional service, maintaining high standards of hospitality, and creating memorable guest experiences. This is achieved by investing in comprehensive training and development programmes to build employee competencies in service excellence, emotional intelligence, and guest handling. A culture of accountability, attentiveness, and continuous improvement is fostered to ensure that every customer interaction reflects the brand's commitment to quality, care, and personalised service, thereby building trust and customer loyalty in a highly competitive market.

**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

# Human Capital

## MANAGEMENT APPROACH

The Company's approach to human capital management is grounded in a comprehensive set of HR policies and procedures that align with John Keells Group standards and industry best practices. These policies foster a culture of inclusivity, dignity, mutual respect, and employee well-being, while clearly outlining the ethical and professional expectations for all team members. A strong HR governance framework underpins these efforts, ensuring consistent policy implementation, accountability, and fair treatment across the workforce.

## HR GOVERNANCE

The Company'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 well-being.



## TOGETHER WE THRIVE: TEAM PROFILE

At the core of our success is a dedicated and diverse team whose passion and commitment drive our operations forward. This profile highlights the people who power our journey, reflecting our belief that we thrive best when we grow together.

### WORKFORCE COMPOSITION AND EMPLOYMENT INDICATORS

- 50% of the staff cadre is engaged on a permanent basis while the remainder 50% is engaged on a contract, casual and trainee basis.
- Over 36% of our staff were recruited from outside the Western Province.
- The total number of employees of 715 including trainees.
- 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 indicator is not tracked
- Zero incidents of child labour or forced labour were reported during the reporting year.



## FULL LIST OF HR POLICIES AND GUIDELINES

The Company'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 well-being.

### HR policy framework

- 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
- Employees' 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
- Whistle blowing policy
- Speak up Policy
- Part Time work policy

**EMPLOYEES BY CONTRACT & GENDER**

	Male	Female	Total
Permanent	333	26	359
Contract	201	62	263
Trainees & Casuals	63	30	93
<b>Total</b>	<b>597</b>	<b>118</b>	<b>715</b>

**EMPLOYEES BY STAFF CATEGORY & GENDER**

	Male	Female	Total
Senior Management & above	14	1	15
Middle Management	95	20	115
Non-executive	425	67	492
Trainees & Casuals	63	30	93
<b>Total</b>	<b>597</b>	<b>118</b>	<b>715</b>

**EMPLOYEES BY AGE & GENDER**

	Male	Female	Total
18-30 years	233	76	309
31-55 years	341	41	382
55 years above	23	1	24
<b>Total</b>	<b>597</b>	<b>118</b>	<b>715</b>

**EMPLOYEES BY STAFF CATEGORY & AGE**

	18-30 years	31-55 years	Above 55 years	Total
Senior Management & above	1	13	1	15
Middle Management	17	91	7	115
Non-executive	209	267	16	492
Trainees & Casuals	82	11	-	93
<b>Total</b>	<b>309</b>	<b>382</b>	<b>24</b>	<b>715</b>

**STAFF MOVEMENTS****Talent retention and industry challenges**

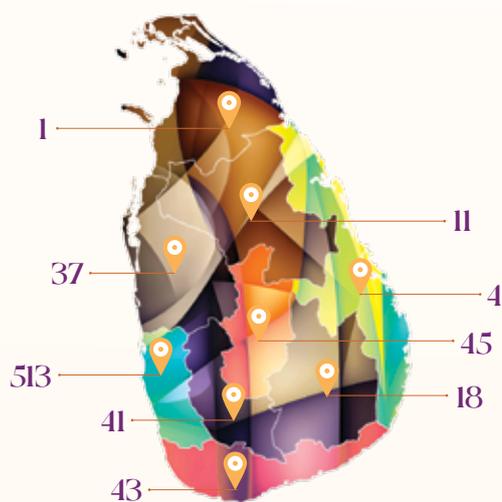
Recruiting and retaining skilled talent continues to be a challenge within the hospitality industry, exacerbated by natural attrition and migration to overseas opportunities. This year, the Company experienced a degree of brain drain, reflective of ongoing aftershocks from the economic crisis. Despite these pressures, we remained focused on maintaining operational continuity and minimising disruption through robust talent retention efforts.

**Internal mobility and talent development**

To meet staffing needs efficiently, the Company adopted a proactive internal recruitment strategy. By repurposing roles, redeploying staff, and promoting from within, we were able to fill 28% of vacancies internally. This approach underscores our commitment to nurturing internal talent and reducing dependency on external recruitment. We prioritise our employees when filling vacancies, with all job openings first advertised internally. This approach gives our team members the opportunity to explore career growth across the John

**EMPLOYEES BY REGION & CONTRACT**

	Permanent	Contract	Trainees & Casuals	Total
Western	284	171	58	513
Southern	21	19	3	43
North Western	11	19	7	37
Central	19	20	6	45
Sabaragamuwa	13	17	11	41
Northern	-	1	-	1
Eastern	-	3	1	4
North Central	2	7	2	11
Uva	8	5	5	18
Expat	1	1	-	2
	<b>359</b>	<b>263</b>	<b>93</b>	<b>715</b>



Keells Group's Cinnamon Hotels and Resorts, both in Sri Lanka and the Maldives, broadening their horizons and opening doors to diverse roles within the Group.

**Enabling growth through opportunity**

Our focus on internal promotions and role transitions has fostered a culture of agility and continuous learning. Employees are encouraged to embrace new challenges, broaden their skills, and advance their careers—driving both individual development and organisational resilience.

# Human Capital

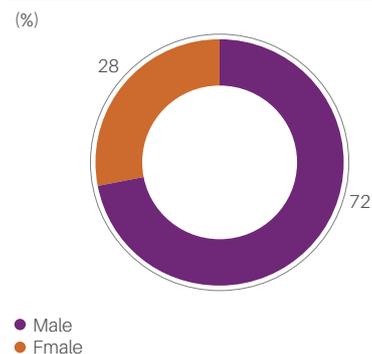
## STAFF MOVEMENT

Staff movement due to	Male	Female	Total
Promotions and job upgrades	47	8	55
Recruitments (With Trainees & Casuals)	244	94	338
Retirements	7	-	7
Resignations (With Trainees & Casuals)	255	82	337
Retirements and resignations (With Trainees & Casuals)	262	82	344

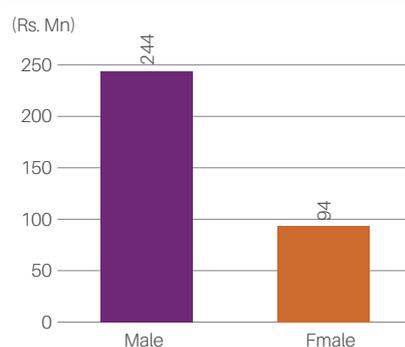
Recruitment by Region	Number	Percentage
Western	215	64%
Southern	20	6%
North Western	24	7%
Central	28	8%
Sabaragamuwa	28	8%
Northern	-	0%
Eastern	3	1%
North Central	9	3%
Uva	10	3%
Expat	1	0%
<b>Total</b>	<b>338</b>	<b>100%</b>

Turnover by Region	Number	Percentage
Western	243	71%
Southern	21	6%
North Western	20	6%
Central	25	7%
Sabaragamuwa	12	3%
Northern	-	0%
Eastern	2	1%
North Central	11	3%
Uva	8	2%
Expat	2	1%
<b>Total</b>	<b>344</b>	<b>100%</b>

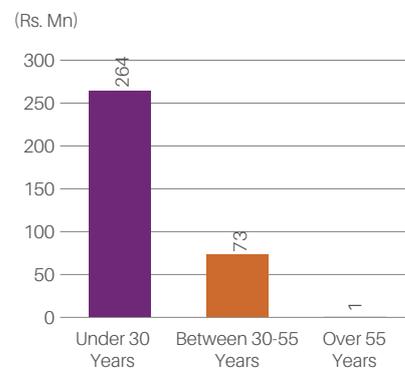
## Recruitment by Gender



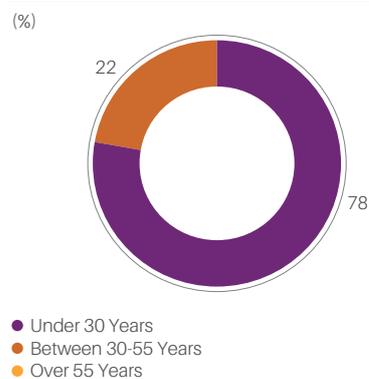
## Recruitment by Gender



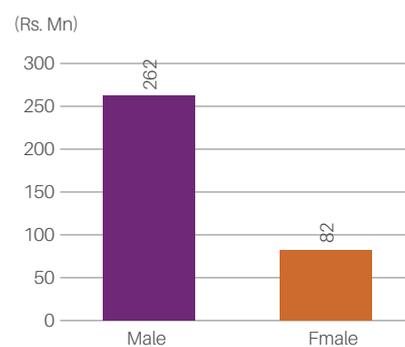
## Recruitment by Age



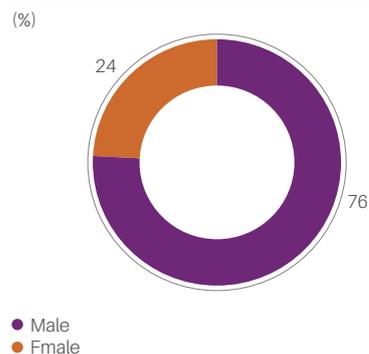
## Recruitment by Age



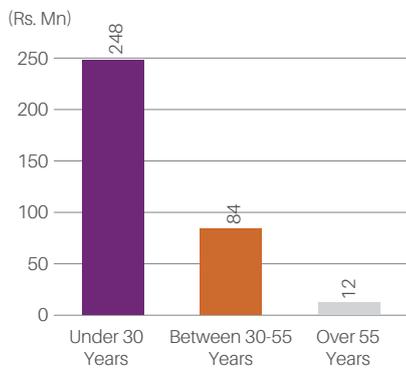
## Turnover by Gender



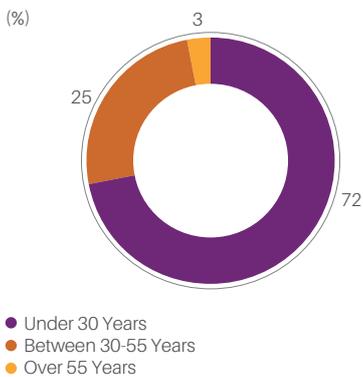
## Turnover by Gender



### Turnover by Age



### Turnover by Age



### 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 Company'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 are 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:

- Address any concerns or grievances raised by employees
- Identify talent for promotions
- Develop targeted training programs
- Foster career progression in line with the company's strategic goals

# Human Capital

## RECOGNITION AND DEVELOPMENT

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 Regular Performance Appraisals	Male	Female
Senior Management & above	2%	1%
Middle Management	16%	17%
Non-executive	71%	57%
Trainees & Casuals	11%	25%
Total	100%	100%

## REMUNERATION, RECOGNITION AND REWARDS

We attract and retain top talent through a fair, transparent, and competitive remuneration structure that aligns with industry standards. Our permanent employees receive a competitive base salary supplemented by performance-based incentives, ensuring that individual achievements and company goals are recognised and rewarded. Beyond base pay, we offer a comprehensive benefits package that includes health insurance, paid time off, parental leave, and numerous opportunities for professional development through training programs and career advancement pathways. By fostering a supportive work environment centred on employee growth and well-being, we aim to build a culture of trust, loyalty, and long-term commitment, benefiting both our workforce and organisational success.

### 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.



## BENEFITS TO FULL-TIME EMPLOYEES

### Employee Welfare and Well-being

- Transport for female employees working night shifts
- uniforms provided
- Meals during duty hours
- Annual medical tests
- Doctor and clinic facility
- Welfare facility
- Birthday cake provided in celebration of employee birthdays
- Birthday stay for permanent employees with a service period exceeding five years
- Gym facility
- Locker room/Dormitory

### Work-Life Balance and Family Support

- 100 days of parental leave
- Food, beverage, and restaurant discounts

### SASB -SV-HL-310a.3

- The average hourly wage of employees of Trans Asia Hotels PLC was Rs. 231.
- Furthermore 100% lodging facility employees earn minimum wage, with our operations being located in Colombo 02 (2023/24: 100%)

## TRAINING AND DEVELOPMENT STRATEGY

Our HR strategy is centered on fostering continuous learning and growth by implementing a competency-based approach to enhance the skills of our workforce. We focus on role-specific competency mapping for key business functions to tailor training programs that address the individual needs of our employees. By identifying skill gaps and areas for improvement, we develop targeted learning initiatives that align with our company's objectives.

### LEARNING OPPORTUNITIES

We provide a broad range of learning opportunities to encourage career development. These include formal training programs, on-the-job experiences, workshops, seminars, and online courses. Our goal is to equip employees with the necessary tools and knowledge to progress in their careers and contribute effectively to the organisation.

### IMPACT ON ORGANISATIONAL SUCCESS

Our commitment to continuous development not only supports individual growth but also drives organisational success. By investing in the skills of our employees, we enhance productivity, foster innovation, and maintain a competitive edge in the industry.

#### Key statistics

**Rs. 7.13 Mn**  
Investment in training

**55,379**  
Total training hours

**Male- 45,025**  
**Female - 10,354**  
Total Training Hours

**92%**  
Percentage of employees trained

## Training Hours

Training Hours per Category	No. of Training Hours
Executive and above staff	14,994
Non Executive staff	40,385

### CINNAMON HOSPITALITY ACADEMY

The Cinnamon Hospitality Academy is a flagship initiative by the CH & R Group, designed to elevate the career trajectories of individuals passionate about the hospitality industry. We believe that doing what you love brings you closer to discovering your true potential. The Academy, in partnership with the Swiss Hotel Management Academy (SHMA), offers a globally recognised Vocational Education and Training (VET) program licensed by EHL (École hôtelière de Lausanne), founded in 1893. The programme provides an opportunity for students to develop their skills and gain a globally acknowledged certification that opens doors to international hospitality careers.



# Human Capital

## What We Offer

- World-renowned certification: Graduates receive VET by EHL Certificates and Diplomas, recognised globally in the hospitality industry.
- Swiss Hotel Management Academy curriculum: Courses are facilitated by SHMA, offering a blend of lectures and practical sessions led by experts in the field.
- Learning facilities: The Academy provides state-of-the-art learning environments and paid on-the-job training facilitated by Cinnamon Hotels & Resorts.
- Internship opportunities: Students are guaranteed internship placements at Cinnamon Hotels & Resorts in Sri Lanka and the Maldives, gaining valuable work experience.
- Scholarship opportunities: Top-performing students are eligible for enhanced scholarships, based on both academic and operational achievements.
- Work experience: In addition to completing the qualification, students also gain one year of work experience, working alongside industry professionals.
- Flexible payment options: Students can pay for their studies in flexible instalments across different levels of the program: Foundation, Intermediate, and Advanced.
- Learn, work, and earn: The Academy provides students with an opportunity to learn, work, and earn concurrently, offering a holistic development experience.

## Employee health and well-being

We are committed to creating an environment that nurtures all aspects of our workforce's well-being, 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 well-being

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 well-being

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 well-being but also enhances productivity, engagement, and retention. Ultimately, our commitment to employee well-being 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 upholding the highest safety standards in all our operations.

### Cinnamon Care 2.0

As part of our ongoing commitment to safety, Cinnamon Care 2.0 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.

## WORKPLACE SAFETY

### Workplace safety (Permanent & Contract)

Employee Safety Record	Nos.
Workplace related accidents and incidents	10
Workplace related fatalities	N/A
No. of lost workdays due to workplace related injuries	90

## EMPLOYEE ENGAGEMENT

Employee engagement remains a key pillar in nurturing a sense of belonging and emotional well-being 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.

### Some of the key Employee engagement initiatives conducted during the year:

- Awareness Session on Preventing Fatty Liver
- Awareness Programme on Menstrual Health Hygiene & Pregnancy
- Cinnamon Lakeside Cocktail Competition 2024
- Poson Bathi Gee Saraniya 2024
- Poson Lantern Competition 2024
- Hotel 39th year Anniversary Celebration
- Volleyball Tournament 2024
- Staff & Family Party 2024
- Cardiovascular Health Awareness program
- International Men's Day 2024
- CSR with Sunera Foundation
- HIV Awareness
- Year End Staff Dinner
- CSR with Sunera Foundation - Phase II
- Long Service Awards 2024
- Carrom Tournament 2025
- Road Safety Awareness Session
- International Women's Day Celebration



## EMPLOYEE GRIEVANCES

The Company 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 Company 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.

# Human Capital

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 behavior.

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.

## 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.

### EMPLOYEES' RIGHT TO UNIONISE

We maintain the right to freedom of association and collective bargaining. 34% of our employees from Trans Asia hotels PLC belong to a trade union covered by a Memorandum of Understanding (MoU). We continue to conduct an ongoing dialogue with trade unions.

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 disability. 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 Company 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

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

	Target by 2030	Actual
Female participation in the workforce	40%	17%
Women in leadership positions	30%	16%

#### ENABLERS

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

#### Gender Parity Indication Results

Gender Representation by Grade	Senior Management and above	Executive	Non-Executive	Trainees & Casuals
Male	14	95	425	63
Female	1	20	67	30
Total	15	115	492	93
Male %	93%	83%	86%	68%
Female%	7%	17%	14%	32%

#### Training Hours per gender

Average Training Hours per gender	No. of Training Hours
Male	45,025
Female	10,354

#### 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



#### PARENTAL LEAVE

	Male	Female
Employees entitled to parental leave	229	22
Employees that took parental leave	15	4
Number of employees that returned to work in the reporting period after parental leave ended	14	3
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	9	-

# Human Capital

## OUR FLAGSHIP INITIATIVE - EMPOWERHER & THE "ALOKA" (LIGHT) PROJECT

### Empowering women, creating opportunities

Over the past decades, the hospitality and tourism sector has become a major driver of employment in Sri Lanka. Female workers represent a significant proportion of this growth, yet they face varied challenges that hinder their career prospects. We acknowledge the ongoing challenges they face owing to stigmas and misperceptions about the sector. Aloka is dedicated to tackling these challenges spear headed by Cinnamon Hotel Management Limited. It is designed to take a personal approach by visiting local communities to demonstrate our commitment to build trust and positively empower women to sustain and advance their career in the hospitality and tourism industry.

### What we offer

- Quality vocational training accredited and recognised by National Apprentice and Industrial Training Authority (NAITA), spanning essential life skills to industry specific competencies
- High focus on life skills, empowering young women entering the Hospitality & Tourism industry, particularly from marginalised backgrounds, to thrive in the industry
- Vocational skills input coupled with a complete package of support that includes job placement, meals, uniforms, and female friendly accommodations like locker and dormitory spaces

### Our aim

Equip participating females with the know how to recognise and pursue promising career opportunities and heighten their self assurance as they navigate these pathways

### Our belief

Comprehensive, cooperative action to advance gender equality, economic self sufficiency, and overall wellbeing of young women in the industry

Launch date: 10th July 2023

## VOICES OF STRENGTH: PROVING THAT BALANCE IS POSSIBLE

\*Vinoli Tucker,\* Team Leader - Food & Beverage at Cinnamon Lakeside Colombo, challenges the myth that married women can't have a successful hospitality career. With flexible shift-based work and supportive policies, Vinoli has found the perfect balance between family life and professional growth.

Her job allows her to be financially independent while still being present for her family, proving that a fulfilling career and personal life can go hand in hand.

At Cinnamon, we empower women to thrive in every aspect of their lives.



### WAY FORWARD

As we move forward, our HR strategy will focus on increasing employee productivity through targeted initiatives that promote multi-skilling and adaptability. By equipping our team members with a diverse set of competencies, we aim to seamlessly address resource gaps caused by attrition through internal role repurposing. Continued investments in training, particularly in emerging technologies, will ensure our employees remain agile, tech-savvy, and capable of delivering exceptional guest experiences. We will also focus on sharpening skills across all levels to meet the evolving demands of a dynamic and highly competitive hospitality industry.



# Intellectual Capital



## Intellectual Capital

Trans Asia Hotels PLC's intellectual capital embodies the intangible assets that distinguish our operational excellence, Advanced IT systems and market positioning. Our flagship brand, Cinnamon Lakeside, symbolises prestige, trust, and a rich legacy of service excellence, enhancing customer loyalty and brand equity. Strengthened by the tacit knowledge of a highly experienced workforce, robust organisational structures under the stewardship of John Keells Holdings PLC, and meticulously established systems, processes, and standards, we ensure operational resilience and service consistency. Accolades and awards won during the year further validate our commitment to innovation, quality, and leadership in the hospitality sector.



### KEY CONSTITUENTS OF THE CAPITAL

- The strength of Cinnamon Lakeside brand
- Organisational tacit knowledge, including 40 years in operation as a prime five-star destination in Sri Lanka and 11 years average tenure of employees
- Strength of the organisational structure, with holding of John Keells Holdings PLC
- Well established systems, processes and standards

**07**

ranking in Tripadvisor among 96 hotels in Colombo

**59 Mn**

Technology investments in guest services

## CAPITAL RELATED RISKS AND OPPORTUNITIES

## RISKS



- Intense competition from other city hotels and emerging boutique/lifestyle accommodation options
- Fluctuations in business travel and MICE (Meetings, Incentives, Conferences, Exhibitions) demand
- Economic downturns or geopolitical instability impacting tourist arrivals
- Rising operational costs, including energy, staffing, and supply chain inflation
- Technological disruptions if not keeping pace with digital booking platforms and customer expectations
- Reputational risks from service failures or negative online reviews
- Environmental regulations and sustainability requirements becoming more stringent
- Labour shortages or high staff turnover affecting service quality

## OPPORTUNITIES



- Strong recovery of tourism and business travel in the post-pandemic and economic recovery environment
- Growth in MICE and events-related tourism within Colombo
- Brand strength and affiliation with John Keells Holdings enhancing trust and market visibility
- Ability to leverage digital platforms and loyalty programmes for direct bookings and customer engagement
- Expansion of sustainable and eco-friendly hospitality practices to attract conscious travellers
- Development of premium experiences and customised service offerings to cater to high-end clientele
- Strategic partnerships with airlines, corporates, and event organisers
- Use of data analytics to personalise guest experiences and optimise operations

## CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH



## CUSTOMERS

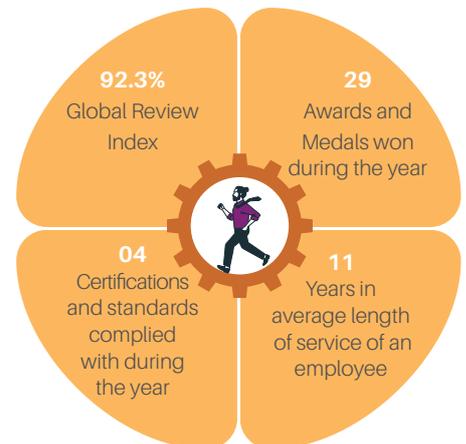
We manage customer interests in intellectual capital by consistently investing in service excellence, supported by well-established systems, standards, and a trusted brand reputation under John Keells Holdings PLC. We continuously upgrade our knowledge frameworks to deliver curated, memorable experiences that meet evolving guest expectations. Customer feedback mechanisms are actively used to refine service delivery and innovate offerings, strengthening brand loyalty. Advanced IT systems and digital platforms support personalised service, efficient check-ins, seamless reservations, and responsive guest engagement.

## EMPLOYEES



Employees are nurtured as key custodians of the Hotel's intellectual capital through structured training programmes, skill development initiatives, and exposure to global best practices. Organisational knowledge is shared and embedded through robust operational frameworks and leadership mentoring. Career growth, recognition, and empowerment initiatives help build a committed workforce aligned with upholding service excellence and our brand values

## VALUE ADVANCED



## LINK TO OUR MATERIAL MATTERS

Business conduct and ethics  
Privacy and data security

## LINK TO OUR STRATEGY

Operational Excellence  
Talent Management  
Service Excellence

# Intellectual Capital

## Management of intellectual capital during the year

- Advanced analytics: Deployment of data analytics and business intelligence tools supported more informed decision-making and personalised customer engagement.
- Cloud-based systems: Introduction of cloud platforms, viz. OPERA and SYMPHONY, streamlined internal processes and elevated customer experience through faster, more efficient service delivery.

## 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
- Systems and processes
- Certifications
- Awards and recognition
- Industry collaborations

## OUR BRAND

### Strategic deployment of brand strategy amidst competition

In line with our ambition to position ourselves as the preferred urban hospitality destination, Trans Asia Hotels PLC adopted a multi-dimensional approach to brand building during the year. The strategy focused on delivering elevated guest experiences, curating memorable events, driving customer loyalty, and enhancing digital engagement to strengthen brand equity. Through a combination of premium culinary offerings, strategic promotions, influencer partnerships, and sustainable marketing practices, the hotel successfully deepened its resonance with both local and international audiences, while remaining responsive to evolving market dynamics.



## Exceptional culinary experiences

- Specialty dining events such as the Thai Food Festival at Royal Thai and the Chinese Food Festival at Long Feng during Chinese New Year.
- Curated luxury offerings including private dining experiences with bespoke menus for VIP guests.
- Seasonal promotions and discounts across Food & Beverage outlets to drive engagement and footfall.
- High-impact seasonal and signature events
- Hosted festive events such as the Christmas Tree Lighting Ceremony, in-house Christmas activities, and the New Year's Eve Dinner Dance.

## Strategic promotions & partnerships

- Strategic partnerships (e.g., Rockland for NYE events) enhanced the scale and appeal of key events.
- Collaborations with institutions such as the British School in Colombo offering special discounts to attract targeted customer segments.
- Special rate codes tailored for the Sri Lankan diaspora and overseas-based organisations to drive international guest engagement.

## Enhanced digital & direct marketing

- Increased use of social media platforms and influencer partnerships to strengthen digital brand visibility.
- Launch of targeted marketing campaigns aimed at younger, experience-driven audiences.
- Website optimisation efforts to improve the digital booking experience and conversion rates.
- Rollout of direct B2C engagement efforts and loyalty programmes to encourage repeat visitation.

## Elevated customer experience & feedback integration

- Continued investment in personalised services and hospitality excellence to exceed guest expectations.
- Active and structured response to customer feedback to continuously refine offerings and experiences.
- Strong focus on maintaining operational excellence through a skilled and dedicated service team.

## Sustainable marketing and engagement

- Integration of sustainability principles into marketing efforts, enhancing brand value and guest affinity with environmentally conscious messaging.

Key brand building initiatives conducted during the year

Arabic Special buffet curated by talented Sri Lankan Chefs



Tree planting project at Bellanwila-Attidiya bird sanctuary



New Year Kavili Hut for New Year celebrations



Christmas Eve at Cinnamon Lakeside Colombo



Atilla Is kif promotion



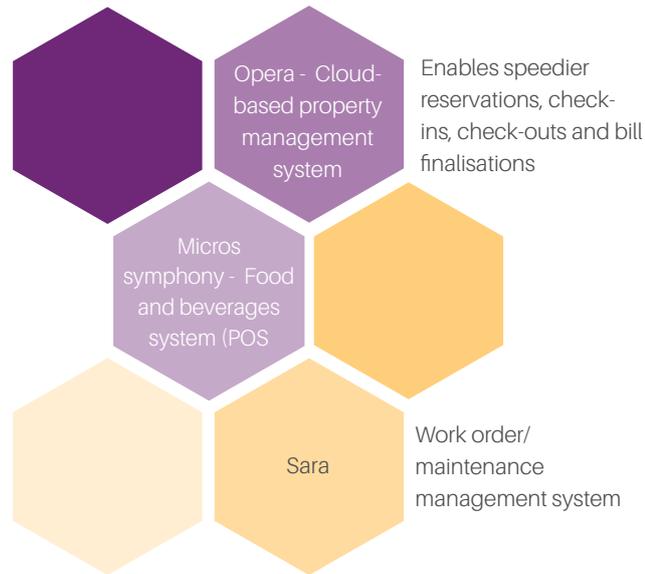
Colombar Halloween spirit



# Intellectual Capital

## Advancing through smart technology

We continued to strengthen our digital backbone to enhance both service delivery and operational agility. Our upgraded IT infrastructure underpins essential functions—from room reservations and F&B management to guest engagement—facilitating a smoother, faster, and more intuitive hospitality experience. These investments enable real-time responsiveness, data-driven insights, and a seamless digital journey for guests across every touchpoint.



## 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.



**DRIVING ENGAGEMENT THROUGH SOCIAL MEDIA**

Operating under the Cinnamon Lakeside brand, Trans Asia Hotels PLC leverages the power of social media as a strategic tool to enhance brand visibility, engage with diverse customer segments, and drive real-time interaction. With a focus on visually rich content, influencer collaborations, and targeted digital campaigns, the hotel maintains a vibrant and responsive presence across key platforms. This digital engagement enables the brand to connect meaningfully with experience-driven audiences, promote offerings dynamically, and build a loyal community of followers both locally and globally.

**INSTAGRAM**

**28K**  
Total followers

**25 Mn**  
Total impressions



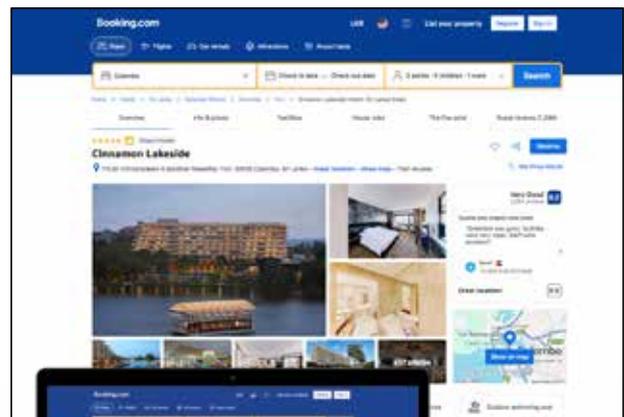
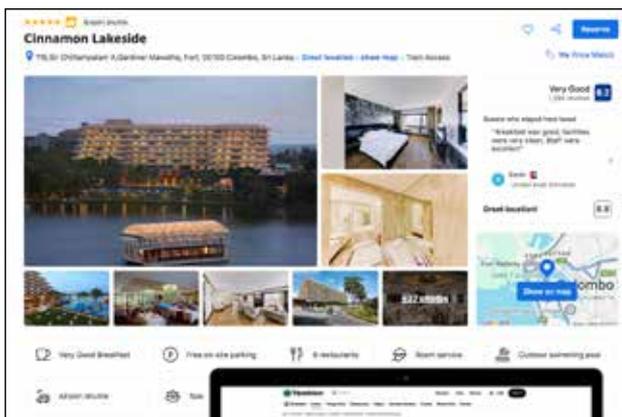
**FACEBOOK**

**137K**  
Total followers

**92 Mn**  
Total impressions



**STRONG ONLINE REPUTATION AND RATINGS**



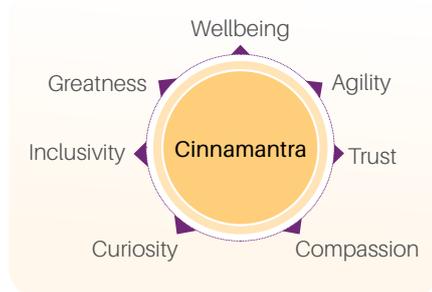
# Intellectual Capital

## ORGANISATIONAL TACIT KNOWLEDGE



### Cinnamantra - purpose and values

Cinnamantra, our purpose and seven corporate values launched during the previous financial year unite our employees and guide them towards the common vision; To bring the best of Sri Lanka to the world with style and elegance.



### Continuous learning and development

Ongoing learning and development are central to strengthening our organisational tacit knowledge, ensuring that critical skills, service excellence standards, and core values are deeply embedded throughout Trans Asia Hotels PLC. Structured annual training programmes, covering all employee categories, facilitate the transfer of practical know-how, intuitive service delivery, and brand-aligned protocols, elements that are challenging to document but vital to sustaining our competitive advantage. As outlined under Human Capital on page 72, our investment of Rs. 7.13 Mn enabled 55,379 hours of training during the year, reinforcing a culture of continuous improvement and contributing to superior guest experiences, operational excellence, and long-term brand equity.

The Cinnamon Hospitality Academy and Cinnamon Online Academy continued to play a pivotal role in nurturing future hospitality professionals, equipping young talent with industry-relevant skills and aligning them with our service ethos. This consistent pipeline of capable and well-trained individuals further enhances our organisational knowledge base and elevates our ability to deliver memorable and differentiated guest experiences across all touchpoints.

### IO

graduates from the Cinnamon Academy absorbed to Trans Asia Hotels PLC

### 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 enable 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

Our diverse and capable team continues to be the cornerstone of exceptional guest experiences. While the industry faces ongoing challenges from the national trend of skilled labour migration, we successfully maintained service standards through the effective onboarding of new talent alongside our experienced workforce. With an average team tenure of 11 years, the Company remains anchored in a rich foundation of institutional knowledge and collective expertise, ensuring operational continuity and sustained service excellence.

### 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 Lakeside brand experience.

### Systems, processes and certifications

Our operations are underpinned by robust systems and processes, guided by comprehensive Standard Operating Procedures (SOPs) that govern every aspect of the business. These SOPs ensure uniformity, efficiency, and service excellence across all functions, creating a consistent standard for all employees. New team members are introduced to these protocols through structured induction and on-the-job training programmes, while existing employees undergo regular refresher sessions to continuously reinforce best practices.

## EXAMPLES OF SOPS

- Business Continuity Plans
- Emergency Response Plans
- Data Protection and Guest Privacy Empowerment Matrix
- Health and Safety, Environment Consequence Matrix

EXAMPLES OF MAJOR  
TRAINING PROGRAMMES

- Fire safety and basic fire fighting for staff
- Emergency evacuation drills
- Selected staff trained on lifesaving and first aid

## CERTIFICATION

- Our operations are certified by the ISO certifications and other certifications as discussed here

## CERTIFICATIONS

Certification	Issuing authority	Periodic review/ audit involved	Frequency
<b>ISO 22000:2018</b> Food Safety Management System	SGS Lanka Pvt Ltd	Yes	Annual
<b>ISO 45001:2018</b> Occupational Health and Safety Management System	SGS Lanka Pvt Ltd	Yes	Annual
<b>ISO 14001:2015</b> Environmental Management System	SGS Lanka Pvt Ltd	Yes	Annual
<b>Travelife Gold</b> certification for accommodation sustainability	Travelife Ltd - UK	Yes	Biennial

## Awards and recognition

Awards and recognitions are key contributors to strengthening the intellectual capital of Trans Asia Hotels PLC, serving as a testament to the knowledge, expertise, and service excellence that define the organisation. Each accolade enhances the Company's brand equity, inspires a culture of continuous learning, innovation, and high performance, builds employee pride, attracts top industry talent, and promotes knowledge-sharing — all of which reinforce our competitive advantage in the hospitality sector.

Please refer page 10 for a full list of awards won during the year.



# Intellectual Capital

## Industry collaborations

Trans Asia Hotels PLC maintains active engagement with industry stakeholders and associations, fostering collaboration, knowledge sharing, and the advancement of the tourism and leisure sector. Employees are encouraged to participate in industry forums, promoting professional growth, idea exchange, and contributions to sector-wide innovation. These partnerships and affiliations enable the Company to stay attuned to emerging trends, access critical insights, and advocate for shared industry priorities during a period of renewed growth and opportunity.

### GRI 2-28

#### List of memberships held

- The Hotels Association of Sri Lanka
- Pacific Asia Travel Association
- Employers' Federation of Ceylon
- European Chamber of Commerce Sri Lanka
- The American Chamber of Commerce in Sri Lanka
- Ceylon Chamber of Commerce
- Swiss Circle Sri Lanka
- Skal International Colombo
- Biodiversity Sri Lanka
- Ceylon Hotel School Graduates Association
- China Business Council
- Germany Business Council
- Russia Business Council
- Sri Lanka Tourism Development Authority

## WAY FORWARD

As Cinnamon Lakeside positions itself as Colombo's iconic lifestyle destination, our vision for intellectual capital is anchored in continuously elevating our brand and capabilities. We aspire to become instantly recognised as "The Resort in the City," offering unparalleled urban resort experiences that seamlessly blend luxury, entertainment, and curated hospitality.

To realise this ambition, we will invest further in comprehensive on-the-job training for our employees, empowering them to deliver exceptional, personalised visitor experiences that are globally benchmarked. Strengthening our knowledge-sharing culture, fostering innovation in guest services, and embracing technology-driven solutions will be key enablers in this journey.

Moreover, by leveraging the strength and expertise of our holding company, John Keells Holdings PLC, and promoting cross-learning across the Cinnamon Hotels & Resorts portfolio, we aim to build a future-ready workforce and an agile organisational structure. As we move forward, a continuous commitment to service excellence, brand prestige, and operational best practices will be pivotal in sustaining Cinnamon Lakeside's position as a true city resort of global repute.

On the technology front, we plan to introduce a digitally enhanced in-room dining experience. Guests will be able to scan a QR code to access an interactive digital menu, complete with 360-degree imagery of each dish. Orders can be placed seamlessly through their devices, with automated delivery systems ensuring prompt and secure service, right to the doorstep of their rooms with minimal human intervention.



# Social and Relationship Capital



## Social and Relationship Capital

At Trans Asia Hotels PLC, our Social and Relationship Capital forms a vital pillar of our long-term value creation. We nurture strong, trust-based relationships with our customers, channel partners, suppliers, and the broader community, recognising that these relationships underpin our sustained success. Through consistent engagement, service excellence, and collaborative partnerships, we enhance customer loyalty, strengthen supplier networks, and deepen ties with strategic channel partners. Our commitment to community development reflects our belief that business growth must be accompanied by social responsibility. By fostering mutual trust, transparency, and shared value creation across all stakeholder groups, we ensure that our Social and Relationship Capital continues to drive resilience and growth into the future.

### KEY CONSTITUENTS OF THE CAPITAL

- Satisfied customers
- Value chain partners comprising registered local and international suppliers, channel partners, other business partners and industry stakeholders
- The community within which we operate

**Rs. 2 Mn**

Investments in community empowerment initiatives

**Rs. 3,184 Mn**

Payments to suppliers

**CAPITAL RELATED RISKS AND OPPORTUNITIES**

**RISKS**



- Potential customer dissatisfaction and churn
- Potential disruptions or breakdown of supplier relationships due geo-political or other reasons
- Over-dependence on specific channel partners concentrating risks
- Potential negative community perception
- Increased competition leading to potential loss of business
- Potential compliance failures impacting stakeholders such as data breaches

**OPPORTUNITIES**



- Enhancing customer loyalty through personalised experiences
- Strengthening supplier collaboration for innovation
- Expanding and diversifying channel partner networks and penetration in to untapped or under-tapped source markets
- Strengthening the Cinnamon Lakeside brand equity through community engagement
- Leveraging customer feedback for service improvement
- Forming strategic alliances within the industry for shared value

**CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH**



**CUSTOMERS**

Customers are managed as a key component of Social and Relationship Capital by fostering long-term relationships built on trust, satisfaction, and personalised service. Trans Asia Hotels PLC engages with customers through continuous feedback loops and service quality, ensuring that their needs and preferences are met, while enhancing their overall experience.



**SUPPLIERS AND BUSINESS PARTNERS**

Suppliers and channel partners are managed as essential components through strong, transparent partnerships that emphasise mutual growth and shared value. We work closely with suppliers to ensure consistent quality, timely delivery, and cost-effective solutions, while fostering collaborative innovation. Channel partners are engaged through strategic alliances, clear communication, and joint marketing initiatives, ensuring that both parties align on goals, performance expectations, and market opportunities.



