

Eden Hotel Lanka PLC

ANNUAL REPORT 2024/25

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ANNUAL REPORT
2024/25

Eden Hotel Lanka PLC

Chairman's Review

“REBUILDING STRONGER: COMMITTED TO EXCELLENCE AND SUSTAINABLE HOSPITALITY”

DEAR STAKEHOLDERS,

On behalf of the board, it is my pleasure to present the annual report and financial statements of Eden Hotel Lanka PLC for the year ended 31st March 2025.

The past year has been one of resilience and renewal for both the global tourism sector and for Eden Hotel Lanka PLC. As the industry continues its remarkable resurgence, we have not only regained momentum but also set the stage for a future defined by innovation, sustainability, and excellence.

GLOBAL TOURISM: A RESILIENT REBOUND

The global tourism industry witnessed a powerful resurgence in 2024/25, marking one of its strongest years of recovery since the COVID-19 pandemic. According to the United Nations World Tourism Organization (UNWTO), international tourist arrivals reached approximately 95% of pre-pandemic levels, driven by robust demand, enhanced flight connectivity, and the full reopening of major source markets such as China, the USA, and Europe.

Travel behaviour continued to evolve, with eco-conscious travellers gravitating towards sustainable, experience-driven, and wellness-focused tourism. Luxury hospitality and adventure travel also saw renewed enthusiasm, while digital innovation—ranging from AI-driven services to contactless technology—reshaped guest experiences globally.

Yet, challenges persisted. Labour shortages, inflationary pressures, and climate-related disruptions underscored the need for agility

and adaptation. Encouragingly, the industry's resilience and commitment to innovation laid the foundation for a stronger, more sustainable future.

OUTLOOK FOR 2025/26: TOWARDS SUSTAINABLE GROWTH

Looking ahead, international tourism is projected to not only recover fully but surpass 2019 levels. The World Travel & Tourism Council anticipates global tourism's GDP contribution to exceed USD 10 trillion in 2025.

For hospitality operators, success will depend on agility, digital transformation, and an unwavering focus on ESG principles. With sustainability at the forefront of guest and investor expectations, the industry is moving towards greener infrastructure, data-driven personalisation, and seamless digital travel experiences.

Eden Hotel Lanka PLC is strategically positioned to capitalise on these trends—through service excellence, targeted marketing, and strategic partnerships that align with evolving traveller preferences.

SRI LANKA: REDISCOVERING PARADISE

Sri Lanka's tourism industry achieved a strong revival in 2024, welcoming over 2 million tourists. This milestone reflected not only the island's inherent appeal but also the efforts of the Sri Lanka Tourism Development Authority (SLTDA). Campaigns such as “You'll Come Back for More” successfully showcased the country's pristine beaches, wildlife, cultural heritage, and Ayurveda wellness offerings across global platforms.

With an ambitious target of 2.5 million arrivals in 2025, Sri Lanka stands at the threshold of transformational growth. Eden Hotel Lanka PLC, with its unique heritage, prime locations, and commitment to personalised guest experiences, is ready to play a pivotal role in this national resurgence.

EDEN GROUP: EXPANDING HORIZONS

The Eden Group strengthened its position as a leading player in Sri Lanka's hospitality sector with a robust portfolio of eight operational properties across the island and one in the Maldives.

During the year under review, our Sri Lankan properties recorded significant improvements in occupancy, revenue, and profitability, underpinned by the extensive refurbishments undertaken in prior years. Enhanced guest satisfaction and consistently positive feedback translated into improved Average Room Rates (ARR) and higher occupancy levels.

A landmark achievement was the commencement of operations at Browns Ari Resort (Pvt) Limited in the South Ari Atoll of the Maldives. This 100-key luxury property operated at full capacity in 2024/25, delivering strong revenues and exceptional guest reviews, contributing meaningfully to Group performance.

On the financial front, the Group reported a revenue of Rs. 9 billion, up from Rs. 7 billion in the previous year. The Company achieved Rs. 1.3 billion in net revenue, compared to Rs. 1.1 billion previously. Importantly, profitability improved markedly, with the Company reporting an EBIT of Rs. 171.2 million (up from Rs. 78.4 million), while the Group recorded an EBIT of Rs. 262 million—an impressive turnaround from a negative Rs. 165 million last year.

These results reflect not only operational excellence but also the benefits of strategic agility, including strengthened collaborations

Chairman's Review [Contd.]

with Foreign Tour Operators (FTOs) and Destination Management Companies (DMCs). Several new partnerships are in advanced stages, positioning the Group for further growth in the coming years.

APPRECIATION

As we reflect on a year of renewal, I extend my heartfelt gratitude to all our stakeholders—our valued guests, shareholders, business partners, employees, and local communities. Your unwavering trust and collaboration remain the foundation of our progress.

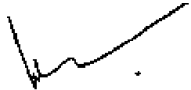
A special note of appreciation goes to our dedicated employees, whose professionalism, resilience, and commitment to excellence have enabled us to thrive amidst change.

I also thank my colleagues on the Board of Directors for their strategic guidance and stewardship, which continue to strengthen Eden's growth trajectory.

LOOKING FORWARD WITH OPTIMISM

Eden Hotel Lanka PLC enters 2025 with renewed confidence and clarity of purpose. Our legacy provides a strong foundation, while our vision is firmly set on sustainable growth, innovation, and world-class hospitality.

Together, we will continue to build not only a stronger Eden, but also contribute meaningfully to the transformation of Sri Lanka's tourism sector. With optimism and determination, we look ahead to a future of shared success.



W D K Jayawardena
Chairman
Eden Hotel Lanka PLC
22 August 2025

“DELIVERING BUSINESS EXCELLENCE THROUGH SUSTAINABLE PRACTICES AND GUEST-CENTRIC SERVICE”

DEAR STAKEHOLDERS,

It Is My Pleasure To Present The Annual Report And Financial Statements Of Eden Hotel Lanka PLC For The Year Ended 31st March 2025. This Year Has Been Marked By Renewed Momentum, Global Recognition, And A Strengthened Commitment To Sustainable Hospitality Across Our Portfolio.

GLOBAL TOURISM INDUSTRY – 2025

As we look ahead to 2025, the global tourism industry is poised for transformative growth driven by technological innovation, sustainability, and shifting traveller behaviours. Advances in digital connectivity, artificial intelligence, and personalised experiences will redefine how travellers plan and enjoy their journeys, creating new opportunities for engagement and efficiency within the hospitality sector. Moreover, a heightened global awareness of environmental and social responsibility is steering the industry toward more sustainable practices, with an emphasis on minimising carbon footprints and supporting local communities. Despite geopolitical uncertainties and economic fluctuations, the outlook remains optimistic as demand for authentic, immersive experiences continues

to rise across emerging and established markets alike. Our company is strategically positioned to capitalise on these trends, reinforcing our commitment to innovation, guest satisfaction, and sustainable growth in the evolving landscape of global tourism.

SRI LANKA TOURISM INDUSTRY – 2025

Sri Lanka made a confident return to the global tourism spotlight in 2024, welcoming over two million international visitors—the highest recorded since 2018. The country earned multiple accolades, including “Most Desirable Island in the World” at the 2024 Wanderlust Reader Travel Awards, ninth place on BBC Travel’s “25 Best Places to Travel in 2025,” and “Most Family-Friendly Destination for 2025” by Condé Nast Traveller.

Europe remained the leading source region for inbound arrivals, accounting for a 38% increase in visitor numbers in 2024 compared to 2023. With improved air connectivity, focused destination marketing, and growing interest in wellness, culture, and responsible travel, Sri Lanka is on track to reclaim its position as South Asia’s most experiential destination. The government’s renewed commitment to infrastructure development, combined with innovative marketing strategies and improved connectivity, is facilitating greater access and convenience for visitors. As global travellers increasingly prioritise safety, wellness, and meaningful engagement, Sri Lanka is uniquely positioned to meet these demands while fostering community empowerment and environmental stewardship. Eden Hotels Lanka PLC is strategically positioned to embrace this new era, with a clear focus on guest experience, wellness, sustainability, and innovation

DESTINATION HIGHLIGHTS

The properties under Eden Hotels Lanka PLC are situated in some of Sri Lanka’s most sought-after destinations, each offering distinct experiences that celebrate the island’s cultural richness, biodiversity, and natural beauty.

In Negombo, Club Hotel Dolphin serves as a vibrant gateway to the charismatic coastal town of Negombo—recently ranked 16th on The New York Times’ “52 Places to Go in 2024.” With its labyrinth of canals, scenic lagoon, and diverse cultural fabric, Negombo continues to attract international stopovers and local families seeking a relaxed seaside retreat just minutes from the airport.

Thaala Bentota offers a refined beachfront escape shaped by Geoffrey Bawa’s tropical modernist vision. With easy access to Brief Garden, the Madu River safari, turtle hatcheries, and the Ambalangoda mask museum, it connects guests to the region’s rich coastal heritage. In 2024, Bentota Beach was named one of Tripadvisor’s Best Beaches in Asia, reaffirming its global appeal.

Occidental Eden Beruwala stretches along the iconic Golden Mile, renowned for its golden sands and thrilling water sports. Beruwala remains a vibrant choice for families, couples, and beach lovers.

At the southernmost point of Sri Lanka, Dickwella Resort [Pvt] Limited is famed for its snorkelling, diving, and panoramic ocean views.

On the east coast, Calm Resort & Spa Passikuda offers sunrise views, shallow turquoise waters, and water sports along one of Sri Lanka’s most serene bays—ideal for those seeking barefoot luxury and coastal calm.

In the south, the Reveal Collection in Mirissa places guests at the heart of a tropical playground known for its Instagrammable landmarks—Coconut Tree Hill, Parrot Rock, and golden surfing beaches. With its laid-back luxury, proximity to whale watching, and vibrant coastal energy, Reveal Mirissa offers an experience where nature, comfort, and purpose converge.

Moving inland, Sigiriya—home to Hotel Sigiriya and Ayugiri Ayurveda Wellness Resort—stands as one of Sri Lanka’s most iconic cultural and archaeological landmarks. Often referred to

CEO's Review (Contd.)

as the "Lion Rock," this 5th-century fortress rises dramatically from the jungle canopy, revealing ancient frescoes, the famed Mirror Wall, and sophisticated water gardens carved into stone. In a testament to its welcoming spirit and enduring appeal, Sigiriya was named the Most Welcoming City in the World by Booking.com in 2024, highlighting its unique blend of heritage, natural beauty, and heartfelt hospitality. In the Cultural Triangle, Occidental Paradise Dambulla provides easy access to heritage sites like the Dambulla Cave Temple and Sigiriya, surrounded by lush greenery and rich wildlife—perfect for nature and culture lovers alike.

OUR MARKET OUTREACH

Over the past year, Browns Hotels & Resorts has strategically broadened its market outreach to strengthen our position in Sri Lanka's most important source markets across Europe, Asia, and the GCC, while deepening engagement with domestic travellers. At the heart of our efforts lies a comprehensive and multi-channel approach that seamlessly integrates both traditional and digital strategies.

In 2024, Club Hotel Dolphin celebrated two major industry accolades: South Asia's Leading All-Inclusive Resort at the South Asian Travel Awards and Sri Lanka's Best Four-Star Resort at the Sri Lanka Tourism Awards [SLTDA].

A key pillar has been harnessing user-generated content [UGC], carefully curated and amplified in key countries, to bring authentic guest experiences directly to the audiences that matter most. This content is meticulously targeted to key feeder markets through precision Meta and Google campaigns, combined with compelling narratives that inspire booking decisions and drive conversions.

Complementing these efforts, we have invested heavily in professional videography and photography shoots, producing high-impact visual and reel content that vividly

showcases our properties and experiences. We've also focused on strengthening our digital infrastructure by significantly improving our SEO optimisation, resulting in higher organic search rankings and a steady increase in website traffic from international audiences. Our partnerships with online travel agencies [OTAs] along with enhanced collaborations with destination management companies [DMCs], have played a crucial role in maintaining global visibility and expanding our distribution reach.

The properties have acquired Tripadvisor Travellers' Choice Awards and Booking.com Guest Review Awards in 2024. Notably, Club Hotel Dolphin was honored with the HolidayCheck 2025 Award as one of the world's most popular hotels and was named Top Hotel Partner 2025 by Schauinsland Reisen. Additionally, Thaalaa Bentota and Hotel Sigiriya both secured Agoda Gold Circle Awards, while the Reveal Collection in Mirissa & Dickwella Resort earned recognition through the Kayak Awards. Our digital outreach is further supported by strong on-ground efforts. Our sales teams have conducted focused visits to tour operators, DMCs, and travel agents, nurturing strategic relationships and exploring new business opportunities across key markets. These face-to-face engagements, combined with our active participation in major international trade fairs such as WTM London, ITB Berlin, and SATTE Delhi, have provided valuable platforms to present our portfolio, introduce new experiences, and strengthen our network among global travel professionals and media.

FINANCIAL PERFORMANCE

On the financial front, both the Company and the Group achieved notable revenue growth during the year. The Company recorded a net revenue of Rs. 1.3 billion, up from Rs. 1.1 billion in the previous year, while the Group reported Rs. 9 billion in revenue, marking a significant increase from Rs. 7.0 billion.

Driven by improved occupancy levels and stronger revenue performance, the Company posted a positive EBIT of Rs. 171.2 million, a

substantial increase from Rs. 78.4 million in the prior year. Similarly, the Group recorded a positive EBIT of Rs. 262 million, compared to a negative EBIT of Rs. 165 million in the previous year — a clear sign of operational turnaround and enhanced profitability.

SUSTAINABILITY INITIATIVES

During the financial year 2024/25, Browns Hotels & Resorts deepened its commitment to environmental stewardship, biodiversity conservation, and community engagement across its diverse portfolio of properties.

Club Hotel Dolphin emerged as a leader in ecosystem conservation through the launch of the Nipa Palm Conservation Project, initiated in collaboration with Wayamba University and the Wildlife & Nature Protection Society. Over 500 Nipa Palm seeds were cultivated in an in-house nursery and planted along the Gin Oya riverbanks, following biodiversity surveys led by subject matter experts. The first ceremonial transplanting took place on 4th February 2025, aligning with World Wetlands Day and Sri Lanka's Independence Day

Thaalaa Bentota Resort placed a strong focus on youth-led environmental education through its '500 Jack Trees Project', carried out in collaboration with the Nature Societies of local schools. By March 2025, a total of 502 jackfruit trees had been planted across multiple educational institutions in the Bentota region. The resort also led the Rathamilla Mangrove Conservation Project, focusing on preserving a critically endangered mangrove species found in the Bentota estuarine ecosystem. Community education sessions and interpretive signage helped amplify the initiative's reach with the Department of Wildlife, which was honoured with a Gold Award in Conservation and Wildlife at the Green Apple Environment Awards 2024 [UK].

Dickwella Resort & Spa reinforced its sustainability platform with a series of marine conservation activities, including beach and coral cleanup programmes that engaged

CEO's Review [Contd.]

staff, guests, and volunteers in preserving the southern coastline. Through additional efforts such as climate education workshops, food waste reduction initiatives, and infrastructure support for inclusive education, the resort continued to champion holistic sustainability.

Hotel Sigiriya celebrated World Wildlife Day 2025 by engaging students from Sigiriya Central College in an art competition centred on human-elephant conflict. The programme, supported by the Department of Wildlife Conservation, aimed to encourage awareness and empathy around the complexities of coexistence. Browns Hotels & Resorts, in partnership with Hotel Sigiriya, Ayugiri Ayurveda Wellness Resort, and Occidental Paradise Dambulla, launched a pioneering sustainable bee honey farming project aimed at strengthening community engagement and promoting local agricultural livelihoods. Led by experienced Agriculture Instructor, the initiative equips participants with bee boxes, colonies, and ongoing technical support to ensure successful beekeeping practices. To enhance impact, Browns Hotels & Resorts commits to purchasing the harvested honey, integrating it into their culinary and wellness offerings, while organising awareness programs and facilitating community markets.

Ayugiri Ayurveda Wellness Resort hosted a panel discussion on human-elephant conflict involving students, community members, and conservationists, highlighting sustainable land-use planning as a solution to wildlife pressures. The resort also led roadside cleanup campaigns, planted native trees such as Kumbuk and Mee, maintains a herbal garden and expanded its involvement in tree planting programmes to enhance biodiversity and ecological balance in Sigiriya.

Occidental Paradise Dambulla continues to lead with innovation in sustainability education and eco-conscious hospitality. Through collaborations with institutions such as the University of Colombo, the resort hosted eco-friendly photography and birdwatching workshops, blending environmental appreciation with creative learning. Its involvement in World Nature Conservation Day and Pidurangala cleanup campaigns reaffirms its commitment to responsible tourism and natural heritage preservation.

In parallel, the Group relaunched the Naturalist Training Programme during Endangered Species Day 2025, hosting sessions at Hotel Sigiriya with participation from Ayugiri and Occidental Paradise Dambulla. Facilitated by the Department of Wildlife Conservation, the programme equipped staff with the knowledge and skills to serve as in-house conservation advocates, enhancing guest experiences and promoting environmental literacy within the properties.

Occidental Eden Beruwala focused on youth empowerment and environmental restoration through two key initiatives. A career awareness programme for students in Aluthgama introduced future pathways in hospitality, while the resort's native tree planting project at Mala Dola Ella aimed to restore the catchment area and improve water retention. These efforts reflect a strong commitment to education and ecological sustainability.

At The Calm Resort & Spa in Pasikuda, sustainability was operationalised through the Green Initiative for Waste Reduction and Pollution Control. The initiative addressed waste management via recycling, composting, structured staff training, and guest awareness programmes.

Reveal the Collection in Mirissa continued to operate the only sea turtle hatchery in Kamburugamuwa, with over 40,000 eggs protected and released to date. The hatchery marked a milestone with its 80th batch of hatchlings released in early 2025. This long-standing initiative plays a vital role in marine conservation and environmental education.

HUMAN RESOURCE CAPITAL

Our people remain at the heart of our success, and we are deeply committed to their growth, well-being, and long-term development. Through structured training and career development programs, we continue to nurture talent across all levels of the organisation. The Hotel Trainee Program offers hands-on exposure across key operational areas, while the two-year Management Trainee Program is designed to groom high-potential individuals for future leadership—our most recent cohort proudly graduated in January 2024. Further strengthening our community ties, the Future-Key Program provides school leavers from nearby communities with essential hospitality skills and clear career pathways, enhancing both our talent pipeline and local impact.

Specialised training remains a key priority, particularly in food and beverage service. Dedicated wine and tea appreciation programs are conducted regularly to refine guest engagement, elevate service standards, and celebrate the nuances of regional and international hospitality.

We place strong emphasis on cultivating a supportive and rewarding workplace culture. From performance-linked bonuses and staff recognition awards to annual staff retreats—where team members and their families enjoy overnight stays at a Browns property of their choice—we foster camaraderie,

LEADERSHIP

CEO's Review (Contd.)

appreciation, and shared success. Staff engagement initiatives, team-building events, and celebrations of cultural festivals across properties continue to build a vibrant internal community, where every team member feels valued, empowered, and inspired to grow.

APPRECIATION

I extend my heartfelt gratitude to the Chairman and Board of Directors of Eden Hotel Lanka PLC, as well as our valued shareholders, for their continued trust and confidence in my leadership. The milestones we have reached over the past year are a testament to the unwavering support and collaboration of all our stakeholders.

I also express my sincere appreciation to our loyal guests, dedicated business partners, and the corporate management team for their ongoing commitment. Most importantly, I commend our exceptional staff and their families for their resilience, dedication, and tireless efforts in delivering outstanding service, even during the most challenging times. Their contribution remains the cornerstone of our success.



R L E C Wijeratne
Chief Executive Officer
Browns Hotels and Resorts Limited

22 August 2025

Board of Directors

W D K JAYAWARDENA

Chairman

Mr. Jayawardena was appointed to the Board was appointed to the Board on 7 June 2010

Considering his wealth of experience in local and international fields of Banking and Investment Banking, Mr. Jayawardena has earned a solid reputation as a captain of industry and a dynamic leader who relishes challenges. He joined LOLC Holdings PLC in the year 2007 as the Group Managing Director/CEO and has since steered the Group from strength to strength, while implementing its ambitious expansion in 25 countries in Asia and Africa.

Prior to coming on-board the LOLC Group, Mr. Jayawardena served as Country Head and CEO [Sri Lanka and Maldives] of Citibank NA from 1998 to 2007, along with being tasked with short assignments for Citibank in New York and Manila [Philippines]. In 2024, Mr. Jayawardena, was honoured with the esteemed CITI Distinguished Alumni Award for Leadership by CITI Bank in New York, recognising his exceptional leadership and transformative achievements at LOLC Holdings PLC

He has also served as Chairman of the Sri Lanka Banks' Association [SLBA] in 2003/04; President of the American Chamber of Commerce in Sri Lanka in 2006/07; Member of the Financial Sector Reforms Committee [FSRC]; Member of the National Council of Economic Development [NCED] and as Board Member of the United States - Sri Lanka Fulbright Commission.

He holds an MBA in Financial Management and is a fellow member of the Institute of Bankers and an Associate Member of the Institute of Cost and Executive Accountants, London, UK.

MRS. K U AMARASINGHE

Non-Executive Director

Mrs. Amarasinghe was appointed to the Board was appointed to the Board on 7 June 2010

She holds an Honours Degree in Economics and has an outstanding vision for investments. She serves on the Boards of the subsidiaries of Browns Group of Companies and LOLC Holdings PLC.

Executive Director

» LOLC Holdings PLC

Non-Executive Director

- » Palm Garden Hotels PLC
- » Brown & Co. PLC
- » Browns Investments PLC
- » Green Paradise [Pvt] Limited
- » Browns Holdings Limited
- » Danya Capital [Pvt] Limited
- » Serendib Hotels PLC
- » Hotel Sigiriya PLC
- » Ultimate Sports [Pvt] Limited
- » P L Resorts [Pvt] Limited
- » Melana capital [Pvt] Limited
- » Three Tips Ella [Pvt] Limited
- » LOLC General Insurance PLC

D S K AMARASEKERA

Non - Executive Director

Mr. Amarasekera was appointed to the Board on 7 June 2010

He is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney- at-Law of the Supreme Court of Sri Lanka. He also holds a degree in Business Administration from the University of Sri Jayewardenepura and began his career in the year 1998. Mr. Amarasekera is an eminent Tax Consultant and the Senior Tax and Legal Partner of M/s. Amarasekera & Company, a leading tax consultancy firm in the country. In addition to his directorship in this company, his other key appointments are: Director - Madulsima Plantations PLC, Eden Hotel Lanka PLC, Ceylon Hotels Corporation PLC, Palm Garden Hotels PLC, AgStar PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Udapussellawa Plantations PLC and several other subsidiaries of Browns Investments Group.

DR. J M SWAMINATHAN

Non - Executive Director

Dr. Swaminathan was appointed to the Board on 21 January 2011

He is an Attorney-at-Law with over 60 years in practice and has been appointed a Senior Instructing Attorney-at-Law by His Excellency the President. He was the former Senior Partner of Messrs. Julius & Creasy. He was a Member of the Office for Reparations Sri Lanka. He has served as a Member of the Law Commission of Sri Lanka and Member of the Council of Legal Education and the Council of the University of Colombo. He was a Member of the Company Law Advisory Commission and The Intellectual Property Law Advisory Commission and a Member of the Board of Management of the Superior Court Complex. He is the Chairman of the Board of Studies of the Council of Legal Education and was also a Consultant at the Institute of Advanced Legal Studies of the Council of Legal Education. He also serves on the Boards of several public and private companies.

Board of Directors (Contd.)

T DHARMARAJAH**Independent Director**

Mr Dharmarajah was appointed to the Board on 1 October 2024

Mr. Dharmarajah is the Managing Partner of M/s Amerasekera & Company and presently serves as a Director of Raigam Wayamba Salterns PLC, Raigam Southern Salterns (Pvt) Limited, Hapugastenne Plantations PLC, Udapussellawa Plantations PLC, Renuka City Hotels PLC, Management Applications (Pvt) Limited, Lanka Industrial Estates Ltd and DHS Medical Group (Pvt) Limited. He is a Member of the Council of the University of the Visual and Performing Arts, Postgraduate Institute of Indigenous Medicine, and a member of the Standing Committee on Management Studies of the University Grant Commission. Dharmarajah is a member of a Committee appointed by Ministry of Education for five-year institutional review of Degree Awarding Non-State Higher Education Institutes. He was a director of DFCC Bank PLC, DFCC Vardhana Bank, TKS Finance Limited & TKS Securities Limited.

He also was a Member of the Board of Management Postgraduate Institute of Management and Curriculum Development Committee of the National Institute of Education, a Member of the Council of the Institute of Chartered Accountants of Sri Lanka and University of Sri Jayewardenepura. He is also a former president of the Association of Accounting Technicians of Sri Lanka. T Dharmarajah holds a BSc. Management (Sp) Degree of the University of Sri Jayewardenepura and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, Association of Accounting Technicians of Sri Lanka, and Institute of Public Finance & Development Accountancy. He is a resource person in Capacity Development Training Program on Sri Lanka Public Sector Accounting Standards funded by USAID Program. He is an author of number of books in Accounting Standards for the students who are reading for G.C.E. (Advanced Level) and Professional Accounting Examination. Dharmarajah is an all Island Justice of Peace.

STEFAN FURKHAN**Non - Executive Director**

Mr Furkhan was appointed to the Board on 13 January 1992

He is a seasoned business leader and hospitality professional with over 35 years of commercial experience in Sri Lanka and globally, spanning Europe, South Asia, Australia, and the South Pacific. With a proven track record of managing diverse business portfolios and overseeing multiple industries, Mr. Furkhan is recognised for his strategic leadership, operational excellence, and expertise in driving sustainable growth and innovation.

He holds a Graduate Diploma from the Chartered Institute of Marketing, UK (CIM), and is a Fellow of both the Chartered Institute of Marketing and the Institute of Hospitality, UK. Additionally, he is an alumnus of the Hotel School The Hague and a member of the Australian Institute of Management. Throughout his career, Mr. Furkhan has played a pivotal role in launching greenfield hotel projects, leading successful rebranding initiatives, and introducing groundbreaking concepts in the hospitality and tourism sectors.

Mr. Furkhan's extensive experience includes serving as the CEO of a diversified group of companies with operations spanning multiple industries. Within this group, he oversaw three publicly listed companies, where he also held the role of CEO.

Currently, Mr. Furkhan serves as Chairman and CEO of the Confifi Group of Companies. The Confifi Group is an investment entity focused on strategic asset ownership, private equity ventures, consulting, and business promotion, with a portfolio spanning real estate, market-leading equities, fixed-income securities, and government treasuries. He also holds board positions at Eden Hotel Lanka PLC, Dolphin Hotels PLC, and Hotel Sigiriya PLC. Additionally, he is a Promoter, Shareholder, and Director of the Radisson Hotel Colombo, Radisson Hotel Kandy, and Radisson Blu Resort Galle.

Mr. Furkhan has extensive expertise in asset management, hotel development and acquisitions, corporate restructuring, and operational turnaround strategies.

As a seasoned C-suite executive with an international career, Mr. Furkhan continues to set benchmarks for excellence while contributing to the advancement of the tourism and hospitality industries in Sri Lanka and beyond. His leadership and strategic acumen remain instrumental in shaping the future of the organisations he works with.

Board of Directors (Contd.)

J SELVARATNAM

Independent Director

Mr Selvaratnam was appointed to the Board on 1 January 2025

In his career spanning 25 years with Citibank N.A., Sri Lanka was Vice President, Head of the Local Corporate Bank & Public Sector for the Bank's Sri Lankan franchise. His exposure has been in managing client portfolios in corporate, multinational, non-banking financial sector and public sector segments. He was a member of the Bank's Management Committee, Credit Committee etc. The Scope of his responsibilities included heading of businesses in high performance-driven culture, strategic & business planning, corporate governance & compliance and credit & risk management. He possesses widespread experience working with risk management, legal teams, product groups and regulators at all levels within and outside the country. He holds a Post Graduate Diploma in Business Administration from the University of Wales (Prifysgol Cymru) and a Diploma in Banking from the Institute of Bankers of Sri Lanka. He engages in business development and consultancies in the Banking, Non-Banking Financial Institutions, Insurance Brokerage and Corporate Sectors.

CURRENT APPOINTMENTS: He currently acts as a consultant to Sampath Bank PLC's Board Credit Committee. His main role is the provision of advisory services on corporate and commercial banking credit risk evaluation and approval, strategy and credit quality expansion. He is also a Non Executive and Non Independent Director of Siyapatha Finance PLC. He is the Chairman of the Board Credit Committee and a member of the BIRMC, Corporate Governance and Related Party Transaction Review committees as well.

FORMER APPOINTMENTS: He commenced his career at Citibank N. A., Sri Lanka in 1990. He held several key leadership positions which include Head of Sales and Marketing for Commercial Banking and Vice President, Head Local Corporate Bank and Public Sector at Citibank N A until 2015. Subsequently, he served as the Consultant on Risk Management to the Board of Directors of Richard Pieris Finance PLC and as the Consultant to Foresight Insurance Brokers [Pvt] Limited.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

12

Operational Review

Welcome to the Management Discussion and Analysis (MD&A) report of Eden Hotel Lanka PLC for the fiscal year 2024/25. This document highlights our key accomplishments, the obstacles encountered throughout the year, and outlines our strategic plans as we navigate the evolving tourism industry in Sri Lanka

GLOBAL TOURISM INDUSTRY – FY 2024–25

The global tourism industry achieved a complete recovery in 2024. International tourist arrivals reached approximately 1.4 billion, equating to 99% of pre-pandemic [2019] levels, according to the UNWTO. This resurgence was driven by eased travel restrictions, pent-up demand, and strong outbound tourism from major markets such as China, the United States, and across Europe.

The sector's economic significance was reaffirmed, with the World Travel & Tourism Council (WTTC) reporting a global contribution of USD 11.1 trillion, accounting for 9.2% of global GDP. Employment in tourism rebounded strongly, supporting 348 million jobs, reflecting both the labor-intensive nature of the industry and the revival of ancillary services like aviation, food, and transport.

Regionally, Asia-Pacific led the recovery, with a 33% growth in arrivals, reaching nearly 87% of 2019 levels. Meanwhile, Europe and the Middle East surpassed their pre-pandemic benchmarks. However, concerns related to overtourism, environmental degradation, and unregulated growth prompted new sustainability-oriented regulations, including the EU's Green Claims Directive, to promote transparency and responsible tourism development.

SRI LANKA TOURISM INDUSTRY – FY 2024–25

The Sri Lankan tourism industry witnessed a remarkable resurgence in 2024, recording over 2 million international arrivals—a significant 38% increase compared to the previous year. This milestone represents the highest influx of visitors since 2019, reflecting renewed global confidence in Sri Lanka as a premier travel destination. The growth was largely driven by the return of long-haul travellers, eager to explore the country's rich cultural heritage, pristine beaches, and diverse natural landscapes after the challenges posed by recent global disruptions.

Tourism revenue in 2024 demonstrated robust growth as well, generating an estimated USD 3.17 billion. This performance was supported by several key factors, including longer average stays by tourists, more effective and targeted marketing campaigns, and favourable global economic conditions that increased discretionary spending on travel. The industry saw strong demand from traditional source markets such as India, Russia, the United Kingdom, and China, while the Gulf region exhibited a renewed interest fuelled by improved air connectivity and streamlined visa facilitation processes. These markets played a pivotal role in broadening Sri Lanka's visitor base and enhancing overall tourism receipts.

The rebound was further bolstered by proactive policy measures implemented by the Sri Lankan government. A particularly impactful intervention was the introduction of a 30-day visa-free entry program for citizens of select countries, launched in late 2024. This initiative significantly lowered entry barriers, stimulating a surge in short-term tourist arrivals and boosting visitor

diversity. Alongside visa reforms, the sector benefited from sustained promotional campaigns aimed at raising Sri Lanka's profile in key international markets. Infrastructure developments, including upgrades to airports, roads, and hospitality facilities, enhanced the overall travel experience. Additionally, government incentives to attract hotel investments encouraged modernisation and expansion within the accommodation sector.

