

# HOTEL SIGIRIYA PLC

ANNUAL REPORT 2024/25

Hotel *Sigiriya*  
PLC

# Contents

## OVERVIEW

Vision, Mission	2
Philosophy and Values	3
Financial Highlights	4

## LEADERSHIP

Chairman's Review	6
CEO's Review	7
Board of Directors	10

## MANAGEMENT DISCUSSION AND ANALYSIS - 2024/25

## STEWARDSHIP

Operational Review	13
Risk Management	16
Annual Report of the Board of Directors	20
Corporate Governance	23
Directors' Disclosure In Terms of Section 9.10.4[e]	30
Report of the Audit Committee	31
Report of The Nomination and Governance Committee	32
Report of the Remuneration Committee	34
Related Party Transactions Review Committee	35

## FINANCIAL STATEMENTS

Statement of Directors' Responsibility in Relation to Preparing Financial Statements	37
Independent Auditor's Report	38
Statement of Financial Position	43
Statement of Profit or Loss	44
Statement of Comprehensive Income	45
Statement of Changes in Equity	46
Statement of Cash Flows	47
Notes to the Financial Statements	48

## SUPPLEMENTARY INFORMATION

Ten Year Financial Review	81
Investor Information - Hotel Sigiriya PLC	82
Notice of Annual General Meeting	84
Notes	85
Form of Proxy	87
Registration of Shareholder Details for Online Participation	89
Stakeholder Feedback Form	91
Corporate Information	Inner Back Cover

Hotel *Sigiriya*  
PLC

ANNUAL REPORT  
**2024/25**

# Vision, Mission



## Our Vision

To be one of the top three contributors to the development of the hospitality industry in Sri Lanka and be the benchmark for guest service, F&B standards and management of human capital

---



## Our Mission



# Philosophy and Values

## Our Philosophy

To reflect our engagement with our stakeholders and our passion to elevate the Hotel Sigiriya PLC to the pinnacle of service excellence. Our decade-long experience in hospitality and pursuit of achieving 100% customer satisfaction drives all our operations.



### Our Values



#### We Keep Learning

We constantly strive to be the best we can be. And when we get there, we strive to be even better - never stopping or resting on our laurels.



#### We Think Boldly

We take pride in big ideas. And we believe that each and every one of us should have an input into the future of the company.



#### We Personalise Experiences

For our career journeys as well as for our customers, we believe in catering to the individual rather than to the masses.



#### We Lead Change

Never content with maintaining the status quo. We always embrace change, relishing the chance to meet the shifting needs of the world around us.



#### We Evolve With Our Customers

We foster a dynamic culture that inspires total confidence and evolves based on the changing demands of all our stakeholders.



#### We Thrive On Creativity

It doesn't matter where you come from or what your background is - we judge each other on our ability to look at things differently and find novel solutions to complex puzzles.

# Financial Highlights

Year ended 31 March		2025	2024
Revenue	Rs.000's	624,872	491,955
Profit before Interest, Tax, Depreciation & Amortisation (EBITDA)	Rs.000's	75,889	43,036
Profit before Tax	Rs.000's	101,381	118,480
Profit after Tax	Rs.000's	48,493	101,309
Earnings per Share	Rs.	2.76	5.76
Cash Loss per Share	Rs.	[3.22]	[1.18]
Interest Cover	Times	31.17	100.55
Return on Equity (ROE)	%	0.04	0.13
Return on Capital Employed (ROCE)	%	0.02	0.06

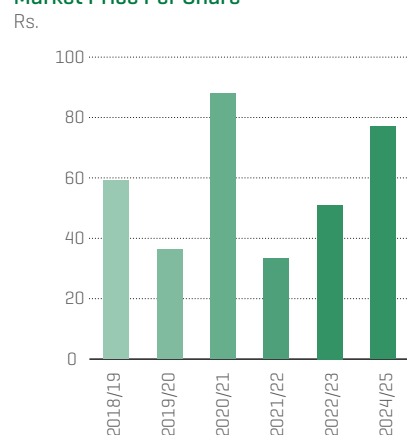
## Statement of Financial Position Highlights and Ratios

Total Assets	Rs.000's	1,628,800	1,238,980
Total Debt	Rs.000's	41,254	45,787
Total Shareholders' Funds	Rs.000's	1,142,807	927,919
No. of Shares in Issue		17,577,000	17,577,000
Net Assets per Share	Rs.	65.02	52.79
Debt / Total Equity	%	3.61	4.93
Debt / Total Assets	%	2.53	3.70

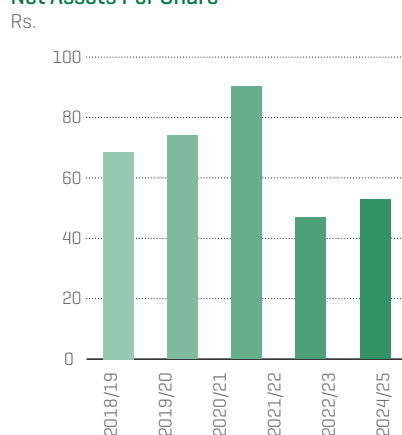
## Market/ Shareholder Information

Market Price of Share as at 31st March	Rs.	76.80	51.00
Market Capitalisation	Rs.000's	482,014	896,427
Price Earnings Ratio	Times	27.84	8.85
Dividend Per Share	Rs.	Nil	Nil
Dividend Pay out	%	Nil	Nil

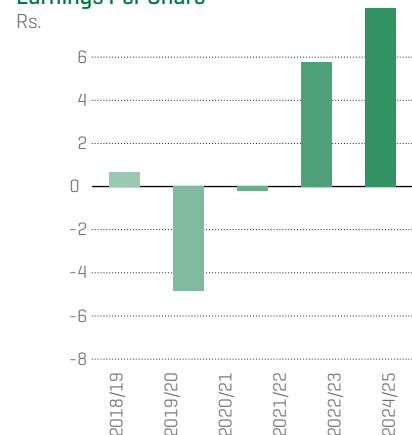
### Market Price Per Share



### Net Assets Per Share



### Earnings Per Share



# LEADERSHIP

Chairman's Review	6
CEO's Review	7
Board of Directors	10

## “From Recovery to Renewed Growth”

Dear Stakeholders,

On behalf of the Board, it is my pleasure to present the Annual Report and Financial Statements of Hotel Sigiriya PLC for the year ended 31st March 2025

### GLOBAL TOURISM INDUSTRY -2024/25

The global tourism industry experienced a strong resurgence in 2024/25, building on the post-pandemic recovery seen in previous years. International arrivals reached near pre-covid levels, driven by increased consumer confidence and the easing of travel restrictions worldwide. Key markets in Europe, Asia, and the Americas saw robust growth, with long-haul and luxury travel segments performing exceptionally well.

Sustainability, wellness travel, and immersive cultural experiences continued to shape traveller preferences, while digital innovation further transformed the guest journey. Despite global economic uncertainties, inflationary pressures, and geopolitical tensions in certain regions, the resilience of the tourism industry remained evident throughout the year.

### FUTURE OUTLOOK FOR THE TOURISM INDUSTRY 2025/26

Looking ahead, the global tourism industry is poised for sustained growth in 2025/26. The rise of AI-driven personalisation, increased investment in sustainable tourism infrastructure, and a growing middle class in emerging markets will be key growth drivers. The industry is also expected to benefit from further advancements in digital connectivity, making travel more seamless and accessible.

However, the sector will need to navigate challenges such as environmental impact, workforce shortages, and geopolitical volatility. Hotels and hospitality providers that focus on innovation, customer-centric experiences, and ESG (Environmental, Social, and Governance) practices are likely to lead the way in shaping a more resilient and inclusive tourism landscape.

### SRI LANKA TOURISM INDUSTRY

The Sri Lankan tourism industry made significant strides in 2024/25, overcoming

recent economic headwinds and restoring its position as a premier destination in South Asia. Tourist arrivals increased steadily, supported by targeted international marketing campaigns, improved air connectivity, and renewed interest in Sri Lanka's rich cultural heritage, diverse ecosystems, and wellness offerings.

Government initiatives aimed at revitalising the sector, including policy reforms, visa facilitation, and infrastructure development contributed positively. Despite lingering global competition and some domestic economic challenges, Sri Lanka's tourism outlook remains optimistic. The country's unique blend of experiences and unmatched hospitality continue to attract both leisure and business travellers.

### COMPANY FINANCIAL PERFORMANCE

The Company concluded the 2024/25 financial year on a strong note, recording notable growth in revenue compared to the previous year.

During the year under review, the Company achieved a revenue of Rs. 624.9 million and a gross profit of Rs. 445 million, a significant increase from the previous year's revenue of Rs. 492 million and gross profit of Rs. 352 million. However, in line with our strategic focus on enhancing guest experience, a considerable increase in operating expenses was incurred to uplift the service standards of the hotel. As a result, EBIT stood at Rs. 33.4 million, compared to Rs. 62 million reported in the previous year. These investments, though impacting short-term profitability, are expected to deliver long-term value and improved operational performance. The Company ultimately recorded a Profit Before Tax (PBT) of Rs. 101.4 million for the year.

Amidst the rapidly evolving landscape of the tourism sector, our management team is taking proactive measures to adapt and capitalise on emerging opportunities. We are actively collaborating with Foreign Tour Operators (FTOs) and local Destination Management Companies (DMCs) to closely monitor and respond to the shifting market conditions that influence our primary target

segments. These strategic partnerships enable us to better understand traveller preferences, optimise our offerings, and maintain a competitive edge in a dynamic environment.

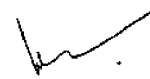
Moreover, several key Foreign Tour Operators are currently in the advanced stages of contract negotiations for the upcoming season. These impending agreements not only reflect strong confidence in our brand and services but are also expected to secure a steady pipeline of inbound tourists. We remain committed to nurturing these relationships and leveraging them to enhance occupancy rates, diversify our market reach, and drive sustained revenue growth in the years ahead.

### APPRECIATION

On behalf of the Board of Directors, I wish to extend my heartfelt gratitude to all stakeholders, our valued guests, loyal shareholders, dedicated employees, and business partners for their unwavering support and trust during the year.

A special note of appreciation is due to our management and staff, whose resilience, professionalism, and passion have been the backbone of our continued progress. As we move forward, I am confident that our collective commitment to excellence will enable us to seize new opportunities and navigate future challenges with determination.

We remain steadfast in our vision to deliver exceptional guest experiences while contributing meaningfully to the growth of the Sri Lankan tourism sector.



**W.D.K Jayawardena**  
Chairman - HOTEL SIGIRIYA PLC

15 August 2025

## “Navigating Excellence in Hospitality”

Dear Stakeholders,

It is my pleasure to present the Annual Report and Financial Statements of Hotel Sigiriya PLC for the year ended 31st March 2025. This year has been marked by significant achievements and progress, reflecting our commitment to excellence and our ability to navigate dynamic operating environments.

### 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

Looking ahead to 2025, Sri Lanka's tourism industry is set to reclaim its position as one of the region's most vibrant and promising markets. With its rich cultural heritage, breathtaking natural landscapes, and a growing focus on eco-tourism, the country is attracting a diverse range of travellers seeking authentic and sustainable experiences. 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. Our company remains dedicated to supporting this renaissance by delivering exceptional hospitality services that highlight the best of what Sri Lanka has to offer, contributing to the nation's tourism growth and long-term sustainability.

### Tourism in Sigiriya

Sigiriya, often referred to as the “Lion Rock,” is undoubtedly one of Sri Lanka's most treasured cultural and historical landmarks, playing a pivotal role in shaping the country's tourism landscape. This ancient rock fortress, rising dramatically from the surrounding jungle, is renowned for its remarkable architectural ingenuity, including the stunning frescoes, the Mirror Wall, and the sophisticated water gardens that date back to the 5th century. As a UNESCO World Heritage Site, Sigiriya attracts hundreds of thousands of visitors annually who come to marvel at its unique blend of natural beauty and human craftsmanship. Beyond its aesthetic and historical significance, Sigiriya serves as a powerful symbol of Sri Lanka's rich cultural heritage and resilience. Its prominence in the tourism sector not only enhances the nation's global appeal but also generates substantial economic benefits through employment, local business growth, and community development. Moreover, Sigiriya's sustainable tourism initiatives emphasise conservation and responsible visitor management, ensuring that this iconic site can be preserved for future generations while continuing to inspire travellers worldwide. For Sri Lanka, Sigiriya is more than just a landmark; it is a cornerstone of cultural identity and a key driver of tourism growth and sustainability.

### Our Market Outreach

Hotel Sigiriya maintains a strong and consistent presence across major Online Travel Agencies (OTAs) such as Booking.com, Agoda, and TripAdvisor. The hotel's exceptional service and unique offerings have been recognised with prestigious accolades, including the TripAdvisor Travellers' Choice

Award 2024, Booking.com Traveller Review Award, and the Agoda Gold Circle Award. These platforms play a crucial role in driving steady international bookings, particularly attracting nature and heritage enthusiasts from around the world.

User-generated content (UGC) from guests in key markets—such as the UK, Germany, France, and India—further amplifies the hotel's visibility. Visitors organically share memorable experiences, from wildlife encounters and breathtaking views of Sigiriya Rock to authentic Ayurvedic treatments and immersive jungle dining, promoting both the hotel and destination in a genuine and captivating way.

Domestically, Hotel Sigiriya enjoys robust engagement during peak seasons by offering tailored experiences and special packages designed for Sri Lankan travellers. It has become a favoured venue for Sinhala and Tamil New Year (Avurudu) celebrations, featuring traditional games, authentic cuisine, and wellness retreats that attract families and couples nationwide.

Strategic partnerships with local and regional travel agents, along with inbound tour operators, enhance Hotel Sigiriya's reach within curated wildlife and cultural tours. Active participation in prominent travel trade shows such as WTM and ITB has solidified the hotel's reputation as a premier gateway to the rich heritage and biodiversity of Sri Lanka's Cultural Triangle.

Complementing these efforts, the hotel utilises targeted digital campaigns on platforms like Google and Meta to boost visibility, encourage direct bookings, and engage audiences with compelling storytelling that highlights its unique blend of wildlife, wellness, and heritage experiences.

### Financial Performance

The Company concluded the 2024/25 financial year on a robust and positive note, marked by significant growth in revenue and a strategic investment in service quality aimed at long-term value creation.

During this period, the Company generated a revenue of Rs. 624.9 million, representing a strong increase from Rs. 492 million recorded in the previous year. Correspondingly, the gross profit rose substantially to Rs. 445 million, up from Rs. 352 million, underscoring improved operational efficiency and growing demand for our offerings. This growth reflects our successful efforts in market expansion and enhanced guest engagement.

In line with our strategic vision to elevate the guest experience and uphold premium service standards, the Company undertook considerable investments in operational enhancements. These initiatives led to a marked increase in operating expenses, including staff training, facility upgrades, and technology integration, which are essential to sustaining our competitive edge in the hospitality sector. As a result, Earnings Before Interest and Taxes (EBIT) amounted to Rs. 33.4 million, a decrease from Rs. 62 million in the prior year. This reduction reflects the short-term impact of these strategic investments on profitability.

Despite the lower EBIT, the Company achieved a strong Profit Before Tax (PBT) of Rs. 101.4 million, driven by other income streams and effective financial management. This positive outcome highlights our balanced approach to growth, combining revenue expansion with targeted reinvestment to ensure long-term operational excellence and sustainable profitability.

Looking ahead, the Company remains committed to leveraging these investments to enhance guest satisfaction, increase operational efficiencies, and drive sustained financial performance in the coming years.

### Sustainability Initiatives

Hotel Sigiriya proudly leads the Sustainable Bee Honey Farming Project, an initiative launched under the expert guidance of Mr.S. J. K. Kulasinghe from the Department of

Agriculture (Central Province). This project exemplifies the hotel's commitment to environmental stewardship, community empowerment, and immersive guest experiences. As part of the initiative, bee colonies were distributed to households in surrounding villages, promoting biodiversity while creating sustainable livelihood opportunities for local residents. The harvested honey is seamlessly integrated into the hotel's culinary and wellness offerings, featuring in signature dishes and spa treatments. This initiative not only supports ecological balance but also offers guests a deeper, more meaningful connection to the destination through an authentic, sustainability-driven experience.

Hotel Sigiriya continues to champion impactful initiatives in sustainability, conservation, and community empowerment. In honour of World Wildlife Day 2024, Browns Hotels & Resorts proudly concluded its inaugural Naturalist Training Program at Hotel Sigiriya, marked by a certificate ceremony held in August. This intensive three-month program was developed to nurture a new generation of environmental stewards from the surrounding community. Conducted in partnership with the Department of Wildlife Conservation and led by Suhan Malinda, Head Ranger in Sigiriya, the program combined classroom-based learning with immersive fieldwork. Participants gained a strong foundation in ecology, wildlife conservation, and sustainable tourism practices. This initiative reflects the Group's long-term commitment to biodiversity preservation and the development of local capacity, further aligning hospitality excellence with environmental responsibility.

Reinforcing its dedication to community wellness and employee well-being, Hotel Sigiriya launched a Dangerous Drugs Awareness Programme aimed at educating staff on the health, legal, and social implications of drug misuse. Conducted by the regional Public Health Inspector and

Medical Officer, the session provided critical insights and practical guidance, empowering employees to foster a safer, more supportive, and informed workplace environment. This initiative reflects the hotel's proactive approach to promoting holistic wellness and building awareness around pressing social issues within its community.

Through these meaningful initiatives, Hotel Sigiriya reaffirms its dedication to sustainable tourism, environmental stewardship, and community empowerment—solidifying its reputation as a responsible and forward-thinking destination at the heart of Sri Lanka's Cultural Triangle.

### 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.

We also place strong emphasis on cultivating a supportive and rewarding workplace culture. This includes performance-linked bonuses that recognise employee contributions and annual staff retreats, where team members and their families enjoy overnight stays at a Browns property of their choice—fostering camaraderie, appreciation, and shared success.

**Appreciation**

I extend my heartfelt gratitude to the Chairman and Board of Directors of Hotel Sigiriya 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 would also like to 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.



**E.C. Wijerathne**

Chief Executive Officer – Browns Hotels and Resorts Limited

15 August 2025

## Board of Directors

### W. D. K. JAYAWARDENA

#### Chairman

Mr Jayawardena was appointed to the Board with effect from 11th February 2021. Considering his wealth of experience in local and international fields of Banking and Investment Banking, Mr. Kapila 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. Kapila 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. 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.

### D. S. K. AMARASEKERA

#### Non-Executive Director

Appointed to the Board on 11th February 2021, Mr. Kamantha Amarasekera is a member of the Institute of Chartered Accountants of Sri Lanka and is an Attorney-at-Law of the Supreme Court of Sri Lanka. He also holds a degree in Business Administration from the University of Sri Jayawardenepura 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: Non Executive Director -, Ceylon Hotels Corporation PLC, Palm Garden Hotels PLC, Serendib Hotels PLC, Dolphin Hotels PLC, Hotel Sigiriya PLC, Udapussellawa Plantations PLC, Hapugastenna Plantations PLC, Sierra Cables PLC, Tea Smallholder Factories PLC, Three Tips Ella (Private) Limited Eden Hotel Lanka PLC and several other subsidiaries of Browns Investments Group.