**COMMUNITIES**

Interests of communities are managed through active engagement in local initiatives, sustainable practices, and social responsibility programmes. We build trust and goodwill by supporting community development projects, promoting environmental sustainability, and participating in local cultural events.

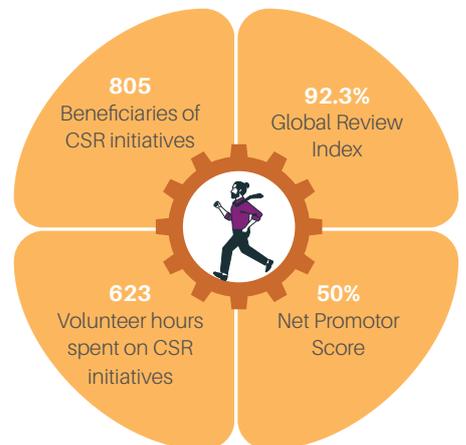
**LINK TO OUR MATERIAL MATTERS**

- 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

**VALUE ADVANCED**



# Social and Relationship Capital

## CUSTOMERS

Customers remained at the heart of our strategy throughout the year. We focused equally on attracting new customers and encouraging repeat patronage, with guests returning to experience the signature Cinnamon Lakeside hospitality. As discussed under Stakeholder Interactions on page 27, key concerns raised by our customers included service quality, rising pricing, the demand for novel experiences in cuisine and events, and greater attention to ESG considerations. We responded swiftly to these emerging expectations, ensuring that our customers consistently experienced high levels of satisfaction and felt genuinely cared for.

### Key source markets

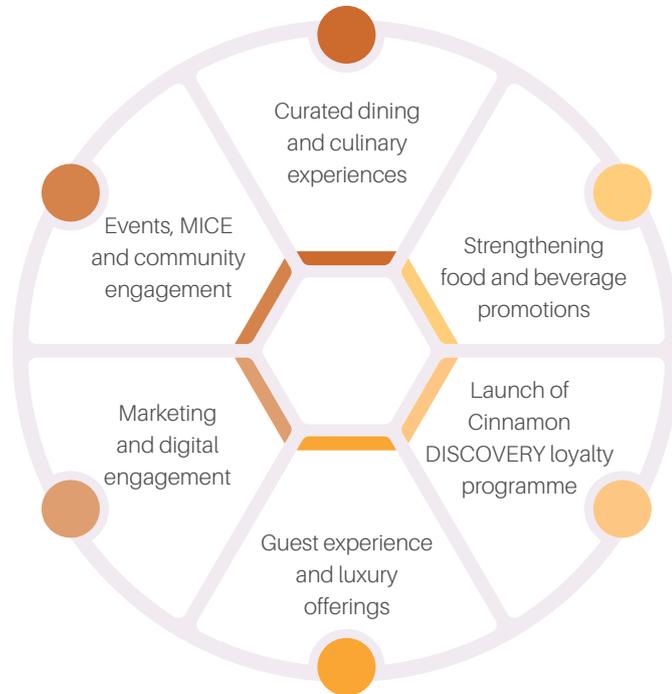
We continued to enjoy a healthy mix of customers from across the world. The source-wise composition of the customers remained largely static over the last year, with the majority of our customers visiting us from neighbouring India.

### PURPOSE OF CUSTOMER VISITS

When broadly classified under Leisure, Corporate, MICE, and Other categories, Leisure remained the leading purpose of visit. At the same time, we continued to actively cater to Meetings, Incentives, Conferences, and Exhibitions (MICE) and Corporate guests, demonstrating both the dynamism of the property and the diverse interests of our clientele.

This healthy dispersion of demand across various segments has enabled us to maintain the resilience of our income streams despite market fluctuations.

## Key strategic initiatives rolled out during the year driving an enhanced customer experience



### Curated dining and culinary experiences

- Hosted special dining events such as the Thai Food Festival at Royal Thai and the Chinese Food Festival at Long Feng during Chinese New Year, celebrating global flavours
- Launched festive dining experiences, including the tree lighting ceremony, Christmas activities, and the glamorous New Year's Eve dinner dance, establishing the hotel as a preferred festive destination
- Introduced exclusive private dining options with curated menus for VIP guests, supporting the hotel's upmarket positioning

### Strengthening food and beverage promotions

- Offered attractive discounts and bundled promotions on food and beverages to drive footfall and enhance value perception
- Developed seasonal and themed F&B promotions to sustain customer interest and encourage repeat visits

### Launch of Cinnamon DISCOVERY loyalty programme

At Trans Asia Hotels PLC, we are proud to be part of Cinnamon DISCOVERY - the loyalty programme of Cinnamon Hotels & Resorts, the leisure sector of Sri Lanka's largest listed conglomerate, John Keells Holdings PLC. Cinnamon DISCOVERY unlocks a world of tropical island luxury across our 17 hotels and resorts in Sri Lanka and the Maldives.

As a valued guest, becoming a Cinnamon DISCOVERY member rewards you not just for where you stay, but for how you travel. Whether you're unwinding by the lakeside in Colombo, exploring misty hills, basking on golden beaches, or immersing yourself in vibrant cityscapes, we are here to turn every stay into a truly personal and memorable experience.

Through our partnership with the GHA DISCOVERY loyalty programme, members enjoy exclusive benefits, including:

- A minimum of 10% off room rates at participating hotels
- Access to personalised experiences and curated local adventures
- Unique rewards not only within the Cinnamon portfolio but also across over 800 hotels worldwide

What sets Cinnamon DISCOVERY apart is our commitment to celebrating the soul of each destination. From island excursions and eco-innovative stays to showcasing local art and culture, and offering our premium Signature Selection of hotels, we invite our guests to truly connect with the authentic spirit of Sri Lanka and the Maldives.



#### Guest experience and luxury offerings

- Enhanced personalised service delivery through tailored guest experiences
- Invested in training programmes to uplift service standards and hospitality excellence
- Introduced feedback-driven service improvements to better address customer expectations and needs
- Rolled out premium experiences such as private, invitation-only events, curated culinary journeys, and bespoke celebration packages, elevating the hotel's luxury credentials
- Expanded exclusive access to lifestyle experiences such as wellness programmes, and bespoke event hosting



#### Marketing and digital engagement

- Strengthened social media presence with engaging content and influencer collaborations to target a younger, experience-driven audience
- Implemented targeted digital campaigns to enhance brand visibility, drive direct bookings, and build stronger customer connections online
- Leveraged data analytics and customer insights to personalise marketing outreach and improve campaign effectiveness



#### Events, MICE and community engagement

- Enhanced the Hotel's positioning as a vibrant MICE destination by hosting corporate events, incentive programmes, and exhibitions tailored to client needs
- Participated actively in community and cultural events, boosting the Hotel's appeal as a socially responsible and culturally connected brand

# Social and Relationship Capital

## OUR SIGNATURE OFFERINGS

### Long Feng

With an extensive menu of authentic Chinese fare, our attentive team is dedicated to helping you craft the perfect dining experience. Be sure to try our signature spicy pork specialities and complete your meal in true Chinese style with a soothing cup of green tea, all within the elegant setting of Long Feng, where every detail is designed to elevate your visit.



### Dining Room

From delectable cheeses to tempting dishes from around the world, satisfy your cravings with a buffet of international cuisines. Don't miss the elaborate Sunday Brunch for an even more extravagant experience, offering you a perfect blend of variety and taste in one setting, all complemented by a lively atmosphere and attentive service that make every visit memorable.



### The Library

Whether you seek solace with a captivating read or enjoy a productive conversation, The Library sets the pace for you with old-world charm and an array of premium spirits, offering the perfect blend of sophistication and comfort for an unforgettable evening. (Only for members and inhouse guests)



### Royal Thai

A unique Sri Lankan restaurant which serves mouth watering Thai cuisine. From a romantic dinner for two to private dining for groups, our unique concoction of spices is a must-have in Colombo, offering an unforgettable culinary journey that blends tradition, flavour, and impeccable service for every guest.



### Pool Bar & Bistro

Unwind by the poolside at Cinnamon Lakeside Colombo's Pool Bar & Bistro, where casual elegance meets culinary delight. Savour handcrafted wood-fired pizzas and a curated selection of cocktails, all while enjoying the serene ambiance. Whether you're seeking a relaxed afternoon or a vibrant evening, this spot offers the perfect setting to indulge and relax.



### Room Service

When cravings call, simply ring us up and choose from our diverse menu featuring Asian, Western, and Fusion cuisines. Our attentive staff ensures a seamless and delightful dining experience round the clock, delivered straight to your door, so you can savour your favourite flavours in the comfort of your own space.



### Goodies

Find your slice of indulgence at Goodies, our delightful pastry shop and casual wine bar. Let the enticing aroma of French pastries, sumptuous cakes, and freshly brewed coffee draw you in. For those special moments, indulge in our bespoke cakes, or unwind with a perfectly paired glass of wine for a truly satisfying treat.



### Colombar

Experience island life at our bar, with a special collection of over 100 types of arracks and local brews, accompanied by authentic Sri Lankan dishes. Don't miss our signature drink, a smooth blend of local arrack, cinnamon and tea served in a lantharuma (lantern), or the enticing Thambapanni crab curry. Complete your evening with lively music and a warm, inviting atmosphere that celebrates the rich spirit of Sri Lankan hospitality.



### The Lounge

With live music and soothing lake views, time drifts away quite easily here. Order a delectable sushi platter complete with a variety of sashimi, maki, nigiri, and more, or join us for an elaborate evening of high tea, elevated with an exclusive Dilmah Tea Collection. Pair your experience with a fine selection of wines or handcrafted cocktails, making every visit a truly memorable escape.



### CUSTOMER SATISFACTION

At Trans Asia Hotels PLC, customer satisfaction remains a key priority in line with the service excellence standards of the John Keells Group's hotels and resorts portfolio. We adopt a multi-faceted approach to capturing guest feedback, utilising a variety of channels including direct surveys, online review platforms, and in-person interactions. Customer insights serve as a vital source of information, validating the effectiveness of our service delivery while also identifying areas for improvement. This continuous feedback loop empowers us to refine and enhance our offerings, ensuring that we consistently exceed guest expectations and reinforce their loyalty to the Cinnamon Lakeside experience.

1. **Review pro** – Captures customer feedback from all channels. Comprises a guest satisfaction survey emailed to the guest upon departure to obtain feedback.
2. **In stay Survey** – QR code in guest rooms which enables guests to provide their feedback during their stay
3. **Restaurant survey** – QR code placed in outlets for diners to provide their feedback
4. **Analysis of social media reviews** (Trip Advisor/ Google, Facebook etc.)



# Social and Relationship Capital

## CUSTOMER TESTIMONIALS

Guest testimonials offer authentic reflections of the memorable experiences we strive to create at Cinnamon Lakeside. The following excerpts from TripAdvisor on hotel stays as well as our restaurants/ coffee shop Goodies highlight the trust, satisfaction, and lasting impressions we have built with our valued guests.



### An unforgettable experience at Cinnamon Lakeside Hotel, Colombo

Our stay at the Cinnamon Lakeside Hotel in Colombo was nothing short of exceptional, and we were fortunate enough to stay here twice, once when we first landed in Colombo, and later when we had a layover before our flight the following day. Both times, the experience was truly memorable, and this hotel has now become one of our favourites.

Nestled beautifully on the bank of Beira Lake, the hotel's location is perfect, offering a peaceful oasis right in the heart of the city. Surrounded by the modern skyline of high-rise buildings, including other major hotels, the view from this property is simply breathtaking. It is a stunning blend of urban sophistication and natural beauty, and the moment we arrived, we felt the luxurious yet welcoming atmosphere.

The check-in process was impressively smooth and high-tech, handled entirely on an iPad, which was a refreshing experience. Special thanks to the staff, who went above and beyond to offer us a lake-view room. Their hospitality was top-notch, and we were thrilled with our room.

The room itself was spacious and pristine, offering a spectacular view of the swimming pool, Beira Lake, and the majestic Lotus Tower, which can be seen in all its grandeur, especially at night when it lights up in dazzling colours. The nighttime view of the Lotus Tower from our room was simply enchanting, making the entire stay feel magical.

The housekeeping team did a fantastic job, keeping the room spotless throughout our stay. We were especially happy with the attentive service, as we were provided with water bottles whenever we needed them, even late into the evening.

The breakfast and dinner experiences were absolutely WOW! The Sri Lankan cuisine, both vegetarian and non-vegetarian, was superb, and the hotel's elaborate menu of Indian, Asian, and Italian dishes left us spoilt for choice. Every meal was a delightful treat, and we truly enjoyed the variety and the delicious flavours.

From guests who travelled as a couple in September 2024

### Family menu 20% offer

From the moment we called to place the order, the staff was friendly and helpful, and she made sure everything was arranged just the way we wanted. The portions were generous, and every dish tasted fresh. Big thanks to all the staff who helped put the meal together it really made a difference. We appreciate your kindness and great service. Looking forward to ordering again soon. Keep up the amazing work. Thanks staff & Lakeside chefs.

March 2025

### Wonderful hotel in Central Colombo

This is a fabulous hotel in central Colombo with a lovely swimming pool with views over the lake. We were greeted with cinnamon and apple tea on arrival, the staff were super friendly and the room was luxurious and very comfortable. Much needed after a long flight. The breakfast was also outstanding with a huge selection. I wish we'd stayed more than one night here!

February 2025

## FOOD QUALITY AND SAFETY

Trans Asia Hotels PLC remains firmly committed to upholding global best practices across all areas of operations, maintaining internationally recognised certifications such as ISO 22000:2018 – Food Safety Management System (FSMS). As an ISO 22000:2018 FSMS certified hotel, we implement stringent food safety controls, including daily kitchen inspections, monthly audits, and rigorous supplier selection, approval, and incoming material acceptance protocols.

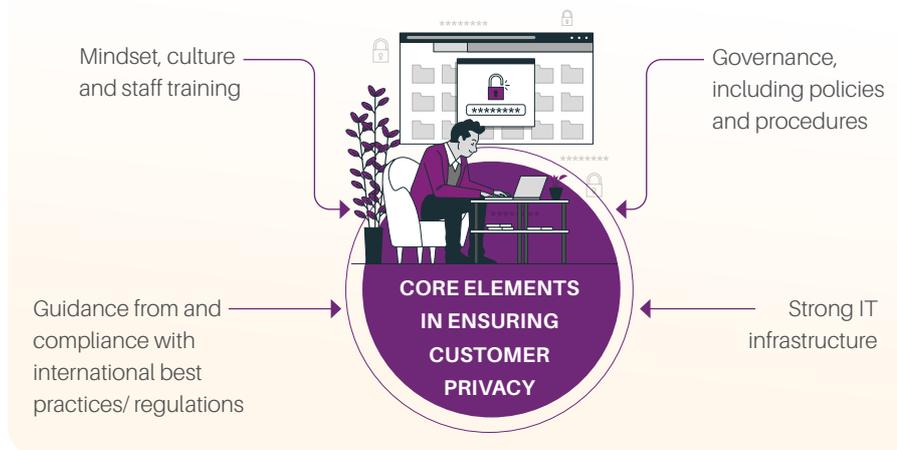
In-process controls are meticulously managed through Critical Control Points (CCPs), Operational Prerequisite Programs (OPRPs), and Prerequisite Programs (PRPs), with regular monitoring, measurement, verification, and validation to ensure full compliance with specifications.

We also ensure annual medical screenings for all food handlers and provide continuous training and evaluation to maintain the highest hygiene and food safety standards. Importantly, there were no reported incidents of non-compliance with health and safety standards regarding our products and services during the year.

#### CUSTOMER PRIVACY

At Trans Asia Hotels PLC, safeguarding customer privacy is a core commitment woven into every aspect of our operations.

We responsibly collect personal information, including names, addresses, and payment details, and secure it with stringent data protection measures to prevent unauthorised access or breaches. We are fully transparent about data usage, obtain customer consent where required, and empower customers with control over their personal information. All data processing activities are conducted with the highest respect for privacy, in strict adherence to applicable regulations, including the European Union's General Data Protection Regulation (GDPR). Our approach is supported by structured protocols, including comprehensive staff training on data privacy, strong cybersecurity practices, and clearly defined privacy policies that guide our responsible handling of customer data.



#### CUSTOMER HEALTH AND SAFETY

At our Company, the health, safety, and well-being of our guests are of utmost priority. We have implemented comprehensive security, hygiene, food safety, and emergency response measures to ensure a safe and worry-free experience throughout their stay.

#### 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

# Social and Relationship Capital

## COMPLIANCE STATUS

	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

## CHANNEL PARTNERS

Our channel partners play a critical role in expanding the Company's reach to diverse markets and customer segments across the globe. We leverage a broad network of primary sales and distribution channels, including travel agencies, online travel agents (OTAs), direct sales channels, booking websites, and walk-in guests. This multi-channel approach enables us to optimise visibility, capture different customer profiles, and drive consistent occupancy throughout the year.

To further strengthen our presence in key markets, we operate global sales offices in India, France, the United Kingdom, China, and Germany. These offices, supported by our Global Contact Center established in 2022, have significantly enhanced conversion rates and improved customer satisfaction levels by providing personalised, efficient service to both corporate and leisure clientele.

### 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

## 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.

### 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 Lakeside'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.

Through these strategic initiatives, we have deepened our partnerships, expanded market share, and strengthened Company's reputation as a preferred destination for both leisure and business travellers.

## SUPPLIERS

Trans Asia Hotels PLC has implemented structured procedures to foster long-term, mutually beneficial relationships with its suppliers. These relationships are governed by a comprehensive Supplier Code of Conduct, which mandates compliance with all relevant laws and regulations relating to labour standards, human rights, environmental protection, and ethical business practices. The Company also ensures that all commercial agreements clearly outline payment terms, and adheres strictly to these terms for all properly invoiced transactions.

### Key supplier concerns addressed

During the year, the Company actively engaged with suppliers to address the following priority concerns:

- Continuity of business opportunities
- Ease and efficiency of transactions
- Timely settlement of dues
- Adherence to ethical business practices

## Sustainable and inclusive procurement

Environmental and social responsibility is integrated into the Company's procurement framework. Preference is given to sustainable products, services, and technologies that align with our broader corporate responsibility goals. The Company also supports local, small and medium-sized enterprises (SMEs) and minority-owned suppliers, collaborating with them to build a diverse, inclusive, and resilient supply chain.

### Transparent supplier selection

Suppliers are onboarded through a transparent and impartial tender process, which evaluates candidates based on clearly defined social, environmental, and financial criteria. In 2024/25, a total of 167 new suppliers were added to our vendor base, further enhancing the diversity and strength of our supply network.

**Supply Chain Impacts**

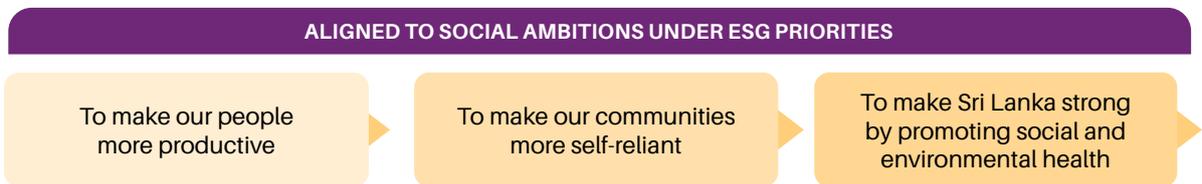
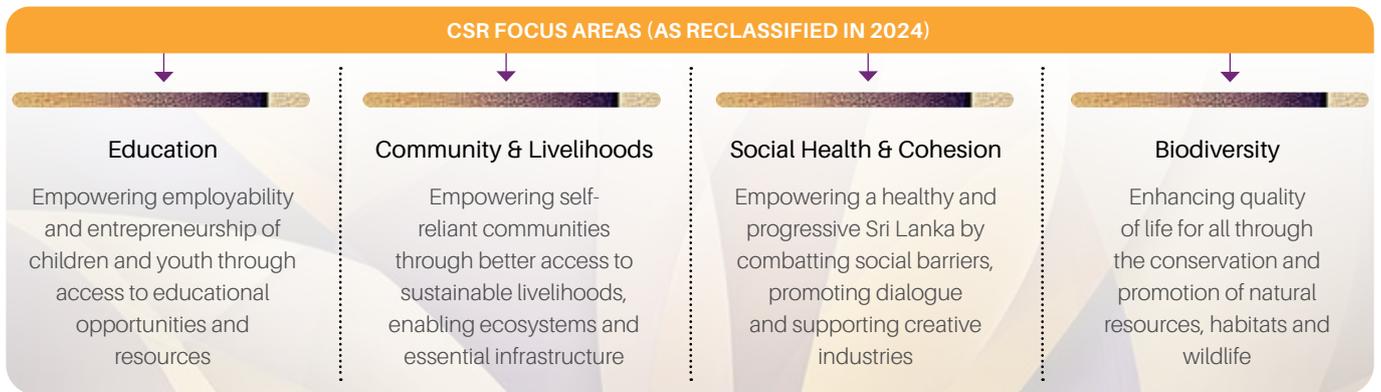
No negative social or environmental impacts were identified within the supply chain during the reporting period, reinforcing the effectiveness of our ethical sourcing and supplier management practices.

**Supplier related targets**

2025 Goals	KPI/ Target	Progress	Our achievement so far
Supplier Impact Assessments to be carried out for all contracted suppliers in top 10 purchase categories	50% of suppliers to be assessed using the Cinnamon Supplier Impact Assessment	On track	233 suppliers responded and answered the assessment.
Increase the local supplier base up to 50% while prioritising locally sourced ingredients	50% local supplier base	On track	Approximately 100% of our suppliers are from surrounding communities
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	To be implemented	Planned commencement - During FY 2025/26 Current status Women led businesses – 50 Achieved 7.73% Businesses led by PWDs – 18

**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, 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 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.



# Social and Relationship Capital

## COMMUNITY EMPOWERING PROJECTS CONDUCTED DURING THE YEAR

### Flagship initiative Pasal Diriya – School Meals Programme

- Inception: Year 2020
- Target group: School students of St. Mary’s Balika Maha Vidyalaya, Colombo 03
- Reach: Provision of meals to school students
- 2024/25: 150 school children
- Cumulative impact inception: 640 school children

Collaborations: Cinnamon Lakeside and Cinnamon Grand Colombo together with John Keells Foundation

Alignment to strategic CSR initiatives of the John Keells Group: Education initiatives of John Keells Foundation complementing learning opportunities with nutrition for our children and youth

Socio-economic impact: Eliminating malnutrition conditions and improving attendance rate among children

#### Contribution to SDGs:



## The impact we create



#### Direct impact

- Strengthening communities
- Provision of social services
- Bringing culture and art to communities that lack access or awareness, ensuring their enriching value is experienced by all

#### Indirect impact

- Preserving the local culture and heritage
- Revitalisation of customs and art forms

### First Aid Camp for school teachers

To mark Teacher’s Day, a first aid camp was conducted on October 7, 2024, for school teachers at Sri Saddharmodaya Maha Vidyalaya, an underprivileged school in Kirulapone, in collaboration with Alivio Health.

Impact: The first aid camp equipped teachers with essential life-saving skills, improving school safety and supporting the well-being of both educators and students.

#### Contribution to SDGs:



### Nutrition awareness secession for mothers

To mark Hunger Day, a 1.5-hour nutrition awareness session was conducted for mothers of schoolchildren under the theme 'Thriving Mothers, Thriving Child Potential'.

Impact: Improved nutrition awareness among mothers, addressing misconceptions and promoting better dietary practices for both mothers and children.

#### Contribution to SDGs:



### Supporting children in orphanages

Meals, dry rations, and festive gifts were provided to children at Lawris Children's Home and to 18 children aged 6 to 18 years at a child development center in Wattala, supporting their nutritional and emotional well-being.

Impact: Improved nutrition and overall well-being, fostered a supportive environment, met basic needs, strengthened community bonds, and brought joy to the children.

#### Contribution to SDGs:



### Donation of linen

- Donated gently used linen to an elderly care home in Wadduwa
- Donated 984 pieces of gently used linen to the Deaf Welfare Association in Veyangoda

Impact: Provided essential support, enhancing living conditions and comfort for those in need.

#### Contribution to SDGs:



### Supporting differently-abled children

Under the guidance of the Sunera Foundation, this CSR activity was held at Thapodanaramaya temple in Mount Lavinia to celebrate the World Children's Day where the hotel team members and 2 guides from Sunera Foundation entertained the differently-abled children doing fun activities and painting.

Impact: Engaging with differently-abled children through fun activities and painting fosters emotional expression, builds confidence, enhances motor skills, promotes social inclusion, and encourages creativity while fostering empathy and understanding.

#### Contribution to SDGs:



### Painting a hospital ward

Painted two corridors, the specialist doctor's office, and another room in Ward No. 45 at General Hospital, Colombo, where the paint was scaling and in poor condition.

Impact: Due to the country's ongoing financial situation, government funding for non-essential services like painting is severely limited, with resources mainly allocated for drugs and other critical medical supplies. As a result, some areas of the hospital appear old and unhygienic due to faded paint. Revitalising these spaces through painting can improve the hospital's environment, making patients feel more welcomed and easing their experience despite their medical conditions. Our contributions benefit the general public, the majority of whom rely on the services of the National Hospital of Sri Lanka (NHSL), which remains the preferred healthcare facility for treatment.

#### Contribution to SDGs:



Rs. 2 Mn

Total investment in community empowering initiatives



622.75 hrs

Total employee volunteer hours spent



# Social and Relationship Capital

## WAY FORWARD

### Customers

Moving forward, we will continue to enhance customer satisfaction by personalising services and leveraging technology to provide seamless digital experiences. We aim to strengthen our sustainability efforts by offering eco-friendly initiatives that resonate with conscious travellers. Additionally, we will focus on developing robust loyalty programs to foster long-term relationships and encourage repeat patronage. Our commitment to continuous improvement will ensure that every guest experience at Cinnamon Lakeside is memorable and exceeds expectations.

### Channel Partners

To strengthen our market presence, we will expand and deepen relationships with our global network of channel partners, offering training and resources to improve their ability to effectively promote our brand. We will collaborate on joint marketing initiatives to increase visibility and attract new customers, while focusing on optimising distribution channels through innovative technology. Our goal is to ensure mutual growth by fostering long-term partnerships and improving the efficiency of our sales and booking processes.

### Suppliers

We will continue to strengthen relationships with our suppliers, focusing on long-term collaboration and ethical sourcing practices. By prioritising sustainability and working with partners who share our values, we aim to enhance the quality and efficiency of our supply chain. Furthermore, we will explore innovative solutions and new suppliers to continuously improve our offerings and maintain a competitive edge, ensuring that our operations remain smooth and cost-effective.

### Communities

We are committed to deepening our engagement with local communities through expanded Corporate Social Responsibility (CSR) initiatives that focus on education, healthcare, and sustainable development. By promoting local tourism and cultural heritage, we aim to support economic growth and preserve the uniqueness of the region. We will continue to prioritise social inclusion, working to uplift marginalised groups and make a meaningful difference through targeted community programs.



# Natural Capital



Natural  
Capital

At Trans Asia Hotels PLC, natural capital, comprising renewable and non-renewable resources such as land, water, energy, air, biodiversity, and ecosystems is fundamental to our value creation journey. We recognise that our operations are deeply intertwined with nature, and we are committed to preserving and enhancing these resources for long-term sustainability. Guided by a structured, governance-driven approach, we align our initiatives to address the triple planetary crisis of climate change, pollution, and biodiversity loss, reinforcing our role as a responsible steward of the environment through sustainable tourism practices.



## KEY CONSTITUENTS OF THE CAPITAL

- Land
- Energy
- Water

**36,786 m<sup>2</sup>**

Total land extent in Colombo 02

**44,506 GJ**

Total energy consumption during the year

**129,075 m<sup>3</sup>**

Total water withdrawn during the year

CAPITAL RELATED RISKS AND OPPORTUNITIES

**RISKS**

- Rising energy costs impacting operational expenses
- Increased water scarcity affecting hotel operations and landscaping
- Climate change-related extreme weather events disrupting business continuity
- Stricter environmental regulations leading to higher compliance costs
- Negative brand perception if sustainability expectations are not met
- Urban pollution and air quality deterioration affecting guest experience and health perceptions

**OPPORTUNITIES**

- Enhancing energy efficiency to reduce operational costs and emissions
- Investing in renewable energy solutions (e.g., solar panels) to secure long-term energy needs
- Water conservation initiatives strengthening resilience and reducing costs
- Positioning as an eco-friendly hotel to attract sustainability-conscious guests
- Gaining recognition through green certifications and sustainability awards
- Building partnerships with environmental organisations for greater community and ecological impact

CONNECTED STAKEHOLDERS AND THEIR MANAGEMENT APPROACH

**CUSTOMERS**

The Company's commitment to preserving natural resources enhances the guest experience through eco-friendly practices, clean environments, and responsible luxury. We manage this connection by implementing sustainable operations, promoting green initiatives, and offering guests environmentally conscious choices during their stay.

**EMPLOYEES**

Our stewardship of natural capital creates a safer, healthier, and more inspiring workplace for employees, fostering pride and engagement. We manage this connection through continuous training on sustainability practices, encouraging employee participation in green initiatives, and maintaining high environmental standards across operations.

**COMMUNITIES**

By protecting natural resources, the Company contributes to broader environmental health and community well-being. This connection is managed through partnerships with local stakeholders, community outreach programs, and initiatives aimed at promoting responsible tourism and reducing our ecological footprint.

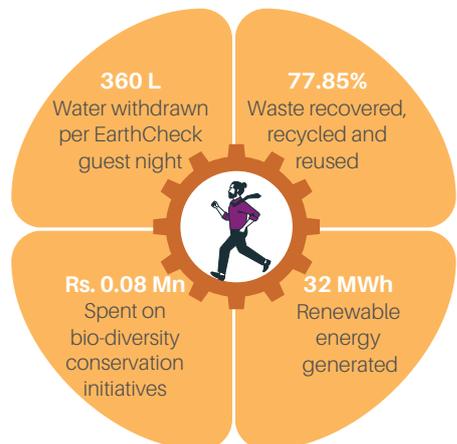
LINK TO OUR MATERIAL MATTERS

GHG emissions and energy management  
Water management  
Waste management

LINK TO OUR STRATEGY

ESG Considerations  
Operational excellence & cost optimisation

VALUE ADVANCED



# Natural Capital

## MANAGEMENT APPROACH

The Company follows a structured approach in managing its impact on the natural world as follows



### 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

At Trans Asia Hotels PLC, environmental stewardship forms a core part of our corporate ethos, closely aligned with the broader ESG agenda of our ultimate parent company, John Keells Holdings PLC. Guided by immediate targets set for 2025, we remain firmly on track toward achieving our long-term sustainability goals. We recognise the escalating challenges posed by climate change and the critical importance of sustainable business practices. As such, we are deeply committed to minimising our environmental impact by embedding environmental responsibility across all facets of our operations. Through proactive measures to reduce our carbon footprint, optimise resource consumption, and implement eco-conscious practices, we continuously reinforce our reputation as a responsible and forward-looking corporate citizen. Our comprehensive sustainability initiatives reflect this commitment, ensuring that we contribute meaningfully to a healthier planet while creating lasting value for our stakeholders.

Our sustainability initiatives include:



### Implementing energy efficient practices to reduce carbon footprint

We invest in energy efficient technologies and practices, such as the use of renewable energy sources 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, recycling water where possible, 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 and composting programmes as well as reducing single use plastics and packaging materials. This helps us lessen our impact on landfills and promotes a circular economy.

## POLICIES THAT DRIVE OUR ENVIRONMENTAL INITIATIVES

Policy	Reviewed in 2024/25	Additional information
Sustainability Policy	Yes	Derived based on the ESG framework of Cinnamon Hotels & Resorts.
Environment Policy	Yes	Derived based on ISO 14001:2015 requirements
Elimination of Single use Plastic Policy	Yes	Include banned plastic items, supplier management, plastic based awareness encompassing both employees and the community

## STANDARDS AND CERTIFICATIONS

### ISO 14001:2015 - Environmental Management System

Travelife Gold certification for accommodation sustainability - We are utilising the Travelife Environmental Performance Management Tool (EPMT) to track carbon equivalent emissions from energy, water, solid waste, and high-emission food. Additionally, the system allows us to measure and monitor the monthly procurement of environmentally impactful items, including single-use plastics, hazardous substances, and high-emission food such as fish, dairy, and meat.

### New development in 2024/25

Preliminary steps of ISO 14064-3 certification scheme

successfully completed the emissions calculation and verification for the 2023/24 FY together with Sri Lanka Climate Fund.

For the first time we calculated our Scope 3 emissions through this exercise.

## 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.

### ENVIRONMENT SUSTAINABILITY DATA STEWARDSHIP TOWARDS 2025 TARGETS

#### Monthly KPIs Data tracked via internal system

- Carbon footprint per guest night (Kg/GN)
- Water withdrawn amount per guest night (L/GN)
- Landfill waste per guest night (Kg/GN)
- Single use plastic amount per guest night (Kg/GN)
- Staff volunteer hours per month

Reports compilation by the Sustainability Team at Cinnamon center sustainability team to monitor progress on KPIs and performance against benchmarks set by EarthCheck Pte. Ltd.

Progress shared with Lakeside Management for discussion as well as Cinnamon Executive Committee



#### Quarterly sustainability data Collected through the Unique online platform

- Energy Consumption
- Water Consumption
- Waste Generation and disposal
- Violations
- Single use plastic consumption
- Carbon Footprint (Scope 1 and Scope 2) according to GRI standards.

Reports generated according to GRI criteria and reviewed by Sustainability, Enterprise Risk Management team, John Keells Holdings PLC

Sustainability Dashboard indicating performance against benchmarks derived by EarthCheck are shared with the Sector, to be presented to Group Management Committees



#### External assurances

- Annual Sustainability Assurance Audit conducted by Sustainability, Enterprise Risk Management and Initiatives team on data recording process and entry.
- Independent limited assurance on sustainability indicators in the integrated annual report by Messrs. KPMG, Chartered Accountants

Sustainability Assurance Audit Report shared with Hotel Management team and Centre Sustainability Team with audit findings and recommendations



## EARTHCHECK BENCHMARKING AND CERTIFICATION

In July 2024, Trans Asia Hotels PLC 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

## Key focus areas during the year in managing natural capital

- Eliminate or significantly reduce the use of single-use plastics
- Reduce emissions from activities within the Engineering and Housekeeping Departments
- Minimise energy consumption across HR, IT, Accounts, Engineering, F&B, Front Office, Housekeeping, Laundry, Kitchen, and Stores
- Reduce, reuse, and recycle waste generated across HR, IT, Accounts, Engineering, F&B, Housekeeping, Laundry, Kitchen, and Stores
- Strengthen sustainable procurement practices across Purchasing, F&B, Housekeeping, Kitchen, and Stores
- Lower the water footprint across Engineering, F&B, Housekeeping, Laundry, and Kitchen Departments

## Performance against 2025 Goals

2025 Goals	KPIs/Targets	Progress	Our achievement
Reduce Carbon footprint (Scope 1 & 2)	Reduce carbon footprint by 2% per guest night at the end of 2025 (Base Year 2023/2024)	On track	Although the 2% reduction target from the 2023/2024 base year (15.55 kg) was not achieved—instead, the carbon footprint increased by approximately 28.7% the 2024/2025 figure of 20.02 kg per guest night remained 4.68% below the set benchmark of 20.5 kg. (Carbon footprint per ECG GN Benchmark for 2024/2025: 20.5 kg)
Biodiversity Conservation	Implement one biodiversity conservation project by 2025	On track	A biodiversity conservation project was implemented through a reforestation initiative, with 100 plants successfully planted at the Bellanwila Attidiya Bird Sanctuary.
Energy reduction:	Reduce energy consumption by 2% per guest night from 2023/2024 consumption	Achieved	Energy consumption per ECG guest night was increased by approximately 18.5 % in 2024/2025 compared to 2023/2024 consumption, moving away from the 2% reduction target.
Reduce single-use plastic consumption	50% reduction of single-use guest facing plastic from 2021/22 base year	Behind	Single-use guest-facing plastic rose from 16.49 g in 2021/22 to 25 g in 2024/25, moving away from the 50% reduction goal. To address this, initiatives such as replacing PET bottles with glass bottles and installing water fountains are planned for the FY 2025/26
Water stewardship	Reduce water consumption by 2% per guest night from 2023/2024 consumption	Achieved	Water consumption per ECG guest night was reduced by approximately 17.84% in 2024/2025 compared to the base year 2023/2024, significantly exceeding the 2% reduction target.
Waste management	90% of waste to be diverted from landfills	Achieved	In 2024/2025, 99.81% of total waste was diverted from landfill, successfully surpassing the target of 90% diversion.
	Increase recycled and reused waste	Achieved	Exceeded target ahead of schedule - recycled and reused waste increased by 11.8%.
Renewable Energy	15% of Energy requirements covered by renewable energy	Behind	Only 0.44 % of total energy is covered by solar power

## ENERGY MANAGEMENT AND EMISSIONS MANAGEMENT



### Total GHG emissions

**7,180 tCO<sub>2</sub>e** (2024/2025)

**5,579 tCO<sub>2</sub>e** (2023/2024)

**28.7%** ↑

## Energy consumption by source

In GJ	2024/2025	2023/2024	YoY Change (%)
Grid Electricity	26,214	24,344	7.68
Diesel	276	311	(11.23)
Petrol	227	-	100
Furnace Oil	12,088	8,919	35.53
LPG	5,700	3,981	43.19
Total Energy Consumptions	44,505	37,555	18.51



**99.62%**  
of grid electricity used

**0.44%**  
of renewable energy used

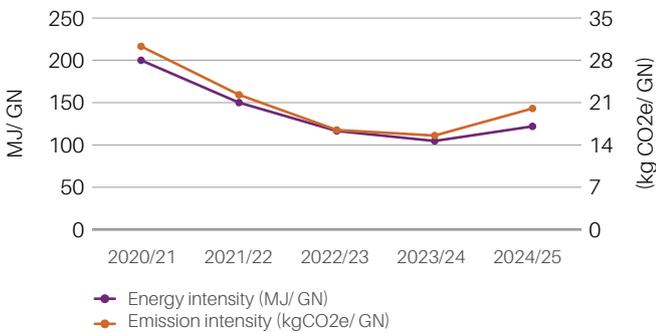
**Environmental impact - Emissions**

In tCO2e	2024/2025	2023/2024	YoY Change (%)
Direct (scope 1) GHG emissions	1,253	970	29.2
Indirect (scope 2) GHG emissions	5,927	4,609	28.6
Total carbon footprint	7,180	5,579	28.7



**0.12 GJ**  
Energy Footprint per Guest Night  
(2023/24: 0.10GJ)

**Energy intensity and carbon footprint**



**Energy efficiency initiatives**

The Company remained committed to sustainable operations by embedding energy-saving practices across all departments, even though large-scale projects were limited during the year. Key initiatives included:

**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.

**Renewable energy adoption and innovations**

- 0.44% of the hotel's energy requirements were met through self-generated solar power.

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

**Reduction of aerosols and VOCs**

- Eliminated non-essential aerosol products, replacing them with pump sprays and propellant-free alternatives.
- Phased out solvent-based and VOC-containing cleaning products, shifting to biodegradable and eco-certified agents.
- Trained staff extensively on safe use of cleaning agents to prevent chemical interactions and toxic emissions.

# Natural Capital

## Refrigeration and HVAC improvements

- Systematically phased out CFC-containing refrigeration units, ensuring all new acquisitions are environmentally 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.
- Replaced Halon-based fire safety systems with ozone-friendly alternatives.