Together, these factors have not only revitalised the tourism industry in 2024 but have also positioned Sri Lanka for sustainable and inclusive growth heading into the fiscal year 2025/26. The strategic focus remains on leveraging the country's unique assets while addressing emerging challenges to ensure long-term competitiveness in the global tourism landscape.

MANAGEMENT DISCUSSION AND ANALYSIS
Operational Review (Contd.)

Please refer the table below for the new key trends in the tourism industry

Key Focus Area	Key Development	Impact
<p>Sustainability and Responsible Travel [Sustainability has moved from a niche concern to a mainstream imperative. Stakeholders across the tourism value chain—governments, investors, consumers, and businesses—are prioritising environmental stewardship, social responsibility, and economic viability. This shift is driven by mounting evidence of tourism’s impact on ecosystems, communities, and cultural heritage.]</p>	<p>Globally, destinations are enforcing limits on visitor numbers to prevent overtourism and degradation of natural and cultural sites. For example, UNESCO World Heritage sites have started imposing stricter visitor caps.</p>	<p>Consumer Behaviour: Travellers are willing to pay a premium for eco-friendly options and are actively seeking out destinations and experiences that align with their values.</p>
	<p>Regulatory frameworks like the European Union’s Green Claims Directive require tourism businesses to substantiate their environmental claims with transparent, verifiable data, combatting greenwashing and ensuring consumer trust.</p>	<p>Destination Management: Destinations are implementing sustainable practices to attract eco-conscious tourists and preserve their natural resources.</p>
	<p>Many hotels and resorts are adopting science-based targets to reduce carbon emissions, integrate renewable energy, and enhance water conservation. Certifications such as Global Sustainable Tourism Council (GSTC) and LEED accreditation have gained prominence. Communities are demanding greater involvement in tourism planning and revenue-sharing to ensure benefits are equitably distributed and cultural integrity is preserved.</p>	<p>sustainability must be embedded not just in marketing, but in operations—from energy management and waste reduction to community engagement and supply chain choices. Adopting credible certifications and transparent reporting will build trust among environmentally conscious travellers and partners, while mitigating risks related to regulatory non-compliance and reputational damage.</p>
<p>Wellness and Experiential Travel [Wellness tourism and experiential travel are driving a paradigm shift from passive sightseeing to active, meaningful engagement. Travellers increasingly seek experiences that promote physical, mental, and spiritual well-being, as well as authentic cultural immersion.]</p>	<p>The global wellness tourism market is projected to reach USD 2.1 trillion by 2030, with wellness travellers spending 35–130% more than average tourists. This includes demand for spas, yoga retreats, Ayurveda treatments, and nature-based healing.</p>	<p>Wellness and experiential travel broaden the range of products and services a destination can offer. Instead of focusing solely on traditional sightseeing, destinations now provide holistic wellness experiences—such as spa retreats, yoga, meditation, and holistic healing—and immersive cultural activities like local cooking classes, nature exploration, and community-based tourism. This diversification attracts new visitors and encourages longer stays.</p>
	<p>Experiential travel encompasses participation in local traditions, culinary experiences, craft workshops, and slow tourism—where travellers spend longer in fewer places to deeply connect with the culture and environment.</p>	<p>Travellers seeking wellness and authentic experiences often have a higher willingness to spend on premium services, including boutique accommodations, personalised wellness treatments, guided experiential tours, and local artisan products. This increased spending supports local businesses and generates higher economic returns for the destination.</p>

Operational Review (Contd.)

Key Focus Area	Key Development	Impact
	Destinations that curate wellness and cultural experiences holistically, such as Bali’s integration of spirituality and ecotourism or Japan’s focus on traditional wellness rituals, have seen increased visitor loyalty and premium pricing.	Destinations that successfully integrate wellness and experiential offerings often position themselves as forward-thinking, health-conscious, and culturally rich. This strengthens their brand appeal globally and differentiates them from competitors, attracting niche markets such as wellness seekers, adventure travellers, and culturally curious visitors.
<p>Smart Tourism and Digital Integration Technology adoption continues to transform the tourism landscape by enhancing operational efficiency, personalising guest experiences, and improving destination management.</p>	The rise of contactless technologies, mobile apps, AI-driven chatbots, and biometric identification has accelerated post-pandemic, making travel safer and more convenient.	Smart tourism leverages digital technologies such as mobile apps, virtual reality (VR), augmented reality (AR), and AI-powered chatbots to provide travellers with personalised, seamless, and interactive experiences. From virtual tours and real-time information to personalised recommendations, digital integration helps tourists navigate destinations effortlessly and enriches their overall journey.
	Big data and IoT devices enable smart destinations to monitor tourist flows in real time, optimise resource allocation, and minimise congestion at popular attractions, thereby improving the overall visitor experience.	Digital tools enable tourism businesses and destinations to streamline their operations. Online booking systems, digital payment gateways, and automated check-ins reduce wait times and improve service delivery. Data analytics help in managing resources effectively, optimising staff deployment, and enhancing maintenance schedules, leading to better operational performance.
	Virtual reality (VR) and augmented reality (AR) tools are used for immersive pre-trip planning and onsite engagement, appealing to tech-savvy travellers.	Smart tourism relies heavily on data collection and analytics. By analysing visitor behaviour, preferences, and feedback, stakeholders can make informed decisions about marketing, product development, and resource allocation. This leads to more targeted promotions, better demand forecasting, and the ability to quickly respond to emerging trends.
	Digital marketing strategies, including influencer partnerships and user-generated content, play a significant role in shaping travel decisions and brand perception	Digital platforms such as social media, travel blogs, and online travel agencies (OTAs) allow destinations and businesses to reach global audiences more effectively. Interactive content, influencer collaborations, and targeted advertising boost engagement, driving higher tourist arrivals and brand loyalty

EDEN HOTEL LANKA PLC AND EDEN GROUP

Please refer the below table for the nature of operations and the principal place of business of the subsidiaries, which are consolidating at Eden Hotel Lanka PLC level.

No	Name of the Company	Nature of operations	Principal place of business
Sri Lankan Cluster			
01	Eden Hotel Lanka PLC	Operating Hotel	Aluthgama
02	Dickwella Resorts (Pvt) Limited	Operating Hotel	Dickwala
03	Green Paradise (Pvt) Limited	Operating Hotel	Dambulla
04	Sun and Fun Resorts Limited	Operating Hotel	Passikudha
05	Serendib Hotels PLC	Operating Hotel	Benthota
06	Dolphin Hotels PLC	Operating Hotel	Negombo
07	Hotel Sigiriya PLC	Operating Hotel	Sigiriya
08	Frontier Capital Lanka (Pvt) Limited	Operating Hotel	Mirrisa
Maldives Cluster			
09	Browns Ari Resort (Pvt) Limited	Operating Hotel	Republic of Maldives
10	Bodufaru Beach Resort (Pvt) Limited	Under Construction	Republic of Maldives
11	Browns Raa Resort (Pvt) Limited	Under Construction	Republic of Maldives
12	Browns Kaafu N Resort (Pvt) Limited	Under Construction	Republic of Maldives

IMPACT ASSESSMENT OF EDEN HOTEL LANKA PLC/ EDEN GROUP

Eden Hotel Lanka PLC, a leading name in Sri Lanka’s hospitality industry, is celebrated for its luxury accommodations and exceptional services. This impact assessment examines the contributions of Eden Hotel Lanka PLC/ Eden Group across the local economy, society, environment, and cultural heritage. Through this analysis, stakeholders will gain a comprehensive understanding of the hotel’s role in promoting sustainable tourism and fostering community development.

Economic Impact:

Eden Hotel Lanka PLC/Eden Group contributed significantly to the national economy by generating foreign exchange earnings, paying local taxes, and supporting the broader tourism value chain. With the tourism sector recovery, the group witnessed improvements in room occupancy and service income, providing a reliable revenue stream. The group also sustained direct and indirect employment, contributing to income generation in surrounding communities.

Social Impact:

The company’s/Group’s employment model largely favours local hiring, ensuring that economic benefits circulate within the regional economy. Through on-the-job training, skills development, and

community outreach programs, Eden plays a role in uplifting underprivileged youth and strengthening community cohesion. Moreover, employee welfare initiatives and inclusive hiring practices reinforce their commitment to social sustainability.

Environmental Impact:

As tourism activity increased, Eden Company/Eden Group remained conscious of its environmental footprint. Steps were taken to monitor and optimise energy and water usage, manage solid waste, and reduce plastic consumption. However, Eden recognises the growing need to adopt eco-friendly certification, invest in renewable energy sources, and adopt best practices in biodiversity preservation and coastal conservation.

Cultural Impact:

Eden Company/Eden Group actively promotes Sri Lanka’s cultural richness by incorporating local traditions, food, music, and arts into its guest offerings. Collaborations with local artisans, heritage site tours, and cultural festivities are encouraged. By creating experiences rooted in local identity, the group not only enriches guest stays but also contributes to cultural preservation and community pride.

The impact assessment of Eden Hotel Lanka PLC/Eden Group reveals a complex interplay of economic, social, environmental, and cultural effects. By examining these dimensions, stakeholders can identify areas for improvement and develop strategies to enhance positive outcomes while addressing challenges. Emphasizing sustainable practices and community engagement will be crucial for Eden Hotel Lanka PLC/Eden Group to contribute positively to Sri Lanka’s tourism sector and overall development.

COLLABORATION WITH PARTNERS

Eden Hotel Lanka PLC has continued to strengthen strategic partnerships with key stakeholders in the tourism ecosystem, including Destination Management Companies (DMCs), Foreign Tour Operators (FTOs), and travel distribution networks. These alliances have proven instrumental in expanding the hotel’s reach into priority markets such as India, Germany, the UK, and Eastern Europe, ensuring a steady inflow of both leisure and group travellers. Through joint marketing campaigns, familiarisation (FAM) tours, and dynamic packaging models, Eden has effectively positioned itself in both online and offline travel channels. The company also collaborates with industry associations and tourist board to align with national destination promotion efforts and participate in international trade shows. Such coordinated engagement has been vital in driving brand visibility, increasing occupancy during off-peak periods, and responding swiftly to market trends.

IMPACT ASSESSMENT TO FOREIGN INVESTMENTS.

Eden Group has strategically expanded its international footprint through a significant investment in the Maldives, a renowned luxury travel destination. In August 2023, Browns Ari Resorts (Pvt) Limited, a fully owned subsidiary of Eden Group, officially commenced operations under the globally acclaimed Barcelo brand. This impressive 100-room, five-star resort offers world-class amenities and exceptional service standards, aligning with Eden Group’s commitment to deliver premium hospitality experiences. The addition of this resort not only diversifies Eden Group’s portfolio but also strengthens its competitive position within the luxury hospitality sector in the region. This move is a key component of

Operational Review (Contd.)

the Group's broader growth strategy, aimed at capturing new markets, enhancing brand recognition, and generating sustainable revenue streams. By leveraging the Maldives' appeal as a premier tourist destination, Eden Group is well-positioned to capitalise on rising global travel demand and further elevate its status as a leading hospitality player in South Asia.

GOING CONCERN

The Directors have assessed the Company's/ Group's ability to continue as a Going Concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainty that may cast a significant doubt upon the Company's/ Group's ability to continue as a Going Concern, and they do not intend either to liquidate or to cease operations of the Company and subsidiaries of Eden Group.

FINANCIAL REVIEW

During the year under review, both the Company and the Group delivered strong financial results, marked by substantial growth in net revenue. The Company recorded revenue of Rs. 1.3 billion, while the Group achieved Rs. 9 billion—representing a notable increase from Rs. 1.1 billion and Rs. 6.9 billion, respectively, in the previous financial year. This growth reflects the ongoing recovery of the tourism sector and improved operational momentum.

Operational performance also improved significantly across both entity and group. The Company posted a positive EBIT of Rs. 171.2 million, more than doubling the EBIT of Rs. 78.4 million reported in the prior year. At the Group level, EBIT reached Rs. 261.5 million, a substantial turnaround from the negative EBIT of Rs. 165 million recorded in the previous year, indicating a strong recovery in core business performance and effective cost control measures.

A key contributor to this improvement was the commencement of operations at Browns Ari Resort (Pvt) Limited, a subsidiary of Eden Group, located in the scenic South Ari Atoll of the Maldives. The 100-room, five-star resort began commercial operations in August 2023 and operated at full capacity during the 2024/25 financial year. The resort generated

substantial revenue and received favourable market feedback, positively impacting the Group's overall financial results.

To further strengthen its financial position, Eden Hotel Lanka PLC executed a strategic Rights Issue in the 2023/24 financial year, successfully raising Rs. 10.5 billion in equity capital. The proceeds were primarily utilised to settle inter company borrowings from previous years. This initiative significantly improved the Company's capital structure, leading to a marked reduction in finance costs during the 2024/25 financial year, and contributing to greater financial sustainability and operational resilience.

In line with the Group's Revaluation Policy, Eden Hotel Lanka PLC and its subsidiaries revalued land, buildings, and Right-of-Use assets as at 31 March 2025. This revaluation resulted in a surplus of Rs. 1.2 billion at the Company level and Rs. 11.9 billion at the Group level. As a result, the Total Asset Base stood at Rs. 15.2 billion for the Company and Rs. 77.6 billion for the Group as at the reporting date, further reinforcing the strength of the balance sheet.

OUTLOOK FOR 2025-26 AND BEYOND- LEISURE AND TOURISM INDUSTRY

The outlook for the global leisure and tourism industry in 2025-26 and the years ahead is broadly optimistic, supported by a full-scale post-pandemic recovery, increasing disposable incomes in emerging markets, and a continued shift in consumer preferences toward experience-driven, sustainable travel. International tourist arrivals are expected to exceed pre-pandemic levels in most regions, with Asia-Pacific and the Middle East projected to be the fastest-growing zones due to improved air connectivity and aggressive destination marketing. The World Travel & Tourism Council (WTTC) anticipates that the industry will continue to expand its contribution to global GDP, employment, and cross-border commerce, particularly as travel becomes more accessible and inclusive.

In Sri Lanka, the industry is poised for accelerated growth, with the government targeting over 3 million tourist arrivals and USD 5 billion in revenue in 2025. Key enablers of this growth include enhanced digital visa processing, destination rebranding initiatives, expanded direct flight routes, and renewed

geopolitical stability. With Sri Lanka now repositioning itself as a premium eco-cultural destination, there is strong potential to attract high-value travellers from both mature and emerging markets. The ongoing focus on wellness tourism, heritage exploration, and sustainable eco-retreats aligns closely with global demand trends.

Technological transformation will also shape the future of the leisure industry. Artificial intelligence, virtual reality (VR), big data, are becoming integral to delivering personalised, frictionless guest experiences. Meanwhile, rising consumer consciousness about the climate crisis will pressure operators to go beyond surface-level green initiatives and adopt measurable, third-party verified ESG practices. Regulatory bodies in the EU and other developed markets are already pushing for transparent reporting of environmental claims, making genuine sustainability credentials a prerequisite for international competitiveness.

From a business model perspective, collaboration will be critical to success. Hotels and resorts will increasingly rely on strategic alliances with online travel agencies (OTAs), destination management companies (DMCs), wellness service providers, and even local communities to curate compelling guest experiences. Co-branding, cross-promotion, and bundled offerings will grow as operators seek differentiation in a highly saturated digital marketplace.

For Eden Hotel Lanka PLC, these trends present both challenges and opportunities. The company must continue to build agility, strengthen its position in wellness and cultural tourism, and invest in sustainable infrastructure to meet the evolving expectations of tomorrow's traveller. With Sri Lanka gaining recognition as an upmarket destination and tourism revenues returning to growth, Eden is well-positioned to capitalise on these tailwinds by offering authentic, eco-conscious, and digitally integrated leisure experiences.

Overall, while the travel and tourism sector is set for strong recovery and growth in 2025, effectively addressing the associated challenges will be essential to maintaining this momentum and ensuring long-term success.

STEWARDSHIP

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Risk Management

Eden Hotel Lanka PLC takes a dynamic approach in risk management which ensures proactive identification, assessment and response of Key business risks. Our risk assessment process takes the likelihood and the potential impact of an event into account and lists out the action plans taken to mitigate the risk of such an event.

We have adopted risk management which provides a platform that ensures the quality of managing risk within the guidelines and principles of the framework. The framework elaborates on establishing the context, risk identification, risk assessment, risk response, treatment for the risk, risk reporting and monitoring.

THE GROUP RISK POLICY

Our policy for risk management is to proactively manage risk to ensure continued growth of our business and to protect our people, assets and reputation.

This implies that we will:

- » Implement an effective and integrated risk management system while maintaining business flexibility.
- » Identify and assess material risks associated with our business, monitor, manage and mitigate risks

INTERNAL CONTROL AND RISK MANAGEMENT

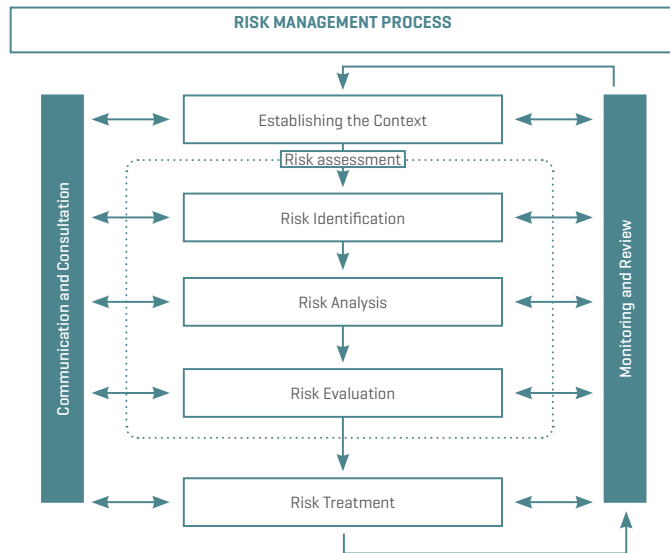
The group reviews and assesses significant risks on a regular basis and has implemented an oversight program to ensure that there is a system of information gathering, awareness and action to mitigate exposure to identified risks.

The management team of Eden Hotel Lanka PLC, overlooks the risk management process of the Eden Group. The Group Risk Management Committee (GRMC) of LOLC Holdings PLC (ultimate parent company of Eden Hotel Lanka PLC) reviews the company's risk profile and provides guidance on required risk responses on a quarterly basis.

The Audit Committee of Eden Hotel Lanka PLC Lank PLC reviews and monitors internal

controls. The internal audit scope is approved by the Audit Committee at the beginning of the financial year. Follow-up of internal audit findings are performed by the Internal Audit team of LOLC Group.

The management reports on compliance to financial and operational controls based on a checklist drafted by GRMC on a quarterly basis were reviewed quarterly by the Audit Committee and necessary recommendations were made on risk responses. As a part of the Risk Management Process, the Board reviews its strategies, processes, procedures and guidelines on a continuous basis to effectively identify, assess and respond to risks. The group-wide Risk Management program is facilitated by the Group Risk and Control division with the inputs from Business Strategy, Corporate Finance, Group Treasury and Group Human Resource divisions. Risk facilitation is exercised through risk workshops, risk reviews, essential control check lists and risk reporting.



Risk Management [Contd.]

RISK EVALUATION AND MAPPING

The risk heat map is developed based on the assessment of the likelihood of occurrence and the potential impact of risks. Likelihood of occurrence is assessed on the basis of past experience and preventive actions in place. A ranking of Rare, Unlikely, Moderate, Likely and Almost Certain is assigned to all risks based on the likelihood of occurrence. The impact of the event is evaluated by determining the loss it would cause and the extent of the impact. After considering the above two factors, the impact is categorised as Insignificant, Minor, Moderate, Major and Extraordinary.

The position of a risk in the risk heat map indicates whether it falls below or above the risk appetite level of Eden Group.

Risk and their corresponding mitigating action plans are then reviewed by the GRMC. The identified risk is then mapped on the below risk matrix and relevant action is taken as per the risk rating.

RISK MATRIX

IMPACT	Extraordinary	S	H	H	H	E
	Major	S	S	H	H	H
	Moderate	M	M	S	S	H
	Minor	L	L	M	S	S
	Insignificant	L	L	L	M	S
		Rare	Unlikely	Moderate	Likely	Almost Certain
LIKELIHOOD						

Risk Rating	Required Action
E	» Board attention is required
	» Immediate action by senior management with a detailed research and management of risk through appropriate responses
H	» Board attention is required
	» Senior management responsibility specified
	» Risk must be managed by senior management with a detailed risk treatment plan
S	» Senior management attention required
	» Management responsibility specified
	» Risks should be treated using one or more of the risk treatment options
M	» Risks should be treated using one or more of the risk treatment options
	» Risks should be managed using specific monitoring or treatment procedures
L	» Risk is accepted with minimal treatment and can normally be managed using existing routine procedures
	» Low risks need to be monitored and periodically reviewed to ensure they remain acceptable

Risk Management (Contd.)

MANAGING RISK

Risk category	Risk Exposure	Risk Mitigating Actions
1. Global Travel Risk Risk Assessment Impact : Extraordinary Likelihood : Almost certain	Adverse impact on global travel due to country borders being shutdown / negative travel advisories / cancellation of flights and negative appetite of foreign travel among global travellers due to adverse social and economic condition of the country	» Implementation of recommended safety protocols to ensure safety of guests and employees » Actively participate in industry associations to lobby for releasing negative travel advisories » Join in Destination marketing campaigns on social media and other digital media
2. Macroeconomic & Political Risks Risk Assessment Impact : Extraordinary Likelihood : Almost certain	Increase of operational costs / Decrease in revenue / Increase in finance cost / Cash flow deficiencies / Cancellation of reservations / Barriers on supply chain	» Placement of contingency and recovery plans to mitigate the exposure to unexpected fluctuations / crisis » Active participation in industry associations to lobby for releasing negative travel advisories » Management being on alert regularly for changes in economic and political environment as to identify risks at possible earliest stage
3. Liquidity Risk Risk Assessment Impact : Major Likelihood : Likely	Risk of inability to meet short term loan repayments / supplier payments and other liabilities	» A significant component of interest bearing loans and borrowings were settled from the cash proceeds obtained from the right issue. » Negotiating new overdraft facilities to fund short term cash requirements » Negotiation of longer credit periods with suppliers » Re-negotiation of all contracts / subscriptions and annuities for better credit terms » Maintaining the fixed overheads at a minimum level to control operational cash-burn
4. Risk of non-compliance Risk Assessment Impact : Major Likelihood : Likely	Possible requirement of mandatory disclosure of star rating of hotels	» Invest in all properties for the necessary improvements to retain the currently advertise star rating
5. Market Risk Risk Assessment Impact : Major Likelihood : Almost certain	Adverse impact on yields and occupancies due to fluctuation in demand	» Diversification of group's business risk by entering in to boutique hotels and villa operation » Closely monitor the socio-economic environment of the traditional markets and targeting new emerging markets · Analyse resources and capabilities to identify core competencies and differentiate through brand and service excellence · Sourcing new markets and developing new channels » Participate in trade fairs both local and foreign in order to promote the properties and to attract new tour operators"
6. Credit Risk Risk Assessment Impact : Moderate Likelihood : Likely	Risk arising due to default by customers due to possible bankruptcy of travel agents / tour operators. Impact on liquidity and profitability	» Credit is allowed only for approved customers which is reviewed bi-annually » Monitor and review the overdue debtor balances monthly » Obtain booking advances » Compliance to laid down credit SOPs on credit control » signing up for payment plans with Tour Operators& Travel Agents"

Risk Management [Contd.]

Risk category	Risk Exposure	Risk Mitigating Actions
7. Health and Safety Risk Risk Assessment Impact : Moderate Likelihood : Moderate	Risk of litigation due to non-adherence to laid down health and safety regulations. This could be due to, but not restricted to food poisoning, personal or accidental harm to guests or employees.	<ul style="list-style-type: none"> » Insurance taken to cover both employee and guest injuries. Further, regular maintenance of the property and equipment's is done to ensure all operating equipment are of good operating condition » The Group has defined its food safety standards in its Procedure Manual and all food handlers are taken through comprehensive training on the same » The hotel takes all precautions from sourcing the supplier to storage and preparation of food to ensure contamination is avoided » Tour operator safety standards are complied with and necessary action is taken immediately on any concern area related to health and safety based on audit inspections done by tour operators » The company sources its products and services from approved suppliers » Performing quarterly health and Safety audit reviews
8. Foreign Exchange Rate Risk Risk Assessment Impact : Moderate Likelihood : Likely	Adverse impact on P&L and gearing	<ul style="list-style-type: none"> » Exchange rate movements are taken into consideration when entering into contracts with travel agents » Structure Forex borrowings in proportion to the revenue currency mix Hedge in Forward Rate Agreements (FRAs)
9. Human Resource Risk Risk Assessment Impact : Moderate Likelihood : Rare	Risk of losing skilled and trained human capital and recruitment of right staff for new hotel developments. Trade union activities resulting in work disruptions	<ul style="list-style-type: none"> » Establish career development programmes and succession plans in order to retain and motivate the talent pool of the company » Provide focused and structured training for staff at all levels to aid personal and professional development » Develop a strong employer brand to attract staff of the right quality » Increasing employee engagement through designing recognition programmes

Eden Hotel Lanak PLC's risk management system engages risks posed to the group on a broad front. The risk management process is entrenched in the core values of the company and the senior management demonstrates leadership in championing the company's risk management initiatives, thereby ensuring the company's competitiveness and sustainability in the long term

Annual Report of the Board of Directors

Your Directors take pleasure in presenting this Annual Report and believe that the information provided in the reports and the audited financial statements will provide all stakeholders with a balanced and comprehensive overview of the Company's performance during the financial year to 31 March, 2025. This report contains information required by Section 168 of the Companies Act No. 07 of 2007 and other necessary information required by the Listing Rules of the Colombo Stock Exchange.

PRINCIPAL ACTIVITY

The Company's principal activity is carrying on the business of a Hotelier.

DIRECTORS

The Directors of the Company during the year under review were as follows:

W D K Jayawardena	Chairman
Dr. J M Swaminathan	Non-Executive Director
D S K Amarasekera	Non-Executive Director
Mrs. K U Amarasinghe	Non-Executive Director
S. Furkhan	Non-Executive Director
T Dharmarajah	Independent Director
J Selvaratnam	Independent Director

The profiles of the Directors are given on pages 8 to 10

DIRECTORS' INTEREST IN SHARES

In compliance the Section 200 of the Companies Act, the Directors have disclosed their relevant interest in shares of the Company.

The Shareholding of the Directors during the financial year was as follows.

	As at 31.03.2025	As at 31.03.2024
W D K Jayawardena	-	-
Mrs. K. U. Amarasinghe	-	-
S. Furkhan	01	01
Dr J. M. Swaminathan	-	-
D. S. K. Amarasekera	-	-
T Dharmarajah	-	-
J Selvaratnam	-	-

INTEREST REGISTER

In compliance with the requirements of the Companies Act No. 7 of 2007, an Interest Register was maintained by the Company during the accounting period ended 31 March 2025.

The Directors confirm that all material interests in contracts involving the Company have been disclosed to the Board and wherever any Director is materially interested in a contract or proposed contract with the Company, they would refrain from voting on such contracts. During the year under review, the Company did not enter into any contracts in which any Director was materially interested.

The declarations made by the directors confirm that there are no financial, business, family or other material/ relevant relationship(s) between Mr W D K Jayawardena, Chairman and the other members of the Board.

Other directorships held by the Directors are disclosed on pages 8 to 10

DIRECTORS' INTEREST IN CONTRACTS

In terms of Section 192 (2) of the Companies Act, the Directors have declared their interests in contracts in the Company and have refrained from voting on matters in which they were materially interested.

Directors' Interest in contracts with the Company is disclosed on page 32 of the Annual Report.

RETIREMENT & RE-ELECTION OF DIRECTORS

The Articles of Association of the Company requires 1/3rd of the Directors to retire by rotation and be re-elected.

In terms of Article 86 of the Articles of Association of the Company, Mr. D S K Amarasekera retires by rotation and offers himself for re- election. The Directors recommend that he be re-elected.

In terms of Section 210 of the Companies Act No. 7 of 2007, Dr. J M Swaminathan who reached the age of 70 years in 2011

retires. The Company has received notice from a shareholder of its intention to move a resolution to re-elect Dr. Swaminathan as an Independent Director. The Board recommends his re-election as an Independent Director.

In terms of Article 93 of the Articles of Association of the Company, Mr. T Dharmarajah retires and offers himself for re-election. The Directors recommend that he be re-elected.

In terms of Article 93 of the Articles of Association of the Company, Mr. J Selvaratnam retires and offers himself for re-election. The Directors recommend that he be re-elected.

The Nomination & Governance Committee has recommended the above re-elections to the board subject to obtaining Shareholder approval.

DIRECTORS' REMUNERATION

Directors' remuneration is disclosed in the notes to the Accounts on page 34

BOARD SUB COMMITTEES

The following sub-committees are in place as of report date :-

- » Audit Committee
- » Remuneration Committee
- » Related Party Transactions Review Committee
- » Nominations & Governance Committee

The Reports of these Committees can be found on pages 33 to 41 and provide further details.

Committee meetings facilitate more detailed discussion of specific areas, following which the Committees can make their recommendations to the Board. The Committees meet regularly and have put in place processes to ensure that relevant issues are reviewed periodically, and that all necessary information is called for. On occasion, senior management officers are invited to Board Sub Committee meetings. This enhances discussion and the resolving of issues in a manner that facilitates not only improved performance but also strengthened controls.

Annual Report of the Board of Directors [Contd.]

However, the Nominations & Governance Committee has been established on 1st October 2024 and no meetings were held during October 2024 to 31 March 2025. Matters needing approval or recommendations from the said Committee had been obtained by circulation. The minutes of the rest of the committee meetings are tabled at Board meetings, so the entire Board can be kept aware and informed of the detailed discussions and be confident that relevant issues are receiving the focused attention they need.

BOARD AND SUB-COMMITTEE MEMBERSHIP AND BOARD ATTENDANCE

Director	Board	Audit Committee	Rem. Committee	RPTR Committee	Nomination & Governance Committee	Board Meeting Attendance 2024/2025			
						30.05.2024	14.08.2024	13.11.2024	13.02.2025
W. D. K. Jayawardena	✓*	✓	-	✓	✓	✓	✓	✓	✓
Mrs. K. U. Amarasinghe	✓	-	✓	-	-	-	✓	✓	✓
D. S. K. Amarasekera	✓	-	-	-	-	✓[online]	✓	✓[online]	✓
S Furkhan	✓	-	-	-	-	✓	✓	-	-
Dr. J. M. Swaminathan	✓	-	-	-	-	✓	✓	✓	✓
T Dharmarajah (AWEF-01.10.2024)	✓	✓**	✓**	✓**	✓			✓	✓[online]
J Selvaratnam (AWEF-01.01.2025)	✓	✓	✓	✓	✓**				✓

* Chairman

** Committee Chairman

CORPORATE GOVERNANCE

During the year under review, the Directors had complied with best practices of corporate governance and was compliant with the Corporate Governance requirements of the Colombo Stock Exchange. The Corporate Governance Report is on pages 25 to 31 Declaration by the Board of Directors in terms of Rule 9.16 of the Listing Rules

The Directors hereby declare that;

- » as stated above in "Directors' Interest in Contracts", the Directors have declared all material interests in contracts with the Company and have refrained from voting on matters in which they were materially interested;
- » any change to applicable laws, rules and regulations including the Listing Rules and applicable capital market provisions are disseminated to the Board by the Company Secretaries which are discussed by the Board to ensure awareness, conformity and compliance with such laws and regulations.