### DR. J. M. SWAMINATHAN

#### Non Executive Director

Appointed to the Board on 11th February 2021. Dr. J. M. Swaminathan 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.

### STEFAN FURKHAN

#### Independent Director

Appointed to the Board on 8th April 2024, Mr. Stefan Furkhan 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

**T DHARMARAJAH****Independent Director**

Appointed to the Board on 1st 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 [Private] Limited, Hapugastenne Plantations PLC, Udapussellawa Plantations PLC, Renuka City Hotels PLC, Management Applications [Pvt] Limited, Lanka Industrial Estates Ltd and DHS Medical Group [Private] Limited. He is a Member of the Council of the Council of 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.

**K U AMARASINGHE (MRS)****Non-Executive Director**

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

**Executive Director**

- » LOLC Holdings PLC

**Director**

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

# MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

12

# Operational Review

## Hotel Sigiriya PLC

We are pleased to present the Management Discussion and Analysis (MD&A) for the financial year 2024/25, providing an overview of Hotel Sigiriya PLC’s operational highlights, strategic initiatives, challenges encountered, and outlook for the year ahead. This section also reflects on our response to macroeconomic trends and developments in the global and local tourism industries.

## Global Tourism Industry Overview

In 2024, the global tourism sector achieved near-full recovery, with international tourist arrivals reaching approximately 1.4 billion, representing 99% of 2019 pre-pandemic levels (UNWTO). This revival was fuelled by the relaxation of travel restrictions, pent-up demand, and strong outbound travel from key markets including China, the United States, and Europe.

The World Travel & Tourism Council (WTTC) reported a global economic contribution of USD 11.1 trillion, accounting for 9.2% of global GDP, alongside the creation of 348 million jobs—emphasising tourism’s vital role in economic and social recovery.

Asia-Pacific, Europe and the Middle East even exceeded pre-pandemic performance. However, challenges such as over-tourism and environmental degradation prompted new global sustainability frameworks like the EU’s Green Claims Directive, aimed at fostering responsible tourism.

## Sri Lanka Tourism Industry Overview

Sri Lanka recorded a significant rebound in tourism, with 2.05 million international arrivals in 2024—a 38% year-on-year increase, marking the highest volume since 2019. This resurgence reaffirmed Sri Lanka’s status as a

sought-after destination, offering rich cultural experiences, pristine coastlines, and diverse natural beauty.

Tourism earnings surged to an estimated USD 3.17 billion, supported by extended visitor stays, strategic global marketing, and robust demand from markets such as India, Russia, the UK, China, and the Gulf region. Enhanced air connectivity and improved visa facilitation further contributed to this success.

The government’s 30-day visa-free entry initiative for selected countries, launched in late 2024, was a key driver of growth, coupled with infrastructure development and hotel sector incentives. These measures have strategically repositioned Sri Lanka for sustained growth and global competitiveness in tourism.

## Emerging Trends in Tourism: Key Focus Areas

Key Focus Area	Development	Strategic Impact
Sustainability & Responsible Travel	Regulatory measures (e.g., EU Green Claims Directive), visitor caps at heritage sites, demand for eco-certifications.	Builds trust with eco-conscious travellers, mitigates regulatory risks, and preserves cultural/natural assets.
Wellness & Experiential Travel	Rising demand for holistic wellness, Ayurveda, cultural immersion, and slow tourism.	Increases average spend and stay duration, enhances guest engagement, and supports local economies.
Smart Tourism & Digital Integration	Growth of contactless tech, AI, VR/AR, and big data analytics.	Enhances operational efficiency, improves personalisation, supports dynamic destination marketing.

## Impact Assessment of Hotel Sigiriya PLC

### Economic Impact

The Company generated substantial foreign exchange earnings and contributed to national revenue through taxation and tourism-related spending. The post-pandemic rebound in occupancy and service income also helped stabilise the Company’s earnings, while supporting employment across multiple regions.

### Social Impact

A strong commitment to local hiring and upskilling programs has enabled Hotel Sigiriya PLC to deliver community-level economic benefits. Training initiatives and inclusive recruitment practices continue to strengthen our social sustainability efforts.

### Environmental Impact

In response to increasing environmental responsibilities, Hotel Sigiriya PLC has initiated water and energy conservation

practices, waste reduction efforts, and minimised single-use plastics. Future plans include pursuing green certifications and scaling up renewable energy adoption.

### Cultural Impact

Through curated local experiences—traditional cuisine, cultural performances, and artisan collaborations—Hotel Sigiriya PLC continues to celebrate and preserve Sri Lankan heritage. These efforts enhance guest experiences while supporting community pride and identity.

## Operational Review

### Strategic Partnerships

Hotel Sigiriya PLC has deepened collaboration with DMCs, FTOs, and travel platforms across India, Europe, and the Middle East. Marketing alliances, FAM tours, and co-branded packages have improved visibility and market penetration. The Company also remains aligned with national tourism goals through participation in international trade shows and tourism board initiatives.

### Going Concern Assessment

The Board of Directors affirms the Company's ability to continue as a going concern, with sufficient resources and no material uncertainties affecting operational continuity. There are no intentions to liquidate or cease operations of Hotel Sigiriya PLC.

### Financial Review of Hotel Sigiriya PLC

During the financial year 2024/25, the Company demonstrated strong financial performance, underscored by significant growth in revenue. The Company reported revenue of Rs 624.8 million, reflecting a notable increase from Rs. 491.9 million in the previous year. This upward trajectory was largely driven by the sustained recovery of the tourism industry and enhanced operational efficiencies.

During the year under review, the Company achieved a revenue of Rs. 624.9 million and a gross profit of Rs. 445 million, a significant increase from the previous year's revenue of Rs. 492 million and gross profit of Rs. 352 million. However, in line with our strategic focus on enhancing guest experience, a considerable increase in operating expenses was incurred to uplift the service standards of the hotel. As a result, EBIT stood at Rs. 33.4 million, compared to Rs. 62 million reported in the previous year. These investments, though impacting short-term profitability, are expected to deliver long-term value and improved operational performance. The Company ultimately recorded a Profit Before Tax (PBT) of Rs. 104.4 million for the year.

In line with the Company's Revaluation Policy, a comprehensive revaluation of land, buildings, and Right-of-Use assets was undertaken as at 31st March 2025. This exercise generated a revaluation surplus of Rs. 238.6 million. Consequently, the Total

Asset Base increased to Rs. 1.6 billion as at the reporting date, reinforcing the Company's solid financial foundation and asset strength.

### Outlook for 2025/26 and Beyond – Leisure and Tourism Industry

The global leisure and tourism industry is poised for continued growth in 2025/26 and the years ahead, supported by a robust post-pandemic recovery, rising disposable incomes in emerging economies, and a sustained shift toward experience-led, sustainable travel. International tourist arrivals are expected to surpass pre-pandemic levels across most regions, with the Asia-Pacific and Middle East emerging as key growth markets, driven by improved air connectivity and dynamic destination marketing initiatives.

According to the World Travel & Tourism Council (WTTC), the industry will continue to expand its contribution to global GDP, employment, and international trade, as travel becomes increasingly accessible, personalised, and inclusive.

In Sri Lanka, the outlook is equally promising. The government has set ambitious targets of over 3 million tourist arrivals and USD 5 billion in tourism revenue for 2025. Several strategic initiatives are expected to support this growth, including the introduction of streamlined digital visa processes, destination rebranding efforts, the expansion of direct international flight routes, and an improving geopolitical climate. With a renewed focus on positioning Sri Lanka as a premium eco-cultural destination, the country is well placed to attract high-spending travellers from both established and emerging tourism markets. The growing global demand for wellness tourism, heritage experiences, and sustainable eco-retreats is closely aligned with Sri Lanka's offering.

Technological innovation will play a central role in reshaping the future of travel. Artificial intelligence (AI), virtual reality (VR), and big data analytics are increasingly being adopted to enhance guest personalisation and streamline service delivery. At the same time, heightened environmental awareness is placing increased pressure on operators to implement genuine, measurable ESG (Environmental, Social and Governance) initiatives. Regulatory bodies, particularly

in the EU, are already mandating greater transparency in sustainability reporting—making verified ESG credentials critical to maintaining global competitiveness.

Strategic partnerships and collaborative business models will also be vital in the evolving landscape. Hotels and resorts are expected to deepen alliances with online travel agencies (OTAs), destination management companies (DMCs), wellness brands, and local communities to create differentiated, value-added experiences. Co-branding, cross-promotional campaigns, and bundled packages will become more prominent as operators seek to stand out in an increasingly digital and competitive marketplace.

For Hotel Sigiriya PLC, these trends present a compelling mix of opportunities and responsibilities. To stay ahead, the Company must remain agile, continue expanding its footprint in wellness and cultural tourism, and invest in sustainable, future-ready infrastructure. With Sri Lanka gaining traction as a high-end travel destination and tourism revenues on an upward trajectory, Hotel Sigiriya PLC is strategically positioned to leverage these developments by offering authentic, eco-conscious, and digitally enhanced guest experiences.

In summary, the global travel and tourism industry is set to enter a phase of strong recovery and expansion in 2025 and beyond. Success, however, will hinge on the ability of industry players to embrace innovation, sustainability, and strategic collaboration to sustain this momentum over the long term.

# STEWARDSHIP

Risk Management	16
Annual Report of the Board of Directors	20
Corporate Governance	23
Directors' Disclosure In Terms of Section 9.10.4(e)	30
Report of the Audit Committee	31
Report of The Nomination and Governance Committee	32
Report of the Remuneration Committee	34
Related Party Transactions Review Committee	35

# Risk Management

Hotel Sigiriya 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 the ISO 31000 standard of 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 management team of Serendib Leisure Management Ltd, managing agent of Hotel Sigiriya PLC, 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 Serendib Leisure Management Ltd, managing agent of Hotel Sigiriya PLC, overlooks the risk management process of the Hotel Sigiriya PLC. The Group

Risk Management Committee (GRMC) of LOLC Holdings PLC (ultimate parent company of Hotel Sigiriya PLC reviews the company’s risk profile and provides guidance on required risk responses on a quarterly basis.

The Audit Committee of Hotel Sigiriya 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 Holdings PLC.

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 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 Hotel Sigiriya PLC.

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 Management

## 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
S	<ul style="list-style-type: none"> <li>» Board attention is required</li> <li>» Immediate action by senior management with a detailed research and management of risk through appropriate responses</li> </ul>
M	<ul style="list-style-type: none"> <li>» Board attention is required</li> <li>» Senior management responsibility specified</li> <li>» Risk must be managed by senior management with a detailed risk treatment plan</li> </ul>
L	<ul style="list-style-type: none"> <li>» Senior management attention required</li> <li>» Management responsibility specified</li> <li>» Risks should be treated using one or more of the risk treatment options</li> </ul>
H	<ul style="list-style-type: none"> <li>» Risks should be treated using one or more of the risk treatment options</li> <li>» Risks should be managed using specific monitoring or treatment procedures</li> </ul>
E	<ul style="list-style-type: none"> <li>» Risk is accepted with minimal treatment and can normally be managed using existing routine procedures</li> <li>» Low risks need to be monitored and periodically reviewed to ensure they remain acceptable</li> </ul>

## MANAGING RISK

Hotel Sigiriya 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

## Risk Management

Risk category	Risk Exposure	Risk Mitigating Actions
<b>1 Global Travel Risk</b> 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	<ul style="list-style-type: none"> <li>» Implementation of recommended safety protocols to ensure safety of guests and employees</li> <li>» Actively participate in industry associations to lobby for releasing negative travel advisories</li> <li>» Join in Destination marketing campaigns on social media and other digital media</li> </ul>
<b>2 Macroeconomic &amp; Political Risks</b> 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	<ul style="list-style-type: none"> <li>» Placement of contingency and recovery plans to mitigate the exposure to unexpected fluctuations / crisis</li> <li>» Active participation in industry associations to lobby for releasing negative travel advisories</li> <li>» Management being on alert regularly for changes in economic and political environment as to identify risks at possible earliest stage</li> </ul>
<b>3 Liquidity Risk</b> Risk Assessment Impact:Major Likelihood:Likely	Risk of inability to meet short term loan repayments / supplier payments and other liabilities	<ul style="list-style-type: none"> <li>» A significant component of interest bearing loans and borrowings were settled from the cash proceeds obtained from the right issue.</li> <li>» Negotiating new overdraft facilities to fund short term cash requirements</li> <li>» Negotiation of longer credit periods with suppliers</li> <li>» Re-negotiation of all contracts / subscriptions and annuities for better credit terms</li> <li>» Maintaining the fixed overheads at a minimum level to control operational cash-burn</li> </ul>
<b>4 Risk of noncompliance</b> Risk Assessment Impact:Major Likelihood:Likely	Possible requirement of mandatory disclosure of star rating of hotels	<ul style="list-style-type: none"> <li>» Invest in all properties for the necessary improvements to retain the currently advertise star rating</li> </ul>
<b>5 Market Risk</b> Risk Assessment Impact:Major Likelihood:Almost certain	Adverse impact on yields and occupancies due to fluctuation in demand	<ul style="list-style-type: none"> <li>» Closely monitor the socio-economic environment of the traditional markets and targeting new emerging markets</li> <li>» Analyse resources and capabilities to identify core competencies and differentiate through brand and service excellence</li> <li>» Sourcing new markets and developing new channels</li> <li>» Participate in trade fairs both local and foreign in order to promote the properties and to attract new tour operators</li> </ul>
<b>6 Credit Risk</b> 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	<ul style="list-style-type: none"> <li>» Credit is allowed only for approved customers which is reviewed bi-annually</li> <li>» Monitor and review the overdue debtor balances monthly</li> <li>» Obtain booking advances</li> <li>» Compliance to laid down credit SOPs on credit control</li> <li>» signing up for payment plans with Tour Operators&amp; Travel Agents</li> </ul>

## Risk Management

Risk category	Risk Exposure	Risk Mitigating Actions
<b>7 Health and Safety Risk</b> 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"> <li>» 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</li> <li>» Group has defined its food safety standards in its Procedure Manual and all food handlers are taken through comprehensive training on the same</li> <li>» The hotel takes all precautions from sourcing the supplier to storage and preparation of food to ensure contamination is avoided</li> <li>» 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</li> <li>» The company sources its products and services from approved suppliers</li> <li>» Performing quarterly health and Safety audit reviews</li> </ul>
<b>8 Foreign Exchange Rate Risk</b> Risk Assessment Impact: Moderate Likelihood: Likely	Adverse impact on P&L and gearing	<ul style="list-style-type: none"> <li>» Exchange rate movements are taken into consideration when entering into contracts with travel agents</li> <li>» Hedge in Forward Rate Agreements [FRAs]</li> </ul>
<b>9 Human Resource Risk</b> 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"> <li>» Establish career development programs and succession plans in order to retain and motivate the talent pool of the company</li> <li>» Provide focused and structured training for staff at all levels to aid personal and professional development</li> <li>» Develop a strong employer brand to attract staff of the right quality</li> <li>» Increasing employee engagement through designing recognition programmes</li> </ul>

### INTERNAL CONTROL AND RISK MANAGEMENT

Internal audit function operates on the same organisational structure as risk and managed under the scope of the LOLC Group internal audit which reports to the BAC (Board audit Committee). The group internal audit operates on a sector level and executes its audits strategy unique to the sector covering the entity level operations. This ensures that the audit reviews are in line with sector specific risks and the required level of audit resources and expertise are available. A centralised IS audit team supports all internal audit activities and carries out its own IS audit reviews to obtain a reasonable assurance that IS controls are effective.

The Audit Committee of Hotel Sigiriya 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 Holdings PLC.

### ASSURANCE ON INTERNAL CONTROLS & RISK MITIGATION

The aforesaid approach on risk & audit allows us to have an overview of significant audit & risk matters and the reliability of risk mitigation mechanisms/internal control frameworks across the leisure sector in a cost-effective manner.

We strongly believe that there is no limit for improvements of any process, therefore risk and audit too are no exceptions. Continuous quality, knowledge and skill improvements are a prerequisite for effective risk and audit functions. ERM staff consisting of Risk Management, Internal Audit & IS Audit

are given every opportunity to enhance their skills and knowledge via inhouse and external training and knowledge exchange initiatives between intercompany operational units. These initiatives enhance the quality of work of both the risk and audit functions. In addition, we leverage on technology to improve the effectiveness of both risk and audit and data analytic tools are used to enhance the coverage.

Sigiriya Hotel 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

The Board of Directors of Hotel Sigiriya PLC takes pleasure in presenting its Report together with the Audited Financial Statements of the Company for the year ended 31 March 2025

## PRINCIPAL ACTIVITY OF THE COMPANY

The Company's principal activity is carrying on the business of a Hotelier by the name of Hotel Sigiriya.

## 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 23 to 30

## 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 37 to 79

## GOING CONCERN

The Board, having considered the financial position, operating conditions, regulatory and other factors and such matters required to be addressed in the Corporate Governance Code, have a reasonable expectation that the Company possesses adequate resources to continue its operations for the foreseeable future. For this reason, the Company continues to adopt the 'Going Concern Basis' in preparing the Financial Statements.

## MATERIAL ACCOUNTING POLICIES

The Financial Statements for the year ended 31 March 2025 have been prepared in accordance with the Sri Lanka Accounting

Standards which were in effect up to that date. The Accounting Policies adopted in the preparation of these Financial Statements are given from pages 48 to 79

## PROPERTY PLANT & EQUIPMENT

Details of the Company's Property Plant & Equipment are found on page 62

## STATED CAPITAL

The Stated Capital of the Company as at 31 March 2025 amounted to Rs. 449,190,000/- divided into 17,577,000 ordinary shares.

## STATUTORY PAYMENTS & COMPLIANCE WITH LAWS AND REGULATIONS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company as at the reporting date have been paid, or where relevant, provided for in the Financial Statements.

The Company has also ensured that it has complied with the applicable laws and regulations including the Listing Rules of the Colombo Stock Exchange.

## CORPORATE DONATIONS

Donations made by the Company during the year under review amounted to Rs. 29,000 (Rs.34,000/- in 2024).

## DIRECTORS

The Directors of the Company as of report date are as follows:

**W. D. K. Jayawardena** - Chairman

**Mrs. K. U. Amarasinghe** - Non-Executive Director

**D. S. K. Amarasekera** - Non-Executive Director

**S. Furkhan** - Independent Director

**Dr. J. M. Swaminathan** - Non-Executive Director

**T Dharmarajah** - Independent Director

The profiles of the Directors are given on pages 10 & 11

## INTEREST REGISTER

In compliance with the requirements of the Companies Act. No. 07 of 2007 an Interest Register was maintained by the Company during the accounting period ended 31st 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 amongst the other members of the Board.

Other directorships held by the Directors in Sri Lanka are disclosed on page 30

## DIRECTORS' INTEREST IN CONTRACTS

In terms of Section 192 (2) of the Companies Act the Directors have declared their interest 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 Note 29 of the Annual Report.

## DIRECTORS' INTEREST IN SHARES

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

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

## RETIREMENT OF DIRECTORS

In terms of Article 86 of the Articles of Association of the Company, D S K Amarasekera retire by rotation and offers himself for re-election. The Directors recommend his re-election.