## 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.

## 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 and organic 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.

### Celebrating Earth Hour

We celebrated the Earth Hour day by dimming the light for the entire hotel for an hour on 22 March 2025

## WATER AND EFFLUENT MANAGEMENT



Water withdrawn per guest night

**360 Litres/ GN**

438 Litres/ GN (2023/2024)

**17.84% ↓**

### Water withdrawn by source

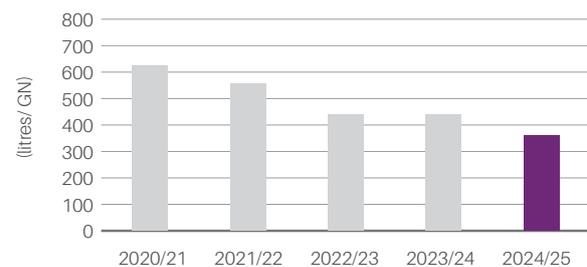
In m3	2024/25	2023/24	YoY change (%)
Pipe-borne water from the municipality	128,639	156,619	(17.87)
Groundwater	436	585	(25.47)
Total water withdrawn	129,075	157,204	(17.89)

### Water consumption

In m3	2024/25	2023/24	YoY change (%)
Total water withdrawn	129,075	157,204	(17.89)
Total water discharged*	106,180	135,170	(21.45)
Total water consumed	22,895	22,034	3.91

\* This does not include water discharge for swimming pool use.

### Water withdrawn per guest night



## WATER MANAGEMENT ACTION PLAN DEPLOYED DURING THE YEAR

### Monitoring and measurement

- Install individual water meters across all departments to monitor usage
- 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
- Replace toilets with low-flush or dual-flush systems
- Fit public areas with timed (self-closing) faucets and smart shower systems
- Maintain plumbing fixtures, promptly repair leaks, and ensure pool integrity

### Water-efficient operations

- Adopt water-efficient dishwashers, laundry equipment, and kitchen appliances
- Soak dishes before dishwasher use to reduce rinsing
- Fill dishwashers to full capacity before running cycles
- Schedule garden irrigation during early morning or late evening to minimise evaporation
- Monitor water usage regularly to identify and fix leaks promptly

### 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 table cards, digital messages, and welcome packs

### Sustainable housekeeping and laundry practices

- Use only eco-friendly, biodegradable cleaning products
- Avoid cleaning products with harmful chemicals like chlorine, phosphates, EDTA, or NTA
- 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

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



#### Waste generated per guest night

**0.79 kg/ GN** (2024/2025)

**0.75 kg/ GN** (2023/2024)

**5.3% ↑**

In the financial year 2024/25, the waste generated per guest night increased by approximately 5.33% compared to the previous year (from 0.75 kg/GN to 0.79 kg/GN). However, this figure remains well below the set benchmark of 0.91 kg/GN, indicating positive progress toward waste minimisation targets. Continued focus on waste reduction initiatives will help sustain this momentum and potentially exceed future goals.

Significant waste generated by our operations - Food waste and plastic waste

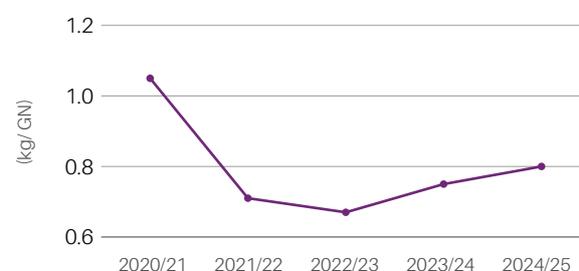
#### OUR APPROACH TO WASTE MANAGEMENT

Waste is segregated at source by material type. Recyclable materials are then sold to authorised collectors registered with the Central Environment Authority, waste management companies or collected by the Municipal Council. Hazardous waste such as electronic waste, toners and cartridges are handed over to those who have the required license.

#### Waste generated

In MT	2024/25	2023/24	YoY change (%)
Total hazardous waste	0.1	0.5	(79.25)
Total non-hazardous waste	284.4	267.1	6.47
Total waste generated	284.5	267.6	6.31

#### Waste/ GN



# Natural Capital

## Landfill waste per guest night

Landfill Waste	2023/24	2024/25
g/GN	N/A	1.49

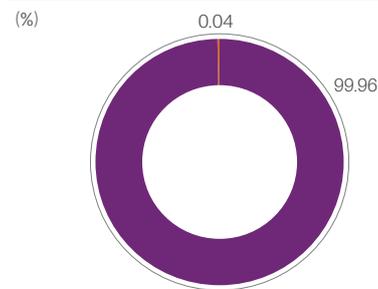
## Waste by disposal methods

Waste Type - in kg	Method of Disposal	2025/24	2024/23
Non-Hazardous	Reuse	183,043	195,639
	Recycle	34,209	35,226
	Recovery	4,200	2,790
	Landfill	535	-
	Incineration	-	33,439
Hazardous	Composting	62,383	-
	Recycle	82	-
	Reuse	18	482
	Recovery	-	-
<b>Total Measured Waste - Kg</b>		<b>284,470</b>	<b>267,576</b>

## Waste by type

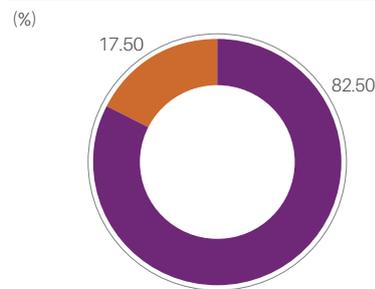
Waste type disposed	Measured Waste (Kg)	
	2025/24	2024/23
Organic Waste	240,087	195,639
Paper/Cardboard waste	10,024	10,948
Plastic / Polythene waste	5,413	5,026
Non-hazardous metal waste	2,655	2,790
Glass/ ceramic waste	18,987	19,252
Other non-hazardous waste	7,204	33,439
<b>Total non-hazardous waste disposed</b>	<b>284,370</b>	<b>267,094</b>
E Waste	36	-
Other hazardous waste	64	482
<b>Total hazardous waste</b>	<b>100</b>	<b>482</b>
<b>Total measured waste</b>	<b>284,470</b>	<b>267,576</b>

## Waste composition



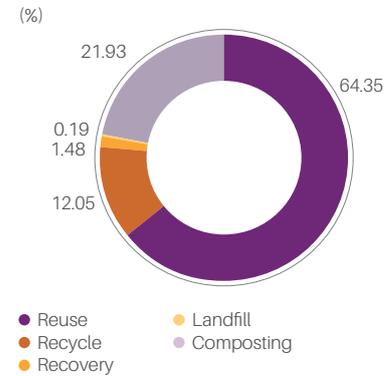
● Non-hazardous waste  
● Hazardous waste

## Hazardous waste



● Recycle  
● Reuse

## Non-hazardous waste



● Reuse  
● Recycle  
● Recovery  
● Landfill  
● Composting

## Waste reduction initiatives taken during the year

- Purchasing in bulk, which reduces packaging waste
- 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
- Waste audits and waste management awareness sessions conducted for staff.

Single use guest facing plastic consumption grams per Guest Night

2024/25	2023/24	YoY Change
25	22	3

## Paper bundle purchases

2024/25	2023/24	YoY Change
1,129	940	189

## Reducing Food Waste

We acknowledge that food waste is a serious issue and have taken various initiatives to reduce the generation of organic waste.

- Manage purchasing to avoid excessive purchasing
- Following proper food storage practices in line with ISO 22000:2018 Food Safety Management system

- Menu planning and portion controlling
- Re-purposing food
- Diverting excess food for staff consumption
- Diverting waste for composting and or as animal feed
- Daily monitoring of organic waste disposal from each kitchen outlet
- Monthly monitoring of food waste against covers.
- Awareness programs on food waste conducted for staff

Food Waste Per Cover

2024/25	2023/24	YoY Change
0.27	0.22	0.05

**BIODIVERSITY CONSERVATION EFFORTS**

SASB - SV-HL-160a.2

Reforestation

Planting of pollinator friendly plants

Beach cleanup

**REFORESTATION WITH EMPLOYEE VOLUNTEERISM**

Asian Hotels and Properties PLC, our parent company along with other John Keells city hotels, viz Trans Asia Hotels PLC and Cinnamon Red 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’ and ‘Cinnamon Red Colombo’ planted 100 trees to support the restoration effort.

Planting of pollinator friendly plants within the hotel premises



Types of trees planted

- Stachytarpheta urticifolia
- Ixora coccinea
- Portulaca grandiflora
- Russelia equisetiformis
- Lupinus cochinchinensis
- Crossandra infundibuliformi
- Mussaenda frondosa



Trans Asia Hotels PLC 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, Trans Asia Hotels 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 hotel’s commitment to environmental sustainability. Through this hands-on activity, employees were empowered to take a more active role in environmental stewardship.



SASB - SV-HL-160a.1

Trans Asia Hotels PLC does not have any lodging facilities located in or near areas of protected conservation status or endangered species habitat. The Company’s property is located in Colombo 02.

# Natural Capital

## SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES AND CLIMATE RELATED RISKS AND OPPORTUNITIES

We are well aware of the various sustainability and climate related risks and opportunities that are prevalent in the current context. We also understand the importance of identifying the financial impact of same on operations and to what extent they can affect our ability to generate cash flows over the short, medium and long term as such ability is inextricably linked to the interactions between us and our stakeholders, society, the economy and the natural environment throughout our value chain. Our dependencies on those resources and relationships and its impacts on those resources and relationships give rise to sustainability-related risks and opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) in our operations. We firmly believe that aligning SRROs and CRROs in our operations will ensure more meaningful value generated to all our stakeholders. Additionally reporting on the SRROs and CRROs will be very useful to the primary users of our financial statements, as same leads to informed decisions made by them. Whilst identification and application of SRROs and CRROs in our operations is already in place, in this year, we have made initial steps towards identifying the financial impact of same on our capital providers. In the ensuing years we will strengthen these disclosures in full congruence with SLFRS S1 and SLFRS S2.

### Creating a sustainable world for all - Mapping SRROs

Sustainability encompasses multiple aspects such as the economy, employees, customers, suppliers, good governance, etc. We have identified the SRROs having considered all these multiple aspects.

Sustainability-Related Risks	Sustainability-Related Opportunities
<b>Stemming from the Shift to a Circular Economy</b>	
<ul style="list-style-type: none"> <li>Implementing circular economy practices may require additional energy for recycling, reusing, and refurbishing materials.</li> <li>Proper disposal and management of waste generated from circular economy practices can be complex and costly.</li> <li>Circular economy initiatives may increase water usage for recycling and reuse processes, potentially straining local water resources.</li> <li>Supply chain changes may be required to source sustainable materials, leading to procurement delays or increased costs.</li> <li>Lack of staff awareness and training on circular economy practices may reduce effectiveness of initiatives.</li> <li>Higher upfront investment may be needed for infrastructure, equipment, or systems to support circular economy efforts.</li> <li>Regulatory uncertainty or lack of guidance on circular practices may lead to compliance challenges.</li> <li>Guest resistance or misunderstanding of circular initiatives (e.g., linen reuse, waste sorting) may affect guest satisfaction if not well communicated.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing sustainable practices in hotel operations, such as reducing energy consumption, water usage, and waste generation.</li> <li>Promoting local sourcing of ingredients and materials to support the community and reduce the carbon footprint.</li> <li>Introducing comprehensive recycling and waste management programmes to minimise waste and increase recycling rates.</li> <li>Offering eco-friendly amenities and sustainable alternatives (e.g., refillable toiletries) to guests, enhancing environmental responsibility.</li> <li>Partnering with local organisations and ethical suppliers to strengthen sustainability credentials and community relationships.</li> <li>Differentiating the hotel brand by marketing green credentials, which can attract environmentally conscious guests and corporate clients.</li> <li>Engaging employees in sustainability efforts can improve job satisfaction, retention, and innovation in resource-saving ideas.</li> <li>Aligning with national or global sustainability goals can open opportunities for grants, certifications, or recognition in the hospitality industry.</li> </ul>

## Sustainability-Related Risks

## Sustainability-Related Opportunities

## Stemming from talent attraction

- Increased competition for talent from other companies in the hospitality industry.
  - Difficulty in retaining top talent due to attractive offers from competitors.
  - Possibility of talent poaching from competitors leading to strained relationships in the industry.
  - Legal risks associated with talent acquisition, such as non-compete agreements and intellectual property protection.
  - High employee turnover leading to increased recruitment and training costs.
  - reputation risk due to negative feedback from former employees.
  - Burnout among existing staff due to understaffing or overwork.
  - Cultural misalignment with new hires affecting team cohesion.
  - Inadequate succession planning leading to leadership gaps.
- Networking events: Cinnamon Lakeside as a MICE host can organise networking events to attract talented individuals in the hospitality industry.
  - Collaborations with universities and hotel schools: Partnering with higher education institutes for career fairs and recruitment drives can help in attracting young talent.
  - Industry conferences and seminars: Participating in industry events to network with potential candidates and showcase the company's expertise.
  - Employee wellness programs to promote loyalty and reduce attrition.
  - Sustainability-focused branding to attract purpose-driven professionals.
  - Internal training and career development to build future leaders from within.
  - Diversity and inclusion initiatives to tap into broader talent pools.
  - Recognition and reward programs that boost morale and retention. E.g. High flyer of the month/ quarter/year.

## Stemming from Diversity, Equity and Inclusion (D,E &amp; I)

- Failure to create an inclusive work environment may result in discrimination, harassment, or exclusion of certain employees based on their race, gender, or other characteristics.
  - Inequitable treatment of employees from diverse backgrounds can lead to low morale, high turnover rates, and potential legal issues.
  - Lack of diversity in leadership may reduce innovation and alienate underrepresented groups.
  - Perceived or real bias in recruitment or promotions can damage employer reputation and trust.
  - Negative publicity or social media could harm brand image.
  - Legal consequences stemming from non-compliance with equal opportunity and anti-discrimination laws.
  - Communication breakdowns in multicultural teams due to lack of cultural sensitivity.
- Implement diversity training programmes for employees to promote understanding and inclusivity.
  - Host cultural events and celebrations to showcase and celebrate diversity within the company.
  - Create affinity groups or employee resource groups to support underrepresented employees.
  - Establish transparent hiring and promotion processes to ensure fairness and equal opportunity.
  - Partner with minority-focused organisations or networks to access diverse talent pools.
  - Offer mentorship programmes that pair senior leaders with diverse junior staff to support growth and inclusion.
  - Provide language and intercultural communication training to foster better collaboration in diverse teams.

# Natural Capital

Sustainability-Related Risks	Sustainability-Related Opportunities
<b>Stemming from Health and Safety aspects</b>	
<ul style="list-style-type: none"> <li>• Health and safety violations leading to fines or legal action.</li> <li>• Accidents or injuries to guests or staff.</li> <li>• Foodborne illnesses or outbreaks.</li> <li>• Poor hygiene practices leading to negative reviews or reputation damage.</li> <li>• Environmental health risks from improper waste management or chemical use.</li> <li>• Inadequate emergency preparedness for health-related incidents (e.g., heatwaves, pandemics).</li> <li>• Non-compliance with updated local or international health regulations.</li> <li>• Overworking staff leading to burnout and compromised service quality.</li> </ul>	<ul style="list-style-type: none"> <li>• Organising outdoor wellness activities such as yoga sessions, nature walks, and meditation classes to promote physical and mental well-being.</li> <li>• Implementing strict hygiene protocols and food safety measures to ensure the health and safety of guests during their stay.</li> <li>• Creating a supportive and inclusive environment that prioritises the wellbeing of both guests and employees.</li> <li>• Offering health-conscious menu options with allergen-free and organic ingredients.</li> <li>• Introducing eco-friendly cleaning products and reducing chemical exposure to improve air quality and safety.</li> <li>• Conducting regular staff training on first aid, emergency response, and sustainable health practices.</li> <li>• Installing air and water quality monitoring systems to ensure a safe environment for guests and staff.</li> <li>• Promoting work-life balance and mental wellness programs for employees.</li> </ul>
<b>Stemming from good governance Personal data protection and security</b>	
<ul style="list-style-type: none"> <li>• Trans Asia Hotels PLC and resorts may face the risk of data breaches where sensitive customer information such as personal details, credit card information, and booking history could be compromised.</li> <li>• The hotels are vulnerable to cyber attacks such as ransomware, malware, and phishing scams that could lead to data theft, system disruption, and financial loss.</li> <li>• Compliance with data protection laws such as GDPR, and other regulations should be ensured to avoid legal penalties and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing data protection policies and procedures to ensure compliance with relevant regulations such as GDPR.</li> <li>• Conducting regular security assessments and audits to identify and address vulnerabilities in the hotel's systems.</li> <li>• Providing training to staff on data protection best practices and security protocols.</li> <li>• Implementing encryption and access controls to protect sensitive guest information.</li> </ul>

## Sustainability-Related Risks

## Sustainability-Related Opportunities

## Protection of human rights

- Non-compliance with fair labour practices could result in legal action, reputational damage, and staff dissatisfaction.
  - Discrimination in hiring or guest service could lead to lawsuits, public backlash, and employee disengagement.
  - Operations impacting local communities may lead to protests, regulatory restrictions, or loss of social license to operate.
  - Lack of accessibility for guests with disabilities could result in non-compliance with laws and loss of market segment.
  - Human trafficking or exploitation in the supply chain may lead to severe legal and ethical consequences.
  - Inadequate oversight of third-party vendors may allow human rights violations in contracted services.
  - Public exposure of human rights violations could cause brand damage and consumer boycotts.
- Implementing a comprehensive human rights policy that aligns with international standards.
  - Conducting regular human rights impact assessments to identify and address potential risks.
  - Providing human rights training for all staff members to ensure awareness and compliance.
  - Promoting inclusivity and accessibility through infrastructure upgrades and staff sensitivity training.
  - Establishing grievance mechanisms for employees and guests to report human rights violations.
  - Partnering with ethical suppliers and integrating human rights criteria into procurement processes.
  - Engaging with NGOs and human rights organisations for third-party audits and continuous improvement.

## Supply chain controls

- Disruptions in the supply chain due to natural disasters, pandemics, or political unrest can impact the availability of essential goods and services for resorts.
  - Ensuring the quality of products and services from suppliers can be challenging and can lead to customer dissatisfaction if not managed effectively.
  - Fluctuations in prices of raw materials and services can affect the profitability of resorts and their ability to maintain competitive pricing.
  - Lack of transparency in the supply chain may lead to unethical sourcing or association with exploitative labour practices.
  - Dependency on a limited number of suppliers increases vulnerability to disruptions and reduces negotiation power.
  - Failure to monitor environmental compliance by suppliers may lead to reputational and regulatory risks.
  - Delays in deliveries due to poor logistics planning or supplier inefficiencies can affect operations and guest satisfaction.
  - Rising transportation emissions and carbon footprint from long-distance sourcing may conflict with sustainability goals.
- Developing strategic partnerships with local suppliers for fresh and sustainable produce.
  - Implementing sustainable practices in the supply chain to reduce environmental impact.
  - Conducting regular supplier audits to ensure quality and compliance with standards.
  - Exploring opportunities for vertical integration to reduce costs and improve control over the supply chain.
  - Diversifying the supplier base to enhance resilience and reduce dependency on single sources.
  - Collaborating with suppliers on environmental certifications and sustainability training.
  - Adopting digital supply chain management tools for real-time tracking and efficiency improvements.
  - Sourcing products and services locally to reduce emissions, support the local economy, and align with eco-tourism trends.

# Natural Capital

## FIGHTING THE TRIPLE PLANETARY CRISIS - MAPPING CRROS

The triple planetary crisis viz., climate change, pollution, and biodiversity loss has significant relevance to the hotel industry. At Trans Asia Hotels, we make conscious efforts in understanding various risks and opportunities that affect our business by assessing their impact on our business and how our operations may contribute to ecological harm and worsen the crisis. This understanding allows us to take proactive measures to support sustainable development and protect our assets and investments from such risks. As a part of this endeavour, we have identified the following Climate Related Risks and Opportunities (CRROs).

Climate related risks	Climate related opportunities
Stemming from direct climate related aspects	
<ul style="list-style-type: none"> <li>Increased frequency and intensity of floods, storms, and other extreme weather events can damage property and disrupt operations.</li> <li>Climate change can lead to changes in precipitation patterns, resulting in water scarcity even in the Colombo Municipality.</li> <li>Climate change can threaten local ecosystems and biodiversity in limited locations within Colombo city limits impacting the natural beauty and attractions that we rely on to a certain extent.</li> <li>Climate change can increase the spread of diseases and heat-related illnesses, posing health risks to guests and staff.</li> <li>Rising temperatures may lead to increased cooling costs and energy consumption for maintaining guest comfort.</li> <li>Increased coastal erosion and sea-level rise may threaten waterfront or low-lying properties and infrastructure.</li> <li>Supply chain disruptions due to climate impacts in other regions may affect food and resource availability.</li> <li>Regulatory and compliance risks as governments implement stricter climate-related policies.</li> <li>Reputational risks if business is perceived as not doing enough to address climate change.</li> </ul>	<ul style="list-style-type: none"> <li>Capturing scope 1 and 2 emissions and extending the process to include capturing scope 3 emissions.</li> <li>Partnering with local environmental organisations for conservation and restoration projects.</li> <li>Educating staff and guests about climate change and promoting sustainable practices.</li> <li>Incorporating green building practices in the construction and renovation of hotel facilities.</li> <li>Supporting and investing in community-based climate change adaptation and mitigation initiatives.</li> <li>Developing climate-resilient infrastructure and landscaping to withstand extreme weather events.</li> <li>Leveraging renewable energy sources (e.g., solar, wind) to reduce carbon footprint and operational costs.</li> <li>Creating climate-conscious brand positioning that appeals to environmentally aware travellers.</li> <li>Enhancing competitive advantage by attaining eco-certifications and sustainability labels.</li> </ul>

## Climate related risks

## Climate related opportunities

## Stemming from sustainable food

- The production of sustainable food for Cinnamon hotels and resorts may contribute to deforestation if land is cleared for agriculture.
  - Sustainable food production may require significant amounts of water, leading to water scarcity in the region where the food is sourced.
  - Intensive agriculture practices for sustainable food production can lead to soil degradation and erosion, impacting the long-term sustainability of the land.
  - Transportation of sustainable food products to our hotels may result in greenhouse gas emissions, contributing to climate change.
  - Use of organic fertilisers and pesticides in sustainable farming may still have unintended environmental impacts if not managed properly.
  - Seasonal availability of sustainable food options may impact menu consistency and guest satisfaction.
  - Cost implications of sourcing certified sustainable ingredients may impact operational budgets.
  - Risk of "greenwashing" if sustainable food claims are not verifiable or transparent.
  - Overreliance on a few sustainable food sources may reduce biodiversity in supply chains.
- Implementing farm-to-table practices by sourcing ingredients locally to reduce carbon footprint.
  - Offering plant-based menu options to promote sustainability and reduce greenhouse gas emissions.
  - Partnering with sustainable food suppliers and farmers to support ethical and environmentally friendly practices.
  - Incorporating food waste reduction strategies.
  - Educating guests and staff about sustainable food practices and the importance of environmental conservation.
  - Designing seasonal menus based on locally available produce to reduce food miles and support local agriculture.
  - Creating marketing value by promoting sustainable cuisine as part of the guest experience.
  - Developing traceable food supply chains to ensure authenticity and build guest trust.
  - Diversifying food sources through regenerative agriculture partnerships to enhance food system resilience.

# Natural Capital

## WAY FORWARD

At Trans Asia Hotels PLC, we remain committed to advancing our sustainability journey with focused action across waste, energy, emissions, and water management. As we look ahead to 2025/26, several initiatives and policy updates will further strengthen our environmental performance.

### Waste management

We are moving towards a future of minimal waste generation and maximum resource recovery. In the upcoming financial year, the Company will phase out plastic laundry bags and replace in-room bathroom amenities with eco-friendly alternatives. These changes will reduce single-use plastic waste significantly, aligning with global best practices. Our waste segregation, recycling, and composting efforts will continue to be expanded, ensuring that more waste streams are diverted from landfills.

### Energy efficiency

Energy conservation will remain a cornerstone of our operations. Building on ongoing departmental efficiency practices, we will introduce new energy management systems where needed and expand our transition to LED lighting across all spaces. Renewable energy integration will be reviewed with a view to increasing the share of solar power in our energy mix. Staff training on energy-saving practices will also be enhanced, ensuring that energy mindfulness becomes second nature to all team members.

### Emission reductions

The Company will continue its efforts to lower carbon emissions through operational improvements and greener procurement choices. With policies set to be updated in 2025/26, a stronger emphasis will be placed on selecting low-carbon suppliers and local sourcing strategies. Further investments in energy-efficient equipment and CFC-free refrigeration systems will support our commitment to reducing Scope 1 and 2 emissions year on year.

### Water conservation

Our future water management plans focus on expanding smart technologies and employee awareness. The rollout of flow regulators, smart irrigation, and low-flush water systems will continue. We will enhance rainwater harvesting initiatives and reuse practices across the hotel. Guest engagement programs will also be updated to encourage more water-saving behaviours during their stay.

### Policy development and continuous improvement

Recognising that strong governance is essential to achieving our environmental goals, all environmental policies will be revised in the 2025/26 financial year. This update will ensure that our procedures stay aligned with emerging best practices, regulatory changes, and global sustainability standards. We aim to embed environmental responsibility deeper into every operational touchpoint.





# A Culture of Foresight, A People of Integrity

Foresight builds resilience, and transparency earns trust. At Trans Asia Hotels, our approach to governance and risk management reflects an unwavering commitment to integrity, accountability, and long-term stability. These principles do more than protect—they empower us to lead with clarity and confidence, even in times of uncertainty.

## CORPORATE GOVERNANCE AND RISK MANAGEMENT

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# Corporate Governance

## EXECUTIVE SUMMARY

Trans Asia Hotels PLC (“the Company”) maintains a robust corporate governance framework that supports structured, sustainable, and transparent growth while ensuring regulatory compliance. Aligned with the governance philosophy of John Keells Holdings PLC (JKH), the ultimate parent company, this framework is embedded across the John Keells Group (JK Group), consistently delivering long-term value to stakeholders, even amid external challenges.

The Company’s governance structure is underpinned by comprehensive internal policies and proactive compliance mechanisms, regularly enhanced to reflect best practices and evolving stakeholder expectations. It is founded on the core principles of accountability, integrity, transparency, and stakeholder participation.

The governance report outlines the Board’s role in value creation, providing a detailed account of compliance, key governance structures, oversight mechanisms, and the Company’s approach to both mandatory and voluntary governance standards.

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’s culture and decision-making processes.

Regulatory/ voluntary/ best practice framework	Specific framework/ standard	Level of compliance
Mandatory Regulatory Frameworks	The Companies Act No. 7 of 2007, including applicable regulations	Fully compliant
	Listing Rules of the Colombo Stock Exchange (CSE), including circulars	Fully compliant
	Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including rules, regulations, directives and circulars	Fully compliant
	Code of Best Practices on Related Party Transactions (2013) advocated by the SEC	Fully compliant
Voluntary Frameworks and Standards	Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka	compliant to the extent of business exigency and as required by the Company
	Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka	compliant to the extent of business exigency and as required by the Company
	Code of Best Practice on Corporate Governance (2013) jointly advocated by the SEC and CA Sri Lanka	Fully compliant
Reporting Frameworks	International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC)	Adopted with external assurance obtained
	Global Reporting Initiative Standards	Adopted with external assurance obtained
Internal Mechanisms	Articles of Association	Fully adhered to
	Board Charter and Board Committee Charters	Fully adhered to
	Internal Policies	Fully adhered to
	Code of Conduct	Fully adhered to



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Governance Outlook and Emerging Challenges  
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## OVERVIEW OF THE CORPORATE GOVERNANCE FRAMEWORK

In this section...

- Corporate Governance Highlights for 2024/25
- Corporate Governance Framework
- Highlights of the 43rd Annual General Meeting
- Corporate Governance Structure and Oversight



## REGULATORY AND GOVERNANCE UPDATES

### Revised 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 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 Nominations and Governance Committee, Related Party Transactions Review Committee and Human Resources Committee were established. This marked a shift from the earlier practice of sharing JKH's Board Committees and Asian Hotels and Properties PLC (AHPL) Board Committee as permitted under prior Listing Rules.

## CORPORATE GOVERNANCE HIGHLIGHTS FOR 2024/25

### Regulatory and Governance Updates

- Revised Rules of the Colombo Stock Exchange on Corporate Governance

### Digital Transformation Initiatives

- Digital Transformation with S/4HANA and SAP 'Rise'
- Strengthening Data Governance in Alignment with the Personal Data Protection Act (PDPA)
- The implementation of Opera Cloud Property Management System (PMS)

### Sustainability Related initiatives

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



## DIGITAL TRANSFORMATION INITIATIVES

### Digital Transformation with S/4HANA and SAP 'Rise'

As part of JK Group's broader digital transformation journey, the JK Group is transitioning to S/4HANA and adopting the SAP 'Rise' platform. This cloud-based solution is expected to enhance operational efficiency, enable real-time decision-making, and improve agility, customer satisfaction, innovation, and cost management. Integrating advanced AI-driven analytics will enable deeper insights into customer behaviour, market trends, and operational performance, facilitating data-driven decisions and personalised customer experiences. The Company is progressing with this transformation in alignment with the JK Group's roadmap.

### 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 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.

### The implementation of Opera Cloud Property Management System (PMS)

The implementation of a cloud-based Property Management System (PMS) was completed during the year. This initiative represents a significant advance in data governance, improving consistency, control, and transparency in hotel data management. By establishing a standardised framework, the PMS will enhance operational efficiency and facilitate more robust and reliable performance analytics.

# Corporate Governance

## SUSTAINABILITY RELATED INITIATIVES

### Changes to Sustainability Reporting

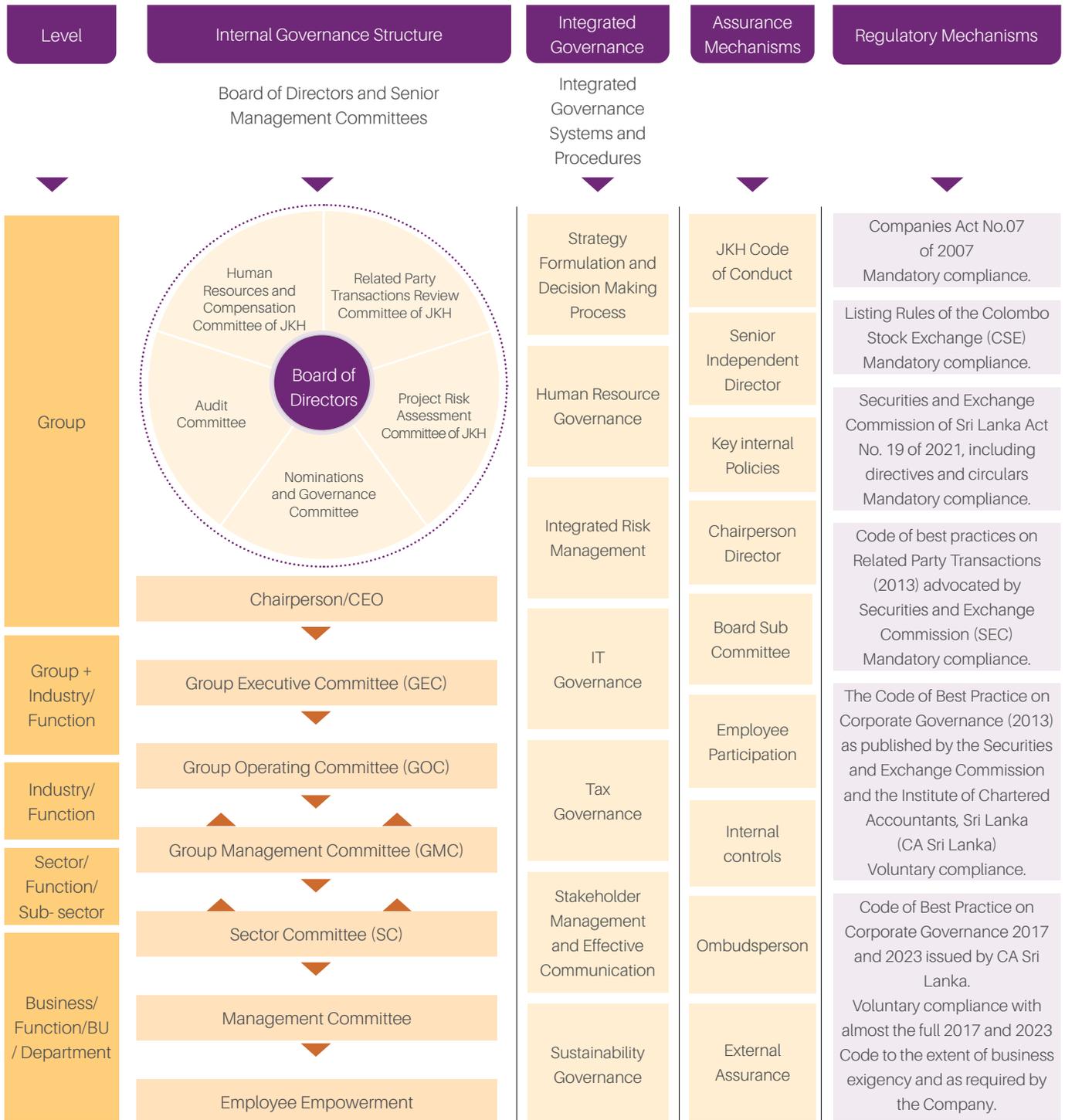
To align with SLFRS S1 and S2, the localised standards introduced by CA Sri Lanka, the JK Group partnered with an external consultant with international expertise to perform a comprehensive gap analysis across the JK Group. This initiative ensures readiness to meet the CSE's reporting requirements for 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 Group's ESG goals were approved by the Executive Committee, followed by the establishment of a governance framework to guide implementation. Key roles - including 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 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 Board committee. All five Board committees are chaired by Independent Directors appointed by the Boards of the Company and JKH, where relevant.

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

# Corporate Governance

## HIGHLIGHTS OF THE 43RD ANNUAL GENERAL MEETING

Highlights of the 43rd Annual General Meeting Held on 27 June 2024

### Re-election of Directors

- Mr. S Rajendra, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Non-Executive Director of the Company.
- Mr. H A J De S Wijeyeratne, who retired in terms of Article 83 of the Articles of Association of the Company was re-elected as a Non-Executive Independent Director of the Company.
- Mr. N L Gooneratne who is over the age of 70 year and who retired in terms of Section 210 of the Companies Act No. 7 of 2007 was re-elected as a Non-Executive Independent Director of the Company.

### Appointment of Auditors

- Messrs. KPMG, Chartered Accountants was 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 of Directors

#### 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, JKH and the Chief Executive Officer (CEO) of Cinnamon Hotels & Resorts, who are also Non-Executive Directors of the Board. Comprising nine 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.

- xi. Reviewing and approval financial statements of the Company;
- xii. Supervising the performance of duties by individual Directors and any Board Committees, as applicable.

## BOARD COMPOSITION, DIVERSITY AND SKILLS AND EXPERIENCE

### Board Composition

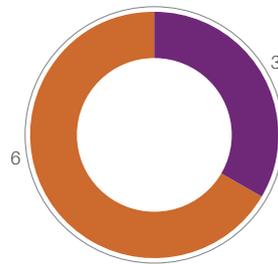
The Board is diverse in skills, experience, age, and tenure, contributing varied perspectives to boardroom deliberations and exercising independent judgment. Board composition is regularly reviewed to ensure adequate diversity and that the skills within the Board aligns with the Company's current and 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 the Listing Rules. In terms of composition, the Board shall comprise of not less than three and not more than twelve Directors, unless otherwise permitted by the Articles, which has considered the requirement for the Board to remain 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 nine Directors, with three of them being Independent Non-Executive Directors, ensuring a strong element of independence on the Board, and six Directors being Non-Independent Non-Executive Directors.

### Board Composition



- Independent Non-Executive Directors
- Non-Independent Non-Executive Directors

### 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, IT and data analytics, Strategy and Finance, Travel and tourism, and Banking. 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. The JK group conducts awareness sessions on changes to the regulations and Governance framework.

### Diversity of the Board

#### By Gender

Male	8
Female	1

#### By Age

<50	1
50-59	6
60-69	1
70-89	1

Name of Director	Gender	Area of Skills/ Expertise/ Competencies					Banking
		Corporate Leadership	IT and data analytics	Strategy and Finance	Travel and tourism		
K N J Balendra	M	✓	✓	✓	✓	✓	✓
J G A Cooray	M	✓	✓	✓	✓	✓	✓
S Rajendra	M	✓	✓	✓	✓	✓	
M R Svensson	M	✓			✓	✓	
C L P Gunawardane	M	✓	✓	✓	✓	✓	
H A J de Silva Wijeyeratne	M	✓	✓	✓	✓	✓	✓
S A Atukorale	F	✓	✓		✓	✓	✓
N L Gooneratne	M	✓			✓	✓	
C P R Perera*	M	✓	✓	✓	✓	✓	

\* C P R Perera appointed as an Independent Non-Executive Director with effect from 1st January 2025

# Corporate Governance

## CHAIRPERSON

The Chairperson of John Keells Holdings PLC serves as the Chairperson of the Company and is a Non-Executive, Non-Independent Director. The Chairperson holds the main responsibility of leading and managing the Board and its Committees for their smooth functioning. The Chairperson actively engages with Non-Executive Directors and facilitate exclusive meetings for Independent Non-Executive Directors, fostering effective governance. Additionally, the Chairperson serves as the Company's external representative and the key point of contact for shareholders on all aspects of Corporate Governance.

The Chairperson is also responsible for establishing establishes the governance and ethical framework of the Company, assists and prompts the expression of different opinions with a follow-up on local and global industry developments, and makes sure that the Board honours its obligations to the Company's shareholders and other stakeholders.

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 the his discharge of his responsibilities to the Company.

## PRESIDENT - LEISURE, JKH AND CHIEF EXECUTIVE OFFICER - CINNAMON HOTELS & RESORTS

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

### President - Leisure, Industry Group, JKH:

The President of the Leisure Sector of JKH, who also a Non-Executive Director of the Company, entrusted with the responsibility to ensure the implementation of the Company's strategic plans, guiding the senior management team, ensuring that the Company's operating model is aligned to the strategic aspirations of the ultimate parent Company JKH and ensuring effective succession planning at senior management level.

### CEO - Cinnamon Hotels & Resorts:

CEO is entrusted with the responsibility to 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 Secretaries 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 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.

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

- Nominees are requested to make known their various interests that could potentially conflict with the interest of the Company
- 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).