Compliance with laws and regulations

the Company has not engaged in any activity that contravenes any applicable law or regulation.

there is no material non-compliance with laws or regulations and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Company has operations in.

the Company was transferred to the Second Board of the Colombo Stock Exchange on 08th November 2022.

Internal Control & Risk Management

the review of the internal controls framework covering financial, operational, compliance and risk management is conducted by the Internal Audit team, the results of which are reported to the Board Audit committee quarterly. Through the Audit committee, the Directors have obtained a reasonable assurance of the effectiveness of such Internal Controls and adherence thereto.

FIT & PROPER ASSESSMENT

All Directors have submitted written declarations confirming that they are fit and proper to serve as Board Members.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that the financial statements have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards, the Companies Act No. 7 of 2007 and the Listing Rules of the Colombo Stock Exchange.

The financial statements together with the notes thereon are given on pages 46 to 113.

GOING CONCERN

The Directors believe that the Company is able to continue its operations in the foreseeable future. Accordingly, the Financial Statements are prepared on the basis that the Company is a going concern.

Annual Report of the Board of Directors [Contd.]

RESPONSIBILITY STATEMENTS

The Chairman's and Head of Finance's responsibility statements appears on page 40. The Directors' responsibility statement appears on page 39.

STATED CAPITAL

The stated Capital of the Company as at 31 March 2025 was Rs. 16,368,000,000/- consisting of 1,584,000,000 Ordinary shares.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted when preparing these financial statements and any changes thereof if applicable are given on pages 52 to 67.

PROPERTY

Property plant and equipment are reflected at fair value, where it is different from fair value, adequate disclosures are made. Details of the Company's properties are found on page 73.

TRANSACTIONS WITH RELATED PARTIES

The Directors have disclosed transactions, if any, that could be classified as related party transactions in terms of LKAS 24.

The Directors hereby confirm that to the best of their knowledge and information available to them, the Company has complied with the requirements of the rules relating to the related party transactions as contained in Section 9 of the Listing Rules of the Colombo Stock Exchange. Related Party transactions are disclosed on pages 99 to 105 in the Financial Statement.

STATUTORY PAYMENTS

For the year under review, all known statutory payments have been made and all retirement gratuities have been provided for. Further all management fees and payments to related parties for the year under review have been reflected in the accounts.

AUDITORS

The Auditors, M/s. Deloitte Partners retire, and offer themselves for re-appointment. The Board recommends their re-appointment for the year 2025/2026, subject to shareholder approval, at a fee to be decided upon by the Board.

During the year under review, the Auditors were paid Rs. 1,843,750 /- as audit fees. As far as the Directors are aware, the Auditors do not have any other relationship with the Company or any of its subsidiaries nor do they have any interest in contracts with the Company or any of its subsidiaries.

AUDITORS' REPORT

The Auditors' report appears on pages 41 to 45.

ACKNOWLEDGMENT OF THE CONTENT

As required by Section 168 [1] [K] of the Companies Act No. 7 of 2007, the Board of Directors hereby acknowledges the contents of this Report.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held as a virtual meeting emanating from the LOLC Board Room at 100/1 Sri Jayewardenapura Mawatha, Rajagiriya. The notice of meeting is included in this Annual Report.



W D K Jayawardena
Chairman
Rajagiriya

Corporate Governance

The Board of Directors endorses the principles of good governance and have endeavored to put in place procedures and policies that embed these principles in the operations of the Company.

Considering the multiple stakeholders the leisure sector has, the Board has sought to ensure that the information it receives covers a wide spectrum of the Company's activities, enabling the Directors to not only review performance but also oversee the role the Company plays in its socioeconomic environment. The Directors seek to ensure that processes and procedures are not only effective and profit centered, but also sensitive to regulatory requirements and corporate social responsibility.

BOARD OF DIRECTORS

The Board of Directors of the Company presently comprises 07 members.

The Board has determined that Mr. T Dharmarajah and Mr. J Selvaratnam can appropriately be classified Independent Directors as of report date. This determination is based on their professionalism and conduct. Their expertise and experience are of great value in decision making.

BOARD INDEPENDENCE

In accordance with the requirements of the Listing Rules of the Colombo Stock Exchange, each Non-Executive Director has submitted his/her declaration relating to his/ her independence.

The Company benefits from the multiplicity of skills the Directors bring to the discussion, which range from in- depth knowledge of the local leisure industry, leisure sector trends including global trends, financial disciplines and the regulatory and legal framework.

To facilitate more detailed discussion, the Board has appointed Sub Committees. Details of these Sub Committees are provided in the individual Committee Reports on pages 34 to 37

The Directors' profiles, shareholding and other information relating to the Board are given in the Directors' Report on pages 8 to 10

AUDITORS

The Auditors M/s. Deloitte Partners retire and offer themselves for reappointment. The Board recommends their reappointment for the year 2025/2026 at a fee to be decided upon by the board.

Corporate Governance [Contd.]

The extent of compliance required by the listing rules of the Colombo Stock Exchange as amended by Section 9 is as follows: .

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.1.3	Company shall publish a statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual report of the Company.	Complied with The Company's commitment to the Corporate Governance Code of CSE is detailed herein.
	Policies	
9.2.1	The Company shall establish and maintain the following new policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website. a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's Listed Securities f) Policy on Risk management and Internal Controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistle Blowing l) Policy on Anti- Bribery and Corruption	Complied with Summarised versions of all policies are now hosted on the Corporate Website https://www.browshotels.com/investor-relations
9.3	Board Committees	
9.3.1.	The Company to ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. a) Audit Committee b) Remuneration Committee c) Related Party Transaction Review Committee d) Nomination & Governance Committee	Complied with The required Committees are already in place and functioning effectively.
9.3.2.	The Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in the Rules	Complied with

Corporate Governance [Contd.]

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Complied with Mr. W D K Jayawardena who serves as the Chairman of the Company does not serve as Chairman of any sub-committees
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders	
9.4.1.	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained.	Complied with Records of all shareholder meetings are maintained by the Company Secretaries. Copies of these records would be made available to CSE/ SEC upon request.
9.4.2	Communication and relations with shareholders and investors	
	Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity.	In terms of Rule 9.2.1, a policy on Relations with Shareholders and Investors is in place and hosted on the website.
9.5	Policy on matters relating to the Board of Directors	
9.5.1.	Listed Entities to establish and maintain a formal policy governing matters relating to the Board of Directors.	A policy on Matters Relating to the Board of Directors is in place and hosted on the website
9.6	Chairperson and CEO	
9.6.1	The Chairperson of the Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	Complied with The Chairman of the Company is a Non-Executive Director. The positions of Chairperson and CEO are not held by the same individual.

Corporate Governance [Contd.]

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.6.3.	The Company shall appoint an Independent Director as the SID in the following instances: i. The positions of the Chairperson and CEO are held by the same individual. ii. The Chairperson is an Executive Director. iii. The Chairperson and CEO are Close Family Members or Related Parties	Noted for compliance should the need arise.
9.7	Fitness of Directors and CEOs	
9.7.1-9.7.3	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:	Complied with All the Directors have submitted written declarations confirming that they are fit and proper to hold their respective positions in the Company.
9.8	Board Composition	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	Complied with The Board comprises 07 Directors as of date.
9.8.2	Minimum Number of Independent Directors	
9.8.2[a]	The Board of Directors shall include at least two (2) Independent Directors or such number equivalent to one third of the directors whichever is higher.	Complied with 2 out of the 7 Board Members are Independent Directors. Both Directors have submitted annual declarations confirming their independence
9.9.	Alternate Directors	
	Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment.	No Alternate Directors have been appointed to the Board thus far. Agree to comply should the need arise.
9.10	Disclosures relating to Directors	
9.10.1	Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold.	Complied with The maximum number of directorships a Board member is permitted hold includes 10 Specified Business Entities (SBE) and 10 non-SBEs. This is specified in the Policy on Matters Relating to the Board of Directors which is hosted on the corporate website.

Corporate Governance [Contd.]

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.10.2.	<p>Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following;</p> <ul style="list-style-type: none"> i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. 	<p>Complied with.</p> <p>All new appointments to the Board are immediately disclosed and disseminated to the market, in compliance with Rule 9.10.2 including a statement that such appointments have been reviewed by the Nominations & Governance Committee</p>
9.11 & 9.11.4	<p>Nomination and Governance Committee</p> <p>The Company shall have a Nominations and Governance Committee to maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board together with written Terms of Reference.</p> <p>Composition</p> <p>The members of the Nominations and Governance Committee shall;</p> <ul style="list-style-type: none"> [1] Comprise of a minimum of three [03] Directors of the Listed Entity, out of which a minimum of two [02] members shall be Independent Directors of the Listed Entity. [2] Not comprise of Executive Directors of the Listed Entity. [3] An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. [4] The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity 	<p>Complied with</p> <p>A Nominations and Governance Committee is in place. As of 31 March 2025 the Committee comprised 3 Non- Executive Directors of whom 2 are independent.</p> <p>Please refer committee report on page 35.</p>
9.12	<p>Remuneration Committee</p> <p>The Company shall have a Remuneration Committee that conforms to the requirements of these regulations and shall have a written Terms of Reference</p>	<p>Complied with</p>
9.12.6.	<p>The Committee shall comprise;</p> <ul style="list-style-type: none"> [1] A minimum of 3 Directors out of which a minimum of 2 shall be independent [2] Not consist of Executive Directors [3] Chairperson to be an Independent Director. 	<p>Complied with</p> <p>As of 31 March 2025 the Committee comprised 3 Non- Executive Directors of whom 2 are independent.</p> <p>Please refer committee report on page 34</p>

Corporate Governance [Contd.]

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.13	Audit Committee	
9.13.1 & 9.13.2	<p>Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.</p> <p>The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.</p>	<p>Complied with</p> <p>An Audit Committee is already in place. The Audit Committee has oversight of the Risk function, in addition. Risk reports are tabled at Committee Meetings by the Enterprise Risk Management Team quarterly</p>
9.13.3	<p>Composition</p> <p>(1) The members of the Audit Committee shall;</p> <p>(a) comprise of a minimum of three (03) directors of the Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors</p> <p>(b) not comprise of Executive Directors</p> <p>2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.</p> <p>3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.</p> <p>4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.</p> <p>5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation</p> <p>6) The Chairperson of the AC shall be a Member of a recognised professional accounting body.</p> <p>Provided, however this Rule shall not be applicable in respect of Risk Committees where there is a separate Risk Committee and Audit Committee.</p>	<p>Complied with</p> <p>As of 31 March 2025, the Committee comprised 3 Non- Executive Directors of whom 2 are independent.</p> <p>Please refer committee report on page 37.</p> <p>Complied with</p> <p>The Committee met 4 times during the financial year ended 31 March 2025.</p> <p>Complied with</p> <p>The CEO-BHRL and AGM-Finance attend the Audit Committee meeting by invitation.</p> <p>Complied with</p> <p>The Company has appointed an Audit Committee dedicated to it.</p>
9.13.4 & 9.13.5	<p>Functions and Annual Report Disclosures of the Audit Committee</p>	<p>Complied with</p> <p>Please refer Committee Report on page 37</p>

Corporate Governance [Contd.]

Sec No.	Rules of the Colombo Stock Exchange	Eden Hotel Lanka PLC's Level of compliance
9.14	Related Party transaction Review Committee	
9.14.1.	The Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in the regulation.	Complied with
9.14.2.	Composition The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied with As of 31 March 2025 the Committee comprised 2 Independent Directors & one Non- Executive Director, Please refer committee report on page 33
9.14.4	General Requirements	
	(i) The Related Party Transactions Review Committee shall meet at least once a calendar quarter.	The Committee met 4 times during the year under review, held quarterly.
	(ii) Minutes of meetings are properly documented and communicated to the Board of Directors.	Complied with Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter.
	(iii) Members of the RPTRC to ensure they have or have access to adequate knowledge, expertise and advice.	Complied with
	(iv) Where necessary, the RPTRC shall request the Board of Directors to approve the Related Party Transactions which are under review by the RPTRC. In such instances, approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.	Complied with No such occurrence to report during the financial year 2025.
	(v) Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter	Complied with Directors of the RPTRC are aware of their obligations.
9.14.6.	Shareholder Approval The Company shall obtain shareholders' approval by way of a Special Resolution for the Related Party Transactions as soon as the value of the transaction exceeds threshold limits as set out in the regulations.	During the year under review there were no such transactions which required shareholder approval.
9.16	Additional disclosures	Please refer Report of the Board of Directors on page 22 to 24 for the disclosures.

Directors' Disclosures in Terms of Section 9.10.4 (e)

Name of the Director	Number of Board Seats held in Listed Companies	Designation
W D K Jayawardena	LOLC Holdings PLC	Group Managing Director/ CEO
	Palm Garden Hotels PLC	Non-Executive Chairman
	Serendib Hotels PLC	Non-Executive Chairman
	Dolphin Hotels PLC	Non-Executive Chairman
	Hotel Sigiriya PLC	Non-Executive Chairman
	Brown & Company PLC	Non-Executive Director
	Browns Investments PLC	Non-Executive Director
Dr. J M Swaminathan	Eden Hotel Lanka PLC	Non-Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Serendib Land PLC	Independent Director
	Serendib Hotels PLC	Non-Executive Director
	Dolphin Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
	Renuka Holdings PLC	Non - Executive Director
D S K Amarasekera	Eden Hotel Lanka PLC	Non-Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Serendib Hotels PLC	Non-Executive Director
	Dolphin Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
	Hapugastenne Planatations PLC	Non-Executive Director
	Udapusellawa Plantations PLC	Non- Executive Director
	Tea Smallholder Factories PLC	Non- Executive Director
	Sierra Cables PLC	Non- Executive Director
	Ceylon Hotels Corporation PLC	Non- Executive Director
S Furkhan	Hotel Sigiriya PLC	Independent Director
	Dolphin Hotels PLC	Independent Director
T Dharmarajah	Renuka City Hotels PLC	Senior Independent Director
	Serendib Hotels PLC	Independent Director
	Palm Garden Hotels PLC	Independent Director
	Hotel Sigiriya PLC	Independent Director
	Udapusellawa Plantation PLC	Independent Director
	Hapugastenne Plantation PLC	Independent Director
	Dolphin Hotels PLC	Independent Director
Tea Smallholder Factories PLC	Independent Director	
J Selvaratnam	Siyapatha Finance PLC	Non-Executive Director
	Palm Garden Hotels PLC	Independent Director
Mrs. K U Amarasinghe	Serendib Hotels PLC	Non Executive Director
	Hotel Sigiriya PLC	Non Executive Director
	Palm Garden Hotels PLC	Non Executive Director
	LOLC Holdings PLC	Executive Director
	LOLC General Insurance PLC	Non Executive Director
	Brown & Company PLC	Non Executive Director
Browns Investments PLC	Non Executive Director	

Report of the Related Party Transactions Review Committee

The Related Party Transactions Review (RPTR) Committee is appointed by the Board of Directors of the Company and reports directly to the Board. On behalf of the board, the Committee ensures that all Related Party Transactions of the Company are consistent with all regulations including the Listing Rules of the Colombo Stock Exchange.

COMPOSITION

The Related Party Transactions Review ("RPTR") Committee comprises the following Directors as at 31 March 2025:

T Dharmarajah

Non-Executive Independent Director
[Committee Chairman]

J Selvaratnam

Non-Executive Independent Director

W D K Jayawardena

Non-Executive Director

Dr. J M Swaminathan

[Committee Chairman
Resigned w.e.f. 01.01.2025]

Mrs. K U Amarasinghe

Committee Member
[resigned w.e.f. 13.06.2025]

D S K Amarasekara

Committee Member
[From 13.06.24 to 01.01.25]

MEETING ATTENDANCE

Director	Attendance
T Dharmarajah	2/2
J Selvaratnam	1/2
W D K Jayawardena	4/4
Dr. J M Swaminathan [resigned w.e.f. 01.01.2025]	2/2
Mrs. K U Amarasinghe [resigned w.e.f. 13.06.2025]	0/1
D S K Amarasekara [From 13.06.25 to 01.01.25]	1/1

POLICIES AND PROCEDURES ADOPTED

A Related Party Transaction (RPT) policy is consistent with the Company's business model is in place, to ensure that all related party transactions are carried out in compliance with the provisions of the aforementioned regulations.

ACTIVITIES OF THE COMMITTEE

The Committee at its regular meetings reviewed all recurrent and non-recurrent related party transactions and sought confirmation that such transactions had been carried out within the accepted regulatory framework. The CFO (LOLC Group) and the AGM - Finance are invited to attend meetings. This enables the Committee to obtain further clarification if felt necessary. Queries generally relate to comparisons with market rates and the terms and conditions of the transactions.

Related party transactions are reported through Committee papers. To facilitate an understanding of the transaction being reported on, the Committee has stipulated the minimum information it would require, both qualitative and quantitative.

During the period under review, In terms of Rule 9.14.8 (4) the Committee declares that the Company had not entered into any transaction with related parties which warranted a disclosure nor shareholder approval.

Details of the Related Party Transactions entered into during the year are disclosed in Note 33 the Financial Statements.

On behalf of the Committee;



T Dharmarajah
Committee Chairman

Report of the Remuneration Committee

The Remuneration Committee is appointed by the Board of Directors of the Company and reports directly to the Board.

COMPOSITION

The Remuneration Committee comprises the following Directors :

T Dharmarajah

Independent Director

J Selvaratnam

Independent Director

Mrs. K U Amarasinghe

Non Executive Director

Dr. J M Swaminathan

[Committee Chairman
resigned w.e.f. 01.01.2025]

D S K Amarasekera

Committee Member
[resigned w.e.f.01.01.2025]

The Composition of the Remuneration Committee satisfies the criteria as specified in the standards of Corporate Governance for listed companies.

TERMS OF REFERENCE

The Company has a Board approved Remuneration Policy and the principles of this policy are taken into account in Committee deliberations. In terms of this Policy, the Committee reviews the Directors' remuneration annually and director's fees decided upon are meant to serve as a recognition of the Directors' contribution to

Board and Board sub- committee discussion and decision making.

The aggregate remuneration paid to the Non-Executive Directors during the period under review was Rs. 2,450,000/- It is also noteworthy that the Board does not have any Executive Directors.

The Committee met once during the financial year on 13 February 2025 at which all committee members were present.

On Behalf of the Committee;



T Dharmarajah
Committee Chairman

Report of the Nominations and Governance Committee

The Nominations & Governance Committee was established by the board on 01st October 2024 in terms of Section 9.10.3 and re constituted with effect from 01st January 2025.

COMPOSITION

J Selvaratnam

Committee Chairman/ Non-executive Independent Director

T Dharmarajah

Non-executive Independent Director

W D K Jayawardena

Non-executive Director

FUNCTIONS OF THE NOMINATION & GOVERNANCE COMMITTEE

- i) Evaluate the appointment of Directors to the Board and Sub Committees of the Company
- ii) Regularly review the structure , size, and composition (including the skills, knowledge and experience) of the Board, and make recommendations to the Board with regard to any suitable changes.

RE-ELECTION OF DIRECTORS

As provided for in the Articles of Association of the Company, the Committee recommended ;

- » the retirement by rotation of Mr D S K Amarasekera
- » the re-appointment of Mr T Dharmarajah and Mr J Selvaratnam who had been appointed to fill casual vacancies on the Board during the year under review.
- » re-election of Dr. J M Swaminathan who had reached the age of 70 years in 2011 in terms of Section 210 of the Companies Act No. 7 of 2007 subject to shareholder approval.

The Committee also ensures that all Directors are required to submit themselves for re-election at regular intervals and at least once in every three years in accordance with the provisions of Articles of Association of the Company.

DISCLOSURE IN TERMS OF RULE NO. 9.11.6 OF THE CSE LISTING RULES

Description	D S K Amarasekara Article 86	J M Swaminathan Section 210 of CA	T Dharmarajah Article 93	J Selvaratnam Article 93
Date of first appointment as a director	07.06.2010	21.01.2011	01.10.2024	01.01.2025
Date of last re-election as a Director at an AGM	2022	2024	N/A	N/A
Board Committees Served on	Audit RPTRC Rem Com Nom Com	Audit RPTRC Rem Com Nom Com	Audit RPTRC Rem Com Nom Com	Audit RPTRC Rem Com Nom Com
Present directorships in listed and unlisted Companies	Please refer Directors' Profiles and Directors' Disclosures.			
Any relationships including close family relationships between the Director proposed for re-election and the directors, the Company or its shareholders holding more than ten percentum [10%] of the shares of the Listed Entity	Nil	Nil	Nil	Nil

TERMS OF REFERENCE

The Company has a board approved Terms of reference for the Nominations & Governance Committee. It sets out the authority, composition, scope and responsibilities of the Committee taking into consideration the Corporate Governance requirements set out in the Listing Rules of the CSE.

Report of the Nominations and Governance Committee (Contd.)

MEETINGS & ACTIVITIES

The Committee reviewed and recommended the introduction of the following Policies to ensure Compliance with the revised Listing Rules of the Colombo Stock Exchange.

- » Policy on the Matters relating to the Board of Directors
- » Policy on Relations with Shareholders and Investors
- » Policy on Board Committees
- » Policy on Corporate Governance, Nomination and Election
- » Policy on Internal Code of Business Conduct & Ethics – Applicable to the Members of the Board
- » Policy on Environmental, Social and Governance (ESG)
- » Policy on Control and Management of Company Assets and Shareholder Investments
- » Policy on Corporate Disclosures
- » Policy on Whistleblowing
- » Policy on Anti-Bribery and Corruption
- » Policy on Risk management and internal controls
- » Policy on Remuneration

INDEPENDENT DIRECTORS

The Board determined that the Independent Directors and Non Independent status of the non-executive Directors based on the declaration submitted by respective directors in accordance with the requirements of the revised CSE Listing Rules 9.8.5 have been assessed by the Committee and declared that the Directors of the Company have met the criteria for determining their Independent as set out Corporate Governance Rules of CSE. Two (02) out of seven (07) Directors who comprised the board remained independent throughout.



J Selvaratnam

Committee Chairman

Report of the Audit Committee

COMPOSITION

The Audit Committee comprises 3 Non-Executive Directors of whom 02 are independent. The Committee composition is as follows :

T Dharmarajah

Independent Director
[Committee Chairman]

J Selvaratnam

Independent Director

W D K Jayawardena

Non Executive Director

Dr. J M Swaminathan

[Committee Chairman
Resigned w.e.f. 01.01.2025]

D S K Amarasekera

Committee Member
[resigned w.e.f.01.01.2025]

During the financial year, the Committee reviewed the quarterly and year-end financial statements of the Company and recommended same for board approval. During these discussions, the Committee satisfied itself that the Company’s systems enabled information to be accurately recorded and reported in a manner that is timely and in compliance with all relevant regulatory and statutory requirements. The AGM-Finance is invited to attend these meetings, together with the DGM-Risk and the CEO-Browns Hotels & Resorts Ltd.

The Committee also met with the External Auditors, to facilitate a dialogue on any areas of concern. This enabled the Committee to gain additional assurance that the financial statements and the notes thereto contained all necessary information. Through these meetings, the Committee was able to review the effectiveness of the external auditors. The Committee then made recommendations to the Board on the suitability of the Auditors for re- appointment, and on the audit fees to be paid.

Accordingly, the Committee proposed that M/s Deloitte Partners be re-appointed as external auditors of the Company for the ensuing year subject to approval of the shareholders at the forthcoming Annual General Meeting.

The Committee also reviewed the reports submitted by the Internal Auditors on internal controls and risk management. In addition it also reviewed reports related to procedures and practices and any accidental or deliberate deviations thereto. Discussion of these reviews facilitated a review of the relevant controls and the risk mitigation methods needed. By involving the Management in the discussions, the Committee sought to ensure that risk mitigation and operational efficiencies were balanced.

The Committee reviewed the effectiveness of the audit process, for both internal and external audit. It made determinations on the independence of the auditors, taking into consideration their length of service and the fees charged.

The Committee met 4 times during the financial year ended 31 March 2025. The details of attendance of individual members are given below:

Meeting Attendance

Director	Attendance
T Dharmarajah	2/2
J Selvaratnam	1/1
W D K Jayawardena	4/4
J M Swaminathan	2/2
D S K Amarasekera	2/2

On behalf of the Committee



T Dharmarajah

Committee Chairman

FINANCIAL STATEMENTS

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Directors' Responsibility for Financial Reporting

The Directors confirm that the Company's Financial Statements for the year ended 31 March 2025 are prepared and presented in conformity with the requirements of the Sri Lanka Accounting Standards, the Listing Rules of the Colombo Stock Exchange, the and the Companies Act No.07 of 2007. They believe that the Financial Statements present a true and fair view of the state of the affairs of the Company as at the end of the financial year.

The Directors also accept responsibility for the integrity and accuracy of the Financial Statements presented and confirm that appropriate accounting policies have been selected and applied consistently and reasonable and prudent judgment has been exercised so as to accurately report transactions.

The Directors have taken reasonable steps to safeguard the assets of the Company, to prevent, deter and detect fraud, and to ensure the integrity, accuracy and safeguarding of operational and financial records.

The Directors confirm that to the best of their knowledge, all statutory payments due in respect of the Company and its subsidiaries as at the Reporting date have been paid for, or where relevant, provided for.

The External Auditors, M/s Deloitte Partners were provided with the opportunity to make appropriate inspections of financial records, minutes and other documents to enable them to form an opinion of the Financial Statements. The Report of the Auditors is set out on page 41.



W D K Jayawardena
Chairman
22 August 2025

Chairman's and Head of Finance's Responsibility Statement

The Financial Statements are prepared in compliance with the Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No.07 of 2007 and any other applicable statutes to the extent applicable to the Company. There are no departures from the prescribed accounting standards in their adoption. The accounting policies used in the preparation of the Financial Statements are appropriate and are consistently applied.

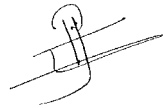
The Board of Directors and the management of your Company accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the form and substance of transactions reasonably present the Company's state of affairs. To ensure this, the Company has taken proper and sufficient care in installing a system of internal controls and accounting records, for safeguarding assets and for preventing and detecting frauds as well as other irregularities, which is reviewed, evaluated and updated on an ongoing basis. However, there are inherent limitations that should be recognised in weighing the assurances provided by any system of internal controls and accounting.

The financial statements were audited by M/s Deloitte Partners Chartered Accountants, the Company's External Auditors. The audit committee of your company meets periodically with the External auditors to review the manner in which these auditors are performing their responsibilities and to discuss auditing and financial reporting issues. To ensure complete independence, the external auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

It is also declared and confirmed that the Company has complied with and ensured compliance by the Auditor with the guidelines for the audit of listed companies where mandatory compliance is required. It is further confirmed that all the other guidelines have been complied with.



W D K Jayawardena
Chairman



Jeewantha Perera
Head of Finance

22 August 2025

Independent auditor's report

TO THE SHAREHOLDERS OF EDEN HOTEL LANKA PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eden Hotel Lanka PLC (the Company) and the consolidated financial statements of the Company and its subsidiaries (the Group), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

The Company

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of investments in subsidiaries</p> <p>Refer to notes 3.2.1 and 15 of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates and balances.</p> <p>The carrying value of the Company's investments in subsidiaries as at 31 March 2025 amounted to Rs. 6,989 Mn.</p> <p>Where indications of impairment exist, the carrying value of investment is assessed for impairment by determining the recoverable value of the investments and where applicable an impairment provision is recognised.</p> <p>During the year ended 31 March 2025, the Company has not recognised any additional provision for impairment of investments in subsidiaries.</p>	<p>Our audit procedures included the following:</p> <p>Obtaining an understanding of the process by which management evaluates the recoverability of investments in subsidiaries;</p> <p>Evaluating the design and implementation of the controls over management's assessment in determining whether there are any indicators that the carrying amounts of investments in subsidiaries may not be recoverable;</p> <p>Where impairment indicators were noted by management, satisfying ourselves that the final impairment calculations, including the assumptions used, were approved by senior management;</p>

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 and the Group in accordance with the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka ("CA Sri Lanka Code of Ethics") and we have fulfilled our other ethical responsibilities in accordance with the CA Sri Lanka 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.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA, D C A J Yapa ACA

Regd. Office: P.O. Box 918, 100 Braybrooke Place, Colombo 02, Sri Lanka. Reg. No.: w/4179

Independent auditor’s report

To the Shareholders of Eden Hotel Lanka PLC (Cont’d)

Report on the audit of the financial statements (Contd)

Key audit matter	How our audit addressed the key audit matter
<p>We focused on this matter because the:</p> <ul style="list-style-type: none"> » Carrying value of the investments in subsidiaries in the statement of financial position is significant; and » Determination of recoverable value for impairment assessment involves significant management judgment and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, growth rate etc. 	<p>Checking the appropriateness of the selection of the impairment testing technique;</p> <p>Challenging and testing the reasonableness of the key assumptions used by the management in the calculations which included discount rates, long-term growth rate, forecasted gross margins etc. by performing the below procedures:</p> <ul style="list-style-type: none"> » Comparing the forecasted information to management approved budgets and business plans; » Assessing the long-term growth rate by comparing it to the economic forecasts publicly available; » Assessing the reliability of management’s projections, by comparing actual results for 2024/ 2025 to the forecasts prepared for 2024/ 2025 in the previous year; » Testing the reasonableness of the calculation of the discount rate by assessing the cost of capital for the companies and comparable organisations, as well as considering territory-specific factors; » Testing the mathematical accuracy of the discounted cashflow model; and » Re-performing the sensitivity analysis performed by management by stress-testing the discount rate and terminal growth rate. <p>Evaluating the adequacy of the disclosures made in the financial statements of the Company with respect to the impairment provision recognised</p>

Independent auditor’s report

To the Shareholders of Eden Hotel Lanka PLC [Contd]

Report on the audit of the financial statements [Contd]

Key Audit Matters [Contd]

The Company and the Group

Key audit matter	How our audit addressed the key audit matter
<p>Revaluation of freehold land, buildings, reclaimed land and right-of-use assets relating to leasehold land</p> <p><i>Refer to notes 3.9, 3.11.1, 11 and 13. of the consolidated financial statements for disclosures of related accounting policies, judgments, estimates, and balances.</i></p> <p>As at 31 March 2025, the carrying value freehold land and buildings classified as property, plant and equipment of the Company amounted to Rs. 2,295 Mn and Rs. 4,084 Mn respectively. The revaluation gain recognised by the Company from revaluation of land and buildings for the year then ended amounted to Rs. 849 Mn and 382 Mn respectively.</p> <p>As at 31 March 2025, the carrying value freehold land, buildings and reclaimed land classified as property, plant and equipment of the Group amounted to Rs. 7,867 Mn, Rs. 24,893 Mn and Rs. 24,048 Mn respectively. The right-of-use assets relating to leasehold land as at 31st March 2025 amounted to Rs. 8,546 Mn. The revaluation gain recognised by the Group from revaluation of land, buildings, reclaimed land and right-of-use assets relating to leasehold land for the year then ended amounted to Rs. 2,681 Mn, Rs. 3,330 Mn, Rs. 3,090 Mn and Rs 2,737 Mn respectively.</p> <p>The Group had chosen the revaluation model as its accounting policy for measurement after recognition of its freehold land, buildings, reclaimed land and right-of-use assets relating to leasehold land which are accordingly measured at fair value with sufficient regularity, to ensure that the carrying amounts do not materially differ from that which would be determined using fair values at the reporting date. The Group engaged independent valuation experts to measure the value of these properties.</p>	<p>Our audit approach mainly included substantive audit procedures as follows:</p> <ul style="list-style-type: none"> » Obtaining the latest independent property market rates for freehold land, buildings, reclaimed land and leasehold land to understand the prevailing market for comparable properties in similar conditions and locations; » Comparing historical valuations in relation to freehold land, buildings, reclaimed land and leasehold land against current year valuations, to assess whether the movements appear to be in line with overall movement in the market; » Meeting with management’s external valuation experts, who performed the property valuations for the Group, to discuss the appropriateness of the methodologies adopted and reasonability of assumptions used in the valuations; » Assessing the qualifications and experience of the valuation experts of the Group; » Verifying the completeness and accuracy of the information provided to the valuation experts of the Group; » Comparing samples of recent transactions of freehold land and reclaimed land listed by the valuation experts with other similar sales transaction information available in the market and sales listings; » Comparing estimated price per perch of freehold land, reclaimed land and leasehold land and cost per square foot of building to a reasonable range determined based on benchmark market data. Where the prices/costs fell outside of the anticipated ranges, discussing with the management the reasons to support the variances;

To the Shareholders of Eden Hotel Lanka PLC [Contd]

Report on the audit of the financial statements [Contd]

Key Audit Matters [Contd]

The Company and the Group [Contd]

Key audit matter	How our audit addressed the key audit matter
<p>Freehold land, reclaimed land and right-of-use assets relating to leasehold land were valued at their fair value at reporting date using market approach and buildings were valued using the replacement cost at the reporting date. The fair values of these properties are dependent on the valuation methodology adopted and input into the valuation models. Factors such as current market conditions, the unique characteristics, location, and condition of each property, as well as recent comparable market transactions, directly impact the fair values.</p> <p>We focused on this matter because the:</p> <ul style="list-style-type: none"> » Relative size and significance of the freehold land, buildings, reclaimed land and right-of-use assets relating to leasehold land balances in the consolidated statement of financial position; » Quantum of revaluation gains recognised by the Group, that directly impact the consolidated statements of profit or loss and other comprehensive income and; » Inherently subjective nature of property valuations due to use of estimates and judgment in the valuation methodology. 	<ul style="list-style-type: none"> » Engaging our internal valuer, as required, to assess the reasonableness of the assumptions used in the valuations; » Inspecting the final valuation reports and agreeing the fair values to the Group's accounting records and financial statements; and » Checking the adequacy and appropriateness of management's disclosures in the financial statements.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company and the consolidated financial statements of the Group, management is responsible for assessing the Company's/ Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company/ Group or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company and the consolidated financial statements of the Group 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.