## STEWARDSHIP

### Annual Report of the Board of Directors

In terms of Article 74 of the Articles of Association of the Company, Mr. T Dharmarajah retire by rotation and offers himself for re-election. The Directors recommend his re-election.

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. J M Swaminathan as a Director. The Board recommends his re-election.

#### DIRECTORS' REMUNERATION

Directors were paid Rs. 1,570,000/- as remuneration during the year under review.

#### DECLARATION BY THE BOARD OF DIRECTORS IN TERMS OF RULE 9.16 OF THE LISTING RULES

The Directors 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.

#### 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.

#### TRANSACTIONS WITH RELATED PARTIES

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

Related Party Transactions are disclosed in Note 28 to the Financial Statements. 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.

#### DIVIDENDS

The Directors have not recommended a payment of a dividend for the year under review.

#### AUDITORS

The Auditors, M/s. Deloitte Partners Chartered Accountants 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. 1,000,000 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.

The Auditors have confirmed that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

#### BOARD SUB-COMMITTEES

The Board has appointed the following sub committees :

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

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.

These Committees meet regularly. However, the Nominations & Governance Committee has been established on 1st October 2024 and no meetings were held during October 2024 to 31st 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.

The Reports of these Committees can be found on pages 31 to 35 and provide further details.

## STEWARDSHIP

### Annual Report of the Board of Directors

Directors	Board	Audit Committee	Rem. Committee	RPTR Committee	Nomination Committee	Board Meeting Attendance			
						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	✓	✓	✓	✓	✓	-	✓	-	✓ [online]
Dr. J. M. Swaminathan	✓	-	-	-	-	✓	✓	✓	✓
T Dharmarajah (AWEF-01.10.2024)	✓	✓**	✓**	✓**	✓	-	-	✓	✓ [online]

\* Chairman

\*\* Committee Chairman

#### AUDITOR'S REPORT

The Auditor's report appears on pages 38 to 42

#### DETAILS OF MATERIAL ISSUES PERTAINING TO THE EMPLOYEES & INDUSTRIAL RELATIONS OF THE ENTITY

During the year under review there were no material issues pertaining to Employees & industrial Relations other than those disclosed in Note no 25.2 to the Financial Statements found on page 72

#### RISK MANAGEMENT

The Company has put in place a process to identify, evaluate and manage any significant risks faced by the entity, where annual risk reviews had been carried out by the Group's Enterprise Risk Management Department. The principal risks and mitigating actions have been reviewed by the Audit Committee on a quarterly basis.

#### ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

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 Jayawardenapura Mawatha, Rajagiriya. The notice of meeting is included in this Annual Report.

For and on behalf of the Board  
Hotel Sigiriya PLC



W. D. K. Jayawardena  
Chairman



K. U. Amarasinghe  
Non-Executive Director

15 August 2025

# Corporate Governance

## INTRODUCTION

Corporate Governance involves a set of relationships between a Company's management, its Board, its shareholders and other stakeholders. Corporate governance essentially involves balancing the interests of a company's many stakeholders and the community. As such, corporate governance encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Hotel Sigiriya PLC is fully aware and committed to implementing governance standards that conform to best practices. As part of the corporate culture, it engages and interacts with all the stakeholders in a way that promotes mutual trust, better understanding and good faith.

The main scope of the Company's Corporate Governance policies encompass; a clear description of duties and responsibilities among the Board of Directors, checks and balances, clear business roles and strategies within the Company, ethical business conduct, engagements with stakeholders through

Risk mitigation, upholding corporate social responsibility in sustaining good corporate citizenship as well as disclosure of material information in a timely and accurate manner.

## BOARD OF DIRECTORS

The Board of Directors of the Company presently comprises 06 as of the date of this report.

The Board has determined that Mr. T Dharmarajah and Mr.S Furkhan can appropriately be classified independent directors. 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.

The Directors' profiles, shareholding and other information relating to the Board are given in the Directors' Report on pages 10 to 11

## AUDITORS

The Auditors M/s. Deloitte Partners, Chartered Accountants 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.

The Directors have confirmed that to the best of their knowledge the Auditors have had no interest in or relationship with the Company or its subsidiaries other than that of being External Auditors and they were paid Rs. 1,800,000 as audit fee.

The Auditors have confirmed that they are independent in accordance with the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

They have also expressed their willingness to continue in office. A resolution to re-appoint them and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

## STAKEHOLDERS

The Board is conscious of its relationship with all stakeholders, including the community within which it operates. Apart from aiming to be a model corporate citizen, with sustainable and ecofriendly practices, the hotel enhances

and uplifts staff standards and morale through regular training and improved facilities. This facilitates improvements in service levels, thereby enriching guest experience. Satisfied guests, apart from providing repeat business, also act as ambassadors for the hotels.

## COMPLIANCE WITH REGULATIONS

The Board confirms that the Company is compliant with the Corporate Governance requirements of the Colombo Stock Exchange ["CSE"], SEC and the Companies Act No. 7 of 2007.

## BOARD SUB-COMMITTEES

The Board has appointed the following sub committees:

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

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.

The Reports of these Committees can be found on pages 31 to 35 and provide further details.

## Corporate Governance

The following table presents the Company's compliance with Section 9 of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange.

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.1.3	Company shall publish statement confirming the extent of compliance with the Corporate Governance Rules set out herein, in the Annual report of the Company.	<b>Complied with</b>  The Company's commitment to the Corporate Governance Code of CSE is detailed herein.
9.2.1	<b>Policies</b>  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 Whistleblowing l) Policy on Anti-Bribery and Corruption	<b>Complied with</b>  Summarised versions of all policies are now hosted in the corporate website:- <a href="https://www.browshotels.com/investor-relations">https://www.browshotels.com/investor-relations</a>
<b>9.3</b>	<b>Board Committees</b>	
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	The following Committees of the parent Company are already in place and are functioning effectively:  a) Audit Committee b) Remuneration Committee c) Related Party Transaction Review Committee d) The Nomination & Governance Committee
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	Mr W D K Jayawardena serves as the Chairman of the Company while Mr. T Dharmarajah - Independent Director serves as the Committee Chairman
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.	<b>Complied with</b>  Mr W D K Jayawardena serves as the Chairman of the Company while Mr. T Dharmarajah - Independent Director serves as the Committee Chairman

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
<b>9.4</b>	<b>Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders</b>	
9.4.1.	The Company 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.	<b>Complied with</b>  Records of all shareholder meetings are maintained by the Company Secretaries. Copies of these records would be made available to CSE/SEC upon request.
<b>9.4.2</b>	<b>Communication and relations with shareholders and investors</b>	
	The Company 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 was in place on 1st October 2024
<b>9.5</b>	<b>Policy on matters relating to the Board of Directors</b>	
9.5.1.	The Company to establish and maintain a formal policy governing matters relating to the Board of Directors.	In terms of Rule 9.2.1. a policy on Matters Relating to the Board of Directors is in place and hosted on the website
<b>9.6</b>	<b>Chairperson and CEO</b>	
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	<b>Complied with</b>  The Chairman of the Company is a Non-Executive Director.  The positions of Chairman and CEO are not held by the same individual.
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 to comply, should the need arise.
<b>9.7</b>	<b>Fitness of Directors and CEOs</b>	
9.7.1-9.7.3	The Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:	<b>Complied with</b>  All Directors have submitted written declarations confirming that they are fit and proper to hold their respective positions in the Company.

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance												
<b>9.8</b>	<b>Board Composition</b>													
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	<p><b>Complied with</b></p> <p>The Board comprises 05 Directors as of date.</p> <table> <tr> <td>W. D. K. Jayawardena</td> <td>Chairman</td> </tr> <tr> <td>Mrs. K. U. Amarasinghe</td> <td>Non-Executive Director</td> </tr> <tr> <td>D. S. K. Amarasekera</td> <td>Non-Executive Director</td> </tr> <tr> <td>Dr. J M Swaminathan</td> <td>Independent Director</td> </tr> <tr> <td>S. Furkhan</td> <td>Independent Director</td> </tr> <tr> <td>T. Dharmarajaha</td> <td>Independent Director [appointed w.e.f. 01.10.2024]</td> </tr> </table>	W. D. K. Jayawardena	Chairman	Mrs. K. U. Amarasinghe	Non-Executive Director	D. S. K. Amarasekera	Non-Executive Director	Dr. J M Swaminathan	Independent Director	S. Furkhan	Independent Director	T. Dharmarajaha	Independent Director [appointed w.e.f. 01.10.2024]
W. D. K. Jayawardena	Chairman													
Mrs. K. U. Amarasinghe	Non-Executive Director													
D. S. K. Amarasekera	Non-Executive Director													
Dr. J M Swaminathan	Independent Director													
S. Furkhan	Independent Director													
T. Dharmarajaha	Independent Director [appointed w.e.f. 01.10.2024]													
<b>9.8.2</b>	<b>Minimum Number of Independent Directors</b>													
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.	<p><b>Complied with</b></p> <p>2 out of the 6 Board Members are Independent Directors.</p> <p>Both Directors have submitted annual declarations confirming their independence</p>												
<b>9.9.</b>	<b>Alternate Directors</b>													
	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.												
<b>9.10</b>	<b>Disclosures relating to Directors</b>													
9.10.1	The Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold.	<p><b>Complied with.</b></p> <p>The maximum number of directorships a Board member is permitted to 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</p>												
9.10.2.	The Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement.	<p><b>Complied with.</b></p> <p>All new appointments to the Board are immediately disclosed and disseminated to the market, in compliance with Rule 9.10.2 including the following:</p> <ul style="list-style-type: none"> <li>i) a brief resume of such Director;</li> <li>ii) his/her capacity of directorship;</li> </ul> <p>A statement indicating whether such appointments have been reviewed by the Nominations and Governance Committee would be included in future announcements.</p>												

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
9.11 & 9.11.4	<p><b>Nomination and Governance Committee</b></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><b>Complied with</b></p> <p>A Nominations &amp; Governance Committee is in place. As of 31st March 2025 the Committee comprised 3 Non Executive directors of whom 2 are Independent.</p>
9.12	<p><b>Remuneration Committee</b></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><b>Complied with</b></p> <p>Please refer Committee report on page 34</p>
9.12.6.	<p><b>Composition of the Remuneration Committee</b></p>	<p><b>Complied with</b></p> <p>Please refer Committee Report on page 34</p>
9.13	<p><b>Audit Committee</b></p>	<p><b>Complied with</b></p>
9.13.1 & 9.13.2	<p>Where the Company 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><b>Complied with</b></p> <p>An Audit Committee is already in place. The Committee has oversight of the Risk function in addition</p>
9.13.3	<p><b>Composition</b></p> <p>1) The members of the Audit Committee shall;</p> <p>a) comprise 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 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><b>Complied with</b></p> <p>As of 31 March 2025 the Committee comprised 3 Non- Executive Directors of whom 2 are independent.</p> <p><b>Complied with</b></p> <p>Please refer attendance in committee report</p> <p><b>Complied with</b></p> <p>The Committee met 04 times during the financial year ended 31st March 2025.</p> <p><b>Complied with</b></p>

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
	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	<b>Complied with</b> The AGM-Finance attends the Audit Committee meeting by invitation.
	6) Where the parent and subsidiary are both listed the AC of the parent may be permitted to function as the AC of the subsidiary.	<b>Complied with</b>
	7) The Chairperson of the AC shall be a Member of a recognised professional accounting body. Provided, however this Rule shall not be applicable in respect of Risk Committees where there is a separate Risk Committee and Audit Committee.	<b>Complied with.</b> The Company has appointed an Audit Committee dedicated to it. Please refer Committee report on page 31
9.13.4 &	Functions and Annual Report Disclosures of the Audit Committee	<b>Complied with</b>
9.13.5		Please refer Committee Report on page 31
<b>9.14</b>	<b>Related Party transaction Review Committee</b>	<b>Complied with</b>
9.14.1.	Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in the regulation	<b>Complied with</b> In conformity with the Listing Rules, the Related Party Transactions Review Committee of the Parent Company, Serendib Hotels PLC functions as the Related Party Transactions Review Committee of the Company.  Please refer Committee Report on page 35
9.14.2.	<b>Composition</b>  The Related Party Transactions Review Committee shall comprise 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.	<b>Complied with</b> As of 31st March 2025, the committee comprise 02 Independent Directors and 01 Non- Executive Director.  Please refer committee report on page 28
<b>9.14.4</b>	<b>General Requirements</b>	<b>Complied with</b>
(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. The minutes of the RPTRC are tabled at the meetings of the Board of Directors on a periodic basis.	Minutes of the Related Party Transactions Review Committee are circulated to the Board every quarter.

Sec No.	Rules of the Colombo Stock Exchange	Level of compliance
(iii)	Members of the RPTRC to ensure they have or have access to adequate knowledge, expertise and advice.	<b>Complied with</b>
(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.	No such occurrence to report during the financial year 2024.
(v)	Interested Directors shall not vote on or shall not be present during the deliberations on the specific matter	Directors of the RPTRC are aware of their obligations.
<b>9.14.6.</b>	<b>Shareholder Approval</b>	
	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.
<b>9.16</b>	<b>Additional disclosures</b>	Please refer Report of the Board of Directors on page 29 for the disclosures.

## Directors' Disclosure 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
	Eden Hotel Lanka PLC	Non-Executive Chairman
	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
Mrs. K U Amarasinghe	LOLC Holdings PLC	Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Eden Hotel Lanka PLC	Non-Executive Director
	Brown & Company PLC	Non-Executive Director
	Browns Investments PLC	Non-Executive Director
	Serendib Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
	Dolphin Hotels PLC [r.w.e.f. 15th June 2024]	Non-Executive Director
Dr. J M Swaminathan	Eden Hotel Lanka PLC	Non-Executive Director
	Palm Garden Hotels PLC	Non-Executive Director
	Renuka Holdings PLC	Non-Executive Director
	Serendib Land PLC	Independent Director
	Browns Investments PLC	Non-Executive Director
	Serendib Hotels PLC	Non-Executive Director
	Dolphin Hotels PLC	Non-Executive Director
	Hotel Sigiriya PLC	Non-Executive Director
D S K Amarasekera	Browns Investments PLC	Non-Executive Director
	Eden Hotel Lanka PLC	Non-Executive Director
	Madulsima Plantations 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
	Sierra Cables PLC	Non-Executive Director
Stefan Furkhan	Eden Hotel Lanka PLC	Non-Executive Director
	Brown Investments PLC	Non-Executive Director
	Hotel Sigiriya PLC	Independent Director
	Dolphin Hotels PLC	Independent Director
T Dharmarajah	Hotel Sigiriya PLC	Independent Director
	Palm Garden Hotels PLC	Independent Director
	Eden Hotel Lanka PLC	Independent Director
	Serendib Hotels PLC	Independent Director
	Browns Investments PLC	Independent Director
	Udapusselawa Plantation PLC	Independent Director
Hapugastenne Plantation PLC	Independent Director	

# Report of the Audit Committee

The Audit Committee has been formally appointed by the Board in conformity with the Listing Rules of the Colombo Stock Exchange with effect from 1st October 2024. The Chairman of the Audit Committee is an Independent Non-Executive Director

## COMPOSITION

The members of the Audit Committee as at 31 March 2025 were as follows:

### T Dharmarajah

Independent Director/Committee Chairman

### S Furkhan

Independent Director

### D. S. K. Amarasekera

Non-Executive Director

*To comply with Section 9, Dr J M Swaminathan, Committee Chair, stepped down on 1st January 2025*

The Committee meets regularly to review the financial statements. During these discussions, the Committee satisfies itself that the Company's systems enable information to be accurately recorded and reported in a manner that is timely and in compliance with all relevant regulatory and statutory requirements. The Group Chief Financial Officer was invited to attend these meetings.

## INTERNAL AUDIT

The Internal Audit Function of the Company is being carried out by the Group Enterprise Risk Management Division. Internal audit had independently reviewed the financial and internal control systems of the Company. It had carried out independent audits in accordance with an internal Audit Plan which was approved by the Audit Committee before the commencement of the financial year.

The Enterprise Risk Management Division follows up on the implementation of recommendations and reports the progress the Audit Committee.

## ROLE OF THE COMMITTEE

The Audit Committee operates within the Terms of Reference outlined in its Charter and assist the Board in fulfilling their oversight responsibilities in the following areas.

- i) Ensuring the quality and integrity of the Company's Financial Statements and financial reporting process, including the preparation, presentation and adequacy of disclosures in the Financial Statements in accordance with the Sri Lanka Accounting Standards.
- ii) Monitoring the system of internal accounting and financial controls of the Company.
- iii) Ensuring compliance with legal and statutory requirements including financial reporting requirements, disclosure requirements of the Companies Act and other relevant financial reporting related regulations and requirements.
- iv) Overseeing the performance of Internal Audit functions including the process to ensure that the internal controls and risk management of the Company are adequate.
- v) Assessing the independence and performance of the External Auditors of the Company and make recommendations to the Board pertaining to the appointment, re appointment or removal of External Auditors and their remuneration and approve terms of engagement.

## EXTERNAL AUDIT

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 is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest.

Confirmation has been obtained from the External Auditors of their compliance with the independence guidelines given in the Code of Ethics of the Institute of Chartered Accountants of Sri Lanka.

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

## MEETING ATTENDANCE

Director	Attendance
T Dharmarajah [Committee Chairman]	2/2
D S K Amarasekera	3/4
S Furkhan	2/2
Dr J M Swaminathan	3/3

On behalf of the Committee



**T Dharmarajah**  
Chairman - Audit Committee

15 August 2025

# Report of The Nomination and Governance Committee

Nomination & Governance Committee 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

<b>T Dharmarajah</b>	-	Committee Chairman/ Non-executive Independent Director
<b>S Furkhan</b>	-	Non-Executive Independent Director
<b>W D K Jayawardena</b>	-	Non-Executive Director

## FUNCTIONS OF THE NOMINATION & GOVERNANCE COMMITTEE

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

## TERMS OF REFERENCE

The Company has board approved Terms of reference for the Nomination & 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.

## RE- ELECTION OF DIRECTORS

As provided in the Articles of Association of the Company the Committee recommended the retirement by rotation of one director namely, Mr. D S K Amarasekera and the re-election of a director i.e. Mr. T Dharmarajah appointed to fill a casual vacancy on the Board during the year under review. Further, Dr. J M Swaminathan who reached age 70 in 2011 and recommended to re-elect in terms of Section 210 of the Companies Act no. 7 of 2007 subject to shareholder approval. The Committee 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 the Articles of Association of the Company.