## PRIOR TO APPOINTMENT

- Directors obtain Board clearance prior to,
  - Accepting a new position
  - Engaging in any transaction that could create or potentially create a conflict of interest
- All NEDs are required to notify the Chairperson-CEO 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)

## PRIOR TO APPOINTMENT

- Directors who have an interest in a matter under discussion;
  - 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 was reviewed against the criteria of the Listing Rules summarised below:

Criteria for defining the Independence Status of conformity of INED	Status of conformity
None of the INEDs are employed, have a material business relationship and/ or significant shareholding in other companies*. Entails other companies that have a significant shareholding in JKH and/or JKH has a business connection with	Complied
None of the INEDs have Shareholding carrying more than 10 per cent of voting rights	Complied
None of the INEDs is a Director of another company*	Complied
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 are applicable on a uniform basis to all non-executive Directors on the Board	Complied
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.	Complied
None of the INEDs have Close family member is a Director, CEO or a Key Management Personnel	Complied

# Corporate Governance

Criteria for defining the Independence Status of conformity of INED	Status of conformity
None of the INEDs have served on the Board continuously for a period exceeding nine years from the date of the first appointment.	All NEDs, except Mr. N L Gooneratne, satisfied this criterion for the year 2024/25. The Board of Directors resolved to re-designate Mr. N L Gooneratne as a Non-Independent Non-Executive Director of the Company, effective from 1 January 2025.  The redesignation is based on the fact that Mr. N L Gooneratne no longer meets the independence criteria outlined in the Listing Rules of the CSE, due to his service on the Board exceeding nine years and his age exceeding seventy (70) years.
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.	All NEDs, except Mr. N L Gooneratne, satisfied this criterion for the year 2024/25. As mentioned above, Mr. N L Gooneratne was designated a Non-Independent Non-Executive Director of the Company, effective from 1 January 2025.

\* 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 JK Group's Related Party Transactions Review Committee acted as the Company's Related Party Transactions Review Committee until 30th September 2024. The Company appointed the Related Party Transactions Review Committee with effect from 1st October 2024, which 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 28 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 JK Group policy and subject to 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 and employed as key management personnel in Other Listed Sri Lankan Companies			No. of Board Seats Held in Other Unlisted Sri Lankan Companies
		Executive capacity	Non-Executive capacity	Key Management Personnel	
K N J Balendra	NED	JKH PLC		Nil	
J G A Cooray	NED	JKH PLC	Director of several listed companies in the John Keells Group.***	Nil	Director of several unlisted companies in the John Keells Group.***
S Rajendra	NED	Nil		Nil	
M R Svensson	NED	Nil		Nil	
C L P Gunawardane	NED	Nil		Nil	
N L Gooneratne*	NED	Nil	Nil	Nil	Designs (Pvt) Ltd, Radiance Film International (Pvt) Ltd
S A Atukorale	INED	ID	Nil	Nil	Melstra Tower (Pvt) Ltd
H A J de S Wijeyeratne	INED	ID	DFCC Bank PLC Ceylon Tobacco Company PLC Ceylon Cold Stores PLC	Nil	
C P R Perera**	INED	ID		Nil	Tnsite Holdings (Pvt) Ltd Cable Solutions (Pvt) Ltd Tempest Pe Partners (Pvt) Ltd Foodholics Lanka (Pvt) Ltd Insite Factories (Pvt) Ltd

\* Re-designated from an Independent Director to Non-Independent Non-Executive Director with effect from 1 January 2025

\*\*Mr. C P R Perera appointed as an Independent Non-Executive Director with effect from 1st January 2025

\*\*\*Refer Page 194 of the Annual Report for further details

## BOARD OPERATIONS AND EFFECTIVENESS

### 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. Executive 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 Company's expense. This is coordinated through the Board Secretary, as and when requested.

### Appointment, re-election and resignation

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 Directors Non-Executive 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 JKH, the Ultimate parent company are subject to the retirement rules and policies of JKH.

As prescribed by Article 83 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

# Corporate Governance

appointed to the Board during the year is required to stand for re-election at the next Annual General Meeting in terms of Article 90 of the Articles of Association of the Company.

## Appointments during the year

- Mr C P R Perera was appointed to the Board of Directors of the Company as an Independent Non-Executive Director, with effect from 1st January 2025. C P R Perera does not have any relevant interest in the shares of the Company.

## Resignations during the year

- Mr N L Gooneratne, redesignated from an Independent Director to Non-Independent Non-Executive Director with effect from 1 January 2025

The proposal for the re-election of Directors is set out in the Annual Report of the Board of Directors on page 205 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 (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 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 the hybrid model (physical and virtual 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	9 Years	51	✓	✓	✓	✓	4	4
J G A Cooray	NED	NID	2018	7 Years and 3 months	48	✓	✓	✓	✓	4	4
S Rajendra	NED	NID	2021	4 years and 3 months	61	✓	✓	✓	✓	4	4
M R Svensson	NED	NID	2019	5 Years and 5 months	54	✓	✓	✓	✓	4	4
C L P Gunawardane	NED	NID	2021	4 Years and 3 months	51	✓	✓	✓	✓	4	4
N L Gooneratne*	NED	NID	1984	40 Years and 5 months	82	✓	✓	✓	✓	4	4
S A Atukorale	NED	ID	2022	2 Years and 9 months	52	✓	✓	✓	✓	4	4
H A J de S Wijeyeratne	NED	ID	2021	3 Years and 9 months	58	✓	✓	✓	✓	4	4
C P R Perera**	NED	ID	2025	3 months	51	N/A	N/A	N/A	✓	1	1

INED - Independent Non-Executive Director

NID - Non-Independent Non-Executive Director

NED - Non-Executive Director

\*Redesignated from an Independent Director to Non-Independent Non-Executive Director with effect from 1 January 2025

\*\*Appointed to the Board with effect from 1 January 2025

### 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, considering the challenges stemming from the challenging macroeconomic environment.

### Time dedicated by Non-Executive Directors

Individual Directors have dedicated adequate time for fulfilling and discharging their duties as Directors of the Company. It must be 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.

# Corporate Governance

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.

## 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 Sub-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 in FY 2024/25 is Rs. 10.6Mn. 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 Board 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 as per applicable regulations, best practices, and their terms of reference. The Ultimate parent company's Project Risk Assessment Committee act as the Company's Project Risk Assessment Committee. The composition of Board Committees as at 31st March 2025 is shown below.

## BOARD COMMITTEES FOR THE COMPANY AS AT 31 MARCH 2025

Name of Director	Executive/ Non-Executive Director	Independent/ Non-Independent Director	Year of Appointment	Age	Board of Directors	Board Sub-Committee Membership				Tenure on the Board (Years)
						Audit Committee	Human Resources and Compensation Committee	Nominations and Governance Committee	Related Party Transactions Review Committee	
K N J Balendra	NED	NID	2016	51	Chair	-	-	Member	-	9 Years
J G A Cooray	NED	NID	2018	48	Member	-	Member	-	-	7 Years and 3 months
S Rajendra	NED	NID	2021	61	Member	Member	-	-	Member	4 years and 3 months
M R Svensson	NED	NID	2019	54	Member	-	-	-	-	5 Years and 5 months
C L P Gunawardane	NED	NID	2021	51	Member	-	-	-	-	4 Years and 3 months
N L Gooneratne*	NED	NID	1984	82	Member	-	-	-	-	40 Years and 5 months
S A Atukorale	NED	ID	2022	52	Member	Member	Chair	Chair	Member	2 Years and 9 months
H A J de S Wijeyeratne	NED	ID	2021	57	Member	Chair	Member	Member	Chair	3 Years and 9 months
C P R Perera**	NED	ID	2025	51	Member	Member	-	-	Member	3 months

**JKH BOARD-COMMITTEE ACTING ON BEHALF OF THE COMPANY AS AT 31 MARCH 2025**

Name of Director	Executive/ Non-Executive Director	Independent/ Non- Independent Director	Year of Appointment	Age	Project Risk assessment Committee	Tenure on the Board (Years)
K N J Balendra	ED of JKH	NID	2016/17	51	Member	8 Years
D A Cabraal	NED of JKH	NID	2013/14	68	Member	11 Years
J G A Cooray	ED of JKH	NID	2016/17	48	Member	8 Years
S S H Wijayasuriya***	NED of JKH	ID	2016/17	57	Chair	8 Years

**JKH BOARD-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 (Years)
					Human Resources and Compensation Committee	Related Party Transactions Review Committee	
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 Years
H M A Jayasinghe	NED of JKH	ID	2024/25	62	-	Chair	9 Months
S S H Wijayasuriya***	NED of JKH	ID	2024/25	57	Member	-	8 Years

**AHPL BOARD-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 (Years)
					Nominations and Governance Committee		
J Durairatnam	NED of AHPL	ID	2018/19	66	Chair		6 Years and 7 months
A S De Zoysa	NED of AHPL	ID	2018/19	54	Member		6 Years and 7 months
K N J Balendra	NED of AHPL	NID	2016/17	51	Member		9 Years

INED - Independent Non-Executive Director

NID - Non Independent Director

NED Non-Executive Director

ED - Executive Director

\*Re-designated from an Independent Director to Non-Independent Non-Executive Director with effect from 1 January 2025

\*\*Appointed to the Board with effect from 1 January 2025

\*\*\*Senior Independent Director of JKH

# Corporate Governance

## Composition and Scope of Board Sub-Committees

### Audit Committee (Trans Asia Hotels 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"> <li>The membership of the Committee shall be as appointed by the Board from time to time, with due regard to applicable laws, rules and regulations.</li> <li>The Committee shall comprise of a minimum of three (3) Non-Executive Directors of the Board of which a minimum of two (2) members or a majority, whichever is higher, shall be Independent Non- Executive Directors.</li> <li>The Chairperson of the Committee is appointed by the Board.</li> <li>The Chairperson is an Independent Non- Executive Director who is a member of a recognised professional accounting body.</li> <li>The Chairperson of the Board shall not be the Chairperson of the Committee.</li> <li>Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.</li> </ul>	<ol style="list-style-type: none"> <li>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.</li> <li>Assess the adequacy and effectiveness of the internal control environment in the 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.</li> <li>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.</li> <li>Evaluate the competence and effectiveness of the risk management systems and internal controls of the Company and ensure robustness and effectiveness in monitoring and controlling risks, as recommended by the internal auditors.</li> <li>Review the adequacy and effectiveness of internal and external audit arrangements.</li> <li>Review the risk policies adopted by the Company annually.</li> <li>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.</li> </ol>

### Meeting dates and attendance

Name	Date of Appointment	25/04/2024	22/07/2024	25/10/2025	27/01/2025	Eligibility to Attend	Attended
H A J de S Wijeyeratne (INED) – Chairperson *	25/06/2021	✓	✓	✓	✓	4	4
S A Atukorale (INED)	22/06/2022	✓	✓	✓	✓	4	4
S Rajendra (INED)	25/06/2021	✓	✓	✓	✓	4	4
C P R Perera** (INED)	01/01/2025	-	-	-	✓	1	1
<b>By Invitation</b>							
C L P Gunawardane - CFO (NED)***		✓	✓	✓	✓	4	4
M R Svensson - CEO Cinnamon Hotels & Resorts (NED)***		✓	✓	✓	✓	4	4

\*Member of a professional Accounting body

\*\*Appointed to the Board with effect from 1 January 2025

\*\*\* Permanent invitees for all Committee meetings

Note:- The Audit Committee Meetings were held quarterly

## REPORT OF THE AUDIT COMMITTEE

### INTRODUCTION

The Board Audit Committee (BAC or the Committee) of Trans Asia Hotels PLC is formally constituted as a Sub Committee of the Main Board, to which it is accountable.

The Committee operates pursuant to the Audit Committee Charter which is reviewed annually by the Committee.

This report focuses on the activities of the BAC for the year under review. A more general description of the Committee's functions is also given under the Corporate Governance Report on page 144 to 147.

### ROLE OF THE BOARD AUDIT COMMITTEE

The BAC in its role, assist the Board in fulfilling their responsibility with regard to;

- Ensuring the integrity of the Financial Statements of the Company and that good financial reporting systems are in place and is managed in order to give accurate, appropriate and timely information to the management, regulatory authorities and shareholders in accordance to the financial reporting standards of The Institute of Chartered Accountants of Sri Lanka, Companies Act No.7 of 2007, the Sri Lanka Accounting and Auditing Standards and the continuing Listing Rules of the Colombo Stock Exchange.
- Assessing the independence and monitoring the performance of external auditors and external internal auditors
- Ensuring the Company's internal control and risk management process is efficient and effective
- Ensure compliance with applicable laws, regulations, and policies of the Group and Company
- Assess the company's ability to continue as a going concern in the foreseeable future.

### COMPOSITION OF THE BOARD AUDIT COMMITTEE AND MEETINGS

The Board Audit Committee of Trans Asia Hotels PLC comprises three Independent Non- Executive Directors and one Non-Independent Non-Executive Director. The composition is in compliance with the requirement to have a minimum of two Independent Non-Executive Directors in terms of the Rules on Corporate Governance for Listed Companies issued by the Colombo Stock Exchange. The Head of Finance of the Company serves as the Secretary to the BAC.

The Chief Executive Officer of Cinnamon Hotels and Resorts, General Manager of Trans Asia Hotels PLC, Chief Financial Officer - Leisure Group, Sector Financial Controller - City Sector and the Head of Group Business Process Review (Group BPR) of John Keells Holdings PLC attend the meetings of the Audit Committee by invitation. Other officials are invited to attend on a needs basis. The External Auditors and the outsourced Internal Auditors also attend meetings on a regular basis.

The BAC comprised the following Non-Executive Directors who conducted Committee proceedings in accordance with the terms of reference set out in the Audit Committee Charter.

Mr. H A J de S Wijeyeratne\* - Chairperson  
Mr. S Rajendra - Member  
Ms. S A Atukorale\* - Member  
Mr. C P R Perera\* - Member

(Appointed to the Board with effect from 1 January 2025)

\*Independent Non-Executive Director

The detailed profile of the members of the BAC is given under Board of Directors on pages 20 to 21.

### MEETINGS OF THE BOARD AUDIT COMMITTEE

The BAC held four meetings during the financial year 2024/25. The attendance of the Committee members at these meetings is given under Corporate Governance Report on page 144.

The activities and views of the Committee have been communicated to the Board of Directors by tabling the minutes of the Committee's meetings at Board Meetings and verbally at Board meetings when necessary.

### FINANCIAL REPORTING

The Audit Committee has reviewed and discussed the Company's quarterly and annual Financial Statement prior to publication with management and the external auditors, including the extent of compliance with Sri Lanka Accounting Standards and the adequacy of disclosures required by other applicable laws, rules, and guidelines. The Committee has also regularly discussed the operations of the Company and its future prospects with management and is satisfied that all relevant matters have been taken into account in the preparation of the financial statements.

### INTERNAL AUDIT & CONTROL ASSESSMENT

The internal audit plans and scope of work were formulated in consultation with the internal audit function, which at John Keells Group is termed Group Business Process Review (Group BPR) Division and the outsourced Internal Auditors and approved by the Committee.

The main focus of the Internal Audit was to provide independent assurance on the overall system of internal controls, risk management and governance by evaluating

# Corporate Governance

the adequacy and effectiveness of internal controls, and compliance with laws and regulations and established policies and procedures of the company.

During the year, Internal Audit Reports received by the Committee from the outsourced Internal Auditors, Deloitte Advisory Services (Pvt) Ltd. were reviewed and discussed with management and Group Business Process Review Division of John Keells Holdings PLC. The recommendations of the Internal Auditors have been followed up and implemented.

## RISK ASSESSMENT

The Audit Committee has also reviewed the processes for the identification, evaluation and management of all significant operational risks faced by the Company. The most significant operational risks and the remedial measures taken to mitigate them have been reviewed with management and the John Keells Group Sustainability and Enterprise Risk Management Division.

Formal confirmations and assurances have been received from senior management quarterly regarding the efficacy and status of the internal control systems and risk management systems, and compliance with applicable laws and regulations.

## EXTERNAL AUDIT

The External Auditors' Letter of Engagement, including the scope of the audit was reviewed and discussed by the Committee with the external auditors and management prior to the commencement of the audit.

The External Auditors kept the Committee advised on an on-going basis regarding any unresolved matters of significance. At the conclusion of the Annual Audit, the Committee met with the external auditors to discuss all audit issues and agree on their treatment. The Committee also met the External Auditors, without management

present, at the conclusion of the annual audit to review the financial statements and the reports thereon and to respond as necessary to such reports.

The Audit Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the level of audit and non-audit fees received by the external auditors from the John Keells Group and confirmation has been received from the external auditors of their compliance with the independence criteria given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

The performance of the External Auditors has been evaluated and discussed with the senior management of the Company, and the Committee has recommended to the Board that Messrs. KPMG, Chartered Accountants be re-appointed as the External Auditors of Trans Asia Hotels PLC for the financial year ending 31st March 2026, subject to approval by the shareholders at the Annual General Meeting.

## INFORMATION TECHNOLOGY RISK ASSESSMENT

Keeping abreast with international standards, the Company seeks the services of Information Technology (IT) to provide customers with a superior service. Adoption of changes, going concern of the IT infrastructure and the security aspect of data is reviewed and assessed by the Committee on a periodic basis. The Committee draws conformity of the Leisure Group Head of IT when disseminating this role.

## INSURANCE ASSESSMENT

An integrated assessment of the adequacy of insurance of the Hotel is done by the Committee on a periodic basis. The Committee assesses the adequacy of insurance coverage in terms of Employee

well-being, public liability and economic benefit. The committee draws conformity of the Group Insurance Broker for the expertise and confirmation of its compliance.

## WHISTLE BLOWING ASSESSMENT

The Company has an established mechanism for employees to report to the Chairperson of John Keells Holdings PLC through a communication link named "Chairperson Direct" about any unethical behaviour or any violations to group values. Employees reporting such incidents are guaranteed complete confidentiality.

The committee reviews this process on a periodic basis.

## COMPLIANCE WITH CODE OF BEST PRACTICE ON AUDIT COMMITTEE

The BAC scope and functions are in compliance with the requirements of the Code of Best Practice on Audit Committee issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

## COMPLIANCE WITH CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE

The BAC has conducted its affairs with the requirements of the code of best practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

Compliance with Corporate Governance Rules as per Section 9.13 of The Listing Rules of The Colombo Stock Exchange.

The BAC has conducted its affairs within the requirements of Corporate Governance rules as per section 9.13 of the listing Rules of the Colombo Stock Exchange.

### EVALUATION OF THE BOARD AUDIT COMMITTEE

Evaluation of the BAC is done on a periodic basis. The Committee seeks the assistance of the Group Business Process Review Team for this purpose. The members of the BAC along with other participants such as The Chief Executive Officer of the Cinnamon Hotels and Resorts, General Manager of the Hotel, Chief Financial Officer of the Leisure Group, Internal auditors, and external auditors assess the Committee. The assessment is tabled at the Audit Committee Meeting and communicated to the Board of the Company.

### CONCLUSION

Based on the reports submitted by the External Auditors and the outsourced Internal Audit of the Company, the assurances and certifications provided by the senior management, and the discussions with Management and the auditors both at formal meetings and informally, the Committee is of the view that the control environment within the Company is satisfactory and provides reasonable assurance that the financial position of the Company is adequately monitored and its assets are safeguarded.



Mr. H A J de S Wijeyeratne  
Chairperson of the Audit Committee  
27 May 2025

# Corporate Governance

## Human Resources and Compensation Committee (JKH and Trans Asia Hotels 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 Ultimate 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>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 judgment.</p> <p>Company Secretary is the Secretary of the Committee.</p> <p>Chairperson/Group Finance Director acts as the Secretary to the JKH Committee</p> <p>Below was the composition of the Committee as of 30 September 2024 and 31 March 2025, along with the members' attendance at Committee meetings.</p> <p>JKH Sub-Committee acting on behalf of the Company met on one occasions from April to September 2024.</p>	<p>i. Adhere and follow the overall remuneration philosophy for the Company in alignment with the 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 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 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 by the Board.</p>																																													
<p><b>Meeting dates and attendance</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Date of appointment</th> <th>01/07/2024</th> <th>Eligible to Attend</th> <th>Attended</th> </tr> </thead> <tbody> <tr> <td>D A Cabraal (INED)</td> <td>29.01.2015</td> <td>✓</td> <td>1</td> <td>1</td> </tr> <tr> <td>S Fernando (INED) - Chairperson*</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>X</td> <td>1</td> <td>1</td> </tr> <tr> <td colspan="5"><b>By Invitation</b></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>H M A Jayasinghe (INED)</td> <td></td> <td>✓</td> <td>1</td> <td>1</td> </tr> <tr> <td>R Shukla (INED)</td> <td></td> <td>✓</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p>*Appointed to the Board with effect from 1 July 2024</p> <p>The Committee met on one occasion after 01st October 2024 on 25th October 2024</p>	Name	Date of appointment	01/07/2024	Eligible to Attend	Attended	D A Cabraal (INED)	29.01.2015	✓	1	1	S Fernando (INED) - Chairperson*	01.07.2024	N/A	N/A	N/A	S S H Wijayasuriya (INED)	05.11.2016	X	1	1	<b>By Invitation</b>					S Coorey (INED)		✓	1	1	A N Fonseka (INED)		✓	1	1	H M A Jayasinghe (INED)		✓	1	1	R Shukla (INED)		✓	1	1	
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## REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

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 ultimate 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.



**Ms. S A Atukorale**  
Chairperson of the Human Resources and  
Compensation Committee

27 May 2025.

# Corporate Governance

## Nominations and Governance Committee (AHPL and Trans Asia Hotels PLC)

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

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

Composition	Scope																				
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Company Secretary is the Secretary of the Committee.</li> <li>In the absence of the Chairperson, and when duly excused, those present may appoint an Independent Non- Executive Director to chair the meeting.</li> <li>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.</li> </ul> <p>The AHPL Sub-Committee acting on behalf of the Company met on one occasion during the period from April to September 2024</p>	<ol style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>*Relevant academic/professional qualifications, skills, experience, industry expertise and such other key attributes as deemed appropriate.</li> <li>*Matters pertaining to Board balance and diversity.</li> <li>*Requirements under applicable laws, rules and regulations, such as fit and proper and independence criteria.</li> </ul> </li> <li>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 Group's philosophy, and the Board will be informed.</li> <li>Provide advice and recommendations to the Board on any such appointment.</li> <li>Assess the skills required by the Board and needs of the business.</li> <li>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.</li> <li>Ensure that on appointment to the Board, Directors receive a formal letter of appointment</li> </ol>																				
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K N J Balendra (NED)	01/01/2019	✓	1	1																	

### Nominations and Governance Committee (AHPL and Trans Asia Hotels PLC)

The Committee met on one occasion after 01st October 2024 on 25th October 2024

#### Meeting dates and attendance

Name	Date of appointment	25.10.2024	Eligibility to attend	Attended
S A Atukorale - Chairperson (INED)	01/10/2024	✓	1	1
K N J Balendra (NED)	01/10/2024	✓	1	1
H A J de Silva Wijeyeratne (INED)	01/10/2024	✓	1	1

- vii. Ensure that every appointee undergoes an induction to the organisation, on the corporate governance framework of the Company and Applicable Laws and regulations.
- viii. Establish processes for the periodic evaluation of the Board to ensure that their responsibilities are satisfactorily discharged.
- ix. Periodically review the independence of all Independent Non-Executive Directors in terms of independence criteria specified by applicable laws, rules and regulations.
- x. 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.
- 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.

# Corporate Governance

## REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

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. Effective 1 October 2024, the Company established its own Committee, replacing the previous arrangement of utilising the parent company's Nominations Committee until 30 September 2024. 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 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:

- Mr. C P R Perera, Independent Non-Executive Director (new appointment)
- Mr H A J De Silva Wijeyeratne, Independent Non-Executive Director (renewal)
- Mr. N L Gooneratne, Non-Independent Non-Executive Director (renewal)
- Ensured that in accordance with Article 83 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 90, 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 83 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:

- Mr. S Rajendra - Non-Executive Director
- Mr. H A J De S Wijeyeratne, - 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 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 83 and 90 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 and any other relationships*
Mr. C L P Gunawardane (Article 83)	Non-Executive Director	01/01/2021	21/06/2022	The details are provided in the Board of Directors and Corporate Governance sections of this Annual Report
Ms. S A Atukorale (Article 83)	Independent Non-Executive Director	22/06/2022	26/06/2023	
Mr. C P R Perera (Article 90)	Independent Non-Executive Director	01/01/2025	N/A	

#### 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 2024/25, 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.



**Ms. S A Atukorale**

Chairperson of the Nominations and Governance Committee

27 May 2025

# Corporate Governance

## Related Party Transactions Review Committee (JKH and Trans Asia Hotels 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 Ultimate Parent Company, JKH until 30th September 2024

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

Composition		Scope			
<ul style="list-style-type: none"> <li>The Board of Directors shall determine the number of members of the Committee, which shall unless otherwise permitted under the Listing Rules be at least three (3) non-Executive Directors of whom the majority or two (02) members, whichever is greater, shall be independent.</li> <li>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.</li> <li>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.</li> <li>Chief Financial Officer – Leisure Industry Group is the Secretary of the Committee.</li> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>To develop, and recommend for adoption by the Board of Directors of the Company and as relevant its listed subsidiaries, a 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: <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Establishment of the starting base for Recurrent RPTs.</li> <li>Guidelines which senior management must follow in dealing with Related Parties, including the conformance with Transfer Pricing regulations.</li> <li>Instances where an immediate market disclosure of the RPT is required.</li> <li>Instances where shareholder approval for the RPT is required.</li> <li>Formats to be used by the Company and Listed subsidiaries/companies in presenting the RPT information to the Committee.</li> </ul> </li> </ul>			
JKH Sub-Committee acting on behalf of the Company met on two occasions from April to September 2024.					
Meeting dates and attendance					
Name	Date of appointment	20/05/2024	29/07/2024	Eligible to Attend	Attended
H M A Jayasinghe (INED) - Chairperson**	01.07.2024	-	✓	1	1
A N Fonseka (INED)*	29.01.2014	✓	-	1	1
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.

### Related Party Transactions Review Committee (JKH and Trans Asia Hotels PLC)

The committee met on two occasions after 1st October 2024

Meeting dates and attendance					
Name	Date of appointment	24.10.2024	25.01.2025	Eligible to Attend	Attended
H A J de S Wijeyeratne – Chairperson (INED)	01/10/2024	✓	✓	2	2
S A Atukorale (INED)	01/10/2024	✓	✓	2	2
S Rajendra (NED)	01/10/2024	✓	✓	2	2
C P R Perera (INED)	01/01/2025	-	✓	1	1
By Invitation					
C L P Gunawardane (NED)		✓	✓	2	2
M R Svensson (NED)		✓	✓	2	2

- 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

## REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

### COMPOSITION

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 (RPTRC) from 1st October 2024, replacing the previous arrangement of sharing the RPTRC of the Ultimate Parent Company, JKH, which acted on behalf of the Company until 30th September 2024.

The following Directors served as members of the Committee from 1st April 2024 to 30th September 2024.

A N Fonseka - Chairperson\* (INED)

D A Cabraal (INED)

S Fernando (INED)

M Jayasinghe\*\* (INED)

\* Retired with effect from 1 July 2024

\*\*Appointed with effect from 1 July 2024

The following Directors were appointed as members of the Committee from 1st October 2024.

H A J de Silva Wijeyeratne - Chairperson (INED)

S Rajendra (NED)

S A Atukorale (INED)

The Chief Financial Officer-Leisure Sector, Sector Financial Controller-City Hotels and Head of Finance of the Company attended the meetings by invitation. The Chief Financial Officer-Leisure Sector served as the Secretary to the Committee.

The JKH sub-committee met on two occasions prior to 30th September 2024 and the Company sub-committee met on two occasions after 1st October 2024. Information on the attendance at these meetings by the members of the Committee is given in the Corporate Governance Report. During the year there were no urgent transactions that required prior approval of the Committee.

### OBJECTIVE AND GOVERNING POLICIES

The objective of the Committee is to exercise its oversight to ensure compliance with all applicable rules and regulations, namely the Code on Related Party Transactions, as issued by the Securities and Exchange Commission of Sri Lanka ('The Code') and the Listing

Rules of the Colombo Stock Exchange (CSE). The Committee has also adopted best practices as recommended by the Institute of Chartered Accountants of Sri Lanka and ensures that transactions are in line with the Company's internal governance framework and associated policies.

### PROCEDURE

The Committee in discharging its functions primarily relied on processes that were validated from time to time and periodic reporting by the Company and Key Management Personnel (KMP) with a view to ensuring that:

- there is compliance with 'The Code' and the Listing Rules of the CSE
- shareholder interests are protected; and
- fairness and transparency are maintained.

### Non-recurrent Related Party Transactions (RPTs) of listed entities:

The Committee advocated the Management to implement appropriate procedures to ensure that all non-recurrent RPTs of the Company are submitted to the Committee, for pre-approval. During the financial year ended 31 March 2025 there were no non-recurrent Related Party Transactions (RPTs) which required pre-approval.

### Recurrent RPTs of listed entities:

The Committee has endorsed guidelines to facilitate disclosures and assurances to be provided by the senior management of the Company so as to validate compliance with section 9.14.10 (a) of the Listing Rules and thus exclusion from the mandate for review and pre-approval of such transactions by the Committee.

Accordingly Recurrent RPTs as well as the aforesaid disclosures and assurances were reviewed annually by the Committee.

The Company continued to adopt a broader scope in defining key management personnel including therein all senior decision makers. Accordingly, the Directors and their spouses have been designated as KMPs in order to increase transparency and enhance good governance. Annual disclosures from all KMPs setting out any RPTs they were associated with, if any, were obtained and reviewed by the Committee.

The activities and views of the Committee have been communicated to the Board of Directors, quarterly, through verbal briefings, and by tabling the minutes of the Committee's meetings.



H A J de Silva Wijeyeratne

Chairperson of the Related Party Transaction Review Committee

27 May 2025

### 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

- Should comprise of a minimum of four Directors.
- Must include the Chairperson - CEO and Deputy Chairperson/Group Finance Director of JKH.
- Must include two Non-Executive Directors.
- The Chairperson must be a Non-Executive Director.
- Committee Members:  
S S H Wijayasuriya (INED) - Chairperson  
K N J Balendra (NED)  
D A Cabraal (INED)\*  
J G A Cooray (INED)  
  
\* Appointed with effect from 1 October 2024
- No meetings were held during the period.

#### Scope

- 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 Group Finance Director.
  - iv. Recommend to the Board the necessary action required, to mitigate risks identified while evaluating a project to ensure that the Group Risk Matrix captures those risks for monitoring and mitigation.
- \*The Committee shall convene only when there is a need to transact in business as per the terms of its mandate.

# Corporate Governance

## REPORT OF THE PROJECT RISK ASSESSMENT COMMITTEE

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 (Dr.)**

Chairperson of the Project Risk Assessment Committee

26 May 2025

## Management Committees

### Group Executive Committee (GEC)

The eight-member GEC consisted of the Chairperson-CEO of JKH, the Deputy Chairperson/Group Finance Director of JKH and the Presidents of each business/function. The GEC is the overlay structure that implements, under the leadership and direction of the Chairperson-CEO JKH, the strategies and policies determined by the Board, manages through delegation and empowerment, the business and affairs of the JK Group, makes portfolio decisions and prioritises the allocation of all forms of capital.

A key responsibility of the members of the GEC is to act as the enablers of the operating model of the JK Group. The members of the GEC are well equipped to execute these tasks and bring in a wealth of

experience and diversity to the JK Group in terms of their expertise and exposure. The GEC meets twice a month, in addition to the meetings that are scheduled as necessitated by the requirements of the JK Group.

### Group Operating Committee (GOC)

As at 27 May 2025, the Group Operating Committee (GOC) included the Chairperson-CEO, Deputy Chairperson/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 Group. The Company, under the Leisure Group of JKH, is 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 Group, governance is driven through the Group Management Committee, Sector Committee, and Management Committee—each operating at the 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, which is under the Leisure Group of JKH, is 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 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 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. These systems

# Corporate Governance

and procedures strengthen the company's Internal Governance Structure and are benchmarked against industry best practices.

- Strategy formulation and decision-making process
- Human resource governance
- Integrated risk management
- IT governance
- Tax governance
- Sustainability Governance
- Stakeholder management and effective communication

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.

## 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. Review of ESG Considerations
4. Analysis of key risks and opportunities.
5. Digitisation and IT Strategy
6. Management of stakeholders such as suppliers and customers.
7. Value enhancement through initiatives centred on the various forms of capital under an integrated reporting framework.



MEDIUM-TERM STRATEGY

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



- 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 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 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.

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.

# Corporate Governance

The aforementioned project appraisal framework flow is illustrated below:



## HUMAN RESOURCE GOVERNANCE

Our Human Capital governance framework is consistent with the policy framework of our Ultimate parent entity, 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 follow an open-door policy for its employees, and this is promoted at all levels of the Company.

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.

### NEW POLICIES INTRODUCED IN 2024/25

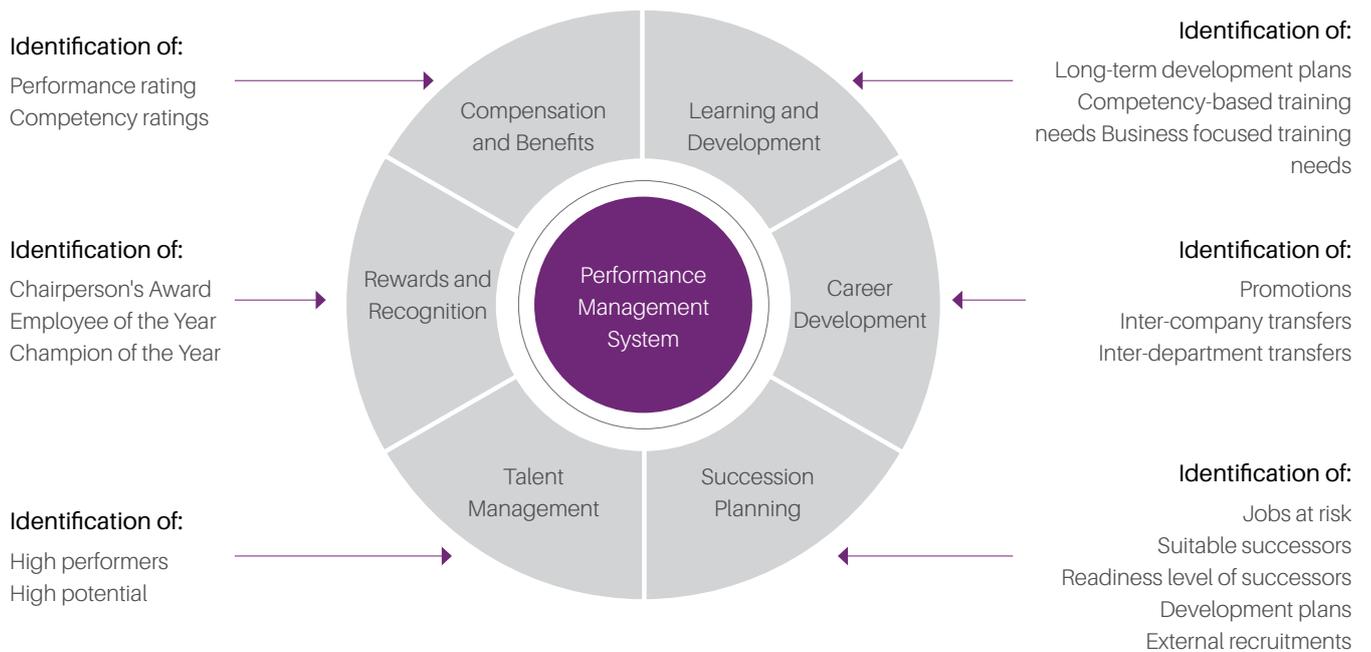
- Reward and recognition policy
- Policy on HR audits

### 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

**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 our Values

**Living our Values - Introduction of the Hall of Greatness**

The Company 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.

# Corporate Governance

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



- Inclusivity and diversity
- Collaboration and open communication
- Compassion and empathy
- Coaching and mentoring
- Upholding values

## 2. Connecting The Dots



- Big picture perspective
- Multidisciplinary approach
- Critical thinking
- Value driven approach

## 3. Being Agile



- Adapting to change
- Thriving in uncertainty
- Bouncing back from adversities
- Rapid experimentation approach
- Solution-oriented growth mindset

## 4. Relentless Execution



- Action orientation
- Prioritisation
- Effective time management focus and commitment

## 5. Storytelling



- Impactful communication
- Inspiring people
- Creative ways of engagement
- Active listening

## 6. 360 Stakeholder Commitment



- Passion for all stakeholders
- Building synergies
- Trust and credibility
- Commitment to financial outcomes + ESG

### THE COMPANY'S COMPENSATION POLICY IS AS FOLLOWS:

#### PERFORMANCE MANAGEMENT

'Pay for performance'

Greater prominence is given to the incentive component of the total target compensation.

#### SATISFACTION

'More than just a workplace'

Continuously focuses on creating a sound work environment covering all aspects of employee satisfaction.

#### Compensation Policy

- Compensation comprises of fixed (base) payments, short-term incentives, and long-term incentives.
- Higher the authority levels within the Group, higher the incentive component as a percentage of total pay.
- Greater the decision influencing capability of a role, higher the weight given to organisational performance as opposed to individual performance.
- Long-term incentives are in the form of Employee Share Options and cash payments.

#### Internal Equity

- Remuneration policy is built upon the premise of ensuring equal pay for equal roles.
- Manager and above level roles are banded using the Mercer methodology for job evaluation, on the basis of the relative worth of jobs.

#### External Equity

- Fixed compensation is set at competitive levels using the median, 65<sup>th</sup> percentile and 75<sup>th</sup> percentile of the best comparator set of companies (from Sri Lanka and the region, as relevant) as a guide.
- Regular surveys are done to ensure that employees are not under / over compensated.

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.

#### INTEGRATED RISK MANAGEMENT

The Company'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 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'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'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.

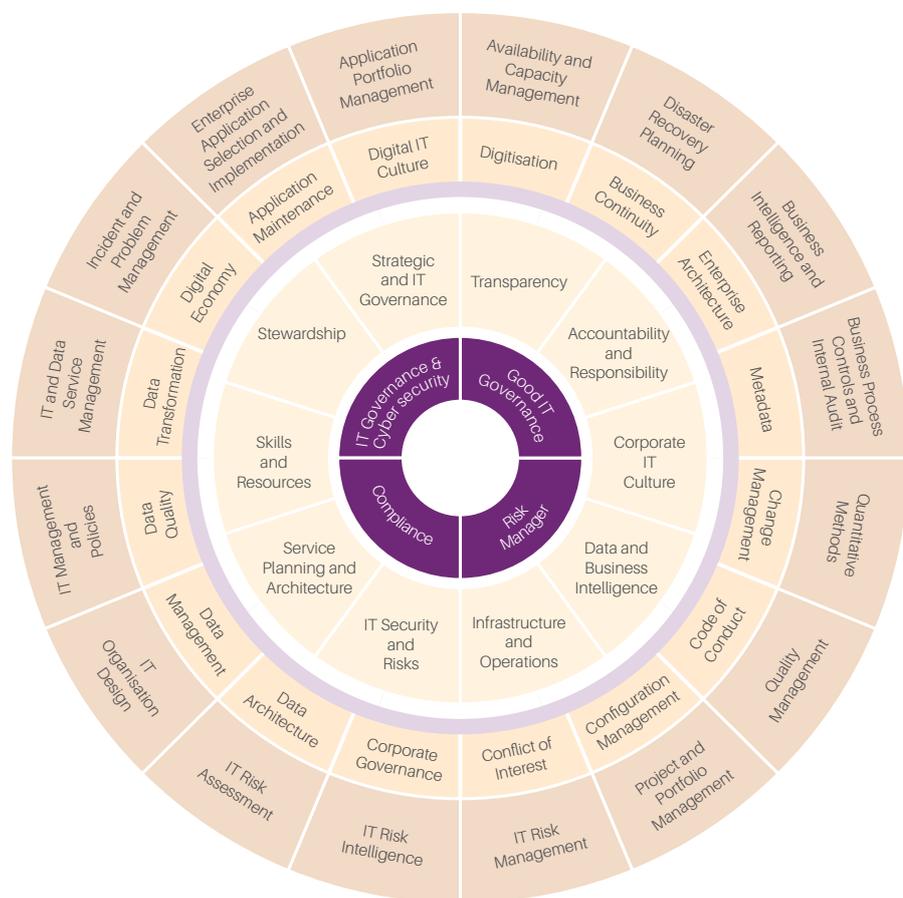
Please refer to the Risk Management Report on page 196 and Notes to the financial statements.

