







# MEMORIES

## CURATING HAPPINESS

At Hayleys Leisure, we go beyond hospitality; we craft moments that transform into lasting memories. It's not just about where you stay, but how every detail unfolds into something extraordinary.

This report reflects our unwavering commitment to excellence. We don't just meet expectations; we exceed them. With a deep commitment to sustainability and innovation, we are reshaping Sri Lanka's hospitality landscape, ensuring each journey with us is both memorable and meaningful.

As a leader in Sri Lanka's hospitality industry, we set the standard for true luxury. Every service is thoughtfully designed, each detail personalised, and every experience crafted to elevate every stay.

At Hayleys Leisure, we curate happiness with every moment we offer, turning it into a cherished memory for all.

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# ABOUT THIS REPORT



We are pleased to present the 3<sup>rd</sup> Annual Report for Hayleys Leisure PLC for the financial year ended 31 March 2025. This report offers a detailed overview of our purpose, organisational framework and key milestones. By adhering to international reporting standards, we are committed to maintaining transparency and accountability in our disclosures. This report is designed to offer our stakeholders a deep understanding of our financial and non-financial performance, strategic initiatives, and sustainability driven practices. We welcome readers to explore the report and gain valuable insights into our journey towards sustainable and responsible value creation.

## REPORTING SCOPE AND BOUNDARY

This report presents insights into Group’s operations in Sri Lanka for the financial year from 1 April 2024 to 31 March 2025. We adhere to an annual reporting cycle, incorporating both financial and non-financial disclosures. This report builds upon the previous year’s report, which covered up to 31 March 2024. Unless explicitly mentioned, non-financial information remains unchanged.

## PRINCIPLES BEHIND OUR REPORTING

We have implemented a combination of local and international reporting guidelines, frameworks, and external assurance processes to ensure the quality and integrity of our disclosures.

### FINANCIAL STATEMENTS AND RELATED DISCLOSURES

- Sri Lanka Accounting Standards Issued by the Institute of Chartered Accountants of Sri Lanka
- Companies Act No. 07 of 2007 (Amended)
- Listing Rules of the Colombo Stock Exchange
- Independent Auditor’s Report by Messrs. Ernst and Young

### INTEGRATED REPORTING

- Integrated Reporting Framework of the Value Creation Foundation
- United Nation’s Sustainability Development Goals
- Sustainability Accounting Standards Board
- Global Reporting Initiative

### CORPORATE GOVERNANCE

- Companies Act No. 07 of 2007 (Amended)
- Listing Rules of the Colombo Stock Exchange
- Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Code of Best Practices on Related Party Transactions issued by The Securities & Exchange Commission of Sri Lanka

## SUSTAINABLE DEVELOPMENT GOALS



# ABOUT THIS REPORT

## MATERIALITY

Materiality serves as the foundation of our annual report, focusing on the disclosures of information that holds significance for stakeholders. We are committed to provide investors with key insights that impact their assessments of our financial position, operational performance and growth prospects. A rigorous evaluation process enables us to highlight relevant data and developments, ensuring a transparent and comprehensive representation of our operations. Our focus on materiality promotes transparency, reinforce accountability and trust, supporting informed decision making while contributing to sustainable value creation.

## FORWARD LOOKING STATEMENTS

This report presents forward looking statements based on available internal and external information, offering insights into our future direction. However, these statements involve inherent risks and uncertainties due to market fluctuations, economic trends, regulatory changes, and competitive dynamics. Certain factors influencing these statements are beyond our control. We assume no obligation to update forward looking statements and disclaim liability for variations in these reports. While we aim to provide meaningful insights, we advise stakeholders to interpret these statements cautiously and consider the latest available information when making informed decisions.

## THE FUTURE OF REPORTING

We plan to strengthen our disclosures by incorporating a wider range of integrated reporting frameworks and guidelines, aligning with both local and international best practices.

## YOUR GUIDE TO THIS REPORT

The icons will guide you in understanding how we create value for our stakeholders across the six capitals and how external factors shaped our impact. Our contributions to the United Nations Sustainable Development Goals (SDGs) are represented using relevant icons.



## READ OUR REPORT ONLINE

This report is available in PDF format on our corporate website and on the Colombo Stock Exchange under stock code CONN.N0000



## FEEDBACK

We value your feedback on how we can further enhance the readability and effectiveness of our report.

## Please contact



Piyal Senadeera  
Chief Financial Officer



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# ABOUT US



## OUR VALUES

- Never say “No”
- Get it right the first time, all the time
- Innovative culture
- Take care of our employees and their families
- Truly sustainable

## OUR PROMISE

We will always be an exciting and innovative sector who will create raving fans and not simply satisfied customers

## OUR PURPOSE

Curating Happiness

## OUR VISION

To be the most preferred leisure service provider in Sri Lanka

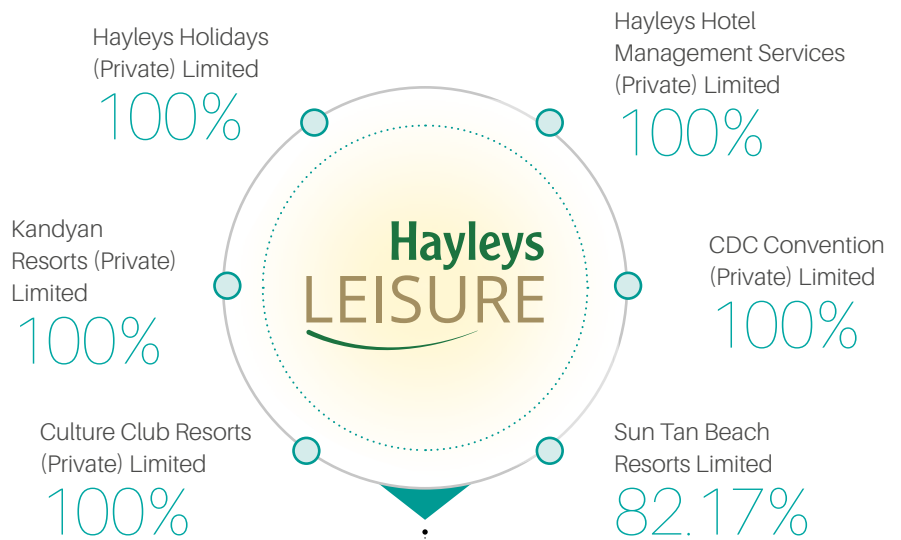


At Hayleys Leisure, we blend luxury with tradition to create an unforgettable hospitality experience in Sri Lanka. With our flagship brand, Amaya Resorts & Spas, we have created a collection of exquisite hospitality experiences that celebrate the island’s natural beauty and vibrant heritage.

With properties located in some of Sri Lanka’s most scenic destinations, we offer experiences that range from golden beaches to misty highlands. Each property is a masterpiece, thoughtfully designed to complement its surroundings, whether it’s exploring heritage sites, indulging in spa therapies, or simply embracing nature, while delivering comfort and impeccable service.

We believe in the power of meaningful travel, and we are committed to setting new benchmarks in hospitality, through our impeccable service, facilities and our unwavering dedication to Sri Lankan warmth and tradition.

## OWNERSHIP STRUCTURE



### OWNED PROPERTIES

### RESORTS

- Amaya Hills, Kandy
- Amaya Beach, Passikudah
- Amaya Lake, Dambulla

### MANAGED PROPERTIES

#### CITY HOTEL

- The Kingsbury, Colombo

#### BOUTIQUE COLLECTIONS

- Amuna Ayurveda Retreat, Dambulla
- Oliphant Boutique Villa, Nuwara Eliya
- Langdale Boutique Hotel, Nuwara Eliya
- The Villas, Wadduwa
- Tri, Koggala
- Villa 700, Induruwa

## OUR COLLECTION OF STAYS



### THE KINGSBURY, COLOMBO

Located in the vibrant heart of Colombo, between the iconic Galle Face Green and the bustling World Trade Centre, The Kingsbury offers luxury hospitality marked by attentive service.

Tripadvisor Rating: ★★★★★

Number of rooms: **229**  
Restaurants and bars: **10**  
Our team: **748**



### AMAYA LAKE, DAMBULLA

Nestled in the heart of Sri Lanka's cultural triangle, Amaya Lake offers easy access to Dambulla's top attractions.

Tripadvisor Rating: ★★★★★

Number of rooms: **119**  
Restaurants and bars: **03**  
Our team: **219**



### AMAYA HILLS, KANDY

Nestled in the hills overlooking Kandy, Amaya Hills offers a scenic and cultural escape into Sri Lanka's last royal kingdom. Surrounded by Kandyan-inspired architecture and breathtaking landscapes, the resort offers an ideal retreat to explore the city's iconic landmarks.

Tripadvisor Rating: ★★★★★

Number of rooms: **112**  
Restaurants and bars: **03**  
Our team: **215**



### AMAYA BEACH, PASSIKUDAH

Located on the tranquil shores of Pasikuda Bay, it is the perfect getaway to the East Coast's most exciting activities.

Tripadvisor Rating: ★★★★★

Number of rooms: **125**  
Restaurants and bars: **05**  
Our team: **195**



### AMUNA AYURVEDA RETREAT, DAMBULLA

Tucked into the natural beauty, Amuna is a wellness retreat inspired by traditional Sri Lankan living.

Tripadvisor Rating: ★★★★★

Number of rooms: **12**  
Restaurants and bars: **01**  
Our team: **25**



### OLIPHANT, NUWARA ELIYA

Tucked into the highlands, Oliphant is a luxury villa steeped in history and charm, surrounded by tea estates and vibrant gardens.

Tripadvisor Rating: ★★★★★

Number of rooms: **07**  
Restaurants and bars: **01**  
Our team: **11**



### LANGDALE, NUWARA ELIYA

Surrounded by rose gardens and misty mountains, the colonial hotel blends with comfort, charm and elegance.

Tripadvisor Rating: ★★★★★

Number of rooms: **13**  
Restaurants and bars: **01**  
Our team: **21**



### THE VILLAS, WADDUWA

Set along the beachside town of Wadduwa, the hotel is perfect for family getaways, romantic escapes, or beachside reunions.

Tripadvisor Rating: ★★★★★

Number of rooms: **32**  
Restaurants and bars: **02**  
Our team: **55**



### TRI, KOGGALA

Located on the edge of Lake Koggala, Tri is a getaway to the South, where nature, comfort and culture meet.

Tripadvisor Rating: ★★★★★

Number of rooms: **15**  
Restaurants and bars: **02**  
Our team: **32**



### VILLA 700, INDURUWA

One of the Bentota's most charming villas, where tropical charm meets modern comfort.

Tripadvisor Rating: ★★★★★

Number of rooms: **05**  
Restaurants and bars: **01**  
Our team: **05**

## FINANCIAL HIGHLIGHTS

	2024/2025	2023/2024	% Change
<b>FINANCIAL CAPITAL RS. '000</b>			
Revenue	3,332,079	2,877,808	16%
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	670,932	342,580	96%
Results from Operating Activities	470,768	144,073	227%
Profit/ (Loss) Before Tax	277,370	(154,507)	280%
Profit/ (Loss) After Tax	159,512	(145,986)	209%
Profit/ (Loss) attributable to owners of the parent	156,840	(112,626)	239%
<b>PROFITABILITY RATIOS</b>			
Gross Profit/ (Loss) Margin	63%	61%	3%
Operating Profit/ (Loss) Margin	14%	5%	180%
Net Profit/ (Loss) Margin	5%	(5%)	200%
Return on Assets (ROA)	3%	(3%)	200%
Return on Capital Employed (ROCE)	15%	6%	150%
<b>FINANCIAL POSITION - RS. '000</b>			
Total Assets	5,877,285	5,815,109	1%
Total Debts	2,173,634	2,575,416	16%
Equity attributable to equity holders of the parent	1,334,523	1,174,674	14%
<b>BALANCE SHEET PERFORMANCE RATIOS</b>			
Gearing	74%	78%	5%
Debt/ Equity (times)	1.63	2.19	26%
Equity Asset Ratio	23%	20%	15%
Current Ratio (times)	0.62	0.46	35%
Quick Asset Ratio (times)	0.58	0.41	41%
Interest Cover (times)	2.03	(0.37)	649%
<b>MARKET/SHAREHOLDERS INFORMATION</b>			
Number of Shares in Issue	107,989,958	107,989,958	-
Market Value Per Share - Rs.	28.20	20.00	41%
Market Capitalisation - Rs. '000	3,045,317	2,159,799	41%
Net Assets Per Share - Rs.	13.91	12.45	12%
Earnings/ (Loss) Per Share (basic) - Rs.	1.45	(1.04)	239%
Price Earnings/ (Loss) Ratio (times)	19.42	(19.18)	201%

## NON-FINANCIAL HIGHLIGHTS

	2024/2025	2023/2024	% Change
<b>HUMAN CAPITAL</b>			
Total Employees	706	701	(1%)
Economic Value Added Per Employee - Rs. '000	4,720	4,105	15%
Training Hours Per Employee	23.18	16.35	42%
Retention Rate	63%	58%	9%
<b>SOCIAL AND RELATIONSHIP CAPITAL</b>			
Investment in CSR Initiatives - Rs. '000	3,497	5,304	(34%)
Supplier Size	817	702	16%
Payment to Suppliers - Rs. '000	2,438,127	1,790,097	(36%)
<b>MANUFACTURED CAPITAL</b>			
Property, Plant and Equipment - Rs. '000	4,475,992	4,511,580	(1%)
Capital Expenditure - Rs. '000	163,156	151,423	8%
Room Inventory	381	381	-
<b>INTELLECTUAL CAPITAL</b>			
Brand Ratings	4,5	4,5	-
Number of awards won during the year	2	2	-
Average service tenure of employee (Over 10 years)	12%	12%	-
<b>NATURAL CAPITAL</b>			
Energy consumption - MJ per Occupied Room Night	292	639	54%
Water consumption - Litres per Occupied Room Night	1,634	1,397	(17%)
Carbon footprint - tCO <sub>2</sub> e per Occupied Room Night	44	61	28%

## CHAIRMAN'S MESSAGE



Dear Shareholder,

I am pleased to present the 3rd Integrated Annual Report of Hayleys Leisure PLC for the financial year ended 31st March 2025, and to report a strong resurgence in our performance following a protracted period of challenge and volatility. The Group delivered a Profit Before Tax of Rs. 277 million in the period under consideration, the first positive result in five years, marking a pivotal inflection point in our trajectory. Buoyed by favourable macroeconomic tailwinds and a pronounced recovery

in international tourism during 2024/25, all 10 of our properties returned to profitability, reflecting both operational discipline and the enduring strength of our brands.

### RESURGENCE IN TOURISM

In the year 2024, the tourism sector accounted for an estimated 9.1% of global GDP, inclusive of its direct, indirect and induced contributions. With around 10% of jobs worldwide linked to tourism, it remains one of the most people-intensive sectors in

the global economy. For Sri Lanka, tourism is uniquely positioned to act as a catalyst in restoring macroeconomic stability, rebuilding foreign reserves, and ensuring more equitable distribution of economic opportunity across the island. The year under review began with signs of cautious optimism, as the country recorded two successive quarters of economic growth, signalling a welcome reversal from the contractionary pressures of preceding years. This positive trajectory was sustained throughout the year, paving the way for



The recovery in global travel sentiment lifted the entire industry, and our properties were no exception. The Group reported revenue growth of 16% - Our focus remains on building a business that is not only profitable, but also agile, ethical and capable of weathering uncertainty.



renewed confidence across sectors. The 38% year-on-year growth in tourist arrivals to surpass two million visitors was a testament to this newfound stability. Notably, this figure exceeded 2019's arrivals, signaling not just a recovery, but a strategic repositioning of Sri Lanka as a premier travel destination.

More importantly, the earnings from tourism increased by 52% to USD 3.2 billion, a clear indication of rising visitor spend and the growing appeal of Sri Lanka's hospitality offering. The five

key source markets - India, Russia, the United Kingdom, Germany and China - accounted for 52% of arrivals, underscoring the importance of cultivating strategic bilateral tourism relationships. The renewed interest from China is particularly promising, given the segment's potential for rapid expansion. Europe and Asia & Pacific collectively contributed 93% of arrivals, suggesting untapped opportunities in other regions that are yet to be fully explored. As we build on this momentum, we must look beyond visitor numbers and sharpen

our focus on quality and sustainability. Our ability to compete globally will depend on our capacity to deliver immersive, differentiated experiences while preserving the natural and cultural heritage that is central to our appeal.

# CHAIRMAN'S MESSAGE

## MACROECONOMIC BACKDROP

The stabilisation of interest rates and inflation, both deeply disruptive over the past five years, played a crucial role in restoring confidence across the tourism ecosystem. This equilibrium, while still delicate, is a prerequisite for long-term capital deployment, reinvestment, and sectoral renewal. Therefore, it is imperative that the policy environment continues to promote macroeconomic stability, with particular emphasis on maintaining infrastructure integrity, energy security and efficient border management systems.

## DELIVERING A SOLID PERFORMANCE

The recovery in global travel sentiment lifted the entire industry, and our properties were no exception. The Group reported revenue growth of 16% to Rs. 3.33 billion, with room rates rising by an impressive 32% and room nights also growing by 4% during the period. The resurgence in arrivals coincided with a more stable economic environment, characterised by lower inflation and interest rates, which enabled tighter cost controls. As a result, profitability margins strengthened materially and the Group delivered a Profit Before Tax of Rs. 277 million, ending a multi-year loss-making cycle. After accounting for a tax charge of Rs. 118 million, Net Profit After Tax stood at Rs. 160 million. In tandem with operational recovery, we focused on fortifying the Group's financial health. Strategic debt repayments reduced our exposure to interest rate volatility, and we exited the year with retained earnings of Rs. 123 million, in stark contrast to the retained loss of Rs. 35 million at the end of the previous financial year. These improvements have enhanced our liquidity profile

and placed us in a stronger position to pursue strategic growth, supported by greater access to capital.

## A DIFFERENTIATED STRATEGY

Our success during the year under review was rooted in a clear and deliberate strategic shift. Hayleys Leisure commands a portfolio of 10 exceptional properties - each handpicked for its natural allure, cultural richness and immersive guest experiences. Recognising the uniqueness of each location, we adopted a differentiated strategy tailored to the individual strengths and positioning of our properties, allowing us to preserve the singular charm of each destination, while maintaining a consistent standard of excellence and warmth that is the hallmark of the 'Amaya' brand. Working closely with our travel partners, we deepened guest engagement and optimised yield per room in addition to our consistent delivery of intuitive service and hospitality, ensuring that the Amaya identity was refined through contextual relevance. Our asset-light approach to expansion continued to prove effective, enabling disciplined capital allocation and strategic agility. Meanwhile, our commitment to the domestic traveller, who stood with us through the most trying periods, remains unwavering, with thoughtfully curated offerings that ensure continued engagement.

## SUSTAINABLE STEWARDSHIP

As we navigate a complex global landscape, our strategic decisions are guided by a long-term view rooted in governance, sustainability and stewardship. In alignment with the overarching frameworks of the Hayleys Group, we continued to

strengthen oversight mechanisms across Hayleys Leisure PLC. During the year, we undertook a comprehensive review of Board Committees, revising their charters, reconstituting their composition and aligning appointments with Section 9 of the Listing Rules of the Colombo Stock Exchange. We also took initial steps to align our operations with the Hayleys Group's 2030 Sustainability Agenda, setting the foundation for more measurable and impactful ESG outcomes in the years ahead. The Group is already progressively aligned with the enhanced version launched in March 2025.

Our properties, often situated adjacent to ecologically sensitive zones, have adopted bespoke initiatives to preserve biodiversity and natural habitats. Our supply chains are increasingly localised, with procurement now sourced from within the island - strengthening local economies while reducing our environmental footprint. Community integration remains at the heart of our ethos, with our properties generating both direct and indirect employment across regions. The Group is also investing in the next generation, as two of our properties have launched educational outreach programmes offering free tuition in Mathematics, English and Science to local students, with the support of their families, creating pathways for social mobility.

## POISED FOR GROWTH

The outlook for tourism in Sri Lanka is encouraging, with arrivals forecast to surpass the 2.3 million mark, a historic milestone for the industry. First quarter of 2025 has already recorded the highest-ever number of arrivals for this period, supported by strong engagement from

global travel partners and growth in digital bookings. The sector's move towards omnichannel marketing plays to our strengths, and we will continue to invest in the right digital infrastructure to support growth and build brand equity across key segments. However, we remain cognisant of the risks that accompany this optimism. Our focus remains on building a business that is not only profitable, but also agile, ethical and capable of weathering uncertainty. As we scale our operations, we will maintain a disciplined focus on liquidity, capital adequacy and long-term value creation.

#### **ACKNOWLEDGEMENTS**

I would like to extend my heartfelt appreciation to the teams across our properties and the corporate office for their dedication, professionalism and unwavering commitment to excellence.

I commend the Managing Director for leading the Group through a transformative year with strategic clarity and agility. I also express my gratitude to my fellow Board of Directors for their guidance and insight.

Finally, I wish to thank our valued business partners and shareholders for their continued trust. As we enter a new phase of growth, your support remains vital to our journey forward.

Armed with a revitalised portfolio, institutional strength and a clear strategic direction, your Company is poised to convert this resurgence into sustained value creation.



**Mohan Pandithage**  
Executive Chairman

30th April 2025

## MANAGING DIRECTOR'S REVIEW



Dear Shareholder,

I am pleased to report that Hayleys Leisure Group made a significant turnaround during the year under review, recording a Profit Before Tax of Rs. 277 million – an outstanding milestone after enduring five extraordinarily challenging years for the tourism industry. This performance comes as international tourist arrivals rebounded to near pre-pandemic levels, signalling a much-anticipated resurgence for the sector after a prolonged period of subdued activity.

Across our portfolio, all properties registered healthy growth in occupancy, reflecting the strength and appeal of our diverse offerings. Each destination showcased its own distinct character, combining natural beauty with cultural depth, while delivering the consistently high service standards that define Amaya Resorts & Spas and The Kingsbury brands. The compelling mix of stunning locations, warm Sri Lankan hospitality and world-class cuisine translated into exceptional online reviews across global booking

platforms. These endorsements not only enhanced our brand visibility but also served to reinforce pricing power and drive topline growth. Operational efficiencies improved as a result of higher activity levels and disciplined spend management, positioning us favourably for sustainable growth in the year ahead.

### **BUOYANCY IN THE TOURISM SECTOR**

The past year marked a significant turning point for Sri Lanka's tourism industry, as it began to regain its rhythm



Recording a Profit Before Tax of Rs. 277 million – an outstanding milestone after enduring five extraordinarily challenging years for the tourism industry. All properties registered healthy growth in occupancy, reflecting the strength and appeal of our diverse offerings.



after years of uncertainty. A growing sense of confidence - driven by political stability and modest but sustained economic growth - set the stage for a revival, as the country welcomed over two million visitors in 2024, a 38% increase from the previous year. Notably, earnings outpaced arrivals, surging by 53% to exceed USD 3.2 billion, underscoring a marked rise in traveller spending and the quality of experiences on offer. European travellers led this renewed interest, accounting for just over half of all arrivals. Their return, especially from the UK and Germany,

signalled a renewed trust in Sri Lanka's readiness to host. Meanwhile, the Asia and Pacific region contributed a strong 42%, buoyed by proximity and the increasing accessibility of travel. India remained a powerful driver of volume - its contribution backed by deep historical links and frequent air connectivity. The Eastern European market, while slowing slightly, still maintained a solid 10% share. China, on the other hand, re-emerged with vigour, posting a 91% increase in arrivals and offering a glimpse of future potential.

The top five markets remain strong, while new entrants produce healthy arrivals, they now represent a slightly more balanced 52%, suggesting a broader global appeal and a more resilient industry structure.

## MANAGING DIRECTOR'S REVIEW

Equally vital to the upward trend was the expansion of airline connectivity. Amidst the buoyant international numbers, it was important not to lose sight of the domestic traveller, the very segment that sustained the industry during its most challenging years. Recognising this, targeted promotional efforts were rolled out during the off-season, designed to keep local guests connected to the leisure experience.