## Information pertaining to Directors who have been proposed for re-election in terms of the Articles of the Association and CSE listing Rule No. 9.11.6

Description	D S K Amarasekera [Article 86]	Dr. J M Swaminathan [Sec. 210 of the CA]	T Dharmarajah [Article 74]
Date of first appointment as a Director	11.02.2021	11.02.2021	01.10.2024
Date of last re-election as a Director at an AGM	2023	2024	-
Board Committees Served on during the year under review		Audit RPTRC Remuneration	Audit RPTRC Remuneration NGC
Present directorships in listed and unlisted Companies	Please refer Director's Profiles	Please refer Director's Profiles	Please refer Director's Profiles
Any relationships including close family relationships between the Director proposed for re-election and the directors, the Bank or its shareholders holding more than ten per centum (10%) of the shares of the Company	None	None	None

## MEETING & 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 board Committees

## STEWARDSHIP

### Report of The Nomination and Governance Committee

- c) Policy on Corporate Governance, Nominations and Re-election
- d) Policy on Remuneration
- e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's Listed Securities
- f) Policy on Risk management and Internal Controls
- g) Policy on Relations with Shareholders and Investors
- h) Policy on Environmental, Social and Governance Sustainability
- i) Policy on Control and Management of Company Assets and shareholder Investments
- j) Policy on Corporate Disclosures
- k) Policy on Whistleblowing
- l) Policy on Anti-Bribery and Corruption

#### INDEPENDENT DIRECTORS

The Committee is of the opinion that M/s T Dharmarajah and S Furkhan have met the criteria for determining their independence based on their professionalism, conduct, expertise and experience. The said Directors have also submitted declarations in accordance with the requirements of the

revised CSE Listing Rules 9.8.5. Based on the recommendation of the Committee to Board has also determined that T Dharmarajah & S Furkhan can appropriately be classified Independent Directors as of report date.

#### COMPLIANCE WITH LISTING RULES OF THE CSE

The Committee has received and reviewed reports from management regarding the Company's compliance with the corporate governance framework. Based on this review, the Committee confirms that, to the best of its knowledge, all Corporate Governance requirements outlined in the Listing Rules have been fully met.

On behalf of the Committee



**T Dharmarajah**  
Chairman

Nomination & Governance Committee  
15 August 2025

## Report of the Remuneration Committee

In conformity of the Listing Rules of the Colombo Stock Exchange, a Remuneration Committee has been appointed with effect from 1st October 2024 and reports directly to the Board.

### COMPOSITION

The Remuneration Committee comprises the following Directors :

**T Dharmarajah**

Independent Director

**S Furkhan**

Independent Director

**W D K Jayawardena**

Non-Executive Director

### 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 directors' 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 Committee also studies reports on the human resources of the hotel, which enable it to review the training provided as the

Company's rewards are linked to performance. During the year under review, training had been carried out on areas such as HR management for non HR managers, OBT with Sri Lanka Air Force, Team Building & Communication Training Session, performance management for professional executive staff, staff softskill development and enhancing customer service excellence

The Committee met once during the year under review at which all Committee members were present.

On behalf of the Committee



**T Dharmarajah**

Chairman - Remuneration Committee

15 August 2025

# Related Party Transactions Review Committee

In conformity of the Listing Rules of the Colombo Stock Exchange, a Related Party Transaction Review Committee has been appointed with effect from 1st October 2024 and reports directly to the Board.

## COMPOSITION

### T Dharmarajah

Independent Director/ Committee Chairman

### S Furkhan

Independent Director

### W. D. K. Jayawardena

Non-Executive Director

### D. S. K. Amarasekera

Non-Executive Director

### Dr. J. M. Swaminathan – Committee Chairman

Resigned w.e.f. 01.01.2025

The objectives of the Committee are to exercise oversight on behalf of the Board, that all Related Party Transactions of the Company are consistent with the Listing Rules of the Colombo Stock Exchange and that the required disclosures are made in a timely manner as required by the Rule.

The RPT Policy developed by the Committee and recommended for adoption by the Board of Directors of the Company is consistent with the operating model. The policy in detail is as follows:

#### (A) Shareholder Approval

- i. All non-recurrent transactions to be approved by shareholders, by way of a Special Resolution if the value is equal to, or more than one third (1/3) of the Total Assets of the Company as per the latest Audited Financial Statements of the Entity; OR
- ii. one third (1/3) of the Total Assets of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other non-recurrent transactions entered into with the same Related Party during the same financial year.

Acquisition of a substantial asset from, or dispose of a substantial asset to, any Related Party of the Entity or its associates, should be done subject to shareholder approval.

- iii. All recurrent Related Party Transaction to be approved by shareholders, by way of a Special Resolution, if the value is equal to, or more than one third (1/3) of the gross revenue (or equivalent term for revenue in the Income Statement) and in the case of group entity consolidated group revenue of the Entity as per the latest Audited Financial Statements of the Entity; OR
- iv. one third (1/3) of the gross revenue (or equivalent term for revenue in the group revenue of the Entity as per the latest Audited Financial Statements of the Entity, when aggregated with other recurrent transactions entered into with the same Related Party during the same financial year;

If a transaction requires shareholder approval as set out in the Rules above, it would be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

#### (B) Disclosures

The Company shall make an immediate Market Announcement to the Exchange;

of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; OR

of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.

## Disclosures in the Annual Report

Disclosures in the Annual Report to be done in accordance with Section 9.14.8 of the Listing Rules

Minutes of the Committee Meetings are noted at Board meetings, which enables the Committee to keep the Board informed of its comments and observations.

The details of the Related Party Transactions reviewed and approved by the Committee are disclosed in Note 25 of the Financial Statements for the year ended 31 March 2025 and are found on page 72 of the Annual Report.

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.

The Committee met 04 times during the year ended 31 March 2025 and the attendance are given in the following table:

#### MEETING ATTENDANCE

Director	Attendance
T Dharmarajah	2/2
W D K Jayawardena	4/4
S Furkhan	2/2
D S K Amarasekera	2/4
Dr J M Swaminathan	3/3

On behalf of the Committee



T Dharmarajah  
Committee Chairman

15 August 2025

# FINANCIAL STATEMENTS

Statement of Directors' Responsibility in Relation to Preparing Financial Statements	37
Independent Auditor's Report	38
Statement of Financial Position	43
Statement of Profit or Loss	44
Statement of Comprehensive Income	45
Statement of Changes in Equity	46
Statement of Cash Flows	47
Notes to the Financial Statements	48

# Statement of Directors' Responsibility in Relation to Preparing Financial Statements

## Financial Reports

The Statement of Directors' responsibilities is to be read in conjunction with the Report of the Auditors and is made to distinguish the respective responsibilities of the Directors and of the Auditors in relation to the Financial Statements.

The Companies Act No. 7 of 2007 requires that the Directors to prepare and circulate amongst the Shareholders, Financial Statements which give a true and fair view of the state of affairs of the Company as at the Balance Sheet date and the profit and loss of the Company for the financial year.

The Directors are required to ensure that in preparing the Financial Statements;

- » Appropriate accounting policies are used, selected and applied in a consistent manner, and material departures, if any, have been disclosed and explained.
- » All applicable and relevant Accounting Standards have been followed.
- » Judgements and estimates have been made which are reasonable and prudent.

The Directors confirm that the Company maintains accounting records with reasonable accuracy. The financial position of the Company and that Financial Statements have been prepared in accordance with the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and have provided the information required by or otherwise complied with the Listing Rules of the Colombo Stock Exchange.

The Directors having reviewed the Company's future financial projections, cash flows and current performance are satisfied that the Company has adequate resources to continue its operations in the foreseeable future. The Directors have thus adopted a 'Going Concern basis' in preparing the Financial Statements.

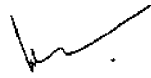
The Directors have also taken reasonable steps to safeguard the assets of the Company and to establish proper systems of internal control with a view to detect and prevent any irregularities.

The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

## Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company as at the Balance Sheet date have been paid or where relevant provided for in the Financial Statements.

By Order of the Board of Hotel Sigiriya PLC



W. D. K. Jayawardena

15 August 2025

# Independent Auditor's Report



Deloitte Partners  
100 Braybrooke Place  
Colombo 2  
Sri Lanka

Tel: +94 11 771 9700,  
+94 11 771 9838  
Fax: +94 11 230 7237  
www.deloitte.com

## Independent Auditor's Report TO THE SHAREHOLDERS OF HOTEL SIGIRIYA PLC Report on the Audit of Financial Statements

### Opinion

We have audited the financial statements of Hotel Sigiriya PLC (the Company), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, the statement of comprehensive income, 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 give a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics for Professional Accountants* issued by 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 judgement, 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 [Contd.]  
**TO THE SHAREHOLDERS OF HOTEL SIGIRIYA PLC [Contd.]**  
 Report on the Audit of Financial Statements [Contd.]  
 Key Audit Matters [Contd.]

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p><b>Revaluation of buildings and other improvements [herein after collectively referred to as 'buildings'] on leasehold lands</b></p> <p><i>See notes 3.2 and 12 of the financial statements for disclosures of related accounting policies, judgements, estimates and balances.</i></p> <p>As at 31 March 2025, carrying value of buildings on leasehold land classified as property, plant and equipment of the Company amounted to Rs. 669 Mn.</p> <p>The Company has chosen the revaluation model as its accounting policy for recognition of its buildings on leasehold land, which are accordingly measured at fair value with sufficient regularity, to ensure that the carrying amounts do not differ materially from their fair values as at the reporting date. The Company engaged independent valuation experts to revalue their buildings on leasehold lands as at 31 March 2025.</p> <p>During the year ended 31 March 2025, the Company reported a surplus on revaluation of buildings on leasehold land of Rs. 138 Mn.</p> <p>Buildings on leasehold land were valued at their fair values at reporting date using the depreciated replacement cost approach.</p> <p>The fair values of buildings on leasehold land are dependent on the valuation methodology adopted and the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each buildings and recent comparable transactions for each building on leasehold lands at different locations directly impact fair values.</p> <p><b>We focused on this matter because the:</b></p> <ul style="list-style-type: none"> <li>» Relative amount of the buildings on leasehold land balances in the Company's statement of financial position. The buildings value of Rs. 669 Mn representing 41% of the total assets of the Company.</li> <li>» Quantum of revaluation surplus recognised by the Company, that directly impacts the Company's statement of other comprehensive income; and</li> <li>» Inherently subjective nature of buildings on leasehold lands valuations due to use of estimates and judgement in the valuation methodology.</li> </ul>	<p><b>Our audit approach mainly included substantive audit procedures as follows:</b></p> <ul style="list-style-type: none"> <li>» Compared historical valuations in relation to buildings on leasehold land against current year valuations, and noted that the movements appear to be in line with overall movement in the market;</li> <li>» Assessed the professional competence, qualifications, experience and objectivity of the external valuation expert;</li> <li>» Verified the completeness and accuracy of the information provided to the external valuation expert by the management of the Company;</li> <li>» Evaluated the reasonableness of significant assumptions, judgements, and estimates used by the external valuation expert in determining the fair value of the buildings on the leasehold land. This included comparing the key inputs with publicly available property market data, considering factors such as location, land extent, and the physical condition of the buildings;</li> <li>» Engaged an auditor's expert to assist in assessing the reasonableness of the valuation techniques, key assumptions and methods applied and data used in valuation, including evaluating the fair values determined by the valuer with reference to current market evidence obtained by the expert;</li> <li>» Inspected the valuation reports and agreed the fair values to the Company's accounting records and financial statements; and</li> <li>» Assessed the adequacy and appropriateness of related disclosures in the financial statements in accordance with the applicable financial reporting framework.</li> </ul>



## Independent Auditor's Report [Contd.]

## TO THE SHAREHOLDERS OF HOTEL SIGIRIYA PLC [Contd.]

## Report on the Audit of Financial Statements [Contd.]

## Key Audit Matters [Contd.]

Key Audit Matter [Contd.]	How our Audit Addressed the Key Audit Matter [Contd.]
<p><b>Valuation of right-of-use assets relating to leasehold land</b></p> <p><i>See notes 4.8 and 13 of the financial statements for disclosures of related accounting policies, judgements, estimates and carrying value</i></p> <p>The Company revalue its right-of-use assets relating to leasehold land which are measured at their fair value to ensure that the carrying amounts do not materially differ from the fair value as at the reporting date. Accordingly, the Company have engaged an independent valuation expert to measure the fair value of right-of-use assets relating to leasehold land.</p> <p>As at 31 March 2025, the fair value of rights-of-use assets relating to leasehold land of the Company amounted to Rs. 140 Mn and the revaluation surplus on such assets amounting to Rs. 100 Mn have been reported in other comprehensive income.</p> <p>Right-of-use assets relating to leasehold land are valued at fair value at reporting date using the sales comparison approach. The fair values of right-of-use assets relating to leasehold land are dependent on the valuation methodology adopted and the inputs into the valuation model. Factors such as prevailing market conditions, the individual nature, condition and location of each right-of-use asset relating to leasehold land and recent comparable transactions directly impact fair values.</p> <p><b>We focused on this matter because of the:</b></p> <ul style="list-style-type: none"> <li>» Relative amount of the right-of-use assets relating to leasehold land balance in the statement of financial position. Right-of-use assets fair value as at 31 March 2025 amounting to Rs. 140 Mn representing 9% of the total assets of the company;</li> <li>» Quantum of revaluation surplus, which directly impact on the statement of other comprehensive income; and</li> <li>» Inherently subjective nature of the valuation of right-of-use assets relating to leasehold land due to use of estimates and significant judgement in the valuation methodology.</li> </ul>	<p><b>Our audit approach mainly included substantive audit procedures as follows:</b></p> <ul style="list-style-type: none"> <li>» Assessed the professional competence, qualifications, experience and objectivity of the external valuation expert;</li> <li>» Verified the completeness and accuracy of the information provided to the external valuation expert by the management of the Company;</li> <li>» Evaluated the reasonableness of significant assumptions, judgements, and estimates used by the external valuation expert in determining the fair value of the leasehold land. This included comparing the key inputs with publicly available property market data, considering factors such as location and land extent;</li> <li>» Engaged an auditor's expert to assist in assessing the reasonableness of the valuation techniques, key assumptions and methods applied and data used in valuation, including evaluating the fair values determined by the valuer with reference to current market evidence obtained by the expert;</li> <li>» Inspected the valuation reports and agreed the fair values to the Company's accounting records and financial statements; and</li> <li>» Assessed the adequacy and appropriateness of related disclosures in the financial statements in accordance with the applicable financial reporting framework.</li> </ul>



**Independent Auditor's Report [Contd.]**  
**TO THE SHAREHOLDERS OF HOTEL SIGIRIYA PLC [Contd.]**  
**Report on the Audit of Financial Statements [Contd.]**

### Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report of the Company, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions based on the circumstances.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgement 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 internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## Independent Auditor's Report



### Independent Auditor's Report [Contd.]

#### TO THE SHAREHOLDERS OF HOTEL SIGIRIYA PLC [Contd.]

#### Report on the Audit of Financial Statements [Contd.]

#### Auditor's Responsibilities for the Audit of the Financial Statements [Contd.]

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by section 163 [2] of the Companies Act, No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3015.

A handwritten signature in black ink that reads "Deloitte Partners".

CHARTERED ACCOUNTANTS  
COLOMBO

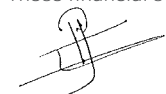
15 August 2025

## Statement of Financial Position

As at 31 March 2025

As at 31 March	Note	2025 Rs.	2024 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	12	730,444,628	613,977,313
Right of Use Assets	13	140,000,000	43,982,744
Intangible Assets	14	696,392	1,521,427
Other Financial Assets	15	1,999,589	2,682,566
<b>Total Non-Current Assets</b>		<b>873,140,608</b>	<b>662,164,050</b>
<b>Current Assets</b>			
Inventories	16	15,364,092	13,429,136
Trade and Other Receivables	17	499,862,619	238,923,245
Tax Receivables		3,909,430	2,802,961
Cash and Cash Equivalents	18.1	236,523,098	321,660,796
<b>Total Current Assets</b>		<b>755,659,239</b>	<b>576,816,138</b>
<b>Total Assets</b>		<b>1,628,799,847</b>	<b>1,238,980,188</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	19	449,190,000	449,190,000
Revaluation Reserve	20.1	486,683,813	319,638,483
Fair Value Reserve	20.2	(2,000,411)	(1,317,434)
Retained Earnings		208,933,515	160,407,848
<b>Total Equity</b>		<b>1,142,806,917</b>	<b>927,918,897</b>
<b>Non-Current Liabilities</b>			
Lease Liabilities	22	16,625,895	15,701,286
Deferred Tax Liabilities	10.2	196,797,030	108,118,830
Retirement Benefit Obligations	21	12,157,372	10,404,711
<b>Total Non-Current Liabilities</b>		<b>225,580,297</b>	<b>134,224,827</b>
<b>Current Liabilities</b>			
Trade and Other Payables	23	210,176,453	144,367,336
Dividends Payable	24	2,383,836	2,383,836
Income Tax Liabilities		23,223,981	-
Lease Liabilities	22	935,194	2,640,726
Bank Overdraft	18.2	23,693,169	27,444,566
<b>Total Current Liabilities</b>		<b>260,412,633</b>	<b>176,836,464</b>
<b>Total Equity and Liabilities</b>		<b>1,628,799,847</b>	<b>1,238,980,188</b>

These financial statements are 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 these financial statements

Signed for and on behalf of the Board by.



**W.D.K Jayawardena**  
Director



**T Dharmarajah**  
Director

The accounting policies and notes on page 48 through 79 form an Integral Part of the financial statements.

15 August 2025

Colombo

## Statement of Profit or Loss

Year ended 31 March 2025

Year ended 31 March	Note	2025 Rs.	2024 Rs.
Revenue	6	624,872,368	491,954,945
Cost of Sales		[179,413,030]	[139,993,520]
<b>Gross Profit</b>		<b>445,459,338</b>	<b>351,961,425</b>
Other Operating Income and Gains	7	1,095,000	545,000
Sales and Marketing Expenses		[12,277,574]	[2,343,685]
Administrative Expenses		[400,877,434]	[288,117,999]
<b>Results of Operating Activities</b>		<b>33,399,330</b>	<b>62,044,741</b>
Finance Cost	8	[3,360,167]	[2,426,138]
Finance Income	8	71,341,536	58,861,073
<b>Profit Before Tax</b>	9	<b>101,380,699</b>	<b>118,479,676</b>
Tax Expenses	10	[52,888,033]	[17,170,698]
<b>Profit for the year</b>		<b>48,492,666</b>	<b>101,308,978</b>
Earnings Per Share - Basic	11	2.76	5.76

The accounting policies and notes on page 48 through 79 form an Integral Part of the financial statements.

## Statement of Comprehensive Income

Year ended 31 March 2025

Year ended 31 March	Note	2025 Rs.	2024 Rs.
<b>Profit for the Year</b>		<b>48,492,666</b>	<b>101,308,978</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss subsequently</b>			
Fair Value (Loss) / Gain on Financial Assets at Fair Value Through OCI Investments	15.1	[682,977]	725,184
Surplus from Revaluation of Right of Use Assets	13	100,306,902	-
Surplus from Revaluation of Buildings and Swimming Pool	12	138,329,285	-
Deferred Taxation Attributable to Surplus from Revaluation Gain on Right of Use Assets, Buildings & Swimming Pool	10.2	[71,590,857]	-
Actuarial Gain / (Loss) on Retirement Benefit Obligations	21	47,145	[9,637]
Deferred Taxation Attributable to Actuarial (Gain) / Loss	10.2	[14,144]	2,891
<b>Net Other Comprehensive Income Items that will not be Reclassified to Profit or Loss in Subsequent Periods</b>		<b>166,395,354</b>	<b>718,438</b>
<b>Other Comprehensive Income for the Year, Net of Tax</b>		<b>166,395,354</b>	<b>718,438</b>
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>214,888,020</b>	<b>102,027,416</b>

The accounting policies and notes on page 48 through 79 form an Integral Part of the financial statements.