#### INFORMATION TECHNOLOGY (IT) 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 Group IT Operation Committee, with well-defined roles and responsibilities at the JK 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:

# Corporate Governance



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.

## Key Initiatives during the year:

- As part of JKH's 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 is progressing in line with the JK Group's transformation roadmap.
- The phased implementation of a centralised Property Management System (PMS) was implemented in the Company in June 2024. This standardised system will strengthen data governance, ensure consistency, and enhance operational efficiency while enabling more accurate and reliable performance analytics.

## TAX GOVERNANCE

The JK Group tax governance framework and tax strategy adopted by the Company are guided by the overarching principles of compliance, transparency, and accountability. It ensures that tax decisions contribute to sustainable business practices, respect societal norms and are aligned with ethical corporate behaviour.

## Governance Structure

- Voluntary compliance and efficient tax management are key aspects of the JK Group's overall tax strategy.
- 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:

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

### Role

- Implement and maintain strong compliance processes.
- Analyse and disseminate business impact from change in tax legislation.
- Provide clear, timely, and relevant business focused advice across all tax aspects.
- Ensure the availability of strong and well-documented technical support for all tax positions.

- Obtain independent/external opinions where the law is unclear or subject to interpretation.

### Review and Monitoring

- Leverage digital platforms to support, record and report on tax compliance status across the Group.
- 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 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 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 this is ensured through embedding into day-to-day operations.

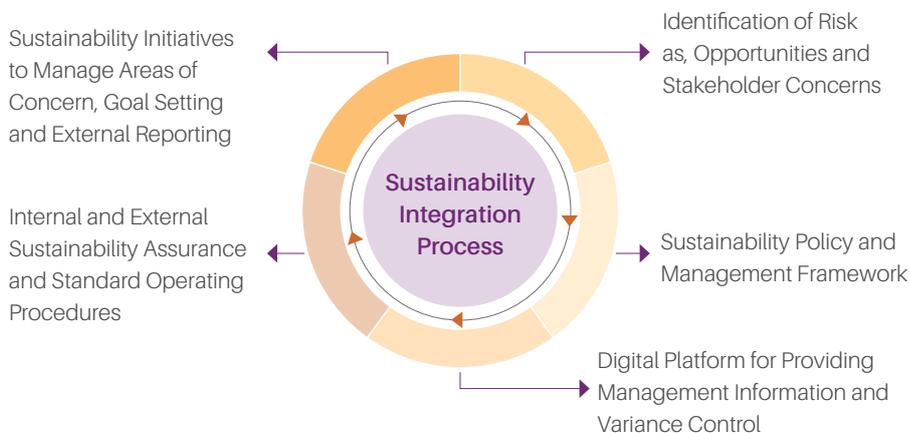
### Approach

The Company adopted the JK Group's approach to sustainability. The Board firmly embeds sustainability concerns within the Company'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 JK group on a needs basis.

The Company has in place a sound sustainability integration process, management framework and sustainability organisational structure through which sustainable practices are embedded to the Company'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 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 Group to spearhead ambitions at a Group level.
- Cross cutting steering committees have been appointed for each ambition to assist with sector level implementation
- Developed and updated Group policies to support ambitions.

# Corporate Governance

## ESG FOCUS AREAS AND GOVERNANCE STRUCTURE



The JK Group has outlined a comprehensive roadmap to achieve Environmental, Social, and Governance (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 aligned to global conventions, 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 work towards becoming 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 Group is committed to enhancing the sustainability of its supply chain. These goals demonstrate the 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.

## CH&amp;R Goals 2030

Medium Term  
< 2030

## Environment Pillar

**Energy Management/** GHG Emissions

20% reduction of Scope 1 &amp; 2 emissions by 2030

**Waste Management:** Single Use Plastic

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**

1. To make our communities more productive and self-reliant
2. To make Sri Lanka strong by promoting social cohesion

Complete 100,000 volunteer hours by 2030 from 2021 base year

**Stakeholder Management**

(Customers/Suppliers/Regulators)

1. To create the best value for our customers
2. To support sustainable supply chains
3. To partner with our regulators to improve life in Sri Lanka

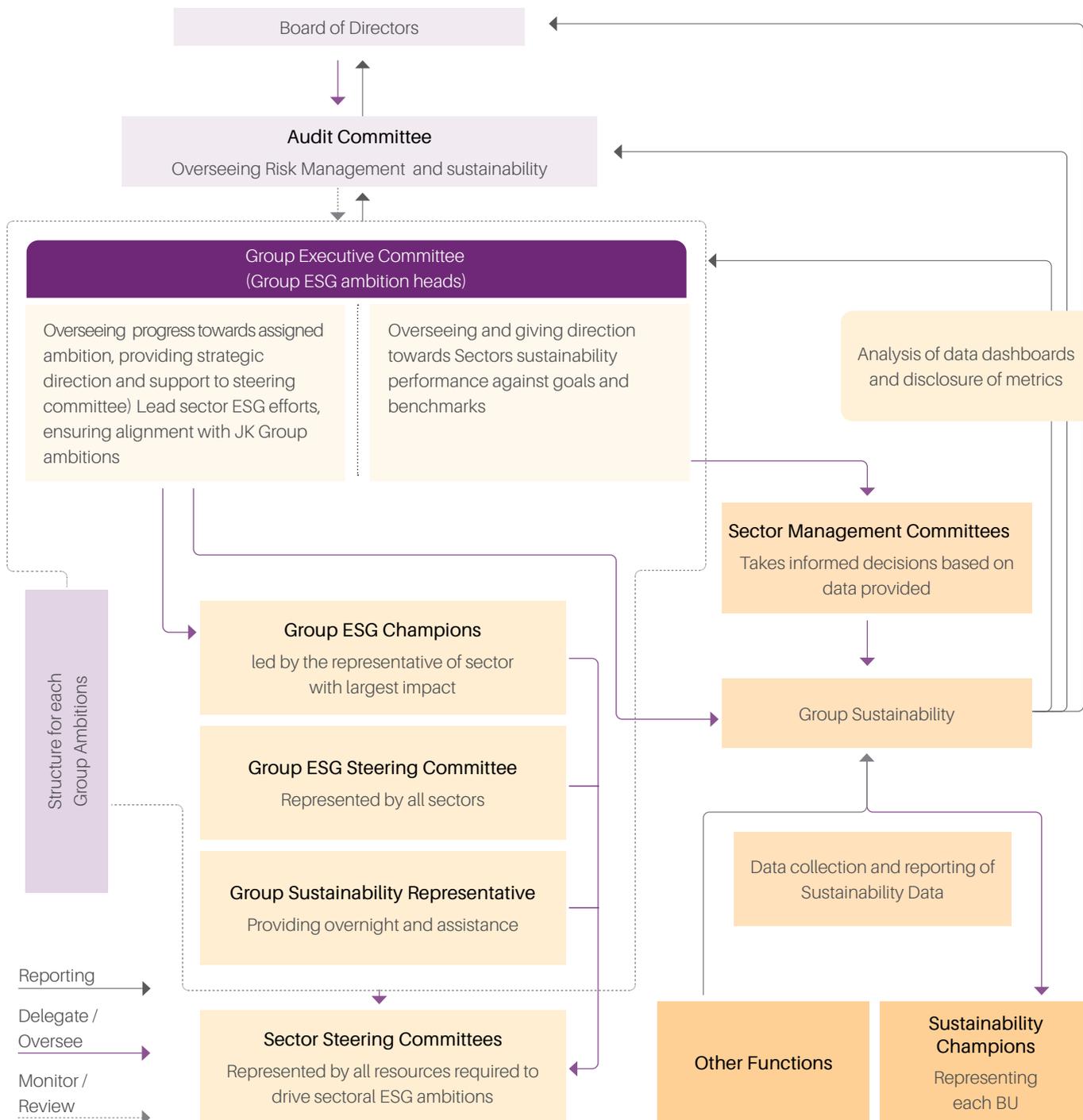
100% suppliers to be assessed with the Cinnamon Supplier Impact Assessment

All top suppliers to be rated as gold Cinnamon Supplier Impact Assessment

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

# Corporate Governance

## GROUP'S SUSTAINABILITY GOVERNANCE STRUCTURE



The 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 DISCLOSURES**

The Company 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, contributing labour, capital, and market demand. The Company 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 prioritises the achievement of these commitments across the short, medium, and long term.

**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 Group-wide processes, including identification of stakeholder and material issues, stakeholder engagements, risk assessments, JK-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.

The 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 JK Group's value chain with the purpose of benefitting 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.

# Corporate Governance

## ENGAGEMENT OF SIGNIFICANT STAKEHOLDERS



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

Internally, the Company'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 strives to integrate diverse perspectives into its sustainability efforts.

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

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

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

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

# Corporate Governance

## 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 Group’s governing framework and listing regulations of the Colombo Stock Exchange (CSE). The policy covers matters related to shareholders and investors of the JK 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 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 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’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 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
JK Group Investor Relations Webinar	• Quarterly
JK Group Investor presentations	• As required, quarterly at a minimum
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 JKH 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 JKH Chairperson-CEO and the Deputy Chairperson/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 JK 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 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.

### 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 is promptly communicated to the CSE and released to employees, the press, and shareholders.

The Company 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 Company 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-CEO 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 JK 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 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 also conduct internal and external audits periodically, at a minimum annually. As outlined in the ensuing sections, the Company 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 the Hotels, there were no critical concerns which have a material adverse effect on the Company that were raised during the year

# Corporate Governance

## In this section...

- Code of Business Conduct & Ethics
- Board Sub-Committees
- Chairperson Direct
- Key Internal Policies
- Ombudsperson
- Whistle-blower Policy
- Employee Participation in Assurance
- Internal Controls
- External Assurance

## Code of Business Conduct & Ethics

### 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 Group's written policies.
- Compliance with rules and regulations applying in the territories that the 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 Group operates in and the natural environment.
- Exercise of professionalism and integrity in all business and public personal transactions.

The Company 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 all 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.

### NO GIFT

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

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 of JKH and senior leadership consistently reinforce these values in employee and stakeholder engagements to embed them deeply within the organisation's culture.

### JK Group's ethical business practices, adopted by the Company;

- 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

### Board Sub-Committees

In addition to the Company Audit Committee, Nominations and Governance Committee, Human Resources and Compensation Committee and the Related Party Transactions Review Committee, the Ultimate parent company, JKH PLC's Board Sub-Committee 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 Sub-Committee section page 142 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'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, confidential information and conflicts of interest.
  - 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

# Corporate Governance

- 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
- 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 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 is in the process of making available all applicable policies in the public domain as required by applicable laws, rules and regulations.

## 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 place 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.

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:

- i. the decision and the recommendations;
- ii. action taken based on the recommendations;
- iii. 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.

## 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.

### Mandate and Role

For purposes of easy reference, the Ombudsperson's mandate and role is set out below:

- (a) 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;
- (b) 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;
- (c) 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

### EMPLOYEE PARTICIPATION IN ASSURANCE

Employee engagement is encouraged at all levels, and the Company 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 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 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
- Access to Senior Independent Director
- 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's accounting and financial reporting systems and that internal control systems remain robust and effective by periodically reviewing and monitoring such systems.

### WHISTLE-BLOWER POLICY

The Company continued with its whistle-blower policy and securities trading policy. The Company has witnessed an increased level of communication from employees. 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.

# Corporate Governance

## INTERNAL COMPLIANCE AND SYSTEM OF CONTROL

A quarterly self-certification programme requires the Leisure industry 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's assets and provide management information are functioning according to expectations and proper accounting records are in place through the involvement of the 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 is 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. 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 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

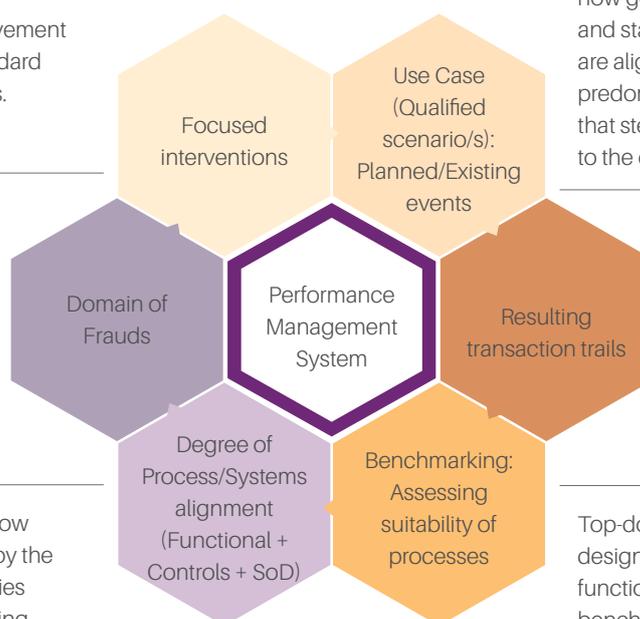
The internal audit process of the Company is conducted by outsourced parties at regular intervals, coordinated by the Group Business Process Review function (GBPR) of the Group. GBPR ensures that the internal audit plan adequately covers the significant risks of the Company and reviews the important 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 is 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.

### The new internal audit approach: Continuous emphasis on context

Prompt active engagement based on prioritised remediation for identified opportunities for continuous improvement of existing processes, systems, standard operating procedures and practices.

Disclosure of a qualified list of fraud that the process is assessed for its susceptibility and is based on authoritative sources such as Association of Certified Fraud Examiners (ACFE), and amongst others, Global knowledge resources of Audit firms.

Bottom-up evaluation : Determine how well process controls are enforced by the system(s) in use, identify opportunities for process automation and optimising enforcement of segregation of duties (SoD) to enhance efficiencies.



Central to this approach: Auditor determines how geared the factors of Process, Systems, and standard operating procedures are aligned and are ready to facilitate predominant use cases [specific scenario(s)] that stem from events occurring, consequent to the current business strategy.

Transactions resulting from events are scrutinised, anomalies identified, and root cause (contributory effect of Process, Systems, People), and its potential impacts to the business are prioritised for further deliberation.

Top-down assessment: Efficacy of the design and placement of Process/functional controls are validated/verified and benchmarked with contextually relevant best practice.

# Corporate Governance

## Forensic Data Analytics

The Company 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 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 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 of the Annual Report.

## 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 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...

- Board Diversity
- Board Independence
- Anti-Fraud, Anti-Corruption and Anti-Bribery
- Increasing Emphasis on Environmental, Social and Governance (ESG) Aspects
- Continual Strengthening of Internal Controls
- Digital Oversight and Cyber Security
- Data Protection, Information Management and Adoption
- 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.

While criteria for defining Board independence vary across countries, evidence suggests that a combination of checks and balances, such as assurance mechanisms, comprehensive evaluations, and Independent Director led engagements, can enhance governance without compromising corporate operations. 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 well-being, 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 International Sustainability Standards Board (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 Group levels. This initiative ensures readiness to meet the CSE's reporting requirements for 2025/26

### 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.

### Digital Oversight and Cyber Security

Whilst the rapidly advancing nature of technology and the continual integration of the Company'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 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 Company. 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 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.

# Corporate Governance

## GREATER EMPLOYEE INVOLVEMENT IN GOVERNANCE

Whilst all necessary compliance and assurance frameworks are believed to be in place, the Company recognises the pivotal role played by employees in reinforcing an effective governance system across the JK 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 a listed entity cannot compile this information in isolation since the country's regulations do not require this to be disclosed when purchasing shares in the Colombo Stock Exchange.

### In this section

- Compliance Summary
- Appendix I- Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE) on Annual Report Disclosure
- Appendix II—Statement of Compliance under Section 9 of the Listing Rules of the CSE on Corporate Governance
- Appendix III: Statement of Compliance pertaining to Companies Act No. 7 of 2007
- Statement of Compliance with applicable Codes of Best Practice

## 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, CEO Cinnamon Hotels and Resorts and the Chief Financial Officer 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 under the Annual Report of the Board of Directors on page 205 of this Report.

Trans Asia Hotels PLC 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 Company 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.

The Company is fully compliant with all the mandatory rules and regulations stipulated by the following:

## APPENDIX I - STATEMENT OF COMPLIANCE UNDER SECTION 7.6 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON ANNUAL REPORT DISCLOSURE

Mandatory Provisions - Fully Compliant

Rule	Compliance Status	Reference (within the Report)
(i) Names of persons who were Directors of the Entity	Yes	Board of Directors
(ii) Principal activities of the entity and its subsidiaries during the year, and any changes therein	Yes	Annual Report of the Board of Directors
(iii) The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held	Yes	Share Information & Shareholding
(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 in respect of voting ordinary shares	No - (A note on non-compliance with the minimum public holding requirement has been included under The Annual Report of the Board of Directors Section)	
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	
(vi) Information pertaining to material foreseeable risk factors of the Entity		Risk Management
(vii) Details of material issues pertaining to employees and industrial relations of the Entity	Yes	Annual Report of the Board of Directors
(viii) Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Yes	Notes to the Financial Statements
(ix) Number of shares representing the Entity's stated capital	Yes	Share Information & Shareholding/ Performance
(x) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Yes	Highlights
(xi) Financial ratios and market price information	Yes	Notes to the Financial Statements
(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	
(xiii) Details of funds raised through a public issue or further issue of securities, the manner in which the funds of such issue have been utilised, details of the number of securities, class and consideration received and the reason for the issue and any material change in the use of funds	Yes	Share Information & Shareholding/ Notes to the Financial Statements
(xiv) Information in respect of Employee Share Ownership or Share Purchase Schemes	Yes	
(xv) Disclosures pertaining to Corporate Governance practices in terms of Rule 9 of the Listing Rules	Yes	Annual Report of the Board of Directors
(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	Corporate Governance Note 09 and 28 of the Notes to the Financial Statements
(xvii) Disclosures pertaining to Foreign Currency denominated Securities, to Sustainable Bonds, Perpetual debt Securities, Infrastructure Bonds,	N/A	N/A
(xxii) Compliant Debt Securities and/or High Yield Corporate Debt Securities listed on the CSE.		

# Corporate Governance

## APPENDIX II — STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE CSE ON CORPORATE GOVERNANCE

Mandatory Provisions - Fully Compliant

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
<b>9.1 Corporate Governance Rules</b>			
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.
<b>9.2 Policies</b>			
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	
9.2.2	Disclosure of any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by Company	Yes	Corporate Governance
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	
<b>9.3 Board Committees</b>			
9.3.1 a/b/c/d	Maintenance of minimum required Board Committees	Yes	The required Committees are maintained and are functioning effectively. Refer Corporate Governance - Board Composition
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	Chairperson of the Board to not serve as the Chairperson of the Board Committees referred in 9.3.1	Yes	The Company complies with the requirements in respect of the Board Committees. Refer Board Sub-committee reports
<b>9.4 Meeting procedures and the conduct of all General Meetings with shareholders</b>			
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
<b>9.5 Policy on matters relating to the Board of Directors</b>			
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

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
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
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
<b>9.6 Chairperson and CEO</b>			
9.6.1	Requirement for a SID if the positions of Chairperson and CEO are held by the same individual	N/A	
9.6.2	Market announcement on the rationale behind the appointment of a SID	N/A	N/A as the Chairperson is a NED and Chairperson and CEO roles are not combined.
9.6.3 a-d	Requirement for a SID	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

# Corporate Governance

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
<b>9.7 Fitness of Directors and CEO</b>			
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	The Nominations and Governance Committees reviews and makes recommendation to the Board on the fitness and propriety of Directors.
9.7.4	Annually obtain declarations from Directors and the CEO confirming compliance with Fit and Proper Assessment Criteria	Yes	No non-compliances were reported during the year in this regard.
9.7.5	Disclosures in the Annual Report	Yes	
<b>9.8 Board Composition</b>			
9.8.1	Minimum number of Directors on the Board	Yes	
9.8.2	At least 2 members or 1/3 of the Board, whichever is higher to be independent.	Yes	Corporate Governance Report – Board Composition
9.8.3 (i) to (ix)	Criteria for determining independence	Yes	Details of the independence criteria are explained within the Corporate Governance Commentary.
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.
<b>9.9 Alternate Directors</b>			
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
<b>9.10 Disclosures relating to Directors</b>			
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	Timely market announcement of the new independent NEDs appointed are made through the CSE.

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
9.10.4 a-i	Details in relation to the Board members	Yes	Refer Board of Director Profiles report
<b>9.11 Nominations and Governance Committee</b>			
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	
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	Refer to the Nominations and Governance Committee Report
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	
<b>9.12 Remuneration Committee</b>			
9.12.2	Establishment of a Remuneration Committee (RC)	Yes	
9.12.3	The Remuneration Committee to establish and maintain a formal and transparent procedure for developing policy on EDs and individual Director's remuneration, ensuring that no Director is involved in fixing their own remuneration	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	RC Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Refer Human Resources Compensation Committee Report
9.12.6 (1)	Composition of RC	Yes	
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 – Director Remunerations

# Corporate Governance

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
<b>9.13 Audit Committee</b>			
9.13.1	Audit Committee (AC) to handle Risk functions where Company does not have separate Committees for Audit and Risk	Yes	
9.13.2	AC to 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	Refer Audit Committee section of the Corporate Governance Report
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	
<b>9.14 Related Party Transactions Review Committee</b>			
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)	Composition of 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	
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	Refer to the Related Party Transactions Review Committee section.
9.14.5	Review of Related Party Transactions by the RPTRC	Yes	
9.14.6	Shareholder Approval for Related Party Transactions	yes	Refer to Extraordinary General Meetings, including Shareholder Approval through the 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.

CSE Rule		Compliance Status	Company Action / Reference (within the Report)
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	
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 to Extraordinary General Meetings, including Shareholder Approval through the 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 2023/24.
<b>9.17 Additional Disclosures</b>			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	Corporate Governance - Maintaining Board Independence and Managing Conflicts of Interest
(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 for Directors 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

## APPENDIX IV: 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 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) Acknowledgment 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.	N/A	

## 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.

### Code of Best Practice of Corporate Governance 2023 Issued by CA Sri Lanka

Directors	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>The Board (collectively) and Directors (individually) are aware of their obligation to act in accordance with the laws of the Country.</li> <li>Board Balance is maintained as the Code stipulates.</li> <li>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.</li> <li>Specified information regarding Directors, such as annual appraisal of the Board is shared in the Corporate Governance Commentary</li> </ul>
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Directors' Remuneration	<ul style="list-style-type: none"> <li>The Human Resource and Compensation Committee, consisting of exclusively NEDs is responsible for determining the remuneration of the EDs.</li> <li>ED compensation includes performance related elements in the pay structure.</li> <li>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.</li> </ul>
Relations with Shareholders	<ul style="list-style-type: none"> <li>There is constructive use of the AGM, as per Code. Notice of Meeting, with adequate details, is circulated to shareholders as per statute.</li> <li>The Group has in place multiple channels to reach shareholders as discussed under the Stakeholder Management and Effective Communication section.</li> <li>Disclosure of material transactions and requisite shareholder approvals for major transactions.</li> </ul>
Accountability and Audit	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>The Internal Audit function and the Audit Committee, functions as stipulated by the Code, and are discussed under the Audit Committee section.</li> <li>A Related Party Transactions Review Committee is in place and functions in line with the Code.</li> <li>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.</li> <li>All Corporate Governance disclosures under CSE rules have been complied with.</li> </ul>
Institutional Investors	<ul style="list-style-type: none"> <li>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.</li> </ul>
Other Investors	<ul style="list-style-type: none"> <li>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.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>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 &lt;IR&gt; framework, GRI standards and operates in conformity with the Principles of the United Nations Global Compact and United Nations Sustainable Development Goals.</li> <li>The Company has established a governance framework and structure which includes conformance, performance and sustainability/ESG factors in line with the Code.</li> </ul>
Internet and Cybersecurity	<ul style="list-style-type: none"> <li>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.</li> </ul>
Special Considerations for Listed Entities	<ul style="list-style-type: none"> <li>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.</li> </ul>

# Corporate Governance

## 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

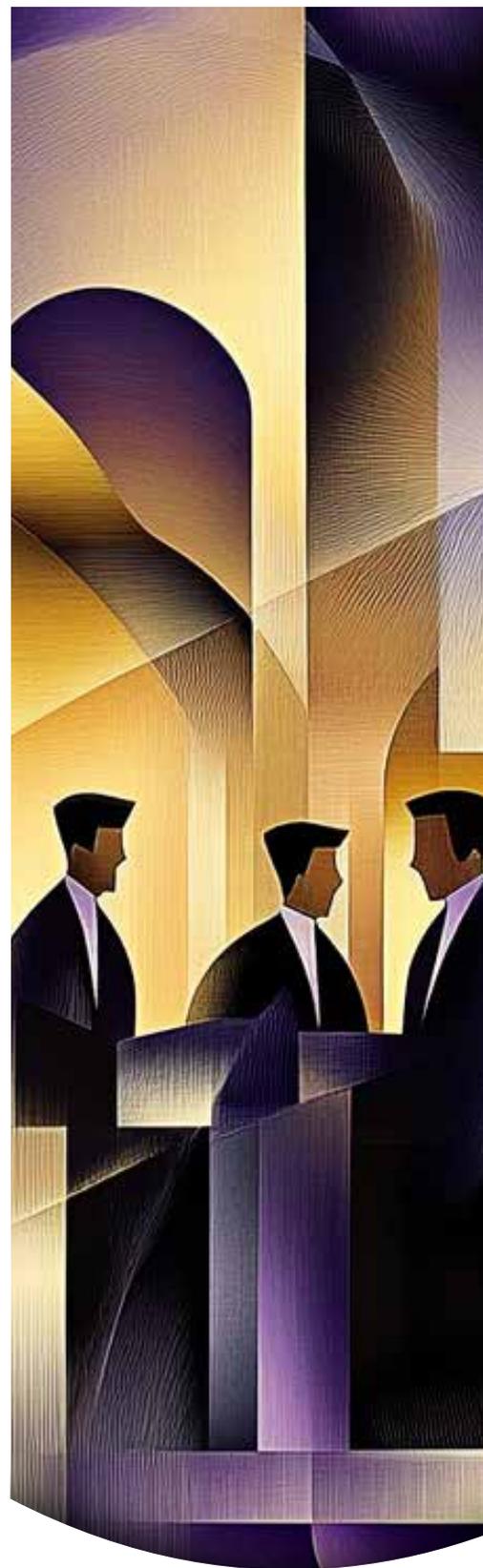
Keells Consultants (Private) Limited  
John Keells Foundation  
Mackinnons Keells Limited  
John Keells International (Private) Limited  
John Keells Capital (Private) Limited  
Jaykay Marketing Services (Pvt) Limited  
Infomate (Private) Limited  
Infomate Global Business Services (Private) Limited  
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

### 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



**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

**BOARD SEATS HELD IN OTHER LISTED SRI LANKAN COMPANIES UNDER JK GROUP****K N J BALENDRA**

John Keells Hotels PLC  
 Asian Hotels and Properties PLC  
 Ceylon Cold Stores PLC  
 John Keells PLC  
 Keells Food Products PLC  
 Tea Smallholder Factories PLC\*  
 Union Assurance PLC

**S RAJENDRA**

John Keells Hotels PLC  
 Union Assurance PLC  
 Asian Hotels and Properties PLC

**J G A COORAY**

John Keells Hotels PLC  
 Asian Hotels and Properties PLC  
 Ceylon Cold Stores PLC  
 John Keells PLC  
 Keells Food Products PLC  
 Tea Smallholder Factories PLC\*

**M R SVENSSON**

John Keells Hotels PLC  
 Asian Hotels and Properties PLC

**C L P GUNAWARDANE**

Asian Hotels and Properties PLC

\* Resigned with effect from 3 April 2025

# Risk Management

As part of the John Keells Group and Cinnamon Hotels and Resorts, Trans Asia Hotels PLC (TAH) acknowledges the hospitality industry's vulnerability to a range of external disruptions, including macroeconomic volatility, geopolitical tensions, pandemics, and climate change. In response, TAH adopts a comprehensive, enterprise-wide risk management approach anchored in a well-established framework. This framework integrates governance mechanisms, defined policies, and structured processes to proactively manage risk while preserving profitability and financial resilience. Over the years, this disciplined approach has proven effective in providing strategic foresight and operational agility—particularly during periods of significant and unforeseen external challenges.

## RISK GOVERNANCE

TAH benefits significantly from the strong risk governance framework embedded within Cinnamon Hotels and Resorts. With the Board of Directors holding ultimate accountability for risk management,

the following key factors contribute to the effectiveness of the Company's risk governance processes:

- Audit Committee which 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 which is responsible for the effective execution of the risk management framework

## ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management (ERM) is a continuous process at the Company, following a structured approach that allows for the proactive identification of potential risks that could impact the Company's performance. This process strengthens the Board's ability to effectively fulfill its responsibilities by efficiently identifying, assessing, and responding to these risks.



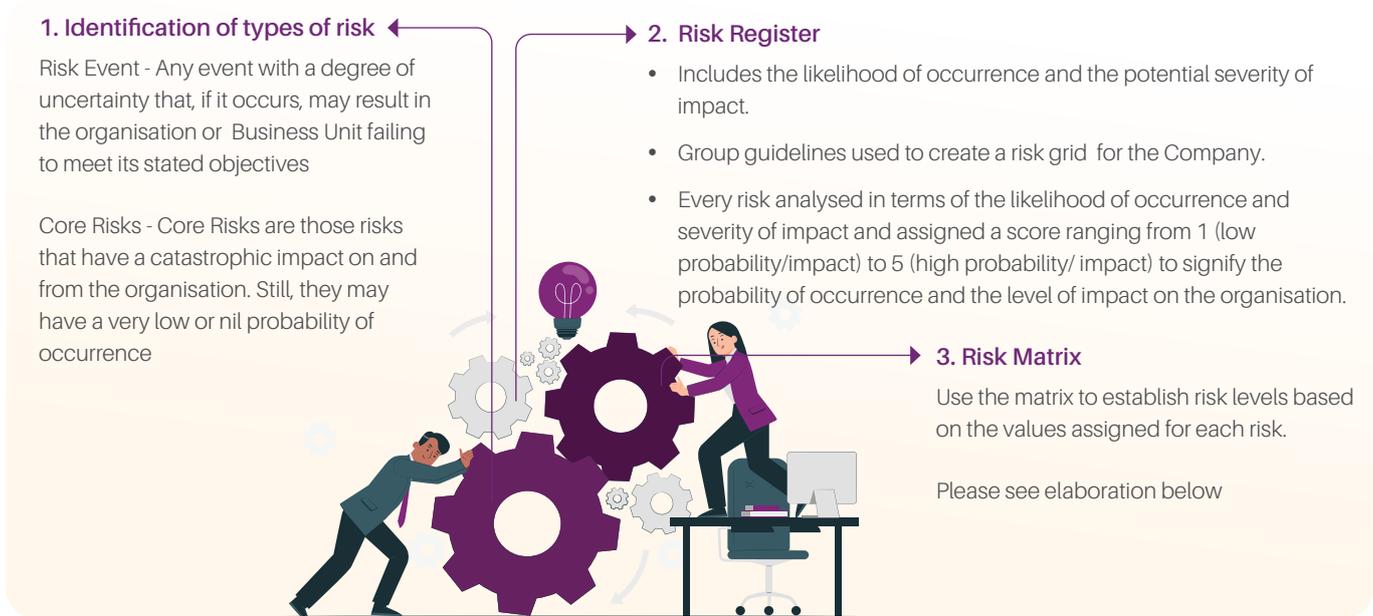
## FORMAL ERM FRAMEWORK

John Keells Group Risk Universe						
External Environment	Business Strategies and Policies	Business Process	Organisation and People	Analysis and Reporting	Technology and Data	Sustainability and CSR



**KEY COGS OF THE ERM FRAMEWORK**

The ERM Framework adopted by the John Keells Group and implemented by the Hotels Company Group involves the following:



**RISK MATRIX**

TAH'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

**Step 2 - Determining the priority level of risks based**

	Occurrence / Likelihood				
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

# Risk Management

## KEY RISKS FOR TRANS ASIA HOTELS PROPERTIES PLC AND THEIR RISK PRIORITIES

The following risks have been identified as being impactful and affecting the strategic business objectives of TAH. These risks have been assessed as per the above illustrated Risk Matrix and their respective priority levels are indicated.

### Risk prioritisations

Risk categorisation	Key risks	Impact/ Severity	Occurrence/ Likelihood	Risk priority	Trend
Operating Environment	Pandemic Risk	Moderate/High	Rare/Remote	Low	↓
	Country Risks	Moderate/High	Unlikely	Low	↓
Financial Risks	Exchange rate fluctuations	Moderate/High	Rare/Remote	Low	↓
	Financial risks- Credit and Liquidity risks	Minor	Possible to occur	Low	→
	Financial risks- Increase in interest rates	Moderate/High	Rare/Remote	Low	↓
Business Risk	Business Risk	Moderate/High	Likely	High	→
	IT Risks	Moderate/High	Rare/Remote	Low	↓
Operational Risks	Fire	Major/ Very high	Rare/Remote	Medium	↑
	Disruption to business due to power and fuel crisis	Moderate/High	Rare/Remote	Low	→
	Supply chain issues/Supply chain shortages	Moderate/High	Rare/Remote	Low	→
	Brand and reputation risk	Major/Very high	Unlikely	Low	→
	Food Safety	Moderate/High	Rare/Remote	Low	↓
	Equipment/Machinery breakdown	Moderate/High	Likely	High	↑
	Labour Disputes	Moderate/High	Unlikely	Low	→
	Employee Risks	Moderate/High	Likely	High	→
	Corruption and Fraud	Minor	Unlikely	Insignificant	→
	Sexual harassment at workplace	Major/Very high	Unlikely	Low	→
	Health and safety risk of our guests and employees	Moderate/High	Rare/Remote	Low	↑
	Breakdown of internal controls	Moderate/High	Rare/Remote	Low	→
	Social Performance	Major/Very high	Unlikely	Low	→
	Environment Risk	Climate change and plastic pollution	Major/Very high	Unlikely	Low

### RISK MANAGEMENT STRATEGY

The Company's Risk Management function is deeply integrated with its Sustainability Management Framework and Corporate Social Responsibility (CSR) initiatives. As such, Risk Management goes beyond addressing operational and financial risks, encompassing a wider range of environmental, community, employee, value chain, and other non-financial risks related to the Company's Environmental, Social, and Governance (ESG) considerations.

The Sector Risk Management Team, led by the Industry Group President, evaluates high-level and core risks to ensure the effectiveness of the risk management process at the Business Unit level. Key risk areas that impact the Company's strategic objectives and the actions taken to mitigate these risks are outlined below.