A steady economic climate further supported the sector's rebound. Inflation remained contained within a narrow band, while the decline in interest rates served as a favourable tailwind, easing financial pressures and supporting improved profitability across our operations. While the appreciation of the Sri Lankan rupee may have tempered some profitability, the effect was relatively contained and did little to dampen industry enthusiasm. The signs of renewal are now unmistakable. More diverse markets, increased earnings, and a better travel experience are reshaping the sector. What we see now is not just a return to form, but the emergence of a more resilient, responsive tourism industry.

### OUR STRATEGIC ADVANTAGES

With 10 distinctive properties spread across Sri Lanka's most sought-after destinations, the Group has cultivated a portfolio that offers something for every traveller - from sun-drenched beaches and tranquil lakeside getaways to misty hillsides adorned with waterfalls and tea trails. Whether it's luxury, wellness, culture or adventure, the experiences are as diverse as the landscapes themselves, reinforcing the island's growing reputation as one of the world's most compelling travel destinations.

Our growth has been underpinned by a carefully calibrated asset-light strategy. This approach has allowed us to expand our footprint through a blend of owned and managed properties, optimising capital allocation while retaining brand control. Today, the Group owns three resorts and manages seven properties, including boutiques, villas and a city hotel, offering guests seamless access to varied experiences across the island. Collaborations with travel agents and tour operators played a pivotal role in driving occupancy through curated travel packages, each tailored to appeal to specific source markets.

This sharp focus on market preferences yielded tangible results. Amaya Lake, with its scenic beauty and central location, welcomed a wide range of nationalities, mostly as part of round tours. The calm shores of Passikudah, attracted a steady stream of Russian travellers, while our Kandy property resonated well with guests from India and China. By aligning property-level experiences with the cultural nuances of each market, we were able to enhance guest satisfaction and drive revenue, resulting in a 32% increase in room rates in USD over the year.

Recognising the rise of wellness tourism, we added a new dimension to our offering with the launch of a dedicated Ayurvedic retreat in Dambulla in early 2024. Comprising 12 villas designed for holistic healing and rejuvenation, the retreat has already gained traction among discerning travellers from Germany, Australia, Japan and across Europe. As this niche continues to grow, we're encouraged by the early response and the long-term promise of this space.

### FINANCIAL PERFORMANCE

The year's operational strength was clearly reflected in our financial performance; increased occupancy, supported by value-driven pricing, fuelled a year-on-year increase in revenue by 16% to Rs. 3.3 billion, compared to Rs. 2.9 billion in the previous year, significantly improving gross margins by 3%. Driven by its healthy top line growth and continued emphasis on cost efficiencies, EBITDA grew by a solid 96%. Meanwhile, finance costs reduced by 40% to Rs. 231 million, reflecting the downward trajectory in market interest rates. These factors helped enabling the Group to post a Profit Before Tax of Rs. 277 million, a strong turnaround from the Rs. 155 million loss reported the year before. Net Profit stood at Rs. 160 million for the year - a strong rebound, marking an upswing.

Our balance sheet reflects this progress. By year-end, the Group had turned a corner with positive retained earnings of Rs. 123 million, compared to a retained loss of Rs. 35 million in March 2024. Proactive debt repayment further improved our gearing and debt-to-equity ratios, reinforcing a healthier capital structure. These improvements not only reflect the soundness of our financial management but also position us well for the next chapter of growth.

### NURTURING OUR PEOPLE

As demand rose and guest numbers surged, our team evolved to meet our evolving requirements - growing to a larger workforce by the close of the year. Beyond The Kingsbury in Colombo, our properties are located in rural and semi-rural areas where we play a vital

role as a major employer. Many of our team members hail from surrounding communities, and we've taken pride in creating meaningful career pathways for them. Through a well-established system of training, mentoring, and support, our team members not only find room to grow within our properties, but also aspire to become part of the global hospitality workforce.

The stability in the national landscape and the tourism sector's strong recovery had a direct impact on staff retention, which improved notably over the year, a positive shift that speaks to both employee confidence and the culture we continue to nurture. An uplift in service charge earnings across all properties further boosted morale, rewarding our teams for their dedication. The countless positive guest reviews received across platforms are a testament to the professionalism, warmth, and service ethos they bring to work each day.

## **SUSTAINABILITY**

Hayleys Leisure has laid a solid foundation for its 2030 sustainability agenda by setting ambitious targets for 2025 across key ESG pillars. These include reduction in energy and food waste intensity and the adoption of sustainable water sourcing initiatives at each property; A comprehensive effort to reduce carbon emissions and optimize resources. The Group is also committed to sustainable procurement by mapping 80% of its suppliers and fostering partnerships within a 20km radius of its properties. On the social front, it aims to build a diverse, engaged workforce with a strong focus on development, inclusion and well-being.

High standards in food safety, guest satisfaction and community upliftment continue to underpin its responsible hospitality practices.

Central to our efforts in capability building is the Hayleys Leisure Academy, which plays a pivotal role in ensuring all staff are trained to deliver the level of care and hospitality that defines the Amaya brand. The Academy also provides young people from nearby villages with a gateway to the industry, offering structured opportunities to learn and grow. In understanding the concerns of families when their children take the first step in their careers, we also hold awareness sessions for parents - bridging trust and confidence at the community level.

Our sustainability efforts remained anchored to the Hayleys Lifecode, the Group's overarching ESG roadmap, which guides our environmental and social commitments. The latest iteration of the Lifecode, launched in March 2025, introduces new dimensions, including six areas of focus, more ambitious targets and increasingly robust ESG governance and reporting structures, which we will begin integrating in the coming year.

Our progress in reducing environmental impact is already evident. Our sourcing practices also place local farmers and micro entrepreneurs at the centre, with 91% local vendors, thereby encouraging a more inclusive supply chain and broad-based socio-economic empowerment. Menus at our resorts now feature more locally sourced ingredients, giving guests an authentic taste of Sri Lanka while directly

supporting rural livelihoods. Working closely with suppliers, we offer guidance on reducing waste and improving product quality, helping raise their standards and incomes in tandem.

Beyond business, our properties are also committed to uplifting the next generation. At two of our locations, we've launched educational support programmes to provide free tutoring in Maths, English and Science - subjects that are critical for academic progression. These initiatives have supported over 100 children and were recognised with the prestigious Chairman's Award, underscoring the deep community impact they've had.

Through each of these initiatives, whether empowering individuals, greening our operations or supporting local livelihoods, we continue to move forward with a sense of purpose and responsibility, aligned to a broader vision of sustainable hospitality.

## **THE WAY AHEAD**

With global travel on the rebound and Sri Lanka regaining its place among the world's most sought-after destinations, the outlook for 2025 remains decidedly upbeat. The first quarter of the year has already set a new benchmark for tourist arrivals, signalling a strong trajectory for the months ahead. An increase in international arrivals reflects not only growing traveller confidence but also the country's consistent presence in top global destination rankings. This upward trend is underpinned by a unified industry effort to market Sri Lanka more effectively, alongside the entry of international hospitality brands which further elevate the destination's appeal.

## MANAGING DIRECTOR'S REVIEW

Regional tourism continues to show promise, particularly with the robust growth in arrivals from India and China - two markets buoyed by proximity, improved air connectivity and increasing airline seat capacity. Meanwhile, shifts in regional pricing dynamics, such as rising taxes in the Maldives, may present an opportunity for Sri Lanka to attract a larger share of travellers seeking variety, value and an authentic experience.

Nevertheless, the road ahead is not without its challenges. In this evolving landscape, digital presence and engagement will be critical. As more travellers turn to online platforms to research, plan and book their experiences, our focus will remain on leveraging digital marketing and e-commerce to capture demand. Online Travel Aggregators continue to dominate in terms of reservation volume, and we will enhance our visibility and performance across these platforms to drive conversions and maintain competitiveness.

With a stronger foundation in place, we are well-positioned to pursue organic growth across our portfolio. A compelling line-up of promotions and curated offerings will ensure that our guests continue to experience the best of what Sri Lanka has to offer.

### APPRECIATION

As I reflect on the past year, it has been a privilege to lead the passionate and resilient team at Hayleys Leisure. Their unwavering commitment to excellence has been the driving force behind our performance.

I am grateful for the invaluable guidance and support of our Chairman, whose leadership has shaped our strategic direction. I also wish to thank the Board of Directors for their insights and stewardship throughout the year.

To our business partners and investors, your trust and continued support, especially through the most challenging of times, have been vital. As we step into a new chapter with renewed optimism, I look forward to delivering stronger outcomes and creating shared value in the year ahead.



**Rohan Karr**  
Managing Director  
30th April 2025

## BOARD OF DIRECTORS

### MOHAN PANDITHAGE

Chairman and Chief Executive

(Appointed on 1st December 2011)

Since assuming the role of Chairman and Chief Executive in 2009, Mr. Mohan Pandithage's strategic vision has redefined the growth trajectory of Hayleys, transforming the Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises. His foresight in capturing emerging opportunities and driving strategic investments in key industries have significantly enhanced the Group's earnings potential and long-term resilience.

Mr. Pandithage is an accomplished industry veteran and respected leader in the field of transportation and logistics, having led the Group's Transportation Sector prior to this appointment as Chairman of the Group. He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport and has been honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association.

He is a Fellow of the Chartered Institute of Logistics and Transport (UK) and a Member of the Advisory Council of the Ceylon Association of Shipping Agents (CASA). He also serves as a Council Member of the Employers' Federation of Ceylon.

Mr. Pandithage also serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka.

Mr. Pandithage is the Executive Chairman of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Singer (Sri Lanka) PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC and The Kingsbury PLC. He also serves as a Non-Executive Director on the Board of Diesel and Motor Engineering PLC.

### ROHAN KARUNARAJAH (KARR)

Executive Director

(Appointed on 01st June 2019)

Mr. Rohan Karr serves as a Director in Hayleys PLC and as the Managing Director of the Hayleys Leisure sector which includes The Kingsbury PLC, Hayleys Leisure PLC and its subsidiaries Amaya Resorts & Spas.

Mr. Karr holds a Masters in Hospitality and Business Studies from the United Kingdom (UK) and is a veteran in the hospitality industry with over 40 years' experience. He has held senior positions such as Executive Vice President / Sector Head / General Manager at leading hotels in both Sri Lanka and in United Kingdom (UK). He has also served as Regional Director - Revenue Management of Marriott Hotels for Whitbread Hotel Company - UK, as General Manager of Bristol Marriott Hotel - UK and Marriott Marble Arch - London UK before his return to Sri Lanka. He was instrumental in revitalising standards for the entire domestic hospitality sector through his ground-breaking work as Executive Vice President of John Keells Holdings, overlooking the Cinnamon City Hotels and Resorts chain and as Head of Brand Development for Cinnamon.

### SARATH GANEGODA

Non-Executive Director

(Appointed on 1st April 2021)

Mr. Sarath Ganegoda, is an accomplished corporate leader counting over 30 years of multifaceted experience across diverse industries, Mr. Ganegoda has held several senior leadership positions in large private sector organisations in Sri Lanka and overseas. Having served the Hayleys Group between 1987 and 2002, he rejoined in 2007 and was appointed to the Group Management Committee the same year. He is currently responsible for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC.

Mr. Ganegoda, holds an MBA from the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is a Fellow Member of CA Sri Lanka and a Member of the Institute of Certified Management Accountants of Australia.

Mr. Ganegoda, is the Deputy Chairman of Alumex PLC, Non-Executive Director of Haycarb PLC, Dipped Products PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Singer (Sri Lanka) PLC and The Kingsbury PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group. He also serves as the Chairman of SriLankan Airlines Ltd and SriLankan Catering Limited.

## BOARD OF DIRECTORS

### RAMANI PONNAMBALAM

Non-Executive Director

(Appointed on 1st December 2011)

Ms. Ramani Ponnambalam has held several Senior Management positions in large private sector entities. She served as the Chairperson of Alliance Finance Company PLC, as a Director of McLarens Holdings Ltd & GAC Shipping Ltd. She has also been in roles of international and local business development and negotiation.

Ms. Ponnambalam currently serves as a Director of The Kingsbury PLC, Macbertan Holdings (Pvt) Ltd and Pidilite Lanka (Pvt) Ltd. She is presently the Managing Director of Macbertan (Pvt) Ltd. Ms. Ponnambalam was appointed as a Founder Member of the Commonwealth Business Women's Leadership Group (Sri Lanka) on 13th November 2013. She also currently serves as Jt. Head of Governance Pillar of the Women's Chamber of Industry & Commerce.

### WARINI DE COSTA

Non-Executive Director

(Appointed on 1st July 2014)

Ms. Warini De Costa is a Fellow of the Institute of Chartered Accountants of Sri Lanka and the Institute of Certified Management Accountants of Sri Lanka and holds an MBA from the Postgraduate Institute of Management University of Sri Jayewardenepura.

Ms. De Costa counts over 30 years of experience in Finance and Management, 21 years of which have been with Glaxo Wellcome Ceylon Ltd where she served as a Board Director, Company Secretary and CFO.

Ms. De Costa also served as the Director of Finance of Cinnamon Grand and Cinnamon Lakeside hotels.

Presently, Ms. De Costa serves as a Non-Executive Director at Janashakthi Insurance PLC where she chairs the Board Audit Committee.

### RANIL DE SILVA

Independent Non-Executive Director

(Appointed on 1st September 2021)

Mr. Ranil De Silva is a Fellow Member of the Chartered Institute of the Management Accountants UK, an Associate Member of the Institute of Chartered Accountants of Sri Lanka and a Member of the Chartered Institute of Marketing UK.

Mr. De Silva is a Director of Lanka Shipping & Logistics (Pvt) Ltd. He also serves as an Independent Non-Executive Director on the Boards of Singer Finance (Lanka) PLC, The Kingsbury PLC, Alumex PLC, and Central Industries PLC.

Mr. De Silva has served as the Joint Managing Director of Aitken Spence Hotel Management (Pvt) Ltd, and as the Managing Director of the Hemas Hotel Sector. An alumnus of Ernst & Young, he has wide experience locally and overseas in diverse industries.

### BRINDHIINI PERERA

Non-Executive Director

(Appointed on 19th October 2022)

Ms. Brindhiini Perera holds a Master's degree in Mechanical Engineering from Imperial College London, with a strong academic foundation in Manufacturing Technology and Management, Entrepreneurship,

Corporate Finance, Statistical Analysis, and Applied Mathematics. She began her professional development at an early age, undertaking internships at Vallibel One PLC from the age of 13. Since then, she has gained experience at both Vallibel One and Hayleys PLC, contributing to strategic planning, operations, and engineering-driven initiatives.

Ms. Perera serves as a Non-Executive Director in several companies listed on the Colombo Stock Exchange including Haycarb PLC, Hayleys Fabric PLC, Dipped Products PLC, The Kingsbury PLC, Hayleys Leisure PLC, Singer (Sri Lanka) PLC, Vallibel One PLC, Royal Ceramics Lanka PLC, Lanka Tiles PLC, Lanka Walltiles PLC, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd and Dhammika & Priscilla Perera Foundation. She also serves on the Board of Eurocarb Products Ltd (UK) and Haylex Ltd (UK).

### KAWSHI AMARASINGHE

Independent Non-Executive Director

(Appointed on 3rd January 2024)

Ms. Kawshi Amarasinghe's holds a Bachelor's Degree in International Studies from the University of Queensland, Australia, with a specialisation in French Studies from the University of Lausanne, Switzerland. Complementing her global perspective, she has earned a Certificate in Management Acceleration from INSEAD Business School in France and is versed in Hotel Revenue Management from Cornell University, USA.

Ms. Amarasinghe holds the position of Group Director of International Business Development & CSR at Vallibel One PLC. She is also a Director of Fortress Resorts PLC, Greener Water Ltd, and Pan Asia Banking Corporation PLC. She also serves as the Chief Executive Officer of the Dhammika & Priscilla Perera Foundation in which she is dedicated to the Foundation's goal of democratising access to premium education and healthcare services through DP Education.

### **HARSHANI RANDILIGAMA**

Independent Non-Executive Director  
(Appointed on the 31st December 2024)

Ms. Harshani Randiligama holds an MBA in Business Administration from the Postgraduate Institute of Management (PIM) in Sri Lanka and a Bachelor's Degree in Business Management specialising in Accountancy from the University of Kelaniya, Sri Lanka.

Ms. Randiligama's career journey began with MAS Holdings - Silueta Pvt Ltd, followed by lead roles at Dialog Axiata PLC and Dipped Products PLC.

Ms. Randiligama's international experience includes roles at Teys Australia, Wesfarmers Industrial & Safety Australia, and EnerSys Australia and New Zealand. Throughout her career, Ms. Randiligama spearheaded key process transformation initiatives in the supply chain, including ERP implementations and capability development.

Ms. Randiligama currently serves as the Group General Manager - Procurement and Inventory Control of Vallibel

One PLC. She also serves as a Board Member on the Board of Investment of Sri Lanka (BOI) and Talawakelle Tea Estates PLC.

### **MILINDA HEWAGAMA**

Non-Executive Director  
(Appointed on the 30th April 2025)

Mr. Milinda Hewagama is a skilled finance professional, currently serving as the Group Chief Financial Officer and a member of the Group Management Committee (GMC) of Hayleys PLC, with responsibility for the Group's Finance & Reporting, Environmental, Social and Governance (ESG), Tax, Risk & Safety and Corporate Secretarial functions among others. Since joining Hayleys in 2010, he advanced steadily within the Group, assuming progressively senior roles and gaining extensive experience in areas such as Financial Management, Reporting, Budgeting, Financial Planning & Analysis. Since his appointment to the GMC in 2023, he has contributed actively to the organisation's strategic direction and growth aspirations. He has also played a pivotal role in driving the Group's Environmental, Social and Governance (ESG) agenda in line with Hayleys' aspirations of strategically embedding ESG across all aspects of its operations. He has been instrumental in advancing the Group's corporate reporting practices, helping to ensure that the Hayleys PLC's Annual Report continues to set benchmarks in corporate and sustainability reporting. He also serves as a Board Member of the United Nations Global Compact Network of Sri Lanka.

Mr. Hewagama is a Member of the CA Sri Lanka and has served as a Member of the Corporate Governance Committee of CA Sri Lanka, which was responsible for the formulation of the Code of Best Practice in Corporate Governance 2023. Mr. Hewagama holds an MBA and BBA (Special) in Finance from the University of Colombo. He is a Director of several fully-owned subsidiaries of the Hayleys Group.

# OUR SUSTAINABILITY STRATEGY

In March 2025, Hayleys PLC launched Hayleys Lifecode 2nd edition, a comprehensive ESG framework that integrates environmental, social, and governance (ESG) goals into its strategic planning. The initiative was developed not only to guide responsible business practices and corporate governance but also to support measurable progress towards the Company's 2030 goals, which align with the UN Sustainable Development Goals.

ESG considerations are embedded throughout our operations, guiding our strategic direction, risk management, performance reviews, and investment decisions. A strong emphasis is placed on transparent communication, ensuring stakeholders are regularly updated on the ESG journey, including the goals which have been set, the progress made thus far and roadblocks which we may face along the way.

By committing to uphold these principles, Hayleys Leisure re-affirms its dedication to ethical operations, long term sustainability, and value creation for all stakeholders. We acknowledge that achieving our ESG goals requires collective effort and continuous progress, and we at Hayleys Leisure remain committed to leading by example and driving positive change.

## ENVIRONMENT

At Hayleys Leisure we are committed in fostering responsible tourism through climate conscious strategies and a strong focus on sustainable hospitality. We are actively reimagining how our properties operate focusing on reducing energy usage, optimising water efficiency and minimising waste. Our approach is rooted in long term stewardship, balancing guest comfort with environmental care contributing to climate resilience and uplifting local communities where we operate.



## SOCIAL

We believe in a positive social impact by respecting and embracing diversity, advancing human rights and cultivating an inclusive workplace. Our properties serve as a catalyst for opportunities in the communities we operate in, offering meaningful employment, career growth, skill development, and ensuring that every interaction is guided by our commitment to responsible, people centered business practices.



## GOVERNANCE

Strong governance is at the core of how we operate at Hayleys Leisure. We are committed to ensuring integrity, transparency and accountability. Our structured approach ensures that business decisions are made ethically, and that our performance is continuously evaluated against clear and measurable standards.



# OUR SUSTAINABILITY SNAPSHOT

## Powering a greener future

Total energy consumption  
**27,258,411 MJ**

**84.4%** grid electricity

**10.8%** LPG (kitchen)

**4.7%** diesel and petrol (generators and owned vehicles)

**0.1%** other sources

Energy intensity **292 MJ** per occupied room night

## Reduce, reuse and rethink

Total solid waste generated  
**334,896 kg**

Wet garbage generated  
**230,353 kg**

Total waste sent for recycling  
**17,447 kg**

Generated e-waste sent for recycling **82 kg**

**3,130 kg** volume diverted from landfill

Total wet garbage generation **2.5 kg** per occupied room night

## Together in wellness and in safety

**5** employee work injuries reported

**100** health and safety awareness programmes conducted during the year

## Mindful in every drop

Total water consumption  
**152,535,253 L**

**42.8%** ground water

**56.8%** municipal water

Water intensity **1,634** Liters per occupied guest night

**100%** Wastewater treated (through internally & externally)

## Rating against competitors (Global Review Index - GRI)

Amaya Hills - **90.6%**

Amaya Lake - **93.1%**

Amaya Beach - **90.4%**

## Sustainability Rewards

All three properties are **ISO 16064 - 2018** Certified

**4.4** acres of agricultural farmland cultivated across all three properties

**100%** of operational audits passed

## Sourcing with care

**91%** of supplies are locally sourced

Suppliers within the 20km radius of our properties (based on **80%** of our total supplier spend)

Amaya Hills **13%**

Amaya Lake **11%**

Amaya Beach **8%**

## Empowering through knowledge

**23.18** training hours per employee per year

**5** training modules completed through the Hayleys Leisure Training Academy (HLTA)

**35** number of youth hired from HLTA

## Community engagement

Rs. **3.50 Mn** spent on community engagement projects

**6,887** Volunteer staff hours allocated for CSR activities

**9,135** number of beneficiaries from CSR activities

## Tracking our footprint

Total GHG emission/ carbon footprint - **4,067 tCO<sub>2</sub>e**

**Scope 01 - 841 tCO<sub>2</sub>e**

**Scope 02 - 2,733 tCO<sub>2</sub>e**

**Scope 03 - 493 tCO<sub>2</sub>e**

**44 kgCO<sub>2</sub>e** - Carbon footprint per occupied room night

## A place for everyone

**3%** Managerial positions held by women

**5:1** male to female ratio

# FORWARD TOGETHER, SUSTAINABLY

Our journey towards sustainability is ongoing. The below outlines key sustainability milestones we plan to pursue in the future, as part of our commitment to achieving the United Nations 2030 Sustainability Development Goals and to be a leader in hospitality.



## Powering a greener future

10% reduction in total energy intensity (MJ per occupant)

Expand GHG emission reporting scope



## Reduce, reuse and rethink

Total food waste intensity reduction by 10% (g per occupant)

100% waste quantifying and monitoring

Introduction resource recovery center



## Engaging teams

Personnel development and internal promotion ratio: 20% of total cadre per annum

Percentage of female participation: 20% of total cadre per annum

Rate of attrition: >25% per annum

Employee satisfaction survey: >95% of employees should be satisfied

Average training hours per employee excluding compliance trainings: Minimum 6 hours per month per employee

# 2025 TARGETS



Obtaining ISO 14001 EMS certification

Compete for national / international ESG award programs

## Chemical management

Implementation of updated chemical inventory and standardising chemical labelling



## Health, safety and wellbeing

Initiate recording near misses and implementing corrective actions (guest and/or staff)



## Sustainable consumption

Fully phase out single use plastic



## Protecting nature's balance

Initiate inhouse compost manufacturing and application

Establish an organic garden concept focusing on new guest experiences

Identifying and conducting external biodiversity conservation programs aligning with Group directions to cover 1:1 of our building footprint



## Mindful in every drop

Total freshwater intensity reduction by 10% (Litres per occupant)

Rolling out sustainable water sourcing projects.