## Statement of Changes in Equity

Year ended 31 March 2025

Year ended 31 March	Note	Stated Capital Rs.	Revaluation Reserve Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Rs.
<b>Balance as at 1 April 2023</b>		449,190,000	319,638,483	(2,042,618)	59,105,616	825,891,481
Profit for the Year		-	-	-	101,308,978	101,308,978
<b>Other Comprehensive Income</b>						
Fair Value Gain on Fair Value Through OCI Investments	15.1	-	-	725,184	-	725,184
Actuarial loss on Retirement Benefit Obligations	21.2	-	-	-	(9,637)	(9,637)
Deferred Taxation Attributable to Actuarial Loss	10.2	-	-	-	2,891	2,891
<b>Total Comprehensive Income</b>		-	-	725,184	101,302,232	102,027,416
<b>Balance as at 31 March 2024</b>		449,190,000	319,638,483	(1,317,434)	160,407,848	927,918,897
<b>Balance as at 1 April 2024</b>		449,190,000	319,638,483	(1,317,434)	160,407,848	927,918,897
Profit for the Year		-	-	-	48,492,666	48,492,666
<b>Other Comprehensive Income</b>						
Fair Value Loss on Fair Value Through OCI Investments	15.1	-	-	(682,977)	-	(682,977)
Surplus from revaluation of Building Swimming pool	12	-	138,329,285	-	-	138,329,285
Surplus from revaluation of Right of Use Assets	13	-	100,306,902	-	-	100,306,902
Deferred Taxation Attributable to Surplus from Revaluation of Right of Use Assets, Buildings & Swimming Pool	10.2	-	(71,590,857)	-	-	(71,590,857)
Actuarial Gain on Retirement Benefit Obligations	21	-	-	-	47,145	47,145
Deferred Taxation Attributable to Actuarial Gain	10.2	-	-	-	(14,144)	(14,144)
<b>Total Comprehensive Income</b>		-	167,045,330	(682,977)	48,525,667	214,888,020
<b>Balance as at 31 March 2025</b>		449,190,000	486,683,813	(2,000,411)	208,933,515	1,142,806,917

The accounting policies and notes on page 48 through 79 form an Integral Part of the financial statements.

## Statement of Cash Flows

Year ended 31 March 2025

Year ended 31 March	Note	2025 Rs.	2024 Rs.
<b>Operating Activities</b>			
Profit Before Income Tax		101,380,699	118,479,676
<b>Adjustments for</b>			
Depreciation of Property, Plant and Equipment	12.2	41,664,742	42,312,447
Amortisation of Intangible Assets	14	825,035	723,605
Amortisation of Right of Use Assets	13	4,289,646	4,289,646
Loss on Retirement of Property Plant and Equipment		-	2,705,743
Finance Income	8.2	(68,650,988)	(58,861,073)
Finance Costs	8.1	3,360,167	1,190,175
Provision for Retirement Benefit Obligations	21.1	2,364,306	2,123,656
		85,233,607	112,963,875
<b>Working Capital Adjustments:</b>			
Increase in Inventories		(1,934,956)	(1,248,523)
Increase in Trade and Other Receivables		(188,313,866)	(162,238,825)
Increase in Trade and Other Payables		65,809,117	36,776,524
<b>Cash Used In Operations</b>		<b>(39,206,097)</b>	<b>(13,746,949)</b>
Finance Cost Paid		(3,360,167)	(1,190,175)
Retirement Benefit Obligations Paid	21	(564,500)	(1,773,375)
Income Tax Paid		(13,480,731)	-
<b>Net Cash Flows Used In Operating Activities</b>		<b>(56,611,496)</b>	<b>(16,710,499)</b>
<b>Investing Activities</b>			
Purchase of Property, Plant and Equipment	12.1	(19,802,772)	(27,463,293)
Purchase of Intangible Assets	14	-	(1,821,360)
Proceeds from Sale of Property, Plant and Equipment		-	4,891,523
Proceeds from Sale of Intangible Assets		-	152,791
Interest Received		(1,154,342)	(2,308,684)
<b>Net Cash Flows Used In Investing Activities</b>		<b>(20,957,114)</b>	<b>(26,549,023)</b>
<b>Financing Activities</b>			
Repayment of Lease Liabilities	22.1	(3,817,691)	(6,588,600)
<b>Net Cash Flows Used In Financing Activities</b>		<b>(3,817,691)</b>	<b>(6,588,600)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(81,386,301)</b>	<b>(49,848,122)</b>
<b>Cash and Cash Equivalents at the Beginning of the Year</b>		<b>294,216,230</b>	<b>344,064,352</b>
<b>Cash and Cash Equivalents at the End of the Year</b>	18.2	<b>212,829,929</b>	<b>294,216,230</b>

The accounting policies and notes on page 48 through 79 form an Integral Part of the financial statements.

# Notes to the Financial Statements

Year ended 31 March 2025

## 1. CORPORATE INFORMATION

### 1.1 General

Hotel Sigiriya PLC (“Company”) is a public limited liability Company listed in the Colombo Stock Exchange incorporated and domiciled in Sri Lanka. The registered office is located at No. 100/1, Sri Jayawardenapura Mawatha, Rajagiriya.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company is operation of a hotel in Sigiriya, Sri Lanka.

### 1.3 Parent Entity and Ultimate Parent Entity

Serendib Hotels PLC which is the immediate parent of Hotel Sigiriya PLC was acquired by Eden Hotel Lanka PLC. The Company’s Immediate, intermediate and ultimate parent undertaking and controlling parties are Eden Hotel Lanka PLC, Browns Hotels and Resorts Limited, Browns Investments PLC and LOLC Holdings PLC respectively, which are incorporated in Sri Lanka. However, Serendib Hotels PLC continues to be the immediate parent of the Company despite of the said acquisition.

### 1.4 Date of Authorisation for Issue

The Financial Statements of Hotel Sigiriya PLC for the year ended 31 March 2025 were authorised for issue, in accordance with a resolution of the Board of Directors on 15 August 2025.

### 1.5 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors’ Responsibility Report in the Annual Report.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards, which comprise Sri Lanka Financial Reporting Standards (“SLFRS”s), Sri Lanka Accounting Standards (“LKAS”s), relevant interpretations of the Standing Interpretations Committee (“SIC”) and International Financial Reporting

Interpretations Committee (“IFRIC”). Sri Lanka Accounting Standards further comprises of Statements of Recommended Practices (SoRPs), Statements of Alternate Treatments (SoATs) and Financial Reporting Guidelines issued by the Institute of Chartered Accountants of Sri Lanka. These financial statements have been prepared under the historical cost convention except for buildings, motor vehicles and right of use assets which are measured at revalued amounts subsequently and financial assets and liabilities which are measured at amortised cost / fair value. The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company’s financial statements are disclosed in note 3 to the financial statements.

### 2.2 Going Concern

The Directors have made an assessment of the Company’s ability to continue as a going concern and is satisfied that it has the resources to continue its business for the foreseeable future. The assessment includes the existing and anticipated effects from the present macro-economic conditions, the circumstances of the external environment, or are inconsistent with historical trends. Management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern and the management 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.

### 2.3 Basis of Measurement

The Financial Statements of the Company have been prepared on an accrual basis and under the historical cost convention other than buildings, motor vehicles, right of use assets which are subsequently measured at revalued amounts, fair value through OCI investments and other financial assets and liabilities measured at fair value / amortised cost.

### 2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees, which is also the parent company’s functional and presentation currency.

### 2.5 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.

### 2.6 Comparative Information

The presentations and classification of Financial Statements of the previous years have been amended for better presentation and to be comparable with those of the current year.

The presentation and classification of the financial statements of the previous year have been amended where relevant for better presentation and to be comparable with those of the current year. A summary of such changes as follows:

Statement of comprehensive income for the year ended 31 March 2024 [all amounts are in Sri Lankan Rupees]	As reported previously	Reclassifications	Current presentation
Administrative Expenses [See note (a) and (b) below]	294,402,062	[6,284,063]	288,117,999
Cost of Sales [See note (a) below]	134,945,420	5,048,100	139,993,520
Finance Cost [See note (b) below]	1,190,175	1,235,963	2,426,138
Total	430,537,657	-	430,537,657

## Notes to the Financial Statements

Year ended 31 March 2025

- (a) Tourist Development Levy and the Pradeshiya Saba Levy expenses amounting to LKR 5,048,100 which was previously classified under "Administrative Expenses" is now included under "Cost of Sales".
- (b) Exchange loss on operations amounting to LKR 1,235,963 which was previously classified under "Administrative Expenses" is now included under "Finance Cost".

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### 3.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### a) Revenue from Contract with Customers

SLFRS 15 "Revenue from Contracts with Customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within SLFRS. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

##### Step 1: Identify the contract(s) with a customer:

A contract is defined as an agreement between two or more parties that create enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

##### Step 2: Identify the performance obligations in the contract:

A performance obligation in a contract is a promise to transfer a good or service to the customer that is distinct.

##### Step 3: Determine the transaction price:

Transaction price is the amount of consideration to which the entity expects to be entitled to in exchange for transferring the promised goods and services to a customer, excluding amounts collected from third parties.

##### Step 4: Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the entity will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the entity expects to be entitled in exchange for satisfying each performance obligation.

##### Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Accordingly, the revenue from contract with customers of the Company is accounted as follows.

##### a) Room Revenue

Revenue is recognised on the rooms occupied on daily basis and after completing all other obligation related to the Room.

##### b) Food & Beverage Revenue

Food & Beverage Revenue is accounted at the time of sale.

##### c) Other Hotel Related Revenue

Other Hotel Related Revenue is accounted when such service is rendered.

##### b) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

### 3.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### a) Revaluation of Property, Plant and Equipment and Right of Use Assets

The Company carries its buildings, motor vehicles and right of use assets at revalued amounts with changes in fair value being recognised in OCI. The Company engages an independent valuation specialists once in three years to assess fair value for the said assets. Buildings, motor vehicles and right of use assets are valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The valuation methodology adopted and the key assumptions to determine the fair value of the properties and sensitivity analyses are provided in relevant notes as required.

##### b) Estimated useful lives of property, plant and equipment (PPE)

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation charge and decrease the property, plant and equipment balance.

##### c) Impairment of Non - Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists,

## Notes to the Financial Statements

Year ended 31 March 2025

or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of

depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**d) Retirement Benefit Obligations**

The cost of defined benefit plans-gratuity is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, futures salary increases and retirement age. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date.

**e) Impairment of financial assets**

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

**f) SLFRS 16**

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**4. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The material accounting policies set out below have been applied consistently for all periods presented in the Financial Statements by the Company. Changes to the accounting policies have been disclosed in the note 4.1.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**4.1 Changes in Accounting Policies**

The material accounting policies are consistent with the comparative period.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**4.2 Foreign Currencies**

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or transaction of monetary items are recognised in Profit or Loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

## Notes to the Financial Statements

Year ended 31 March 2025

**4.3 Current Versus Non-Current Classification**

The Company 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
- » Held primarily for the purpose of trading
- » Expected to be realised within twelve months after the reporting period or
- » Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

- » It is expected to be settled in the normal operating cycle
- » It is held primarily for the purpose of trading
- » It is due to be settled within twelve months after the reporting period or
- » It does not have the right at the reporting date to defer the settlement of the liability by the transfer of cash or other assets for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

**4.4 Fair Value Measurement**

The Company measures financial instruments such as Financial Assets at Fair Value Through OCI, Financial Assets at Fair Value Through Profit or Loss, at each reporting date and Non-Financial Assets such as certain classes of Property, Plant and Equipment, motor vehicles and Right of Use Assets, at fair value once in every three years. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised under the respective notes.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as defined benefit obligations.

Involvement of external valuers is decided upon annually after discussion with and approval by the Company's Board Audit Committee wherever necessary. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board Audit Committee whenever necessary after discussions with the Company's external valuers decide which valuation techniques and inputs to use for each case.

At each reporting date the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This includes a discussion of the major assumptions used in the valuations.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## Notes to the Financial Statements

Year ended 31 March 2025

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### 4.5 Revenue from Contract with Customers

##### Recognition of Revenue

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

SLFRS 15 requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

In determining the transaction price for the revenue contracts, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration to the customer (if any).

Room Revenue is recognised based on the rooms occupied, on a daily basis, and food and beverage are accounted for at the time of sale.

In connection with contracts with travel agents, tour operators, on-line travel agents, corporate customers and free-individual-travellers, the Company identified certain principal versus agent considerations. In recognising revenue from these transactions, the Company considered whether the nature of its promise is a performance obligation to provide the hotel services itself (acting as a principal) or to arrange for the other party to provide those such services (acting as an agent).

##### Goods Transferred at a Point in Time

Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation. The revenue recognition occurs at a point in time

when control of the asset is transferred to the customer, generally on delivery of the goods and services.

##### Services Transferred Over Time

Under SLFRS 15, the Company determines at contract inception whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied overtime, the Company recognises the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

##### Contract Liabilities

Contract liabilities are Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities includes advances received for reservations. Contract liabilities of the Company have been disclosed in Trade and Other Payables note 23.2.

#### 4.6 Taxation

##### Current Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue Department of Sri Lanka. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the country where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto.

Management has used its judgement on the application of tax laws including transfer pricing regulations involving identification of associated undertakings, estimation of the respective arm's length prices and selection of appropriate pricing mechanism.

##### Deferred Taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except;

Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred income tax assets are recognised for all deductible temporary differences, carryforward unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

## Notes to the Financial Statements

Year ended 31 March 2025

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 4.7 Property, Plant and Equipment

Plant and Machinery, Furniture, Fittings and Equipment, Cutlery, Crockery, Glassware and Silverware are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company de-recognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

Where items of leasehold land, buildings and improvements on leasehold land and motor vehicles are subsequently revalued, the entire class of such assets is revalued in every 03 years. Any revaluation surplus is recognised in Other Comprehensive Income and accumulated in equity in the Asset Revaluation Reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in the Statement of Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is calculated on straight line basis over the estimated useful lives of the assets as follows:

	2025	2024
Buildings on Leasehold Land	Over a maximum period of 60 Years	Over a maximum period of 60 Years
Furniture, Fittings and Equipment	5 -10 Years	5 -10 Years
Plant and Machinery	5 -10 Years	5 -10 Years
Motor Vehicles	5 -10 Years	5 -10 Years
Swimming Pool	Up to 60 Years	Up to 60 Years
Land Improvements	Up to 30 Years	Up to 30 Years
Cutlery, Crockery Glassware and Silverware	2-3 Years	2-3 Years

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is de-recognised.

#### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### 4.8 Rights of Use Asset and Lease Liabilities

The Company assesses a contract at inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company only reassesses whether a contract is, or contains, a lease subsequent to initial recognition if the terms and conditions of the contract are changed.

#### Right of use assets

The Company recognises right of use assets at the commencement date of the lease, when the underlying asset is available for use. Right of use assets are measured initially at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Subsequent measurement basis of the same is fair value. Further details on revaluation are disclosed in Note 3.2.[a].

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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option,

## Notes to the Financial Statements

Year ended 31 March 2025

depreciation is calculated using the estimated useful life of the asset. Right of use assets are subject to impairment.

**Lease liabilities**

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. 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 remeasured 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. The Company's lease liabilities are included in Interest-bearing loans and borrowings.

**Short-term leases and leases of low-value assets**

The Company 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.

**4.9 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit or loss in the year in which the expenditure is incurred.

**The useful lives of intangible assets are assessed as either finite or indefinite.**

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there

is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

**4.10 Inventories**

Inventories are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

The cost incurred in bringing inventories to its present location and conditions are accounted using the following cost formulae:

Food and Beverage Stocks - At actual cost on weighted average basis.

Maintenance and Others - At actual cost on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**4.11 Financial Instruments****Financial Assets****Initial Recognition and Measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

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

**Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in four categories.

- » Financial assets at amortised cost (debt instruments)
- » Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- » Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- » Financial assets at fair value through profit or loss.

**Financial Assets at Amortised Cost (Debt Instruments)**

The Company measures financial assets at amortised cost if both of the following conditions are met:

- » The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- » The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, loans to employees and loans to related parties.

## Notes to the Financial Statements

Year ended 31 March 2025

**Financial Assets at Fair Value Through OCI (Debt Instruments)**

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- » The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- » The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit or Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon de-recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company has not classified any instrument under this category as of 31 March 2025.

**Financial Assets Designated at Fair Value Through OCI (Equity Instruments)**

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to Statement of Profit or Loss. Dividends are recognised as other income in the Statement of Profit or Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed and non-listed equity investments under this category.

**Financial Assets at Fair Value Through Profit or Loss**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Statement of Profit or Loss.

The Company has not classified any instrument under this category as of 31 March 2025.

**De-recognition**

A financial asset is de-recognised when:

- » The rights to receive cash flows from the asset have expired.
- » The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Company's continuing involvement in it.

**Impairment of financial assets**

The Company recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**Financial Liabilities****Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as

## Notes to the Financial Statements

Year ended 31 March 2025

hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

### Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL, if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

### Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss. This category generally applies to interest bearing loans and borrowings.

### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

### Offsetting of financial instruments

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

### 4.12 Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Company statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

### 4.13 Retirement Benefits

#### Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with the respective statutes and regulations. The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively.

#### Defined Benefit Plans - Gratuity

A defined benefit plan is post-employment benefits plan other than a defined contribution plans - Employees' Provident Fund and Employees' Trust Fund. The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated using the 'Projected Unit Credit method'.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees, in conformity with LKAS 19 - "Employee Benefits". Actuarial gain or losses are recognised in Other Comprehensive Income (OCI) in the period which it arises.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service. The liability is not externally funded.

### 4.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

- (a) The Company has applied the following new and amended SLFRS Accounting Standards that are effective for the first time during the current year, for their annual reporting period commencing on 1 April 2024:
  - (i) Amendments to LKAS 1 Classification of Liabilities as Current or Non-current

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

## Notes to the Financial Statements

Year ended 31 March 2025

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.

**(ii) Amendments to LKAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants**

The Company has adopted the 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 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.

**(iii) Amendments to SLFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The 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.

**(b) The following new accounting standards and interpretations are issued by IASB but not yet adopted by CA Sri Lanka.**

**(i) 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.

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.

## Notes to the Financial Statements

Year ended 31 March 2025

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

**(ii) 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.

**(c) New and revised SLFRS Accounting Standards in issue but not yet effective and not early adopted in 2024/25:**

**(i) 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 anticipates that the application of these amendments may have an impact on the Company's financial statements in future periods. However, the extent of such impact will be determined at the time of adoption.

**(ii) 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 amendments may not have an impact on the Company's financial statements in future periods.