Independent auditor's report

To the Shareholders of Eden Hotel Lanka PLC (Contd)

Report on the audit of the financial statements (Contd)

Auditor's Responsibilities for the Audit of the Financial Statements (Contd)

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism 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 and the Group's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of the Company and the consolidated financial statements of the Group 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/ Group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements of the Company and the consolidated financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the audit of the financial statements of the Company and the consolidated financial statements of the Group 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 4414.

Deloitte Partners

CHARTERED ACCOUNTANTS
COLOMBO
22 August 2025

Statements of profit or loss and other comprehensive income

For the year ended 31 March 2025

For the year ended 31 March	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revenue from Contracts with Customers	4	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376
Direct Costs		(2,844,163,267)	(1,986,804,256)	(344,686,628)	(278,011,565)
Gross profit		6,192,990,878	4,978,613,633	979,616,257	860,317,811
Other income	5	819,289,122	532,278,205	(935,472)	36,885,301
Fair value gain on Investment Properties		5,000,000	10,000,000	5,000,000	10,000,000
Profit before operating expenses		7,017,280,000	5,520,891,838	983,680,785	907,203,112
Operating expenses					
Personnel costs	6	(1,625,289,066)	(1,303,858,220)	(189,256,486)	(218,998,722)
Depreciation and amortisation	7.2	(1,802,194,412)	(1,575,204,139)	(215,486,125)	(175,783,009)
Other operating expenses		(2,651,221,596)	(2,287,800,823)	(358,543,248)	(363,839,157)
Advertising and Promotional expenses		(677,001,145)	(519,064,639)	(49,206,157)	(70,119,009)
Results from operating activities	7	261,573,781	(165,035,983)	171,188,769	78,463,215
Finance Income	8	300,465,260	450,560,426	97,576,311	84,010,082
Finance Expenses	8	(4,368,554,378)	(5,608,584,741)	(572,893,940)	(2,194,185,563)
Net finance cost	8	(4,068,089,118)	(5,158,024,315)	(475,317,629)	(2,110,175,481)
Loss before income tax expense		(3,806,515,337)	(5,323,060,298)	(304,128,860)	(2,031,712,266)
Income tax [expense]/reversal	9	1,058,813,325	(158,466,278)	543,376,750	(2,577,464)
Profit/[loss] for the year		(2,747,702,012)	(5,481,526,576)	239,247,890	(2,034,289,730)
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Actuarial gains/(losses) on defined benefit obligations	27	4,428,808	(6,707,320)	(4,427,842)	(445,984)
Deferred tax charge/(reversal) on actuarial gains/(losses) on defined benefit obligations	27	(1,328,643)	2,012,194	1,328,353	133,795
Net change in fair value gain arose during the year		(2,112,108)	2,447,511	(63,176)	46,957
Revaluation gain on property, plant and equipment	27	11,945,558,177	-	1,244,450,379	-
Deferred Tax reversal on revaluations	27	(2,631,344,898)	-	(373,335,114)	-
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(268,202,345)	(1,615,437,981)	-	-
Other comprehensive income for the year		9,046,998,991	(1,617,685,596)	867,952,600	(265,232)
Total comprehensive income for the year		6,299,296,979	(7,099,212,172)	1,107,200,490	(2,034,554,962)
Profit/[loss] attributable to:					
Equity holders of the Company		(1,404,771,726)	(4,299,202,207)	239,247,890	(2,034,289,732)
Non controlling interests		(1,342,930,287)	(1,182,324,369)	-	-
		(2,747,702,013)	(5,481,526,576)	239,247,890	(2,034,289,732)
Total comprehensive income attributable to:					
Equity holders of the Company		4,326,486,923	(5,268,861,461)	1,107,200,490	(2,034,554,963)
Non controlling interests		1,972,810,056	(1,830,350,711)	-	-
		6,299,296,978	(7,099,212,172)	1,107,200,490	(2,034,554,963)
Profit/[loss] per share	10	(0.89)	(4.13)	0.15	(1.95)

The notes annexed on pages 52 through 113 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Financial Position

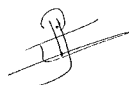
As at 31 March 2025

As at 31 March	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Assets					
Non - Current Assets					
Property, plant and equipment	11	60,826,234,517	52,777,969,880	7,080,515,617	5,933,523,225
Investment property	12	85,000,000	80,000,000	85,000,000	80,000,000
Right of use asset	13	8,546,014,175	6,984,588,858	-	-
Intangible assets	14	86,224,307	71,581,633	25,964,752	25,377,090
Investment in subsidiaries	15	-	-	6,989,216,082	6,989,216,082
Trading assets - fair value through profit or loss	16	5,113,340	3,703,760	5,113,340	3,703,760
Investment securities	17	161,004,344	176,352,643	32,783,154	46,082,520
Total Non - Current Assets		69,709,590,683	60,094,196,774	14,218,592,945	13,077,902,677
Current Assets					
Inventories	18	276,642,518	269,143,169	31,196,279	25,664,978
Loans due from related parties	19	-	-	307,542,683	289,485,877
Trade and other receivables	20	4,790,894,879	4,542,478,700	508,921,624	1,014,977,950
Current tax assets	21	706,244,301	217,065,021	8,492,365	4,661,747
Cash and cash equivalents	22.1	2,091,335,977	2,837,209,537	150,327,391	217,122,650
Total Current Assets		7,865,117,675	7,865,896,427	1,006,480,342	1,551,912,602
Total Assets		77,574,708,358	67,960,093,201	15,225,073,287	14,629,815,279
Equity and Liabilities					
Stated capital	23	16,368,000,000	16,368,000,000	16,368,000,000	16,368,000,000
Reserves	24	21,442,748,622	16,142,281,590	3,934,835,021	3,063,782,931
Accumulated losses	25	(16,941,340,241)	(15,721,508,781)	(8,800,640,515)	(9,036,788,915)
Equity attributable to equity holders		20,869,408,381	16,788,772,809	11,502,194,506	10,394,994,016
Non controlling interests		12,026,438,125	9,675,724,407	-	-
Total equity		32,895,846,506	26,464,497,216	11,502,194,506	10,394,994,016
Liabilities					
Non - Current Liabilities					
Loans and borrowings	26	12,866,085,405	14,211,582,277	-	-
Defined benefit obligation	27	104,115,633	100,862,392	21,278,592	20,149,938
Deferred tax liabilities	28	6,709,580,607	5,292,426,976	-	171,369,988
Total Non - Current Liabilities		19,679,781,645	19,604,871,645	21,278,592	191,519,926
Current Liabilities					
Trade and other payables	29	18,179,233,285	15,223,997,577	3,354,820,792	2,460,563,051
Loans and borrowings	26	5,607,220,478	5,967,148,227	245,581,391	1,476,709,388
Current tax payables	30	1,121,544,304	538,793,278	101,198,006	106,028,898
Bank overdrafts	22.2	91,082,140	160,785,258	-	-
Total Current Liabilities		24,999,080,207	21,890,724,340	3,701,600,189	4,043,301,337
Total Liabilities and Equity		77,574,708,358	67,960,093,201	15,225,073,287	14,629,815,279

The notes annexed on pages 52 through 113 form an integral part of these financial statements.

Figures in brackets indicate deductions.

These financial statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



Jeewantha Perera

Head of Finance

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.



W D K Jayawardena

Chairman

22 August 2025

Colombo



K U Amarasinghe

Director

Statement of Changes in Equity

For the Year ended 31 March 2025

Group	Equity attributable to the shareholders of the Company						
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2023	5,808,000,000	10,212,627,899	(134,261)	6,897,527,411	(11,420,386,780)	11,506,075,118	23,003,709,388
Total comprehensive income for the year							
Loss for the year	-	-	-	-	(4,299,202,207)	(1,182,324,369)	(5,481,526,576)
Other Comprehensive Income							
Fair value gain arose during the year	-	-	1,164,557	-	-	1,282,954	2,447,511
Actuarial losses on defined benefit obligations	-	-	-	-	(2,742,561)	(3,964,759)	(6,707,320)
Deferred tax charge on actuarial losses defined on benefit obligations	-	-	-	-	822,767	1,189,427	2,012,194
Foreign currency translation differences of foreign operations	-	-	-	(968,904,016)	-	(646,533,964)	(1,615,437,980)
Total comprehensive income for the year	-	-	1,164,557	(968,904,016)	(4,301,122,001)	(1,830,350,711)	(7,099,212,172)
Transaction with shareholders in their capacity as owners							
Issue of shares	10,560,000,000	-	-	-	-	-	-10,560,000,000
Balance as at 31 March 2024	16,368,000,000	10,212,627,899	1,030,296	5,928,623,395	(15,721,508,781)	9,675,724,407	26,464,497,216

The notes annexed on pages 52 through 113 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Changes in Equity (Contd.)

For the Year ended 31 March 2025

Group	Equity attributable to the shareholders of the Company						
	Stated Capital	Revaluation Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Non Controlling Interest	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2024	16,368,000,000	10,212,627,899	1,030,296	5,928,623,395	[15,721,508,781]	9,675,724,407	26,464,497,216
Total comprehensive income for the year							
Loss for the year	-	-	-	-	[1,404,771,726]	[1,342,930,287]	[2,747,702,012]
Other Comprehensive Income							
Fair value losses arose during the year	-	-	[992,334]	-	-	[1,119,774]	[2,112,108]
Actuarial gains/(losses) on defined benefit obligations	-	-	-	-	[361,579]	4,790,388	4,428,808
Deferred tax charge/(reversal) on actuarial gains/(losses) defined on benefit obligations	-	-	-	-	108,473	[1,437,117]	[1,328,643]
Foreign currency translation differences of foreign operations	-	-	-	[159,235,598]	-	[108,966,747]	[268,202,345]
Revaluation gain of Property, Plant and Equipments	-	7,654,830,388	-	-	-	4,290,727,790	11,945,558,177
Deferred Tax on Revaluation gain of Property, Plant and Equipments	-	[1,763,090,702]	-	-	-	[868,254,197]	[2,631,344,898]
Total comprehensive income for the year	-	5,891,739,686	[992,334]	[159,235,598]	[1,405,024,831]	1,972,810,056	6,299,296,978
Transaction with shareholders in their capacity as owners							
Issue of shares	-	-	-	-	-	132,052,312	132,052,312
Changes in ownership that do not resulted in change in control	-	[295,195,737]	-	[135,848,985]	185,193,372	245,851,351	-
Balance as at 31 March 2025	16,368,000,000	15,809,171,847	37,962	5,633,538,812	[16,941,340,241]	12,026,438,125	32,895,846,506

The notes annexed on pages 52 through 113 form an integral part of these financial statements.
 Figures in brackets indicate deductions.

Statement of Changes in Equity

For the Year ended 31 March 2025

Company	Equity attributable to the shareholders of the Company				
	Stated Capital Rs.	Revaluation Reserve Rs.	Fair Value Reserve Rs.	Accumulated Losses Rs.	Total Equity Rs.
Balance as at 01 April 2023	5,808,000,000	3,063,904,463	[168,488]	[7,002,186,995]	1,869,548,980
Comprehensive income for the period					
Loss for the period	-	-	-	[2,034,289,730]	[2,034,289,730]
Other comprehensive income					
Fair value gains arose during the year	-	-	46,957	-	46,957
Defined benefit obligations actuarial losses	-	-	-	[445,984]	[445,984]
Deferred tax charge/ on actuarial losses on defined benefit obligations	-	-	-	133,795	133,795
Total comprehensive income for the year	-	-	46,957	[2,034,601,919]	[2,034,554,963]
Issue of shares	10,560,000,000	-	-	-	10,560,000,000
Balance as at 31 March 2024	16,368,000,000	3,063,904,463	[121,532]	[9,036,788,915]	10,394,994,016
Balance as at 01 April 2024	16,368,000,000	3,063,904,463	[121,532]	[9,036,788,915]	10,394,994,016
Comprehensive income for the period					
Net profit for the period	-	-	-	239,247,890	239,247,890
Other comprehensive income					
Fair value loss arose during the year	-	-	[63,176]	-	[63,176]
Defined benefit plan actuarial gains on defined benefit obligations	-	-	-	[4,427,842]	[4,427,842]
Deferred tax reversal on actuarial gains on defined benefit obligations	-	-	-	1,328,353	1,328,353
Revaluation gain on property, plant and equipment	-	1,244,450,379	-	-	1,244,450,379
Deferred Tax reversal on revaluations	-	[373,335,114]	-	-	[373,335,114]
Total comprehensive income for the year	-	871,115,265	[63,176]	236,148,400	1,107,200,490
Balance as at 31 March 2025	16,368,000,000	3,935,019,728	[184,707]	[8,800,640,515]	11,502,194,506

The notes annexed on pages 52 through 113 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Statement of Cash Flows

For the Year ended 31 March 2025

For the Year Ended 31 March	Note	GROUP		COMPANY	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax expense		(3,806,515,337)	(5,323,060,298)	(304,128,860)	(2,031,712,266)
Adjustment for:					
Loss/(Profit) on sale of property, plant and equipment		29,388	[13,358,672]	-	[12,809,546]
Depreciation and amortisation	7	1,802,194,412	1,575,204,139	215,486,126	175,783,009
Provision for gratuity	27	22,477,708	21,169,288	4,391,817	4,237,774
Interest cost	8	4,368,554,378	5,608,584,741	572,893,940	2,194,185,563
Interest income	8	(300,465,260)	(450,560,426)	(97,576,311)	(84,010,082)
Impairment of trade receivable	7	15,923,199	23,742,831	[1,050,138]	[549,508]
Gain on fair valuation of other FVTPL instrument		(1,409,580)	(548,820)	(1,409,580)	(548,820)
Change in fair value of investment properties	12	(5,000,000)	(10,000,000)	(5,000,000)	(10,000,000)
Operating profit before working capital changes		2,095,788,907	1,431,172,782	383,606,994	234,576,124
Working capital changes					
(Increase)/decrease in accounts receivables & others		(455,643,036)	(1,413,581,988)	596,030,942	(734,316,314)
(Increase)/decrease in inventories		(7,499,349)	(140,970,541)	(5,531,301)	3,319,813
Decrease in accounts payables		(1,444,995,234)	(2,572,338,260)	(853,464,793)	(5,587,045,535)
Cash generated from / (used in) operations		187,651,288	(2,695,718,006)	120,641,843	(6,083,465,912)
Interest paid		(75,114,747)	(31,790,803)	-	(31,790,803)
Tax paid		-	-	-	-
Gratuity paid	27	(14,795,659)	(17,090,234)	(7,691,005)	(2,834,360)
Net cash from / (used in) operating activities		96,061,214	(2,744,599,043)	112,950,838	(6,118,091,075)
CASH FLOW FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment and intangible assets		(1,026,626,750)	(3,840,611,843)	(118,615,800)	(196,914,084)
Issue of shares by Subsidiaries to NCI		132,052,312	-	-	-
Net cash flow used in investing activities		(894,574,438)	(3,840,611,843)	(118,615,800)	(196,914,084)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds received from issue of shares	26	-	10,560,000,000	-	10,560,000,000
Repayments of long term loans	26	(2,974,540,430)	(2,375,163,137)	(1,311,130,298)	(1,414,220,987)
Proceeds of long term loans		1,899,929,220	1,696,386,133	-	501,891,578
Cash proceeds received on loans given to related parties		-	389,302,390	-	417,954,836
Funds transferred from/(to) related parties	26	1,250,000,000	(3,595,172,549)	1,250,000,000	(3,595,172,549)
Repayment of finance lease obligations		(53,046,009)	(45,469,704)	-	-
Net cash generated from (used in) financing activities		122,342,781	6,629,883,133	(61,130,298)	6,470,452,879
Net increase/(decrease) in cash & cash equivalents during the period		(676,170,442)	44,672,247	(66,795,259)	155,447,720
Cash & cash equivalents at the beginning of the year		2,676,424,279	2,631,752,032	217,122,650	61,674,930
Cash & cash equivalents at the end of the year		2,000,253,837	2,676,424,279	150,327,391	217,122,650
Analysis of cash & cash equivalents at the end of the period	22.1	2,091,335,977	2,837,209,537	150,327,391	217,122,650
Cash at bank and in hand	22.2	(91,082,140)	(160,785,258)	-	-
Unfavourable Bank Balances used for cash management purposes		2,000,253,837	2,676,424,279	150,327,391	217,122,650

The notes annexed on pages 52 through 113 form an integral part of these financial statements.
Figures in brackets indicate deductions.

Notes to the Financial Statements

Year ended 31 March 2025

1. REPORTING ENTITY

1.1 General

Eden Hotel Lanka PLC (‘the Company’) is a public quoted company incorporated on 13 January 1992 and domiciled in Sri Lanka. The Company’s registered office is at No. 100/1 Sri Jayawardenepura Mawatha, Rajagiriya, and principal place of business is at Kaluwanmodara, Aluthgama, Sri Lanka.

The financial statements as at, and for the year ended 31 March 2025 comprise the separate financial statements of the Company and consolidated financial statements of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”).

Ordinary shares of the Company are listed on the second board of the Colombo Stock Exchange [CSE].

1.2 Principal activities and nature of operations

The principal activity of the Company is carrying on the business of a hotelier and there were no significant changes in the nature of the operations of the Company during the financial year under review.

As at 31 March 2025, the Company had following subsidiaries.

Company Name	Nature of Operation	Principal Place of Business
Dickwella Resorts (Pvt) Limited	Hoteliering	Batheegama, Dickwella
Sun and Fun Resorts Limited	Hoteliering	Passikudha
Green Paradise (Pvt) Limited	Hoteliering	Kubukkadanwala, Dambulla
Serendib Hotels PLC	Hoteliering	Kalowamodara, Aluthgama
Dolphin Hotels PLC	Hoteliering	Waikkal
Hotel Sigiriya PLC	Hoteliering	Sigiriya
Serendib Leisure Management Limited	Hotel Management	Colombo
Sanctuary Resorts Lanka (Pvt) Limited	Non-Operating	Colombo
Frontier Capital Lanka (Pvt) Limited	Hoteliering	Mirissa, Matara
Bodufaru Beach Resorts (Pvt) Limited	Hoteliering	Republic of Maldives
Browns Ari Resort (Pvt) Limited	Pre-operating	Republic of Maldives
Browns Raa Resort (Pvt) Limited	Pre-operating	Republic of Maldives
Browns Kaafu N Resort (Pvt) Limited	Pre-operating	Republic of Maldives

1.3 Parent and entity and ultimate parent entity

In the opinion of the Board of Directors, the Group’s immediate parent company is Palm Garden Hotels PLC and ultimate parent undertaking and controlling party as at the date of financial position is LOLC Holdings PLC, a Company incorporated and domiciled in Sri Lanka.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs) laid down by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and in compliance with the requirements of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. These financial statements also provide appropriate disclosures as required by the listing rules of the Colombo Stock Exchange.

2.2 Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets, certain classes of property, plant and equipment, and right-of-use assets relating to leasehold land, investment property measured at fair value.

2.3 Directors’ responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards and as per the provisions of the Companies Act No. 07 of 2007. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board of Directors acknowledges their responsibility as set out in the “Annual Report of the Board of Directors on the Affairs of the Company” and “Director’s Responsibility for Financial Reporting”.

These financial statements include the following components;

- » A statement of financial position providing the information on the financial position of the Group and the Company as at the year end.
- » A statement of profit or loss providing the information on the financial performance of the Group and the Company for the year under review.
- » A statement of comprehensive income providing the information of the other comprehensive income and total comprehensive income of the Group and the Company.
- » A statement of changes in equity depicting all changes in shareholders’ funds during the year under review of the Group and the Company.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

- » A statement of cash flows providing the information to the users, on the ability of the Group and the Company to generate cash and cash equivalents and the needs of entities to utilise those cash flows, and
- » Notes to the financial statements comprising accounting policies and other explanatory information.

2.4 Approval of financial statements by the Board of Directors

The consolidated financial statements of the Group and the separate financial statements of the Company for the year ended 31 March 2025 were approved and authorised for issue by the Board of Directors on 22 August 2025. The Board of Directors has the power to amend and reissue the financial statements.

2.5 Functional currency and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates [the functional currency]. The financial statements are presented in Sri Lankan Rupee [Rs.], which is Company's functional and Group's presentation currency.

Functional currency of all the Group companies is Sri Lankan Rupees, other than the following companies whose functional currency is given below.

Company Name	Country of Incorporation	Functional Currency
Bodufaru Beach Resorts [Pvt] Limited	Republic of Maldives	United States Dollars [USD]
Browns Ari Resort [Pvt] Limited	Republic of Maldives	United States Dollars [USD]
Browns Raa Resort [Pvt] Limited	Republic of Maldives	United States Dollars [USD]
Browns Kaafu N Resort [Pvt] Limited	Republic of Maldives	United States Dollars [USD]

See note 3.4 for the accounting policy relating to foreign currency translation.

2.6 Comparative information

Comparative information including quantitative, narrative and descriptive information is disclosed in respect of the previous period in the financial statements in order to enhance the understanding of the current period's financial statements and to enhance the inter period comparability. The presentation and classification of the financial statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

2.7 Materiality and aggregation

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'.

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

2.8 Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the statement of profit or loss, unless required or permitted by Sri Lanka Accounting Standards and as specifically disclosed in the significant accounting policies.

2.9 Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Company. Therefore, the financial statements continue to be prepared on the going concern basis.

2.10 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle and held primarily for the purpose of trading.

Or

Is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle and is held primarily for the purpose of trading and is due to be settled within twelve months after the reporting period.

Or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

2.11 Use of accounting estimates and judgements

The preparation of the financial statements of the Group and Company in conformity with SLFRS's/LKAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making the judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes to these financial statements.

Critical accounting estimates/judgements	Note
Determination of fair value of investment properties	12
Revaluation of lands and buildings	11
Valuation of Right-of-Use assets relating to leasehold land	13
Goodwill on acquisition	14
Retirement benefit obligations	27
Deferred tax assets/ liabilities	28
Fair value of financial instruments	34
Useful lives of property, plant and equipment	3.9.1
Useful lives of intangible assets	13

3. MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Changes in accounting policies**3.1.1 New and amended SLFRS accounting standards**

The following amendments to the Sri Lanka Accounting Standards that are relevant for the preparation of the Company's financial statements have been adopted by the Group and the Company.

1.) Amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements

The Group/Company has adopted the amendments to LKAS 7 Statement of Cash Flows and SLFRS 7 Financial Instruments: Disclosures on Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to LKAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, SLFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The adoption has not had any material impact on the disclosure or on the amounts reported in these financial statements.

2.) Amendments to LKAS 1 Classification of Liabilities as Current or Non-current

The group/company has adopted the amendments to LKAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

3.) Amendments to LKAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

The Group/Company has adopted amendments to LKAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

It also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

4.] Amendments to SLFRS 16 Leases—Lease Liability in a Sale and Leaseback

The Group/Company has adopted the amendments to SLFRS 16 for the first time in the current year.

The amendments to SLFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in SLFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in SLFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

A seller-lessee applies the amendments retrospectively in accordance with LKAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied SLFRS 16.

3.1.2 New and revised SLFRS accounting standard issued but not yet effective.

The following new standards and interpretations are issued by International Accounting Standards Board (IASB) but not yet adopted by CA Sri Lanka.

1. Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the Company anticipate that the application of these amendments may not have an impact on the Group's/ Company's consolidated financial statements in future periods.

2. Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. These amendments further clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.

These amendments add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's/Company's consolidated financial statements in future periods.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

3. IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- » present specified categories and defined subtotals in the statement of profit or loss
- » provide disclosures on management-defined performance measures [MPMs] in the notes to the financial statements
- » improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Company anticipate that the application of this standard may have an impact on the Group's/Company's consolidated financial statements in future periods.

4. IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- » it is a subsidiary (this includes an intermediate parent)
- » it does not have public accountability, and
- » its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the Company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the Group/ Company.

5. Annual improvements to IFRS – Volume 11

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

IFRS 1 First-time Adoption of International Financial Reporting Standards;

IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;

IFRS 9 Financial Instruments.

IFRS 10 Consolidated Financial Statements; and

IAS 7 Statement of Cash Flows.

These annual improvements are effective for annual periods beginning on or after 1 January 2026 with earlier application permitted.

The directors of the Company anticipate that the application of these improvements may have an impact on the Group's/Company's consolidated financial statements in future periods.

3.2 Principles of consolidation and equity accounting

3.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, comprehensive income, changes in equity and financial position respectively.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

3.2.2 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

3.2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- » fair values of the assets transferred;
- » liabilities incurred to the former owners of the acquired business;
- » equity interests issued by the Group;
- » fair value of any asset or liability resulting from a contingent consideration arrangement; and
- » fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- » consideration transferred,
- » amount of any non-controlling interest in the acquired entity, and
- » acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

3.3 Segment reporting

A segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Group's other components.

The Group has two reportable segments reflecting its geographical regions (Sri Lanka and Maldives), and its central functions. The Group's Chief Executive (the Chief Operating Decision Maker [CODM]) monitors the operating results of these reportable segments for the purpose of making decisions about resource allocations and performance assessment.

3.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income/ other expenses.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

3.4.1 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- » assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- » income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- » all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.5 Revenue from Contracts with Customers

Group revenue represents sales to customers outside the Group and excluding taxes.

3.5.1 Revenue from contracts with customers

SLFRS 15 established a comprehensive framework for determining whether how much and when revenue recognised. Revenue is measured based on the consideration specified in a contract with a customer. Under SLFRS 15, the Group revenue is recognised when a customer obtains control of the goods or services - Determining the timing of the transfer of control - at a point in time or over time requires judgement.

Under SLFRS 15, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognition will not occur.

The following specific criteria are used for the purpose of recognition of revenue:

- » Apartment revenue is recognised for the rooms occupied on a daily basis. All revenues are recognised on an accrual basis over the time of the duration of the stay of the customer and matched with the related expenditure where they simultaneously receive and consumes the benefits of the services rendered.
- » Restaurant revenue includes the revenue recognised on the sale food and beverage. All revenue is accounted for at the time of sale.
- » Bar revenue are accounted for at the time of sale.
- » Spa is operated by a third party and invoices are raised together with the spa bills. Spa related revenue is recognised gross after completion of service / treatments.
- » Transfers and excursions include the consideration earned from providing excursions to customers. Revenue is recognised for at the time of rendering the service.
- » Telephone, laundry, and diving represents the services provided to customers which are implied as business practice in the industry. All revenue is recognised for at the time of rendering the service.

3.5.2 Other Income

Rent and shop income represents the rental income arising from renting of property, plant and equipment and investment properties. All revenue is accounted for on accrual basis on a straight-line basis over the term of the leases.

Dividend income is recognised when the right to receive payment is established which generally when the dividend is declared.

Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Gain on disposal of property, plant and equipment and other non-current assets, including investments held by the Group have been accounted for in the statement of profit or loss, after deducting from the net sales proceeds on disposal of the carrying amount of such assets.

3.5.3 Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

3.6 Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Profit or loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

Revenue grants are recognised in the profit or loss in the period in which they are receivable.

3.7 Expenses recognition

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

For the presentation of the statement of profit or loss the Directors are of the opinion that the function of the expenses method present fairly the elements of the Group's performance, and hence such a presentation method is adopted.

Preliminary and pre-operational expenditure is recognised in the statement of profit or loss.

Repairs and renewals are charged to the statement of profit or loss in the year in which the expenditure is incurred.

3.8 Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.8.1 Companies enjoying tax holidays

Group companies enjoying a tax exemption period shall only recognise deferred tax in their financial statements for temporary differences, where reversals of such differences extend beyond the tax exemption period.

Deferred tax shall not be considered nor provided for assets/ liabilities for which tax impacts and reversals take place within the tax exemption period. If there will be no tax implications that take place after the expiration of the tax exemption period for such assets.

Where a Company is entitled to claim the total value or any part of expenditure made during the tax holiday period, as deductions for tax purposes after the tax holiday period, such an entity will treat such amount of expenditure as part of the tax base throughout the tax holiday period in the purpose of recognising deferred tax.

Notes to the Financial Statements

Year ended 31 March 2025

3.8.2 Withholding tax on dividends

Dividend distributed out of taxable profit of the local companies attracts a 10% deduction at source and is not available for set off against the tax liability of the Company. Withholding tax that arises from the distribution of dividends by the Company is recognised at the same time as the liability to pay the related dividend is recognised..

3.8.3 Sales Taxes (Value Added Tax and Turnover Tax)

Revenues, expenses and assets are recognised net of the amount of sales tax except for the following;

- » Sales tax incurred on a purchase of a assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- » Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

3.9 Property, plant and equipment

3.9.1 Freehold property, plant and equipment

i) Basis of recognition

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

ii) Basis of measurement

Items of property, plant and equipment other than freehold land and buildings and motor vehicles, are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site at which they are located and capitalised borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

iii) Cost model

The Group applies the cost model to all property, plant and equipment except freehold land and buildings which are recorded at cost of purchase together with any incidental expenses thereon less accumulated depreciation and any accumulated impairment losses.

iv) Revaluation model

The Group revalue its freehold land, buildings motor vehicles and right of use assets which are measured at its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

On revaluation of land, buildings, motor vehicles and right of use assets any increase in the revaluation amount is credited to the revaluation reserve in shareholder's equity unless it offsets a previous decrease in value of the same asset that was recognised in profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

v) Subsequent costs

The cost of replacing 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 within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

vi) Depreciation

Depreciation is based on the cost/revalued amount of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

Depreciation methods, useful lives, residual values are assessed at the reporting date and adjusted if appropriate. The estimated useful lives for the current year are listed below.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

Property, plant & equipment	No. of years
Building	3-50 years
Reclaimed land	50 years
Plant and machinery	8-13 years
Motor vehicles	4-5 Years
Furniture and fittings	5-10 Years
Office equipment	4-5 Years
Computer equipment	5-8 Years
Swimming pool	10 years
Cutlery, crockery and glassware	5 Years
Linen	3 Years
Marine vessel	10 Years
Sewage system	20 Years
Improvements to land	20 Years

vii De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net within other income/other expenses in the statement of profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

3.9.2 Capital work-in progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of capital assets.

3.10 INVESTMENT PROPERTIES**3.10.1 Basis of recognition**

Investment property is 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.