- Number of employee engagement activities conducted: 6 per annum



### Food safety

Zero food poisoning related complaints

Zero major non-conformities on external audits

### Guest happiness at a glance

GRI rating > 95%

Repeat customer ratio: 5%

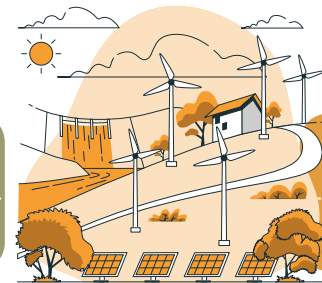
Responding to guest complaints: > 12 hours



### Community Relations

Conducting impactful CSR activities

Developing industry-academic partnership programs for promoting sustainable tourism and sustainable organisational culture



### Celebrating culture and tradition

Minimum number of sustainability related celebrations at each property - 10 per annum



### Sourcing with care

Identify suppliers closer to properties (e.g. within 20 km radius)

Include upstream supply chain transport related greenhouse gas (GHG) emissions

Enrollment of supplier diversity and inclusivity

# OUR INTEGRATED VALUE CREATION MODEL

Hayley Leisure PLC's relationships and resources are used to create value for all our stakeholders, as shown in the integrated value creation model. The six capitals serve as the foundation for the model.

## CAPITALS

## CAPITAL INPUTS



### FINANCIAL CAPITAL

- Total equity **Rs. 1,334 Mn**
- Total debt **Rs. 2,174 Mn**
- Shareholders' funds: **Rs. 909 Mn**



### HUMAN CAPITAL

- Total employee base **706**
- Combined expertise and abilities
- Investment in training and development **Rs. 3.48 Mn**



### SOCIAL AND RELATIONSHIP CAPITAL

- Relationships with local communities
- Customers from around the world
- 744** Local suppliers
- Rs. 3.50 Mn** Investment in CSR
- 186,235** guest nights customers globally and locally



### MANUFACTURED CAPITAL

- Property, plant and equipment **Rs. 4,475 Mn** over **381** Rooms and **12 F&B Avenues**
- 22 Mn** Investment in IT & infrastructure



### INTELLECTUAL CAPITAL

- Strength of Amaya Brand
- Leveraging organisational tacit knowledge for continuous improvement and growth
- Developing cutting - edge innovations to design exceptional customer experience
- 0.33 Mn** Investment on Certifications



### NATURAL CAPITAL

- Energy consumption **27,258,411 MJ**
- Water consumption **152,535.25 m3**



## KEY EXTERNAL DEVELOPMENTS THAT IMPACT VALUE CREATION

- Sri Lanka's ongoing economic recovery
- Implementation of new tax regulations
- Regulatory updates and compliance requirements
- Growing focus on business practices aligned with ESG principles
- Rising competition in the market
- High employee turnover rates
- Advancements in technology driving industry transformation

Following the guidelines of the integrated reporting framework, it showcases how capital inputs are transformed through the Company's strategic priorities and operations, delivering measurable value for stakeholders.

Employee Satisfaction  
 Customer Satisfaction  
 Shareholder Wealth Management  
 Community  
 Government  
 Alignment with ESG goals

Accommodation  
 Restaurants & Bars  
 Spa & Other Recreational Activities  
 Weddings & Events

Our Core Operational Activities

### OUR VISION:

To be the most preferred leisure provider in Sri Lanka

### OUR PURPOSE:

Curating Happiness

### OUR STRENGTHS

- Strategically located properties across major tourist destinations
- A well-established and reputable brand in the leisure and hospitality sector
- Unapparelled customer service ensuring memorable experiences
- A wide range of services tailored to different market segments
- Dedicated to ethical tourism, sustainable practices, and active community involvement
- Strong corporate governance and comprehensive risk management strategies
- Highly-engaged, skilled and talented professionals



### CAPITAL OUTPUTS & OUTCOMES

Total revenue **Rs. 3,332 Mn**  
 EBITDA **Rs. 671 Mn**  
 Earnings per share **Rs. 1.45**  
 Share price movement **41%**

Total training hours per employee **23.18**  
 Retention rate **63%**

**19** Suppliers screened  
**CSR** beneficiaries: **9,135**  
 Global Review Index  
 • Amaya Hills - **90.6%**  
 • Amaya Lake - **93.1%**  
 • Amaya Beach - **90.4%**

**87,955** occupied room nights & **413,543** F&B Covers  
 Capital expenditure **Rs. 163 Mn**

**100%** Health & Safety Audits passed  
 Awards & Recognition  
 ISO 22000:2018; HACCP Certified

**4,067 tCO<sub>2</sub>e** Total GHG Emission  
**120,144 m<sup>3</sup>** Total Waste Water Generation  
**335 MT** Total Solid Waste

### STAKEHOLDER IMPACT

Shareholders  
 Employees



Employees



Communities  
 Suppliers  
 Customers



Customers  
 Employees



Customers  
 Employees  
 Shareholders



Communities



# STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the process of building relationships with individuals, groups, or organisations that have vested interests in the company. It entails determining, understanding and integrating stakeholders needs, concerns, and expectations, and incorporating their perspectives into decision making. Effective stakeholder engagement fosters trust, transparency, and collaboration, which is crucial for achieving organisational goals and sustainability.

## SHAREHOLDERS

The relationship is a key driver of business expansion and long-term shareholder value by ensuring the availability of essential financial resources.

### Contribution to SDGs



### Level of engagement

- Managed closely

### Value created

- Net asset value per share: **Rs 13.91**
- Share price as of 31st March 2025: **Rs 28.20**

### Frequency of engagement

- Quarterly/Annually

### Key stakeholder profiles

- Public shareholders
- Prospective investors
- Financial market stakeholders
- Media engagement representatives

### How we engage

- Participation in Annual and Extraordinary General Meetings
- Providing regular updates via:
  - Annual reports (available in print and online)
  - Quarterly financial statements
  - Announcements submitted to the Colombo Stock Exchange (CSE)
- Access to corporate information through
  - <https://www.amayaresorts.com/>
  - <https://www.hayleys.com/investor-relations/>

### Key focus areas and expectations

- The impact of economic, political, and social challenges on business operations
- Generating shareholder returns amid rising taxes and inflation
- Strengthening corporate governance and risk management practices
- Ensuring the effectiveness and competency of the Board and management team
- Embedding ESG principles into business operations

### Our strategic response

- Adapting corporate strategies to align with external market changes
- Enhanced governance and risk framework within the Group

### Links to Capitals



## CUSTOMERS

Delivering exceptional products and services fosters customer satisfaction, loyalty, and sustained revenue generation.

### Contribution to SDGs



### Level of engagement

- Managed closely

### Value created

- GRI **91.4%**
- Booking.com average rating across all properties: **8/10**
- Trip Advisor Average Ratings - **4.5/5**

## CUSTOMERS

### Frequency of engagement

- Frequently

### How we engage

- Direct customer interactions and relationship building
- Gathering feedback through social media and channel partners
- Corporate websites of Amaya Resorts & Spas

### Our strategic response

- Adapting corporate strategies to align with external market changes

### Key stakeholder profiles

- Leisure
- Sri Lankan Expat & International staycation tourists

### Key focus areas and expectations

- To provide high service and product quality amidst economic challenges
- Ensuring guest safety and protecting personal data
- Integration of sustainability and ESG principles

### Links to Capitals



## EMPLOYEES

To create a positive and inclusive workplace culture which not only enhances productivity and job satisfaction but also drives employee retention and organisational success.

### Contribution to SDGs



### Level of engagement

- Managed closely

### Value created

- **4%** female representation in executive and above positions
- **Rs. 3.48 Mn** invested in training and development

### Frequency of engagement

- Frequently

### Key stakeholder profiles

- Staff members

### How we engage

- Training and professional development programmes
- Employee recognition and rewards initiatives
- Regular staff meetings for feedback and discussion
- A transparent grievance handling process
- Employee participation in corporate social responsibility (CSR) activities
- Physical & mental well-being

### Key focus areas and expectations

- Job security and financial stability
- Access to training and career development opportunities
- Workplace diversity and equal opportunities
- A strong focus on work-life balance and well-being initiatives

### Our strategic response

- No workforce reductions, salary cuts, or benefit reductions
- Salaries aligned with competitive market standards
- Continuous investment in employee learning and career development

### Links to Capitals



# STAKEHOLDER ENGAGEMENT

## BUSINESS PARTNERS

Strong partnerships foster collaboration, innovation, and long-term growth, ensuring shared success and value creation for all stakeholders.

### Contribution to SDGs



### Level of engagement

- Managed closely

### Value created

- **Rs. 2,387 Mn** paid to suppliers
- **481** Total business partners
- **19** Suppliers screened

### Frequency of engagement

- Frequently

### Key stakeholder profiles

- SME's, WOE's
- Tour operators and Travel Agents
- Destination management companies

### How we engage

- Direct collaboration and open communication
- Regular site visits to suppliers and business partners
- Well-defined contractual agreements
- Industry forums to discuss opportunities and challenges for employees

### Key focus areas and expectations

- Stability and reliability in partnerships
- Payment flexibility to support financial sustainability
- Competitive and transparent pricing models
- Adjustments to contractual terms based on external market conditions

### Our strategic response

- Strengthening relationships with business partners
- Emphasising flexibility and support during market challenges
- Implementing a fair and sustainable pricing model

### Links to Capitals



## GOVERNMENT/ REGULATORY AUTHORITIES

As a key driver of regulatory policies, economic frameworks, and market conditions, the Government plays a vital role in shaping the Company's operational environmental, compliance standards, and strategic direction.

### Contribution to SDGs



### Level of engagement

- Keep informed

### Value created

- **Rs 700 Mn** in tax contributions
- Full compliance with legal and regulatory frameworks

### Frequency of engagement

- As required

### Key stakeholder profiles

- Government and regulators
- SLTDA – Sri Lanka Tourism Development Authority
- SLTPB – Sri Lanka Tourism Promotion Bureau
- SLCB – Sri Lanka Convention Bureau
- BOI – Board of Investment
- IRD – Inland Revenue Department

## GOVERNMENT/ REGULATORY AUTHORITIES

### How we engage

- Direct participation in industry forums
- Adherence to regulatory reporting requirements
- Timely and accurate tax/ fees/ levy/ duty contributions

### Key focus areas and expectations

- Economic growth through boosting tourism revenue and job creation
- Ensuring tax compliance to contribute to fiscal revenue
- Enhancing community well-being through corporate engagement

### Our strategic response

- Ensured timely payments, ensuring financial accountability
- Worked closely with the Sri Lanka Tourism Development Authority
- Engaged in active discussions with government authorities

### Links to Capitals



## COMMUNITIES

It drives corporate social responsibility, nurtures goodwill, and promotes sustainable practices, leading to meaningful impact on communities and the environment.

### Contribution to SDGs



### Level of engagement

- Keep informed

### Value created

- Total beneficiaries **9,135**
- **35** students hired from Hayleys Leisure Training Institute

### Frequency of engagement

- As required

### Key stakeholder profiles

- Communities we serve

### How we engage

- Corporate social responsibility initiatives & community empowerment
- Social media platforms

### Key focus areas and expectations

- Engaging with beneficiaries of our corporate social responsibility (CSR) project leads and communities
- Creating job opportunities and supporting community-based sourcing
- Offering training programmes to enhance skill development
- Providing economic relief and support to vulnerable communities
- Promoting biodiversity conservation and ecosystem sustainability

### Our strategic response

- CSR initiatives engagements
- Hayleys Leisure Training Institute – Providing training and skills development in the tourism sector

### Links to Capitals



# OPERATING ENVIRONMENT

The past year marked a turning point for Sri Lanka, as the economy showed gradual signs of stabilisation following years of crisis. The more improved operating environment brought in more momentum in the tourism and hospitality sector. However, the global environment remained uncertain, with geopolitical tensions, a decline in consumer spending in key markets. For Hayleys Leisure the changing environment presented both challenges and paths to growth, highlighting the importance of staying agile to respond to ever-evolving market conditions.

## The Tourism Industry at a Glance

**2,053,465**

Tourist arrivals

**USD 3.2 Bn**

Tourism Revenue

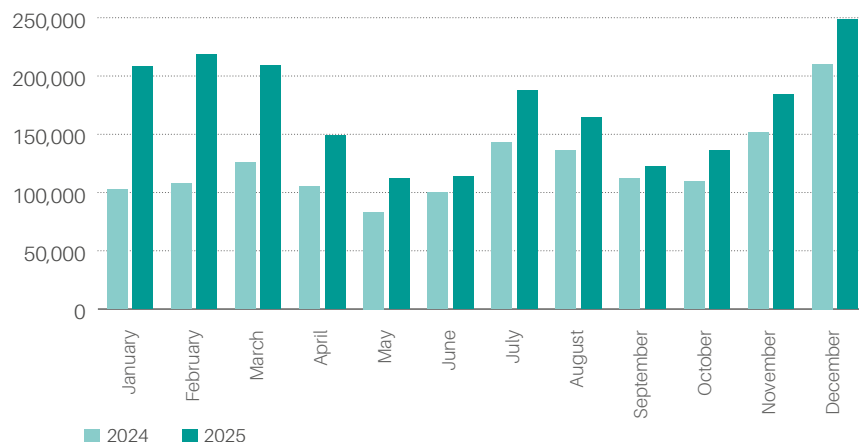
**8.42 nights**

Average Duration

**USD 181.15**

Receipt per tourist/average expenditure per day

## MONTHLY TOURIST ARRIVAL



From a regional perspective, Europe remained Sri Lanka's dominant tourism source market in 2024, accounting for over 50% of total arrivals. The Asia Pacific region followed closely, contributing to nearly 42%. Arrivals from America, Middle East and Africa remained relatively low during the year, however, it still represents future opportunities.

India led as the top source market for Sri Lanka, contributing 20.3% of total tourist arrivals. Other key contributors included Russia 9.8%, UK 8.6%, Germany 6.6%, and China 6.4%. However, notable contributions from countries such as Australia, France, The US and other emerging markets such as the Netherlands and Maldives reflects a growing global interest.

According to UN tourism, international tourist arrivals reached an estimated 1.4 billion in 2024, The 11% increase from 2023 reflects an increase in the

post pandemic travel levels, driven by a steady comeback of Asia Pacific destinations.

With the Middle East leading all regions by 32% above pre pandemic levels. Africa followed with a 7% increase over 2019, with Europe coming in third with strong intra-regional travel. The America, Asia and Pacific showed notable progress during the year.

The global tourism industry is projected to grow by 3% to 5% in 2025. While there is optimism amongst industry experts, concerns persist regarding inflation, rising transportation costs, volatility of oil prices, and geopolitical instability. Internal operational challenges such as staff shortages, migration of skilled labour, also remain critical issues. It is identified that balancing growth and sustainability and the search for lesser-known destination will be key trends in 2025.

## POLITICAL

The year 2024 marked a pivotal political shift in Sri Lanka. These political changes occurred alongside economic progress, including the continuous support of the International Monetary Fund's (IMF) Extended Fund Facility (EFF), which helped macroeconomic stability in the country. The changes made in structural reforms led to improved sovereign credit ratings by major international agencies. However, the road ahead remains complex.

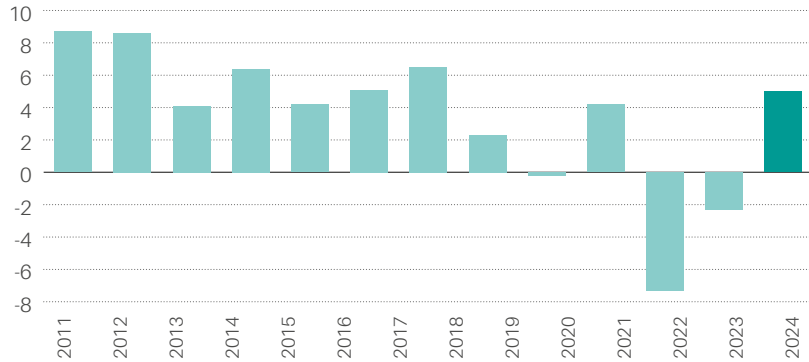
The geopolitical environment remained volatile, with tensions among major powers, The United States and China and prolonged conflict of Russia and Ukraine. These disrupted global trade flows, contributed to energy and fuel market instability. Moreover, alliances and trade policies in key regions added pressure on the global supply chain.

## ECONOMICAL

### Gross Domestic Product

#### ANNUAL REAL GDP GROWTH

Growth Rate (%)

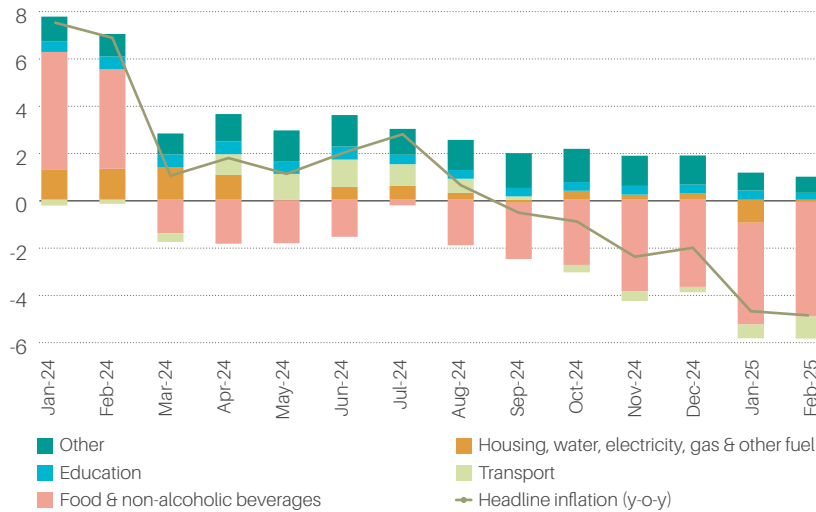


Sri Lanka's economy grew by 5.0% year-on-year, outperforming the 4.4% forecast for the year 2024. The growth was led by a 11% increase in industrial activity. The service sector also grew by 2.4%, with tourism related industries including hospitality, food services, and transport making significant contributions.

## Inflations

#### DEFLATION RECORDED SINCE SEPTEMBER

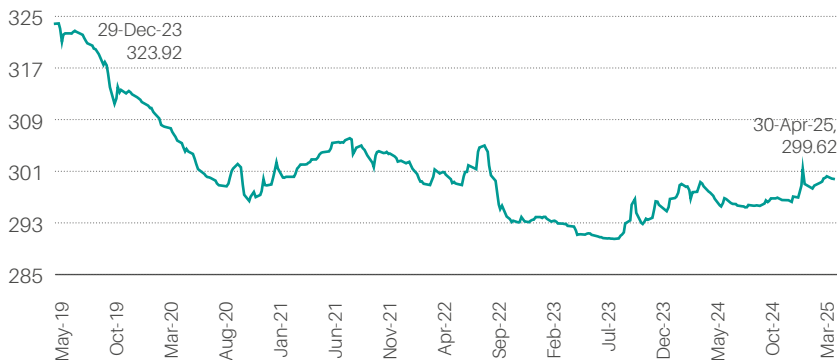
Percent (y-o-y) and percentage point contribution



Sri Lanka experienced a deflationary trend in late 2024. By February 2025, the Colombo Consumer Price Index reported a year-on-year decline of 4.2%. This was driven by a combination of lower energy prices, strengthening of the currency and subdued consumer spending.

## EXCHANGE RATES

LKR per USD

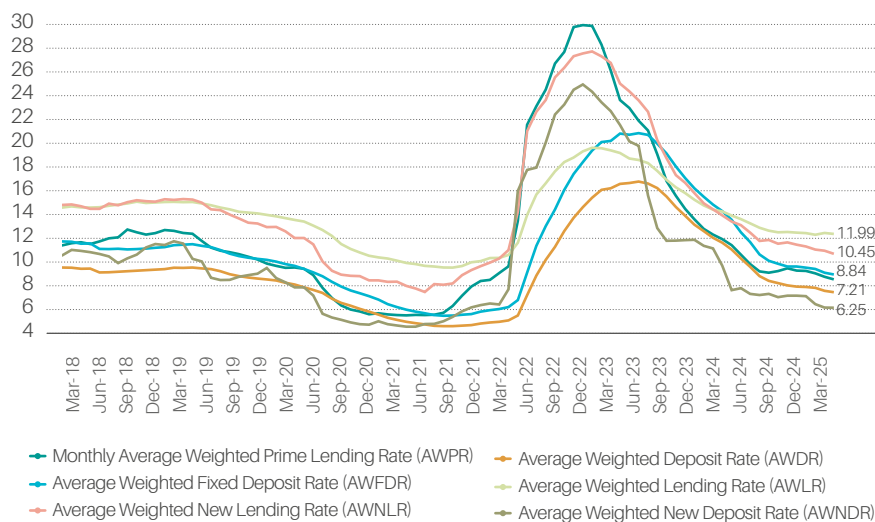


In 2024, the Sri Lankan Rupee appreciated by 10.7% against the US Dollar closing the year at Rs. 292.58. This strengthening was driven by improved foreign exchange inflows, particularly from workers' remittances, tourism receipts, and export earnings.

# OPERATING ENVIRONMENT

## INTEREST RATES

### MARKET INTEREST RATES



In response to deflationary pressures and below target inflation, the Central Bank of Sri Lanka (CBSL) reduced policy rates. The improved liquidity has further eased the borrowing conditions. The lending and deposit rates have continued to decline, with stronger investor confidence the government securities have lowered its rates. However, with the headline inflation now being negative, the real interest rates have risen above nominal rates, potentially tightening the borrowing conditions in the market.

## MACRO ECONOMIC CHALLENGES & WAY FORWARD

### POLITICAL

#### Impact on the Group

- Improved macroeconomic stability
- Revival of the tourism industry
- Policy uncertainty
- Rising global tension in key markets
- Energy market volatility
- Supply chain disruptions

#### Our Response

- Leverage on the improved macroeconomic sentiment to attract strategic partners
- Engage proactively with policymakers and trade associations
- Diversify source markets to reduce reliance on geopolitical tension

### ECONOMICAL

#### Impact on the Group

- Improved GDP reflecting improved economic stability and rising consumer confidence
- Higher real interest rates despite lower nominal rates may impact long term investments
- Lower nominal rates reduce cost of borrowing for expansions or refinancing
- Improved liquidity may indicate consumer credit availability, supporting tourism spending
- A stronger Rupee may indicate Sri Lanka to be a more expensive travel destination for foreign tourist
- Reduces cost of imported goods and services

#### Our Response

- Leverage on the growing demand and expand service offering and targeted promotions
- Enhance customer experience and value-added services
- Focus on cost management and operational efficiency to maintain profitability
- Monitor Consumer Behaviour and adapt marketing strategies
- Monitor central bank signals for interest rate movements and adjust financial planning
- Target new international markets
- Lock in favourable supplier contract or forex rates to mitigate currency risk

## SOCIAL

### Impact on the Group

- Improved macroeconomic stability leading to higher domestic travel and leisure spending
- Higher levels of outward migration

### Our Response

- Strengthen domestic marketing efforts through tailored packages and promotions
- Investment in internal training and upskilling programmes
- Investment in employee retention programmes with career development opportunities and competitive benefits
- Monitor social and demographic trends to improve customer engagement strategies and employee retention

## TECHNOLOGICAL

### Impact on the Group

- Rising expectation for tech enabled experiences
- Cybersecurity threats
- Initial investment and change management

### Our Response

- Enhanced personalisation through data driven insights
- Ensure compliance with general data protection regulation (GDPR) standards
- Strengthen data protection policies
- Have regular staff trainings and awareness sessions on cybersecurity
- Collaborate with tech partners and startups to stay current on hospitality tech trends

## ENVIRONMENTAL

### Impact on the Group

- Initial investment and compliance costs
- Market differentiation through sustainable tourism
- Enhanced brand value
- Access to new opportunities such as partnerships, certifications, fund opportunities

### Our Response

- Integration of eco-friendly practices across all properties and developing a comprehensive sustainability strategy to achieve 2030 UN sustainability targets
- Allocation of budget for sustainability led initiatives
- Collaborate with stakeholders to share knowledge, CSR initiatives
- Investment in training and awareness programmes

## LEGAL

### Impact on the Group

- Clear regulatory structure
- Increased accountability
- Compliance with local and global standards
- Rising compliance costs
- Global regulatory pressure
- Risk of reputational damage

### Our Response

- Maintain full regulatory compliance with local and international compliance frameworks
- Regular audit checks in compliance at all properties
- Implementation of data privacy protocols and awareness programmes
- Engage in public and private communications/events to stay informed on upcoming reform changes and advocate for the tourism sector needs

# EXPLORE WITH CARE, TRAVEL WITH PURPOSE

## SEAMLESS SERVICE, POWERED BY COLLABORATION

Operational excellence is built on synergy. Where departmental and cross functional teams work in alignment from kitchen, housekeeping, front office, engineering and support service teams. With effective and up-to-date systems, continuous training, we aim to create a flawless service experience that drives both operational excellence and satisfaction.