## RISKS ANALYSIS

Risk	Mitigating Actions
<b>Operating Environment</b>	
<b>Pandemic Risk</b>	
<ul style="list-style-type: none"> <li>Loss or closure of business due to travel restrictions, obstructions to business continuity and health and safety of guests and staff</li> <li>Negative publicity and implications on Customer footfall</li> </ul>	<p>Preventive- BCP to include processes on handling infected cases, SOP's in place for guest and staff self-isolations on infected cases, compliance with guidance issued by SLTDA and MOH guidelines (safety measures and disinfecting methods etc.), social distancing protocols and health checks, arrangements for working from home and Staffing plans</p> <p>Detective- Daily health checks for guests and staff, Conducting tests for staff, staff trainings on symptom detections, collection of guest and staff recent health condition and declarations relating to infections.</p> <p>Corrective- Diversification of revenue sources through a focus on F&amp;B income and other supplementary services, expenditure control measures, stress tests, weekly dashboard monitoring of financial and non-financial KPIs.</p>
<b>Country Risks</b>	
<ul style="list-style-type: none"> <li>Acts of terrorism can cause disruptions to operations, loss of life/injury and damage property and equipment</li> <li>Civil unrest and Breakdown of law and order</li> <li>Natural Disasters</li> </ul>	<p>Preventive- Additional security arrangements including additional military personnel and CCTV, continuous lobbying with the Government agencies and industry personnel, review of business continuity plans, fire and safety drills, Annual evacuation drills, Business Continuity Plan reviews, signage and evacuation plans</p> <p>Detective- Installation of baggage X-ray machines, walk through metal and explosive detectors, vehicle checks, fire safety certifications, Monitoring of Political and External environment</p> <p>Corrective- Business Continuity Plans, signage and evacuation plans, adequate insurance covers, backup plans for data, monitoring of external environment, Emergency preparedness plans in place</p>
<b>Financial Risks</b>	
<b>Exchange rate fluctuations</b>	
<ul style="list-style-type: none"> <li>Increase in cost of purchases</li> <li>Realised losses on US Dollar loan repayments</li> <li>Fluctuations in room-based revenue</li> </ul>	<p>Preventive- Monitoring of market movements and trends of exchange rates</p> <p>Detective- Ongoing engagement with Group Treasury</p> <p>Corrective- Natural hedging options such as invoicing and accepting payments in the same currency and engaging proactively with banks to obtain the best possible rates</p>
<b>Financial risks- Credit and Liquidity risks</b>	
<ul style="list-style-type: none"> <li>Exposure and losses due to default of settlement by debtors</li> <li>Inability to meet financial commitments on due dates</li> </ul>	<p>Preventive- Stringent credit policy and controls to mitigate the impact of default, regular review of credit limits, capital investments are planned in a manner which would not adversely impact on the cashflows and gearing position, continuous monitoring of markets</p> <p>Detective- Ongoing monitoring against collection targets with progressive action, regular review mechanisms to monitor the Company's performance against budgets</p> <p>Corrective- Regular internal audits</p>
<b>Financial risks- Increase in interest rates</b>	
<ul style="list-style-type: none"> <li>Increase in cost of debt</li> </ul>	<p>Preventive/Detective- Constant monitoring of market interest rates and regular communication with Group Treasury on minimum lending rates</p> <p>Corrective- Renegotiation of credit periods and constant follow ups on outstanding debt</p>

# Risk Management

Risk	Mitigating Actions
<b>Business Risk</b>	
<b>Business Risk</b>	
<ul style="list-style-type: none"> <li>Increased competitiveness in the industry</li> </ul>	Preventive- Pricing, refurbishment, retention of talent, training and development of staff, product and service upgrades are carried out to be competitive with industry counterparts
<ul style="list-style-type: none"> <li>Cost increases due to continuously improving product quality standards in line with competitors</li> </ul>	Detective- Pricing strategies are scrutinised with competitor pricing and other available offers  Corrective- Monitoring of guest reviews and rankings, increased marketing efforts including social media strategies and review of pricing strategies
<b>IT Risks</b>	
<ul style="list-style-type: none"> <li>Not keeping up with the latest technological developments in the industry</li> </ul>	Preventive- Implementation of latest technological developments, Updating of firewalls, service contracts, infrastructure and disaster recovery plans based on the latest technological advances in the industry, using Cloud based technology
<ul style="list-style-type: none"> <li>Cyber security</li> </ul>	Detective- Monitoring potential threats through regular internal audits and implementation of the cybersecurity framework
<ul style="list-style-type: none"> <li>Loss of data due to failure of IT systems</li> </ul>	Corrective- Immediate measures taken to correct identified deficiencies and gaps, implementing latest technological developments, Disaster recovery plans
<b>Operational Risks</b>	
<b>Fire</b>	
<ul style="list-style-type: none"> <li>Disruption to operations</li> </ul>	Preventive- Fire detection and fighting equipment are in place, staff training, regular fire drills
<ul style="list-style-type: none"> <li>Loss of life or injury</li> </ul>	Detective- Regular auditing, daily rounds done by trained officers in the property
<ul style="list-style-type: none"> <li>Loss of key documentation</li> </ul>	Corrective- Business continuity plans, insurance, evacuation procedures
<b>Disruption to business due to power and fuel crisis</b>	
<ul style="list-style-type: none"> <li>Inability to run the generator during power outages</li> </ul>	Preventive- Increase frequency and quantity of fuel purchased to power the generator, increase par level of stocks.
<ul style="list-style-type: none"> <li>Inability of staff to report to work</li> </ul>	Detective- Continuous monitoring and Identification of alternative suppliers  Corrective- Seek alternate sources of power supply
<b>Supply chain issues/Supply chain shortages</b>	
<ul style="list-style-type: none"> <li>Inability of our suppliers to fulfil delivery requirements in terms of quality and price can lead to negative impacts on service quality and margin pressure. Short supply of raw material could result in disruption to operations.</li> </ul>	Preventive- Review supplier standards, supplier code of conduct, maintenance of agreements, supplier forums and continuous monitoring  Detective- Identification of alternative suppliers and supplier audits  Corrective- Modifying the menus and ordering process accordingly, robust supplier engagement
<b>Brand and reputation risk</b>	
<ul style="list-style-type: none"> <li>Our reputation on social media will directly impact our ability to attract customers</li> </ul>	Preventive- Maintaining brand standards, health and safety standards and high guest & associate satisfaction levels  Detective- Continuous monitoring of social media  Corrective- Responding immediately to guest concerns and addressing any areas of weaknesses
<b>Food Safety</b>	
<ul style="list-style-type: none"> <li>This has an immediate impact on the health and safety of our guests, staff and reputation</li> </ul>	Preventive- ISO 22000 food safety management certification supported by associate training on basic food hygiene and establishing systematic waste disposal methods  Detective- Regular audits and third-party microbiological testing, regular medical checks for food handlers, cleaning, regular sanitation and pest control schedules  Corrective- Public relations handling by duty managers and immediate action for damage control

Risk	Mitigating Actions
<b>Equipment/Machinery breakdown</b>	
<ul style="list-style-type: none"> <li>Breakdown can cause disruption to operations, adversely impacting our services and guest experiences resulting in loss of reputation and increased costs</li> </ul>	Preventive- Regular preventative maintenance programs are carried out Detective- Regular inspections, supervision and monthly maintenance Corrective- Maintenance is done on a needs basis upon identification of issues from detective measures or breakdown incidents
<b>Labour Disputes</b>	
<ul style="list-style-type: none"> <li>This has an impact on staff motivation, talent attraction and retention</li> </ul>	Preventive- Operational management supervision Detective- Regular discussions with employees on grievances Corrective- Increased employee engagement
<b>Employee Risks</b>	
<ul style="list-style-type: none"> <li>Loss of key staff due to increased global and local competition</li> <li>Inability to retain talent</li> <li>Attrition of staff</li> </ul>	Preventive- Great Place to Work certification, staff welfare, building loyalty, review of remuneration packages, performance driven by "SMART" objectives, clear SOPs for staff to follow Detective- Cinnamon employee survey Corrective- Training pool, development programs, enable opportunities in other business units or redeployment, disciplinary procedures
<b>Corruption and Fraud</b>	
<ul style="list-style-type: none"> <li>Risk to reputation</li> <li>Lack of transparency</li> <li>Financial loss</li> </ul>	Preventive- Continuous training of staff, regular review of policies, whistle blowing mechanisms Detective- Internal audit and spot checks Corrective- Staff training and Internal audit and loss recovery process including insurance
<b>Sexual harassment at workplace</b>	
<ul style="list-style-type: none"> <li>Risk to brand image</li> <li>Dissatisfied staff</li> <li>Difficulties in hiring</li> </ul>	Preventive- Staff awareness and training sessions, robust policies Detective- Transparent and confidential channels of communication Corrective- Robust disciplinary procedures
<b>Health and Safety risk of our guests and employees</b>	
<ul style="list-style-type: none"> <li>Risk to brand image and reputation</li> <li>Loss of productivity</li> <li>Increased cost</li> </ul>	Preventive- Training, insurance, ISO 45001:2018 certification, adequate infrastructure such as lighting, signages, railings etc Detective- Regular internal and external audits, continuous monitoring Corrective- Robust investigation and review processes
<b>Breakdown of internal controls</b>	
<ul style="list-style-type: none"> <li>Not meeting service quality levels</li> <li>Financial loss</li> <li>Loss of reputation</li> </ul>	Preventive- Management supervision, regular compliance checks, regular internal audits Detective- Regular internal and external audits, continuous monitoring Corrective- Robust disciplinary procedures
<b>Social performance</b>	
<ul style="list-style-type: none"> <li>Restrictions from the community</li> <li>Lack of resources</li> </ul>	Preventive- Comprehensive CSR Framework, supplier impact assessments, CSR projects based on pressing needs Detective- impact assessment of monthly volunteer hours
<b>Environmental Risks</b>	
<b>Environmental pollution</b>	
<ul style="list-style-type: none"> <li>Climate change</li> <li>Plastic pollution</li> </ul>	Preventive- Adherence to the legal frameworks defined by the legal bodies, ISO 14001 certification, travellife certification, CEA approved waste collection program Detective- KPI measurement for carbon footprint, water withdrawn, plastic usage and landfill waste





# A Culture of Excellence, A People of Trust

Excellence begins with precision and results in confidence. Our financial disclosures offer a clear view of value delivered through discipline and integrity. At Trans Asia Hotels, every number tells a story of responsible stewardship, reinforcing the trust we've earned over the years.

## FINANCIAL STATEMENTS

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# Financial Calendar

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43rd Annual General Meeting	27th June 2024
44th Annual General Meeting	26th June 2025
<b>Interim Financial Statements</b>	
1st Quarter ended 30th June 2024	Released on 29th July 2024
2nd Quarter ended 30th September 2024	Released on 4th November 2024
3rd Quarter ended 31st December 2024	Released on 3rd February 2025
4th Quarter ended 31st March 2025	Released on 27th May 2025

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# Annual Report of the Board of Directors

The Directors have pleasure in presenting the 44th Annual Report of Trans Asia Hotels PLC (The Company) together with the Audited Financial Statements for the year ended 31st March 2025.

## GENERAL

The Company was incorporated on 17th July 1981 as a limited liability company and the shares of the Company were listed on the Colombo Stock Exchange (CSE) on 1st January 1983. In compliance with the provisions of the Companies Act No. 7 of 2007 (Companies Act) the Company was re-registered on 15th June 2007 with Company registration number PQ 5.

## PRINCIPAL ACTIVITY

The principal activity of the Company, which is hoteliering remained unchanged. The Company owns Cinnamon Lakeside Hotel, a Five-Star Hotel situated in Colombo. The Company also derives rental income from the investment property adjoining the Hotel.

## PARENT COMPANY AND ULTIMATE PARENT COMPANY

The Company is a subsidiary of Asian Hotels and Properties PLC, a company incorporated in Sri Lanka and listed on the CSE and the Company's ultimate parent company is John Keells Holdings PLC (JKH), also a company incorporated in Sri Lanka and listed on the CSE.

## REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The financial and operational performance during the year ended 31st March 2025 and future business developments of the Company are provided in the Chairperson's Review on 16 pages to 19. This report which forms an integral part of the Annual Report together with the audited financial statements, reflect the state of affairs of the Company.

## FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Financial Statements of the Company duly signed by the Directors and the Auditors' Report on the Financial Statements are provided on pages 211 to 213.

## CORPORATE GOVERNANCE

The Corporate Governance principles and practices of the Company are described from pages 130 to 195 of this report.

The Company continues to be non-compliant with the Minimum Public Holding Requirement specified in Rule 7.13.1 (b) under Option 1 of the CSE Listing Rules and was transferred to the Second Board on 27 August 2021 of which the shareholders were apprised at the last Annual General Meeting of the Company. 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. The Company continues to aggressively pursue its business strategies in order to capitalise on all available opportunities and maximise stakeholder value creation. The Company also monitors the situation towards ensuring compliance with the required Public Holding threshold as specified in the CSE Listing Rules.

### Subject to the above,

#### (a) Chairperson's declaration

The Chairperson declares that there were no departures from any of the provisions of the Code of Business Conduct and Ethics.

#### (b) Directors' declarations

The Directors declare that;

- a) the Company has complied with all applicable laws and regulations in conducting its business.
- b) they have declared all material interests in contracts involving the Company

and refrained from voting on matters in which they were materially interested.

- c) the Company has made all endeavors to ensure the equitable treatment of shareholders.
- d) the business is a going concern with supporting assumptions or qualification as necessary.
- e) 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.
- f) 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.
- g) 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.
- h) The Company is fully compliant with the Code of Best Practice on Corporate Governance (2013) jointly issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Company is compliant with almost the full 2017 Code of Best Practice on Corporate Governance issued by the CA Sri Lanka and, 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 Company, and the John Keells Group.

## HUMAN RESOURCES

The Company continued to implement appropriate human resource management policies to develop employees and to optimise their contribution towards the achievement of corporate objectives. The policies and procedures ensure the equitable treatment of all employees.

# Annual Report of the Board of Directors

There were no material issues pertaining to employees and industrial relations during the year under review.

## SYSTEM OF INTERNAL CONTROL AND RISK MANAGEMENT

The Board has implemented an effective and comprehensive system of internal controls which provide reasonable but not absolute assurance that assets are safeguarded and that the financial reporting system may be relied upon in the preparation of the financial statements. The Audit Committee receives, considers, reports and acts on the results of internal control reviews carried out by independent Internal and External Auditors. The Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Company and that financial, operational and compliance controls have been reviewed. Risk assessment and evaluation for the Company takes place as an integral part of the business and the principal risks and mitigating actions in place are reviewed regularly by the Audit Committee. The Board, through the involvement of the ultimate parent Company JKH, Group Business Process Review Division takes steps to gain assurance on the effectiveness of control systems in place. The Head of the Group Business Process Review Division has direct access to the Chairperson of the Audit Committee. Foreseeable risks that may materially impact business are disclosed in the Risk Management Statement on pages 196 to 201 of this Report and notes to the Financial Statements on pages 218 to 255.

## GOING CONCERN

The Company has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern. Based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Company in determining the going concern basis for preparation of financial statements.

The management has formed 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 at the Company level along with the financial strength of the John Keells Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

## ACCOUNTING POLICIES

Details of accounting policies have been discussed in page 219 to 225 to the financial statements. There have been no changes in the accounting policies adopted by the Company during the year under review.

## 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 of the CSE.

## REVENUE

Revenue generated by the Company as at 31st March 2025 amounted to Rs. 4,466 Million (2024 - Rs. 4,462 Million).

## RESULTS & APPROPRIATIONS

The profit after tax of the Company for the year was Rs. 230 Million (2024 -Rs. 173 Million). The synopsis of the Company's performance is presented in the following table:-

For the year ended 31st March	2025	2024
After providing for all known liabilities, bad & doubtful debts and depreciation on property, plant and equipment, the profit/(loss) before interest was	364,947	303,832
Interest paid during the year was	(100,998)	(183,438)
Interest earned during the year was	4,347	18,526
Change in fair value of investment property	60,233	95,055
Profit before tax was	328,529	233,975
from which was deducted the provision for taxation including deferred taxation of	(98,585)	(60,858)
Leaving a net profit after tax of	229,944	173,117
Deferred tax effect on actuarial (gain) / Loss was	(12,779)	12,313
Gain / (Loss) on defined benefit plans of	42,596	(41,043)
The amount transferred from Revaluation Reserve was	50,659	25,134
Dividend declared	(100,000)	-
When the balance brought forward from the previous year was added	3,343,128	3,173,606
Leaving a balance to be carried forward next year of	3,553,548	3,343,128

## DIVIDENDS

An interim dividend of Rs. 0.50 per share for the financial year ended 31 March 2025 was declared resulting in a total cash dividend payout of Rs. 100 Mn.

As required by Section 56 (2) of the Companies Act No. 7 of 2007, the Board of Directors confirmed that the Company satisfied the solvency test in accordance with Section 57 of the Companies Act No. 7 of 2007, and have obtained a certificate from the Auditors, prior to recommending the interim dividend of Rs. 0.50. per share for the financial year ended 31st March 2025.

## PROPERTY, PLANT & EQUIPMENT

The book value of property, plant and equipment as at the balance sheet date amounted to Rs. 5,006 Million (2024 - Rs. 4,586Million) for the Company.

Capital expenditure for the year amounted to Rs. 204 Million (2024 - Rs. 338 Million).

Details of property, plant and equipment and their movements are given in Note 14 to the Financial Statements on page 231 of this Report.

## MARKET VALUE OF PROPERTIES

All buildings owned by the Company were revalued as at 31st December 2024 and the carrying value amounted to Rs. 4,157 Million (2024 - Rs. 3,761 Million). All information related to the revaluation is given in Note 14 to the Financial Statements.

All properties classified as investment property were valued 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, Chartered Valuation Surveyor. The carrying value of investment property of Company amounted to Rs. 3,302 Million (2024 - Rs. 3,242Million). The Directors have decided to retain the fair value of investment property recognised as at 31st March 2025.

Details of the valuation of property, plant and equipment and investment property are provided in Notes 14 and 16 to the Financial Statements on pages 234 to 236 of this Report.

## 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 the investment properties are explained in Note 16 to the Financial Statements on page 235.

## STATED CAPITAL

The total stated capital of the Company as at 31st March 2025 was Rs. 1,113Million (2024 - Rs. 1,113Million). The Stated Capital of the Company comprises of 200 Million Ordinary Shares, fully paid up.

## RESERVES

Total reserves as at 31st March 2025 for the Company amounted to Rs. 5,724 Million (2024 - Rs. 5,249 Million). The movement of reserves during the year is disclosed in the Statement of Changes in Equity on page 216.

## SEGMENT REPORTING

Segment wise contribution to Company revenue, results, assets and liabilities is provided in Note 30 to the Financial Statements.

## 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 32 to the Financial Statements on page 255.

## EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

There have been no events subsequent to the balance sheet date, which would have any material effect on the Company other than those disclosed in Note 33 to the Financial Statements on page 255.

## SHARE INFORMATION & SHAREHOLDING

The market value of an ordinary share of the Company as at 31st March 2025 was Rs. 39.50 (2024 - Rs. 42.60). The number of shareholders as at 31st March 2025 was 1,669 (2024 - 1,532). An analysis of shareholders based on shares held, percentage of public holding, the distribution of ownership and details of share transactions during the year are provided on pages 261 to 264 of this Report. The list of top twenty one Shareholders of the Company as at 31st March 2025 is also provided on page 262 of this Annual Report.

## EQUITABLE TREATMENT OF ALL SHAREHOLDERS

The Company has made every endeavor to ensure the equitable treatment of all shareholders and has adopted adequate measures to prevent information asymmetry.

## INFORMATION TO SHAREHOLDERS

The Board strives to be transparent and provide accurate information to shareholders in all published material. The quarterly financial information during the year and relevant announcements have been sent to the CSE in a timely manner.

## DIRECTORS

The Board of Directors of the Company as at 31st March 2025 and their brief profiles are given on pages 20 to 21 of this Report.

## RETIREMENT AND RE-ELECTION OF DIRECTORS

Mr. C L P Gunawardane and Ms. S A Atukorale who retire by rotation and being eligible offer themselves for re-election. Brief profiles of Mr. C L P Gunawardane and Ms. S A Atukorale are contained on Page 20 to 21 of this Annual Report.

Mr. C P R Perera retires in terms of Article 90 of the Articles of Association of the Company, and being eligible offers himself for re-election. A brief profile of Mr. C P R Perera is contained on Page 21 of this Annual Report.

# Annual Report of The Board of Directors

Further to the recommendation of the Nominations and Governance Committee of the Company, the Board of Directors on 6 November 2024 resolved to re-designate Mr. N L Gooneratne as a Non-Independent Non-Executive Directors of the Company with effect from 1 January 2025, owing to the fact that Mr. N L Gooneratne does not satisfy the criteria on independence as per the Listing Rules of the CSE, due to his service on the Board exceeding nine (9) years and his age exceeding seventy (70) years.

The Board has recommended the re-election of Mr. N L Gooneratne, who is over the age of 70 years and retires in term of Section 210 of the Companies Act. The resolution proposes that the age limit stipulated in Section 210 of the Companies Act shall not apply to Mr. N L Gooneratne who is 82 years old and that he be re-elected as Director of the Company.

## RESPONSIBILITIES 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.

## 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  
Mr. A Cabraal  
Mr. K N J Balendra  
Mr. J G A Cooray

The Project Risk Assessment Committee Report is contained on page 158 of this Annual Report.

## INTERESTS REGISTER

The Company has maintained an Interests Register as contemplated by the Companies Act.

### 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.

### b) Share Dealings

Other than for the following entry, no share dealings were reported during the period under review.

Mr. N L Gooneratne (Director) Sale of 299,838 shares

### c) Indemnities and remuneration

1. Mr. 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:-

- Mr H A J De Silva Wijeyeratne
- Mr. N L Gooneratne

## DIRECTORS SHAREHOLDING IN THE COMPANY

The shareholdings of the Directors and their spouses in the Company are set out in page 261 of this Report.

## DIRECTORS REMUNERATION

Details of the remuneration and other benefits received by the Directors are set out in page 246 of the Financial Statements.

## DIRECTORS MEETINGS

Details of the meetings of the Directors are given on page 140.

## EMPLOYEE SHARE OPTION PLAN (ESOP)

The Company does not offer its shares under an ESOP Scheme. The ESOP Scheme made available to the Senior Executives of the Company is from the ultimate parent company, JKH.

Senior Executives of the Company receive remuneration in the form of share-based payment transactions, 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 under the ESOP scheme of JKH 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 share option 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 (SOPF). The fair value of the options granted is determined by the Group using an option model and the relevant details are communicated by the Group to all applicable subsidiary companies.

### EMPLOYMENT

The Company has an equal opportunity policy and these principles are enshrined in specific selection, training, development and promotion policies, ensuring that all decisions are based on merit. The John Keells Group practices equality of opportunity for all employees irrespective of ethnic origin, religion, political opinion, gender, marital status or physical disability.

The number of persons employed by the Company as at 31st March 2025 was 625 (2024 - 618).

There were no material issues pertaining to employees and industrial relations during the Financial Year.

### STATUTORY PAYMENTS

The Directors to the best of their knowledge are satisfied that all statutory payments in relation to the Government, other regulatory institutions and the employees have been either duly paid or appropriately provided for in the Financial Statements. The tax position of the Company is disclosed in Note 11 to the Financial Statements.

### SUPPLIER POLICY

The Company applies an overall policy of agreeing and clearly communicating terms of payment as part of the commercial agreements negotiated with suppliers, and endeavors 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 amounted to Rs. 556 Million (2024 - Rs. 569 Million).

### SUSTAINABILITY REPORTING

The Company has adopted the disclosures prescribed by the Code of best Practice on Corporate Governance (2023) which cover the elements of conflict of interest; bribery and corruption; entertainment and gifts; accurate accounting and record-keeping, corporate opportunities; confidentiality; fair dealing; protection and proper use of company assets; compliance with laws, rules and regulations (including insider trading laws); and the reporting of any illegal or unethical behavior.

### RELATED PARTY TRANSACTIONS

There were no related party transactions required to be disclosed under the Listing Rules of the CSE, other than as disclosed under Note 28 of the financial statements.

The Company's transactions with Related Parties, given in Note 28 to the Financial Statements, have complied with CSE Listing Rule 9.14 and the Code of Best Practices on Related Party Transactions under the SEC Directive.

### DONATIONS

During the financial year ended 31st March 2025 the Company made donations amounting to Rs. 2 Million (2024-Rs. 181K).

### AUDITORS

The Audit Committee reviews the appointment of the Auditors, their effectiveness, independence and relationship with the Company, including the level of audit.

Messrs. KPMG, Chartered Accountants, have indicated their willingness to continue as Auditors of the Company, and a resolution proposing their re-appointment as auditors will be tabled at the Annual General Meeting.

Details of the Audit Fees paid to the Auditors are set out in page 227 of the Financial Statements.

Further details on the work of the Auditor and the Audit Committee are set out in the Audit Committee Report on page 145.

### ANNUAL REPORT

The Board of Directors approved the audited financial statements for issue on 27th May 2025.

### ANNUAL GENERAL MEETING

Annual General Meeting will be held as a virtual meeting on 26th June 2025 at 09.00 AM.

This Annual Report is signed for and on behalf of the Board of Directors.

By Order of the Board

*Krishan Balendra*  
Director

*Cr. G.*  
Director

*Ashwath*  
Keells Consultants (Private) Limited  
Secretaries  
27th May 2025

# Statement of Directors' Responsibility

The following statement sets out the Responsibility of Directors in relation to the Financial Statements of Trans Asia Hotels PLC (the "Company"). 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.

The responsibility of the Auditors in relation to the Financial Statements prepared in accordance with the provision of the Companies Act No. 07 of 2007 (Companies Act) and the Sri Lanka Accounting Standards (SLFRS/LKAS) is set out in the Report of Auditors on page 211 to 213 of this Report.

As per the provisions of the Companies Act, the Directors are required to prepare, for each financial year and place before a general meeting, financial statements together with accompanying notes, which comprise of:

- Income Statement and Statement of Comprehensive Income of the Company, which present a true and fair view of the profit or loss for the respective financial year
- Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of the financial year:
- Statement of Changes in Equity, which presents a true and fair view of the changes in equity during the respective financial year.
- Statement of Cash Flows, which presents a true and fair view of the movement of cash flows during the respective financial year.

The Board of Directors have ensured that the Financial Statements of the Company 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
- to 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 (2013) jointly advocated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC), the code of best practice on Corporate Governance (2017) and code of best practice on Corporate Governance (2023) issued by CA Sri Lanka .

In preparing the Financial Statements, the Board of Directors has ensured that the Company has adequate resources to continue in operation to justify applying the going concern basis.

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
- take all reasonable steps expected of them to safeguard the assets of the Company 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 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.

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 with a certificate from the Auditors being obtained prior to declaring such dividend.

The Board of Directors is required to provide and have provided 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 all contributions, levies and taxes payable on behalf of the employees of the Company and all other known statutory obligations as at the reporting date, have been paid or provided for, except as specified in note 32 to the Financial Statements covering Contingent Liabilities.

The Board of Directors confirms that the Company 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  
TRANS ASIA HOTELS PLC



Keells Consultants (Private) Limited  
Secretaries

27th May 2025

# Independent Auditor's Report



KPMG  
(Chartered Accountants)  
32A, Sir Mohamed Macan Markar Mawatha,  
P. O. Box 186,  
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426  
Fax +94 - 11 244 5872  
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## TO THE SHAREHOLDERS OF TRANS ASIA HOTELS PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Trans Asia Hotels PLC ("the Company"), which comprise the statement of financial position as at March 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 214 to 255 of this annual report.

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

#### Basis for Opinion

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

#### Key Audit Matters

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

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

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.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

# Independent Auditor's Report



## 01. Valuation of the Buildings under Property, Plant and Equipment and Investment Property

Refer to Note 14 and 16 to the financial statements

### Risk Description

As at 31st March 2025, the Buildings stated at fair value, classified as Property, Plant and Equipment and Investment Properties amounted to Rs. 4,157 Mn and Rs. 3,302 Mn respectively.

Management has engaged an independent professional Valuer with appropriate expertise to determine the fair value of these properties in accordance with recognised industry standards.

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.

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.

### Our Response

Our audit procedures included:

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.

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.

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.

Assessing the objectivity, independence, competence and qualifications of the external valuer.

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.

### 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 will 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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and we have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2599.

Colombo, Sri Lanka  
27th May 2025

# Income Statement and Statement of Comprehensive Income

All values are in Rupees' 000s, unless otherwise stated

For the year ended 31st March	Note	2025	2024
<b>Continuing operations</b>			
Revenue from contracts with customers	6	4,465,690	4,461,845
Cost of sales		(2,425,041)	(2,434,412)
<b>Gross profit</b>		<b>2,040,649</b>	<b>2,027,433</b>
Other operating income	7	3,293	9,900
Selling and distribution expenses		(200,805)	(217,247)
Administrative expenses		(1,067,557)	(1,002,622)
Other operating expenses	8	(410,633)	(513,632)
<b>Results from operating activities</b>	9	<b>364,947</b>	<b>303,832</b>
Finance cost	10	(100,998)	(183,438)
Finance income	10	4,347	18,526
Net finance cost		(96,651)	(164,912)
Net gain from fair value remeasurement of investment property	16	60,233	95,055
<b>Profit before tax</b>		<b>328,529</b>	<b>233,975</b>
Income tax expense	11	(98,585)	(60,858)
<b>Profit for the year</b>		<b>229,944</b>	<b>173,117</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to income statement</b>			
Revaluation gain on buildings	14	448,915	391,173
Remeasurement gain/(loss) on defined benefit obligation	25	42,596	(41,043)
Other comprehensive income not be reclassified to income statement in subsequent years		491,511	350,130
Tax effect on other comprehensive income	11.3	(147,453)	(105,039)
<b>Other comprehensive income for the year, net of tax</b>		<b>344,058</b>	<b>245,091</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>574,002</b>	<b>418,208</b>
		<b>Rs.</b>	<b>Rs.</b>
Dividend per share	13	0.50	NIL
Basic/Diluted Earnings per share	12	1.15	0.87

Note- The accounting policies and notes as set out on pages 219 to 255 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

# Statement of Financial Position

All values are in Rupees' 000s, unless otherwise stated

As at 31st March	Note	2025	2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	5,006,292	4,586,082
Right-of-use assets	15	682,220	694,624
Investment property	16	3,302,321	3,242,088
Intangible assets	17	25,424	1,628
Non current financial assets	29.2.3	6,572	13,367
Other non-current assets	29.2.3	2,687	6,259
<b>Total non current assets</b>		<b>9,025,516</b>	<b>8,544,048</b>
<b>Current assets</b>			
Inventories	18	104,808	119,806
Trade and other receivables	19	247,507	633,336
Other current assets	20	80,302	113,338
Amounts due from related parties	28.2	51,698	38,940
Cash in hand and at bank		93,544	46,263
<b>Total current assets</b>		<b>577,859</b>	<b>951,683</b>
<b>Total assets</b>		<b>9,603,375</b>	<b>9,495,731</b>
<b>EQUITY AND LIABILITIES</b>			
Stated capital	21	1,112,880	1,112,880
Revenue reserves		3,553,548	3,343,128
Other components of equity	22	2,170,388	1,906,158
<b>Total equity</b>		<b>6,836,816</b>	<b>6,362,166</b>
<b>Non-current liabilities</b>			
Employee benefits	25	164,630	188,864
Deferred tax liabilities	11.5	1,017,890	771,851
<b>Total non-current liabilities</b>		<b>1,182,520</b>	<b>960,715</b>
<b>Current liabilities</b>			
Trade and other payables	26	555,532	569,386
Other current liabilities	27	123,094	148,011
Amounts due to related parties	28.5	122,579	104,424
Income tax liabilities	11.6	5,459	25,621
Dividend payable		100,000	-
Interest bearing loans and borrowings	23	150,000	454,726
Bank overdrafts		527,375	870,682
<b>Total current liabilities</b>		<b>1,584,039</b>	<b>2,172,850</b>
<b>Total liabilities</b>		<b>2,766,559</b>	<b>3,133,565</b>
<b>Total equity and liabilities</b>		<b>9,603,375</b>	<b>9,495,731</b>
		Rs.	Rs.
Net assets per share		34.18	31.81

Note - The accounting policies and notes as set out on pages 219 to 255 form an integral part of these Financial Statements.

I certify that the financial statements are prepared and presented in compliance with the requirements of the Companies Act No.7 of 2007.



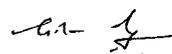
C L P Gunawardane  
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.  
Approved and signed for and on behalf of the Board;



K N J Balendra  
Chairperson

27th May 2025.



J G A Cooray  
Director

# Statement of Changes in Equity

All values are in Rupees' 000s, unless otherwise stated

	Note	Stated Capital	Other Components of Equity		Revenue Reserve	Total Equity
			Other Capital Reserve	Revaluation Reserve		
<b>Balance as at 1st April 2023</b>		1,112,880	24,768	1,630,972	3,173,606	5,942,226
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	173,117	173,117
Other comprehensive income / (expense) for the year net of tax		-	-	273,820	(28,729)	245,091
<b>Total comprehensive income for the year</b>		-	-	273,820	144,388	418,208
Transferred to revaluation reserve (Note)		-	-	(25,134)	25,134	-
Share based payments	24	-	1,732	-	-	1,732
<b>Balance as at 31st March 2024</b>		1,112,880	26,500	1,879,658	3,343,128	6,362,166
<b>Balance as at 1st April 2024</b>		1,112,880	26,500	1,879,658	3,343,128	6,362,166
<b>Total comprehensive income for the year</b>						
Profit for the year		-	-	-	229,944	229,944
Other comprehensive income for the year net of tax		-	-	314,241	29,817	344,058
<b>Total comprehensive income for the year</b>		-	-	314,241	259,761	574,002
Transferred to revaluation reserve (Note)		-	-	(50,659)	50,659	-
Share based payments	24	-	648	-	-	648
<b>Transactions with the owners of the company</b>						
Interim dividend - 2024/2025		-	-	-	(100,000)	(100,000)
<b>Balance as at 31st March 2025</b>		1,112,880	27,148	2,143,240	3,553,548	6,836,816

Note: As per Sri Lanka Accounting Standards No. 16 on "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 original cost of the asset is transferred from revaluation surplus to retained earnings.

The accounting policies and notes as set out on pages 219 to 255 form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

# Statement of Cash Flows

All values are in Rupees' 000s, unless otherwise stated

For the year ended 31st March	Note	2025	2024
<b>OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>328,529</b>	233,975
<b>Adjustments for:</b>			
Finance income	10	(3,778)	(4,211)
Finance expenses	10	100,998	183,438
Depreciation of property, plant and equipment	14	223,109	198,657
Profit on disposal of property, plant and equipment	7	(1,576)	(8,129)
Reversal of unclaimed dividend	7	(797)	(848)
Amortisation of right-of-use assets	15	12,404	12,404
Amortisation of intangible assets	17	3,182	363
Employee benefits provision and related costs	25.1	37,898	36,504
Exchange gain on interest bearing borrowings	23	(569)	(14,315)
Net gain from fair value remeasurement of investment property	16	(60,233)	(95,055)
Provision reversed on slow moving inventory	18.1	(48)	(662)
Provision made / (reversed) for impairment of trade receivables	19.1	14,675	(4,065)
Share based payment expenses	24	648	1,732
<b>Operating profit before working capital changes</b>		<b>654,442</b>	539,788
Decrease in inventories		15,046	31,033
Decrease / (Increase) in trade and other receivables		371,154	(299,925)
Increase in amounts due from related parties		(12,758)	(5,191)
Decrease in other current assets		33,036	23,299
Decrease in other non-current assets		10,367	1,641
(Decrease) / Increase in trade and other payables		(13,057)	55,667
Increase in amounts due to related parties		18,155	44,013
Decrease in other current liabilities		(24,917)	(90,579)
<b>Cash generated from operating activities</b>		<b>1,051,468</b>	299,746
Finance income received	10	3,778	4,211
Finance expenses paid	10	(100,998)	(183,438)
Tax paid	11.6	(20,162)	-
Employee benefits paid/transfers	25	(19,536)	(15,640)
<b>Net cash generated from operating activities</b>		<b>914,550</b>	104,879
<b>INVESTING ACTIVITIES</b>			
Purchase and construction of property, plant and equipment	14	(203,764)	(337,842)
Purchase of intangible assets	17	(26,978)	(1,615)
Proceeds from disposal of Property, plant and equipment		10,937	17,687
<b>Net cash used in investing activities</b>		<b>(219,805)</b>	(321,770)
<b>FINANCING ACTIVITIES</b>			
Loan obtained during the year	23	600,000	344,000
Repayment of long term borrowing	23	(904,157)	(88,946)
<b>Net cash (used in)/ from financing activities</b>		<b>(304,157)</b>	255,054
<b>Net increase in cash and cash equivalents</b>		<b>390,588</b>	38,163
<b>Cash and Cash equivalents at the beginning of the year</b>		<b>(824,419)</b>	(862,582)
<b>Cash and cash equivalents at the end of the year</b>		<b>(433,831)</b>	(824,419)
<b>Analysis of cash and cash equivalents</b>			
Cash at bank		85,445	37,208
Cash in hand		8,099	9,055
Bank overdrafts		(527,375)	(870,682)
		(433,831)	(824,419)

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.

Note:- The accounting policies and notes as set out on pages 219 to 255 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

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# Notes to the Financial Statements

## 1 CORPORATE INFORMATION

### Reporting entity

Trans Asia Hotels PLC (the Company) 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 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.

Principal shareholders of the Company are John Keells Holdings PLC and Asian Hotels & Properties PLC who hold 48.64% and 43.41% respectively.

The number of persons employed by the Company as at 31st March 2025 was 625 (2024 - 618) excluding industrial trainees and casual staffs.

The Company is a subsidiary of Asian Hotels and Properties PLC, whilst its ultimate holding company is John Keells Holdings PLC.

### Approval of financial statements

The financial statements for the year ended 31 March 2025 were authorised for issue by the Board of Directors on 27th May 2025.

### Principal activities and nature of operations of the Company

The principal activity of the Company is hoteliering. The Company also derives rental income from the commercial property.

### 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 ACCOUNTING

### Basis of preparation

The Financial Statements have been prepared in accordance with Sri Lanka Accounting Standards (LKAS/SLFRS) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirements of Companies Act No. 7 of 2007.

### Statement of presentation

The financial statements of the Company have been presented in compliance with the requirements of the Companies act No. 07 of 2007 and provide appropriate disclosures as required by the Listing rules of Colombo Stock Exchange

### Statement of compliance

The financial statements which comprise the Income Statement, 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) and in compliance with the Companies Act No. 7 of 2007.

### Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following which are measured on an alternative basis on each reporting date.

- Buildings are measured at cost at the time of acquisition and subsequently recognised at revalued amounts which are fair values at the date of revaluation less accumulated depreciation and impairment losses if any,
- Investment properties are stated at fair values.
- Defined benefit obligations are measured at its present value, based on an actuarial valuation as explained in Note 25.

### Presentation and functional currency

The Company's Financial Statements are presented in Sri Lankan Rupees which is the Company's functional and Presentation Currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 1 on "Presentation of Financial Statements".

### Going concern

The Company has prepared the financial statements for the year ended 31 March 2025 on the basis that it will continue to operate as a going concern even though the Company is operating at a net current liability position, as there is a strong position of Retained Earnings. Also based on available information, the management has assessed prevailing macroeconomic conditions and its effect on the Company in determining the going concern basis for preparation of financial statements.

The management has formed 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 at the Company level along with the financial strength of the John Keells Group.

In determining the above, significant management judgement, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

# Notes to the Financial Statements

## 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 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing of the Financial Statements, management has made judgements, estimates and assumptions that effect the application of the Company's 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.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2025 is included in the following notes:

- Determining the fair value of investment property
- Measurement of defined benefit obligations: Key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Provision for expected credit losses of trade receivables and contract assets.
- Valuation of buildings.

The preparation of these Financial Statements requires the use of management judgement, estimates and assumptions that affect reported amounts and the application of accounting policies. Such estimates and judgements are reviewed on an ongoing basis.

A brief explanation of the key estimates, assumptions and judgements that have changed during year ended 31 March 2025 are as follows;

The Company has developed various accounting estimates in these Financial Statements based on forecasts of economic conditions which reflect expectations and assumptions as at 31 March 2025 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of

the Company. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in these financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to expected credit losses, fair value measurement, and recoverable amount assessments of non-financial assets.

## 4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Those accounting policies presented with each note, have been applied consistently by the Company.

### Other material accounting policies not covered with individual notes.

Except for the above, following accounting policies, which have been applied consistently by the Company, are considered to be material but not covered in any other sections.

### Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset 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 assets.

A liability is 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 Company classifies all other liabilities as non-current.

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

#### (a) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to functional currency of the Company 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 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 costing 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 income statement.

#### (b) 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 Company becomes a party to the contractual provisions of the instrument.

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 Company 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 Company's financial assets classified and measured at amortised cost are limited to its trade debtors, related party receivables, short term investments and cash & cash equivalents.

#### Financial assets - Business model assessment

The Company 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 Company'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 Company's continuing recognition of the assets.

#### 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

# Notes to the Financial Statements

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 Company 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 Company 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 Company'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.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in income statement. Any gain or loss on de-recognition is recognised in income statement.

### 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 income statement. 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 income statement. Any gain or loss on de-recognition is also recognised in income statement.

#### (ii) De-recognition

##### Financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company 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 Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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 income statement.

#### (iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.

#### (iv) Impairment

##### Financial instruments and contract assets

The Company 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 Company expects to receive, discounted at the Company's effective interest rate.

The Company recognises loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Company applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company 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.

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

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

#### Measurement of ECLs

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

#### Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation;
- the disappearance of an active market or a security because of financial difficulties.

#### Presentation of allowance for ECL in the statement of financial position

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

#### (v) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 360 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures to recovery of amounts due.

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## (vi) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. 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 group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in income statement. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

## (d) Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: · In the principal market for the asset or liability, or · In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company determines the policies and procedures for both recurring fair value measurement, such as investment properties, and for nonrecurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as land and building and investment properties. Selection criteria for external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The Company decides, after discussions with the external valuers, which valuation techniques and inputs to use for individual assets and liabilities. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are only, disclosed are reflected in this note. Aside from this note, additional fair value related disclosures, including the valuation methods, significant estimates and assumptions are also provided in:

Property, plant and equipment under revaluation model	Note 14
Investment property	Note 16

Fair values vs carrying amounts	Amortised cost	Other financial liabilities	Total carrying amount
<b>31st March 2025</b>			
Cash in hand and at bank	93,544	-	93,544
Trade and other receivables	247,507	-	247,507
Amounts due from related parties	51,698	-	51,698
Non current financial assets	6,572	-	6,572
Other non-current assets	2,687	-	2,687
	402,008	-	402,008
Trade and other payables	-	336,424	336,424
Amounts due to related parties	-	122,579	122,579
Loans and borrowings	-	150,000	150,000
Bank overdrafts	-	527,375	527,375
	-	1,136,378	1,136,378
<b>31st March 2024</b>			
Cash in hand and at bank	46,263	-	46,263
Trade and other receivables	633,336	-	633,336
Amounts due from related parties	38,940	-	38,940
Non current financial assets	13,367	-	13,367
Other non-current assets	6,259	-	6,259
	738,165	-	738,165
Trade and other payables	-	364,002	364,002
Amounts due to related parties	-	104,424	104,424
Loans and borrowings	-	454,726	454,726
Bank overdrafts	-	870,682	870,682
	-	1,793,834	1,793,834

All the above financial assets and liabilities are not measured at fair value.

Fair value for above financial assets and liabilities is not disclosed since the carrying amount is a reasonable appropriation of their fair value.

Accordingly fair value hierarchy does not apply.

## 5 CHANGES IN ACCOUNTING STANDARD AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following amendments and improvements are not expected to have a significant impact on the Company'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

The following amendments and improvements are not expected to have a significant impact on the Company's financial statements.