3.10.2 Basis of measurement**i) Fair value model**

Investment properties are initially recognised at cost. Subsequent to initial recognition the investment properties are stated at fair values, which reflect market conditions at the reporting date. Gains or losses arising from changes in fair value are included in profit or loss in the year in which they arise.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the

consolidated financial statements, and accounted for as per LKAS 16 - Property, Plant and Equipment.

ii) De-recognition

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

iii) Subsequent transfers to/from investment property

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party or completion of construction or development.

For a transfer from investment property to owner occupied property or inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the Group as an owner occupied property becomes an investment property, the Group, accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

iv) Determining Fair Value

External and independent valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the investment property portfolio every year.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

3.11 Leases

The Group leases various land for its business activities. Rental contracts are typically made for fixed terms. Under SLFRS 16, the Group recognises right-of-use assets and lease liabilities for leases of properties and present as separate line items in the Statement of financial position.

3.11.1 Right-of-use Assets**i) Initial Recognition**

The Group recognises right of use assets when the underlying asset is available for use. Right-of-use assets are initially recognised at cost.

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.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

Right-of-use assets are recognised at cost comprising the following:

- » the amount of the initial measurement of lease liability
- » any lease payments made at or before the commencement date less any lease incentives received
- » any initial direct costs, and
- » restoration costs.

ii) Subsequent Measurement

Right-of-use assets in the consolidated financial statements are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities except in following;

The Group apply fair value model to right-of-use assets that meet the definition of investment property in LKAS 40.

The group value its right-of-use assets relating to leased land and buildings which are measured at fair value at the date of revaluation less any subsequent accumulated depreciation and any impairment losses. Revaluations are made on a sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

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.

3.11.2 Lease Liabilities**i) Initial Recognition**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

ii) Subsequent Measurement

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii) Incremental Borrowing Rate

Incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

In the absence of specific guidance in SLFRS 16, the Group determines the incremental borrowing rate by referring to the "Application Guidance Notes on SLFRS 16 - Leases" issued by CA Sri Lanka. As per the guideline, Group determines Incremental Borrowing Rate by incorporating following key elements.

- » Risk free rate [Basis rate for economic factors]
- » Financial Factors [Lessee specific factors]
- » Asset Factor

iv) Timing of the lease payments

We assumed that the rent payments will occur at the end of the month/quarter [paid in arrears]. Therefore, discount factors are adjusted accordingly.

v) Short term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.12 Intangible assets**3.12.1 Goodwill**

Goodwill is measured as described in note 3.2.3. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being consistent with the Segment reporting note.

3.12.2 Software

Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

software products controlled by the Group are recognised as intangible assets when the following criteria are met:

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

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

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

3.12.3 Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied by these assets. All other expenditure is expensed when incurred.

3.12.4 De-recognition

Intangible assets are de-recognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset.

3.12.5 Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful life of each intangible asset is as follows;

Computer Software	8 years
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Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.13 Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is

recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.14 Investments and other financial assets and liabilities

3.14.1 Investments and other financial assets

(i) Classification

Group classifies its financial assets in the following measurement categories:

- » those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- » those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- » Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- » FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- » FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

EQUITY INSTRUMENTS

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses [and reversal of impairment losses] on equity investments measured at FVOCI are not reported separately from other changes in fair value.

3.14.2 Non-derivative financial liabilities

i) Other financial Liabilities

All financial liabilities other than those at fair value through profit and loss are classified as other financial liabilities.

All other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

ii) Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

3.14.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.15 Inventories

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.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion of selling expenses.

The cost incurred in bringing the inventories to its present condition and location is accounted using the following cost formula.

Spares and Consumables	Weighted Average Cost Basis
Food and Beverages	Weighted Average Cost Basis

3.16 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the SLFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of before 31st March 2025 or 01st April 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments according an agreed repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.20 Borrowing costs

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

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

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

Other borrowing costs are expensed in the period in which they are incurred.

3.21 Provisions

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

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

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

3.22 Employee Obligations

3.22.1 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 will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution Plans are recognised as an employee benefit expense to profit or loss in the periods during which services are rendered by employees.

i) Employee provident fund and employee trust fund – Sri Lanka

For employees in Sri Lanka the Group contributes a sum not less than 12% of the gross emoluments as provident fund benefits and a sum equivalent 3% of the gross emoluments as trust fund benefits.

ii) Employees pension scheme – Maldives

All Maldivian employees of the Group are members of the retirement pension scheme established in the Maldives. The Group contributes 7% of the pensionable wage of such employees to this scheme

3.22.2 Defined benefit obligations

A defined benefit obligations is a post-employment benefit obligations other than a defined contribution plan. The Company's net obligation in respect of defined benefit obligations is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted.

The calculation is performed every year by a qualified actuary using the projected unit credit method. For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimate provided by the qualified actuary is used.

The Group recognises all actuarial gains and losses arising from the defined benefit plan in Statement of Comprehensive Income and all other expenses related to defined benefit plans are recognised in profit loss. The retirement benefit obligation is not externally funded.

The defined benefit obligations comprises the gratuity provided under the payment of Gratuity Act, No.12 of 1983 for entities in Sri Lanka.

3.22.3 Short-term employee benefits

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

3.23 Stated capital and equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.24 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.25 Related party transactions

The Group carries out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - "Related Party Disclosures". Disclosure has been made in respect of the related party transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies / decisions of the other, irrespective of whether a price is being charged or not.

3.25.1 Transactions with key management personnel

According to LKAS 24 - "Related Party Disclosures", Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity.

3.26 Earnings per share

3.26.1 Basic earnings per share

Basic earnings per share is calculated by dividing:

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Year ended 31 March 2025

- » the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- » by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

3.26.2 Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- » the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- » the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.27 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

3.27.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets and liabilities that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its assets and liabilities into the three levels prescribed under the accounting standards.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3.27.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value assets and liabilities include:

i) Property, plant and equipment acquired in business combinations

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction. The fair value of items of plant, equipment fixtures and fittings are based on market prices for similar items when available and depreciated replacement cost when appropriate.

ii) Property, plant and equipment owned by the Group and right-of-use assets related to leasehold land

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iii) Investment property

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land and building owned by the Group based on market values, this is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

iv) Equity securities

The fair value of the equity securities is determined by reference to their quoted share price at the reporting date if quoted; or if unquoted either using discounted cash flow analysis using expected future cash flows and a market related discounted rate, or based on the adjusted net assets of the investee company.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

4 REVENUE FROM CONTRACT WITH CUSTOMER

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Total revenue excluding services charges and taxes	4.1	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376
		9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376

4.1 Composition of total revenue

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Accommodation revenue	4,352,524,462	3,902,974,720	523,694,559	546,416,494
Meal revenue	3,476,841,712	2,274,373,048	639,972,978	450,404,247
Outlet revenue	1,207,787,971	788,070,121	160,635,348	141,508,635
	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376

4.2 TIMING OF REVENUE RECOGNITION

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
At a point in time	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376
	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376

5 OTHER INCOME

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Rental income	22,108,599	17,558,858	3,883,494	4,079,820
Gain on disposal of property, plant and equipment	29,388	13,358,672	-	12,809,546
Foreign exchange gain	[6,540,327]	1,770,218	[7,734,551]	17,260,170
Sundry income	1,494,527	14,834,984	-	2,186,945
Gain/Loss on Fair Valuation of other FVTPL Instruments	1,409,580	548,820	1,409,580	548,820
Other Operational Income	800,787,355	484,206,653	1,506,006	-
	819,289,122	532,278,205	[935,472]	36,885,301

Other Operational Income of the Group mainly includes the Guest Transport Income derived from Browns Ari Resort [Pvt] Limited, located at Maldives, a subsidiary of Eden Hotel Lanka PLC. The corresponding cost incurred to generate the particular Other Operational Income included in Operating Expenses

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

6 PERSONNEL COSTS

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Salaries, wages and other benefits		[1,526,028,245]	[1,213,684,796]	[169,943,260]	[200,698,366]
Contribution to EPF		[65,546,170]	[56,644,638]	[11,935,691]	[11,250,066]
Contribution to ETF		[11,236,943]	[12,359,496]	[2,985,718]	[2,812,516]
Retirement benefit obligations	27.2	[22,477,708]	[21,169,290]	[4,391,817]	[4,237,774]
		[1,625,289,066]	[1,303,858,220]	[189,256,486]	[218,998,722]

7 RESULTS FROM OPERATING ACTIVITIES

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.

Results from operating activities are stated after charging all expenses including following:

Directors' remuneration		7,830,000	1,070,000	2,450,000	1,070,000
Auditors' remuneration	7.1	13,239,450	11,066,525	1,843,750	1,508,000
Legal expenses		4,410,389	3,235,356	1,693,000	1,745,480
Secretarial fees		9,315,652	3,714,603	5,564,142	-
Professional fees		20,199,213	8,404,706	2,898,102	1,422,832
Advertising related expenses		28,300,246	15,385,872	12,499,348	8,353,780
Management fee		-	15,317,797	-	30,089,437
Impairment of trade receivable	20.1.1	15,923,200	23,742,831	[1,050,138]	[549,508]
Depreciation and amortisation	7.2	1,802,194,412	1,575,204,139	215,486,125	175,783,009

7.1 Auditors' remuneration

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Audit fees		12,278,705	11,066,525	1,843,750	1,508,000
Audit-related fees and expenses	7.1	677,735	-	-	-
Non-audit related fees and expenses		283,010	-	-	-
		13,239,450	11,066,525	1,843,750	1,508,000

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

7 RESULTS FROM OPERATING ACTIVITIES (CONTD.)**7.2 Depreciation and amortisation**

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Depreciation of property, plant and equipment	1,610,292,280	1,359,701,424	210,523,414	172,796,495
Depreciation on Intangible Assets	8,097,553	5,506,804	4,962,711	2,986,514
Amortisation of Right of Use Assets	183,804,579	209,995,911	-	-
	1,802,194,412	1,575,204,139	215,486,125	175,783,009

8 NET FINANCE COSTS

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Interest income	300,465,260	450,560,426	97,576,311	84,010,082
Interest expense on;				
Overdrafts and other short-term borrowings	(2,547,220,299)	(3,377,590,936)	(572,893,940)	(2,162,394,760)
Long term borrowings	(780,189,593)	(1,138,323,298)	-	(31,790,803)
Interest on lease obligations	(1,041,144,485)	(1,092,670,507)	-	-
Total interest expense	(4,368,554,378)	(5,608,584,741)	(572,893,940)	(2,194,185,563)
Net Finance Costs	(4,068,089,118)	(5,158,024,315)	(475,317,629)	(2,110,175,481)

9 INCOME TAX EXPENSE

The business profit of Sun and Fun Resorts (Pvt) Limited is exempted from income tax under BOI agreement dated October 27, 2011 for a period of 15 years from the year in which the enterprise commences to make profits or any year of assessment not later than two (02) years reckoned from the date of commencement of commercial operations, which year is earlier.

The business profits and income of other hotels as well as other sources of income are liable at the standard rate of 30% as per the first schedule of the Inland Revenue Act No.24 of 2017 and amendment thereto.

The Company's incorporated in the Republic of Maldives is liable for corporate tax in Maldives at a rate of 15% as per Business Profit Tax Act of Republic of Maldives

9.1 Major components of income tax expense are as follows:

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current tax expense	9.3	(121,850,138)	(64,172,839)	-	-
Deferred tax reversal	28.3	1,180,663,463	(94,293,439)	543,376,750	(2,577,464)
Income tax reversal reported in the statement of profit or loss		1,058,813,325	(158,466,278)	543,376,750	(2,577,464)

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

9 INCOME TAX EXPENSE (CONTD.)

9.2 Numerical Reconciliation of accounting profits to income tax expense

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Loss before income tax expenses	[3,806,515,337]	[5,323,060,298]	[304,128,860]	[2,031,712,266]
[+] Disallowable expenses	4,513,165,269	2,944,538,694	242,303,520	205,502,682
[-] Allowable expenses	[1,650,988,237]	[1,885,248,330]	[202,354,572]	[180,087,612]
[-] Non business income	[10,319,492]	[220,433,988]	[10,319,492]	[220,433,988]
[+] Tax losses incurred	1,715,541,479	5,236,601,500	375,959,209	2,314,821,085
[-] Tax losses utilised	[355,287,122]	[538,488,060]	[101,459,805]	[88,089,901]
Taxable income	405,596,560	213,909,518	-	-
Income Tax @ 30%	121,679,035	64,172,839	-	-
Tax expense on current year profits	121,679,035	64,172,839	-	-

9.3 Current tax expense

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Tax expense on current year profits	9.2	121,679,035	64,172,839	-	-
Under provision in respect of previous years		171,103	-	-	-
		121,850,138	64,172,839	-	-

9.4 Income tax recognised in other comprehensive income

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred tax on revaluation gain	[2,631,344,898]	-	[373,335,114]	-
Tax on defined benefit obligations actuarial gain/[loss]	[1,328,643]	2,012,196	1,328,353	133,795
Deferred tax on fair value gain	-	[20,123]	-	[20,123]
	[2,632,673,542]	1,992,073	[372,006,761]	113,672

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

9 INCOME TAX EXPENSE (CONTD.)**9.5 Tax Losses**

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Losses brought forward	18,205,486,054	13,272,350,787	9,424,258,534	7,008,711,667
Adjustments for brought forward tax losses	(714,622,209)	235,021,827	(1,326,165,699)	188,815,682
Losses incurred	1,715,541,479	5,236,601,500	375,959,209	2,314,821,086
Losses utilised	(355,287,122)	(538,488,060)	(101,459,805)	(88,089,901)
Losses carried forward	18,851,118,202	18,205,486,054	8,372,592,239	9,424,258,534

10 LOSS PER SHARE**10.1 Basic [loss]/earnings per share**

The calculation of basic [loss]/earnings per share is based on the earnings / [loss] for the year attributable to ordinary shareholders and the weighted average number of ordinary shares being outstanding during the year and calculated as follows.

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
[Loss]/Profit attributable to equity holders of the company [Rs.]	(1,404,771,726)	(4,299,202,207)	239,247,890	(2,034,289,730)
Weighted average number of ordinary shares in issue				
Issued ordinary shares at the beginning of the year	1,584,000,000	528,000,000	1,584,000,000	528,000,000
Effects of Rights Issue	-	513,140,150	-	513,140,150
Weighted average number of ordinary shares in issue	1,584,000,000	1,041,140,150	1,584,000,000	1,041,140,150
[Loss]/Earnings per Ordinary Share	(0.89)	(4.13)	0.15	(1.95)

10.2 Diluted loss per share

There were no potentially dilutive ordinary shares outstanding at any time during the year or previous year. Therefore, diluted loss per share is equal to basic loss per share.

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS
11.1 Property, Plant and Equipment - Group

As at 31 March	Freehold Land	Improvement to Land	Reclaimed Lands	Buildings	Freehold Motor Vehicles	Furniture & Fittings	Linens & Furnishing	Swimming Pool	Plant and Machinery	Cutlery, Crockery & Glassware	Computers	Marine Vessel	Capital Work in-Progress (CWIP)	Total 2024	Total 2025
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost/Valuation															
Balance as at 01 April	5,185,798,000	51,215,185	23,719,096,133	22,687,801,533	57,719,357	1,919,489,555	242,018,080	404,099,809	2,981,901,044	236,702,030	373,079,530	129,806,310	304,042,995	58,292,769,560	57,555,028,080
Additions	-	-	148,490,684	54,533,893	57,359,575	41,240,482	435,000	-	191,182,340	49,886,380	12,938,992	-	630,559,872	1,186,109,107	4,040,049,798
Revaluation	2,681,402,000	-	864,843,992	2,299,196,686	4,511,344	-	-	32,641,799	-	-	-	-	-	5,882,595,820	-
Disposals	-	-	-	-	(64,792)	-	-	-	(9,705,189)	-	-	-	-	(9,769,921)	(49,668,878)
Transfers	-	-	-	-	-	38,509	-	(28,500,000)	(25,532,011)	-	(58,509)	-	(125,624,947)	(179,676,959)	(181,391,558)
Effects of movement in exchange rates	-	-	(385,413,161)	(174,937,487)	(586,360)	(10,301,101)	(774,560)	(2,374,074)	(14,235,521)	(1,943,333)	(3,183,226)	-	(7,001,421)	(600,450,245)	(3,075,247,882)
Balance as at 31 March	7,867,200,000	51,215,185	24,198,526,963	24,960,551,415	116,113,441	1,966,606,537	282,483,952	406,302,534	3,123,570,663	284,447,077	382,776,787	129,806,310	801,976,500	64,571,577,363	58,292,769,560
Accumulated depreciation and impairment losses															
Balance as at 01 April	-	23,644,695	1,851,726,243	607,694,744	33,590,421	1,032,852,849	134,695,887	38,097,120	1,482,798,260	85,035,067	171,345,076	73,319,309	-	5,514,799,680	4,353,392,252
Charge for the year	-	2,692,476	545,764,555	491,733,671	7,265,966	134,850,227	37,907,942	28,682,429	248,771,402	56,855,209	42,987,773	12,980,631	-	1,610,292,281	1,366,895,808
Transfer (WIP transfers)	-	-	-	-	-	-	-	-	(26,574,023)	-	-	-	-	(26,574,023)	-
Revaluation	-	-	(2,225,653,490)	(1,030,330,084)	(26,126,822)	-	-	(43,548,075)	-	-	-	-	-	(3,325,658,471)	(40,141,755)
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of movement in exchange rates	-	-	(20,946,805)	(1,738,811)	(79,499)	(932,611)	(140,168)	(214,870)	(2,584,658)	(297,384)	(581,814)	-	-	(27,516,620)	(165,346,624)
Balance as at 31 March	-	26,337,171	150,890,503	67,359,520	14,650,066	1,166,770,465	172,463,671	23,016,603	1,662,410,981	141,392,893	213,751,036	86,299,940	-	3,745,342,847	5,514,799,680
Carrying amount															
As at 31 March 2025	7,867,200,000	24,878,014	24,047,636,460	24,893,191,895	101,463,375	799,836,072	110,020,281	383,285,931	1,441,153,682	143,054,184	169,025,752	49,506,370	801,976,500	60,826,234,516	52,777,969,880
As at 31 March 2024	5,185,798,000	27,570,491	21,867,369,890	22,080,106,788	24,128,936	886,636,706	107,322,183	366,002,689	1,519,683,980	151,085,766	201,734,454	56,487,001	304,042,995	52,777,969,880	53,201,635,828

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS (CONTD.)**11.1 Property, Plant and Equipment - Group (Contd.)**

11.1.1 Property, plant and equipment included fully depreciated assets that are still in use having a gross amount of Rs.2,428,373,353 as at 31st March 2025 (2023/24 - Rs. 1,351,458,149).

11.1.2 The capitalised borrowing costs related to the construction of property, plant and equipment during the year is Rs. Nil (2023/24 - Rs. 258,155,665).

11.1.3 Capital work-in-progress represent the cost incurred by the Company which has not been completed as yet and cost incurred thus far for the development in Maldives.

11.1.4 The fair value of the revalued properties were determined by Mr W M Chandrasena, independent valuers who hold recognised and relevant professional qualification and have recent experience in the location and category of the revalued properties.

11.1.5 The Group has 313 Buildings as at 31 March 2025 (2023/24 - 120 Buildings).

11.1.6 Details of group's land and buildings are indicated below;

Property	Land extent	Building extent	Revalued amount	Revalued date
Eden Hotel Lanka PLC				
Hotel land - Aluthgama	5A-0R-30P		2,075,000,000	31.03.2025
Staff quarters land- Aluthgama	0A-0R-40P		60,000,000	31.03.2025
Staff quarters land- Moragalla	0A-0R-130P		130,000,000	31.03.2025
Bare land - Aluthgama	0A-0R-20P		30,000,000	31.03.2025
Dickwella Resorts [Pvt] Limited				
Main land- Dickwella	6A-2R-3.93P		2,296,000,000	31.03.2025
Beach front land- Dickwella	1A-3R-29.25P		309,200,000	31.03.2025
Green Paradise [Pvt] Limited				
Main Land - Dambulla	11A-0R-13.27P		620,000,000	31.03.2025
Serendib Hotels PLC				
Hotel land - Bentota	0A-0R-20P		14,000,000	31.03.2025
Dolphin Hotels PLC				
Hotel land - Waikkal	14A-2R-10P		1,528,000,000	31.03.2025
Frontier Capital Lanka [Pvt] Limited				
Lantern Boutique land - Mirissa	0A-1R-30.80P		212,000,000	31.03.2025
Ubuntu 1 Beach Villa land - Mirissa	0A-1R-34P		222,000,000	31.03.2025
Ubuntu 2 Beach Villa land - Mirissa	0A-1R-38.40P		235,000,000	31.03.2025
Ubuntu 1 Beach Villa bare land - Mirissa	0A-1R-5.24P		136,000,000	31.03.2025
			7,867,200,000	

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS (CONTD.)**11.1 Property, Plant and Equipment - Group (Contd.)****11.1.6 Details of group's land and buildings are indicated below (Contd.)**

Property	Building extent	Revalued amount	Revalued date
Hotel Building & Swimming Pool			
Eden Hotel Lanka PLC	251,615 sqft	4,084,000,000	31.03.2025
Dickwella Resorts (Pvt) Limited	100,648 sqft	1,336,000,000	31.03.2025
Green Paradise (Pvt) Limited	115,216 sqft	1,896,000,000	31.03.2025
Sun & Fun Resorts Limited	121,655 sqft	1,817,000,000	31.03.2025
Serendib Hotels PLC	72,532 sqft	1,037,000,000	31.03.2025
Dolphin Hotels PLC	235,824 sqft	2,423,000,000	31.03.2025
Hotel Sigiriya PLC	70,177 sqft	669,000,000	31.03.2025
Frontier Capital Lanka (Pvt) Limited - Lantern Boutique	11,149 sqft	186,000,000	31.03.2025
Frontier Capital Lanka (Pvt) Limited - Ubuntu 1 Beach Villa	10,403 sqft	180,000,000	31.03.2025
Frontier Capital Lanka (Pvt) Limited - Ubuntu 2 Beach Villa	10,403 sqft	180,000,000	31.03.2025
		13,808,000,000	
		In USD	
Browns Ari Resort (Pvt) Limited	189,901 sqft	38,317,000	31.03.2025

11.1.7 Details of the group's reclaimed land are indicated below

Property	Land extent	Building extent	Revalued amount	Revalued date
Bodufaru Beach Resort (Pvt) Limited				
Kaafu islands (3) located at North Male Atoll	73A-2R-8.125P	USD	50,830,000	31.03.2025
Browns Ari Resort (Pvt) Limited				
Bodufinolu island in South Ari Atoll	21A-1R-1.55P	USD	25,810,500	31.03.2025
Browns Raa Resort (Pvt) Limited				
Bodufarufinolhu island in Raa Atoll	12A-2R-16.875P	USD	5,016,000	31.03.2025

11.1.8 If the land and buildings were stated on the historical cost basis, the amount would be as follows.

	Cost	Accumulated depreciation	Net book value
	31.03.2025	31.03.2025	31.03.2025
	Rs.	Rs.	Rs.
Land	233,317,534	-	233,317,534
Buildings	17,814,358,982	[1,491,672,497]	16,322,686,485
	18,047,676,516	[1,491,672,497]	16,556,004,019

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS (CONTD.)**11.1 Property, Plant and Equipment - Group (Contd.)**

11.1.9 Building of Sun & Fun Resorts Ltd which is situated at Passikuda, has been kept as mortgage against the credit facility (Rs. 250 Mn) obtained from Sampath Bank PLC.

Land and building of Dolphin Hotels PLC which is situated at Waikkala, has been kept as mortgage against the credit facility (Rs. 2.8 Bn) obtained from HSBC Sri Lanka.

11.1.10 The fair value measurement of land and building of the Group is categorised under "Level 3" of the fair value hierarchy. Details of the methods adopted in determining fair value and the significant unobservable inputs used are explained below.

Property	Method of valuation	Significant unobservable input	Sensitivity of the fair value to the inputs
Land of Eden Hotel Lanka PLC		Estimated price per perch Rs. 1MN - Rs. 2.5 MN	Positively correlated
Land of Dickwella Resorts (Pvt) Limited		Estimated price per perch Rs.1Mn - Rs. 2.2 MN	Positively correlated
Land of Green Paradise (Pvt) Limited	Sales comparison approach - A value	Estimated price per perch Rs. 350,000	Positively correlated
Land of Serendib Hotels PLC	indication is derived by comparing the	Estimated price per perch Rs. 700,000	Positively correlated
Land of Dolphin Hotels PLC	property being appraised to similar	Estimated price per perch Rs. 600,000	Positively correlated
Land of Frontier Capital Lanka (Pvt) Limited	properties that have been sold recently,	Estimated price per perch Rs. 3 MN	Positively correlated
Reclaimed Land of Bodufaru Beach Resort (Pvt) Limited	applying appropriate units of comparison,	Estimated price per perch USD. 4,300	Positively correlated
Reclaimed Land of Browns Ari Resort (Pvt) Limited	and making adjustments to the sales price	Estimated price per perch USD. 7,588	Positively correlated
Reclaimed Land of Browns Raa Resort (Pvt) Limited	of the comparable properties based on the	Estimated price per perch USD. 2,417	Positively correlated
	various elements of comparison.		
Buildings of Eden Hotel Lanka PLC		Estimated price per square foot Rs. 1,000 - Rs.27,000	Positively correlated
Buildings of Dickwella Resorts (Pvt) Limited		Estimated price per square foot Rs.1,000 - Rs.27,000	Positively correlated
Buildings of Green Paradise (Pvt) Limited		Estimated price per square foot Rs. 2,000 - Rs.30,000	Positively correlated
Buildings of Sun & Fun Resorts Limited	Depreciated replacement cost -	Estimated price per square foot Rs. 1,600 - Rs.24,000	Positively correlated
Buildings of Serendib Hotels PLC	Depreciated replacement cost uses	Estimated price per square foot Rs. 3,500 - Rs.21,000	Positively correlated
Buildings of Dolphin Hotels PLC	the current cost of reproduction or	Estimated price per square foot Rs.3,000 - Rs.18,000	Positively correlated
Buildings of Hotel Sigiriya PLC	replacement of an asset less deductions	Estimated price per square foot Rs. 500 - Rs.18,000	Positively correlated
Buildings of Frontier Capital Lanka (Pvt) Limited	for physical deterioration and all relevant	Estimated price per square foot Rs. 6,000 - Rs.25,000	Positively correlated
Reclaimed Land of Browns Ari Resort (Pvt) Limited	forms of obsolescence and optimisation.	Estimated price per square foot USD.130 - 204	Positively correlated

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS (CONTD.)
11.2 Property, Plant and Equipment - Company

As at 31 March	Freehold Land	Buildings	Motor Vehicles	Furniture and Fittings	Linens & Furnishings	Swimming Pool	Plant and Machinery	Cutlery, Crockery & Glassware	Computers	Marine Vessel	Capital Work in-Progress (CWIP)	Total 2025	Total 2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April	1,446,144,000	3,891,904,799	6,506,882	374,398,753	135,671,484	59,007,000	757,342,525	30,332,656	18,639,714	129,806,310	8,872,415	6,858,626,538	6,694,153,046
Additions	-	26,473,229	-	17,760,534	15,397,968	495,000	51,947,459	8,265,199	1,658,451	-	83,871,892	205,809,732	365,584,722
Revaluation	848,856,000	165,621,972	150,000	-	-	[1,442,000]	-	-	-	-	-	1,013,185,972	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	(40,927,474)
Transfers	-	-	-	-	-	-	-	-	-	-	(92,744,307)	(92,744,307)	(180,183,756)
Balance as at 31 March	2,295,000,000	4,084,000,000	6,656,882	392,159,287	151,069,452	58,000,000	809,289,984	38,597,855	20,298,164	129,806,310	-	7,984,877,895	6,858,626,538
Accumulated Depreciation and Impairment losses													
Balance as at 01 April	-	138,515,182	6,506,882	246,326,116	92,712,447	7,747,451	327,784,063	15,823,141	16,368,722	73,319,309	-	925,103,313	791,331,351
Charge for the year	-	77,851,074	-	23,482,869	20,342,852	5,900,700	64,605,645	4,219,744	1,139,898	12,980,631	-	210,523,413	172,796,495
Revaluation	-	(216,366,256)	(1,250,000)	-	-	(13,648,151)	-	-	-	-	-	(231,264,407)	-
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	(39,024,533)
Balance as at 31 March	-	89,999,999	5,256,882	269,808,985	113,055,299	-	392,389,708	20,042,885	17,508,619	86,299,940	-	904,362,318	925,103,313
Carrying amount													
As at 31 March 2025	2,295,000,000	4,084,000,000	1,400,000	122,350,302	38,014,153	58,000,000	416,900,276	18,554,970	2,789,545	49,506,370	-	7,080,515,617	5,933,523,225
As at 31 March 2024	1,446,144,000	3,753,389,617	-	128,072,637	42,959,037	51,259,549	429,558,463	14,509,515	2,270,992	56,467,001	8,872,415	5,933,523,225	5,902,821,695

11.2.1 Property, plant and equipment included fully depreciated assets that are still in use having a gross amount of Rs 447,089,775 as at 31st March 2025 [2023/24 - Rs 345,275,662].

11.2.2 The capitalised borrowing costs related to the construction of property, plant and equipment during the year is Rs. Nil [2023/24 - Rs. Nil].

11.2.3 The fair value of the revalued properties were determined by Mr W M Chandrasena, independent valuer who hold the recognised and relevant professional qualification and have recent experience in the location and category of the revalued properties.

Date of valuation 31 March 2025

Valuation method Sales comparison and cost method

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

11 PROPERTY, PLANT AND EQUIPMENTS (CONTD.)**11.2 Property, Plant and Equipment - Company (Contd.)****11.2.4 Details of group's land and buildings are indicated below**

Property	Land extent	Building extent	Revalued amount	Revalued date
Eden Hotel Lanka PLC				
Hotel land - Aluthgama	5A-0R-30P	-	2,075,000,000	31.03.2025
Staff quarters land- Aluthgama	0A-0R-40P	-	60,000,000	31.03.2025
Staff quarters land- Moragalla	0A-0R-130P	-	130,000,000	31.03.2025
Bare land - Aluthgama	0A-0R-20P		30,000,000	31.03.2025
			2,295,000,000	
<hr/>				
Hotel building and swimming pool		251,615 sqft	4,142,000,000	31.03.2025
			6,437,000,000	

11.2.5 Details of group's land and buildings are indicated below

	Cost 31.03.2025 Rs	Accumulated depreciation 31.03.2025 Rs	Net book value 31.03.2025 Rs
Land	67,011,787		67,011,787
Buildings	1,533,181,844	[241,246,721]	1,291,935,123
	1,600,193,631	[241,246,721]	1,358,946,910

11.2.6 Land and building are categorised under level 03 of the fair value hierarchy. Significant unobservable data is as follows

Property	Method of valuation	Significant unobservable input	Sensitivity of the fair value to the inputs
Land of Eden Hotel Lanka PLC	Sales comparison approach - A value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sales price of the comparable properties based on the various elements of comparison.	Estimated price per perch Rs. 1Mn - Rs. 2.5 MN	Positively correlated
Buildings of Eden Hotel Lanka	Depreciated replacement cost - Depreciated replacement cost uses the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.	Estimated price per Square foot Rs. 1,000- Rs. 25,000	Positively correlated

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

12 INVESTMENT PROPERTY - COMPANY & GROUP

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	80,000,000	70,000,000	80,000,000	70,000,000
Change in fair value during the year	5,000,000	10,000,000	5,000,000	10,000,000
Balance as at 31 March	85,000,000	80,000,000	85,000,000	80,000,000

12.1 Investment Property - Company & Group

Property	Land extent	Revalued amount	Revalued Date
Land at Wattala	0A-1R-25.6P	85,000,000	31.03.2025

12.2 Relevant income and expenditure relating to investment properties

As at 31 March	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Rent income earned	-	-	-	-

12.3 Valuation of investment properties - Group

The fair value measurement of investment property of the Company is categorised under "Level 03" of the fair value hierarchy. Details of the methods adopted in determining fair value and the significant unobservable inputs used are explained below. The Group engaged Mr. W.M.Chandarasena, an independent valuation expert to determine the fair value of investment property.