### What inspires us

- Experienced and trained staff
- Eco-friendly and energy efficient facilities
- Standardised procedures for consistency
- Digital tools and systems to enhance efficiency

### What we craft

- Continuous high service standards
- Operations that optimise resource usage

### Who we serve

- Customers
- Employees

## QUALITY IN EVERY HIDDEN DETAIL

The road to sustainability hospitality starts well before the guest's journey begins. Behind every guest experience lies a commitment to ethical sourcing, local partnerships and reduced environmental impact.

### What inspires us

- Sourcing supplies and ingredients from local sources
- Building long term relationships with sustainable and ethical vendors

### What we craft

- Products sourced with ethical considerations
- Commitment on reducing our environmental impact
- A network of reliable local suppliers

### Who we serve

- Local suppliers
- The surrounding communities



## HOSPITALITY THAT LASTS

Our guests become part of our extended community, one which is rooted in purpose. Through thoughtful post stay communication and updates on our sustainability milestones, we keep our relationships meaningful and mission driven.

### What inspires us

- Meaningful engagement beyond the stay

### What we craft

- Long term relationship with our guests
- Consistent, sustainable revenue generation

### Who we serve

- Customers
- Shareholders



### STORYTELLING WITH PURPOSE

We tell stories that matter. Through digital platforms, real time experiences with our stakeholders, we bring our brand values to life through shared memories and authentic experiences.

#### What inspires us

- Strategic storytelling and engaging public relations
- Web platforms and social media engagement

#### What we craft

- A well-known trusted brand
- A competitive and unique position in the market

#### Who we serve

- Customers
- Employees

### INSIGHT LED HOSPITALITY

We turn insights into improvements. Through various feedback platforms, we analyse feedback trends, adjust our trainings, refine systems and respond proactively.

#### What inspires us

- Insights from guest feedback via surveys, reviews and social media platforms
- Data gathered through loyalty programmes and various CRM tools

#### What we craft

- Personalised experiences for each guest
- More informed, data driven strategies

#### Who we serve

- Customers
- Employees

### DESIGNING MOMENTS THAT MATTER

Each element of the guest journey is purposefully designed. By aligning operations with guest expectations, we ensure that our interactions are filled with comfort, personalisation and lasting memories

#### What inspires us

- Experienced and trained staff
- Eco-friendly and energy efficient facilities
- Standardised procedures for consistency
- Digital tools and systems to enhance efficiency

#### What we craft

- Continuous high service standards
- Customer loyalty and frequent return

#### Who we serve

- Customers
- Employees
- Travel agents and business partners

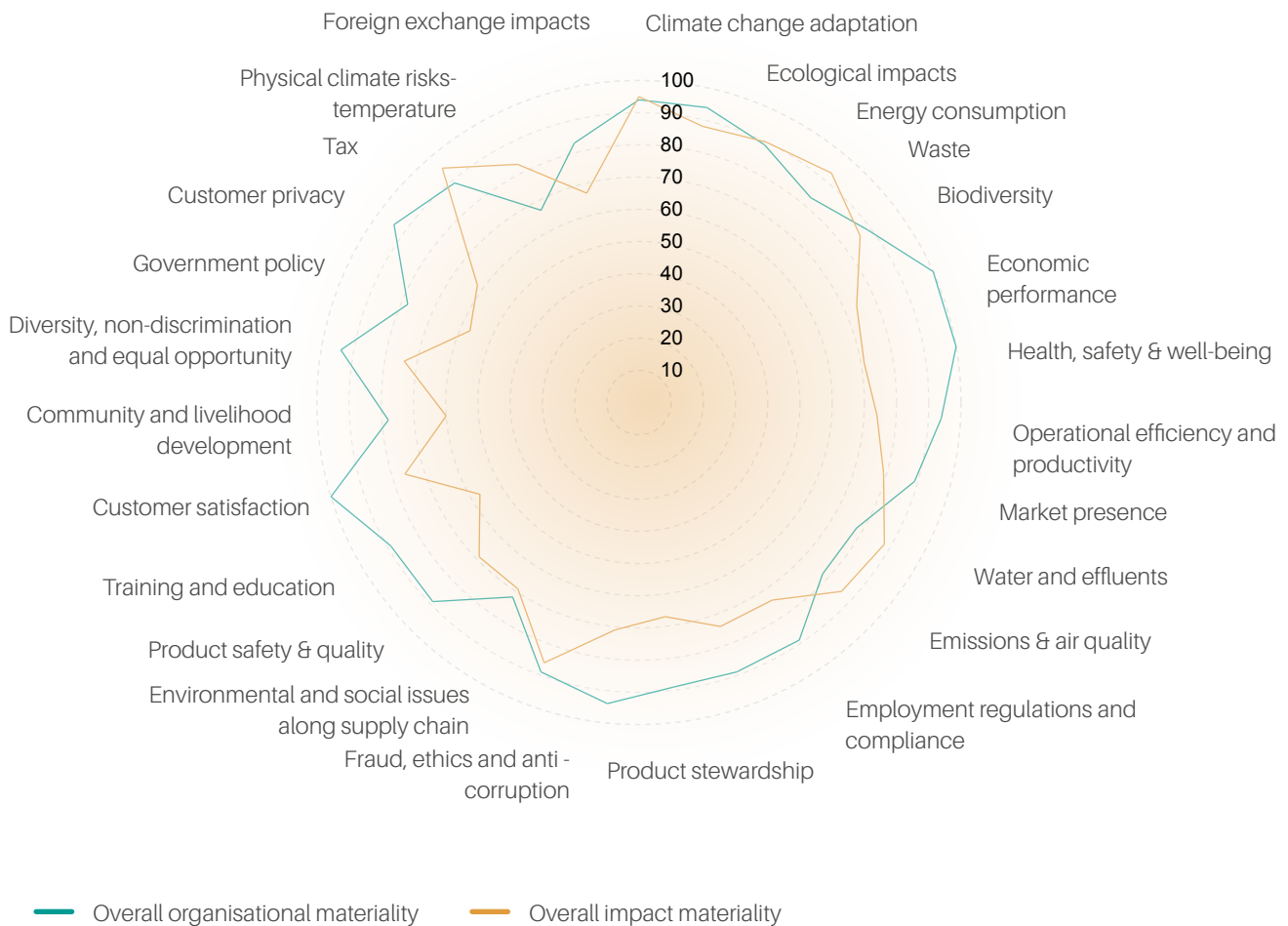
# MATERIAL TOPICS
























Material matters are the critical factors that hold the greatest significance for our stakeholders and have the potential to drive substantial impact on our value creation. Our approach to identifying these material topics follows the Hayleys Group Material Assessment process, incorporating the concept of double materiality, which combines impact materiality and financial materiality. The identification of material matters results from a comprehensive review of both internal and external factors. These topics include those mandated by the GRI guidelines, as well as elements specific to our value creation model, operating environment, and strategy. Over the course of the year, we have incorporated relevant topics from the SASB standard into our material topics to enhance the identification of sustainability-related risks and opportunities.

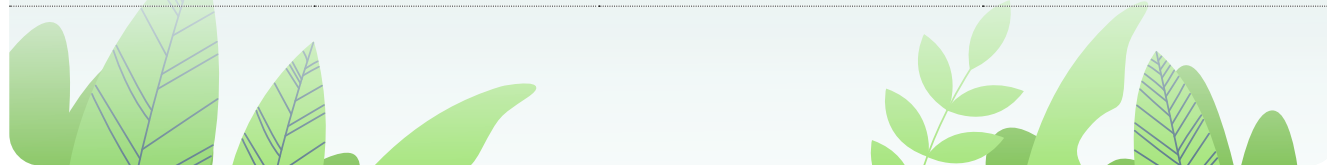
## MATERIAL TOPICS FOR 2024/25

This year, a more stable operating environment emerged as political, social, and economic fluctuations began to subside. The table below outlines the key material topics for the year, along with their respective GRI and SASB disclosures.



## MATERIALITY MAP



Material Topic	Corresponding GRI topic/SASB Standard	Stakeholders Impacted	SGD
Climate change adaptation	Climate change adaptation	Customers, Employees, Shareholders, Business Partners, Government, Community	 
Ecological impacts	Ecological Impacts	Customers, Government, Community	  
Energy consumption	GRI 302, Energy Management	Shareholders, Business Partners, Government	 
Waste	GRI 306, Food & Packaging Waste Management	Customers, Suppliers, Government, Community	 
Biodiversity	GRI 304	Government, Community	 
Economic performance	GRI 201	Employees, Shareholders, Business Partners, Community	
Health, safety & well-being	GRI 403, GRI 416	Customers, Employees, Suppliers, Government	 
Operational efficiency and productivity	GRI 201	Customers, Employees, Suppliers	
Market presence	GRI 202	Customers, Shareholders, Business Partners, Government	
Water and effluents	GRI 303, Water Management	Government, Community	 
Emissions & air quality	GRI 305	Government, Community	 
Employment	GRI 401, 402, Labour Practices	Employees, Shareholders, Government, Community	  



# MATERIAL TOPICS

Material Topic	Corresponding GRI topic/SASB Standard	Stakeholders Impacted	SGD
Regulations and compliance	GRI 2-27	Shareholders, Business Partners, Government	
Product Stewardship	Nutritional Content	Customers	 
Fraud, ethics and anti-corruption	GRI 205	Employees, Government	 
Environmental and social issues along supply chain	GRI 204, GRI 308, GRI 414	Suppliers	
Product Safety & Quality	Food Safety	Customers	 
Training and education	GRI 404	Employees	  
Customer satisfaction		Customers, Employees, Shareholders	
Community and livelihood development	GRI 413	Employees, Shareholders, Government, Community	  
Diversity, non-discrimination and equal opportunity	GRI 405	Customers, Employees, Government, Community	
Government policy		Shareholders, Business Partners, Government, Community	
Customer privacy	GRI 418	Customers, Employees, Shareholders, Government	
Tax	GRI 207	Customers, Employees, Shareholders, Business Partners, Government	
Physical climate risks-temperature		Customers, Employees	
Foreign exchange impacts		Customers, Employees, Shareholders, Business Partners, Government, Community	



## MANAGEMENT DISCUSSION AND ANALYSIS



### Establishing Value, Guaranteeing Memories

At Hayleys Leisure, every strategic decision is focused on creating lasting value through unforgettable guest experiences. Guided by innovation, resilience, and a deep understanding of our evolving landscape, we are building a future where operational excellence and guest satisfaction align. From enhancing service touchpoints to investing in sustainable growth, our commitment is to shape a business that not only performs but also creates the moments that become tomorrow's most cherished memories.

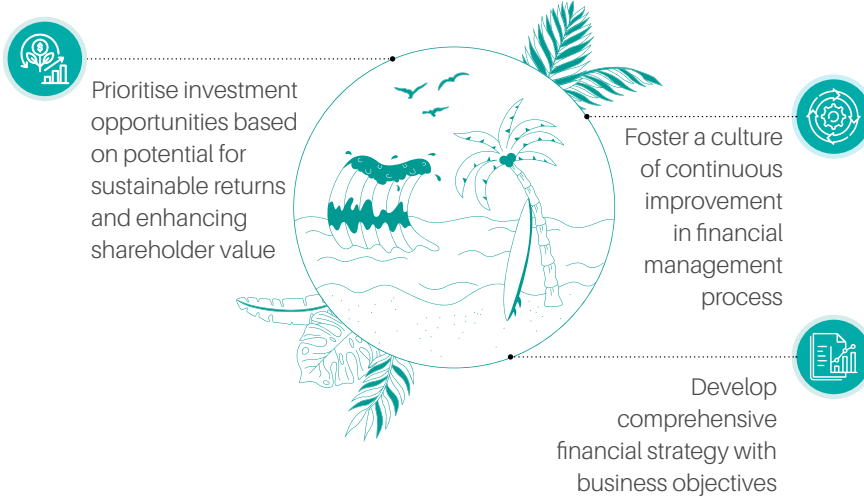
## FINANCIAL CAPITAL



This financial year was both challenge and progress for Hayleys Leisure. The efforts delivered a notable profit of Rs. 160 Mn, the Group's first profit in five years. This performance is a testament to the resilience of our brand, the loyalty of our customers, and consistent focus on long term value creation. We remain confident in our financial outlook. Our ongoing investments in innovation, sustainability, and service excellence will be instrumental in enhancing the future of our financial capital while creating value to all our stakeholders.



## STRATEGIC PRIORITIES



## CONTRIBUTING TO SDGS

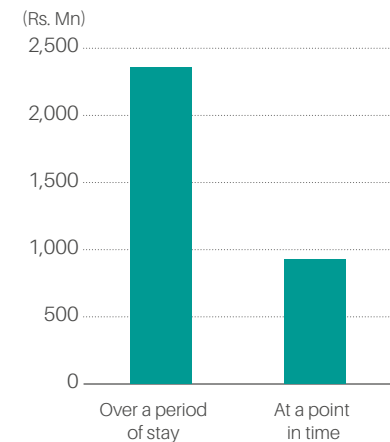


## FINANCIAL PERFORMANCE

### Revenue

In FY 2025, the Group reported a net revenue of Rs. 3,332 Mn, making a notable increase of 16% compared to the previous year. The increase in gross revenue is mainly attributed to income generated from contracts with customers which is accounted to a total of Rs. 3,378 Mn. The revenue from contracts with customers is segregated to two components with over a period of stay revenue accounting to Rs. 2,454 Mn and at a point in time revenue accounting to Rs. 924 Mn.

### REVENUE FROM CONTRACT WITH CUSTOMERS



For the year under review, Room revenue accounted for 64% of total income while, Food & Beverages, spa & wellness and Other revenue streams indicating a well-diversified service offering.

## SNAPSHOT FINANCIAL CAPITAL

### EARNINGS

<b>Rs. 3,332 Mn</b> Revenue	<b>Rs. 277 Mn</b> Profit Before Tax	<b>Rs. 471 Mn</b> Earnings Before Interest and Tax (EBIT)	<b>Rs. 160 Mn</b> Profit After Tax
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### Profitability

<b>63%</b> Gross Profit Margin	<b>14%</b> Operating Profit Margin	<b>5%</b> Net Profit Margin	<b>57</b> Asset Turnover
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### Liquidity and Funding

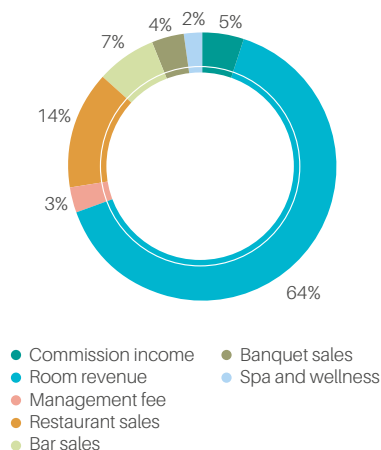
<b>1.63</b> Debt to Equity Ratio	<b>0.62</b> Current Ratio	<b>0.58</b> Quick Asset Ratio
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### Value to shareholders

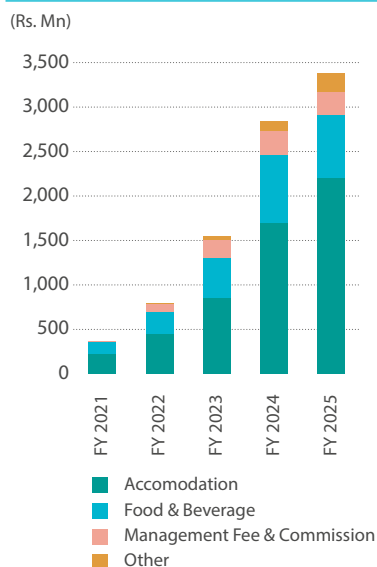
<b>Rs. 1.45</b> Earnings per Share	<b>12%</b> Return on Equity	<b>19.42</b> Price Earnings (PE) Ratio
<b>Rs. 13.91</b> Net Assets per Share	<b>Rs. 28.20</b> Market Price per Share	

# FINANCIAL CAPITAL

## REVENUE COMPOSITION



## SEGMENTAL REVENUE - 5 YEARS



## Segment Performance Overview

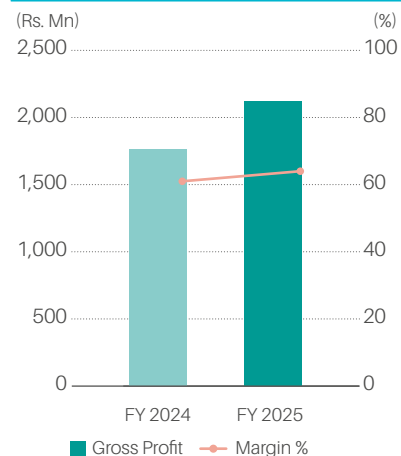
The Group recorded robust growth across all business segments over the five-year period, reflecting strong operational momentum and expansion. Accommodation remained the primary revenue driver, with an increase of nearly tenfolds. Food & Beverage expanded more since 2021, underscoring improved service delivery. The 'Other' segment, though relatively smaller, demonstrated consistent growth, indicating diversification and value-added initiatives. Overall, total revenue grew from LKR 369 million in 2021 to LKR 3,378 million in 2025, highlighting the Group's strong execution across core functions.

## PROFITABILITY

### Gross Profit

The Group reported an increase in gross profit & gross profit margin from FY 2024 to FY 2025, rising by 19% and 3% respectively. This growth reflects effective cost management and stronger top-line performance, complementing increased occupancy levels.

## GROSS PROFIT AND GROSS PROFIT MARGIN

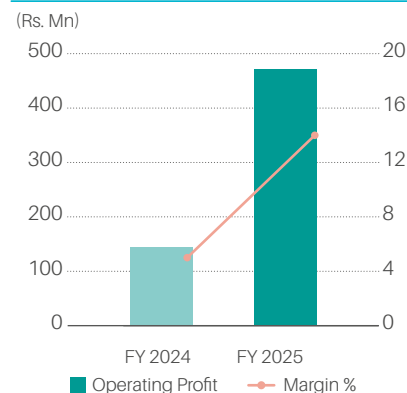


## Operating Profit

The operating expenses remained relatively consistent year-on-year. The selling and marketing expenses slightly decreased to Rs. 65.4 Mn from Rs. 68.9 Mn while administrative expenses for the year remained slightly higher than the previous year at Rs. 1,634 Mn in comparison to Rs. 1,596 Mn in 2024.

Operating profit rose to Rs. 471 Mn in 2025, driven by higher room revenue and reduction in utility expenditure.

## OPERATING PROFIT AND OPERATING PROFIT MARGIN



	2024/25 Rs. '000	2023/24 Rs. '000	YoY Change
<b>Revenue</b>			
Sales revenue	3,332,079	2,877,808	16%
Cost of sales	(1,242,650)	(1,118,550)	(11%)
Gross profit	2,089,429	1,759,258	19%
<b>Cost</b>			
Selling and marketing expenses	(65,441)	(68,963)	5%
Administrative expenses	(1,634,247)	(1,595,764)	(2%)
Finance cost	(231,705)	(385,348)	40%
<b>Profitability &amp; Taxes</b>			
Profit / (loss) before tax	277,370	(154,507)	280%
Profit / (loss) for the year	159,512	(145,986)	209%

## Finance Cost and Income

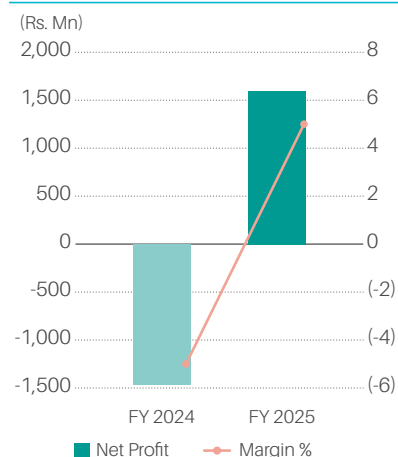
The overall finance cost decreased by 40% from Rs. 385 Mn to Rs. 231 Mn. This reduction is attributed to lower interest expenses on bank overdrafts, lease liabilities, and bank loans.

On the other hand, finance income has dropped by 56% from Rs. 87 Mn to Rs. 38 Mn. The decline was mainly due to a reduction in interest income during the year. However, gains on investments recorded a slight increase.

## Net Profit

The Group reported a profit before tax (PBT) of Rs. 277 Mn in 2025, a significant improvement compared to the loss of Rs. 154 Mn in the previous year. Moreover, the equity holders recorded a profit of Rs. 157 Mn, reversing the prior year loss of Rs. 112 Mn. Overall, profitability was positive with the Group recording a net profit of Rs. 160 Mn, the first in five years.

### NET PROFIT AND NET PROFIT MARGIN



## FINANCIAL POSITION

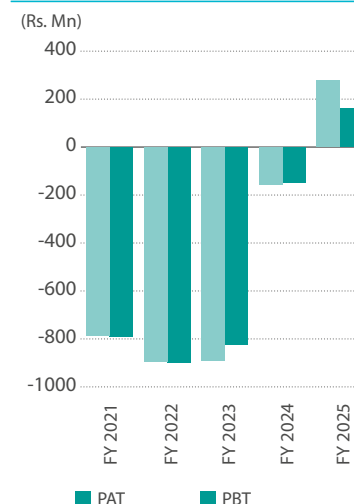
### Group Assets

The Group's total asset base marginally increased to Rs. 5,877 Mn. The non-current assets mainly comprise property, plant and equipment valued at Rs. 4,475 Mn following by right of use assets and other non-current financial assets.

The current assets indicates a significant increase from the previous year at 1,386 Mn. A notable increase was in trade and other receivables, which accounted to Rs. 1,105 Mn, However, cash and cash equivalents remained slightly lower at Rs. 110 Mn.

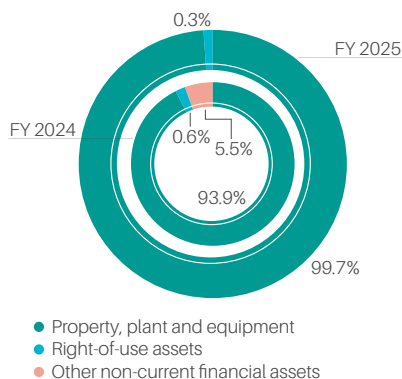
The slight increase in asset turnover from 0.56 to 0.51 in 2025, indicates improved efficiency in utilising assets to generate revenue, reflecting enhanced operational effectiveness over time.