## Notes to the Financial Statements

Year ended 31 March 2025

**6. REVENUE**

Year ended 31 March	2025 Rs.	2024 Rs.
Accommodation, Food and Beverage	586,840,257	462,802,811
Others (Hotel Operations)	38,032,111	29,152,134
	624,872,368	491,954,945

**7. OTHER OPERATING INCOME AND GAINS**

Year ended 31 March	2025 Rs.	2024 Rs.
Rental Income	1,095,000	545,000
	1,095,000	545,000

**8. FINANCE COST AND INCOME****8.1 Finance Costs**

Year ended 31 March	Note	2025 Rs.	2024 Rs.
Interest Expense to - Related Parties	28.4	323,399	-
Exchange Loss on Operations		-	1,235,963
Interest on Lease Liabilities	22.1	3,036,768	1,190,175
		3,360,167	2,426,138

**8.2 Finance Income**

Year ended 31 March	Note	2025 Rs.	2024 Rs.
Interest Income from - Related Parties	28.4	58,735,212	-
Interest Income from - Commercial Papers & Savings		9,915,776	58,861,073
Exchange Gain on Operations		2,690,548	-
		71,341,536	58,861,073

**9. PROFIT BEFORE TAX****Stated After charging**

Year ended 31 March	Note	2025 Rs.	2024 Rs.
<b>Included in Administrative Expenses</b>			
Directors' emoluments	29 [a]	1,570,000	-
Auditors' Remuneration - Audit (Fees and Expenses)		1,000,000	819,000
Auditors' Remuneration - Non Audit (Fees and Expenses)		-	-
Depreciation on Property, Plant and Equipment	12.2	41,664,742	42,312,447
Amortisation on Right of Use Assets	13	4,289,646	4,289,646
Amortisation on Intangible Assets	14	825,035	723,605
Loss on Disposal of Property, Plant and Equipment		-	2,705,743
Professional and Legal Fees		-	21,000
Donations		29,000	34,000
Management Fees	28.4	30,790,518	29,526,066
Accounting Fees	28.4	600,000	600,000
Expenses Shared	28.4	107,700,000	-
Employee Benefit Expense	9.1	100,148,670	88,016,250

## Notes to the Financial Statements

Year ended 31 March 2025

**9. PROFIT BEFORE TAX (Contd.)****9.1 Employee Benefit Expense**

Year ended 31 March	Note	2025 Rs.	2024 Rs.
Salaries, Wages and Other Benefits		91,635,174	80,698,556
Defined Contribution Obligations		6,149,190	5,194,038
Retirement Benefit Obligations	21	2,364,306	2,123,656
		100,148,670	88,016,250

**10. INCOME TAX EXPENSE**

Year ended 31 March	Note	2025 Rs.	2024 Rs.
<b>Statement of Profit or loss</b>			
<b>Current Income Tax</b>			
Current Tax Expense on Ordinary Activities for the Year	10.1	35,223,977	-
Under Provision of Current Taxes in Respect of Prior Years		590,857	-
<b>Deferred Income Tax</b>			
Deferred Taxation Expense	10.2.2	17,073,199	17,170,698
		52,888,033	17,170,698
<b>Statement of Other Comprehensive Income</b>			
Deferred Taxation Attributable to Surplus from Revaluation of Right of Use Assets & Buildings	10.2	71,590,857	-
Deferred Taxation Attributable to Actuarial Gain /[(Loss)]	10.2	14,144	(2,891)
		71,605,001	(2,891)
<b>Income Tax Expense Recorded in Total Comprehensive Income</b>		<b>124,493,034</b>	<b>17,167,807</b>

**10.1 Reconciliation Between Current Tax Expense and the Product of Accounting Profit**

Year ended 31 March	2025 Rs.	2024 Rs.
Accounting Profit Before Tax	101,380,699	118,479,676
Aggregate Disallowable Items	55,957,122	51,041,961
Income from Other Sources	(69,745,988)	(59,406,073)
Aggregate Allowable Items	(39,924,564)	(39,063,990)
Taxable Profit from Trade Income	47,667,269	71,051,574
Add : Assessable Charge	-	666,253
Less: Unrelieved Loss	-	(71,717,827)
Assessable Income from Business Profit	47,667,269	-
Taxable Profit from Interest Income & Other Income	69,745,988	59,406,073
Losses Claimed	-	(59,406,073)
	117,413,257	-
Income Tax - 30% [2024-30%]	35,223,977	-
<b>Current Income Tax Expense</b>	<b>35,223,977</b>	<b>-</b>

**10.1.1 Tax Losses Brought Forward**

As at 31 March	2025 Rs.	2024 Rs.
Tax Losses Brought Forward	76,949,631	148,496,855
Adjustments to Tax losses	(67,030,966)	170,603
Tax losses Utilised during the year	-	(71,717,827)
<b>Tax Losses Carried Forward</b>	<b>9,918,665</b>	<b>76,949,631</b>

## Notes to the Financial Statements

Year ended 31 March 2025

**10. INCOME TAX EXPENSE (Contd.)****10.1 Reconciliation Between Current Tax Expense and the Product of Accounting Profit (Contd.)**

10.1.2 The business profits and income of Hotel Sigiriya PLC, being a Company involved in the promotion of tourism are liable to tax at rate of 30% as per the first schedule of the Inland Revenue Act No.24 of 2017 and amendment thereto. Other sources of income are taxable at 30%.

**10.2 Deferred Tax****10.2.1 Deferred Tax Assets, Liabilities and Income Tax Relates to the Following;**

As at 31 March	Note	2025 Rs.	2024 Rs.
Deferred Tax Liabilities	10.2.3	210,059,444	141,205,629
Deferred Tax Assets	10.2.3	(13,262,414)	(33,086,799)
<b>Net Deferred Tax Liabilities</b>		<b>196,797,030</b>	<b>108,118,830</b>

**10.2.2 Deferred Taxation Charge - Statement of Profit or Loss/Other Comprehensive Income**

Year ended 31 March	Statement of Profit or Loss		Other Comprehensive Income / Directly through Equity	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Deferred Tax Liabilities</b>				
Capital Allowances for Tax Purposes	(2,737,042)	(4,667,475)	-	-
Surplus From Revaluation of Right of Use Assets, Buildings & Swimming Pool	-	-	71,590,857	-
	(2,737,042)	(4,667,475)	71,590,857	-
<b>Deferred Tax Assets</b>				
Retirement Benefit Obligations	(539,942)	(105,084)	-	-
Operating Lease Liabilities	1,052,617	(332,634)	-	-
Carry Forward of Unused Tax Losses	19,297,566	22,275,891	-	-
Actuarial Loss / (Gains)	-	-	14,144	(2,891)
	19,810,241	21,838,173	14,144	(2,891)
	17,073,199	17,170,698	71,605,001	(2,891)

Deferred tax provision as of 31 March 2025 has been computed based on the future tax rate applicable to company (30%) in accordance with Inland Revenue Act, No.24 of 2017

**10.2.3 Deferred Tax Asset/Liability relates to the following;**

As at 31 March	Statement of Financial Position	
	2025 Rs.	2024 Rs.
<b>Deferred Tax Liabilities</b>		
Capital Allowances for Tax Purposes	23,155,747	25,892,789
Deferred Taxation Attributable to Surplus From Revaluation Gain on Right of Use Assets, Buildings & Swimming Pool	186,903,697	115,312,840
	210,059,444	141,205,629
<b>Deferred Tax Assets</b>		
Retirement Benefit Obligations	7,961,330	7,421,388
Operating Lease Liabilities	6,639,603	7,692,220
Carry Forward of Unused Tax Losses	2,975,600	22,273,166
Actuarial Gains on Retirement Benefit Obligations	(4,314,119)	(4,299,975)
	13,262,414	33,086,799
<b>Net Deferred Tax Liability</b>	<b>196,797,030</b>	<b>108,118,830</b>

## Notes to the Financial Statements

Year ended 31 March 2025

**11. EARNINGS PER SHARE**

**11.1** Basic Earnings Per Share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

**11.2** The following reflects the income and share data used in the Basic Earnings Per Share computation.

Year ended 31 March	2025 Rs.	2024 Rs.
<b>Amounts Used as the Numerator:</b>		
Profit Attributable to Ordinary Shareholders	48,492,666	101,308,978
<b>Number of Ordinary Shares Used as the Denominator:</b>		
Year ended 31 March	2025 Number	2024 Number
Weighted Average Number of Ordinary Shares in Issue Applicable to Basic Earnings Per Share	17,577,000	17,577,000
Earnings Per Share - Basic	2.76	5.76

As there were no potential ordinary shares outstanding as at the year end, Diluted Earnings per Share is equal to the Basic Earnings per Share for the year and last year.

**12. PROPERTY, PLANT & EQUIPMENT****12.1 Gross Carrying Amounts**

	As at 01.04.2024 Rs.	Additions Rs.	Transfers Rs.	Revaluation Transfers Rs.	Revaluation Surplus Rs.	Disposals Rs.	As at 31.03.2025 Rs.
<b>At cost</b>							
Plant and Machinery	78,579,320	1,501,012	-	-	-	(1,812,893)	78,267,439
Furniture, Fittings and Equipment	171,950,570	8,809,270	299,219	-	-	(9,473,983)	171,585,076
Cutlery, Crockery, Glasswear and Silverwear	12,512,050	4,864,929	-	-	-	-	17,376,979
	263,041,940	15,175,211	299,219	-	-	(11,286,876)	267,229,494
<b>At Valuation</b>							
Buildings on Leasehold Land	567,954,271	4,462,561	(299,219)	(56,602,279)	129,967,666	-	645,483,000
Swimming Pool	18,944,250	-	-	(3,788,869)	8,361,619	-	23,517,000
Land and Improvements	63,700	165,000	-	-	-	-	228,700
Motor Vehicles	204,018	-	-	-	-	(64,732)	139,286
	587,166,239	4,627,561	(299,219)	(60,391,148)	138,329,285	(64,732)	669,367,986
<b>Total Value of Depreciable Assets</b>	<b>850,208,179</b>	<b>19,802,772</b>	<b>-</b>	<b>(60,391,148)</b>	<b>138,329,285</b>	<b>(11,351,608)</b>	<b>936,597,480</b>

## Notes to the Financial Statements

Year ended 31 March 2025

**12. PROPERTY, PLANT & EQUIPMENT (Contd.)****12.2 Depreciation**

	Balance As at 01.04.2024 Rs.	Charge for the Year Rs.	Transfer on Revaluation Rs.	Disposal Transfers Rs.	Balance As at 31.03.2025 Rs.
<b>At Cost</b>					
Plant and Machinery	51,997,730	4,875,491	-	[1,812,893]	55,060,328
Furniture, Fittings and Equipment	141,807,897	10,789,504	-	[9,473,983]	143,123,418
Cutlery, Crockery, Glasswear and Silverwear	2,481,491	5,342,628	-	-	7,824,119
	196,287,118	21,007,623	-	[11,286,876]	206,007,865
<b>At Valuation</b>					
Buildings on Leasehold Land	37,224,578	19,377,701	[56,602,279]	-	-
Swimming Pool	2,525,912	1,262,957	[3,788,869]	-	-
Land and Improvements	33,970	6,702	-	-	40,672
Motor Vehicles	159,288	9,759	-	[64,732]	104,315
	39,943,748	20,657,120	[60,391,148]	[64,732]	144,987
<b>Total Accumulated Depreciation</b>	<b>236,230,866</b>	<b>41,664,742</b>	<b>[60,391,148]</b>	<b>[11,351,608]</b>	<b>206,152,852</b>

**12.3 Net Book Value**

As at 31 March	2025 Rs.	2024 Rs.
<b>At Cost</b>		
Plant and Machinery	23,207,111	26,581,590
Furniture, Fittings and Equipment	28,461,658	30,142,673
Cutlery, Crockery, Glasswear and Silverwear	9,552,860	10,030,559
	61,221,629	66,754,822
<b>At Valuation</b>		
Buildings on Leasehold Land	645,483,000	530,729,693
Swimming Pool	23,517,000	16,418,338
Land and Improvements	188,028	29,730
Motor Vehicles	34,971	44,730
	669,222,999	547,222,491
<b>Total Carrying Amount of Property, Plant and Equipment</b>	<b>730,444,628</b>	<b>613,977,313</b>

**12.4** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 19,802,772 [2024 - Rs. 27,463,293], the consideration for which was settled by cash.

Property, plant and equipment includes fully depreciated assets having a gross carrying amount of Rs. 151,323,331 [2024 - Rs. 105,126,476] which were in use during the year.

The Company has stated its following properties at revalued amounts. The valuation was carried out by Mr. W.M Chandrasena - Chartered Valuers as at 31 March 2025, a professional and independent valuer. The surplus arising from the revaluation was transferred to revaluation reserve against brought forward surpluses.

## Notes to the Financial Statements

Year ended 31 March 2025

**12. PROPERTY, PLANT & EQUIPMENT (Contd.)****12.5** The movement of revaluation reserve and other information are disclosed under note 20.**12.5.1** The following table shows that valuation techniques used in measuring the buildings and lease hold land as well as significant unobservable inputs used.

Property	Category	Number of Assets	Method of Valuation	Extent	Range of Estimates for Unobservable Inputs	Valuation	Sensitivity	Significant Unobservable Inputs	Date of Valuation
Buildings and Swimming Pool on Leasehold land at Sigiriya	Guest Facilities - Accommodation & Public Areas	6	Depreciated Replacement Cost	70,177 sq. ft (78 Rooms)	Rs. 500 to Rs. 20,000 per sq.ft Depreciation rate - 35%	669,000,000	Positively Correlated	Replacement cost per square foot	31-Mar-25
	Recreational & Leisure Facilities	5			Rs. 1,000 to Rs. 18,000 per sq.ft Depreciation rate - 35%			Depreciation rate (Allowance for Physical Deterioration)	
	Outdoor & Circulation Areas	2			Rs. 9,000 to Rs. 16,000 per sq.ft Depreciation rate - 35%				
	Utilities, Services & Maintenance Buildings	5			Rs. 500 to Rs. 9,000 per sq.ft Depreciation rate - 35%				
	Staff Accommodation & Support Quarters	6			Rs. 800 to Rs. 17,000 per sq.ft Depreciation rate - 35%				

**12.5.2** There was no material impact between the revalued amount and the carrying value of Motor Vehicles as at 31 March 2025 given the insignificance of the value of Motor Vehicles involved.**12.6** The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost Rs.	Cumulative Depreciation If Assets Were Carried at Cost Rs.	Net Carrying Amount 2025 Rs.	Net Carrying Amount 2024 Rs.
Buildings on leasehold land	412,481,898	48,064,053	364,417,845	367,201,862
Swimming Pool on leasehold land	11,105,250	1,789,183	9,316,067	9,501,155
	423,587,148	49,853,236	373,733,911	376,703,017

**13. RIGHT-OF-USE ASSETS**

As at 31 March	Note	2025 Rs.	2024 Rs.
As at 01 April		57,924,089	57,924,089
Transfer on Revaluation		(18,230,991)	-
Revaluation Surplus		100,306,902	-
As at 31 March		140,000,000	57,924,089
As at 01 April		13,941,345	9,651,699
Transfer on Revaluation		(18,230,991)	-
Amortisation	9	4,289,646	4,289,646
As at 31 March		-	13,941,345
Carrying Value as at 31 March		140,000,000	43,982,744

## Notes to the Financial Statements

Year ended 31 March 2025

**13. RIGHT-OF-USE ASSETS (Contd.)**

**13.1** The Company has stated its Right of Use Assets at revalued amounts. The valuation was carried out by independent valuer W.M. Chandrasena - Chartered Valuers. The surplus arising from the revaluation was transferred to revaluation reserve.

Property	Number of Assets	Method of Valuation	Extent	Range of Estimates for Unobservable Inputs	Valuation	Significant Unobservable Inputs	Date of Valuation
Hotel Land	1	Market Basis of Valuation	8A - 0R - P16.0	Rs. 400,000 per perch	140,000,000	Price per perch of land	31-Mar-2025
Wellness Site	1	Market Basis of Valuation	1A - 2R - P23.2	Rs. 250,000 per perch			

**13.2** The Company has obtained leasehold rights to two lots of land situated in Sigiriya from Sri Lanka Tourism Authority by the agreement dated 25 July 2004 and 01 May 2017 respectively. The said leases will expire on 24/07/2034 and the management intends to extend the lease period upon expiry.

**14. INTANGIBLE ASSETS****Computer Software**

As at 31 March	Note	2025 Rs.	2024 Rs.
<b>Aa at 01 April</b>		<b>1,630,082</b>	<b>1,799,722</b>
Additions During the Year		-	1,821,360
Disposals		-	(1,991,000)
<b>As at 31 March</b>		<b>1,630,082</b>	<b>1,630,082</b>
<b>Amortisation &amp; Impairment</b>			
<b>Aa at 01 April</b>		<b>108,655</b>	<b>1,223,259</b>
Amortisation	9	825,035	723,605
Disposals		-	(1,838,209)
<b>As at 31 March</b>		<b>933,690</b>	<b>108,655</b>
<b>Carrying Value</b>		<b>696,392</b>	<b>1,521,427</b>

**14.1** Intangible assets are amortised over their useful economic life and useful economic life is estimated as 5 - 10 years.

**15. OTHER FINANCIAL ASSETS**

As at 31 March	Note	2025 Rs.	2024 Rs.
Investments in Equity Securities	15.1	1,999,589	2,682,566
<b>Total Carrying Value</b>		<b>1,999,589</b>	<b>2,682,566</b>

**15.1 Investments in Equity Securities**

As at 31 March	2025		2024	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>Non Quoted - Fair Value Through OCI</b>				
Rainforest Ecolodge (Private) Limited	400,000	2,682,566	400,000	1,957,382
Change in fair value	-	(682,977)	-	725,184
	<b>400,000</b>	<b>1,999,589</b>	<b>400,000</b>	<b>2,682,566</b>

Investment in Equity Securities solely comprises application and allotment money paid to Rainforest Ecolodge (Pvt) Ltd for purchase of 400,000 shares of Rs.10/- each. The fair value of the unquoted equity shares in Rainforest Ecolodge (Pvt) Ltd is estimated using Price to book value multiple (P/BV) and significant unobservable inputs used for the valuation as of follows,

## Notes to the Financial Statements

Year ended 31 March 2025

**15. OTHER FINANCIAL ASSETS (Contd.)**

As at 31 March	2025	2024
Peer Multiple	3.26	3.12
Liquidity Discount	10%	20%
Premium for Sustainable Tourism Concept	20%	5%

**15.1.1 Unquoted - Investments in Equity Securities - Rainforest Ecolodge (Pvt) Ltd - Sensitivity Analysis**

As at 31 March	Change In Fair Value	
	2025 Rs.	2024 Rs.
+5% Change in Peer Multiple	99,979	134,129
-5% Change in Peer Multiple	(99,980)	(134,129)
+5% Change in Liquidity Discount	(7,625)	(29,806)
-5% Change in Liquidity Discount	7,625	29,806
+5% Change in Premium for Sustainable Tourism Concept	20,821	14,904
-5% Change in Premium for Sustainable Tourism Concept	(20,821)	(14,904)

**16. INVENTORIES**

As at 31 March	2025 Rs.	2024 Rs.
Food	4,337,744	4,598,469
Beverage	2,789,646	2,769,637
Housekeeping and Maintenance	8,236,702	6,061,030
	15,364,092	13,429,136

**17. TRADE AND OTHER RECEIVABLES**

As at 31 March	Note	2025 Rs.	2024 Rs.
Trade Receivables	17.1	48,333,749	62,405,805
		48,333,749	62,405,805
Other Receivables		2,400,547	2,240,674
Advances and Prepayments		2,250,099	1,475,402
		4,650,646	3,716,076
Other Receivables from Related Parties	17.3	446,878,224	172,441,364
Loans and Advances to Company Officers	17.2	-	360,000
		446,878,224	172,801,364
		499,862,619	238,923,245

## Notes to the Financial Statements

Year ended 31 March 2025

**17. TRADE AND OTHER RECEIVABLES (Contd.)****17.1 Trade Debtors Age Analysis**

As at 31 March	Total	Neither past due nor impaired	Past due but not impaired		
			30-90 days	91-120 days	>120 days
2025	48,333,749	33,119,697	13,198,077	984,726	1,031,249
2024	62,405,805	48,309,515	14,096,290	-	-

The Company grants credit approvals to its customers subjected to the internal credit limits which are regularly reviewed and controlled by the Management. The average credit period granted to such Debtors are 30 Days.