Amendments to LKAS 21: Lack of Exchangeability

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 6 REVENUE FROM CONTRACTS WITH CUSTOMERS

### Accounting policy

#### Performance obligations and revenue recognition policies

SLFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

#### Contracts with customers

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

#### The Company'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 & beverages, powerdrome, laundry and other 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	2025	2024
Room	1,492,050	1,389,120
Food and Beverage	2,587,139	2,699,515
Other Revenue	324,209	325,370
<b>Revenue from Contracts with Customers</b>	<b>4,403,398</b>	<b>4,414,005</b>
Rental Income		
Rental Income from investment property	62,292	47,840
<b>Total Revenue</b>	<b>4,465,690</b>	<b>4,461,845</b>

## 7 OTHER OPERATING INCOME

### Accounting policy

Other income is recognised on an accrual basis.

#### Gains and losses

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 Income Statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

On the disposal of any revalued Property, Plant and Equipment, the amount remaining in the Revaluation Reserve, relating to that particular asset is transferred directly to Retained Earnings. 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	2025	2024
Net profit on disposal of property, plant and equipment	1,576	8,129
Gain on foreign exchange	29	-
Sundry income	891	923
Reversal of unclaimed dividends	797	848
	<b>3,293</b>	<b>9,900</b>

## 8 OTHER OPERATING EXPENSES

### Accounting policy

#### Expenditure recognition

Expenses are recognised in the Income Statement 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 Income Statement.

For the purpose of presentation of the Income Statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

For the year ended 31st March	2025	2024
Repairs and maintenance expenses	133,026	114,909
Heat, light and power expenses	273,554	373,805
Bank charges	4,053	2,886
Loss on exchange	-	22,032
	<b>410,633</b>	<b>513,632</b>

## 9 PROFIT FROM OPERATING ACTIVITIES

### Accounting policy

#### Expenditure recognition

Expenses are recognised in the income statement 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 income statement.

For the purpose of presentation of the income statement, the “function of expenses” method has been adopted, on the basis that it presents fairly the elements of the Company's performance.

Profit from operating activities is stated after charging all expenses including the following

For the year ended 31st March	2025	2024
Directors' fees	10,577	9,840
Audit services	1,164	1,058
Donations / CSR	2,012	181
Depreciation of PPE and amortisation of intangible asset and ROU asset	238,695	211,424
Provision charged/(reversed) for impairment-trade receivables	14,675	(4,065)
(Reversal)/Provision for slow moving inventory	(48)	(662)
Legal fees	10,193	15,911
Foreign exchange loss	-	22,032
Staff cost (includes the following)	1,206,647	1,110,964
Defined benefit plan costs - employee benefits	37,898	36,504
Defined contribution plan costs -EPF and ETF	84,375	76,869

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 10 FINANCE INCOME AND FINANCE COST

### Accounting policy

#### Finance income

Finance income comprises interest income derived on funds invested and exchange gain on borrowings. Interest income is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### 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.

#### Finance costs

Finance costs comprise interest expense on borrowings and overdrafts.

#### Finance Income and Finance Costs

For the year ended 31st March	2025	2024
<b>Finance income</b>		
Interest income on staff loan	2,230	2,820
Interest income on short term investments	1,548	1,391
Exchange gain on Interest bearing loans and borrowings	569	14,315
	4,347	18,526
<b>Finance costs</b>		
Interest expense on interest bearing loans and borrowings	(29,381)	(66,069)
Interest expenses on bank overdrafts	(71,617)	(117,369)
	(100,998)	(183,438)
<b>Net finance cost</b>	(96,651)	(164,912)

## 11 INCOME TAX EXPENSE

### Accounting policy

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, it assessed whether the Interpretation had an impact on its financial statements. Company determined that it is probable that its tax treatments will be accepted by the taxation authorities. The Interpretation did not have an impact on the financial statements of the Company. Income tax expenses comprise of income tax and deferred tax.

#### Income tax and deferred tax

Income tax and Deferred tax have been provided as per the rates legislated by the Inland Revenue (Amendment) Act No 45 of 2022.

For the year ended 31st March	2025	2024
Current tax expense (Note 11.1)	-	-
Deferred tax expense (Note 11.3)	98,585	60,858
	98,585	60,858
<b>Other comprehensive income</b>		
<b>Deferred tax charge</b>		
Relating to origination and reversal of temporary differences (Note 11.3)	147,453	105,039
	147,453	105,039

### 11.1 Reconciliation between Current Tax Charge and the Accounting Profit

For the year ended 31st March	2025	2024
Profit before tax	328,529	233,975
Income not liable for income tax	(2,389)	(2,377)
Adjusted accounting profit chargeable to income taxes	326,140	231,598
Disallowable expenses	317,569	259,400
Allowable expenses	(502,144)	(305,508)
Tax losses utilised during the year	(141,566)	(185,490)
Tax losses not utilised	-	-
Taxable income	-	-
Income tax charged at		
Standard rate - 30% (2024-30%)	-	-
Current tax charge	-	-
Deferred tax charge or (reversal) (Note 11.3)	98,585	60,858
Total income tax expense	98,585	60,858
Effective tax rate	30%	26%

### 11.2 Reconciliation between Tax Expense and Product of Accounting Profit

For the year ended 31st March	2025	2024
Adjusted accounting profit chargeable to income taxes	326,140	231,598
Tax effect on chargeable profits	97,842	69,481
Tax effect on non deductible expenses	9,680	6,003
Tax effect on deductions claimed	(9,738)	(20,184)
Net effect of deferred tax in respect of prior years	801	5,558
Total income tax expense	98,585	60,858

### 11.3 Deferred Tax Expense

For the year ended 31st March	2025	2024
<b>Income statement</b>		
Deferred tax expense arising from;		
Accelerated depreciation for tax purposes	(5,491)	(6,372)
Benefit arising from tax losses and other credits	43,355	61,290
Net gain from fair value remeasurement of investment property	8,332	8,333
Employee benefit liability	(5,509)	(6,259)
Others	57,898	3,866
Deferred tax charge recognised in the Income Statement	98,585	60,858
<b>Other comprehensive income</b>		
Actuarial gain / (loss) on defined benefit obligations	12,779	(12,313)
Revaluation gain on buildings	134,674	117,352
Deferred tax charge recognised in the other comprehensive income	147,453	105,039
Total deferred tax charge	246,038	165,897

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 11.4 Tax Losses Carried Forward

For the year ended 31st March	2025	2024
Balance at the beginning of the year	709,336	913,636
Adjustments on finalisation of liability	(2,952)	(18,810)
	706,384	894,826
Tax losses utilised during the year	(141,566)	(185,490)
<b>Balance at the end of the year</b>	<b>564,818</b>	<b>709,336</b>

## 11.5 Deferred Tax Liability

### 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	2025	2024
Balance at the beginning of the year	771,851	605,955
Charge for the year (Note 11.3)	246,038	165,897
Balance at the end of the year	1,017,890	771,851
The closing deferred tax liability relate to the following:		
Revaluation of buildings to fair value	489,594	354,920
Accelerated depreciation for tax purposes	747,008	752,499
Employee benefit liability	(49,389)	(56,659)
Losses and other credits available for offset against future taxable income	(169,446)	(212,802)
Revaluation of investment property to fair value	50,051	41,719
Others	(49,928)	(107,826)
	1,017,890	771,851

## 11.6 Income Tax Liabilities

As at 31st March	2025	2024
Balance at the beginning of the year	25,621	21,461
Payments, adjustments and set off against refunds	(20,162)	4,160
Balance at the end of the year	5,459	25,621

The Company has contingent liabilities amounting to Rs. 183.3 Mn (2024 - Rs.183.3 Mn). These have been arrived at after discussing with independent legal and tax experts and based on information available. All assumptions are revisited as of the reporting date (Refer Note 32).

## 12 EARNINGS PER SHARE

Earnings per share is calculated on the profit attributable to the shareholders of the Company over the weighted average number of ordinary shares outstanding during the year, as required by Sri Lanka Accounting Standard LKAS 33: "Earnings per share". Diluted EPS is calculated by dividing the profit 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.

For the year ended 31st March	2025	2024
Profit attributable to ordinary shareholders of the company (Rs. '000)	229,944	173,117
Weighted average number of ordinary shares ('000)	200,000	200,000
Basic/diluted earnings per share (Rs.)	1.15	0.87

## 13 DIVIDEND PER SHARE

Dividend per share has been calculated, for all periods, based on the number of shares in issue at the time of dividend payout.

An interim dividend of Rs. 0.50 per share was declared in 2024/25, amounting to a total payout of Rs. 100 Mn for the year, further reinforcing our commitment to delivering sustainable returns to our shareholders.

For the year ended 31st March	2025	2024
Interim dividend per share	0.50	-

## 14 PROPERTY, PLANT AND EQUIPMENT

### Accounting policy

#### Basis of recognition

Property plant and equipment are stated at cost of purchase or valuation less accumulated depreciation, and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

The Company applies the revaluation model for buildings. Such properties are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent impairment losses. Revaluations are made at least every five years to ensure that their carrying amounts do not defer materially from their fair values at the reporting date.

When an asset is revalued, any increase in carrying amount is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserves unless it reverses a previous revaluation decrease relating to the same asset, which was previously recognised as an expense. In these circumstances the increase is recognised as income to the extent of the previous write down.

When an asset's carrying amount is decreased as a result of revaluation, the decrease is recognised as an expense unless it reverses a previous surplus relating to that asset. In such case it is charged against any related revaluation surplus, to the extent that the decrease does not exceed the amount held in the revaluation surplus in respect of that same asset. Any balance remaining in the revaluation surplus in respect of an asset, is transferred directly to retained earnings on retirement or disposal of the asset.

The Company applies cost model for other property plant and equipment which are stated at historical cost, less depreciation less any accumulated impairment losses.

#### Subsequent measurement

The cost of replacing a part of an item of property plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied with the part will flow to the Company and its cost can be measured reliably. The carrying amount

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement.

## Derecognition

An item of property, plant and equipment are derecognised 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 income statement in the year the asset is derecognised.

## Depreciation

Depreciation is calculated by using a 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.

Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that asset is derecognised.

Assets	Years upto
Plant and machinery	20
Computer equipment	5
Kitchen and laundry equipment	15
Hotel equipment	15
Motor vehicles	5
Motor vehicles - floating restaurant	18
Base stock	10
Circulating assets	3
Furniture and fittings	15

Buildings are depreciated using the straight line method over the remaining lease period of 55 years.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

## 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.

Assets	Buildings	Plant and Machinery	Computer Equipment	Furniture Fixtures and Fittings	Kitchen and Laundry Equipment	Hotel Equipment	Motor Vehicles	Soft Furnishing Base Stock	Circulating Assets	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Cost / valuation</b>										
Balance as at 1st April 2024	3,778,421	703,812	124,836	446,884	300,000	107,744	65,455	762,071	293,492	6,582,715
Additions	24,514	84,584	32,253	4,906	24,590	5,859	-	9,450	17,608	203,764
Transfers	-	-	-	-	7,520	-	-	(7,520)	-	-
Disposals	(4,543)	(10,833)	(113)	(11,512)	(7,412)	(3,019)	-	(52,830)	(35,507)	(125,769)
Transferred to Revaluation Reserve	(70,663)	-	-	-	-	-	-	-	-	(70,663)
Revaluation	448,915	-	-	-	-	-	-	-	-	448,915
<b>Balance as at 31st March 2025</b>	<b>4,176,644</b>	<b>777,563</b>	<b>156,976</b>	<b>440,278</b>	<b>324,698</b>	<b>110,584</b>	<b>65,455</b>	<b>711,171</b>	<b>275,593</b>	<b>7,038,962</b>
<b>Accumulated depreciation</b>										
Balance as at 1st April 2024	17,746	393,859	97,636	311,886	189,550	61,990	43,703	665,475	214,788	1,996,633
Charge for the year	72,623	29,580	12,202	22,852	13,845	7,318	3,258	19,590	41,841	223,109
Disposals	(364)	(10,741)	(113)	(11,313)	(5,334)	(2,490)	-	(51,755)	(34,299)	(116,409)
Transferred to Revaluation Reserve	(70,663)	-	-	-	-	-	-	-	-	(70,663)
<b>Balance as at 31st March 2025</b>	<b>19,342</b>	<b>412,698</b>	<b>109,725</b>	<b>323,425</b>	<b>198,061</b>	<b>66,818</b>	<b>46,961</b>	<b>633,310</b>	<b>222,330</b>	<b>2,032,670</b>
<b>Carrying amount</b>										
<b>As at 31st March 2025</b>	<b>4,157,302</b>	<b>364,865</b>	<b>47,251</b>	<b>116,853</b>	<b>126,637</b>	<b>43,766</b>	<b>18,494</b>	<b>77,861</b>	<b>53,263</b>	<b>5,006,292</b>
<b>As at 31st March 2024</b>	<b>3,760,675</b>	<b>309,953</b>	<b>27,200</b>	<b>134,998</b>	<b>110,450</b>	<b>45,754</b>	<b>21,752</b>	<b>96,596</b>	<b>78,704</b>	<b>4,586,082</b>

The cost of the fully depreciated assets in the Company which are still in use of the Company amounted to Rs. 1,217 Mn (Rs. 1,191 Mn in 2024).

There are no assets pledged as collateral at the reporting date that require disclosure in the Company.

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 14.1 Valuation of Property, Plant and Equipment

### Valuation of land and buildings

The Company uses the revaluation model of measurement for land and buildings. The Company engaged P. B.Kalugalagedera & Associates, an accredited independent valuer, to determine the fair value of its land and buildings. Fair value is determined by reference to market-based evidence. Valuations are based on open market prices, adjusted for any difference in the nature, location or condition of the specific property. The date of the most recent valuation was 31st December 2024. Further, there is no significant change in the fair value as at 31st March 2025. Details of the Company's buildings stated at valuation are indicated below.

Property	Method of valuation	Effective date of valuation	Property valuer
Two buildings (extent -hotel building 316,063 sq.ft. HR building 28,320 sq.ft) No 115, Sir Chittampalam A Gardiner Mawatha, Colombo 02.	<b>Direct capital comparison method based on depreciated current cost approach.</b>  This method is primarily based on the principle of substitution, where the purchaser would be unwilling to pay more for a specific property than the cost of obtaining a comparable, competitive property with the same utility, on the open market, provided there is no delay in making the acquisition.	31st December 2024	P. B. Kalugalagedera & Associates Chartered Valuation Surveyor

The fair value measurement for property, plant and equipment has been categorised as a level 3 fair value based on the inputs to the valuation.

Type of Asset	Fair value as at 31.12.2024	Valuation technique	Significant unobservable inputs	Estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Building on leasehold land	4,177,016	Direct capital comparison method based on depreciated current cost approach	Estimated price per square feet	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

The carried amount of fair value of buildings, if they were carried at cost less depreciation would be as follows,

As at 31st March	2025	2024
Cost	2,698,242	2,673,728
Accumulated depreciation	(893,553)	(820,930)
Disposals	(21,912)	(26,821)
Carrying value	1,782,778	1,825,977

The valuations as of 31st December 2024 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

## 15 RIGHT-OF-USE ASSETS

### Accounting policy

The Company 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 Company 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	2025	2024
As at 1 April	694,624	707,028
Amortisation expense	(12,404)	(12,404)
<b>As at 31 March</b>	<b>682,220</b>	<b>694,624</b>

Right-of-use assets is the land where the hotel (Cinnamon Lakeside Colombo) 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 commencing from 1st April 1986.

### 15.1 Details of Right-of-Use Assets

Property	Land extent (in acres)	Lease period	2025	2024
Cinnamon Lakeside Colombo	A07 - R01 - P24.28	99 years from 07-08-1981	682,220	694,624

## 16 INVESTMENT PROPERTY

### Accounting policy

#### Basis of recognition and measurement

Investment property is the property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in income statement.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in income statement.

As at 31st March	2025	2024
Balance at the beginning of the year	3,242,088	3,147,033
Net gain from fair value remeasurement (Note 16.1)	60,233	95,055
<b>Balance at the end of the year</b>	<b>3,302,321</b>	<b>3,242,088</b>
Leasehold property	3,302,321	3,242,088
	3,302,321	3,242,088
Rental income earned	62,292	47,840
Direct operating expenses generating rental income	(12,605)	(11,970)

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 16.1 VALUATION DETAILS OF INVESTMENT PROPERTY

Fair value of the Investment Property is ascertained by independent valuations carried out by Messers P.B. Kalugalagedara & Associates, Chartered Valuation Surveyors, who have recent experience in valuing properties of akin location and category. Investment Property is appraised in accordance with LKAS 40.

In determining the fair value, the current condition of the properties, future usability and associated redevelopment requirements have been considered. Also, the valuer has considered the property location and size.

The fair value measurement for Investment Property has been categorised as a level 3 fair value, based on the inputs to the valuation technique used.

The Commercial Centre was revalued on 31st December 2024 by qualified valuer and the surplus arising from the valuation was transferred to the income statement.

As per the valuer's opinion, there is no significant change in the fair value as at 31st March 2025.

Property	Method of Valuation	2025	2024
<b>Leasehold property</b>	<b>Direct capital comparison method</b>	<b>3,302,321</b>	3,242,088
Commercial Centre  (Land extent - A 01 - R02 - P30.0, Building extent - 55,548 sq.ft. - Number of Buildings 1)  No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02.	This method is primarily based on the principle of substitution, where the purchaser would be unwilling to pay more for a specific property than the cost of obtaining a comparable, competitive property with the same utility, on the open market, provided there is no delay in making the acquisition.		

## 16.2 DESCRIPTION OF VALUATION TECHNIQUES USED AND KEY INPUTS AND ASSUMPTIONS USED FOR VALUATION

Property	Valuation technique	Significant unobservable Inputs	Estimates for unobservable inputs	Sensitivity of fair value to unobservable inputs
Commercial Centre building	<b>Direct capital comparison method:</b> This method is primarily based on the principle of substitution, where the purchaser would be unwilling to pay more for a specific property than the cost of obtaining a comparable, competitive property with the same utility, on the open market, provided there is no delay in making the acquisition.	Capitalisation rate	6.25% & 3% for 55 years	Estimated fair value will increase/ (decrease) if the capitalisation rate (increase)/decrease
		Price per building square feet	Rs.7,000	Estimated fair value will increase/ (decrease) if the price per square feet for building increase/ (decrease)
		Estimated price per land perch	Rs.16.75Mn	Estimated fair value will increase/ (decrease) if the price per perch for land increase/(decrease)

The valuations as of 31 December 2024 contained a higher estimation uncertainty as there were fewer market transactions which are ordinarily a strong source of evidence regarding fair value. The value reflected represents the best estimate based on the market conditions that prevailed, which in valuers' considered opinion, meets the requirements in SLFRS-13 Fair Value Measurement.

## 17 INTANGIBLE ASSETS

### Accounting policy

#### Recognition and Measurement

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or other services, rental to others or for administrative purpose.

An intangible asset is initially recognised at cost, if it is probable that future economic benefits will flow to the enterprise, and the cost of assets can be measured reliably. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

#### Computer Software

All computer software costs incurred, licensed for use by the Company, which are not integrally related to associated hardware, which can be clearly identified, reliably measured and it's 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.

#### 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 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 five years. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end.

#### 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	2025	2024
Computer software		
<b>Cost</b>		
Balance at the beginning of the year	4,803	3,188
Additions	26,978	1,615
Balance at the end of the year	31,781	4,803
<b>Accumulated amortisation</b>		
Balance at the beginning of the year	3,175	2,812
Amortisation for the year	3,182	363
Balance at the end of the year	6,357	3,175
<b>Carrying amount</b>	<b>25,424</b>	<b>1,628</b>

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 18 INVENTORIES

### Accounting policy

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.

As at 31st March	2025	2024
Food	27,702	28,268
Beverage	36,280	48,363
Engineering spares	17,225	17,207
Guest supplies	8,894	9,940
Others	15,233	16,602
Less: Provision for slow moving inventory (Note 18.1)	(526)	(574)
	104,808	119,806

### 18.1 Provision for Slow Moving Inventory

Balance at the beginning of the year	574	1236
Provision reversal made during the year	(48)	(662)
Balance at the end of the year	526	574

## 19 TRADE AND OTHER RECEIVABLES

As at 31st March	2025	2024
See Note 4(b) for the accounting policy on financial instruments		
Trade receivables	475,083	873,090
Less: Provision for impairment (Note 19.1)	(293,995)	(279,320)
	181,088	593,770
Advances and deposits	64,521	37,045
Staff loans recovered within one year (Note 29.2.3)	1,898	2,521
	66,419	39,566
	247,507	633,336

### 19.1 Provision for Impairment of Trade Receivables

Balance at the beginning of the year	279,320	283,385
Provision made / (reversed) during the year	14,675	(4,065)
Balance at the end of the year	293,995	279,320

The Company's exposure to credit risk is influenced by the individual characteristics of each customer. 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 companies. 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.

## 20 OTHER CURRENT ASSETS

As at 31st March	2025	2024
Advances to other creditors	15,205	60,209
Prepayments	17,456	13,014
Tax recoverable	27,537	18,613
VAT refunds	12,619	12,619
WHT recoverable	7,485	8,883
	80,302	113,338

## 21 STATED CAPITAL

### Accounting policy

The ordinary shares of the Trans Asia Hotels 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	2025	2024
Issued and fully paid 200,000,000 ordinary shares	1,112,880	1,112,880

## 22 OTHER COMPONENTS OF EQUITY

As at 31st March	2025	2024
Balance at the beginning of the year	1,906,158	1,655,740
Transferred to revenue reserve	(50,659)	(25,134)
Share based payments - (Note 24)	648	1,732
Revaluation gain on building net of tax	314,241	273,820
<b>Balance at the end of the year</b>	<b>2,170,388</b>	<b>1,906,158</b>

### 22.1 Revaluation reserve

Revaluation reserve relates to the revaluation of property, plant and equipment.

## 23 INTEREST-BEARING LOANS AND BORROWINGS

See Note 4(b) for the accounting policy on financial instrument

As at 31st March	2025	2024
Balance at the beginning of the year	454,726	213,987
<b>Cash Changes</b>		
Loans obtained	600,000	344,000
Repayments	(904,157)	(88,946)
<b>Non Cash Changes</b>		
Exchange difference	(569)	(14,315)
At the end of the year	150,000	454,726
<b>Repayable within one year</b>	<b>150,000</b>	<b>454,726</b>

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## Security and repayment terms

Nature of facility	Interest rate	Repayment terms	Collaterals	2025		2024	
				Face value	Carrying Value	Face value	Carrying Value
Term Loan (USD)	SOFR + Margin	Settled within 24 months together with interest commencing from January 2023 as follows: January 2023 to December 2023 -USD 17,552 per month, January 2024 to November 2024 - USD 40,955 per month and December 2024- USD 40,956.77	None	-	-	110,726	110,726
Short Term Loan (LKR)	AWPLR + 1%	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

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 related party companies 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.

## 24 SHARE-BASED PAYMENT PLANS

### Accounting policy

In accounting for employee remuneration in the form of shares, SLFRS 2- Share Based Payments, is effective for the Company's Ultimate Parent 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 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 employee remuneration expense resulting from the Group's share option scheme to the employees of Trans Asia Hotels PLC 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 (SOFP). The fair value of the options granted is determined by the Group using an option valuation model and the relevant details are communicated by the Group to all applicable subsidiary companies.

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 which are relevant to the John Keells Holdings PLC was used and results were generated using binomial model for ESOP.

As at 31st March	2025 Plan No. 11 Award 2.1	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

\*Post adjustment for corporate actions at JKH since the grant date

#### 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:

	2025	2024
Share-based payments expense during the year	648	1,732
<b>Total expense arising from share-based payment transactions</b>	<b>648</b>	<b>1,732</b>

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## Movements in the year

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 at 1 April	34,100	137.86	84,716	145.05
Lapses/forfeited during the year	-	-	(47,516)	150.68
Adjustment during the year	307,705	N/A	-	-
Exercised during the year	(31,073)	13.76	(3,100)	137.86
Outstanding as at 31st March	310,732	13.76	34,100	137.86
Exercisable at 31 March	124,293	13.76	6,200	137.16

## 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.

## 25 EMPLOYEE BENEFITS

### Accounting policy

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity- and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in income statement in the periods during which related services are rendered by employees.

Employees are eligible for Employees' Provident Fund contributions and Employees Trust Fund contributions in line with respective statutes and regulations. The Company contributes 12 percent and 3 percent of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out every year. The liability is not externally funded. All Actuarial gains or losses are recognised under other comprehensive income.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

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

As at 31st March	2025	2024
Balance at the beginning of the year	188,864	126,957
Current service cost	15,234	11,747
Interest cost	22,664	24,757
Transfer in	3,707	2,501
Transfer out	(2,601)	(2,572)
Payments made during the year	(20,642)	(15,569)
Actuarial loss / (gain) arising from changes in the assumptions in the previous years	(42,596)	41,043
<b>Balance at the end of the year</b>	<b>164,630</b>	<b>188,864</b>

The employee benefit liability as at 31st March 2025 of the Company is based on the actuarial valuation carried out by Mr. Poopalanathan AIA, Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries.

### 25.1 Provision recognised in the Income Statement

As at 31st March	2025	2024
Current service cost	15,234	11,747
Interest cost	22,664	24,757
<b>Total Provision recognised in the Income Statement</b>	<b>37,898</b>	<b>36,504</b>

### 25.2 Provision recognised in Other Comprehensive Income

As at 31st March	2025	2024
Actuarial (gain) / loss during the year (Note 25.3)	(42,596)	41,043
<b>Total Provision recognised in Other Comprehensive Income</b>	<b>(42,596)</b>	<b>41,043</b>

### 25.3 Breakup of Actuarial (gain) / loss

As at 31st March	2025	2024
Actuarial (gain) / loss arising from;		
Experience adjustments	(132)	30,070
Changes in Financial Assumptions	(43,390)	(657)
Changes in Demographic Assumptions	926	11,630
	<b>(42,596)</b>	<b>41,043</b>

### 25.4 Assumptions used

As at 31st March	2025	2024
Discount rate	11.0%	12.0%
Future salary increases	6.0%	15.0%
Retirement age (as specified by the Company)	60 years	60 years
Staff Turnover Ratio	16%	15%

A long term treasury bond rate of 11% per annum (2024: 12%) has been used to discount the future liability taking into consideration remaining working life of eligible employees.

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## Sensitivity of assumptions used

If a one percentage point change in the assumptions it would have the following effects:

As at 31st March	2025		2024	
	Discount rate	Salary increment	Discount rate	Salary increment
Effect on the defined benefit obligation liability				
Increase by one percentage point	(6,530)	7,624	(8,033)	9,027
Decrease by one percentage point	7,008	(7,205)	8,729	(8,449)

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.

## Maturity analysis of the payments

The following payments are expected on employee benefit liabilities in future years.

Future working life time	Defined Benefit Obligations	
	2025	2024
Within the next 12 months	22,339	31,972
Between 1 and 2 years	29,107	42,471
Between 2 and 5 years	70,701	49,300
Between 5 and 10 years	35,447	51,365
Beyond 10 years	7,036	13,756
<b>Total expected payments</b>	<b>164,630</b>	<b>188,864</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4.5 years .

## 26 TRADE AND OTHER PAYABLES

As at 31st March	2025	2024
Trade payables	153,197	159,207
Contract Liabilities	13,162	12,806
Advances and deposits received	53,668	77,398
Accruals and other payables	280,553	264,911
Staff payables	54,952	55,064
	<b>555,532</b>	<b>569,386</b>

## 27 OTHER CURRENT LIABILITIES

As at 31st March	2025	2024
Contract Liabilities (Banquet Advance)	57,569	62,642
Other advances	14,567	18,597
Other taxes payable	50,958	66,772
	<b>123,094</b>	<b>148,011</b>

## 28 RELATED PARTY TRANSACTIONS

### Terms and conditions of transactions with related parties

The Company carries out transactions in the ordinary course of business on an arm's length basis with parties who are defined as Related Parties in "Sri Lanka Accounting Standards (LKAS 24) Related Party Disclosures", the details of which are reported below.

Outstanding current account balances at the year end are unsecured, interest free and settlements occur 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 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

### Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Company as per 31 March 2025 audited financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13(c) of the Security Exchange Commission Act.

The parent entity of the Company is Asian Hotels and Properties PLC. In the opinion of the Directors, the ultimate parent undertaking and controlling entity is John Keells Holdings PLC which is incorporated in Sri Lanka.

### 28.1 Transactions with Related Companies

For the year ended 31st March	2025	2024
<b>Ultimate Parent John Keells Holdings PLC</b>		
Rendering of Services	14,291	8,519
Receiving of Services	(61,346)	(57,857)
Rent Received	31,495	28,924
<b>Parent Asian Hotels and Properties PLC</b>		
Rendering of services	31	8,094
Receiving of services	(60,980)	(15,865)
<b>Transactions with Companies under common control of John Keells Holdings PLC</b>		
Purchase of Goods	(51,683)	(54,088)
Rendering of services	117,250	83,541
Receiving of services	(270,620)	(310,759)
Rent Received	30,490	21,907
<b>Equity accounted investees of John Keells Holdings PLC</b>		
Rendering of services	8,111	5,276
Receiving of services	(161)	(12)
Interest Paid	(15,631)	(22,142)

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## Transaction with Key Management Personnel (KMP)

According to 'Sri Lanka Accounting Standards (LKAS 24)' Key Management Personnel are those having authority and responsibility for planning and controlling activities of the entity. Accordingly, the Directors of the Company (including Executive and Non Executive Directors) have been classified as KMP of the Company.

As at 31st March	2025	2024
<b>Compensation of key management personnel</b>		
Short term employee benefits	10,577	9,840
<b>Key management personnel</b>		
Rendering services	1,472	1,891

Governance structure, nature of the entity's relationships, principal place of business and the country of incorporation have been disclosed in the "Report of the Related Party Transaction Review Committee".

## 28.2 Amounts due from Related Parties

As at 31st March	2025	2024
See Note 4(b) for the accounting policy on financial instruments		
Ultimate parent - John Keells Holdings PLC	9,114	7,970
Parent - Asian Hotels and Properties PLC	3,837	5,890
Companies under common control of John Keells Holdings PLC (28.3)	36,455	23,512
Equity accounted investees of John Keells Holdings PLC (28.4)	2,292	1,568
	51,698	38,940

## 28.3 Companies under common control of John Keells Holdings PLC

As at 31st March	2025	2024
Cinnamon Hotel Management Ltd	6,324	3,336
Hikkaduwa Holiday Resorts (Pvt) Ltd	-	142
InfoMate (Pvt) Ltd	-	39
Jaykay Marketing Services (Pvt) Ltd	498	990
John Keells International (Pvt) Ltd	140	84
John Keells Logistics (Pvt) Ltd	-	537
Kandy Walk Inn Ltd	62	-
Keells Consultants (Pvt) Ltd	360	205
Mack Air (Pvt) Ltd	1,303	-
Union Assurance PLC	-	941
Walkers Tours Ltd	27,028	15,227
Waterfront Properties (Pvt) Ltd	-	231
Whittall Boustead (Pvt) Ltd	217	264
Whittall Boustead (Travel) Ltd	523	1,516
	36,455	23,512

## 28.4 Equity accounted investees of John Keells Holdings PLC

As at 31st March	2025	2024
DHL Keells (Pvt) Ltd	405	308
Inchcape Mackinnon Mackenzie Shipping (Pvt) Ltd	130	-
Sancity Hotels and Properties Ltd	280	1,260
South Asia Gateway Terminals (Pvt) Ltd	1,477	-
	2,292	1,568

## 28.5 Amounts due to Related Parties

As at 31st March	2025	2024
See Note 4 (b) for the accounting policy on financial instruments		
Ultimate parent - John Keells Holdings PLC	13,463	6,405
Parent-Asian Hotels and Properties PLC	41,703	11,496
Companies under the common control of John Keells Holdings PLC (Note 28.6)	67,298	86,521
Equity accounted investees of John Keells Holdings PLC (Note 28.7)	115	2
	122,579	104,424

## 28.6 Companies under common control of John Keells Holdings PLC

As at 31st March	2025	2024
Beruwala Holiday Resorts (Pvt) Ltd	140	51
Ceylon Cold Stores PLC	1,355	1,352
Ceylon Holiday Resorts Ltd	76	-
Cinnamon Hotel Management Ltd	60,796	82,589
InfoMate (Pvt) Ltd	1,535	1,318
John Keells Office Automation (Pvt) Ltd	849	1,129
Keells Consultants (Pvt) Ltd	128	75
Trinco Holiday Resorts (Pvt) Ltd	32	-
Waterfront Properties (Pvt) Ltd	2,387	-
Whittall Boustead (Travel) Ltd	-	7
	67,298	86,521

## 28.7 Equity accounted investees of John Keells Holdings PLC

As at 31st March	2025	2024
Fairfirst Insurance Ltd	13	-
Indra Hotels & Resorts Kandy (Pvt) Ltd	47	-
Sancity Hotels and Properties Ltd	55	2
	115	2

## 29 FINANCIAL INSTRUMENTS

### 29.1 Financial Assets and Liabilities by categories

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

As at 31st March	Financial Assets at amortised cost		Financial Liabilities at amortised cost	
	2025	2024	2025	2024
<b>Financial instruments in non-current assets/(liabilities)</b>				
Other non-current assets	2,687	6,259	-	-
Non current financial assets	6,572	13,367	-	-
<b>Financial instruments in current assets/(liabilities)</b>				
Trade and other receivables / payables	247,507	633,336	336,424	364,002
Amounts due from / due to related parties	51,698	38,940	122,579	104,424
Cash in hand and at bank	93,544	46,263	-	-
Bank overdrafts	-	-	527,375	870,682
Current portion of interest bearing borrowings	-	-	150,000	454,726
<b>Total</b>	<b>402,008</b>	<b>738,165</b>	<b>1,136,378</b>	<b>1,793,834</b>

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

The management assessed that the fair value of cash, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. Accordingly the fair value hierarchy does not apply.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced sale or on liquidation.

## 29.2 Financial risk management objectives and policies

Financial instruments held by the Company, principally comprises of cash, loans and other receivables, trade and other receivables, trade and other payables, related party receivable & payables and Interest bearing loans and borrowings.

The main purpose of these financial instruments is to manage the operating, investing and financing activities of the Company.

Financial risk management of the Company is carried out based on guidelines established by its ultimate parent company's central treasury department (Group Treasury) which comes under the purview of the Group Executive Committee (GEC) of the ultimate parent Company. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Hotel's operating unit. The ultimate 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 Company 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 Company's risk management process are based and designed to identify and analyse these risks throughout the Company, 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 Company manages and monitors these risks primarily through its operating and financing activities.

Audit committee of the Company monitors how management comply with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. 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.

### 29.2.1 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 Company 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 Company trades only with recognised, creditworthy third parties. It is the Company'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 Company's exposure to bad debts is not significant.

The Company 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 Company's historical observed default rates. The Company 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.

With respect to credit risk arising from the other financial assets of the Company, such as cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty. The Company manages its operations to avoid any excessive concentration of counterparty risks and the Company takes all reasonable steps to ensure that the counterparties fulfil their obligations.

The Company considers a financial asset including trade and other receivable as indicating impairment when contractual payments are 90 days past due.

However, in certain cases, the Company may also consider a financial asset to provide impairment indications when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 29.2.2 Credit risk exposure

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.(without consideration of collateral, if available).

As at 31st March 2025	Notes	Other non current financial assets	Cash at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Loans to executives	29.2.3	9,259	-	1,898	-	11,157	3%
Trade and other receivables	29.2.4	-	-	181,088	-	181,088	55%
Amounts due from related parties	29.2.5	-	-	-	51,698	51,698	16%
Bank balances	29.2.6	-	85,445	-	-	85,445	26%
<b>Total credit risk exposure</b>		<b>9,259</b>	<b>85,445</b>	<b>182,986</b>	<b>51,698</b>	<b>329,388</b>	<b>100%</b>

As at 31st March 2024	Notes	Other non current financial assets	Cash at bank	Trade and other receivables	Amounts due from related parties	Total	% of allocation
Loans to executives	29.2.3	19,626	-	2,521	-	22,147	3%
Trade and other receivables	29.2.4	-	-	593,770	-	593,770	86%
Amounts due from related parties	29.2.5	-	-	-	38,940	38,940	6%
Bank balances	29.2.6	-	37,208	-	-	37,208	5%
<b>Total credit risk exposure</b>		<b>19,626</b>	<b>37,208</b>	<b>596,291</b>	<b>38,940</b>	<b>692,065</b>	<b>100%</b>

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 29.2.3 Loans to executives

Loans to executive portfolio is made up of vehicle loans which are given to staff at manager level and above. Company have obtained the necessary Power of Attorney/Promissory Notes as collateral for the loans granted.

In Rs. '000s	2025	2024
At the beginning of the year	22,147	23,695
Loans granted	1,591	8,000
Recoveries	(12,581)	(9,548)
At the end of the year	11,157	22,147
Receivable within one year (Note 19)	1,898	2,521
<b>Receivable between one and five years</b>		
Non Current Financial Assets	6,572	13,367
Other non-current assets	2,687	6,259
	11,157	22,147

## 29.2.4 Trade receivables

Age analysis of trade receivables and other carrying value net of impairment losses is given below:

In Rs. '000s	2025	2024
<b>Neither past due nor impaired</b>	29,713	19,045
<b>Past due but not impaired</b>		
< 30 days	127,416	177,407
31 - 60 days	43,261	190,732
61 - 90 days	38,469	48,940
91 - 120 days	(9,820)	59,266
121 - 180 days	1,320	116,364
> 180 days	244,724	261,336
<b>Gross carrying value</b>	475,083	873,090
Less: Provision for doubtful debts / impairment provision		
Individually assessed impairment provision	(293,995)	(279,320)
<b>Total</b>	181,088	593,770

The Company has obtained deposits 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.

## 29.2.5 Amounts due from related parties

The Company's amounts due from related party mainly consists balances from related companies.

## 29.2.6 Cash and cash equivalents

The Company held cash in hand and at bank of Rs. 93.5 Million excluding bank overdrafts as at 31 March 2025 (2024 Rs. 46.2 Million).

Cash and cash equivalents include the following cash balances held at bank.

As at 31st March	2025			2024		
	Fitch Rating	Rs.	%	Fitch Rating	Rs.	%
Citi Bank	AAA(lka)	43,046	50.38%	AAA(lka)	7,134	19.17%
Hongkong and Shanghai Banking Corporation	AA-	366	0.43%	AA-	662	1.78%
Commercial Bank of Ceylon PLC	AA-(lka)	78	0.09%	A(lka)	435	1.17%
Hatton National Bank PLC	AA-(lka)	32,127	37.60%	A(lka)	26,486	71.18%
Deutsche Bank AG	A	573	0.67%	A	706	1.90%
Nations Trust Bank PLC	A(lka)	6,450	7.55%	A-(lka)	1,785	4.80%
Sampath Bank PLC	AA-(lka)	2,781	3.25%	-	-	-
DFCC Bank PLC	A(lka)	24	0.03%	-	-	-
		85,445	100.00%		37,208	100%

### 29.3 Liquidity risk

Liquidity risk is the risk that the Company encounter a difficulty in meeting the obligation associated with it's 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.

The Company monitors the level of expected cash inflows on trade and other receivable together with expected cash outflows on trade and other payables as at 31st March 2025, the expected cash flow from trade and other receivables maturing within two months were Rs.296 Million (2024 - Rs. 387 Million).

This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters.

The Company has approved overdraft facilities amounting to Rs.985 Million as at 31st March 2025 of which Rs. 449.25 Million had been utilised as at 31st March 2025.