### PAT & PBT MOVEMENT

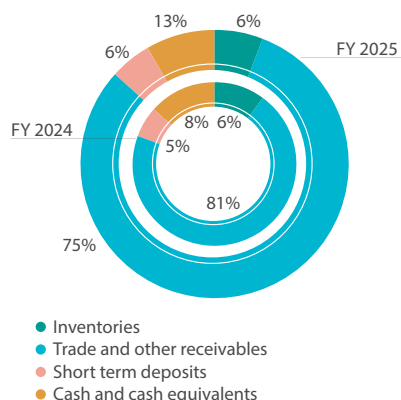


	2024/25 Rs. '000	2023/24 Rs. '000	YoY Change
<b>Total Assets</b>	5,877,285	5,815,109	1%
<b>Non-Current Assets</b>	4,491,032	4,804,855	(7%)
-Property, Plant and Equipment	4,475,992	4,511,580	(1%)
-Other Non-current assets	15,040	293,275	(95%)
<b>Current Assets</b>	1,386,253	1,010,254	37%
-Inventories	89,763	99,496	(10%)
-Trade and other receivables	1,105,337	706,458	56%
-Other current assets	191,153	204,300	(6%)

### NON-CURRENT ASSETS



### CURRENT ASSETS



## FINANCIAL CAPITAL

	2024/25 Rs. '000	2023/24 Rs. '000	YoY Change
<b>Total Equity</b>	1,334,523	1,174,674	13.6%
<b>Total Liabilities</b>	4,542,762	4,640,435	(2.1%)
-Non-current liabilities	2,318,718	2,420,867	(4.2%)
-Current liabilities	2,224,044	2,219,568	(0.2%)

### Liquidity and Funding

The Group's total liabilities declined by 2% to Rs. 4,542 Mn, primarily due to the settlement of interest-bearing borrowings.

The Group's total equity improved from Rs. 1,174 Mn to Rs. 1,335 Mn in 2025. This uplift was driven by the profit for the year recorded of Rs. 160 Mn, reflecting the strong operational performance of the Group. The positive contribution underscores the Group's ability to translate profitability into strengthened shareholder value.

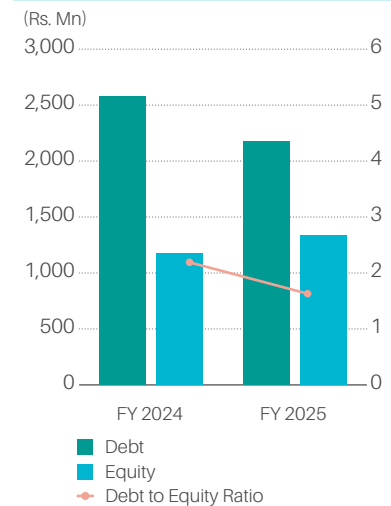
The debt-to-equity ratio improved from 2.19 to 1.63, reflecting enhanced financial leverage and reduced reliance on debt. Liquidity also strengthened, with the current ratio and quick asset ratio rising from 0.46 to 0.62 and 0.41 to 0.58 respectively, indicating improved capacity to meet short-term obligations using its most liquid assets.

### Investor Ratios

The Company delivered a strong rebound in investor returns in FY 2025, with key metrics showing substantial year-on-year improvements and reflecting the Group's sustained commitment to creating value for shareholders.

	2024/25	2023/24	YoY Change
Return of Shareholder's fund (%)	11.95	(12.43)	196%
Basic Earnings/ (Loss) per share (Rs.)	1.45	(1.04)	239%
Net Assets Value per share (Rs.)	13.91	12.45	12%
Share price (Rs.)	28.20	20.00	41%
ROCE (%)	14.51	6.16	136%

### TOTAL DEBT AND NET DEBT TO EQUITY RATIO





## MANUFACTURED CAPITAL



Hayleys Leisure's core physical assets form the backbone of our operations. Focused investments in these assets drive revenue, improve the Group's productivity, and support sustainable growth across our leisure properties.



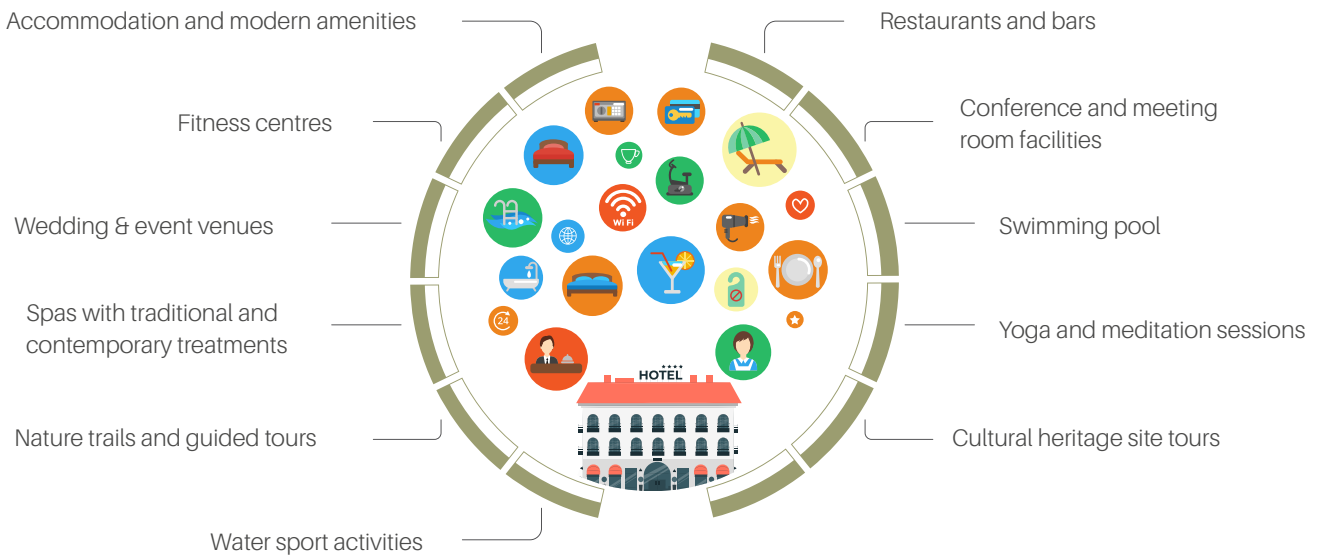
## STRATEGIC PRIORITIES



## SNAPSHOT OF MANUFACTURED CAPITAL

10 Collection of Stays	669 Total Room Inventory	Rs. 163 Mn CAPEX Investment	Rs. 22 Mn Investment in IT Infrastructure	SAP S4 HANA ERP upgraded to SAP RISE
---------------------------	-----------------------------	--------------------------------	--	--------------------------------------

## FACILITIES AND EXPERIENCES OFFERED AT OUR PROPERTIES




# MANUFACTURED CAPITAL


## OUR PORTFOLIO OF HOTELS, RESORTS, AND BOUTIQUES


The Group's manufactured capital distributed across key regions of Sri Lanka, ensuring a strong presence in both urban and scenic locations

### MANUFACTURED CAPITAL FOOTPRINT

 Sigiriya/ Dambulla/ Nuwara Eliya/ Kandy

 Colombo/ Wadduwa

 Passikudah

 Induruwa/ Koggala



#### AMAYA HILLS, KANDY

Located in the cultural capital of Kandy, Amaya Hills presents a hilltop haven of luxury and heritage. The resort features 112 rooms set amidst natural surroundings, offering spectacular landscapes of the Heerassagala, the city of Kandy and the Knuckles mountain range.

On site and off-site experiences: Bee harvesting, Hanthana hike, Udawattakele sanctuary, Temple of the Tooth Relic, Lankatilaka temple, Peradeniya gardens, tea museum, sunset in the hills

#### AMAYA LAKE, DAMBULLA

Amaya Lake rests peacefully along the Kandalama reservoir, which is just minutes from the world renowned Sigiriya rock fortress, a UNESCO World Heritage Site. The resort consists of 119 villas and suites. The location is perfect for travellers seeking adventure and relaxation.

Off-site Experiences: Barge boat ride, The Amuna experience, Dambulla cave temple, mountain biking, Loris watching, cultural show, Angampora

#### THE KINGSBURY, COLOMBO

Located in the heart of Colombo, overlooking the Indian Ocean and the Port City, the property features 229 Luxury rooms with Banqueting & Meeting room facilities, a collection of high end restaurants featuring specialty cuisine and International buffets. The property also caters to guests through its food delivery service "Kingsbury Indulgence".

Off-site experiences: historical landmark of the Dutch Hospital, Galle Face Green, Gangaramaya Temple, the National Museum of Colombo, Independence Square and many shopping malls & arcade facilities.

#### AMAYA BEACH, PASSIKUDAH

Overlooking the turquoise waters of the iconic Passikudah bay, the resort boasts 125 contemporarily furnished rooms and suits. The coastal charm is crafted for those seeking an escape into pure relaxation for both mind and body.

Off-site experiences: Banana boat rides, speedboat and glass boat rides, canoeing and kayaking, Passikudah bay, fishing, Batticaloa lagoon, Diving and snorkeling, whale watching

### AMUNA AYURVEDA RETREAT, SIGIRIYA

Amuna Ayurveda Retreat is purposefully designed to honour the authentic Sri Lankan Ayurvedic wisdom. The place is designed to reflect the simplicity of traditional village life. Amuna offers custom wellness programmes, traditional therapies, yoga and meditation sessions to support your journey towards healing and conscious living. Surrounded by nature the place is a vision of simplicity and a path to reconnect with yourself.

On-site experiences: Wellness programmes, yoga and meditation, special ayurvedic treatments

### OLIPHANT, NUWARA ELIYA

Oliphant villa offers an unforgettable blend of heritage and luxury. Amidst lush tea estates, beautifully landscaped gardens, breathtaking views and picturesque setting, Oliphant is the perfect escape into comfort and elegance.

Off-site experiences: Trek to Pidurathalagala, Nuwara Eliya Golf Club, Hakgala Botanical Gardens, horse and motor races, Pedro tea factory, Lover's Leap waterfall, Moon Plains, Little England, Gregory Lake, Ambewela Farm

### LANGDALE, NUWARA ELIYA

Nestled among the misty hills and floral gardens of Nuwara Eliya, the charming 11 room boutique hotels blends colonial elegance with modern comfort. Langdale feels like a peaceful home away from home which is perfect for quiet retreats, romantic getaways or simply unwinding in the Sri Lankan highlands.

On site and off-site experiences: Luxury spa breaks, Yoga retreats, Trek to Pidurathalagala, Nuwara Eliya Golf Club, Hakgala Botanical Gardens, horse and motor races, Pedro tea factory, Lover's Leap waterfall, Moon Plains, Little England, Gregory Lake, Ambewela Farm

### THE VILLAS, WADDUWA

Where beachfront luxury meets Sri Lankan charm. The Villas offers 32 luxury rooms and villas designed for relaxation. The property provides perfectly manicured gardens and direct beach access and is a perfect getaway for a family vacation, romantic getaway or a relaxing trip with friends. The Villas offers exceptional service, featuring modern indoor and outdoor venues perfect for special occasions, along with stunning ocean views.

Off-site experiences: Pool, Spa, Beachside picnics, Beach volleyball, Bonfire

### VILLA 700, INDURUWA

Step into one of Bentota's most charming villas, where tropical charm meets modern luxury. With its modern amenities, the open living space transitions seamlessly into the outdoors, which leads to a crystal-clear swimming pool. The laid-back surrounding creates the perfect tropical sun kissed getaway.

Off-site experiences: Kande Viharaya, Jet ski rides, Explore wonders of the Brief Garden

### TRI, KOGGALA

Set on the banks of Lake Koggala, Tri offers a sustainable luxury retreat. Located just minutes away from the Galle Fort, the hotel is perfect for mindful travellers and nature lovers. Whether you are exploring the South shores of Sri Lanka or exploring cultural treasures, Tri is a perfect getaway to unwind in eco luxury.

Off-site experiences: Yacht or catamaran tours, Whale watching in Mirissa, Delve into the world of cinnamon

# MANUFACTURED CAPITAL

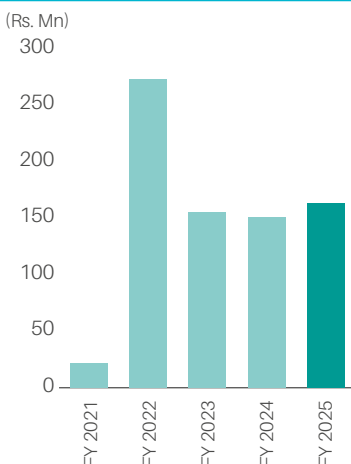
## ASSET OPTIMISATION

The Group continues to invest in property, plant and equipment (PPE), which totalled to Rs. 4.4 Bn as of 31st March 2025, accounting for 76% of total assets. Continuous performance evaluations of physical assets are conducted to determine the need for upgrades, new purchases, or disposals, with the aim of optimising asset productivity.

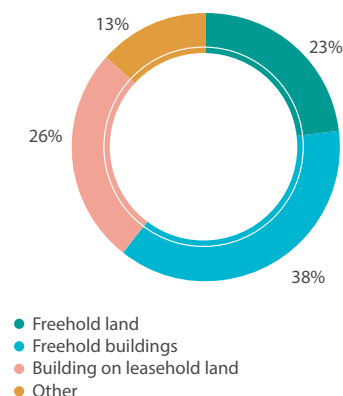
During the year HLP, made several key capital investments to enhance operational capacity and guest experience.

These initiatives reflect the Group’s commitment to its long-term strategy of enhancing its manufactured capital and delivering high quality hospitality services.

CAPEX INVESTMENT FIVE YEAR COMPARISON



COMPOSITION OF PPE



## DIGITAL TRANSFORMATION AND OPERATIONAL EFFICIENCY

Information Technology serves as a key enabler in managing the Group’s manufactured capital efficiency, supports business functions, improved operational visibility across all properties, improved service consistency and strengthens cross property and interdepartmental coordination.

## STRATEGIC PRIORITIES FOR THE YEAR

<p><b>HRIS User Deactivation Alert</b> Integrated HRIS with IT operations to initiate user deactivation alerts. When an employee resigns, real-time alerts enable IT administrators to promptly disable user accounts, reducing security risks from delayed termination and improving overall system integrity</p>	<p><b>IT Process Automation &amp; Data Migration</b> Automated software patch management, ensuring timely updates across all core applications. Additionally, all locally stored data was migrated to Microsoft SharePoint, enabling secure remote access and seamless collaboration, while upholding strict data security standards.</p>	<p><b>STAAH Oracle Integration for Seamless Online Reservation</b> Integrated Star Channel Manager with our Property Management System (PMS). This two-way connection automates the import of OTA reservations into the PMS and updates room availability in real time across OTAs, improving accuracy, reducing manual input, and optimizing inventory management.</p>	<p><b>SAP S4 HANA Upgraded to SAP Rise</b> Transition from an on-premises setup to a cloud-based solution that enhances speed, performance, and data accessibility enabling more efficient operations across properties.</p>

## DIGITISATION AND CUSTOMER EXPERIENCE

At the heart of our technology investment lies a commitment to elevating the customer experience. The guest can now enjoy a seamless mobile check-in and check-out, which helps reduce significant wait times and physical interactions. To create a flawless experience the bandwidth at each property is carefully monitored and automatically scaled during peak periods to ensure fast, and reliable internet connectivity throughout the stay. Moreover, in room TV systems have been upgraded to centralise content management, which has been enhanced to display personalised promotions and enhance guest engagement. Automation on OS Patch installation through Manage Engine Endpoint Central has been done to further boost internal efficiencies.

## CYBERSECURITY

Cyber security remains a critical area of focus. We implemented targeted awareness campaigns and collaborated with the SafeEye Security Operations Center to monitor and report any suspicious user behaviour in real time, enhancing our detection and response capabilities.

Deployed advanced data protection and monitoring solutions. Key implementations included Delinea for privileged access management, Microsoft Information Protection for data classification and access control, and enhanced firewalls with real-time monitoring to detect unauthorized activity. Mobile Device Management (MDM) tools were introduced to secure mobile endpoints, while staff awareness was strengthened through regular training, upgraded spam filters, and security-focused communications.

To strengthen our cybersecurity, we also implemented key technical and educational indicatives. These include,

- SPAM filtering systems – enhanced to block phishing attempts
- Firewall configurations – updated based on evolving business and operational needs
- Cybersecurity awareness material – distributed awareness material with staff across all departments
- Regular compliance audits and investments in compliance tools



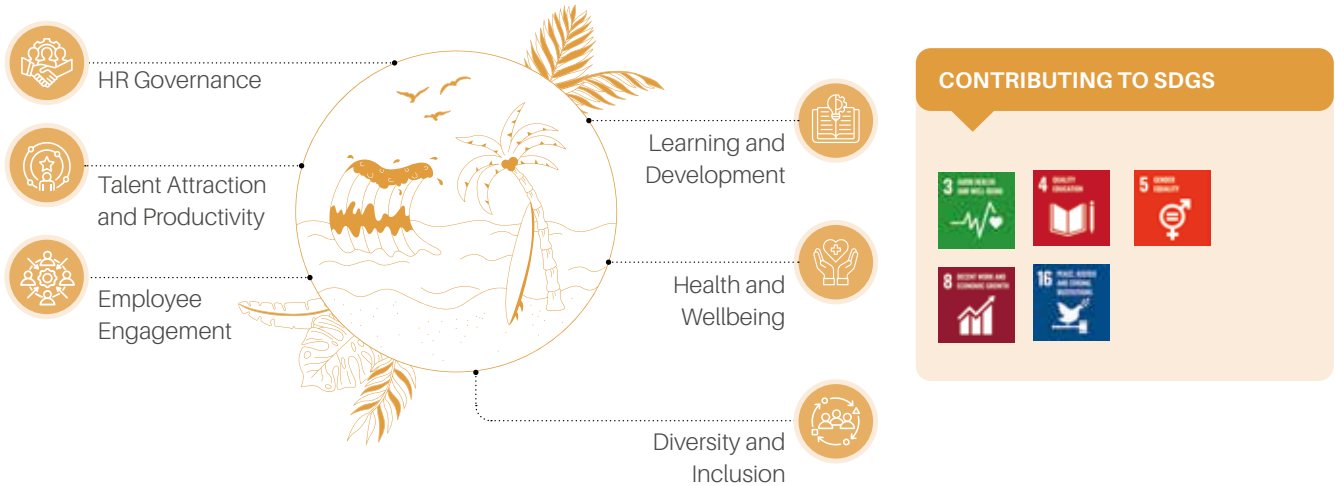
## HUMAN CAPITAL



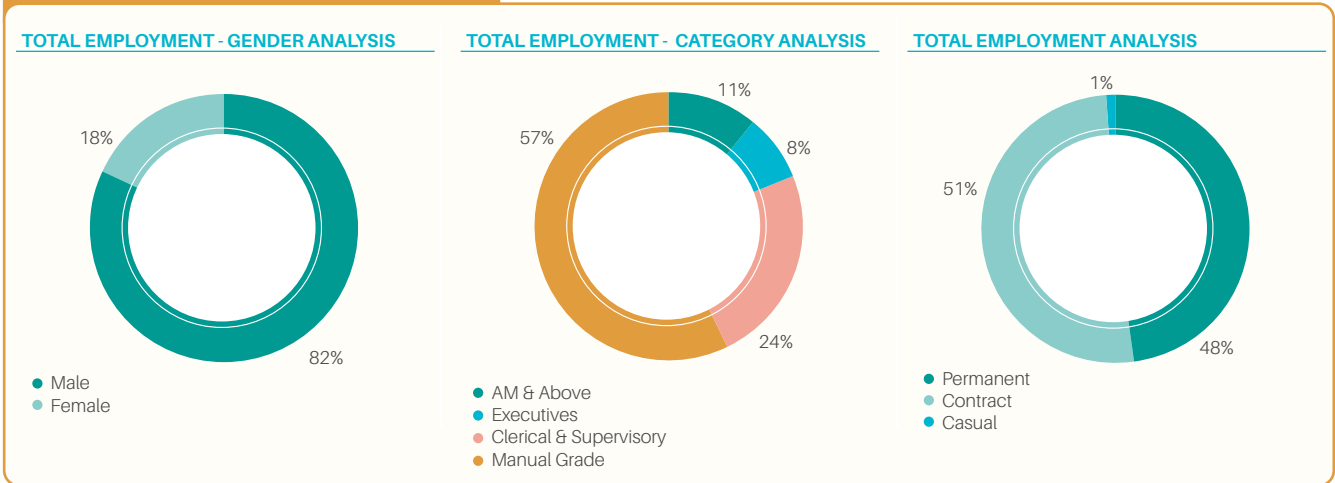
Our people are at the heart of everything we do at Hayleys Leisure. We are committed to cultivating a workplace culture grounded in care, safety, and opportunity. The Group strategy focuses on key ESG priorities, including recruitment and retention of employees, learning and development, health and safety, diversity and inclusion, employee engagement, and ethical conduct.



## STRATEGIC PRIORITIES



## SNAPSHOT OF OUR PEOPLE



## HR GOVERNANCE

The HR policy framework is designed to support the entire employee lifecycle, encompassing recruitment, performance management, employee development, health and wellbeing, grievance handling, exit processing. These policies serve as the foundation for HR governance and are regularly updated to reflect regulatory shifts in industry benchmarks and global HR practices.

To ensure relevance and compliance, the HR policy framework is consistently reviewed and refined by the Management, to reflect the evolving socio-economic trends, regulatory changes, and industry certifications.

### Introduced in 2024/25

- Workforce Engagement Programme

### Policies under Review

- Overtime Policy

### Revised Policies

- Minimum Wage

# HUMAN CAPITAL

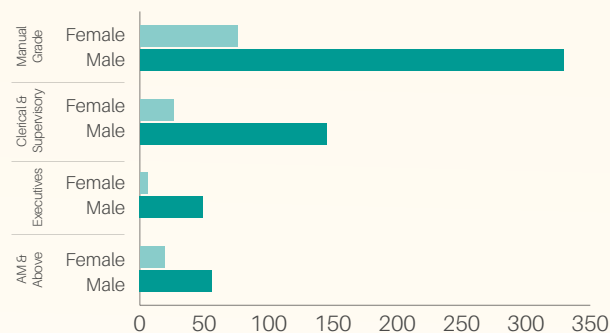
## TALENT ATTRACTION AND PRODUCTIVITY

Amidst the ongoing economic challenges in Sri Lanka and migration of skilled labour seeking opportunities abroad, the hospitality industry was notably impacted by high attrition rates, despite modest signs of macroeconomic recovery.

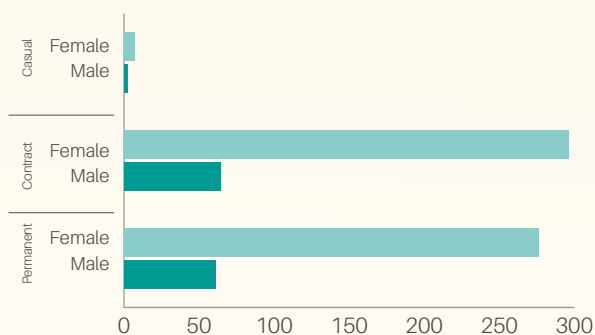
To sustain service excellence, the Group focused on robust talent acquisition while giving preference to internal candidates, enabling career growth through cross functions and properties. This supported strengthened retention and also boosted employee engagement. Moreover, prioritisation was given to local communities, supporting stronger engagement with the wider community.