**17.2 Loans and Advances to Company Officers**

As at 31 March	2025 Rs.	2024 Rs.
As at 01 April	360,000	51,748
Loans Granted During the Year	-	639,442
Less: Repayments	(360,000)	(331,190)
<b>As at 31 March</b>	<b>-</b>	<b>360,000</b>

**17.3 Other Receivables From Related Parties**

As at 31 March	Relationship	2025 Rs.	2024 Rs.
Serendib Leisure Management Limited	Subsidiary of Immediate Parent Company	88,500	-
Sansun Boutique Resort Limited	Subsidiary of Intermediate Parent Company	441,781,216	172,432,856
Sun and Fun Resorts Limited	Subsidiary of Intermediate Parent Company	5,000,000	-
Eden Hotel Lanka PLC	Intermediate Parent Company	8,508	8,508
		<b>446,878,224</b>	<b>172,441,364</b>

**18. CASH AND CASH EQUIVALENTS****18.1 Favourable Cash and Cash Equivalents Balance**

As at 31 March	2025 Rs.	2024 Rs.
Cash and Bank Balances	87,960,157	219,911,289
Short Term Investments in Commercial Papers	148,562,941	101,749,507
	<b>236,523,098</b>	<b>321,660,796</b>

**18.2 Unfavourable Cash and Cash Equivalent Balances**

As at 31 March	Note	2025 Rs.	2024 Rs.
Bank Overdraft	18.2.1	(23,693,169)	(27,444,566)
<b>Cash and Cash Equivalents for the Purpose of Statement of Cash Flows</b>		<b>212,829,929</b>	<b>294,216,230</b>

**18.2.1** The bank overdrafts of the Company as at 31 March 2025 and 31 March 2024 represent book overdrawn situations amounting to Rs. 23,693,169 and Rs. 27,444,566 respectively in the Company.

## Notes to the Financial Statements

Year ended 31 March 2025

**19. STATED CAPITAL**

As at 31 March	2025 No.of shares	2024 No.of shares	2025 Rs.	2024 Rs.
Fully Paid Ordinary Share	17,577,000	17,577,000	449,190,000	449,190,000
			449,190,000	449,190,000

**19.1** The holders of ordinary shares possess the right to receive dividends as declared from time to time. The holders of Ordinary Shares are entitled to one vote per share at a meeting of the company.

**20. RESERVES**

As at 31 March	Note	2025 Rs.	2024 Rs.
Revaluation Reserve	20.1	486,683,813	319,638,483
Fair Value Reserve	20.2	(2,000,411)	(1,317,434)
		484,683,402	318,321,049

**20.1 Revaluation Reserve**

As at 31 March	2025 Rs.	2024 Rs.
As at 01 April	319,638,483	319,638,483
Revaluation Surplus During the Year	238,636,187	-
Deferred Tax Attributable to Revaluation Surplus	(71,590,857)	-
As at 31 March	486,683,813	319,638,483

The above Revaluation Surplus consists of net surplus resulting from the revaluation of buildings on leasehold land and right of use assets. The unrealised amount cannot be distributed to Shareholders.

**20.2 Fair Value Reserve**

As at 31 March	2025 Rs.	2024 Rs.
As at 01 April	(1,317,434)	(2,042,618)
Fair Value [Loss] / Gain During the Year	(682,977)	725,184
As at 31 March	(2,000,411)	(1,317,434)

The Fair Value Reserve consists of the net surplus resulting from the fair valuation of equity securities measured at in Fair Value Through OCI as described in the note 15

## Notes to the Financial Statements

Year ended 31 March 2025

**21. RETIREMENT BENEFIT OBLIGATION**

As at 31 March	Note	2025 Rs.	2024 Rs.
At the Beginning of the Year		10,404,711	10,044,793
Charge for the Year	21.1	2,364,306	2,123,656
Actuarial Gain / (Loss)	21.2	(47,145)	9,637
Benefit Paid		(564,500)	(1,773,375)
<b>At the End of the Year</b>		<b>12,157,372</b>	<b>10,404,711</b>

**21.1 Expense Recognised in Statement of Profit or Loss**

Year ended 31 March	2025 Rs.	2024 Rs.
Current Service Cost	1,011,693	717,385
Interest Cost	1,352,613	1,406,271
	<b>2,364,306</b>	<b>2,123,656</b>

**21.2 Expense Recognised in Statement of Other Comprehensive Income**

Year ended 31 March	2025 Rs.	2024 Rs.
<b>Actuarial Gain</b>		
Due to Changes in Demographic Assumptions	(61,646)	(159,073)
Due to Changes in Financial Assumptions	14,501	168,710
	<b>(47,145)</b>	<b>9,637</b>

Messers Actuarial and Management Consultants (Private) Limited carried out an actuarial valuation of the retirement benefit obligations on 31 March 2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits.

**21.3 The Principal Assumptions Used Were as Follows:**

As at 31 March	2025 Rs.	2024 Rs.
<b>Financial Assumptions</b>		
Discount Rate	12.0%	13.0%
Future Salary Increment Rate	10.0%	11.0%
<b>Demographic Assumptions</b>		
Attrition Rate	20%	20%
Retirement Age	60 Years	60 Years
Weighted Average Duration of Retirement Benefit Obligations	4.0 Years	4.0 Years

## Notes to the Financial Statements

Year ended 31 March 2025

**21. RETIREMENT BENEFIT OBLIGATION (Contd.)****21.4 Sensitivity of Assumptions in Actuarial Valuation**

The following table demonstrates the sensitivity to possible changes in key assumptions employed with all other variables held constant in the retirement gratuity obligations measurement as at 31 March 2025. The sensitivity of the statement of financial position and statement of comprehensive income is the effect of the assumed changes in the discount rate, salary increment rate and employee turnover on the profit or loss and retirement gratuity obligation for the year.

As at 31 March	Sensitivity Effect on Defined Benefit Obligation			
	2025		2024	
	Delta Effect of +1%	Delta Effect of [-1%]	Delta Effect of +1%	Delta Effect of [-1%]
(Increase)/ Decrease in Discount Rate	(466,743)	502,709	(384,771)	414,551
Increase/ (Decrease) in Salary Increment Rate	562,441	(530,139)	466,777	(439,893)
Increase/ (Decrease) in Employee Turnover	41,819	(50,143)	47,475	(54,777)
Increase/ (Decrease) in Mortality Rate	1,434	(1,441)	1,500	(1,506)

**21.5 Following Payments are Expected Weighted Average Life Span Obligation on the Future Years:**

As at 31 March	2025 Rs.	2024 Rs.
<b>Years From the Current Period</b>		
Within the next 12 months	2,204,096	2,035,240
Between 1 to 2 years	2,774,160	2,590,870
Between 3 to 5 years	3,894,159	2,579,254
Between 6 to 10 years	2,626,731	2,700,470
Beyond 10 years	658,228	498,877
	<b>12,157,372</b>	<b>10,404,711</b>

**22. LEASE LIABILITIES**

As at 31 March	Note	2025			2024		
		Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.	Amount Repayable Within 1 Year Rs.	Amount Repayable After 1 Year Rs.	Total Rs.
Lease Liability	22.1	935,194	16,625,895	17,561,089	2,640,726	15,701,286	18,342,012
		935,194	16,625,895	17,561,089	2,640,726	15,701,286	18,342,012

## Notes to the Financial Statements

Year ended 31 March 2025

**22. LEASE LIABILITIES (Contd.)****22.1 LEASE LIABILITY**

As at 31 March	Note	2025 Rs.	2024 Rs.
As at 01 April		18,342,012	23,740,437
Interest Expense on Lease Liability	8.1	3,036,768	1,190,175
Lease Payment		(3,817,691)	(6,588,600)
<b>As at 31 March</b>		<b>17,561,089</b>	<b>18,342,012</b>
Amount Repayable After 1 Year		16,625,895	15,701,286
Amount Repayable Within 1 Year		935,194	2,640,726

**23. TRADE AND OTHER PAYABLES**

As at 31 March	Note	2025 Rs.	2024 Rs.
Trade Payables		11,660,333	11,689,243
Other Payables - Related Parties	23.1	117,290,758	39,364,490
Other Payables		52,787,950	55,291,857
Contract Liabilities	23.2	4,894,462	18,438,767
Sundry Creditors Including Accrued Expenses		23,542,950	19,582,979
		<b>210,176,453</b>	<b>144,367,336</b>

The average credit period of the company is 60 days.

**23.1 Other Payable to Related Parties**

As at 31 March	Relationship	2025 Rs.	2024 Rs.
LOLC Holding PLC	Ultimate Parent Company	4,172,453	3,463,375
Browns Hotels and Resorts Limited	Intermediate Parent Company	1,124,892	2,355,286
Dolphin Hotels PLC	Subsidiary of Immediate Parent Company	182,966	-
Serendib Leisure Management Limited	Subsidiary of Immediate Parent Company	3,477,669	33,495,829
Sun and Fun Resorts Limited	Subsidiary of Intermediate Parent Company	24,000,000	-
Eden Hotel Lanka PLC	Intermediate Parent Company	120,580	-
Browns Investment PLC	Intermediate Parent Company	17,700,000	-
Sansun Boutique Hotels Limited	Subsidiary of Intermediate Parent Company	66,000,000	-
LOLC Technology Services Limited	Subsidiary of Ultimate Parent Company	412,198	-
LOLC Corporate Services (Private) Limited	Subsidiary of Ultimate Parent Company	100,000	50,000
		<b>117,290,758</b>	<b>39,364,490</b>

## Notes to the Financial Statements

Year ended 31 March 2025

**23. TRADE AND OTHER PAYABLES (Contd.)****23.2 Contract Liabilities**

As at 31 March	2025 Rs.	2024 Rs.
As at 01 April	18,438,767	8,471,138
Revenue Recognised during the Year	[96,222,545]	[45,342,451]
Additions During the Year	82,678,240	55,310,080
As at 31 March	4,894,462	18,438,767

**24. DIVIDEND PAYABLE**

As at 31 March	2025 Rs.	2024 Rs.
Unclaimed Dividend	2,383,836	2,383,836
	2,383,836	2,383,836

**25. COMMITMENTS AND CONTINGENCIES****25.1 Commitments**

There were no material capital, operating and financial commitments existing as at 31 March 2025.

**25.2 Contingencies**

There were no material contingencies existing as at 31 March 2025.

**26. ASSETS PLEDGED**

There are no assets have been pledged as security for liabilities.

**27. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

There have been no material events occurring after the reporting date that require adjustments to, or disclosure in, the Financial Statements.

**28. RELATED PARTY DISCLOSURES****28.1 Terms and conditions of transactions with related parties**

Related party transactions are conducted at commercial terms agreed by the management. All related party outstanding balances at year end are unsecured and are to be settled in cash. Interest-bearing borrowings are at pre-determined interest rates and terms, based on the risk profiles of the related entities.

**28.2 Non-recurrent related party transactions**

There were no other non-recurrent Related Party Transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the Company as per 31 March 2024 audited financial statements, which required additional disclosures in the 31 March 2025 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.

## Notes to the Financial Statements

Year ended 31 March 2025

**28. RELATED PARTY DISCLOSURES (Contd.)****28.3 Recurrent related party transactions**

Name of the Related Party	Relationship	Nature of the Transaction	Value of the Related Party Transaction Rs.	Value of the Related Party Transaction as a % of the Revenue	Terms and conditions of the Related Party Transactions
Sansun Boutique Hotels Limited	Subsidiary of Intermediate Parent Company	Aggregate recurrent transactions	201,788,221	41%	"At commercial terms agreed by the management"
Serendib Leisure Management Limited	Subsidiary of Immediate Parent Company	Aggregate recurrent transactions	64,006,513	13%	"At commercial terms agreed by the management"

The Company has entered into recurrent related party transactions with Sansun Boutique Hotels Limited and Serendib Leisure Management Limited, the aggregate values of which exceeded 10% of the Company's revenue for the year ended 31 March 2024, and are therefore disclosed in accordance with Colombo Stock Exchange Listing Rule 9.3.2 and the Code of Best Practices on Related Party Transactions issued under the Securities and Exchange Commission Directive pursuant to Section 13(c) of the Securities and Exchange Commission Act. These transactions were conducted at commercial terms agreed by the management.

**28.4 Transaction With the Parent and Related Entities**

Details of significant Related Party Transactions are as follows:

Nature of Transaction	Ultimate Parent LOLC Holdings PLC		Immediate Parent Serendib Hotels PLC		Other Related Parties		Total	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Fund Transfers	-	-	-	-	213,845,235	172,432,856	213,845,235	172,432,856
Finance Income (Note 8.2)	-	-	-	-	58,735,212	-	58,735,212	-
Finance Cost (Note 8.1)	323,399	-	-	-	-	-	323,399	-
Management Fees (Note 9)	-	-	-	-	30,790,518	29,526,066	30,790,518	29,526,066
Expenses Shared (Note 9)	-	-	-	-	107,700,000	-	107,700,000	-
Expenses Incurred on Behalf of the Company	14,113,505	4,739,551	179,072	2,482,604	37,610,854	33,292,374	51,903,430	40,514,529
Accounting Fees (Note 9)	-	-	-	-	600,000	600,000	600,000	600,000
Expenses Incurred on Behalf of the Others	-	-	188,470	-	(6,307,504)	-	(6,119,034)	-
Settlement of Dues from Related Parties	-	-	376,940	-	1,219,004	-	1,595,944	-
Settlement of Dues to Related Parties	(13,727,826)	(1,276,176)	(299,072)	(2,414,134)	(105,612,163)	(110,420,606)	(119,639,061)	(114,110,916)
	709,078	3,463,375	445,410	68,470	338,581,156	125,430,690	339,735,644	128,962,535

**\*\* Other Related Parties Include:** Dolphin Hotels PLC  
 Serendib Leisure Management Limited  
 Frontier Capital Lanka (Private) Limited  
 Sansun Boutique Hotels Limited  
 Serendib Hotels PLC  
 Sun & Fun Resorts Limited  
 Eden Hotel Lanka PLC  
 LOLC Corporate Services (Private) Limited  
 LOLC Technology Services (Private) Limited  
 Browns Hotels & Resorts Limited  
 Browns Investment PLC

## Notes to the Financial Statements

Year ended 31 March 2025

**28. RELATED PARTY DISCLOSURES (Contd.)****28.5 Terms and Conditions:**

Management Fees	Management fees are paid based on the management agreement with Serendib Leisure Management Ltd.
Expenses Incurred	Expenses Incurred on behalf of/by Related parties are reimbursed on actual cost basis.
Sales and purchases of Goods/Services	The Company carries out these transactions as per the commercial terms agreed by management for related parties.
Fund Transfers	Fund transfers solely comprise amounts provided to Sansun Boutique Hotels Limited for the purpose of hotel refurbishment. These fund transfers are temporarily fund requirements and repayable on demand and carries no interest.
Finance Income/Cost	Finance income or cost on intercompany balances is recognised daily on amounts exceeding LKR 10,000,000, based on the monthly AWPLR + 7.5% rate set by the Browns Group Treasury. Interest is applied to both receivable and payable balances.
Expense Shared	The Company carries out these transactions based on commercial terms agreed by management, including cost allocations for an energy conservation project and resource-sharing arrangements with related parties.
Accounting Fees	Accounting fees are paid based on the management agreement with Serendib Leisure Management Limited.

**28.6** The Company wise break down of related party receivable and payable balances are given in note 17.3 and 23.1 respectively.

**29. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY**

The Key Management Personnel of the Company are the Board of Directors of the Company.

**a) Key Management Personnel Compensation**

The key Management Personnels were paid Rs. 1,570,000 as compensation during the year.

**b) Transactions, Arrangements and Agreements involving Key Management Personnel**

No significant transactions had taken place involving Key Management Personnel & their close family members.

**30. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Set out below is a comparison by class of the carrying amounts and fair values of the Company's financial instruments that are carried in the financial statements.

Year ended 31 March	Carrying amount		Fair value	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Financial Assets</b>				
Trade and Other Receivables	497,612,520	237,447,843	497,612,520	237,447,843
Fair Value Through OCI Investments	1,999,589	2,682,566	1,999,589	2,682,566
Cash and Short Term Deposits	236,523,098	321,660,796	236,523,098	321,660,796
<b>Total</b>	<b>736,135,207</b>	<b>561,791,205</b>	<b>736,135,207</b>	<b>561,791,205</b>
<b>Financial Liabilities</b>				
Trade and Other Payables	205,281,991	125,928,569	205,281,991	125,928,569
Bank Overdraft	23,693,169	27,444,566	23,693,169	27,444,566
Lease Liabilities	17,561,089	18,342,012	17,561,089	18,342,012
Dividend Payable	2,383,836	2,383,836	2,383,836	2,383,836
<b>Total</b>	<b>248,920,085</b>	<b>174,098,983</b>	<b>248,920,085</b>	<b>174,098,983</b>

## Notes to the Financial Statements

Year ended 31 March 2025

**30. FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)**

The fair values of the financial assets are stated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

Cash & cash equivalents/ trade & other receivables/related party loans:	The carrying amount approximates their fair value largely due to the short maturities of these instruments.
Investment in equity securities:	These investments are carried at fair value. Refer note 15 for their measurement basis/ assumptions.
Long-term floating rates - Receivables:	These are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at 31 March 2025, the carrying amounts of such receivables, net of allowances, are not materially different from their calculated fair values.

The fair value of other financial liabilities approximate their carrying values.