Details of the Companies's investment property valuation;

Property	Method of valuation	Significant unobservable inputs	Sensitivity of the fair value to the inputs
Land of Eden Hotel Lanka PLC	Sales comparison approach	Estimated price per perch Rs. 1,000,000- 1,500,000	Positively correlated

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

13 RIGHT OF USE ASSET

As at 31 March	Note	Group	
		2025 Rs.	2024 Rs.
Cost / Valuation			
Balance as at 01 April		7,828,542,243	7,724,633,560
Additions during the period		24,865,965	-
Revaluation		1,816,826,427	-
Reversal on early termination		[49,752,436]	-
Adjustment on changes in the estimation		[939,801,225]	715,055,789
Effect of movement in exchange rate		[85,156,160]	[611,147,105]
Balance as at 31 March		8,595,524,815	7,828,542,243
Accumulated amortization			
Balance as at 01 April		843,953,385	691,127,762
Charge to income statement		183,804,579	209,995,911
Revaluation		[920,477,459]	
Reversal on early termination		[49,752,435]	
Effect of movement in exchange rate		[8,017,430]	[57,170,288]
Balance as at 31 March		49,510,640	843,953,385
Carrying amount as at 31 March		8,546,014,175	6,984,588,858

13.1 Maturity analysis – Contractual undiscounted cash flows

Less than one year	1,376,775,750	1,262,379,161
Between one and five years	5,441,040,700	7,043,975,599
More than five years	29,208,618,557	28,286,394,883
	36,026,435,007	36,592,749,643

13.2 Amount recognised in income statement

As per SLFRS 16 – Leases			
Interest on lease liabilities	26.1	1,041,144,485	1,092,670,507
Recognised in interest expenses		1,041,144,485	1,092,670,507
Amortization – right-of-use assets	7.2	183,804,579	209,995,911
Recognised in other expenses		183,804,579	209,995,910

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

13 RIGHT OF USE ASSET (CONTD.)

13.3 Head lease rights of Browns Ari Resort Private Limited situated in Bodufinolhu Island, Alifu Dhaalu Atoll, Republic of Maldives has been kept as mortgage against the credit facility (USD 10Mn) obtained from People's Bank.

13.4 Details of the group's right of use assets are indicated below

Property	Land extent	Currency	Revalued amount	Revalued date
Bodufaru Beach Resort (Pvt) Limited				
Kaafu islands [3] located at North Male Atoll	73A-2R-8.125P	USD	11,696,900	31.03.2025
Browns Ari Resort (Pvt) Limited				
Bodufinolhu island in South Ari Atoll	17A-0R-18.125P	USD	8,026,205	31.03.2025
Browns Raa Resort (Pvt) Limited				
Bodufarufinolhu island in Raa Atoll	12A-2R-16.875P	USD	5,400,000	31.03.2025
Green Paradise (Pvt) Limited				
Hotel land - Dambulla	4A-0R-1.04P	LKR	57,000,000	31.03.2025
Sun & Fun Resorts Limited				
Hotel land - Pasikudah	7A-1R-27.43P	LKR	437,000,000	31.03.2025
Serendib Hotels PLC				
Hotel land - Bentota	3A-1R-23P	LKR	491,200,000	31.03.2025
Hotel Sigiriya PLC				
Hotel land - Sigiriya	9A-2R-39.2P	LKR	140,000,000	31.03.2025

13.5 The Group engaged Mr. W M Chandrasena, as independent valuation expert to determine the fair value of its right of use assets.

13.6 The fair value measurement of right-of-use assets of the Group is categorised under "Level 3" of the fair value hierarchy. Details of the methods adopted in determining fair value and the significant unobservable inputs used are explained below.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

13 RIGHT OF USE ASSET (CONTD.)

13.6 The fair value measurement of right-of-use assets of the Group is categorised under "Level 3" of the fair value hierarchy. Details of the methods adopted in determining fair value and the significant unobservable inputs used are explained below.

Property	Method of valuation	Significant unobservable input	Sensitivity of the fair value to the inputs
Right-of -use assets of BodufaruBeach Resort (Pvt) Limited		Estimated price per perch USD. 987	Positively correlated
Right-of -use assets of BrownsAri Resort (Pvt) Limited		Estimated price per perch USD. 2,360	Positively correlated
Right-of -use assets of Browns Raa Resort (Pvt) Limited		Estimated price per perch USD. 2,602	Positively correlated
Right-of -use assets of GreenParadise (Pvt) Limited	Sales comparison approach - A value indication is derived by comparing the property being appraised to similar properties that have been leased recently, applying appropriate units of comparison, and making adjustments to the leased price of the comparable properties based on the various elements of comparison.	Estimated price per perch Rs 200,000	Positively correlated
Right-of -use assets of Sun & Fun Resorts Limited		Estimated price per perch Rs 1,000,000	Positively correlated
Right-of -use assets of Serendib Hotels PLC		Estimated price per perch Rs 2,500,000	Positively correlated
Right-of -use assets of Hotel Sigiriya PLC		Estimated price per perch Rs 250,000 - 400,000	Positively correlated
Right-of -use assets of Frontier Capital Lanka (Pvt) Limited		Estimated price per perch Rs 543,382	Positively correlated

14 INTANGIBLE ASSETS

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Goodwill on acquisition	14.1	42,551,948	42,551,948	-	-
Other intangible assets	14.2	43,672,359	29,029,685	25,964,752	25,377,090
		86,224,307	71,581,633	25,964,752	25,377,090

14.1 Goodwill on acquisition

As at 31 March	Note	Group	
		2025 Rs.	2024 Rs.
Balance as at 01 April	14.1.1	241,123,532	241,123,532
Additions		-	-
		241,123,532	241,123,532
Allowance for impairment			
Balance as at 01 April	14.1.2	(198,571,584)	(198,571,584)
Balance as at 31 March		(198,571,584)	(198,571,584)
Balance as at 31 March		42,551,948	42,551,948

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

14 INTANGIBLE ASSETS (CONTD.)**14.1 Goodwill on acquisition (Contd.)****14.1.1 Goodwill is attributable to the acquisitions of following subsidiaries**

As at 31 March	Group	
	2025 Rs.	2024 Rs.
Dickwella Resorts [Pvt] Limited	67,685,314	67,685,314
Green Paradise [Pvt] Limited	9,057,978	9,057,978
Sun & Fun Resorts Limited	130,886,270	130,886,270
Bodufaru Beach Resorts [Pvt] Limited	33,493,970	33,493,970
	241,123,532	241,123,532

14.1.2 Allowance for impairment

Balance as at 01 April	(198,571,584)	(198,571,584)
Provisions made during the year	-	-
Balance as at 31 March	(198,571,584)	(198,571,584)

The recoverable amounts of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the management covering five year periods. The key assumptions used are given below;

Business growth rate – Based on the long term average growth rate of each cash generating unit and the industry. [2% -10%]

Inflation rate – Based on current inflation rate.

Discount rate – Risk free rate adjusted by the addition of an appropriate risk premium. [2024/25 - 10.47% & 2023/24 - 15.52%]

Margin – Based on past performance and budgeted expectations.

14.2 Other Intangible Assets

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Computer Software				
Cost				
Balance as at 01 April	47,696,608	39,669,037	32,405,968	26,178,397
Additions	20,194,601	8,027,572	5,550,375	6,227,571
Transfers	7,442,288	-	-	-
Disposal	(5,585,261)	-	(5,585,261)	-
Balance as at 31 March	69,748,236	47,696,609	32,371,082	32,405,968
Accumulated amortisation				
Balance as at 01 April	18,666,924	13,160,119	7,028,878	4,042,363
Charge for the year	8,097,553	5,506,805	4,962,713	2,986,514
Amortization on Transfers	4,896,662	-	-	-
Amortization on disposal	(5,585,261)	-	(5,585,261)	-
Balance as at 31 March	26,075,878	18,666,924	6,406,330	7,028,878
Carrying amount	43,672,358	29,029,685	25,964,752	25,377,090

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

15 INVESTMENTS IN SUBSIDIARIES - COMPANY

The Group's principal subsidiaries at 31 March 2025 are set out below. Unless otherwise stated, share capital consisting solely from ordinary shares that are held directly by the Group and the portion of ownership interests held equals the voting rights held by the Group.

15.1 Company

As at 31 March	Company			
	2025		2024	
	% Holding	Rs.	% Holding	Rs.
Dickwella Resorts (Pvt) Limited	100.00%	1,507,500,000	100.00%	1,507,500,000
Green Paradise (Pvt) Limited	100.00%	1,250,000,000	100.00%	1,250,000,000
Sun and Fun Resorts Limited	51.00%	331,158,844	51.00%	331,158,844
Bodufaru Beach Resort (Pvt) Limited	63.91%	2,052,202,630	63.91%	2,052,202,630
Browns Ari Resort (Pvt) Limited	50.00%	319,400,000	50.00%	319,400,000
Serendib Hotels PLC	55.76%	2,010,113,452	58.23%	2,010,113,452
Less : Provision for impairment		(481,158,844)		(481,158,844)
		6,989,216,082		6,989,216,082

	Note	Company	
		2025 Rs.	2024 Rs.
Balance as at 01 April	15.1.1	481,158,844	481,158,844
Provision made during the year		-	-
Balance as at 31 March		481,158,844	481,158,844

15.1.1 Provision for Impairment

	Company	
	2025 Rs.	2024 Rs.
Dickwella Resorts (Pvt) Limited	150,000,000	150,000,000
Sun and Fun Resorts Limited	331,158,444	331,158,844
	481,158,444	481,158,844

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

15 INVESTMENTS IN SUBSIDIARIES - COMPANY [CONTD.]**15.2 Group Holdings in Subsidiaries**

As at 31 March	Principal Activities	2025		2024	
		No of Shares	Control Holding	No of Shares	Control Holding
Dickwella Resorts [Pvt] Limited	Hotelier	481,314	100.00%	481,314	100.00%
Bodufaru Beach Resort [Pvt] Limited	Pre-operational	235,800	63.91%	235,800	63.91%
Green Paradise [Pvt] Limited	Hotelier	5,000,009	100.00%	5,000,009	100.00%
Sun & Fun Resorts Limited	Hotelier	57,233,463	51.00%	57,233,463	51.00%
Browns Ari Resort [Pvt] Limited	Hotelier	44,556	45.11%	20,000	50.00%
Browns Raa Resort [Pvt] Limited	Pre-operational	100	99.00%	100	99.00%
Browns Kaafu N Resort [Pvt] Limited	Pre-operational	100	99.00%	100	99.00%
Serendib Hotels PLC	Hotelier	446,103,176	58.23%	446,103,176	58.23%
Dolphin Hotels PLC	Hotelier	63,242,954	69.33%	63,242,954	69.33%
Hotel Sigiriya PLC	Hotelier	17,577,000	64.29%	17,577,000	64.29%
Serendib Leisure Management Limited	Management	6,050,000	100.00%	6,050,000	100.00%
Sanctuary Resorts Lanka [Pvt] Limited	Hotelier	2	100.00%	2	100.00%
Frontier Capital Lanka [Pvt] Limited	Hotelier	3,216,295	100.00%	3,216,295	100.00%

15.3 Acquisition of Dickwella Resort (Private) Limited

In November 2013, Eden Hotel Lanka PLC acquired 99.99% of the voting rights of DRS whose principal activity is operating as a hotelier. The acquisition has been accounted for using the acquisition method.

15.4 Investment in Bodufaru Beach Resort (Private) Limited

Bodufaru Beach Resort [Pvt] Limited is a limited liability company incorporated in the Republic of Maldives to develop a resort hotel. As a result of the investment made by Eden Hotel Lanka PLC and Dickwella Resorts [Pvt] Limited, Bodufaru Beach Resort [Pvt] Limited treated as a subsidiary of Eden Hotel Lanka PLC.

15.5 Acquisition of Green Paradise (Pvt) Limited and Sun and Fun Resorts Limited

In April 2018, Eden Hotel Lanka PLC, acquired 100% stake in Green Paradise [Pvt] Limited and 51% stake in Sun and Fun Resorts Limited both of whose principle activity is operating as hoteliers. The acquisition has been accounted for using the acquisition method.

15.6 Acquisition of Serendib Hotels PLC

In December 2020, Eden Hotel Lanka PLC acquired 55.76% stake in Serendib Hotels PLC whose principal activity is operating as a hotelier. The acquisition has been accounted for using acquisition method. As a result of this acquisition, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Serendib Leisure Management Limited, Sanctuary Resorts Lanka [Pvt] Limited and Frontier Capital Lanka [Pvt] Limited are consolidated under Eden Group.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

15 INVESTMENTS IN SUBSIDIARIES - COMPANY (CONTD.)

15.7 The following table summarises the information relating to each of the Group's subsidiaries that has material NCI

As at 31 March	Sun and Fun Resorts3 Limited	Bodufaru Beach Resort (Pvt) Limited	Browns Ari Resort (Pvt) Limited	Browns Raa Resort (Pvt) Limited	Browns Kaafu N Resort (Pvt) Limited	Serendib Hotels PLC	Dolphin Hotels PLC	Hotel Sigrinya PLC	Total
Effective Holding %	51.00%	63.91%	45.03%	63.27%	63.27%	58.23%	40.37%	37.44%	
NCI percentage	49.00%	36.09%	54.97%	36.73%	36.73%	41.77%	59.63%	62.56%	
	100%	100%	100%	100%	100%	100%	100%	100%	
Total Assets	2,478,584,745	23,387,447,086	24,768,077,788	3,069,356,555	996,968	4,170,203,546	5,974,190,266	1,628,673,091	65,477,530,045
Total Liabilities	3,278,803,448	8,521,346,276	19,854,744,197	2,922,456,784	2,518,030	1,333,543,269	1,540,360,056	485,866,607	37,939,638,646
Equity	[800,218,703]	14,866,100,810	4,913,333,591	146,899,791	[1,521,061]	2,836,660,277	4,433,830,210	1,142,806,484	27,537,891,399
Carrying amount of NCI	[392,107,153]	5,365,161,912	2,700,892,095	53,954,836	[558,671]	1,184,826,829	2,643,683,301	714,953,163	
Hotel Revenue	427,625,006	-	[2,112,283,965]	-	-	859,399,397	1,446,897,071	624,872,367	1,246,509,876
Profit/(Loss) after tax	[283,108,618]	[806,280,320]	[2,112,283,965]	[106,935,741]	[666,272]	204,179,288	167,433,383	48,492,660	[2,889,169,584]
Other comprehensive income	533,446,013	2,111,671,585	2,169,280,451	845,622,630	17,493	236,883,334	862,121,796	166,395,354	6,925,438,655
Total comprehensive income	250,337,395	1,305,391,265	56,996,486	738,686,889	[648,779]	441,062,622	1,029,555,179	214,888,014	4,036,269,071
Loss after tax allocated to NCI	[138,723,219]	[290,985,815]	[1,161,136,519]	[39,276,436]	[244,715]	85,282,365	99,832,609	30,337,578	[1,414,914,152]
Other comprehensive income allocated to NCI	261,388,539	762,100,305	1,192,467,866	310,588,800	6,425	98,942,313	514,042,462	104,098,888	3,243,635,598
Total comprehensive income allocated to NCI	122,665,320	471,114,490	31,331,347	271,312,364	[238,290]	184,224,678	613,875,071	134,436,466	1,828,721,446

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

16 TRADING ASSETS - FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Equity securities	16.1	5,113,340	3,703,760	5,113,340	3,703,760
		5,113,340	3,703,760	5,113,340	3,703,760

16.1 Details of the equity trading portfolio

As at 31 March	No. of Shares	Group 2025		No. of Shares	Group 2024	
		Cost Rs.	Fair Value Rs.		Cost Rs.	Fair Value Rs.
Vallibel Finance PLC	90,400	248,600	4,890,640	90,400	248,600	3,525,600
Raigam Wayamba Salterns PLC	26,200	65,500	222,700	26,200	65,500	178,160
		314,100	5,113,340		314,100	3,703,760

As at 31 March	No. of Shares	Company 2025		No. of Shares	Company 2024	
		Cost Rs.	Fair Value. Rs.		Cost Rs.	Fair Value Rs.
Vallibel Finance PLC	90,400	248,600	4,890,640	90,400	248,600	3,525,600
Raigam Wayamba Salterns PLC	26,200	65,500	222,700	26,200	65,500	178,160
		314,100	5,113,340		314,100	3,703,760

17 INVESTMENT SECURITIES

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Financial assets measured at fair value through other comprehensive income	17.1	128,406,152	130,518,260	184,962	248,137
Financial assets at amortised cost	17.2	32,598,192	45,834,383	32,598,192	45,834,383
		161,004,344	176,352,643	32,783,154	46,082,520

17.1 Designated FVOCI investment securities

As at 31 March	No. of Shares	Group 2025		No. of Shares	Group 2024	
		Cost Rs.	Fair Value. Rs.		Cost Rs.	Fair Value. Rs.
Rainforest Ecolodge (Pvt) Limited	1,247,001	12,470,010	6,183,735	1,247,001	12,470,010	8,295,843
Jada Resorts & Spa (Pvt) Limited	24,449,480	318,106,475	122,222,417	24,449,480	318,106,475	122,222,417
		330,576,485	128,406,152		330,576,485	130,518,260

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

17 INVESTMENT SECURITIES (CONTD.)**17.1 Designated FVOCI investment securities (contd.)**

As at 31 March	No. of Shares	Company 2025		No. of Shares	Company 2024	
		Cost Rs.	Fair Value. Rs.		Cost Rs.	Fair Value. Rs.
Rainforest Ecolodge (Pvt) Limited	37,000	370,000	184,962	37,000	370,000	248,137
		370,000	184,962		370,000	248,137

17.2 Financial assets at amortised cost

As at 31 March	No. of Shares	Group 2025		No. of Shares	Group 2024	
		Cost Rs.	Fair Value. Rs.		Cost Rs.	Fair Value. Rs.
Investments in debentures	100,000	17,960,000	32,598,192	100,000	17,960,000	45,834,383
	100,000	17,960,000	32,598,192	100,000	17,960,000	45,834,383

As at 31 March	No. of Shares	Company 2025		No. of Shares	Company 2024	
		Cost Rs.	Fair Value. Rs.		Cost Rs.	Fair Value. Rs.
Investments in debentures	100,000	17,960,000	32,598,192	100,000	17,960,000	45,834,383
	100,000	17,960,000	32,598,192	100,000	17,960,000	45,834,383

18 INVENTORIES

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Consumables, maintenance and spares	71,598,103	64,087,587	6,762,412	5,403,631
Food and beverages	178,734,924	179,087,941	18,257,530	14,697,512
Others	26,309,491	25,967,641	6,176,336	5,563,835
	276,642,518	269,143,169	31,196,279	25,664,978

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

19 LOANS DUE FROM RELATED PARTIES

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Gross balance as at 01 April	-	175,000,000	107,118,393	282,118,393
Repayments during the year	-	[175,000,000]	-	[175,000,000]
Gross balance as at 31 March	-	-	107,118,393	107,118,393
Loan interest receivable	-	-	200,424,290	182,367,484
Balance as at 31 March	-	-	307,542,683	289,485,877

LOAN DISCLOSURE

During the financial year 2012/13, Eden Hotel Lanka PLC granted two loans to its related companies, Dickwella Resorts (Pvt) Limited and Palm Garden Hotels PLC. These two loans were granted to those Companies in order to settle the liabilities. Loan granted to Palm Garden Hotels PLC was settled in 2023/24 financial year. The related details are as follows.

Company	Relationship	Interest Rate	Initial loan granted	Balance as at 31 March 2025
Dickwella Resorts (Pvt) Limited	Subsidiary	16.75%	107,118,393	107,118,393

20 TRADE AND OTHER RECEIVABLES

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade receivables	20.1	1,689,001,829	1,500,779,597	373,645,584	310,466,129
Amounts due from related parties	20.2	2,526,283,452	2,696,017,946	69,402,331	699,226,544
Other receivables		242,990,959	79,819,559	-	-
		4,458,276,241	4,276,617,102	443,047,915	1,009,692,673
Prepayments and other advances		332,618,639	265,861,598	65,873,709	5,284,677
		332,618,639	265,861,598	65,873,709	5,284,677
		4,790,894,880	4,542,478,700	508,921,624	1,014,977,350

20.1 Trade receivables

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade receivables		1,779,336,199	1,575,190,767	402,070,396	339,941,078
Less: Impairment for trade receivables	20.1.1	[90,334,370]	[74,411,170]	[28,424,812]	[29,474,949]
		1,689,001,829	1,500,779,597	373,645,584	310,466,129

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

20 TRADE AND OTHER RECEIVABLES (CONTD.)**20.1 Trade receivables (Contd.)****20.1.1 Movement of Impairment for trade receivables**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01st April	74,411,170	50,668,340	29,474,949	30,024,457
Provisions/[(Reversals)] made during the year	15,923,199	23,742,830	[1,050,138]	[549,508]
Balance as at 31st March	90,334,370	74,411,170	28,424,812	29,474,949

20.2 Amounts due from Restated Parties

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Palm Garden Hotels PLC	30,574,150	30,728,242	30,574,151	30,728,242
Tropical Villas (Pvt) Limited	82,920	5,880	82,920	5,880
Riverina Resorts (Pvt) Limited	134,212	134,212	134,212	134,212
Sun & Fun Resorts Limited	-	-	109,896	866,912
NPH Investments Limited	1,561,766,432	1,781,844,260	-	-
Browns Investments PLC	209,913,259	645,978,191	-	629,449,684
East Coast Land Holding (Pvt) Limited	3,483,685	483,685	-	-
Samudra Beach Resorts (Pvt) Limited	15,810,416	15,810,416	15,810,416	15,810,416
Dolphin Hotels PLC	-	-	235,055	16,014,023
Frontier Capital Lanka (Pvt) Limited	-	-	42,737	-
Serendib Hotels PLC	-	-	114,475	-
Hotel Sigiriya PLC	-	-	112,072	-
Millennium Development (Pvt) Limited	12,237,986	11,153,508	-	-
Browns Leisure (Pvt) Limited	5,609,113	17,830,366	-	-
Excel Restaurant (Pvt) Limited	28,576,934	17,739,569	6,360,646	6,217,175
Ishara Traders (pvt) Limited	250,000	125,000	-	-
Sansun Boutique Hotels Limited	587,466,068	174,184,616	-	-
B.Commoditize MEZ	15,825,752	-	15,825,752	-
Three Tips Eilla (Pvt) Limited	53,850,260	-	-	-
Taprobane Plantation (Pvt) Limited	702,265	-	-	-
	2,526,283,452	2,696,017,946	69,402,331	699,226,544

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

21 CURRENT TAX ASSETS

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Value added tax recoverable	689,222,882	1,496,898	-	-
Withholding tax recoverable	15,512,949	9,424,101	8,492,365	4,661,747
Income tax recoverable	1,496,898	8,647,189	-	-
Economic service charge recoverable	-	1,023,216	-	-
GST receivable	-	196,462,977	-	-
Other tax receivables	11,572	10,640	-	-
	706,244,301	217,065,021	8,492,365	4,661,747

22 CASH AND CASH EQUIVALENTS**22.1 Cash in hand and favourable bank balances**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Cash in hand	47,192,098	64,948,535	3,996,109	20,643,478
Cash at banks	1,689,365,490	1,930,709,607	146,331,282	196,479,172
Short term investments	354,778,389	841,551,396	-	-
	2,091,335,977	2,837,209,538	150,327,391	217,122,650

22.2 Unfavourable bank balances

Bank overdrafts	[91,082,140]	[160,785,258]	-	-
Net cash and cash equivalents	2,000,253,837	2,676,424,280	150,327,391	217,122,650

23 STATED CAPITAL

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Issued and fully paid	23.1	16,368,000,000	16,368,000,000	16,368,000,000	16,368,000,000
Ordinary shares		16,368,000,000	16,368,000,000	16,368,000,000	16,368,000,000

The holders of ordinary shares are entitled to receive a dividend as declared from time to time and are entitled to one vote per share at meeting of the Company. All shares ranked equally with regard to the Company's residual assets. Ordinary shares as a par share value of Rs 10.00

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

23 STATED CAPITAL (CONTD.)**23.1 Movement in stated capital**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1 April	16,368,000,000	5,808,000,000	16,368,000,000	5,808,000,000
Issue of shares	-	10,560,000,000	-	10,560,000,000
Balance as at 31 March	16,368,000,000	16,368,000,000	16,368,000,000	16,368,000,000

23.2 Movement in number of shares

As at 31 March	Group		Company	
	2025	2024	2025	2024
Balance as at 1 April	1,584,000,000	528,000,000	1,584,000,000	528,000,000
Issue of shares	-	1,056,000,000	-	1,056,000,000
Balance as at 31 March	1,584,000,000	1,584,000,000	1,584,000,000	1,584,000,000

24 CAPITAL RESERVE

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Revaluation reserve	24.1	15,809,171,847	10,212,627,899	3,935,019,728	3,063,904,463
Fair value reserve	24.2	37,962	1,030,296	[184,707]	[121,532]
Translation reserve	24.3	5,633,538,812	5,928,623,395	-	-
		21,442,748,622	16,142,281,590	3,934,835,021	3,063,782,931

24.1 Revaluation reserve

The revaluation reserve relates to the revaluation surplus of Property, Plant and Equipment and right of use assets. Once the respective revalued items are disposed, the relevant portion of revaluation surplus is transferred to retained earnings.

24.2 Fair value reserve

Fair value reserve represents the cumulative net changes in fair value through profit or loss and fair value through other comprehensive income investments until the investment are derecognised or impaired.

24.3 Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

25 ACCUMULATED LOSSES

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1 April	[15,721,508,781]	[11,420,386,780]	[9,036,788,915]	[7,002,186,994]
Net profit for the year	[1,404,771,726]	[4,299,202,207]	239,247,890	[2,034,289,731]
Actuarial gain on defined benefit obligations	[253,106]	[1,919,794]	[3,099,489]	[312,189]
Changes in ownership that do not resulted in change in control	185,193,372	-	-	-
Balance as at 31 March	[16,941,340,241]	[15,721,508,781]	[8,800,640,514]	[9,036,788,914]

26 LOANS AND BORROWINGS

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Lease obligations	26.1	11,418,870,994	11,511,825,166	-	-
Long-term borrowings	26.2	7,054,434,889	8,666,905,170	245,581,391	1,476,709,388
		18,473,305,883	20,178,730,336	245,581,391	1,476,709,388

26.1 Operating lease obligations

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	11,511,825,165	10,684,012,848	-	-
Adjustment on the lease term and consideration	[922,774,838]	715,055,789	-	-
Leases obtained during the year	24,865,963	-	-	-
Amortised interest	1,041,144,485	1,092,649,590	-	-
Lease rentals paid during the year	[53,046,009]	[45,469,704]	-	-
Effect of movement in exchange rate	[183,143,773]	[934,423,357]	-	-
Balance as at 31 March	11,418,870,994	11,511,825,166	-	-
Repayable within one year				
Gross lease rentals payable	1,391,805,357	1,303,398,020	-	-
Less: Unamortised finance cost	[1,052,548,099]	[1,088,400,821]	-	-
Net lease obligations	339,257,258	214,997,199	-	-
Repayable after one year before five years				
Gross lease rentals payable	5,538,716,311	7,169,067,129	-	-
Less: Unamortised finance cost	[4,074,620,043]	[3,785,069,815]	-	-
Net lease obligations	1,464,096,269	3,383,997,314	-	-

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

26 LOANS AND BORROWINGS [CONTD.]**26.1 Operating lease obligations [Contd.]**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Repayable after five years				
Gross lease rentals payable	29,264,926,145	28,504,578,632	-	-
Less: Unamortised finance cost	[19,649,408,678]	[20,591,747,979]	-	-
Net lease obligations	9,615,517,467	7,912,830,653	-	-

26.2 Long - term borrowings

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 01 April	7,675,114,291	8,787,615,115	1,476,709,388	1,563,939,325
Received during the year	1,899,929,220	1,696,386,133	-	501,891,578
Repaid during the year	[2,974,540,430]	[2,375,163,137]	[1,311,130,298]	[1,414,220,987]
Exchange translation difference	[22,167,422]	[433,723,821]	14,214,884	[123,921,126]
Gross borrowings as at 31 March	6,578,335,659	7,675,114,290	179,793,974	527,688,790
Loan interest payable	476,099,230	991,790,880	65,787,417	949,020,598
Balance as at 31 March	7,054,434,889	8,666,905,170	245,581,391	1,476,709,388
Long-term borrowings - current	5,267,963,220	5,752,151,070	245,581,391	1,476,709,388
Long-term borrowings - non-current	1,786,471,669	2,914,754,100	-	-
	7,054,434,889	8,666,905,170	245,581,391	1,476,709,388
Analysis of non-current portion of long-term borrowings				
Payable within 3 years	1,212,995,981	2,128,419,537	-	-
Payable after 3 years	573,475,688	786,334,563	-	-
	1,786,471,669	2,914,754,100	-	-

26.3 Analysis of loans and borrowings

Current	5,607,220,478	5,967,148,227	245,581,391	1,476,709,388
Non-current	12,866,085,405	14,211,582,277	-	-
	18,473,305,882	20,178,730,504	245,581,391	1,476,709,388

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

26 LOANS AND BORROWINGS (CONTD.)**26.4 Details of the Company's related party loans are as follows;**

Lender	Relationship	Interest Rate	Carrying Amount	
			2025	2024
Company				
B. Commodities ME [FZE]	Subsidiary of Ultimate parent	AWPLR + 10%	-	207,124,030
Browns Engineering & Construction [Pvt] Limited	Subsidiary of Ultimate Parent	AWPLR + 7.5%	245,581,390	949,020,598
LOLC Global [Pvt] Limited	Subsidiary of Ultimate parent		-	320,564,760
			245,581,390	1,476,709,388

Details of the Group's loans are as follows;

Lender	Relationship	Interest Rate	2025	2024
Sampath Bank PLC	Associate of Ultimate Parent	AWPLR + 2%	-	59,905,405
Browns Investments PLC	Intermediate parent	AWPLR+7.5%	1,201,268,800	55,147,303
Peoples Bank	Not Applicable	9%	1,387,369,497	2,297,215,619
LOLC Holdings PLC	Ultimate Parent	11%	443,472,771	523,154,057
B Commodities ME[FZE]	Subsidiary of Ultimate Parent	10%	540,387,267	574,281,939
HSBC Sri Lanka	Not applicable	GBP LIBOR +2.4 %	-	291,855,381
HSBC Sri Lanka	Not applicable	EURO LIBOR +2.6 %	-	281,821,565
National Development Bank PLC	Not applicable	12%	25,800,982	-
LOLC Global [Pvt] Limited	Not applicable	AWPLR + 6.5%	1,895,663,610	1,641,548,359
Bank of Maldives	Not applicable	AWPLR+ 10%	1,314,890,571	1,465,266,154
			6,808,853,498	7,190,195,782
			7,054,434,888	8,666,905,170

27 DEFINED BENEFIT OBLIGATIONS**27.1 Movement in the present value of the defined benefit obligations**

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1 April		100,862,392	91,963,008	20,149,938	18,300,540
Benefits paid during the year		(14,795,659)	(17,090,234)	(7,691,005)	(2,834,360)
Expenditure recognised in the profit or loss	27.2	22,477,708	21,169,288	4,391,817	4,237,774
Actuarial Gains/(losses) recognised in other comprehensive income		(4,428,808)	6,707,320	4,427,842	445,984
Transfers during the year		-	(1,886,990)	-	-

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 31 March		104,115,633	100,862,392	21,278,592	20,149,938

27 DEFINED BENEFIT OBLIGATIONS (CONTD.)**27.2 Expense recognised in profit or loss**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current service costs	9,365,598	8,331,146	1,772,325	1,675,698
Interest costs	13,112,110	12,838,142	2,619,492	2,562,076
	22,477,708	21,169,288	4,391,817	4,237,774

ACTUARIAL ASSUMPTIONS

Gratuity liability is based on the actuarial valuation carried out by Messrs Actuarial and Management Consultants [Pvt] Limited, as at 31 March 2025. The projected unit credit method has been used for the valuation. The principal assumptions used are as follows.