## EMPLOYMENT OVERVIEW

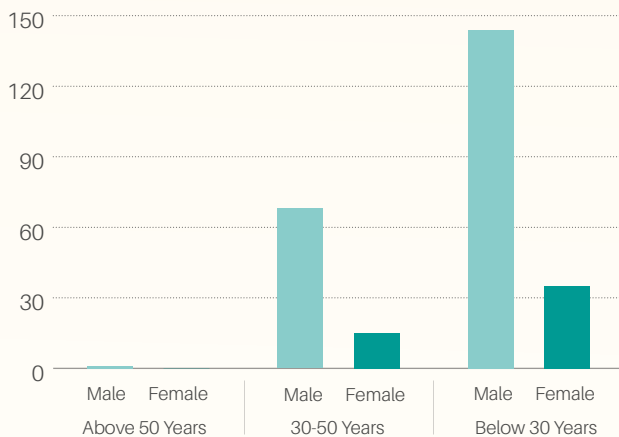
EMPLOYEE PROFILES BY CATEGORY



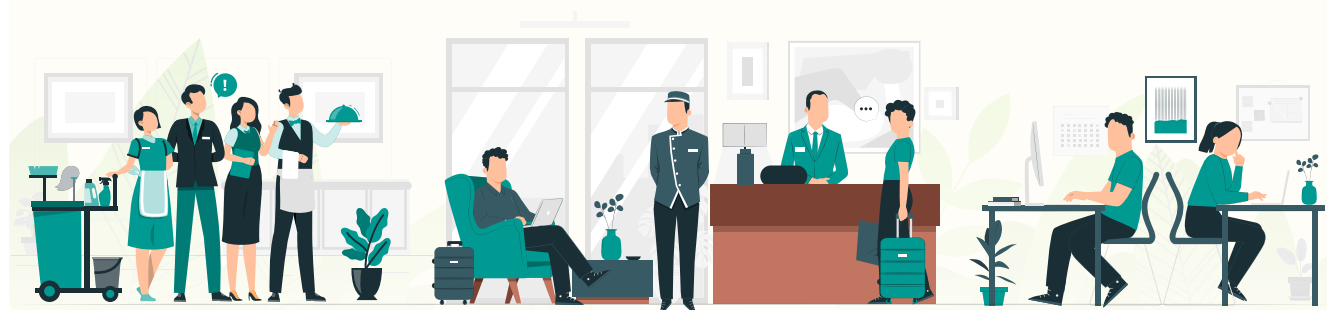
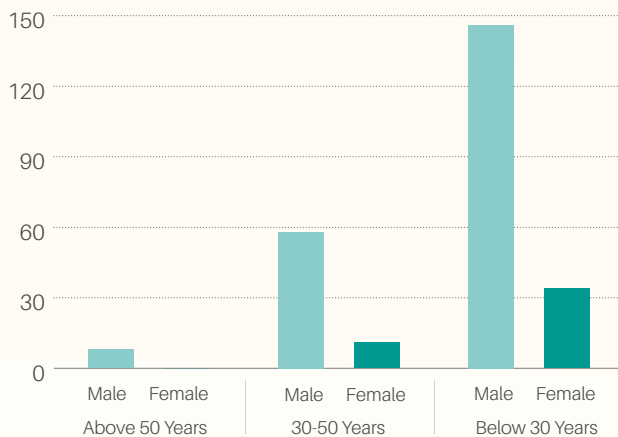
EMPLOYEES BY CONTRACT AND GENDER



HIRES



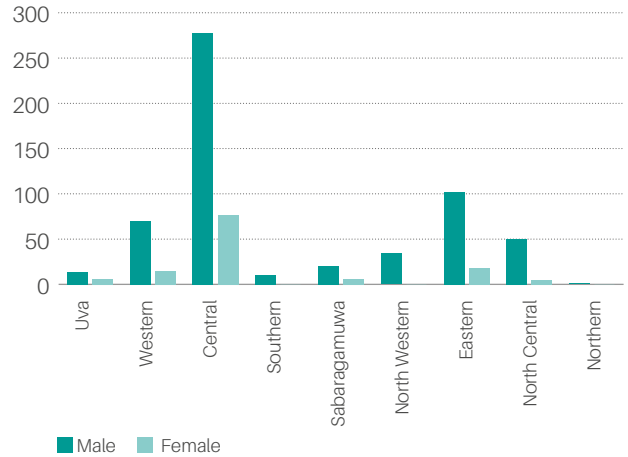
EXITS





**46%** total of staff from local community

#### EMPLOYEES BY REGION



### RECOGNITION AND BENEFITS THAT MATTER

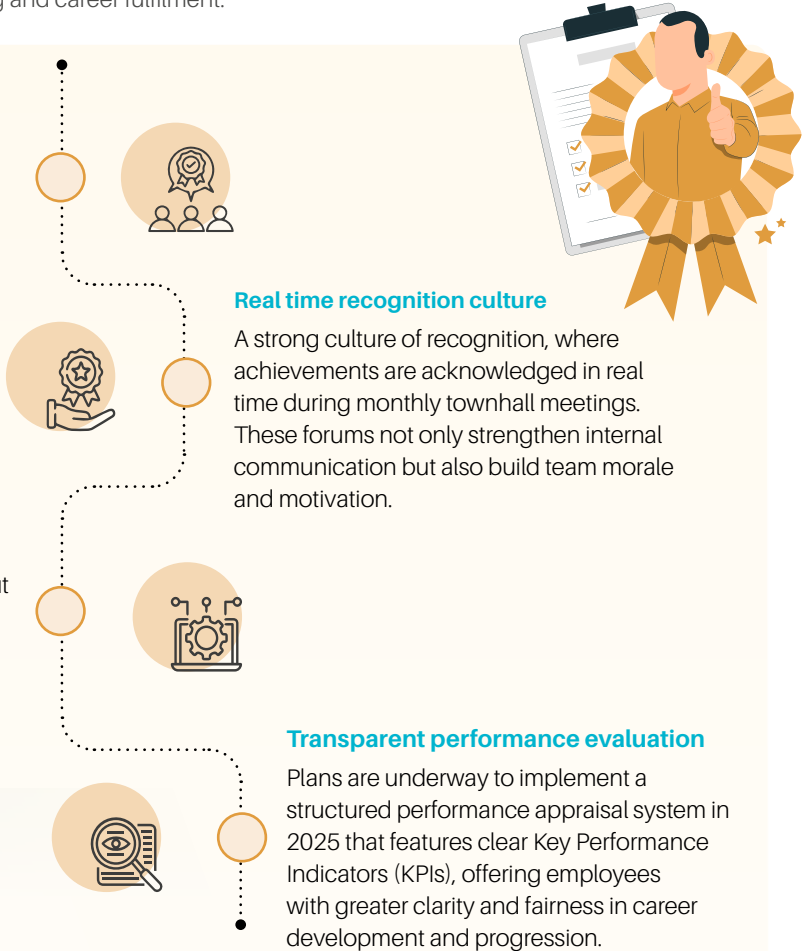
Hayleys Leisure remains committed in creating a workplace where people feel valued, recognised, and supported. With several recognition and incentive initiatives already in place, the Group is now actively exploring ways to further enhance employee benefits, focusing on long term engagement, wellbeing and career fulfilment.

#### Recognition through incentive programmes

The Group has introduced both monetary and non-monetary incentive programs to reward outstanding performance. Initiatives such as "Employee of the Month" across categories such as Front of House, Heart of House, and Star of the Month, celebrate those who go above and beyond.

#### Sector-wide recognition platform

In addition to resort based recognition, top performing individuals are celebrated across the sector for excellence not only in job performance but also in extracurricular activities such as sports, CSR and other talents. Recognition is being highlighted at different forums, from sector competitions, and the upcoming Managing Director's Awards 2025, to Group-wide Hayleys Chairman's Award.



#### Real time recognition culture

A strong culture of recognition, where achievements are acknowledged in real time during monthly townhall meetings. These forums not only strengthen internal communication but also build team morale and motivation.

#### Transparent performance evaluation

Plans are underway to implement a structured performance appraisal system in 2025 that features clear Key Performance Indicators (KPIs), offering employees with greater clarity and fairness in career development and progression.

# HUMAN CAPITAL

A range of comprehensive benefits are provided to both permanent and contract employees of the Company. All benefits are applicable to all employees. Moreover, there is no gender-based wage disparity at any level. All employees are compensated accordingly and in full compliance with local minimum wage regulations.

## CAREER PROGRESSION AND SUCCESSION PLANNING

The Group remains committed in building a future-ready workforce by investing in the growth and development of its people. Apart from strategic initiatives, the Group continues to explore ways to further enhance employee benefits, ensuring long term career progression, and strengthen succession planning across the organisation.



### Internal leadership development

The Group has implemented a structured internal leadership development approach, which includes personalised career conversations with high performing employees and tailored development plans to strategically develop talent within the organisation.



### Mentorship programme

As part of the development plans, emerging talent is paired with experienced leaders in the organisation, to foster a culture of knowledge transfer, guidance, and professional growth.

### Introduction of Training Platforms

“Review-Pro” platform gather online analytical services to track, classify and manage the online reputation and presence in social media websites. The data obtained is used to develop a better service culture to enhance guest satisfaction.

“Tipsy” - We are the First Srilankan Hotel Chain to implement this platform, which standardises training across properties, improving consistency, employee performance, and guest service while reducing turnover. Its engaging, accessible content and customizable learning paths promote a strong, goal-aligned training culture.

### Succession planning for leadership

A formal process to be implemented in place to identify high potential employees early in their careers, with targeted initiatives designed to prepare them for future leadership roles.

## LEARNING AND DEVELOPMENT

We believe that empowered employees drive lasting success. At HLP, we place a strong emphasis on learning and development, creating opportunities for our employees to grow both professionally and personally. Using innovative and modern tools, we try our best to create engaging and impactful learning experiences. We actively involve senior leaders in mentoring and guiding high potential talent to foster a culture of continuous growth and development across the sector.

**Rs 3.48 Mn**

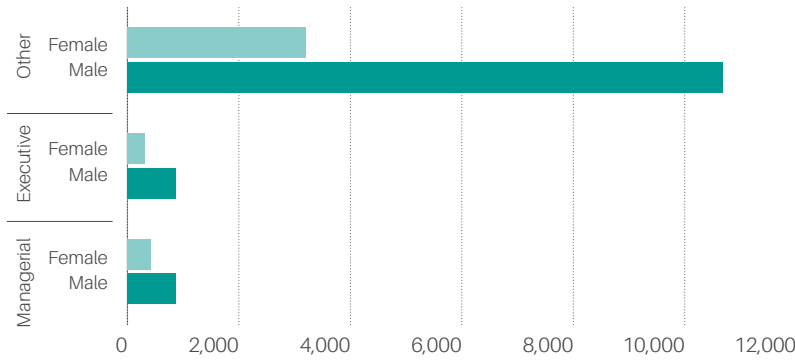
Investment in training

**06** Number of Skill Development programmes conducted

**23.18** Average training hours per year per employee

**16,366** Total Training hours

### TOTAL TRAINING HOURS BY EMPLOYEE CATEGORIES



### HEALTH AND WELLBEING

The Group is committed to fostering a healthy, balanced work environment where employees can flourish both professionally and personally. The Group adopts a holistic approach supporting mental, emotional and physical wellbeing of its team. Through various initiatives such as regular health screenings, mental health support, wellness programmes and fitness activities, Hayleys Leisure empowers employees to prioritise self-care.

The Group prioritises guest wellbeing and adhering to all applicable Foreign Tour Operator Guidelines on Health and Safety across its operations. In addition, all three resorts, Amaya Hills, Amaya Lake, Amaya Beach are certified with the ISO 22000:2018 Food Safety Management System (HACCP), ensuring the highest standards of hygiene and food safety.

### OUR TRAINING PORTFOLIO

The Hayleys Leisure Training Institute (HLTI) Launched in 2022, the Hayleys Leisure Training Institute (HLTI) reflects the Group's commitment to develop young talent into next generation of hospitality professionals.

**60**

young professionals graduated in 2024/25

**35**

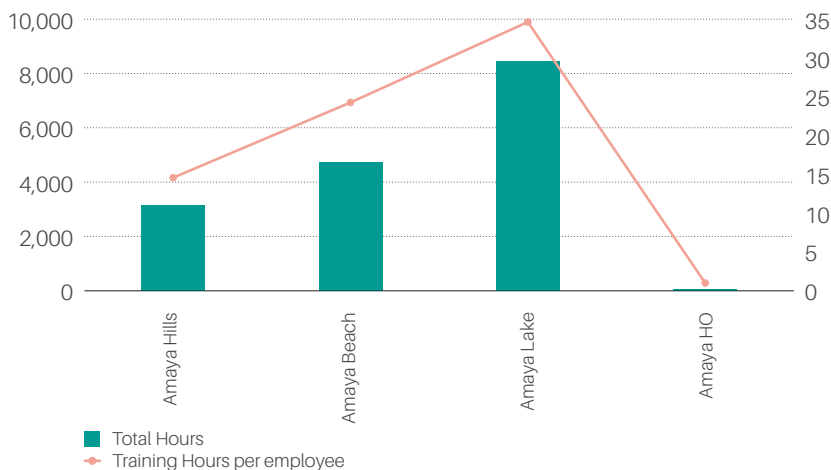
young professionals recruited as permanent cadre post-graduation

- **Targeted training by department** – Department heads determine annual training priorities early in the year, with regular reviews ensuring any new needs are captured. Both internal and external trainers are engaged to deliver and address the development programmes.
- **Technical training** – Dedicated technical experts are assigned to key operational areas within the sector. These experts provide cross functional training, sharing expertise, insights and best practices.
- **On the job learning** – Employees participate in special projects within the sector properties, offering hands on training and exposure to diverse operational environments.

### HAZARD IDENTIFICATION AND RISK MANAGEMENT

To proactively manage workplace hazards, we have implemented a Near Miss Reporting System, which is reviewed daily to ensure timely identification and mitigation of potential risks. Both routine and non-routine activities are assessed using the hierarchy of Controls, Elimination, Substitution, Engineering Controls, Administrative controls and Personal Protective Equipment (PPE) to minimise or eliminate hazards. Incident investigation protocols are in place to identify root causes of work-related accidents and near misses. These support to develop targeted corrective and preventive action.

### TRAININGS HOURS PER EMPLOYEE PROPERTY-WISE



## HUMAN CAPITAL

Moreover, occupational health services at the properties focus on hazard identification, elimination and risk reduction. Key services include regular health screenings for food handlers, wellness programmes such as eye clinics, breast cancer screenings, and vaccination campaigns coordinated with local health authorities. To guarantee service quality, the Group partners with certified medical professionals and ensure that healthcare services are readily available to all employees, promoting safety and health within the organisation.

Data related to occupational health and safety is compiled using standardised reporting formats, including incident logs, accident records, and employee health reports. These are maintained across all properties to ensure consistency and accuracy. The methodology follows internal reporting protocols that reflect industry best practices in hospitality, with data being reviewed and validated through routine audits and oversight by department heads and safety personnel.

### EMPLOYEE PARTICIPATION IN OCCUPATIONAL HEALTH AND SAFETY (OHS) MANAGEMENT

Employee participation in OHS management through the participation and contribution at daily departmental meetings, where employees are given the chance to voice their views on the development and review health and safety measures. These meetings are overseen by the Property General Manager. Key safety related communications are shared through team discussions, and workplace notices. Internal communication tools are used to ensure transparency and accessibility of information for all employees in the organisation.

### OCCUPATIONAL HEALTH AND SAFETY (OHS) TRAININGS

#### OHS AND FIRE SAFETY TRAININGS PROVIDED DURING THE YEAR

- Fire safety training - 969
- Emergency response team 1 and 2 - 345
- First aid training - 105
- Lifeguard training - 15
- Chemical handling training - 555
- Ladder safety training - 142
- Confine space working safety - 65
- Near miss reporting training/ Accident investigation and reporting training - 67
- Food safety and hygiene training - 336
- Personal hygiene training - 310

**6,049**

Contact hours of OHS training completed during the year

**2,909**

Number of trained persons

### Access to Non-Occupational Medical and Healthcare Services

At the properties, a resident Ayurveda doctor is available to provide holistic healthcare support. In addition, a doctor on call service is available 24/7 to address any immediate or non-work-related medical needs of employees.



### INDUSTRIAL RELATIONS

Hayleys Leisure maintains positive relations, with no collective bargaining agreements currently in place.

## DIVERSITY AND INCLUSION

We are committed to creating a workplace free of discrimination, where employment decisions are based on merit and all individuals are treated with respect. Guided by our Hayleys Group DEI policy, we promote a culture of fairness and accountability, encouraging employees to speak up against any form of bias or harassment. There were zero incidents of discrimination reported during the year

**05**

work related injuries

Work-related injuries are managed through a structured Accident and Investigation Procedure.

**298**

Near Misses Recorded

Initiated near miss reporting across all properties to establishing OSH focused working culture. This will lead continuously to reduce accidents while optimising safe workplace conditions

**ZERO**

Workplace Fatalities

## EMPOWERING WOMEN AT WORK

Our approach to talent management supports gender equality and women's empowerment across all levels.



**127**

Total headcount

**6**

Function/Division heads

**15**

Managerial/  
Team leads

**4**

Senior  
management

## PARENTAL LEAVE

We offer parental support policies that ensure both mothers and fathers receive the care and flexibility they need during their key life moments.



- HLP offers **84** working days of maternity leave
- Offers nursing hours
- Provides **7** days of paternity leave

## EMPLOYEE ENGAGEMENT

A year-long engagement programme was introduced, focusing on employee engagement, training, and sustainability. It aims to boost awareness, performance, and team spirit through various activities, including team building, departmental and cross-sector events, all designed to strengthen workplace culture and employee branding.



## INTELLECTUAL CAPITAL



Strong brand presence of the Amaya brand, streamlined processes, a diverse service portfolio, and the tacit knowledge fostered through a culture of continuous learning. We continuously improve our agility to build resilience and ensure a seamless, value-driven experience throughout every stage of the guest journey.



## STRATEGIC PRIORITIES



## SNAPSHOT OF INTELLECTUAL CAPITAL

**91.4%**  
GRI Average

**4.5Mn**  
Social Media Reach

**12%**  
Above 10 years of service tenure

## BRAND IDENTITY

At Hayleys Leisure, the Amaya brand stands out, offering diverse experiences that blend culture, comfort, and sustainability. With a refreshed visual identity and more intimate, authentic appeal whether through its innovative guest experiences and storytelling or eco-conscious practices, the Group remains aligned with the needs and demands of today's traveller while staying future focused.



# INTELLECTUAL CAPITAL

## PRODUCT AND SERVICE PORTFOLIO

Inspired by the essence of Sri Lankan culture, nature and sustainability, Hayleys Leisure offers a thoughtfully curated portfolio of experiences designed to meet the needs of travellers across all life stages. This includes family getaways, romantic retreats, spa and wellness escapes, wedding and functions and corporate events, a comprehensive range of products and services, and gourmet dining experiences to offer a taste of Sri Lanka and the world.

### FAMILY GETAWAYS



### ROMANTIC RETREATS



### SPAS



### WELLNESS ESCAPES



### RESTAURANTS AND BARS



### CORPORATE EVENTS



### WEDDINGS AND FUNCTIONS



## CERTIFICATION AND LICENSING

HLP is committed to maintaining its highest standards and quality ensuring compliance with regulatory authorities. In line with this commitment, the following certification have been obtained across all three resorts.

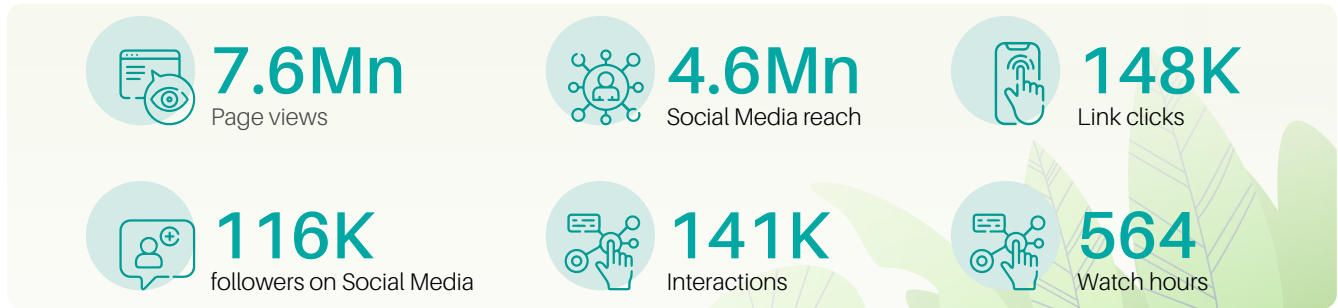
- ISO 22000 - HACCP

### Driving Excellence across Operations

Internal controls and Standard Operating Procedure are fundamental to ensure reliability, efficiency and integrity across all properties. Through routine evaluations, risk assessments, and process improvements and automations, we do our best to uphold compliance with regulatory, industry specific and environmental standards and safeguard our assets. By continuously reinforcing our internal control environment, we support responsible and sustainable growth, operational integrity, and seamless guest experience across operations in our properties.

### Our Social Media Presence

The Group uses various social media platforms to engage with customers and potential guests through attractive and insightful storytelling content from all properties across Sri Lanka.



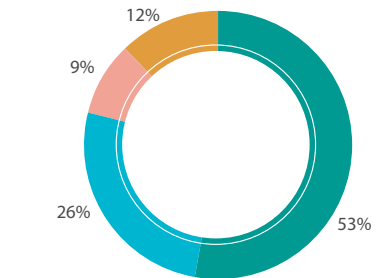
### ORGANISATIONAL TACIT KNOWLEDGE

Tacit knowledge which is gained through hands on experience, team collaborations, and years of industry insights plays a pivotal role in shaping our guest experience. We promote cross property learning and Group-wide collaborations within the Hayleys Group, ensuring that best practices are shared and embedded across all teams. This is supported by regular training and development programmes, knowledge sharing platforms and role rotations within and cross property, mentorship programmes and leadership development.

### AWARDS AND ACCOLADES

The Group’s commitment to excellence across operational and sustainable aspects has been recognised both locally and internationally. This reflects Hayleys Leisure’s enduring commitment to the growth of Sri Lanka’s hospitality sector, the wellbeing of its communities, and the preservation of its natural heritage and environment.

### TENURE OF EMPLOYEES



- 0-1 years
- 2-5 years
- 6-10 years
- above 10 years



#### CMA Excellence in Integrated Reporting Awards 2024

- Hayleys Leisure PLC - Certificate of Compliance

#### TAGS Awards 2024

- Hayleys Leisure PLC - Certificate of Recognition for Integrated Reporting
- Hayleys Leisure PLC awarded Silver in Hotel Sector



#### The Pekoe Trail - Time Magazine

- Amaya Hills & Langdale Resorts proudly featured in Time Magazine’s “World’s Greatest Places to Visit in 2024”

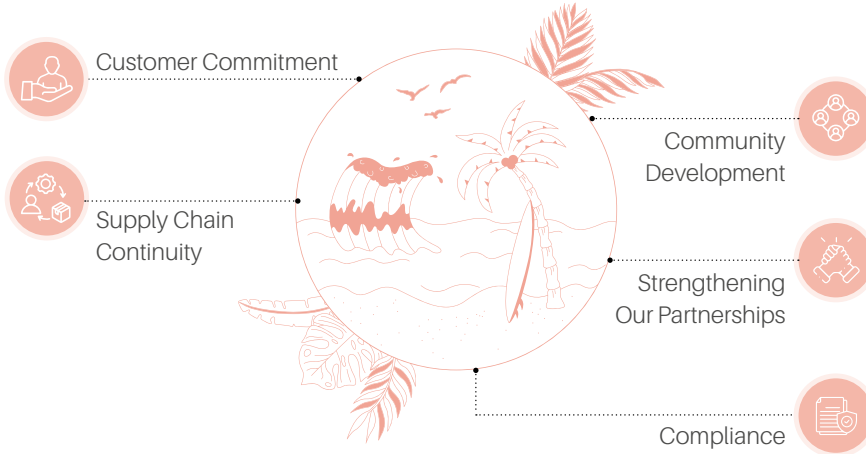
## SOCIAL AND RELATIONSHIP CAPITAL



Hayleys Leisure remains committed to nurturing strong and lasting relationships with its customers, suppliers, business partners, and the wider community. These connections are essential to driving sustainable growth and maintaining its presence and leadership in the hospitality sector. We are committed to building trust and loyalty, while ensuring long term value creation.