**Fair Value Hierarchy**

As at 31 March 2025, the company held the following financial instruments carried at fair value in the Statement of Financial Position :

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

**Level 3:** techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Non-Financial Assets Measured at Fair Value	31 March 2025	Level 1	Level 2	Level 3
Buildings on leasehold land	645,483,000	-	-	645,483,000
Swimming Pool	23,517,000	-	-	23,517,000
Land Improvements	188,028	-	-	188,028
Right of Use Asset	140,000,000	-	-	140,000,000
Motor Vehicle	34,971	-	-	34,971
	809,222,999	-	-	809,222,999

Non-Financial Assets Measured at Fair Value	31 March 2024	Level 1	Level 2	Level 3
Buildings on leasehold land	530,729,693	-	-	530,729,693
Swimming Pool	16,418,338	-	-	16,418,338
Land Improvements	29,730	-	-	29,730
Right of Use Assets	43,982,744	-	-	43,982,744
Motor Vehicles	44,730	-	-	44,730
	591,205,235	-	-	591,205,235

## Notes to the Financial Statements

Year ended 31 March 2025

**30. FAIR VALUE OF FINANCIAL INSTRUMENTS (Contd.)**

Financial Assets Measured at Fair Value	31 March 2025	Level 1	Level 2	Level 3
Fair Value Through OCI Investments	1,999,589	-	-	1,999,589
	1,999,589	-	-	1,999,589

Financial Assets Measured at Fair Value	31 March 2024	Level 1	Level 2	Level 3
Fair Value Through OCI Investments	2,682,566	-	-	2,682,566
	2,682,566	-	-	2,682,566

**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company also has loans and receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk due to the financial assets/ liabilities it possess.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors (BOD) that advises on financial risks and the appropriate financial risk governance framework for the Company. BOD provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. It is the Group's policy that all derivative activities for risk management purposes are required to be approved by Board of Directors of LOLC Holdings PLC (The Ultimate Parent of the Company).

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The assumed spread of basis points for the interest rate sensitivity analysis is based on the currently observable market environment changes to base rates such as AWPLR.

Increase/ (decrease) in basis points	Effect on Profit Before Tax	
	2025 Rs.	2024 Rs.
+ 1000 basis points	6,749,665	2,090,123
- 1000 basis points	(6,749,665)	(2,090,123)
+ 500 basis points	3,374,832	4,186,246
- 500 basis points	(3,374,832)	(4,186,246)

## Notes to the Financial Statements

Year ended 31 March 2025

**31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)****Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities [when revenue or expense is denominated in a different currency from the Company's functional currency].

Currency risk is managed by the Company's treasury function that monitors foreign currency cash inflows and outflows and its closing position on a daily basis. The Company also monitors its exposure to movements in exchange rates on a net basis. The Company estimates exchange rate to convert year end foreign currency denominated amounts based on published rates by the Central Bank of Sri Lanka.

Below are the spot exchange rates used by the Company as at 31 March 2025 and 31 March 2024.

Foreign Currency	As at Reporting Date 31 March 2025 Rs.	As at Reporting Date 31 March 2024 Rs.
USD	296.35	301.18
EURO	319.86	326.03
GBP	383.78	380.52

The Company is not significantly impacted due to the movement of foreign exchange rates, as many of the Company's transactions and the balances as of the reporting date are denominated in Sri Lankan Rupees, which is the functional currency of the Company.

**Equity Price Risk**

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities [primarily for trade receivables] and from its financing activities which includes deposits with banks.

The 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 31 March	Notes	2025 Rs.	2024 Rs.
Trade Receivables	17	48,333,749	62,405,805
		48,333,749	62,405,805
Cash and Cash Equivalents	18	236,523,098	321,660,796

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. Refer Note 17.1 for age analysis of Trade Receivables.

**Management of credit risk**

The Company'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.

## Notes to the Financial Statements

Year ended 31 March 2025

**31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**

Customer credit risk is managed by each company subject to the Serendib Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the credit risk evaluation model and individual credit limits are defined in accordance with this assessment. 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. Outstanding customer receivables are regularly monitored and contracts are signed and agreed with all credit customers. Additionally, a large number of minor receivables are grouped into homogeneous groups and assessed for Impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

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.

**Impairment**

The Company 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 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- [Ika]
Nations Trust Bank PLC	A [Ika]
Sampath Bank PLC	AA- [Ika]
Seylan Bank PLC	A+ [Ika]
National Development Bank PLC	A [Ika]
Hatton National Bank PLC	AA- [Ika]

**Liquidity Risk**

The Company monitors its risk to a shortage of funds by setting up a minimum liquidity level. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

As at 31 March 2025	On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade and Other Payable	-	174,016,218	-	-	-	174,016,218
Bank Overdraft	23,693,169	-	-	-	-	23,693,169
Lease Liability	-	892,500	2,677,500	14,280,000	15,470,000	33,320,000
	23,693,169	174,908,718	2,677,500	14,280,000	15,470,000	231,029,387

## Notes to the Financial Statements

Year ended 31 March 2025

**31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**

As at 31 March 2024	On Demand Rs.	Less than 3 Months Rs.	3 to 12 Months Rs.	1 to 5 Years Rs.	> 5 Years Rs.	Total Rs.
Trade and Other Payable	-	134,085,607	-	-	-	134,085,607
Bank Overdraft	27,444,566	-	-	-	-	27,444,566
Lease Liability	-	892,500	2,677,500	14,280,000	19,040,000	36,890,000
	27,444,566	134,978,107	2,677,500	14,280,000	19,040,000	198,420,173

**Capital Management**

Capital includes ordinary shares. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes managing capital during the years ended 31 March 2024 and 31 March 2025. The Company monitors capital using a gearing ratio, which is debt divided by total capital plus debt. The Company's policy is to keep the gearing ratio below 40%.

As at 31 March	2025	2024
Total debt	41,254,258	45,786,578
Total equity	1,142,806,917	927,918,897
Gearing Ratio	4%	5%

# SUPPLEMENTARY INFORMATION

Ten Year Financial Review	81
Investor Information - Hotel Sigiriya PLC	82
Notice of Annual General Meeting	84
Notes	85
Form of Proxy	87
Registration of Shareholder Details for Online Participation	89
Stakeholder Feedback Form	91
Corporate Information	Inner Back Cover

## Ten Year Financial Review

[Figures in Rs.'000 unless otherwise stated]

Year ended 31 March	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Trading Results</b>										
Revenue	624,872	491,955	245,494	103,771	111,549	271,874	375,610	325,235	325,263	333,029
Profit /[(Loss) Before Tax	101,381	118,480	[28,601]	[66,465]	[54,544]	11,552	41,109	47,184	69,573	86,120
Profit /[(Loss) for the year	48,493	101,309	[3,600]	[59,805]	[42,702]	3,848	33,548	27,230	67,108	66,529
<b>Hotel Operations</b>										
Annual Sales Growth [%]	27.02	100.39	136.57	[6.97]	[58.97]	[27.62]	15.49	[0.01]	[2.33]	28.94
Room Occupancy [%]	87.24	71.00	35.00	0.19	29.81	54.42	79.50	73.00	74.00	75.73
Current Ratio [Times]	2.90	3.26	3.15	0.70	1.97	1.31	2.04	1.71	1.67	2.38
Interest Cover [Times]	31.17	100.55	0.19	[6.54]	[14.13]	4.60	Nil	Nil	Nil	Nil
Debt / Total Equity Ratio [%]	3.61	4.93	4.23	7.16	10.96	7.96	Nil	Nil	Nil	Nil
<b>Market/ Shareholder Information</b>										
Return on Equity [%]	0.04	0.13	[0.44]	[11.30]	[9.84]	0.96	8.41	7.40	16.17	16.36
Net assets per Share [Rs.]	65.02	52.79	46.99	90.34	74.10	68.57	68.08	62.63	70.85	69.42
Earnings/[Loss] per Share [Rs.]	2.76	5.76	[0.29]	[10.21]	[7.29]	0.66	5.73	4.65	11.45	11.36
Market value per share [Rs.]	76.80	51.00	33.30	88.00	56.60	36.40	59.10	62.80	97.30	96.00
Price Earnings Ratio [Times]	27.84	8.85	[114.83]	[8.62]	[7.77]	55.42	10.32	13.51	8.49	8.45
Dividend [per Share]	Nil	Nil	Nil	Nil	Nil	Nil	Nil	12.00	10.00	5.00

## Investor Information - Hotel Sigiriya PLC

## SHARE DISTRIBUTION

Range		2025			2024		
		No. of Shareholders	31.03.2025 Total Holding	%	No. of Shareholders	31.03.2024 Total Holding	%
1	1,000	1,101	216,901	1.23	958	176,224	1.00
1,001	10,000	254	900,457	5.12	213	773,339	4.40
10,001	100,000	73	2,042,626	11.62	75	2,333,923	13.28
100,001	1,000,000	12	3,116,246	17.74	11	2,992,744	17.03
Over 1,000,000 Shares		1	11,300,770	64.29	1	11,300,770	64.29
<b>Total</b>		<b>1,441</b>	<b>17,577,000</b>	<b>100.00</b>	<b>1,258</b>	<b>17,577,000</b>	<b>100.00</b>

## CATEGORIES OF SHAREHOLDERS

	2025			2024		
Institutions	75	13,426,542	76.38	65	13,620,600	77.49
Individuals	1,366	4,150,458	23.62	1,193	3,956,400	22.51
<b>Total</b>	<b>1,441</b>	<b>17,577,000</b>	<b>100.00</b>	<b>1,258</b>	<b>17,577,000</b>	<b>100.00</b>

## PUBLIC HOLDING

	2025	2024
Public holding as a percentage of the Issued share capital	35.71%	35.60%
Number of shareholders representing the public holding	1,440	1,256

## SHARE TRADING

	2025	2024
Highest Market Price (Rs)	88.00 (17/02/25)	59.50 (12/12/23)
Lowest Market Price (Rs)	42.00 (10/07/24)	29.90 (18/05/23)
Last Traded Price (Rs)	76.80 (28/03/25)	56.00 (28/03/24)
No. of Shares Traded	7,413,601	5,291,915
No. of Trades	8,711	6,42
Turnover (Rs)	491,072,026.40	230,769,310

SUPPLEMENTARY INFORMATION

Investor Information - Hotel Sigiriya PLC

**TWENTY MAJOR SHAREHOLDERS AS AT 31ST MARCH 2024**

Name of Shareholder	2025		2024	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Serendib Hotels PLC	11,300,770	64.29	11,300,770	64.29
Mr. S R S De Saram & Mrs. S T T Jayasundera	750,000	4.27	1,113,410	6.33
R C J Goonewardena	350,000	1.99	-	
Guardian Insurance Brokers (Private) Limited	350,000	1.99	449,319	2.56
L K Goonewardena	250,000	1.42	350,000	
Mrs. S. Amarasekera	227,400	1.29	-	
Hatton National Bank PLC/Dawi Investment Trust (Private) Limited	226,989	1.29	-	
Acuity Partners (Private) Limited / Mr. Don Janaka Nishan Hettiarachchi	200,100	1.14	-	
Guardian Equity Limited	200,000	1.14	-	
Freudenberg Shipping Agencies Limited	199,470	1.13	212,090	1.21
People's Leasing & Finance PLC/Dr. H S D Soysa & Mrs. G Soysa	132,235	0.75	132,235	0.75
Dialog Finance PLC/Fors Investment (Private) Limited	119,505	0.68	79,505	
O. Senanayake	110,547	0.63	-	
Mrs. S . Vasudevan	100,000	0.57	-	
People's Leasing & Finance Plc/Mr. K.K.Shujeevan	88,788	0.51	-	
Merchant Bank Of Sri Lanka Plc/Mr.Pathige Samantha Manesh Fernando	88,660	0.50	-	
M C Gamage	81,841	0.47	-	
A M E Fernando	75,000	0.43	75,000	0.43
V M Gunaratne	75,000	0.43	-	
E J De Soysa	70,000	0.40	-	
Total held by Major Shareholders	15,096,305	85.89	13,712,329	78.02
Shares held by the balance shareholders	2,480,695	14.11	3,864,671	21.08
Total Issued Capital	17,577,000	100.00	17,577,000	100.00

**FLOAT ADJUSTED MARKET CAPITALISATION**

As at 31st March 2025 Float adjusted Market Capitalisation was 482,013,649

The Company is compliant with the Minimum Public Holding Requirement stipulated in CSE Rule 7.13.1 [b] option 2.

**PUBLIC SHAREHOLDING**

As at 31March 2025, 35.71% of the issued ordinary shares were held by 1,441 shareholders.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT THE 51<sup>ST</sup> ANNUAL GENERAL MEETING** of the Company will be held on Wednesday 24th September 2025 at 11:00 a.m. as an on-line audio-visual meeting with arrangements for the on-line meeting platform centered at the LOLC Board Room, 100/1, Sri Jayawardenapura Mawatha, Rajagiriya, for the following purposes:

## ORDINARY BUSINESS

1. To receive 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 the Articles of Association of the Company
3. To re-elect as a Director Mr. T Dharmarajah who retires by rotation in terms of Article 74 of the Articles of Association of the Company
4. \*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. (Refer Note 4)
5. To re-appoint as Auditors M/s Deloitte Partners Chartered Accountants for the ensuing year at a remuneration to be agreed by the Directors.
6. To approve in terms of the Companies Act No. 26 of 1951 [Donations], 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  
HOTEL SIGIRIYA PLC



L O L C CORPORATE SERVICES [PVT] LTD  
Secretaries

27 August 2025

## 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. \*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."

## IMPORTANT NOTICE:

- » This year too, the Annual Report and Financial Statements of the Company are available on the:  
Corporate Website: <https://www.browshotels.com/investor-relations/>
- » The Colombo Stock Exchange: <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=HSIG.N0000>

Members 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 7248554 during normal office hours (8.30 a.m. to 5.00 p.m.) or email [corporateservices@lolc.com](mailto:corporateservices@lolc.com).

In the event the Company is required to take any further action in relation to the Meeting, in the best interest of the Meeting attendees; any communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange and publication on the Company website - <https://www.browshotels.com/investor-relations/>





# Form of Proxy

I/We of .....  
 being a member/members of the above named Company hereby appoint .....  
 ..... of  
 .....whom failing;

- W. D. K. Jayawardena of Colombo or failing him
- Mrs. K. U. Amarasinghe of Colombo or failing her
- D. S. K. Amarasekera of Colombo or failing him
- Dr. J. M. Swaminathan of Colombo or failing him
- S. Furkhan of Colombo or failing him
- T Dharmarajah of Colombo

as my/our\* Proxy to represent me/us\* at the Fifty First (51st )Annual General Meeting of the Company to be held as an on- line meeting on Wednesday 24th September 2025 at 11:00 a.m. and at any adjournment thereof and at every poll which may be taken in consequence thereof.

THE PREFERENCES IN THE FOLLOWING TABLE TO BE MARKED BY ORDINARY (VOTING) SHAREHOLDER/S ONLY.

I/We\* the undersigned, ordinary (voting) shareholder[s] of the Company hereby authorise my/our\* Proxy to vote for me/ us\* and on my/our\* behalf in accordance with the preferences indicated below (please mark your preference with an 'X');

	For	Against
<b>Ordinary Business</b>		
1. To re-elect as a Director Mr. D S K Amarasekera who retires by rotation in terms of Articles 86 of the Article of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Mr. T Dharmarajah who retires by rotation in terms of Article 74 of the Articles of Association of the Company	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a 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 4 of the Notice of Meeting.	<input type="checkbox"/>	<input type="checkbox"/>
4. To appoint as auditors M/s Deloitte Partners Chartered Accountants for the ensuing year at a remuneration to be agreed by the Directors.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorise the Board of Directors to determine donations.	<input type="checkbox"/>	<input type="checkbox"/>

Dated this .....day of..... 2025

.....  
 Signature of Shareholder  
 (please refer overleaf for instructions)

## Form of Proxy

CDS Account Number of the Shareholder [s]	
Shareholder's contact number/s	Land line [residence/work]:
	Mobile:
Email address to which the on-line link should be forwarded to for the proxy holder's participation at the AGM	
Proxy holder's NIC number	

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 100/1, Sri Jayawardenapura Mawatha, Rajagiriya;
  - or
  - ii) Scanned and emailed to the email address: corporateservices@lalc.com with the email subject titled "HOTEL SIGIRIYA 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

Hotel Sigiriya PLC values your opinions and feedback. We invite you to share your thoughts to help us enhance our governance, operations, financial condition, and future prospects. Please take a moment to fill out this form with your comments and suggestions. Your feedback will be treated confidentially and used solely for the purpose of improving our stakeholder communication and overall performance.

## Contact Information

Name : .....

Email : .....

Phone : .....

Company/Organisation : .....

## WHICH STAKEHOLDER GROUP/S DO YOU BELONG TO? (You may tick more than one)

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Shareholder      | <input type="checkbox"/> Employee        | <input type="checkbox"/> Service Provider       |
| <input type="checkbox"/> Customer         | <input type="checkbox"/> Student         | <input type="checkbox"/> Supplier               |
| <input type="checkbox"/> Community        | <input type="checkbox"/> Regulatory Body | <input type="checkbox"/> Special Interest Group |
| <input type="checkbox"/> Public Authority | <input type="checkbox"/> Journalist      |   |

## GENERAL FEEDBACK

1. How would you rate your overall satisfaction with the Company's communication practices?

- Very Satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very Dissatisfied

2. How often do you feel the Company provides timely and accurate information?

- Always
- Often
- Sometimes
- Rarely
- Never

3. How effective do you find the Company's use of its website and social media for communication?

- Very Effective
- Effective
- Neutral
- Ineffective
- Very Ineffective

## SPECIFIC FEEDBACK

1. What specific aspects of the Company's communication do you find most useful?

- Financial Reports
- Annual Reports
- Press Releases
- Investor Briefings
- Social Media Updates
- Website Content
- Other (please specify): .....

2. How would you rate the accessibility of the Company's spokespersons for providing information and responding to queries?

- Very Accessible
- Accessible
- Neutral
- Inaccessible
- Difficult to Access

3. How effectively does the Company address your concerns and queries?

- Very Effective
- Effective
- Neutral
- Ineffective
- Very Ineffective

# 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

Hotel Sigiriya PLC, 100/1 Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka

Email: DulipS@lolc.com and SusaanB@lolc.com

# Corporate Information

## NAME OF THE COMPANY

Hotel Sigiriya PLC

## COMPANY REGISTRATION NUMBER

PQ 81

## DATE OF INCORPORATION

01 October 1971

## LEGAL FORM

A public quoted company with limited liability

## STOCK EXCHANGE LISTING

The ordinary shares of the company are listed on the Colombo Stock Exchange

## DIRECTORS

W D K Jayawardena - Chairman

D. S. K. Amarasekera - Non- Executive Director

Mrs. K U Amarasinghe - Non-Executive Director

Dr. J M Swaminathan - Independent Director

S. Furkhan - Independent Director

T Dharmarajaha - Independent Director  
[Appointed w.e.f. 8th April 2024]

## REGISTERED OFFICE

100/1, Sri Jayawardenapura Mawatha, Rajagiriya

Tel: +94 [11] 7248554

Fax: +94 [11] 286 5602

Website: <https://www.serendibleisure.com/hotelsigiriya/>

## COMPANY SECRETARIES

LOLC Corporate Services [Pvt] Ltd

## AUDITORS

Deloitte Partners [Chartered Accountants]

## REGISTRARS

SSP Corporate Services [Pvt] Ltd

## BANKERS

Commercial Bank of Ceylon PLC

Hatton National Bank PLC

Nations Trust Bank PLC

Sampath Bank PLC

Bank of Ceylon

## HOTEL

Hotel Sigiriya

Tel: +94 [66] 4930500-3

Fax: +94 [11] 2865602



[www.browshotels.com](http://www.browshotels.com)

**HOTEL SIGIRIYA PLC**

No. 100/1, Sri Jayawardenepura Mawatha, Rajagiriya, Sri Lanka.

Telephone : 011-7248248 Fax : 011-2865606 (Gen)

Website : [www.browshotels.com](http://www.browshotels.com)