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Discount rate	12%	13%	12%	13%
Future salary increases	10%	11%	10%	11%
Staff turnover factor	20%	20%	20%	20%
Retirement age	60 Years	60 Years	60 Year	60 Years

It is also assumed that the company will continue in business as a going concern.

27.3 Sensitivity of the actuarial assumptions

Sensitivity analysis on discounting rate and salary increment rate to statement of financial position and statement of profit or loss and other comprehensive income.

	Rate change	Financial Position - Liability	Statement of profit or loss and OCI - Charge for the period	Financial Position - Liability	Statement of profit or loss and OCI - Charge for the period
Discount rate	+1	(3,901,706)	3,901,706	(797,233)	797,233
	-1	4,200,909	(4,200,909)	859,236	(859,236)
Future salary increases	+1	4,694,941	(4,694,941)	961,927	(961,927)
	-1	(4,427,767)	4,427,767	(906,422)	906,422

DEMOGRAPHIC ASSUMPTIONS

In addition to the above, demographic assumption such as mortality, withdrawal and disability and retirement age were considered for the actuarial valuation. "A67/07 mortality table" by the Institute of Actuaries, London was used to estimate the gratuity liability of the Company/Group.

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

27 DEFINED BENEFIT OBLIGATIONS (CONTD.)**27.4 Maturity analysis of the payments**

The following payments are expected on employee benefit Obligations in future years

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Within the next 12 months	18,509,629	20,062,683	3,995,952	4,511,285
Between 1 and 2 years	26,882,203	26,068,140	5,509,649	5,214,408
Between 2 and 5 years	32,670,284	27,133,772	5,939,221	5,556,356
Between 5 and 10 years	20,324,990	22,109,915	4,626,797	3,660,133
Beyond 10 years	5,728,527	5,487,882	1,206,972	1,207,756
Total expected payments	104,115,633	100,862,392	21,278,591	20,149,938

The Group's weighted average duration of defined benefit obligation is 4.3 years (2023/24 - 4.2 years)

The Defined Benefit Obligations entitles a retired employee to receive a payment equal to half of the last drawn monthly salary multiplied by the number of completed years of service. However, as per the Statute, the company is liable to pay gratuity only upon the completion of continuous 5 Years of service.

28 DEFERRED TAX ASSETS AND LIABILITIES**28.1 Recognised deferred tax liabilities**

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Deferred tax liabilities are attributable to the origination of following temporary differences:				
Property, plant and equipment	4,126,817,574	5,562,553,678	1,204,364,114	2,609,063,814
Lease assets	75,123,615	-	-	-
Revaluation of properties	42,319,025,177	29,524,281,176	4,726,557,383	2,102,974,792
Unutilised tax losses	[14,356,038,163]	[9,670,206,610]	[5,957,012,982]	[4,163,025,446]
Defined Benefit obligations	[104,887,914]	[100,862,390]	[21,278,591]	[20,149,938]
General Provisions	[47,141,557]	[31,779,347]	-	-
Unrealised Loss on Exchange	2,077	2,077	2,077	2,077
Investment Properties	47,368,000	[113,489,153]	47,368,000	42,368,000
Net taxable temporary difference	32,060,268,808	25,170,499,431	-	571,233,299
Total recognised deferred tax liabilities	6,709,580,608	5,292,426,976	-	171,369,988

28.2 Movement in Recognised Deferred Tax Liabilities

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Balance as at 1 April		5,292,426,976	5,396,288,947	171,369,988	168,906,196
Recognised in statement of profit of loss	28.3	[1,180,663,463]	94,293,439	[543,376,750]	2,577,464
Recognised in other comprehensive income		2,632,673,541	[1,992,073]	372,006,761	[113,672]
Exchange translation difference		[34,856,446]	[196,163,337]	-	-
Balance as at 31 March		6,709,580,608	5,292,426,976	-	171,369,988

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

28 DEFERRED TAX ASSETS AND LIABILITIES (CONTD.)**28.3 Deferred tax expense**

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Deferred tax liabilities				
Reversal of temporary differences during the year	(1,180,663,463)	94,293,439	(543,376,750)	2,577,464
	(1,180,663,463)	94,293,439	(543,376,750)	2,577,464

28.4 Deferred Tax Expense

Deferred tax has been computed at 30% (which is applicable for Companies engaged in the promotion of tourism) for the Company and Group, as per the provisions of the Inland Revenue Act No 24 of 2017, which is effective from 01 April 2018.

29 TRADE AND OTHER PAYABLES

As at 31 March	Note	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Trade payables		1,054,796,385	1,291,345,492	95,824,737	137,573,927
Advance received		328,106,087	19,034,182	12,143,857	19,034,182
Amounts due to related parties	29.1	15,844,452,001	13,088,230,768	3,170,700,613	2,219,445,192
Other payables		435,739,824	340,050,652	1,480,074	7,534,291
		17,663,094,297	14,738,661,093	3,280,149,282	2,383,587,592
Accrued expenses and other payable		516,138,988	485,336,484	74,671,511	76,975,459
		516,138,988	485,336,484	74,671,511	76,975,459
		18,179,233,285	15,223,997,577	3,354,820,792	2,460,563,051

29.1 Amounts due to related parties

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
LOLC Holdings PLC	5,285,365,970	4,386,201,372	839,093,481	164,652,738
Browns Hotels and Resorts Limited	613,601,754	571,256,827	16,838,242	118,051,315
Browns Investment PLC	3,618,399,586	3,241,605,967	2,238,192,787	1,900,575,155
Lanka ORIX Information Technology Services Limited	13,174,021	22,520,527	4,793,353	3,229,268
LOLC Finance PLC	4,196	5,636,150	4,195	162,585
Palm Garden Hotels PLC	6,305	6,618	-	-
LOLC Corporate Services [Pvt] Limited	436,000	1,764,000	-	840,000
Brown & Company PLC	-	23,725,746	-	-
LOLC Motors Limited	369,469	253,007	253,007	253,007
Browns Engineering and Construction [Pvt] Limited	6,238,945,868	4,835,260,556	-	-
Green Paradise [Pvt] Limited	-	-	2,726,492	2,151,855
Dolphin Hotels PLC	-	-	2,746,512	-
Serendib Leisure Management Limited	-	-	65,953,220	29,520,762
Serendib Hotels PLC	-	-	18,089	8,508
Millennium Development [Pvt] Limited	44,516	-	-	-
B.Commoditize MEZ	81,235	-	81,235	-
Sansun Boutique Hotels Limited	66,200,000	-	-	-
Browns Leisure [Pvt] Limited	7,823,082	-	-	-
	15,844,452,001	13,088,230,768	3,170,700,613	2,219,445,192

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

30 CURRENT TAX PAYABLES

As at 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Income tax payable	96,438,271	62,937,272	-	-
Value Added Tax payable	588,975,802	309,759,910	65,845,930	87,037,166
Nation Building Tax payable	2,349,581	7,728,378	-	-
WHT payables	586,216		586,216	
Other taxes payable	433,194,434	158,367,718	34,765,860	18,991,732
	1,121,544,304	538,793,278	101,198,006	106,028,898

31 COMMITMENTS AND CONTINGENCIES

There are no material capital commitments and contingent liabilities that require adjustment to or disclosure in the financial statements.

32 EVENTS OCCURRING AFTER THE REPORTING DATE

There has been no material events occurring after the reporting date that require adjustment to or disclosure in these Financial Statements.

33 RELATED PARTY DISCLOSURES**33.1 Transactions with key management personnel**

The Group and Company carries out transactions in the ordinary course of business with the parties who are defined as related parties in Sri Lanka Accounting Standard – LKAS 24 (Related Party Disclosures), the details of which are reported below.

Terms and conditions of transactions with related parties

The Group and Company carried out transactions in the ordinary course of business with the following related entities. The list of Directors at each of the subsidiary companies have been disclosed in the Note 33.3.

Transactions with related parties are carried out in the ordinary course of the business. These transactions carried at arm's length basis. Outstanding current account balances at year end are unsecured and settlement occurs in cash.

Recurrent and non-recurrent related party transactions

Recurrent and non-recurrent related party transactions which aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Security Exchange Commission Act have been disclosed in the Note 31.4.

All the transactions which are disclosed under note 33.2 with Related Parties which are recurrent, and which is necessary for day-to-day operations of the company and subsidiaries, in the opinion of the Related Party Transactions Review Committee, terms for all these transactions are not favourable to the Related Party than those generally available to the public.

Except the above, there were no any recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial statements, which required additional disclosures in the 2023/24 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Security Exchange Commission Directive issued under Section 13 (c) of the Security Exchange Commission Act.

Transactions with Key Management Personnel (KMP)

According to Sri Lanka Accounting Standard LKAS 24 – 'Related Party Disclosures', Key Management Personnel (KMP) 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. Accordingly, the Board of Directors, Director/Chief Executive Officer, Key Employees of the Company holding directorships in subsidiary companies have been classified as Key Management Personnel (KMP) of the Group.

Close family members are defined as spouse or dependent. Dependent is defined as anyone who depends on the respective Director for more than 50% of his/her financial needs. Close family members of the KMP are those family members who may be expected to influence or be influenced by that KMP in their dealings with the entity. They may include KMP's domestic partner, children of the KMP's domestic partner and dependants of the KMP.

Key management personnel compensation

There are no short term employment benefits, long-term employment benefits, post -employment benefits or termination benefits paid to the Key Management Personnel during the year.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

33. RELATED PARTY DISCLOSURES (CONTD.)
33.2 Transactions with Related Parties

The Company carries out transactions in the ordinary course of its business with parties who are defined as related parties in Sri Lanka Accounting Standard 24 "Related Party Disclosures". The Pricing applicable to such transactions are based on the assessment of the risk and pricing model of the Company and is comparable with what is applied to transactions between the Company and its unrelated Customers.

As at 31 March	Company	Relationship	Nature of Transactions	Group		Company		Group		Company	
				2025	2024	2025	2024	2025	2024	2025	2024
				Rs.	Rs.	Rs.	Rs.	%	%	%	%
			Fund transfers in	1,344,400,000	644,912,595	1,265,000,000	283,712,595				
			Fund transfers out	1,422,914,873	4,402,151,961	769,000,000	3,595,172,549				
			Expenses shared	84,636,983	101,616,886	13,597,365	9,145,412	41%	100%	100%	>100%
			Interest on current accounts	893,042,488	1,750,028,389	164,843,379	577,543,422				
			Expenses shared	187,848,034	40,783,605	19,775,977	8,410,015				
			Interest on current accounts	84,256,678	173,725,408	7,663,777	78,534,564				
			Fund transfers out	234,259,785	336,499,925	133,152,827	321,112,307	6%	8%	12%	36%
			Management fees	-	15,317,797	-	3,089,437				
			Fund transfers in	4,500,000	5,805,224	4,500,000					
			Fund transfers out	23,725,746	2,117,086	-	-	0%	0%	0%	0%
			Expenses shared	20,360,900	23,799,740	-	-				
			Fund transfers in	629,449,684	100,000	629,449,684					
			Fund transfers out	293,720,731	6,418,743,193	-	5,149,878,390	15%	117%	73%	6%
			Interest on current accounts	456,768,699	1,687,822,081	337,617,632	1,376,109,841				
			Interest income received	-	3,043,132	-	-				
			Fund transfers out	24,366,462	5,376,059	180,312	196,873	0%	0%	0%	0%
			Expenses shared	18,734,508	13,442,313	21,923	162,585				
			Expenses shared	20,360,900	23,799,740	-	-				
			Fund transfers in	629,449,684	100,000	629,449,684					
			Fund transfers out	293,720,731	6,418,743,193	-	5,149,878,390				
			Interest on current accounts	456,768,699	1,687,822,081	337,617,632	1,376,109,841				
			Interest income received	-	3,043,132	-	-				

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

As at 31 March	Company	Relationship	Nature of Transactions	Group		Company		Group		Company	
				2025	2024	2025	2024	2025	2024	2025	2024
				Rs.	Rs.	Rs.	Rs.	% of Net Revenue	% of Net Revenue	% of Net Revenue	% of Net Revenue
			Interest income on loans	-	16,693,312	-	16,623,801				
	Palm Garden Hotels PLC	Immediate Parent	Expenses shared	287,887	220,484	154,091	61,849	0%	0%	3%	3%
			Fund transfers out	134,108	13,018,174	-	12,744,032				
			Fund transfers in	-	375,261,182	-	349,771,734				
	Riverina Resorts (Pvt) Limited	Subsidiary of immediate parent	Fund transfer out	-	96,000	-	96,000	0%	0%	0%	0%
	Tropical Villas (Pvt) Limited	Subsidiary of Intermediate Parent	Fund transfers out	-	161,160	-	161,160				
			Expenses shared	77,040	81,480	77,040	81,480	0%	0%	0%	0%
	Sun and Fun Resorts Limited	Subsidiary	Expenses shared	-	-	321,695	-	0%	0%	0%	0%
			Fund transfers in	-	-	1,078,711	-				
	LOLC Technologies Limited	Subsidiary of Ultimate Parent	Fund transfers out	23,662,129	1,184,297	-	-				
			Expenses shared	14,315,623	6,985,770	1,564,085	847,750	0%	0%	0%	0%
	LOLC Corporate Services (Pvt) Limited	Subsidiary of Ultimate Parent	Fund transfers out	6,616,000	4,332,000	2,240,000	1,820,000				
			Expenses shared	5,288,000	3,920,000	1,400,000	1,680,000	0%	0%	0%	0%
	LOLC Motors (Pvt) Limited	Subsidiary of Ultimate Parent	Expenses shared	116,462	112,878	-	112,878	0%	0%	0%	0%
	NPH Investments Limited	Subsidiary of immediate parent	Interest Income	13,392,075	-	-	-				
			Fund transfers in	36,926,612	27,241,431	-	-	4%	0%	0%	0%
			Fund transfers out	270,396,516	-	-	-				

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

As at 31 March	Company	Relationship	Nature of Transactions	Group		Company		Group		Company	
				2025	2024	2025	2024	2025	2024	2025	2024
				Rs.	Rs.	Rs.	Rs.	% of Net Revenue	% of Net Revenue	% of Net Revenue	% of Net Revenue
	East Coast Land Holdings (Pvt) Limited	Subsidiary of Ultimate Parent	Fund transfer out	3,000,000	-	-	-	0%	0%	0%	0%
	Browns Engineering (Pvt) Limited	Subsidiary of Intermediate Parent	Interest on loan	872,869,753	1,131,236,062	-	-	16%	34%	0%	0%
			Supply of services	530,815,559	1,268,670,804	-	-				
	Excel Restaurant (Pvt) Limited	Subsidiary of Intermediate Parent	Expenses shared	5,837,365	150,610	143,471	150,610	0%	0%	0%	0%
			Fund transfer out	5,000,000	11,509,361	-	-				
	Green Paradise (Pvt) Limited	Subsidiary	Fund transfers in	-	-	-	907,618	0%	0%	0%	0%
			Expenses shared	-	-	574,636	453,809				
	Serendib Hotels PLC	Subsidiary	Expenses shared	-	-	219,193	80,916	0%	0%	0%	5%
			Fund transfers in	-	-	114,299	7,473,849				
			Fund transfers out	-	-	-	1,992,762				
	Dolphin Hotels PLC	Subsidiary	Fund transfers in	-	-	15,000,000	-	0%	-	2%	3%
			Fund transfers out	-	-	2,083,228	33,176,004				
			Interest Expenses on Loan	-	-	596,729	1,087,623				
			Expenses shared	-	-	6,205,437	740,470				
	Hotel Sigrinya PLC	Subsidiary	Expenses shared from	-	-	112,072	8,508	0%	0%	0%	0%
	Serendib Leisure Management Limited	Subsidiary	Fund transfers out	-	-	67,861,809	19,475,845	0%	0%	13%	5%
			Expenses shared	-	-	104,294,267	40,649,193				

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

As at 31 March	Company	Relationship	Nature of Transactions	Group		Company		Group		Company	
				2025	2024	2025	2024	2025	2024	2025	2024
	Millennium Development (Pvt) Limited	Subsidiary of Intermediate Parent	Expenses shared	1,442,227	-	-	-	0%	0%	0%	0%
			Fund transfers out	402,265	11,036,448	-	-				
	Browns Leisure (Pvt) Limited	Subsidiary of Ultimate Parent	Expenses shared	126,742,001	8,481,869	-	-			4%	0%
			Fund transfers in	166,396,465	-	-	-				
			Fund transfer out	53,942,985	-	-	-				
	Sunsun Boutique Hotels Limited	Subsidiary of Intermediate Parent	Fund transfer out	126,742,001	174,184,616	-	-			4%	3%
			Expenses shared	166,396,465	-	-	-				
			Interest on C/A	53,942,985	-	-	-				
	Ishara Traders (Pvt) Limited	Subsidiary of Ultimate Parent	Fund transfer out	125,000	125,000	-	-	0%	0%	0%	0%
	B.Commoditize MEZ	Subsidiary of Ultimate Parent	Expenses shared	81,235	-	81,235	-	0%	0%	1%	0%
			Interest Income	15,825,752	-	15,825,752	-	-	-	-	-
	Three Tips Ella (Pvt) Limited	Subsidiary of Intermediate Parent	Expenses shared	53,850,260	-	-	-	1%	0%	0%	0%
	Taprobane Plantation (Pvt) Limited	Related Entity of Ultimate Parent	Expenses shared	702,265	-	-	-	0%	0%	0%	0%

Closing balances of above related parties has been disclosed in Note 21.2 and Note 30.1.

Fund Transfers in, represent cash inflows to the company and Fund Transfers out, represent cash outflows from the company. Interest expense represent interest charge on intercompany lending and borrowings. Expenses shared represent common expenses incurred on behalf of the company. Management fee represent the fees charged by Browns Hotels & Resorts Ltd as the management company of leisure sector. All these transaction are arms length transactions.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

33 RELATED PARTY DISCLOSURES (CONTD...)

33.3 Group Companies/Directors

Company Name/Relationship	Directors
LOLC Holdings PLC (Ultimate Parent)	I C Nanayakkara, W D K Jayawardena, Mrs. K U Amarasinghe, M D D Pieris [Retired w.e.f. 12.03.2025], R A Fernando [Resigned w.e.f. 31.03.2025], F K C P N Dias, K Sundararaj [a.w.e.f. 01.01.2025], K Sivanesan [a.w.e.f. 12.03.2025], G S Kalidasa [a.w.e.f. 16.06.2025]
Brown & Company PLC (Intermediate Parent)	I C Nanayakkara, H P J De Silva [Retired w.e.f. 01.01.2025], W D K Jayawardena, Mrs. K U Amarasinghe, T Bandaranayake [Retired w.e.f. 01.01.2025], D Abeyrathne, T Sanakan, K Sundararaj [a.w.e.f. 01.01.2025], C Wijesinha [a.w.e.f. 01.01.2025]
Browns Investment PLC (Intermediate Parent)	I C Nanayakkara, D S K Amarasekera, S Furkhan [Retired w.e.f. 01.01.2025], Mrs. K U Amarasinghe, W D K Jayawardena, Dr. J M Swaminathan [Retired w.e.f. 01.01.2025], K Sivanesan [a.w.e.f. 01.01.2025], C Wijesinha [a.w.e.f. 01.01.2025]
Browns Hotels and Resorts Limited (Intermediate Parent)	Mrs. V G S S Kotakadeniya [r.w.e.f. 11.06.2025], J B W Kelegama, D S K Amarasekera
Palm Garden Hotels PLC (Immediate Parent)	W D K Jayawardena, Mrs. K U Amarasinghe, D S K Amarasekera, , Dr. J M Swaminathan, R L E C Wijeratne [a.w.e.f. 14.06.2024], T Dharmarajah [a.w.e.f. 01.10.2024], J Selvaratnam [a.w.e.f. 01.01.2025]
Dickwella Resorts (Pvt) Limited (Subsidiary)	J B W Kelegama, P D G Jayasena
Tropical Villas (Pvt) Limited (Subsidiary of intermediate parent)	D S K Amarasekera, J B W Kelegama, P D G Jayasena
Riverina Resorts (Pvt) Limited (Subsidiary of immediate parent)	Mrs. K U Amarasinghe [r.w.e.f. 20.03.2024], D S K Amarasekera, R L E C Wijeratne [a.w.e.f. 20.03.2024]
Green Paradise (Pvt) Limited (Subsidiary)	D S K Amarasekera, Mrs. K U Amarasinghe, R L E C Wijerathna, P D G Jayasena
Sun & Fun Resorts Limited (Subsidiary)	V K Vemuru, D S K Amarasekera, T Selviah, R L E C Wijerathna, P D G Jayasena
Bodufaru Beach Resort (Pvt) Limited (Subsidiary)	D S K Amarasekera, K A K P Gunawardena, M Niham
Browns Ari Resort (Pvt) Limited (Subsidiary)	D S K Amarasekera, M Niham, S Mohamed, P Uluwaduge
Browns Raa Resort (Pvt) Limited (Subsidiary)	D S K Amarasekera, M Niham, P Uluwaduge
Browns Kaafu N Resort (Pvt) Limited (Subsidiary)	D S K Amarasekera, O A Razzak
Serendib Hotels PLC (Subsidiary)	E J D Rajakariar, W A T M Wijesinghe, S A Chojnacki, W D K Jayawardena, Mrs. K U Amarasinghe, D S K Amarasekera, , Dr. J M Swaminathan, T Dharmarajah [a.w.e.f. 01.10.2024]
Dolphin Hotels PLC (Subsidiary)	W D K Jayawardena, D S K Amarasekera, , Dr. J M Swaminathan, S Furkhan, R L E C Wijeratne, T Dharmarajah [a.w.e.f. 01.10.2024]
Hotel Sigiriya PLC (Subsidiary)	W D K Jayawardena, Mrs. K U Amarasinghe, D S K Amarasekera, , Dr. J M Swaminathan, S Furkhan, T Dharmarajah [a.w.e.f. 01.10.2024]
Frontier Capital Lanka (Pvt) Limited (Subsidiary)	D S K Amarasekera, , Dr. J M Swaminathan
Serendib Leisure Management (Pvt) Limited (Subsidiary)	Mrs. K U Amarasinghe, D S K Amarasekera, , Dr. J M Swaminathan, E J D Rajakarriar,
Sanctuary Lanka Resorts (Pvt) Limited (Subsidiary)	D S K Amarasekera, , Dr. J M Swaminathan

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Year ended 31 March 2025

33 RELATED PARTY DISCLOSURES (CONTD.)**33.4 Related party transactions exceeding 10% of the equity or 5% of the total assets of the entity as per audited financial statements, whichever is lower.**

There are no related party transactions those require specified disclosure in accordance with the continuing listing requirements of Colombo Stock Exchange.

34 VALUATION OF FINANCIAL INSTRUMENTS**34.1 Fair Value Hierarchy**

Group As at 31 March 2025	Note	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other financial assets					
Trading assets - fair value through profit or loss	16	5,113,340	-	-	5,113,340
Investment securities	17	-	-	161,004,344	161,004,344
		5,113,340	-	161,004,344	166,117,684

Group As at 31 March 2024	Note	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other financial assets					
Trading assets - fair value through profit or loss	16	3,703,760	-	-	3,703,760
Investment securities	17	-	-	176,352,643	176,352,643
		3,703,760	-	176,352,643	180,056,403

Company As at 31 March 2025		Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other financial assets					
Trading assets - fair value through profit or loss		5,113,340	-	-	5,113,340
Investment securities		-	-	32,783,154	32,783,154
		5,113,340	-	32,783,154	37,896,494

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

34 VALUATION OF FINANCIAL INSTRUMENTS (CONTD.)**34.1 Fair Value Hierarchy (Contd.)**

Company As at 31 March 2025	Note	Level 1 Rs.	Level 2 Rs.	Level 3 Rs.	Total Rs.
Other financial assets					
Trading assets - fair value through profit or loss	19.1.1	3,703,760	-	-	3,703,760
Investment securities	19.1.2	-	-	46,082,520	46,082,520
		3,703,760	-	46,082,520	49,786,280

34.2 Financial instruments not measured at fair value

As at 31 March		GROUP		COMPANY	
		2025 Carrying Amount	2024 Carrying Amount	2025 Carrying Amount	2024 Carrying Amount
Financial assets					
Trade receivables	20.1	1,689,001,829	1,500,779,597	373,645,584	310,466,129
Amounts due from related parties	20.2	2,526,283,452	2,696,017,946	69,402,331	699,226,544
Financial assets - amortise cost	17	32,598,192	45,834,383	32,598,192	45,834,383
Cash and cash equivalents	22.1	2,091,335,977	2,837,209,537	150,327,391	217,122,650
		6,339,219,451	7,079,841,463	625,973,498	1,272,649,707
Financial liabilities					
Trade Payables	29	1,054,796,385	1,291,345,492	95,824,737	137,573,927
Amounts due to related parties	29.1	15,844,452,001	13,088,230,768	3,170,700,613	2,219,445,192
Interest bearing borrowings	26	18,473,305,882	20,178,730,504	245,581,391	1,476,709,388
Bank overdrafts	22.1	91,082,140	160,785,258	-	-
		35,463,636,409	34,719,092,021	3,512,106,741	3,833,728,507

The carrying amount of trade receivable, amount due from related parties, equity securities - unquoted, cash and cash equivalents, trade payables, amounts due to related parties, interest bearing borrowings and bank overdrafts are an approximation of fair value.

There are various limitations inherent in this fair value disclosure particularly where prices may not represent the underlying value due to dislocation in the market. Not all the Group's financial instruments can be exchanged in an active market. The Group obtains the fair values for investment securities from quoted market prices where available. Where securities are unlisted and quoted prices are not available, the Group obtains the fair values using other valuation techniques that are commonly used by market participants.

The following table shows the valuation techniques used by the Group in measuring Level 3 fair value together with significant observable and unobservable inputs.

Asset	Valuation techniques	Significant observable and unobservable inputs	Sensitivity of the fair value to the inputs
Financial assets measured at fair value through OCI	Adjusted net asset basis	Carrying value of the assets and the liabilities adjusted for market participant assumptions	Variability of inputs are significant to have an impact on fair value

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

35 MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**35.1 Maturity analysis of financial assets-Group**

As at 31 March 2025	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Cash and cash equivalents	22.1	2,091,335,977	2,091,335,977	2,091,335,977	-	-	-	-
Other financial assets								
Trading assets - fair value through profit or loss	16	5,113,340	5,113,340	-	-	-	5,113,340	-
Investment securities	17	161,004,344	161,004,344	-	-	-	161,004,344	-
Trade and other receivable								
Financial assets	20	4,458,276,241	4,458,276,241	573,875,185	588,376,958	2,996,566,082	299,458,016	-
		6,715,729,903	6,715,729,903	2,665,211,162	588,376,958	2,996,566,082	465,575,700	-

As at 31 March 2024	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Cash and cash equivalents	22.1	2,837,209,537	2,837,209,537	2,837,209,537	-	-	-	-
Other financial assets								
Trading assets - fair value through profit or loss	16	3,703,760	3,703,760	-	-	-	3,703,760	-
Investment securities	17	176,352,643	176,352,643	-	-	-	176,352,643	-
Trade and other receivable								
Financial assets	20	4,276,617,101	4,276,617,101	215,745,889	879,819,558	3,121,170,383	59,881,271	-
		7,293,883,042	7,293,883,042	3,052,955,426	879,819,558	3,121,170,383	239,937,674	-

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

35 MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)**35.2 Maturity Analysis of Financial Liabilities-Group**

As at 31 March 2025	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Bank overdrafts	22.2	91,082,140	91,082,140	91,082,140	-	-	-	-
Loans and borrowings								
Lease liabilities	26.1	11,418,870,994	11,418,870,994	-	-	339,257,258	1,464,096,269	9,615,517,467
Borrowings	26.2	7,054,434,889	7,054,434,889	-	-	5,267,963,220	1,786,471,669	-
Financial liabilities	29	17,663,094,297	17,663,094,297	-	287,452,589	1,095,449,884	16,280,191,825	-
		36,227,482,321	36,227,482,321	91,082,140	287,452,589	6,702,670,361	19,530,759,762	9,615,517,467

As at 31 March 2024	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Bank overdrafts	22.2	160,785,258	160,785,258	160,785,258	-	-	-	-
Loans and borrowings								
Lease liabilities	26.1	11,511,825,165	11,511,825,375	-	-	1,303,398,020	7,169,067,129	3,039,360,226
Borrowings	26.2	8,666,905,170	8,666,905,129	-	-	5,752,151,029	2,914,754,100	-
Financial liabilities	29	14,738,661,094	14,738,661,094	-	287,452,589	1,022,927,085	13,428,281,420	-
		35,078,176,688	35,078,176,856	160,785,258	287,452,589	8,078,476,134	25,754,510,531	3,039,360,226

35.3 Maturity Analysis of Financial Asset - Company

As at 31 March 2025	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Cash and cash equivalents	22.1	150,327,391	150,327,391	150,327,391	-	-	-	-
Other financial assets								
Trading assets - fair value through profit or loss	16	5,113,340	5,113,340	-	-	-	5,113,340	-
Investment securities	17	32,783,154	32,783,154	-	-	-	32,783,154	-
Trade and other receivable								
Financial Assets	20	750,590,598	750,500,598	178,375,555	89,998,063	460,286,705	21,840,275	-
		938,814,483	938,724,483	328,702,946	89,998,063	460,286,705	59,736,769	-

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

35 MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTD.)**35.3 Maturity Analysis of Financial Assets - Company (Contd.)**

As at 31 March 2024	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Assets								
Cash and cash equivalents	22.1	217,122,650	217,122,650	217,122,650	-	-	-	-
Trading assets - fair value through profit or loss	16	3,703,760	3,703,760	-	-	-	3,703,760	-
Investment securities	17	46,082,520	46,082,520	-	-	-	46,082,520	-
Trade and other receivable								
Financial Assets	20	1,299,178,551	1,299,178,550	115,874,589	194,591,540	968,321,885	20,390,536	-
		1,566,087,481	1,566,087,481	332,997,239	194,591,540	968,321,885	70,176,816	-

35.4 Maturity Analysis of Financial Liabilities - Company

As at 31 March 2025	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Liabilities								
Bank overdrafts	22.2	-	-	-	-	-	-	-
Loans and borrowings								
Finance lease liabilities	26.1	-	-	-	-	-	-	-
Borrowings	26.2	245,581,391	245,581,391	-	-	245,581,391	-	-
Financial liabilities	29	3,280,149,282	3,280,149,282	37,485,965	71,962,703	3,170,700,613	-	-
		3,525,730,673	3,525,730,673	37,485,965	71,962,703	3,416,282,004	-	-

As at 31 March 2024	Note	Carrying amount Rs.	Gross cash inflow Rs.	Less than 1 month Rs.	1-3 months Rs.	4 - 12 months Rs.	13 - 60 months Rs.	More than 60 month Rs.
Liabilities								
Bank overdrafts	22.2	-	-	-	-	-	-	-
Loans and borrowings								
Finance lease liabilities	26.1	-	-	-	-	-	-	-
Borrowings	26.2	1,476,709,388	1,476,709,388	-	-	1,476,709,388	-	-
Financial liabilities	29	2,383,587,592	2,383,587,592	37,485,965	119,122,144	2,226,979,483	-	-
		3,860,296,980	3,860,296,980	37,485,965	119,122,144	3,703,688,871	-	-

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

36 FINANCIAL RISK MANAGEMENT- GROUP AND COMPANY

Enterprise Risk Management is an ongoing process where the Company/Group identifies events that would affect the entities, assess them and respond accordingly to provide a reasonable assurance in achieving its objectives. In assessing the risks, the Eden Company/Group considers the existing and emerging risk factors that may impact the business. The risks are evaluated thereafter in terms of likelihood and impact, after which appropriate risk treatments are decided upon. Effective risk management is crucial to enhance value creation via sustainable business operations. A solid risk management framework ensures that the Board discharges its responsibilities in identifying, assessing and responding to the identified risks efficiently and effectively across its portfolio of hotels and resorts.