## STRATEGIC PRIORITIES



## SOCIAL AND RELATIONSHIP CAPITAL AT A GLANCE

481

Business Partner Size

Rs. 2,438 Mn

Total supplier settlements

91%

Local supplier footprint

Rs 3,497 Mn

Funds channelled to community development initiatives

Average Rating

TripAdvisor 4.5/5 Google 4.4/5  
Booking.com 8.5/10 Agoda 8.6/10

9,135

Benefited from community initiatives

## CUSTOMER COMMITMENT

At Hayleys Leisure, our guests from Sri Lanka and across the world are at the core of everything we do. Our focus extends beyond hospitality, prioritising safety, privacy, sustainability and value for money staying aligned with global tourism trends and ever-evolving guest expectations.

Enhancing our customer value proposition

- Driving innovation throughout offerings
- Responsible product and service delivery
- Strengthening customer relationships

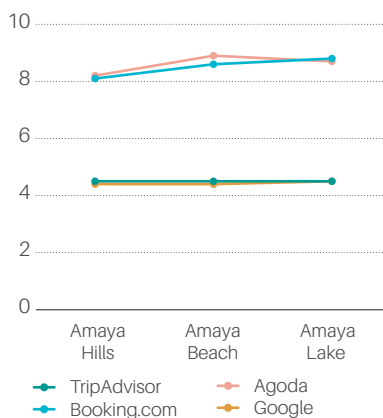
Guest Arrivals **33,262**

F&B Covers **413,546**

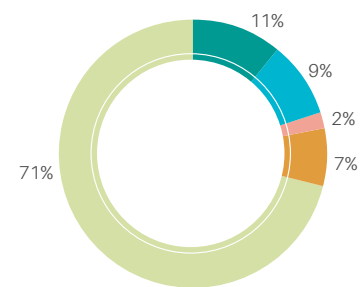
Rs. 802 mn

Total F&B revenue generated

### CROSS-PLATFORM GUEST RATINGS COMPARISON



## CUSTOMER SEGMENTS



# SOCIAL AND RELATIONSHIP CAPITAL

## INTEGRATING SUSTAINABILITY INTO EVERY SPACE

Our properties feature natural elements such as plants and natural lighting, reflecting the beauty of the island’s environment. Sustainable material is used to enhance operational efficiency. Our ongoing commitment to sustainability is reflected in our environment conscious operations of our comprehensive waste management, minimizing carbon & water footprints continuously.



## GUEST LIVING EXPERIENCE

We have adopted a range of eco friendly initiatives to minimise resource and waste generation. Our energy efficiency has been significantly improved through upgraded structures and best operational practices, while water efficiency has been improved through modern water saving fixtures. To further reduce the environmental impact we are reducing the single use plastics by offering bulk bath amenities, guest and in-room amenities crafted using environmentally sustainable materials. Moreover, waste is carefully segregated and diverted.



## KEY PRODUCTS AND SERVICE OFFERINGS INTRODUCED DURING THE YEAR



## DRIVING INNOVATION THROUGHOUT OFFERINGS

With shifting global travel trends, we have invested in smarter, more sustainable hospitality solutions. Innovations focus on guest wellbeing, including enhanced privacy, safety and sustainable practices.

## CUSTOMER AND DATA PRIVACY

We place a high priority on protecting customer data at every point of interaction, ensuring the highest standards of privacy. The following is achieved through comprehensive staff awareness training, robust IT security systems and compliance to local and international regulations, including full compliance with the European Union's General Data Protection Regulation (GDPR). By integrating these measures, we aim to safeguard our customers privacy at all stages.

## FEEDBACK FROM OUR GUESTS

All Hayleys Leisure properties are listed on leading online travel platforms such as TripAdvisor, Booking.com, Agoda and Google reviews providing all guests with transparent, public channels to share their experiences and reviews. In addition to the above, we also collect feedback on site through feedback forms and guest record books to capture more detailed and individualised guest experience.

“ The villa's serene lakeside location offered a tranquil environment, enriched by the sounds of birds and wildlife. A private supper in a stilted treehouse overlooking the lake provided a personalized and atmospheric culinary experience”

“ Exceptional service and warm hospitality make this jungle retreat truly magical. Luxurious simplicity, friendly staff, and a scenic setting near Sigiriya make it perfect for families and adventurers alike

“ A pure indulgence in paradise. A sanctuary of luxury where every detail is thoughtfully curated. From breathtaking views to exceptional service, each moment becomes a cherished memory

“ Stunning ocean views, ensuring a luxurious and comfortable experience. Exceptional hospitality from staff members who went above and beyond to make your stay memorable

## SUPPLY CHAIN CONTINUITY

We at Hayleys Leisure recognise our suppliers as strategic partners who play an essential role in our value creation process. Our partnerships with suppliers span across various regions. Our key focus areas include flexible delivery terms, prioritisation of supplier tier diversity including SME's, WOE's and transportation efficiency. Our procurement process is built on robust centralized governance principles, including transparency, fair group pricing, ethical conduct and ESG principles aligning to Group's procurement policy.

Our Supplier Evaluation Committee comprising key personnel, Head of Sustainability, Hygiene & Safety Manager, Head of Procurement and critical members, conduct on-site assessments to ensure adherence to social, environmental, and quality standards.

## RESPONSIBLE PRODUCT AND SERVICE DELIVERY

At Hayleys Leisure, we are dedicated to ensuring that our product and service offerings positively impact wellbeing of our guests, employees, or the wider community.

All strategic business units (SBUs) comply with internal protocols and internationally accepted management systems; ISO 22000:2018-(HACCP) which covers areas such as health and safety, food safety, quality control and ESG compliance. Through regular audits and established operational controls in place, we strive to maintain transparency in communication, ensuring responsible representation of the brand at every level.

## STRENGTHENING CUSTOMER RELATIONSHIPS

Hayleys Leisure engages customers through multiple channels including digital platforms including social media channels such as Facebook, Instagram, Tik Tok and YouTube, and CRM systems which are aimed at both local and international markets. Brand identity refine was carried out by refreshing the brand voice and visual identity across all touchpoints to reflect a more intimate, authentic, and experiential positioning. Moreover, experience led storytelling, through high quality content showcasing unique guest experiences, local culture and nature-based adventures across properties drove engagement and increased organic traffic on digital platform.

# SOCIAL AND RELATIONSHIP CAPITAL



## LOCALLY SOURCED PRODUCTS

Products sourced locally from farms within a 20-40 km radius of the property. The following initiative supports local community agriculture while also maintaining freshness and reducing the Scope 3 - carbon footprint which is associated with long distance transportation.



## CERTIFICATIONS & LICENSES

All suppliers must be supported by approved industry-specific certifications, regulatory compliance credentials, Operational licenses and adherence to quality and safety standards.

**Rs. 2,438 Mn**

Total supplier settlements

**94 tCO<sub>2</sub>e**

Local supplier footprint

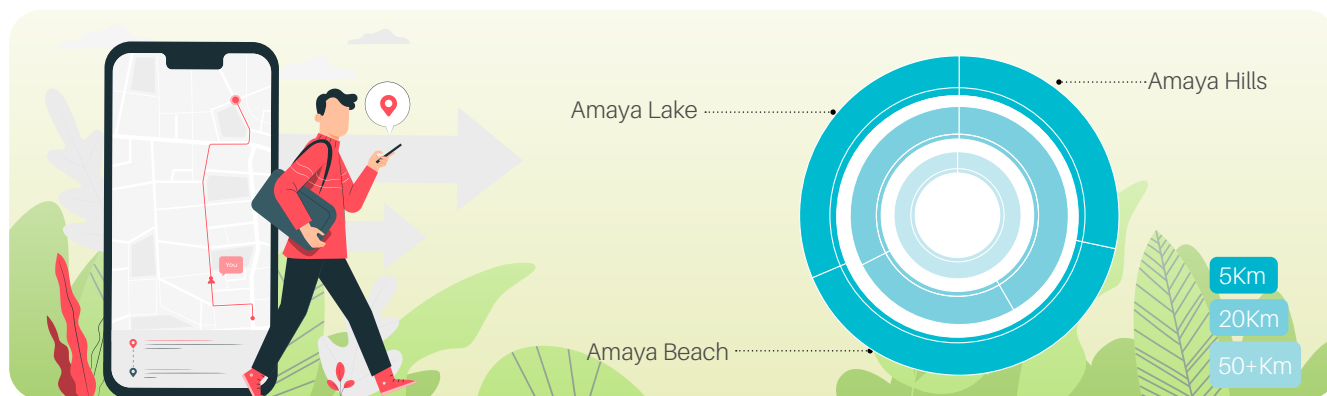
Average locally sourced **32%** within

**20 KM** radius

**19** of suppliers audited covering

**Rs.222 Mn** Total spend

## LOCALLY SOURCED PRODUCE



## COMMUNITY DEVELOPMENT

Hayleys Leisure maintains a strong, collaborative relationship with surrounding communities, reflecting our commitment to drive meaningful and lasting impact. By actively involving our communities in our operations through sourcing, employment or social initiatives, we help drive socio economic development and community empowerment. Our commitment is reinforced through compliance with relevant regulations and laws.

There has been **no record** of significant negative impacts on the local communities

There have been **no incidents** of non-compliance with laws and regulations in the social and economic area.

## STRENGTHENING OUR PARTNERSHIPS

As part of the growth strategy, we actively pursue partnerships that could unlock new markets and strengthen existing capabilities.

## COMPLIANCE

Hayleys Leisure remains committed to upholding the highest standards of compliance in its social and relationship capital efforts, ensuring ethical practices and transparency in all stakeholder engagements.

### ENVIRONMENTAL-RELATED PROGRAMS

- Beach cleaning
- Earth Hour – Tree Planting
- Snacks for Earth Day Celebration
- Snacks for Environment Day Celebration
- Tree Planting for Independent Day
- Hanthana Cleaning Programme (For Environmental Organization – Ogastawatta)
- Nisala Praja Mandala – Ogastawatta Shramadhana Campaign
- Tree planting session at Bowalawatta Primary School
- Tree planting session for World Water Day
- Implementation of Rain Water Harvesting System



### COMMUNITY-RELATED PROGRAMS

- Almsgiving for “Nawaladdi”, “Wawe”, Kapela, Kumbukkadanwala, and 25 Temples
- Vesak Dansala – Ice Cream
- Special Poya Day almsgiving
- Street Dog almsgiving
- Poya Day special almsgiving
- Book donation for staff’s children (Kids Christmas Party)
- CSR for Dambulla Elders Home
- School Bags Donation for Lenawa School
- Lunch & Dinner Packets for Avurudu Celebration (Army & Secretariat)
- Lunch for Mahaweli Authority
- Lunch Packets for Life Saving Team
- Charity – Almsgiving
- Ogastawatta Avurudu Festival (Snack)
- World Tourism Day – Shramadhana Campaign
- World Tourism Day – Awareness Program
- World Tourism Day - Schoolchildren Snack
- Eye Camp for staff
- Staff Kids Party
- Cement Donation for Temple



### HEALTH & EDUCATION-RELATED PROGRAMS

- Grade 05/09/10/11 English, Maths, Science Classes
- Grade 05 Scholarship (Sunday, Saturday, Extra Classes, New Class Starting Programme)
- Women’s Day Awareness Session
- Women’s Day Celebration with Bowalawatta School
- Art Competitions for Grade 5 Students (Gifts, Snacks, Winner Gift)
- Painting Sithumina School Dancing Room
- Children Development Center Evening Snack
- Children’s Day Special Snack (Asithumina Primary School)
- Sisu Diriya Teachers Payment
- Sarampa Vaccination for Staff



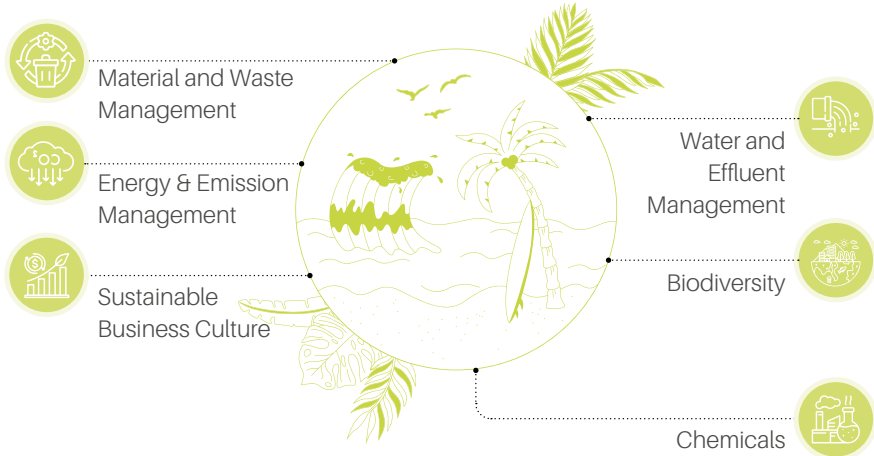
## NATURAL CAPITAL



Our approach is driven by a deep understanding of our responsibility to the ecosystems we operate in. We strive to implement proactive controls and sustainable interventions to minimise adverse impacts to the environment.



## STRATEGIC PRIORITIES



## CONTRIBUTING TO SDGS



## SNAPSHOT OF NATURAL CAPITAL

**27,258,411 MJ**  
Total energy consumption

**4,067 tCO<sub>2</sub>e**  
Carbon footprint

**6,387,509 kWh**  
Electricity consumption

**152,535 m<sup>3</sup>**  
Water consumption

**17,447 kg**  
Total waste recycled

**10+**  
No of sustainability days celebrated

## ENVIRONMENTAL FRAMEWORK

Environmental stewardship is supported by robust management systems aligned with global best practices. Each property applies tailored environmental practices that align with environment management system and sustainable certifications. The Group Sustainability Department provides overall oversight, ensuring all properties maintain compliance and actively promote sustainability improvements across the Group.

## ENERGY MANAGEMENT

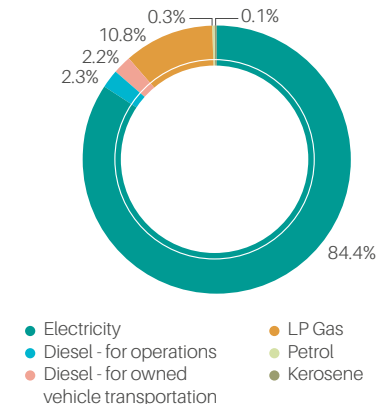
Energy management is a top priority as direct energy consumption represents a significant portion of our environmental footprint. We are committed to reducing the impact by adopting energy efficient operational practices, such as introducing energy efficient technologies and integrating renewable energy solutions and optimising existing operation practices.

# NATURAL CAPITAL

## ENERGY CONSUMPTION BY SOURCE

		Lake	Hills	Beach	Head Office	Total
Electricity	MJ	7,247,653	6,380,521	9,281,923	84,935	22,995,032
Diesel - for operations	MJ	362,392	76,213	179,697	-	618,302
Diesel - for owned vehicle transportation	MJ	78,250	478,758	26,505	15,943	599,457
LP Gas	MJ	902,910	859,157	1,177,297	-	2,939,364
Petrol	MJ	43,970	12,001	12,901	-	68,872
Kerosene	MJ	30,063	-	7,321	-	37,385
	MJ	8,665,238	7,806,650	10,685,645	100,878	27,258,411

## ENERGY CONSUMPTION BY SOURCE



## ENERGY REDUCTION INITIATIVES

Introduced short term energy intensity reduction KPIs across all properties to drive measurable improvements

Automating and Timing Operations of Energy-Intensive Equipment



Optimised temperature set points for hot water boilers to minimise energy wastage

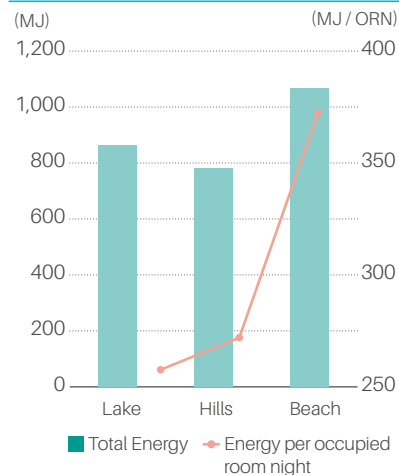
Way Forward - Integrating renewable energy initiatives into the 2025/26 ESG roadmap

- Installation of biogas units
- Installation of rooftop solar systems

## ENERGY CONSUMPTION VS ENERGY INTENSITY

		Lake	Hills	Beach
Total Energy	MJ	8,647,220	7,806,650	10,685,645
Energy Intensity	MJ/ Occupied room night (ORN)	257.63	271.98	372.28

## ENERGY CONSUMPTION VS ENERGY INTENSITY



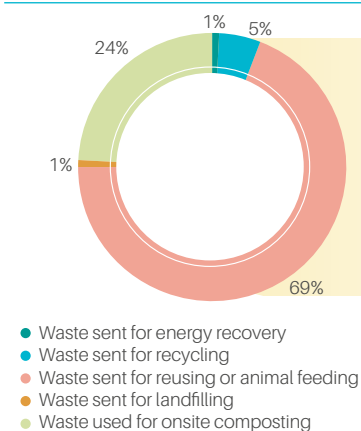
## MATERIAL AND WASTE MANAGEMENT

We believe that every material we use and every item we discard is a chance to make a sustainable choice. At Hayleys Leisure we apply the 7R principle – Reject, Reduce, Reuse, Reclaim, Repair, Replace, and Recycle. These principles have been embedded across all our properties.

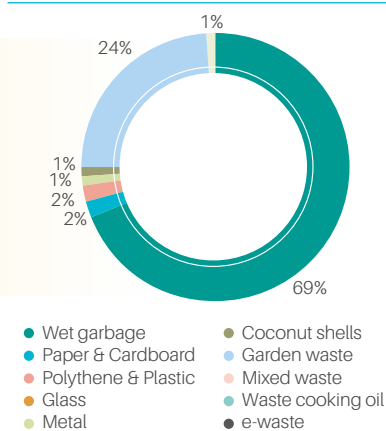
Items	UOM	Renewable Materials			Total
		Lake	Beach	Hills	
Food ingredients	Kg	296,828	246,554	217,637	761,019
Food ingredients	Liters	30,384	22,618	19,762	72,764
Food ingredients	Units	605,735	528,004	540,359	1,674,098
Paper & cardboard (Packaging material)	Units	63,118	57,235	37,116	157,469

Items	UOM	Non-renewable Materials			Total
		Lake	Beach	Hills	
Polythene & plastic (Packaging material)	Units	81,389	28,231	37,116	146,736
Aluminium	Units	5,433	4,150	3,253	12,836
Chemicals	Units	2,087	3,527	3,386	9,000
Chemicals	Kg	30,501	507	106	31,114
Chemicals	Liters	430	13,081	211	13,722

WASTE PROFILE BY DISPOSAL METHODS



WASTE PROFILES BY TYPES OF WASTE



Waste profile by disposal methods	MT
Waste sent for energy recovery	3.50
Waste sent for recycling	17.45
Waste sent for reusing or animal feeding	230.35
Waste sent for landfilling	3.13
Waste used for onsite composting	80.47
<b>Total</b>	<b>334.90</b>

Waste profile by disposal methods	MT
Wet garbage	230.35
Paper & Cardboard	6.01
Polythene & Plastic	5.77
Glass	0.68
Metal	4.91
Coconut shells	3.24
Garden waste	80.47
Mixed waste	3.13
Waste cooking oil	0.26
e-waste	0.08
<b>Total</b>	<b>334.90</b>

# NATURAL CAPITAL

## MATERIAL AND WASTE MANAGEMENT INITIATIVES

Implemented a short term project based KPIs to track and reduce waste intensity across all properties.

- 100% waste monitoring, segregation and quantification
- 90% diverted from improper disposals
- Converting of waste storage areas into Resource Recovery Centres 90% diverted from land filling
- Implementing sustainable disposable practices for all generated waste categories

Launched the “No Bin Day” initiative and standardised this practise across all staff cafeterias to promote better waste segregation

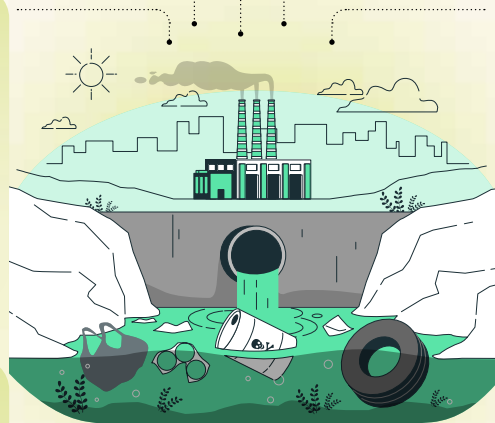
- More than 4 “no bin days” per month by each property
- Food waste per employee generated at staff cafeterias
  - Beach - 27.7 g/employee
  - Hills - 90.0g/employee
  - Lake 19.2g/employee

Introduced innovative methods to reduce kitchen waste applying the reduce, reuse, and repurpose concept whilst ensuring compliance with food safety regulations to maintain high quality standards.

- FIFO application
- Local sourcing
- Minimising bulk purchases
- More focused on home made products
- Food waste converted into by products

Implemented a guest engagement process to encourage reduced laundry frequency, helping to minimise water and chemical consumption in operations.

- 100% automated laundry chemical-feeding system for optimising consumptions.



Each property continues to operate in-house composting projects. These include

- Garden waste composting
- Production of organic liquid fertilizers and pesticides by on-site gardening teams

Continuation and Introduction of new initiatives to eliminate single use plastic

- Introduced operational controls to promote water serving practices and introduced glass bottles instead of PET water bottles for all banquet operations
- Elimination of plastic straw usage across all properties
- Shower essentials at guest rooms provided in ceramic containers at all properties
- Launched a pilot initiative to introduce mini RO plants, aimed at eliminating the need for 19 L bottled water dispensers

Engaged the Lanka Responsible Care Council to conduct external evaluations aimed at enhancing chemical handling and storage processes.

- Initiated the standardization of chemical labelling and inventory management system to improve safety and compliance
- 20+ staff trained on chemical management practices per property
- 2 external assessments conducted within the year

Strengthened systems to ensure the environmentally responsible disposal of waste items

- Food waste/wet garbage: redirected to selected piggeries
- 69% of food waste diverted to piggeries
- Non-hazardous dry waste: segregated and sent to CEA approved collectors
- 260Kg of used cooking oil collected for reuse in animal feed production
- E-waste: segregated and sent to CEA approved collectors

## WATER AND EFFLUENT MANAGEMENT

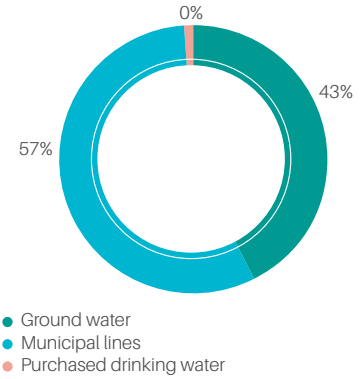
Water and effluent management are a key focus area, and we are committed to protecting natural water sources and have adopted international best practices to ensure environmental harmony.