The following are the remaining contractual maturities at the end of reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Contractual cash flows - 2025	Carrying Amount	Total	2 Months or less	2-12 Months	1-2 Years	2-5 Years	More than 5 years
Trade payables	153,197	153,197	153,197	-	-	-	-
Staff payables	54,952	54,952	54,952	-	-	-	-
Amounts due to related parties	122,579	122,579	122,579	-	-	-	-
Loans and borrowings	150,000	150,000	150,000	-	-	-	-
Bank Overdrafts	527,375	527,375	527,375	-	-	-	-
Contractual cash flows - 2024	Carrying Amount	Total	2 Months or less	2-12 Months	1-2 Years	2-5 Years	More than 5 years
Trade payables	159,207	159,207	159,207	-	-	-	-
Staff payables	55,064	55,064	55,064	-	-	-	-
Amounts due to related parties	104,424	104,424	104,424	-	-	-	-
Loans and borrowings	454,726	454,726	285,781	168,945	-	-	-
Bank Overdrafts	870,682	870,682	870,682	-	-	-	-

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## Management of Liquidity risk

The Company'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 Company monitors the level of expected cash flows on trade and other receivables together with expected cash outflow on trade and other payables and it expects 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 Company 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, repurchase agreement, or other secured borrowings.

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 banks regarding financing requirements, ensures that availability within borrower limit is optimised by efficiently reallocating under-utilised facilities within the Company.

The daily cash management processes of the Company include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

## 29.4 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### 29.4.1 Currency risk

Foreign currency risk is that the fair value or future cash flows of a financial instrument will fluctuate, due to changes in foreign exchange rates. Company 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 is approximately USD 2,474,378.

However, the 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 monitors fluctuations in foreign exchange rates and takes precautionary measures to revise its exchange rates on a regular basis.

The Company 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 the Group level, the translation risk on foreign currency debt is largely hedged "naturally" because of the conscious strategy of maintaining US Dollar cash balances at the company whilst also ensuring obligations can be managed through US Dollar denominated revenue streams.

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax.

	Balances in Financial Institutions held in USD	Increase/ decrease in exchange rates (USD)	Effect on profit before tax Rs.000's
2025	140,022	+1.48%	10,852
		-1.48%	(10,852)
2024	92,938	+7.50%	32,334
		-7.50%	(32,334)

#### Interest rate risk

Interest rate risk mainly arises as a result of Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. The company is exposed to interest rate risk for borrowings obtained from the banks. However, management monitors the sensitivities on regular basis and ensure risks are managed on a timely manner.

John Keells Group (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 Company manages its interest rate risk by having a portfolio of fixed and variable rate loans & borrowings and overdrafts.

As at 31st March	2025		2024	
	Rs.	%	Rs.	%
Loans & borrowings and overdrafts at fixed rate	59,498	10%	49,698	4%
Loans & borrowings and overdrafts at variable rate	539,752	90%	1,096,735	96%
	599,250	100%	1,146,433	100%

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax.

	Increase/ decrease in basis points		Effect on profit before tax
	Rupee borrowings	Other currency borrowings	
2025	+266	+72	(15,940)
	-266	-72	15,940
2024	+1036	+58	(107,937)
	-1036	-58	107,937

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as AWPLR and LIBOR.

# Notes to the Financial Statements

All values are in Rupees' 000s, unless otherwise stated

## 30 SEGMENTAL 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 rental income generated from the Commercial Centre which is categorised as Investment Property is shown separately.

The Company has the following two strategic division, which are its reportable segments.

Reportable Segment	Operation
Hotel	Hoteliering activities
Investment property	Renting out building premises

For the year ended 31st March	Hotel		Investment Property		Total	
	2025	2024	2025	2024	2025	2024
Revenue from contracts with customers	4,403,398	4,414,005	62,292	47,840	4,465,690	4,461,845
Other Operating Income	3,293	9,900	-	-	3,293	9,900
Expenses	(4,091,431)	(4,155,944)	(12,605)	(11,970)	(4,104,036)	(4,167,914)
Net Finance Income/ (Cost)	(96,651)	(164,912)	-	-	(96,651)	(164,912)
Net gain from fair value remeasurement of investment property	-	-	60,233	95,055	60,233	95,055
Profit before Taxation	218,609	103,050	109,920	130,925	328,529	233,975
Segment Assets	6,301,054	6,253,643	3,302,321	3,242,088	9,603,375	9,495,731
Segment Liabilities	2,766,559	3,133,565	-	-	2,766,559	3,133,565

## 31 CAPITAL MANAGEMENT

The primary objective of the Company 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.

Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, have a rights issue or buy back of shares.

	2025	2024
Total liabilities	2,766,559	3,133,565
Less: cash and short term deposits	93,544	46,263
Adjusted net debt	2,673,015	3,087,302
Total equity	6,836,816	6,362,166
Adjusted net debt to adjusted equity ratio	39%	49%

## 32 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

### Accounting policy

#### Provisions

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

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 liabilities of the Company as at 31st March 2025 relates to the following:

#### Income Tax Assessments

This pertains to years of 2012/13 to 2017/18. The company 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.

The Capital commitments of the Company as at the reporting date are as follows.

#### Bank guarantees

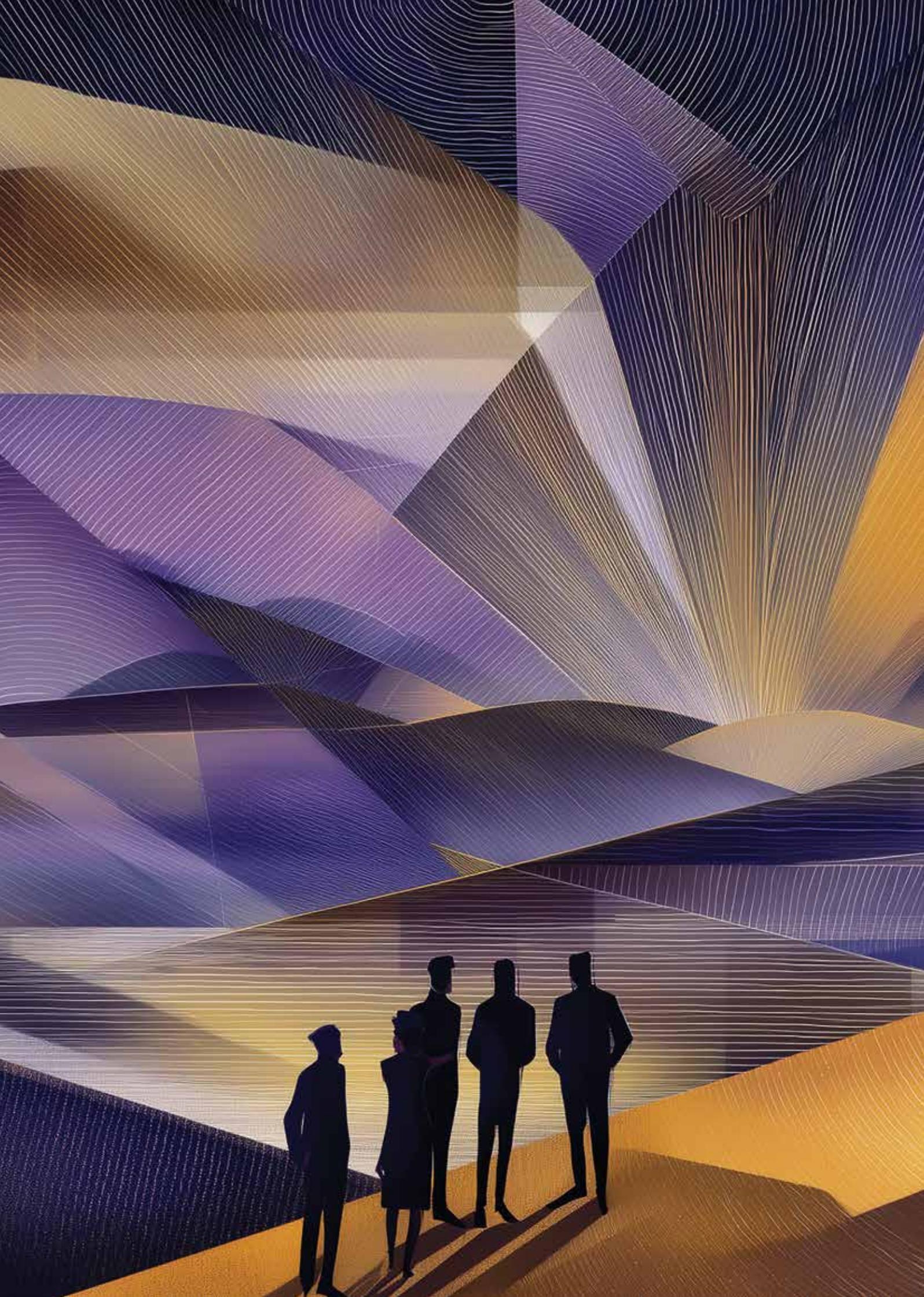
Guarantees	Amount	Purpose
Airport and Aviation Services	3,438,075	Security deposit for rental
Sri Lanka Ports Authority	4,401,600	Security deposit for rental

## 33 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no events subsequent to the reporting date which would have any material effect on the Company.

## 34 DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is responsible for the preparation and presentation of the Financial Statements. Please refer to page 210 for the Statement of Directors' Responsibility.





# A CULTURE OF DETAIL, A PEOPLE OF PRECISION

At Trans Asia Hotels, we understand that success is found in the finer details. Every data point, every insight contributes to a clearer view of our journey, strengthening our foundation and guiding our next steps. The details that follow, provide the clarity we need to tell our full story, shaping a path forward that is as purposeful as it is impactful.

## SUPPLEMENTARY INFORMATION

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# Quarterly Financial Data for the Financial Year Ended 31st March 2025

All values are in Rupees' 000s, unless otherwise stated

Income Statement for the Quarter ended	30 Jun '24	30 Sep '24	31 Dec '24	31 Mar '25	2024/25
Turnover	852,639	1,183,212	1,269,352	1,160,487	4,465,690
Cost of Sales	(516,246)	(616,936)	(705,175)	(586,685)	(2,425,041)
<b>Gross Profit</b>	336,393	566,276	564,177	573,802	2,040,649
Other operating Income	4,864	1,706	3,085	1,391	3,293
Sales and Distribution Expenses	(56,394)	(70,983)	(75,069)	1,641	(200,805)
Administrative Expenses	(273,810)	(284,188)	(255,858)	(253,701)	(1,067,557)
Other operating Expenses	(111,943)	(107,156)	(101,995)	(97,293)	(410,633)
<b>(Loss) / Profit from Operating Activities</b>	(100,890)	105,655	134,340	225,840	364,947
Finance Cost	(35,963)	(26,847)	(25,163)	(14,494)	(100,998)
Finance Income	979	2,673	1,129	1,035	4,347
Net gain from fair value remeasurement of investment property	-	-	60,233	-	60,233
<b>(Loss)/Profit before Taxation</b>	(135,874)	81,481	170,539	212,381	328,529
Income tax expense	38,490	(26,539)	(44,160)	(66,377)	(98,585)
<b>(Loss) / Profit after Taxation</b>	(97,384)	54,942	126,379	146,004	229,944
(Loss) / Earnings Per Share	(0.49)	0.27	0.63	0.73	1.15

Statement of Financial Position	30 Jun '24	30 Sep '24	31 Dec '24	31 Mar '25
<b>Net Assets</b>				
Property, Plant & Equipment	4,634,613	4,583,827	5,028,530	5,006,292
Other Non Current Assets	3,953,856	3,962,965	4,024,400	4,019,224
Net Current Assets	(1,400,719)	(1,281,427)	(1,166,655)	(1,006,180)
	7,187,750	7,265,365	7,886,275	8,019,336
Less : Non Current Liabilities	922,802	945,309	1,125,443	1,182,520
	6,264,948	6,320,056	6,760,832	6,836,816
<b>Shareholders' Funds</b>				
Stated Capital and revenue reserves	4,364,908	4,426,132	4,558,798	4,666,428
Other components of equity	1,900,040	1,893,924	2,202,034	2,170,388
	6,264,948	6,320,056	6,760,832	6,836,816
Net Assets Per Share	31.32	31.60	33.80	34.18

# Five Year Financial Summary & Key Indicators

All values are in Rupees' 000s, unless otherwise stated

In Rs. '000s	2024/25	2023/24	2022/23	2021/22	2020/21
<b>Revenue</b>					
Rooms	1,492,050	1,389,121	903,875	432,563	38,058
Food	2,133,844	2,248,034	1,948,873	993,373	464,747
Beverages	347,345	345,911	319,325	163,491	124,447
Food & beverage others	105,949	105,571	100,878	58,142	54,926
Investment property Income	62,292	47,840	66,406	65,953	65,048
Other	324,210	325,368	229,668	103,702	63,742
<b>Total Revenue</b>	<b>4,465,690</b>	<b>4,461,845</b>	<b>3,569,025</b>	<b>1,817,224</b>	<b>810,968</b>
<b>Direct Expenses</b>					
Rooms	408,742	342,387	277,504	135,156	83,215
Food cost	825,682	876,126	856,269	399,060	179,288
Beverage cost	117,536	118,653	108,697	54,981	44,168
Food & beverage others	850,938	875,277	744,917	444,924	328,010
Investment property cost	963	(125)	559	237	681
Others	221,014	221,983	134,676	40,381	29,516
<b>Total direct expenses</b>	<b>2,424,875</b>	<b>2,434,301</b>	<b>2,122,622</b>	<b>1,074,739</b>	<b>664,878</b>
<b>Gross operating income</b>	<b>2,040,815</b>	<b>2,027,544</b>	<b>1,446,403</b>	<b>742,485</b>	<b>146,090</b>
<b>Other Expenses</b>					
Administration & general	478,370	417,670	368,090	221,490	481,469
Advertising & sales	170,217	203,008	134,529	76,544	45,049
Heat, light & Power	273,554	373,805	290,185	123,449	100,755
Repairs & maintenance	228,205	209,308	179,756	109,110	86,289
Operating fee	220,108	225,728	159,063	77,526	32,099
Marketing expenses	15,294	14,238	9,066	4,326	381
<b>Total deductions</b>	<b>1,385,748</b>	<b>1,443,757</b>	<b>1,140,689</b>	<b>612,445</b>	<b>746,042</b>
<b>Gross operating profit / (loss)</b>	<b>655,067</b>	<b>583,787</b>	<b>305,714</b>	<b>130,040</b>	<b>(599,953)</b>
Other Income	7,629	6,351	4,781	32,235	7,446
Net gain from fair value remeasurement of investment property	60,233	95,055	214,301	167,226	(109,519)
	67,862	101,406	219,082	199,461	(702,026)
Finance Cost	100,998	183,438	202,387	122,173	24,210
Insurance & rates	54,706	56,358	38,398	36,019	32,593
Depreciation & amortisation	238,696	211,422	176,115	166,371	187,190
	394,400	451,218	416,900	324,563	243,993
<b>Net Profit/(Loss) before taxation</b>	<b>328,529</b>	<b>233,975</b>	<b>107,896</b>	<b>4,938</b>	<b>(946,019)</b>

# Five Year Financial Summary & Key Indicators

All values are in Rupees' 000s, unless otherwise stated

In Rs. '000s	2024/25	2023/24	2022/23	2021/22	2020/21
<b>Operating Results</b>					
Total revenue	4,465,690	4,461,845	3,569,025	1,817,224	810,968
Revenue growth %	0.09	25.02	96.40	124.08	(65.17)
Profit/(Loss) from operating activities	364,947	303,832	92,180	(41,973)	(816,019)
Finance expenses	100,998	183,438	202,387	122,173	24,210
Rates, insurance, depreciation & amortisation	293,402	267,781	214,511	202,392	219,783
Net profit/(loss) before taxation	328,529	233,975	107,896	4,938	(946,019)
<b>Shareholders' Funds</b>					
Stated capital	1,112,880	1,112,880	1,112,880	1,112,880	1,112,880
Other components of equity	2,170,388	1,906,158	1,655,740	1,524,544	1,513,315
Revenue reserves	3,553,548	3,343,128	3,173,606	3,252,158	3,217,952
<b>Total equity</b>	<b>6,836,816</b>	<b>6,362,166</b>	<b>5,942,226</b>	<b>5,889,582</b>	<b>5,844,147</b>
<b>Assets Employed</b>					
Property, plant and equipment	5,006,292	4,586,082	4,065,283	3,402,994	3,425,319
Right-of-use asset	682,220	694,624	707,028	719,432	731,836
Investment property	3,302,321	3,242,088	3,147,033	2,932,732	2,765,506
Other non current assets	34,683	21,254	21,643	17,503	15,260
Net current assets	(1,006,180)	(1,221,167)	(1,144,396)	(752,113)	(660,220)
	8,019,336	7,322,881	6,796,591	6,320,548	6,277,701
<b>Less</b>					
<b>Long term liabilities</b>					
Employee benefits	164,630	188,864	126,957	132,782	146,037
Deferred tax liability	1,017,890	771,851	605,955	240,996	247,501
Loans and borrowings	-	-	121,453	57,188	40,016
<b>Net assets</b>	<b>6,836,816</b>	<b>6,362,166</b>	<b>5,942,226</b>	<b>5,889,582</b>	<b>5,844,147</b>
<b>Key Indicators</b>					
Current ratio Times	0.36	0.44	0.38	0.39	0.26
Net asset per share (Rs.)	34.18	31.81	29.71	29.45	29.22
Market price per share (Rs.)	39.50	42.60	45.20	48.20	55.90
Earnings/(Loss) per share (Rs.)	1.15	0.87	(0.49)	0.02	(4.09)
<b>Statistical Summary</b>					
Occupancy %	63	56	39	24	2
No. of rooms occupied	76,059	70,965	49,047	30,790	3,123
Average room rate (Rs.)	19,617	19,575	18,429	14,049	12,186

# Share Information and Shareholding

## 1 DIRECTORS SHAREHOLDING

	As at 31.03.2025	As at 31.03.2024
Mr. K N J Balendra	Nil	Nil
Mr. J G A Cooray	1,200	1,200
Mr. N L Gooneratne	145,131	450,833
Mr. M R Svensson	Nil	Nil
Mr. C L P Gunawardane	Nil	Nil
Mr. S Rajendra	Nil	Nil
Mr. H A J de S Wijeyeratne	Nil	Nil
Ms. S A Atukorale	Nil	Nil
Mr. C P R Perera	Nil	N/A

## 2 THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL OF 200,000,000 SHARES WERE HELD BY 1,669 SHAREHOLDERS AS AT 31ST MARCH 2025 (1,532 SHAREHOLDERS AS AT 31ST MARCH 2024)

### 2.1 Share Distribution as at 31st March 2025

	Number of shareholders	Percentage of shareholding	Total number of shares
Less than or equal to 1,000	1,331	0.12%	233,978
1001 to 10,000	253	0.46%	928,090
10,001 to 100,000	70	1.14%	2,286,640
100,001 to 1,000,000	11	1.74%	3,470,429
Over 1,000,001	4	96.54%	193,080,863
	1,669	100.00%	200,000,000

# Share Information and Shareholding

## 2.2 The Twenty One Largest Shareholders

		31 March 2025		31 March 2024	
		Number of Shares	%	Number of Shares	%
1	John Keells Holdings PLC	97,284,256	48.64%	97,284,256	48.64%
2	Asian Hotels & Properties PLC	86,823,028	43.41%	86,823,028	43.41%
3	Bank of Ceylon A/C Ceybank Unit Trust	4,677,379	2.34%	5,305,879	2.65%
4	Employee's Provident Fund	4,296,200	2.15%	4,296,200	2.15%
5	Mr A.N. G. Wijeyekoon	572,960	0.29%	572,960	0.29%
6	Employees Trust Fund Board	571,941	0.29%	571,941	0.29%
7	Bank of Ceylon A/C Ceybank Century Growth Fund	565,767	0.28%	563,367	0.28%
8	Prof. M. K. D. N. L. Alwis	365,279	0.18%	365,279	0.18%
9	Bank of Ceylon No. 1 Account	327,848	0.16%	477,200	0.24%
10	Prof D. N. L. Alwis	234,828	0.12%	234,828	0.12%
11	Ellawala Exports (Pvt) Ltd	200,000	0.10%	358,400	0.18%
12	People's Leasing and Finance PLC/ Mr. L. P. Hapangama	179,531	0.09%	-	0.00%
13	Mr. D. Gonsalkorale	161,200	0.08%	161,200	0.08%
14	Keells Consultants (Pvt) Ltd	145,944	0.07%	145,944	0.07%
15	Mr. N. L. Gooneratne	145,131	0.07%	450,833	0.23%
16	Trading Partners (Pvt) Ltd	100,000	0.05%	100,000	0.05%
17	People's Leasing and Finance PLC / Mr.W. P. C. M. Nanayakkara	100,000	0.05%	-	0.00%
18	Mr. G. G. Ondaatjie	83,400	0.04%	83,400	0.04%
19	Mr. T.J. Ondaatjie	83,399	0.04%	83,399	0.04%
20	Mr. V.A. Seneviratne	75,000	0.04%	75,000	0.04%
21	Mr. R.S. Ingram	73,495	0.04%	20,000	0.00%

## 2.3 Composition of Shareholders

	As at 31st March 2025			As at 31st March 2024		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Directors & spouses:	2	146,331	0.07%	2	452,033	0.23%
<b>Public non-resident:</b>						
Institutions:	-	-	-	-	-	-
Individuals:	14	79,153	0.04%	15	87,583	0.04%
<b>Public resident:</b>						
Institutions:	61	195,672,081	97.84%	48	196,138,106	98.07%
Individuals:	1,592	4,102,435	2.05%	1,467	3,322,278	1.66%
	1,669	200,000,000	100.00%	1,532	200,000,000	100.00%

## 2.4 Public Shareholdings

	As at 31st March 2025			As at 31st March 2024		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Total number of shares issued:						
Inter company shareholdings: John Keells Holdings PLC (97,284,256), Asian Hotels & Properties PLC (86,823,028)	2	184,107,284	92.05%	2	184,107,284	92.05%
Directors & spouses shareholdings	2	146,331	0.07%	2	452,033	0.23%
Public shareholding:	1,665	15,746,385	7.87%	1,528	15,440,683	7.72%
	1,669	200,000,000	100.00%	1,532	200,000,000	100.00%

## 3 MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

		2024/25	Q4	Q3	Q2	Q1	2023/24
High	(Rs.)	49.50	49.50	47.60	45.50	46.40	53.90
Low	(Rs.)	37.00	37.00	39.70	38.00	38.10	38.10
Close	(Rs.)	39.50	39.50	44.90	40.00	39.00	42.60
Dividend paid (per share)	(Rs.)	0.50	0.50	-	-	-	-
<b>Trading Statistics</b>							
Number of Transactions		2,171	784	777	249	361	986
Number of shares traded	('000)	2,288	1,043	975	157	114	231
% of total shares in issue		1.144	0.521	0.487	0.078	0.057	0.115
Value of all shares traded	(Rs. Mn)	100.92	47.10	42.86	6.28	4.69	9.98
Average daily turnover	(Rs. '000)	539.70	841.02	751.88	224.15	102.01	56.73
Market Capitalisation	(Rs. Mn)	7,900	7,900	8,980	8,000	7,800	8,520
Float adjusted market capitalisation	(Rs. Mn)	622	622	691	615	600	658

The Company continues to be non-compliant with the Minimum Public Holding Requirements specified in Rule 7.13.1 (b) - Option 1 of the CSE Listing Rules and was transferred to the Second Board on 27 August 2021. The Shareholders of the Company have been apprised of such non-compliance at the Annual General Meeting of the Company, with reasons provided for such non-compliance, due to the float adjusted market capitalisation not meeting the required threshold owing to anomalies brought about by the macro-economic conditions of the Country. The Company continues to aggressively pursue its business strategies to capitalise on available opportunities with a view of maximising stakeholder value creation, while monitoring the situation towards ensuring compliance with the required Public Holding threshold as specified in the CSE Listing Rules.

# Share Information and Shareholding

## 4 DIVIDENDS SINCE 2004/05

Financial Year	Dividend paid per share (Rs.)	Dividend paid (Rs.'000)
2004/05	3.50	175,000
2005/06	5.35	267,500
2006/07	2.40	120,000
2007/08	0.75	37,500
2008/09	1.50	75,000
2009/10	1.00	50,000
2010/11	2.00	100,000
2011/12	3.00	300,000
2012/13	3.00	600,000
2013/14	3.50	700,000
2014/15	3.50	700,000
2015/16	2.00	400,000
2016/17	3.00	600,000
2017/18	3.50	700,000
2018/19	1.00	200,000
2019/20	0.50	100,000
2020/21	Nil	Nil
2021/22	Nil	Nil
2022/23	Nil	Nil
2023/24	Nil	Nil
2024/25	0.50	100,000

## 5 SHARE CAPITAL SINCE 2004/05

Financial Year	Number of shares in issue ('000)
2004/05	50,000
2005/06	50,000
2006/07	50,000
2007/08	50,000
2008/09	50,000
2009/10	50,000
2010/11	50,000
2011/12**	100,000
2012/13**	200,000
2013/14	200,000
2014/15	200,000
2015/16	200,000
2016/17	200,000
2017/18	200,000
2018/19	200,000
2019/20	200,000
2020/21	200,000
2021/22	200,000
2022/23	200,000
2023/24	200,000
2024/25	200,000

\*\* Sub division of shares

# GRI Content Index

Company as at the reporting date as follows.

<b>Statement of use</b>	Trans Asia Hotels PLC has reported in accordance with the GRI Standards for the period 01 April 2024 to 31 March 2025
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

Gri Standard/ Other Source	Disclosure	Location	Omission	
			Requirement(S) Omitted	Reason Explanation
<b>General disclosures</b>				
GRI 2: General Disclosures 2021	2-1 Organisational details	9	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	2-2 Entities included in the organisation's sustainability reporting	3		
	2-3 Reporting period, frequency and contact point	3		
	2-4 Restatements of information	3		
	2-5 External assurance	3		
	2-6 Activities, value chain and other business relationships	22 to 24		
	2-7 Employees	72 to 75		
	2-8 Workers who are not employees	74		
	2-9 Governance structure and composition	134 to 135		
	2-10 Nomination and selection of the highest governance body	139		
	2-11 Chair of the highest governance body	136		
	2-12 Role of the highest governance body in overseeing the management of impacts	136		
	2-13 Delegation of responsibility for managing impacts	136		
	2-14 Role of the highest governance body in sustainability reporting	171		
	2-15 Conflicts of interest	136 to 137		
	2-16 Communication of critical concerns	178 to 179		

# GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	2-17 Collective knowledge of the highest governance body	135			
	2-18 Evaluation of the performance of the highest governance body	141			
	2-19 Remuneration policies	142			
	2-20 Process to determine remuneration	142			
	2-21 Annual total compensation ratio		2-21	Information unavailable/incomplete	This ratio is not currently calculated. It will be calculated going forward.
	2-22 Statement on sustainable development strategy	54			
	2-23 Policy commitments	55			
	2-24 Embedding policy commitments	55			
	2-25 Processes to remediate negative impacts	81			
	2-26 Mechanisms for seeking advice and raising concerns	81			
	2-27 Compliance with laws and regulations	191			
	2-28 Membership associations	94			
	2-29 Approach to stakeholder engagement	27			
	2-30 Collective bargaining agreements	82			
<b>Material topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42		A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	3-2 List of material topics	42-45			
<b>Economic performance</b>					
GRI 201: Economic Performance 2016	"201-1 Direct economic value generated and distributed"	65			
	201-2 Financial implications and other risks and opportunities due to climate change	124			
	201-3 Defined benefit plan obligations and other retirement plans	242			
	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"

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Indirect economic impacts</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	11			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	106-107			
	203-2 Significant indirect economic impacts	12,13			
<b>Procurement practices</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	104			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		204-1(a)	Information unavailable/incomplete	The company has a large number of suppliers at community level and therefore the company is in the process of collating information.
<b>Anti-corruption</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	176-177			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	206			
	205-2 Communication and training about anti-corruption policies and procedures	140			
	205-3 Confirmed incidents of corruption and actions taken		205-3	Not applicable	There were no identified instances for reported on.
<b>Tax</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	166			
GRI 207: Tax 2019	207-1 Approach to tax	166 to 167			
	207-2 Tax governance, control, and risk management	166			
	207-3 Stakeholder engagement and management of concerns related to tax	33			
	207-4 Country-by-country reporting			Not applicable	

# GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	114 to 116			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	114			
	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	115			
	302-4 Reduction of energy consumption				
	302-5 Reductions in energy requirements of products and services	114	302-5	Information unavailable/incomplete	This information was not captured in last financial year.
<b>Water and effluents</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	116 to 117			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	116			
	303-2 Management of water discharge-related impacts	116-117			
	303-3 Water withdrawal	116			
	303-4 Water discharge	116			
	303-5 Water consumption	116			
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	115 to 116			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	115			
	305-2 Energy indirect (Scope 2) GHG emissions	115			
	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	115			
	305-5 Reduction of GHG emissions	114			
	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) Omitted	Reason Explanation
<b>Waste</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	117 to 118		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	117		
	306-2 Management of significant waste- related impacts	118-119		
	306-3 Waste generated	117		
	306-4 Waste diverted from disposal	118		
	306-5 Waste directed to disposal	118		
<b>Supplier environmental assessment</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	104 to 105		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	104 to 105		
	308-2 Negative environmental impacts in the supply chain and actions taken	104 to 105		
<b>Employment</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	74		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	76 to 77		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	78		
	401-3 Parental leave	83		
<b>Labor/management relations</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics	74		
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	82		

# GRI Content Index

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	80			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	80			
	403-2 Hazard identification, risk assessment, and incident investigation	80			
	403-3 Occupational health services	80			
	403-4 Worker participation, consultation, and communication on occupational health and safety	80			
	403-5 Worker training on occupational health and safety	80			
	403-6 Promotion of worker health	80			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	80			
	403-8 Workers covered by an occupational health and safety management system	80			
	403-9 Work-related injuries	81			
	403-10 Work-related ill health	81			
<b>Training and education</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	79			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	13			
	404-2 Programs for upgrading employee skills and transition assistance programs	80			
	404-3 Percentage of employees receiving regular performance and career development reviews	78			
<b>Diversity and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	82			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75, 135			
	405-2 Ratio of basic salary and remuneration of women to men		405-2	Unavailability of information	The Company endeavours to disclose this information in its annual report for the next financial year

Gri Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Non-discrimination</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	82			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	82			
<b>Child Labour</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	82			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	82			
<b>Local communities</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	105			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	106 to 107			
	413-2 Operations with significant actual and potential negative impacts on local communities		413-2	Information unavailable/incomplete	Process of reliably quantifying potential negative impacts are currently underway.
<b>Customer health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	103			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	104			
<b>Marketing and labeling</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	99			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	99			
	417-2 Incidents of non-compliance concerning product and service information and labeling	104			
	417-3 Incidents of non-compliance concerning marketing communications	104			
<b>Customer privacy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	103			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	104			

# SASB 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	114, 115
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m <sup>3</sup> ), Percentage (%)	SV-HL-140a.1	116
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	Nil
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	NA	SV-HL-160a.2	112 to 114
Labour Practices	(1) Voluntary and (2) involuntary turnover rate for lodging facility employees	Quantitative	Percentage (%)	SV-HL-310a.1	This Information was not documented during the financial year 2024/25
	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	(1) LKR. 231 (2) 100%
	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	NA	SV-HL-310a.4	54 to 55
Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	Quantitative	Number	SV-HL-450a.1	70

Table 2. Activity Metrics

Climate Change Adaptation	Category	Unit Of Measure	Code	Page No
Number of available room-nights	Quantitative	Number	SV-HL-000.A	23
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	23
Total area of lodging facilities	Quantitative	Square metres (m <sup>2</sup> )	SV-HL-000.C	69
Number of lodging facilities and the percentage that are: (1) managed, (2) owned and leased, (3) franchised	Quantitative	Number, Percentage (%)	SV-HL-000.D	Owned -1, 100%

# Independent Assurance Report To Trans Asia Hotels Plc



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## INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF TRANS ASIA HOTELS 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 Trans Asia Hotels 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 Trans Asia Hotels 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
Performance Highlights	12
Operational Highlights	13
<b>Information provided on following</b>	
Financial Capital	60 to 65
Manufactured Capital	66 to 70
Human Capital	72 to 84
Intellectual Capital	86 to 94
Social and Relationship Capital	96 to 108
Natural Capital	110 to 119

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Trans Asia Hotels 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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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

# Independent Assurance Report To Trans Asia Hotels Plc



## **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 Trans Asia Hotels PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Trans Asia Hotels 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 Trans Asia Hotels PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of Trans Asia Hotels 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 Trans Asia Hotels PLC, for any purpose or in any other context. Any party other than Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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.

### 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels 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 Trans Asia Hotels PLC.

CHARTERED ACCOUNTANTS  
Colombo

27th 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 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).

## EBITDA

Earnings before interest, tax, depreciation and amortisation

## 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.

## 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

What remains from sales after a company pays out the cost of goods sold. To obtain gross profit margin, divide gross profit by sales. Gross profit margin is 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 plus capital and revenue reserves.

**TOTAL DEBT**

Long term loans plus short-term loans and overdrafts.





# Corporate Information

## NAME OF THE COMPANY

Trans Asia Hotels PLC

## LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 17th July 1981 and listed on the Colombo Stock Exchange.

## COMPANY REGISTRATION NUMBER

PQ 5

## REGISTERED OFFICE

No. 115, Sir Chittampalam A. Gardiner Mawatha, Colombo 2.  
Tel: 2491000  
Fax: 2449184  
E-mail: lakeside@cinnamonhotels.com  
Website: <http://www.cinnamonhotels.com/cinnamonlakeside.htm>

## BOARD OF DIRECTORS

Mr. Krishan Niraj Jayasekara Balendra  
-Chairman  
Mr. Joseph Gihan Adisha Cooray  
Mr. Navindra Lal Gooneratne  
Mr. Mikael Ronald Svensson  
Mr. Suresh Rajendra  
Mr. Changa Lashantha Poojitha  
Gunawaradane  
Mr. Harin Amendra De Silva Wijeyeratne  
Ms. Shivanthi Adikari Atukorale  
Mr. Chehan Prasanna Richard. Perera  
- Appointed with effect from 01st January 2025

## AUDIT COMMITTEE

Mr. H A J de Silva Wijeyeratne -Chairperson  
Mr. S Rajendra  
Ms. S A Atukorale  
Mr. C P R Perera

## HUMAN RESOURCES AND COMPENSATION COMMITTEE

Ms. S A Atukorale – Chairperson  
Mr. J G A Cooray  
Mr. H A J de Silva Wijeyeratne

## NOMINATIONS AND GOVERNANCE COMMITTEE

Ms. S A Atukorale - Chairperson  
Mr. K N J Balendra  
Mr. H A J de Silva Wijeyeratne

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr H A J de Silva Wijeyeratne - Chairperson  
Mr S Rajendra  
Ms S A Atukorale  
Mr. C P R Perera

## COMPANY SECRETARIES AND REGISTRARS

Keells Consultants (Private) Limited  
117, Sir Chittampalam A. Gardiner Mawatha  
Colombo 02

## AUDITORS

Messrs. KPMG Chartered Accountants  
32A, Sir Mohamed Macan Markar Mawatha,  
Colombo 03

## BANKERS

Citibank NA  
Deutsche Bank AG  
Sampath Bank PLC  
The Hongkong and Shanghai Banking Corporation Ltd  
Nations Trust Bank PLC  
Commercial Bank of Ceylon PLC  
Hatton National Bank PLC  
DFCC Bank

## COMPANY RELATED INFORMATION REQUIREMENTS.

Shareholders can contact Keells Consultants (Private) Limited on 011-2306245 for any Company related information requirements.

# Notice of Meeting

NOTICE IS HEREBY GIVEN that the Forty Fourth Annual General Meeting ("Meeting") of Trans Asia Hotels PLC (the 'Company') will be held as a virtual meeting on 26th June 2025 at 9.00 a.m. 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 st March 2025 with the Report of the Auditors thereon.
3. To re-elect as a Director Mr. C.L.P. Gunawardane, who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Mr. C.L.P. Gunawardane is contained in the Board of Directors section of the Annual Report.
4. To re-elect as a Director, Ms. S.A. Atukorale, who retires in terms of Article 83 of the Articles of Association of the Company. A brief profile of Ms. S.A. Atukorale is contained in the Board of Directors section of the Annual Report.
5. To re-elect as a Director, Mr. C P R Perera, who retires in terms of Article 90 of the Articles of Association of the Company. A brief profile of Mr. C P R Perera is contained in the Board of Directors section of the Annual Report
6. To re-elect as a Director, Mr. N L Gooneratne who is over the age of 70 years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007, for which the passing of the following ordinary resolution is recommended by the Company:  
"THAT the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N L Gooneratne, who is 82 years and that he be re-elected a Director of the Company.
7. To re-appoint Auditors, Messrs. KPMG, Chartered Accountants, and to authorise the Directors to determine their remuneration.
8. To notify the shareholders regarding the Company's non-compliance of the minimum public holding requirement of the Listing Rules of the Colombo Stock Exchange.
9. To consider any other business of which due notice has been given in terms of the relevant laws and regulations.

The Annual Report of Trans Asia Hotels PLC for 2024/25, is accessible via..

(1) The Corporate website of the Company - <https://keells.com/resource/reports/group-annual-reports/Trans-Asia-Hotels-PLC.pdf>

(2) The Colombo Stock Exchange website - <https://cse.lk/pages/company-profile/company-profile.component.html?symbol=TRAN.N0000>

Shareholders may also access the Annual Report and Financial Statements on their electronic devices by scanning the following QR code.



For clarifications on how to download and/or access the Annual Report and Financial Statements, please contact Mr. Ruvindra Angunawela- Director Finance on 0112491060 during normal office hours (8.30 a.m. to 4.30 p.m.) or email [ruvindra@cinnamonhotels.com](mailto:ruvindra@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 or facsimile to 0115377369 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,  
TRANS ASIA HOTELS PLC



KEELLS CONSULTANTS (PRIVATE) LIMITED  
Secretaries

Colombo  
27 May 2025

# Notice of Meeting

**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 No 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 or forwarded to the email address: keellsconsultants@keells.com or Fax No.011 2439037 no 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  
 Trans Asia Hotels 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. Navindra Lal Gooneratne	or failing him
Mr. Harin Amendra Joseph De Silva Wijeyeratne	or failing him
Ms. Shivanthi Adhikari Atukorale	or failing her
Mr. Mikael Ronald Svensson	or failing him
Mr. Suresh Rajendra	or failing him
Mr. Changa Lashantha Poojitha Gunawardane	or failing him
Mr. Chehan Prasanna Richard Perera	

as my/our proxy to represent me/us and to vote on my/our behalf at the Forty Fourth Annual General Meeting of the Company to be held on 26 June 2025 at 9.00 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 resolutions as indicated by the letter "X" in the appropriate cage:

	FOR	AGAINST	ABSTAINED
1. To re-elect as a Director, Mr. C.L.P. Gunawardane who retires in terms of Article 83 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director, Ms. S.A Atukorale who retires in terms of Article 83 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director, Mr. C P R Perera who retires in terms of Article 90 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director, Mr. N L Gooneratne who is over the age of 70 years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint the Auditors, 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

# Form of Proxy

**NOTE: INSTRUCTIONS AS TO COMPLETION OF PROXY FORM ARE NOTED ON THE REVERSE.**

**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 Fax No.011 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.
5. 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./.....

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Trans Asia Hotels PLC