RISK GOVERNANCE

The Board assumes the ultimate responsibility for managing risk. The Board is assisted by the Audit Committee, which oversees risk and internal control matters. The Group's ERM division support the Audit Committee in performing its role of assurance through regular reviews and recommendations on the robustness of the internal control systems. In addition, the sector risk management team is responsible for the effective execution of the risk management framework.

The Company/Group has exposure to the following risks from financial instruments:

- 1) Credit Risk
- 2) Liquidity Risk
- 3) Market Risk
- 4) Interest Rate Risk

This note presents information about the Company/Group's exposure to each of the above risks, the Company's/Group's objectives, policies and processes for measuring and managing risk, and the Company's/Group's management of capital.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Company's/Group's risk

management framework. The Board has established the audit committee, which is responsible for developing and monitoring risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The Company's/Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company/Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Company Audit Committee is assisted in these functions by Enterprise Risk Management division [ERM]. ERM undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Company Audit Committee.

1) CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

The Group's/Company's maximum exposure to credit risk on trade receivables as at the year-end based on the carrying value in the statement of financial position is given below.

As at 31st March	Group		Company	
	2025	2024	2025	2024
Trade Receivables	1,779,336,199	1,575,190,767	402,070,396	339,941,078
<i>Less</i>				
Impairment of trade receivables	[90,334,370]	[74,411,170]	[28,424,812]	[29,474,949]
	1,689,001,829	1,500,779,597	373,645,584	310,466,129
Cash and cash equivalents	2,091,335,977	2,837,209,538	150,327,391	217,122,650

The creditworthiness of each customer is evaluated prior to sanctioning credit facilities. Appropriate procedure for follow-up and recovery are in place to monitor credit risk

Age Analysis of Trade Receivables	Group		Company	
	2025	2024	2025	2024
0-60 days	1,138,280,771	758,359,870	255,622,013	268,096,575
61-180 days	514,305,742	638,573,873	111,176,417	10,875,573
181-365 days	70,282,630	118,375,753	13,431,691	40,578,395
Over 365 days	56,467,056	59,881,271	21,840,275	20,390,536
Gross Trade Receivables	1,779,336,199	1,575,190,767	402,070,396	339,941,079
Impairment	[90,334,370]	[74,411,170]	[28,424,812]	[29,474,949]
Net Trade Receivables	1,689,001,829	1,500,779,597	373,645,584	310,466,129

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

36 Financial Risk Management- Group and Company (Contd.)**MANAGEMENT OF CREDIT RISK**

The Company's/Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers various statistics and characteristics of the customer base, including the default risk, business relationships with due attention given to past performances, stability in the industry and creditworthiness, as these factors may have an influence on credit risk.

In monitoring customer credit risk, customers are grouped according to their business volumes and consider separately for granting credit limits. Based on the volume of the transaction and based on the relationship, the customers are ranked. For the customers who identified as "High Risks Customers", sales are made once they made an advance or full payment.

The group has established a credit policy under which each new customer is analysed individually for creditworthiness. Credit limits are established for each customer and these limits are reviewed frequently.

The following steps also taken to reduce the credit risk.

- 1) Outstanding credits are followed up on a daily basis.
- 2) Steps taken to obtain advances from travel agents and tour operators wherever possible.
- 3) Opting for legal action for customers defaulting settlements.

Regular audits of hotel and Company credit processes are undertaken by ERM. The Group treasury division overlooks cash and cash equivalent on regular basis to manage the credit risk

IMPAIRMENT

The Company/Group establishes an allowance for impairment that represents its estimate of incur losses in respect of trade receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures based on aging of the outstanding.

The company/group limits its exposure to credit risk on bank balances by maintaining balances with reputable and credit worthy banks having high credit ratings.

Bank of Ceylon	AA- [lka]
Nations Trust Bank PLC	A [lka]
Cargills Bank PLC	A [lka]
Sampath Bank PLC	AA- [lka]
Citi Bank N. A	AAA [lka]
Seylan Bank PLC	A+ [lka]
National Development Bank PLC	A [lka]
Hatton National Bank PLC	AA- [lka]

2) LIQUIDITY RISK

Liquidity risk is the risk that the Company/Group will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

MANAGEMENT OF LIQUIDITY RISK

The Company's/Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's/Group's reputation.

The Company/Group continuously prepares and monitors rolling cash flow forecasts to ensure it has sufficient cash to meet operational needs. Regular reviews are also carried out to check actual performance against budgeted targets.

As at the reporting date, the company has lesser liability in relation to internal and external borrowings, compared to the previous period.

As at 31st March	Group		Company	
	2025	2024	2025	2024
Non current portion of interest bearing borrowings	12,866,085,405	14,211,582,277	-	-
Trade Payables	1,054,796,385	1,291,345,492	95,824,737	137,573,927
Current portion of interest bearing borrowings	5,607,220,478	5,967,148,227	245,581,391	1,476,709,388
Bank overdrafts	91,082,140	160,785,258	-	-
	19,619,184,408	21,630,861,254	341,406,128	1,614,283,315

3) MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads [not relating to changes in the obligor's/ issuer's credit standing] will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control

market risk exposures within acceptable parameters, while optimising the return on risk.

The Company/Group being involved in hoteliering operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect of the US dollar, UK pound and Euro.

Notes to the Financial Statements [Contd.]

Year ended 31 March 2025

36 Financial Risk Management- Group and Company (Contd.)

More than 90% of room contracts are entered into in foreign currencies and invoiced in SLR using the conversion rates established by the industry. Purchases such as import of capital goods for hotel operations are also transacted in foreign currency. The Company very closely works with group treasury division and obtains their advice to reduce impact on foreign currency exposure.

In order to reduce the Foreign exchange risk, the Group implements the following strategies.

- 1) Negotiation of room rates and enters into agreements in strong currencies.
- 2) Matching inflows and outflows of the same currency to the extent that is permitted by prevailing laws.
- 3) Monitors exchange rates on a daily basis and use best rates for foreign currency conversions.

4) INTEREST RATE RISK

Interest rate risk is the risk of fluctuation of the value or cash flows of an instrument due to changes in the market interest rates.

In order to reduce the Interest rate risk, the group implements the following strategies.

- 1) Debt has been structured through fixed interest rates in order to manage the volatility in the market.
- 2) Proper mechanism to monitor the fluctuations in interest rates.
- 3) Work towards the low gearing ratio.
- 4) Internal funding sources rather than the external funding sources.

VARIABLE RATE INSTRUMENTS

Related party borrowings are at AWPLR plus a margin of 7.5%.

Management is of the view that the Group's exposure to interest rate risk is minimal as Group does not expect significant changes in AWPLR.

Carrying amounts of these loans has been disclosed in loans & borrowings note.

OPERATIONAL RISK

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with regard to operational activities, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company's/Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's/Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- 1) Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- 2) Requirements for the reconciliation and monitoring of transactions.
- 3) Compliance with regulatory and other legal requirements.
- 4) Documentation of controls and procedures.
- 5) Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- 6) Requirements for the reporting of operational losses and proposed remedial action.

- 7) Development of contingency plans.
- 8) Training and professional development; and
- 9) Ethical and business standards

CAPITAL MANAGEMENT

The Groups objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of the capital.

The capital of the company consists of the following

EQUITY CAPITAL

- » Ordinary share capital
- » Long term borrowings
- » Short term borrowings

The Group monitors capital on the basis of the debt to equity ratio. The following factors are also objectively taken into consideration in managing capital of the Group.

- » Maintain sufficient capital to meet minimum regulatory requirements [Companies Act].
- » Maintain strong equity base as opposed to debt capital Group's future developments, investments and business strategies.
- » Group further developments, investment and business strategies.

IN GENERAL

The management is satisfied that neither the Company nor its Group entities face material uncertainties that would significantly jeopardise their ability to continue as going concerns.

In reaching this conclusion, management applied significant judgement, taking into account key estimates and assumptions as at the reporting date. These include macroeconomic and operational risks—such as supply chain disruptions, foreign exchange volatility, power interruptions, and distribution challenges—which are fully

Notes to the Financial Statements (Contd.)

Year ended 31 March 2025

36 Financial Risk Management- Group and Company (Contd.)

disclosed in the accompanying notes. The assumptions and sensitivity of our forecasts to these risks have been rigorously evaluated, consistent applicable reporting requirements for disclosure of judgments and material uncertainties

We remain in regular dialogue with Foreign Tour Operators (FTOs) and local Destination Management Companies (DMCs), actively assessing real-time market conditions. While short-term challenges persist in the tourism sector, feedback is generally optimistic for the medium to long term, and several contracts are under negotiation for the immediate seasons.

Overall, the Group is seeing encouraging upward momentum as economic activity resumes. Given the dynamic and sometimes volatile environment, we will continue vigilant monitoring and take proactive measures to ensure smooth operations going forward.

GOING CONCERN

Despite the negative bottom line, which arise due to the higher finance cost, during the reviewed year, both the Company and the Group demonstrated substantial growth in their financial performance. The Company's net revenue surged to Rs 1.3 billion, from Rs 1.1 billion reported in a 16% increase compared to the previous year. Similarly, the Group's net revenue climbed to Rs 9 billion, up from Rs 7 billion the year before.

In terms of operational performance, the Company achieved a notable turnaround. It reported a EBIT of Rs 171.2 million for the year, compared to EBIT of Rs 78.4 million recorded in the previous year. The Group also showed considerable progress in the current year. Eden Group reported a EBIT of Rs 261.5 million, compared to the negative EBIT of Rs 165 million. This represents a significant improvement in the Company's/Group's financial performance

Being the ultimate parent of Eden Hotel Lanka PLC, LOLC Holdings PLC already provided a Financial Support Letter, emphasizing the ultimate Parent Company's intention to continue to provide adequate financial

support either in the form of a contribution, a loan, or another form of support, to ensure business continuity of the above-mentioned company for at least 12 months from the date of signing financial statements.

Based on the above, the Directors have assessed the Company's/ Group's ability to continue as a Going Concern and satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Board is not aware of any material uncertainty that may cast a significant doubt upon the Company's/ Group's ability to continue as a Going Concern and they do not intend either to liquidate or to cease operations of the Company and subsidiaries of Eden Group. Therefore, the Board of Directors have concluded that the preparation of financial statements on a going concern basis is appropriate.

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Summarised Quarterly Statistics

Statement of Profit or Loss and Other Comprehensive Income (in Rs 000)

For the 3 months ended	2024/2025				
	30-Jun	30-Sep	31-Dec	31-Mar	Total
Revenue	178,312	247,655	368,942	529,394	1,324,303
Cost of Sale	(43,866)	(79,774)	(85,867)	(135,180)	(344,687)
Gross Profit	134,446	167,880	283,076	394,214	979,616
Other Income/ (Expenses)	3,025	1,629	(1,740)	(3,849)	(935)
Fair value gain in investment properties	-	-	-	5,000	5,000
Profit before operating expenses	137,471	169,509	281,335	395,365	983,681
Other operating expenses	(185,958)	(159,359)	(218,733)	(248,442)	(812,492)
Results from operating activities	(48,486)	10,150	62,602	146,923	171,189
Net Finance Cost	(156,731)	(173,414)	(31,281)	(113,891)	(475,318)
Profit/ (Loss) before taxation	(205,217)	(163,264)	31,321	33,032	(304,129)
Tax expenses	-	-	-	543,377	543,377
Net profit after tax	(205,217)	(163,264)	31,321	576,408	239,248

Statement of Financial Position (in Rs 000)		2024/25			
As at		30-Jun	30-Sep	31-Dec	31-Mar
Assets		14,165,751	14,263,991	14,175,831	15,225,076
Liabilities		3,975,974	4,237,478	4,117,997	3,722,881
Net assets		10,189,777	10,026,513	10,057,834	11,502,195
Share capital		16,368,000	16,368,000	16,368,000	16,368,000
Reserves		(6,178,223)	(6,341,487)	(6,310,166)	(4,865,805)
Share capital and reserves		10,189,777	10,026,513	10,057,834	11,502,195

Statement of Value Added

For the year ended 31 March	2021	2022	2023	2024	2025
	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000
Revenue	300,711	148,676	257,808	1,138,329	1,324,303
Add: Other Income	11,871	15,207	17,805	46,885	4,065
	312,582	163,883	275,614	1,185,215	1,328,367
Less: Value Bought Out					
Materials & Services	334,064	298,601	433,082	695,386	704,289
Value Added	[21,482]	[134,718]	[157,468]	489,829	624,078
Distributed as follows:					
To Employees as Remuneration	77,814	76,646	87,530	142,494	126,265
To Government as Taxes	4,463	1,496	2,590	11,657	13,561
To Providers of Loan Capital as Interest	917,800	1,013,133	1,615,527	2,194,186	572,894
To Shareholders					
Retained with the Business - Reserves	[1,115,965]	[1,316,324]	[1,954,295]	[2,034,290]	[304,129]
Depreciation	94,406	90,331	91,179	175,783	215,486
Total	[21,482]	[134,718]	[157,468]	489,829	624,078

Financial Highlights

	Group		Company	
	2024/25	2023/24	2024/25	2023/24
Revenue [In Rs]	9,037,154,145	6,965,417,889	1,324,302,885	1,138,329,376
Earnings before Interest & Tax- EBIT [In Rs]	261,573,781	(165,035,983)	171,188,769	78,463,215
Loss before Tax [In Rs]	(3,806,515,337)	(5,323,060,298)	(304,128,860)	(2,031,712,266)
Profit/ [loss] after Tax [In Rs]	(2,747,702,012)	(5,481,526,576)	239,247,890	(2,034,289,730)
Total Assets [In Rs]	77,574,708,358	67,960,093,201	15,225,073,287	14,629,815,279
Total Liabilities [In Rs]	44,678,861,852	41,495,595,985	3,722,878,778	4,234,821,263
Equity attributable to shareholders [In Rs]	20,869,408,381	16,788,772,809	11,502,194,506	10,394,994,016
Earnings/[loss] per share - [In Rs]	(0.89)	(4.13)	0.15	(1.95)
Net Assets per share -[In Rs]	13.33	10.60	7.26	6.56
Gross Profit Ratio - %	68.53%	71.48%	73.97%	75.58%
Net Profit Ratio - %	-30%	-79%	18%	-179%
Return on Equity - %	(14.50)	(38.76)	2.19	(33.17)
Occupancy - %	69%	68%	62%	53%
Number of shares issued	1,584,000,000	1,584,000,000	1,584,000,000	1,584,000,000
Current Ratio - No of times	0.31	0.36	0.27	0.38

Statement of Ten Year Summary

[Figures in Rs.'000 unless otherwise stated]

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000	In Rs 000
TRADING RESULTS										
Revenue	880,752	988,969	819,061	831,654	602,851	300,711	148,676	257,808	1,138,329	1,324,303
Gross Profit	626,867	673,796	730,270	654,169	456,750	240,168	125,778	187,903	860,318	979,616
Marketing Expenses	(32,456)	(57,873)	(36,467)	(33,686)	(43,059)	(28,820)	(8,026)	(32,149)	(70,119)	(49,206)
Earnings/[loss] Before Interest & Tax	84,305	(78,743)	132,693	140,195	(36,852)	(247,804)	(355,871)	(380,531)	78,463	171,189
Finance Expenses	(172,118)	(186,001)	(584,430)	(1,001,310)	(1,078,994)	(869,442)	(965,821)	(2,566,913)	(2,110,175)	(475,318)
Loss before Tax	(87,812)	(264,744)	(451,737)	(861,115)	(1,115,845)	(1,117,245)	(1,321,692)	(2,947,444)	(2,031,712)	(304,129)
Profit /([Loss] after Tax	(75,728)	(271,797)	(510,269)	(869,459)	(1,116,270)	(1,115,965)	(1,316,324)	(1,954,295)	(2,034,290)	239,248
ASSETS & LIABILITIES										
Non Current Assets	4,991,020	5,319,134	8,252,988	8,610,385	8,713,116	9,905,240	11,004,626	13,030,044	13,077,903	14,218,593
Current Assets	448,060	422,503	830,721	1,088,812	1,012,200	868,558	804,243	1,027,966	1,551,913	1,006,480
Non Current Liabilities	(1,089,471)	771,969	1,178,187	1,365,379	945,712	1,213,877	1,149,323	2,382,658	191,520	21,279
Current Liabilities	(1,690,297)	1,524,540	4,940,133	6,226,507	7,738,423	5,005,653	6,279,597	9,805,806	4,043,301	3,701,600
CAPITAL & RESERVES										
Stated Capital	528,000	1,584,000	1,584,000	1,584,000	1,584,000	5,808,000	5,808,000	5,808,000	16,368,000	16,368,000
Reserves	2,131,312	1,861,128	1,381,390	523,311	(542,819)	(1,253,732)	(1,428,050)	(3,938,451)	(5,973,006)	(4,865,805)
RATIOS & STATISTICS										
Occupancy [%]	68%	80%	80%	74%	53%	40%	16%	14%	53%	62%
Market Share [Rs.]	16.00	10.90	15.20	13.50	15.40	10.40	13.10	17.60	12.90	13.50
Gearing [%]	62.49	22.75	34.98	59.51	121.09	27.08	37.54	85.16	37.88	31.30
Current Ratio	0.27	0.22	0.22	0.17	0.13	0.17	0.13	0.10	0.38	0.27
Net Assets Per Share [Rs.]	50.37	28.08	28.08	19.96	9.86	8.63	8.30	3.54	6.56	7.26
Loss Per Share [Rs.]	(1.43)	(2.60)	(4.83)	(8.23)	(8.67)	(4.91)	(2.49)	(3.70)	(1.95)	0.15

Investor Information

The 20 largest shareholders of the Company as at 31 March 2025 were as follows

	2025		2024	
	No of Shares	%	No of Shares	%
PALM GARDEN HOTELS PLC	833,308,792	52.608	833,308,792	52.608
BROWNS HOTELS AND RESORTS LIMITED	674,943,435	42.61	674,943,435	42.61
MR. G ANURAGAVAN	4,000,000	0.253	817,487	0.052
DFCC BANK PLC/W JINADASA	2,400,718	0.152	-	-
SENKADAGALA FINANCE PLC/S GOBINATH	1,600,000	0.101	953,000	0.06
EMPLOYEES TRUST FUND BOARD	1,581,943	0.1	1,581,943	0.1
MR. L T R S L JAYAWARDHANA	1,521,670	0.096	-	-
HATTON NATIONAL BANK PLC- ASTRUE ALPHA FUND	1,391,086	0.088	-	-
PEOPLE S LEASING AND FINANCE PLC/W JINADASA	1,169,119	0.074	-	-
SAMPATH BANK PLC/ANDARADENIYA ESTATE PRIVATE LIMITED	1,090,538	0.069	-	-
MR. S A COORAY	1,000,000	0.063	-	-
PMF FINANCE PLC/R.A. NIRANJANA	976,523	0.062	550,000	0.035
THREAD CAPITAL (PRIVATE) LIMITED	912,500	0.058	-	-
MR. B SRIKUMAR	900,000	0.057	900,000	0.057
HATTON NATIONAL BANK PLC/ANUJA CHAMILA JAYASINGHE	810,856	0.051	780,924	0.049
DFCC BANK PLC/WETHTHINGE JINADASA	754,104	0.048	754,104	0.048
MR. S S DE SILVA	659,456	0.042	659,456	0.042
SAMPATH BANK PLC/MR. R M V W WEERABAHU	658,721	0.042	658,721	0.042
MR. S ABISHEK	629,076	0.04	629,076	0.04
SAMPATH BANK PLC/RAJEEPAN RAGUNEETHAN	600,000	0.038	-	-
OTHERS	53,091,463	3.348	67,463,062	4.257
TOTAL	1,584,000,000	96.652	1,584,000,000	95.743

2. PUBLIC SHAREHOLDING

As at 31 March 2025, 4.82% [2023/2024 – 4.82%] of the issued ordinary shares were held by 7,513 shareholders.

Ordinary Voting shares of Eden Hotel Lanka PLC have been transferred from the Diri Savi Board to Second Board, with effect from 8th November 2022.

3. FLOAT ADJUSTED MARKET CAPITALISATION

As at 31 March 2025 Float Adjusted market capitalisation is Rs. 1,022,594,922/-

The Company is not compliant with the Minimum Public Holding Requirement stipulated in CSE Rule 7.13.1 [b] option 2.

Investor Information (Contd.)

4. DIRECTORS' SHAREHOLDING

	No. of Shares	%
1. W D K JAYAWARDENA	Nil	Nil
2. MRS. K U AMARASINGHE	Nil	Nil
3. D S K AMARASEKERA	Nil	Nil
4. DR. J M SWAMINATHAN	Nil	Nil
5. S FURKHAN	1	Nil
6. T DHARAMARAJAH	Nil	Nil
7. J SELVARATNAM	Nil	Nil

5. SHAREHOLDING SUMMARY AS AT 31ST MARCH

Number of shares	2025			2024		
	No. of Shareholders	Total Holding	%	No. of Shareholders	Total Holding	%
1 - 1000	4,939	1,375,454	0.08	4,957	1,391,349	0.08
1,001 - 10,000	1,718	6,490,579	0.41	1,706	6,485,906	0.41
10,001 - 100,000	730	23,706,751	1.50	697	21,978,634	1.40
100,001 - 1,000,000	119	29,419,915	1.86	119	32,864,835	2.70
Over 1,000,000	10	1,523,007,301	96.15	8	1,521,279,276	96.04
	7,516	1,584,000,000	100	7,487	1,584,000,000	100

6. CATEGORIES OF SHAREHOLDERS

Number of shares	2025			2024		
	No. of Shareholders	Total Holding	%	No. of Shareholders	Total Holding	%
Local Individuals	7,151	47,482,405	2.99	7,113	50,309,643	3.18
Local Institutions	328	1,534,954,220	96.91	335	1,532,058,820	96.72
Foreign Individuals	35	1,313,375	0.08	96.72	21,978,634	0.08
	2	250,000	0.02	37	1,381,537	0.02
	7,516	1,584,000,000	100.00	6,914	1,584,000,000	100.00

7. MARKET INFORMATION ON ORDINARY SHARES OF THE COMPANY

	As at 31st March 2025	As at 31st March 2024
Market price per share as at the last trading date	Rs.13.50	Rs.11.30
Highest during the year	Rs.17.40	Rs.17.80
Lowest during the year	Rs.11.30	Rs. 10.00
Earnings / [Loss] per share	Rs. 0.15	[Rs.1.95]
Net asset per share	Rs. 7.26	Rs. 6.56

	2024/25	2023/24
Number of Transactions during the year	25,235	22,769
Number of Shares traded during the year	102,805,771	50,199,668
Value of shares traded during the year (Rs.)	1,540,551,555.80	627,985,798.30

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTY THIRD ANNUAL GENERAL MEETING of the Company will be held on Wednesday, 24 September 2025 at 10.00 a.m. as an on-line audio-visual meeting with arrangements for the on-line meeting platform made at the registered office of the Company at No.100/1, Sri Jayawardenapura Mawatha, Rajagiriya, for the following purposes :

1. To receive and consider the Report of the Directors and Statement of Accounts for the year ended 31 March 2025 with the Report of the Auditors thereon.
2. To re-elect as a Director Mr. D S K Amarasekera who retires by rotation in terms of Article 86 of Articles of Association of the Company.
3. *To re-elect as an Independent Director Dr. J M Swaminathan who retires in terms of Section 210 of the Companies Act No. 7 of 2007. Special Notice has been received from a shareholder of the intention to pass a resolution which is set out below in relation to his re-election (see note 4 [a] below).
4. To re-elect as a Director Mr. T Dharmarajah who retires in terms of Article 93 of Articles of Association of the Company.
5. To re-elect as a Director Mr. J Selvaratnam who retires in terms of Article 93 of Articles of Association of the Company.
6. To re-appoint M/s Deloitte Partners as the External Auditors of the Company for the ensuing year at a remuneration to be agreed by the Directors.
7. To approve in terms of the Companies [Donations] Act No.26 of 1951, the making of donations by the Directors as determined by them for the current Financial Year and until the next Annual General Meeting of the Company.

By order of the Board
EDEN HOTEL LANKA PLC



LOLC CORPORATE SERVICES (PVT) LTD
Secretaries
27 August 2025
Rajagiriya (in the greater Colombo)

Notice of Annual General Meeting

NOTE:

- 1] A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of him/ her. A Proxy need not be a shareholder of the Company.
- 2] The completed Form of Proxy should be received by the Company at its Secretaries' office No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya not later than forty eight (48) hours before the start of the meeting.
- 3] A Form of Proxy accompanies this Notice.

4] IMPORTANT NOTICE:

- [a] *Special Notice has been received from a shareholder of the Company giving Notice of intention to move the following Resolution at the above Annual General Meeting :

"Resolved that Dr. J M Swaminathan who reached the age of 70 years in 2011, be and is hereby re-elected as an Independent Director of the Company and it is further specifically declared that the age limit of 70 years referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to the said Director, Dr. J M Swaminathan."

[b] This year the Annual Report and Financial Statements of the Company are available on the:

- [1] Corporate Website – <https://www.browns-hotels.com/investor-relations/> and
- [2] The Colombo Stock Exchange – <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=-EDENMembers> 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 Secretaries on +94 11 7248248 during normal office hours (8.30 a.m. to 5.00 p.m.) or email corporateservices@lolc.com.

Should Members wish to obtain a hard copy of the Annual Report, they may send a written request to the registered office of the Company by filling the request form attached to the Form of Proxy. A printed copy of the Annual Report will be forwarded by the Company within eight (8) market days from the date of receipt of the request.

Form of Proxy

I/We
of
being a member/members of the above named Company hereby appoint
.....of whom failing

- Waduthanthri Darshan Kapila Jayawardena of Colombo or failing him
- Mrs. Kalsha Upekha Amarasinghe of Colombo or failing her
- Don Soshan Kamantha Amarasekera of Colombo or failing him
- Dr. Jayanta Mootatamby Swaminathan of Colombo or failing him
- Stefan Furkhan of Colombo or failing him
- Thiyagarajah Dharmarajah of Colombo or failing him
- Janakan Selvaratnam of Colombo

as my/our proxy to represent me/us and vote on my/our behalf at the Thirty Third Annual General Meeting of the Company to be held on Wednesday, 24th September 2025 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

	For	Against
ORDINARY BUSINESS		
1. To re-elect as a Director Mr. D S K Amarasekera who retires by rotation in terms of Article 86 of the Articles of Association of the Company as set out in item 2 of the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as an Independent Director Dr. J. M. Swaminathan who retires in terms of Section 210 of the Companies Act No. 7 of 2007 as set out in item 3 of the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Mr. T Dharmarajah who retires in terms of Article 93 of Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director Mr. J Selvaratnam who retires in terms of Article 93 of Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint M/s Deloitte Partners as the External Auditors of the Company for the ensuing year at a remuneration to be agreed by the Directors, as set out in item 6 of the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise the Directors to make donations, as set out in item 7 of the Notice of Meeting	<input type="checkbox"/>	<input type="checkbox"/>

dated this day of, 2025.

.....
Signature of Shareholder

Form of Proxy

NOTE:

- 1] A proxy need not be a member of the company

INSTRUCTIONS AS TO COMPLETION

1. Please return the completed Form of Proxy after filling in legibly your full name and address, signing on the space provided and filling in the date of signature.
2. The completed Form of Proxy should either be:
 - (i) addressed to the 'Company Secretaries' and posted or hand delivered to the registered office of the Company at 100/1, Sri Jayawardenapura Mawatha, Rajagiriya;
 - or
 - (ii) Scanned and emailed to the email address: corporateservices@lolc.com with the email subject titled "EDEN AGM PROXY" not less than 48 hours before the time appointed for the holding of the Meeting.
3. If the Form of Proxy has been signed by an attorney, a copy of the Power of Attorney certified by a notary should accompany the completed Form of Proxy for registration, if such Power of Attorney has not already been registered with the company.

Stakeholder Feedback Form

Forward-Looking Information & Major Developments

1. How useful do you find the Company's forward-looking comments and information on future prospects?

- Very Useful
- Useful
- Neutral
- Not Useful
- Not Useful at All

2. How effectively does the Company handle the communication of major corporate developments [e.g., mergers, acquisitions, new products]?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Crisis Communication & Confidentiality

1. How confident are you in the Company's ability to manage crisis communications?

- Very Confident
- Confident
- Neutral
- Not Confident
- Not Confident at All

2. How well does the Company maintain the confidentiality of sensitive information?

- Very Effectively
- Effectively
- Neutral
- Ineffectively
- Very Ineffectively

Additional Comments

Please provide any additional comments or suggestions you have for improving the Company's communication practices.

.....

.....

Submission

Please return the completed form to:

Investor Relations/ Communications

Eden Hotel Lanka PLC, 100/1 Sri Jayawardenepura Mawatha,
Rajagiriya, Sri Lanka

Email: DulipS@lolc.com and SusaanB@lolc.com

Corporate Information

NAME OF COMPANY

EDEN HOTEL LANKA PLC

DATE OF INCORPORATION

13th January 1992

LEGAL FORM

A Public Quoted Company with Limited Liability

COMPANY REGISTRATION NUMBER

PQ 199

STOCK EXCHANGE LISTING

The Ordinary shares of the Company are listed on the Colombo Stock Exchange

DIRECTORS

W D K Jayawardena
Chairman

T Dharmarajah
Independent Director

J Selvaratnam
Independent Director

Mrs. K U Amarasinghe
Non Executive Director

S. Furkhan
Non Executive Director

D S K Amarasekera
Non Executive Director

Dr. J M Swaminathan
Non Executive Director

AUDIT COMMITTEE

T Dharmarajah
Committee Chairman

J Selvaratnam
W. D. K. Jayawardena

NOMINATION & GOVERNANCE COMMITTEE

J Selvaratnam
Committee Chairman

T Dharmarajah

W D K Jayawardena

REMUNERATION COMMITTEE

T Dharmarajah
Committee Chairman

J Selvaratnam

Mrs. K U Amarasinghe

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

T Dharmarajah
Committee Chairman

J Selvaratnam

W D K Jayawardena

REGISTERED OFFICE

100/1, Sri Jayawardenapura Mawatha, Rajagiriya, Sri Lanka.

Tel : +94 11 7248248

Fax : +94 11 2865606

COMPANY SECRETARIES

LOLC Corporate Services [Pvt] Ltd

AUDITORS

Deloitte Partners

LAWYERS

Nithya Partners [Attorneys-at-Law]

REGISTRARS

Central Depository Systems [Pvt] Ltd

BANKERS

Bank of Ceylon

Nations Trust Bank PLC

Seylan Bank PLC

SUBSIDIARIES

Serendib Hotels PLC

Dolphin Hotels PLC

Hotel Sigiriya PLC

Dickwella Resorts [Private] Limited

Green Paradise [Private] Limited

Sun & Fun Resorts Limited

Bodufaru Beach Resort [Private] Limited

Sanctuary Resorts [Private] Limited

Frontier Capital [Private] Limited

Serendib Leisure Management Limited

Browns Ari Resort [Private] Limited

Browns Raa Resort [Private] Limited

Browns Kaafu N Resorts [Private] Limited



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EDEN HOTEL LANKA PLC

[REGISTERED OFFICE]

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