### WATER CONSUMPTION BY SOURCE

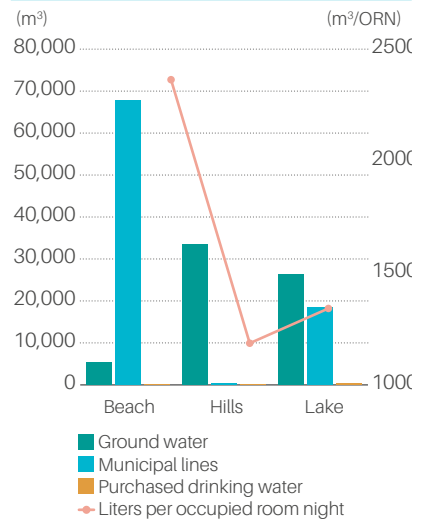
	UoM	Total (including HO)
Ground water	Liters	65,290,540
Municipal lines	Liters	86,620,274
Purchased drinking water	Liters	624,439

	UoM	Amaya Beach	Amaya Hills	Amaya Lake	Total (including HO)
Ground water	Liters	5,478,540	33,476,000	26,336,000	65,290,540
Municipal lines	Liters	67,771,000	438,000	18,404,274	86,620,274
Purchased drinking water	Liters	209,975	131,019	283,445	624,439
Water per room night	Liters/room night	2,363.41	1,186.11	1,341.43	1,634.03

### WATER CONSUMPTION BY SOURCE



### WATER CONSUMPTION VS WATER INTENSITY



## WATER AND EFFLUENT MANAGEMENT INITIATIVES

Introduced short term KPIs aimed at reducing water intensity and promoting sustainable water sourcing practices across all properties.

Transitioned to more sustainable freshwater sources, with Amaya Lake prioritising the use of municipal water over ground water sources

- 41% of municipal water consumption at Amaya Lake

Implemented measures to optimise water distribution system pressure, ensuring efficient usage and minimising unnecessary water wastage.

Initiated rainwater harvesting facilities at each property

Launched a pilot project introducing mini RO plants to eliminate the need for purchased drinking water bottles, resulting in:

- Reduced water usage
- Lowered water procurement costs
- Reduced storage requirements and unnecessary water waste

# NATURAL CAPITAL

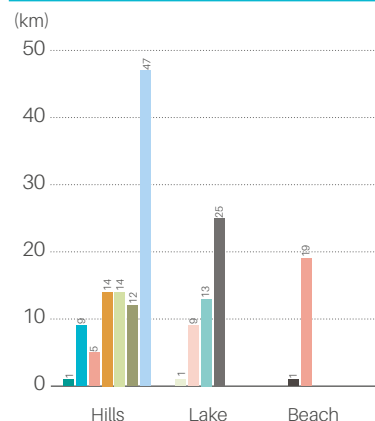
## BIODIVERSITY

The surrounding environment is an integral part of the experience we offer at all our properties and its protection is a responsibility we embrace. We have embedded biodiversity conservation into our operational framework, and we are committed to achieving a positive impact on the ecosystems we operate and engage in.

	Total Land Area (m2)	Built area footprint (m2)	Built area %
Hills	48,208	10,343	21%
Beach	43,807	12,575	29%
Lake	168,172	12,801	8%

Proximity to Ecological Hotspots		km
Amaya Hills	Hanthana Mountain range (situated at boundary)	1
	Udawattakele Forest Reserve	9
	Royal Botanical Gardens, Peradeniya	5
	Polgolla Forest Reserve	14
	Kahalle Pallekele Sanctuary	14
	Nelligala Jungle Corridor	12
	Knuckles Mountain Range (UNESCO World Heritage)	47
Amaya Lake	Kandalama Reservoir	1
	Rangiri Dambulla Cave temple (UNESCO World Heritage)	9
	Sigiriya (UNESCO World Heritage)	13
	Minneriya National Park	25
Amaya Beach	Pasikudah Bay Coral Reefs	1
	Kayankerni Coral Reef	19

### PROXIMITY TO ECOLOGICAL HOTSPOTS



## BIODIVERSITY INITIATIVES

### Launched "Concept Gardens" across all properties

- Established organic vegetable gardens at each resort to supplement in-house kitchen requirements. Any surplus which is produced is shared with property staff and guests
- Currently the project contributes over Rs. 15,000 worth of fresh organic produce to property kitchens each month

### Initiated a Herbal Garden project at Amaya Lake, promoting natural and wellness practices

- Providing new guest experience over these biodiversity initiatives

### Eco-friendly agricultural practices

- Started using natural pesticides to support chemical-free gardening and the health of visitors

### Tree planting and environmental ceremonies

- Conducted ceremonial tree planting sessions in alignment with national and global celebrations, including: Earth Hour and Independence Day
- Planted 54 trees during the above celebrations

### Environmental sustainability partnership programs

- Participated in the International Mountain Day celebrations held at Hanthana mountain range which was organised by the Central Environmental Authority in collaboration with the University of Peradeniya, local schools in Kandy, community members and resort guests

### Bee farming

- Continuation of the bee farming project at Amaya Hills, which supports pollination populations
- Provides new guest experience

### Kirulu biodiversity project

- 358 trees have been successfully planted during the year
- Hayleys Leisure is a proud partner of the Kirulu Initiative, Hayleys Group's flagship ecosystem restoration programme aimed at addressing deforestation, climate change, and watershed degradation in Sri Lanka's central highlands. The initiative focuses on restoring degraded and secondary forests within plantation landscapes, increasing biodiversity, enhancing water resource protection, and boosting carbon sequestration.

- In 2024, the Kirulu project achieved a significant milestone by becoming Asia's first ecosystem restoration programme to be independently verified by Preferred by Nature. This verification underscores the initiative's adherence to international best practices in ecological restoration and long-term sustainability. Through this collaborative effort, Hayleys Leisure reaffirms its commitment to environmental stewardship, landscape resilience, and contributing meaningfully to Sri Lanka's green recovery.



# NATURAL CAPITAL

## SUSTAINABLE BUSINESS CULTURE

Beyond cultivating awareness among our team members, we actively engage with a broad network of stakeholders to strengthen our impact and drive sustainable value. Our key priorities include targeted environmental and social training, encouraging responsible consumer behaviour, and building supplier capacity on sustainability-related matters.



- Partnered with “Centre of Sustainability” at University of Peradeniya and conducted workshops on biodiversity assessment at Amaya Hills premises

  - 50+ participated during the workshop
- Plan on environment sustainability focused national/international day celebration through the year

10+ programs have been conducted at each property per annum.
- Industry-academy partnership over sustainability initiatives

03 internship opportunities under sustainability department.

Contributing to national level food management program by FAO

## EMISSIONS MANAGEMENT

Hayleys Leisure has taken a structured and more data driven approach which allows to measure, manage and reduce the GHG emissions by embedding sustainability more deeply into its operations.

## EMISSION REDUCTION INITIATIVES



- We are committed to transparency and accountability by verifying our GHG emissions in line with ISO 14064 which is the global standard for GHG measurement and reporting.
- Expanding the GHG emission reporting scope by considering the supplier transportation related GHG emission into the carbon footprint calculation
- Celebrated “Earth Hour” with the active contribution of in-house guests at each resort

  - Outcome of Earth Hour celebration programs Guests engaged - **448 kWh**
  - Emission reductions (kg CO2e) - **192**

## GHG EMISSION SUMMARY - CLASSIFIED BY ISO 14064:2018

Emission Source	tCO <sub>2</sub> e				Total
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFC	
<b>CATEGORY 1: DIRECT GHG EMISSIONS</b>					
<b>1.1 Direct emissions from stationary combustion</b>					
Process Emission	10.73	0.04	0.00	-	10.77
Diesel	45.82	0.18	0.10	-	46.10
LPG	185.47	0.44	0.08	-	185.99
Kerosene	2.69	0.01	0.01	-	2.71
Incineration - Waste (Biomass)	-	0.03	0.04	-	0.06
<b>1.2 Direct emissions from mobile combustion</b>					
Emissions from Own Vehicles - Diesel - Road	43.22	0.07	0.62	-	43.91
Emissions from Own Vehicles - Diesel - Off-Road	1.20	0.00	0.13	-	1.33
Emissions from Own Vehicles - Petrol - Off-Road (4 Str)	4.77	0.10	0.04	-	4.91
Manager Fuel - Petrol	20.96	0.30	0.26	-	21.52
Manager Fuel - Diesel	3.62	0.01	0.05	-	3.68
<b>1.3 Direct fugitive emissions</b>					
Refrigerant Leakages/Refilling	-	-	-	378.32	378.32
CO2 Fire Extinguishers Leakages/Refilling	0.12	-	-	-	0.12
Waste Water Treatment	142.52	-	-	-	142.52
<b>Total direct emissions in tonnes CO<sub>2</sub>e</b>	<b>461.11</b>	<b>1.17</b>	<b>1.33</b>	<b>378.32</b>	<b>841.93</b>
<b>CATEGORY 2: INDIRECT GHG EMISSIONS FROM IMPORTED ELECTRICITY</b>					
2.1 Indirect emissions from imported electricity (location based - grid)	2,732.58	-	-	-	2,732.58
<b>CATEGORY 3: INDIRECT GHG EMISSIONS FROM TRANSPORTATION</b>					
3.1 Emissions from Upstream transport and distribution for goods	57.40	-	-	-	57.40
3.3 Emissions from Employee commuting	85.80	-	-	-	85.80
3.5 Emissions from Business Air Travels	11.34	-	-	-	11.34
Emissions from other 3rd Party - Diesel - Road	36.07	0.06	0.52	-	36.65
<b>CATEGORY 4: INDIRECT GHG EMISSIONS FROM SERVICES USED BY THE ORGANIZATION</b>					
Emissions from Water Supply	12.97	-	-	-	12.97
Emissions from the Disposal of Solid and Liquid Waste	8.22	-	-	-	8.22
<b>CATEGORY 5: INDIRECT GHG EMISSIONS FROM OTHER SOURCES.</b>					
T & D Loss	280.19	-	-	-	280.19
<b>Total indirect emissions in tonnes CO<sub>2</sub>e</b>	<b>3,224.57</b>	<b>0.06</b>	<b>0.52</b>	<b>-</b>	<b>3,225.14</b>
<b>Total emissions in tonnes CO<sub>2</sub>e</b>	<b>3,685.67</b>	<b>1.23</b>	<b>1.85</b>	<b>378.32</b>	<b>4,067.07</b>
Biogenic Emission	4.43	-	-	-	4.43

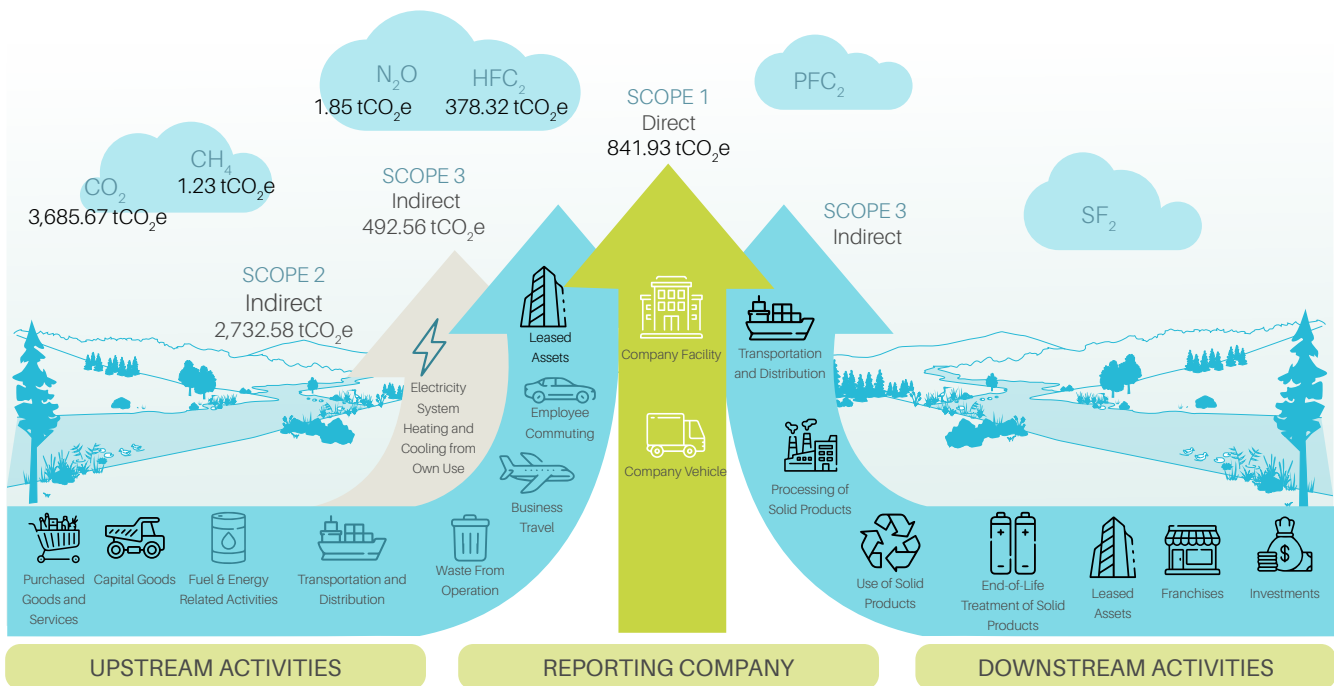
# NATURAL CAPITAL

## GHG EMISSION SUMMARY - CLASSIFIED BY GHG PROTOCOL

Emission Source	tCO <sub>2</sub> e				Total
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFC	
<b>SCOPE 1 EMISSION</b>					
<b>Stationary combustion</b>					
Process Emission	10.73	0.04	0.00	-	10.77
Diesel	45.82	0.18	0.10	-	46.10
LPG	185.47	0.44	0.08	-	185.99
Kerosene	2.69	0.01	0.01	-	2.71
Incineration - Waste (Biomass)	-	0.03	0.04	-	0.06
<b>Mobile combustion</b>					
Own Vehicles - Diesel	43.22	0.07	0.62	-	43.91
Own Vehicles - Diesel - Off-Road	1.20	0.00	0.13	-	1.33
Own Vehicles - Petrol - Off-Road (4 Str)	4.77	0.10	0.04	-	4.91
Manager Fuel - Petrol	20.96	0.30	0.26	-	21.52
Manager Fuel - Diesel	3.62	0.01	0.05	-	3.68
<b>Fugitive emissions</b>					
Refrigerant Leakages/Refilling	-	-	-	378.32	378.32
CO2 Fire Extinguishers Leakages/Refilling	0.12	-	-	-	0.12
Waste Water Treatment	142.52	-	-	-	142.52
<b>Total Scope 1 emissions in tonnes CO<sub>2</sub>e</b>	<b>461.11</b>	<b>1.17</b>	<b>1.33</b>	<b>378.32</b>	<b>841.93</b>
<b>SCOPE 2 EMISSIONS</b>					
Indirect emissions from imported electricity (location based - grid)	2,732.58	-	-	-	2,732.58
<b>Total Scope 2 emissions in tonnes CO<sub>2</sub>e</b>	<b>2,732.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,732.58</b>
<b>SCOPE 3 EMISSION</b>					
3. Fuel and Energy Related Activities (not includes in scope 1 and 2) - T & D Loss and water supply	293.16	-	-	-	293.16
4. Upstream Transportation and Distribution (and 3rd party other vehicle - other)	93.47	0.06	0.52	-	94.04
5. Waste Generated in Operations	8.22	-	-	-	8.22
6. Business Air Travels	11.34	-	-	-	11.34
7. Employee Commuting	85.80	-	-	-	85.80
<b>Total Scope 3 emissions in tonnes CO<sub>2</sub>e</b>	<b>491.99</b>	<b>0.06</b>	<b>0.52</b>	<b>-</b>	<b>492.56</b>
<b>Total emissions in tonnes CO<sub>2</sub>e</b>	<b>3,685.67</b>	<b>1.23</b>	<b>1.85</b>	<b>378.32</b>	<b>4,067.07</b>
Biogenic Emission	4.43	-	-	-	4.43

Note: While increasing our GHG emission reporting scope, initiated to quantify and disclose GHG emissions relating to upstream suppliers for the first time. Considered the 80% (spend based) of our suppliers transportation related GHG emissions.

Note: Biogenic carbon dioxide (CO<sub>2</sub>) emissions come from the combustion or decomposition of biomass - plant or animal material. The most relevant source of biogenic CO<sub>2</sub> for many organisations is the combustion of biofuels.



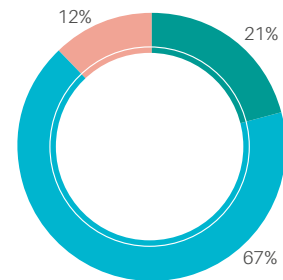
\* Considered under our reporting scope for 2024/25

Total GHG Emissions = 4,067.07 tCO<sub>2</sub>e

	UOM	Total emission
Total Scope 1 emissions	tCO <sub>2</sub> e	841
Total Scope 2 emissions	tCO <sub>2</sub> e	2,733
Total Scope 3 emissions	tCO <sub>2</sub> e	493
<b>Total emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>4,067</b>
Total GHG Emission per occupied room night	tCO <sub>2</sub> e/ room night	44

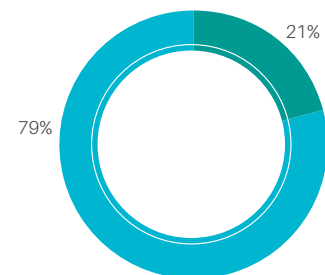
	UOM	Total emission
Total direct emissions	tCO <sub>2</sub> e	841
Total indirect emissions	tCO <sub>2</sub> e	3,226
<b>Total emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>4,067</b>

#### TOTAL SCOPE EMISSION



- Total Scope 1 emissions
- Total Scope 2 emissions
- Total Scope 3 emissions

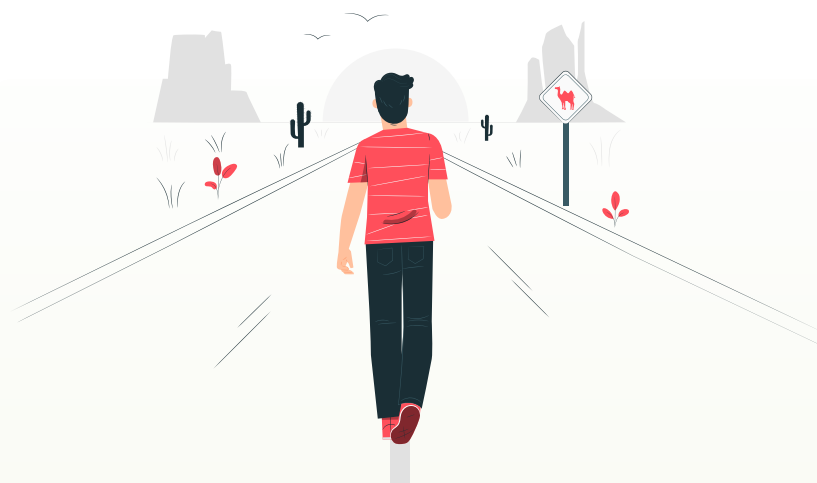
#### COMPOSITION OF EMISSIONS



- Total direct emissions
- Total indirect emissions

In accordance with Sri Lanka Financial Reporting Standards (SLFRSs), the Group has adopted a structured methodology to identify and assess Sustainability-Related Risks and Opportunities (SRROs) based on predefined environmental and regulatory risk criteria. These criteria include temperature, policy and legal frameworks, water resources, ecological impacts, and the energy transition. This analysis supports the prioritisation of regulatory disclosures that have the most significant impact on our operations and long-term value creation. We are currently developing a medium- to long-term roadmap that aligns SRRO compliance with our overarching strategic and sustainability goals.

## WAY FORWARD



### WAY FORWARD: DRIVING SUSTAINABLE GROWTH THROUGH INNOVATION, PEOPLE, AND PURPOSE

As we navigate an evolving macroeconomic landscape, Hayleys Leisure remains resolutely focused on creating long-term, sustainable value. Through prudent financial stewardship, value drive investments, and a steadfast commitment to sustainability, we continue to strengthen our position as a leader in Sri Lanka's hospitality sector.

We will retain focus on disciplined capital allocation, robust risk management, and prudent liquidity buffering to preserve value and ensure the Group's long-term financial resilience. Investments will be strategically prioritised to support business growth, operational agility, and returns. Transparency and timely engagement with our stakeholders will remain central to our governance approach.

We are deepening stakeholder engagement through initiatives that create shared value and long-term relationships. This includes enhanced collaboration across teams and

business units, customer-focused service innovations, and community engagement programmes aligned with our sector purpose of "Curating Happiness."

We are advancing a comprehensive digital transformation to enhance infrastructure and operational excellence. Planned initiatives include Automate provisioning and deprovisioning of Line of Business (LOB) applications to enhance access control, strengthen security, and reduce manual tasks.

Leveraging generative AI to streamline internal operations, resolve bottlenecks, and deliver more personalized guest services. Implementation of mobile application for HOD's to approve purchase orders (POs) improving process efficiency and user convenience and implementation of CAPEX approval system with real-time notifications, automated workflows, multi-level approvals, and audit trails.

Concurrently, we continue to invest in upgrading our physical infrastructure, with a focus on elevating guest experiences and expanding our footprint across the island.

People are at the heart of our business. To build future-ready teams and nurture leadership at every level, involves a strategic focus on continuous learning, health and wellbeing, and inclusive culture. We are committed to investing in upskilling and reskilling, fostering a culture of knowledge sharing, while actively encouraging employee engagement and empowerment.

By prioritizing diversity, equity, and inclusion (DEI), and leveraging Learning Management Systems (LMS), we ensure our human capital strategy is aligned with our broader business goals enabling us to meet future workforce demands and sustain high performance.

Environmental Sustainability is central to our future roadmap. As part of our 2030 sustainability agenda, strengthening corporate natural capital strategies, fostering multi-stakeholder collaboration and ongoing contribution in achieving the UN Sustainable Development Goals (SDGs) to embed the value of ecosystems are considered paramount.

As we look ahead, 'Hayleys Leisure' is committed to building a technology-enabled, human-centric, and environmentally responsible business. Guided by our values and purpose, we will continue to create enduring value; ensuring resilience, innovation, and sustainable growth in the years to come.



### Fulfilling Promises, Preserving Memories

At Hayleys Leisure, strong governance and effective risk management form the foundation for every memorable experience we deliver. Anchored in integrity, transparency, and accountability, these frameworks ensure our operations are resilient and future-ready. By safeguarding what matters most - our people, guests, and values - we create an environment where meaningful moments can flourish.

# CORPORATE GOVERNANCE

Sound corporate governance is key to the effective operations of Hayleys Leisure PLC. The governance framework of the Group is shaped by the following:

## Regulatory requirements

- Companies Act No.7 of 2007
- CSE Listing Requirements

## Voluntarily adopted standards and codes

- Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

## KEY CHANGES IN 2024/25

Section 9 of the Listing Rules of the Colombo Stock Exchange was amended in the latter half of 2023 with most provisions coming into effect by 1st March 2025. As the governance structure of the Company had evolved, only a few changes were necessary. The Company complied with the requirement for the appointment of a Senior Independent Director in the previous financial year, leaving only a few changes to be implemented in the year under review. Additionally, the Board accepted the resignation of an Independent Director and appointed one to fill the vacancy. The key changes in 2024/25 are highlighted alongside.

### APPOINTMENTS

Ms. Harshani Dileeka Kumari Randiligama was appointed as an Independent Non-Executive Director with effect from 31st December 2024.

Mr. Thushara Milinda Hewagama was appointed as a Non-Executive Director with effect from 30th April 2025.

### RESIGNATIONS

Ms. Anomi Indra Wanigasekera resigned during the year with effect from 31st December 2024.

### ESTABLISHING NEW COMMITTEES OF THE BOARD

Nominations & Governance Committee  
Remuneration Committee  
Related Party Transactions Review Committee



### GOVERNANCE FRAMEWORK

The governance framework including Board Charter and Board Committee Terms of Reference were reviewed and amended to comply with Section 9 of the CSE Listing Rules

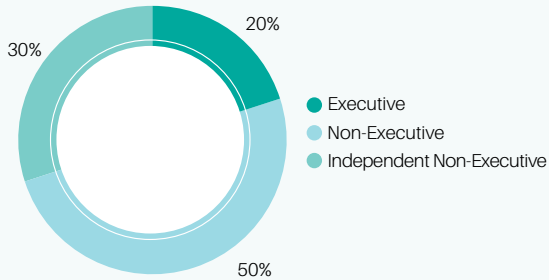
### POLICY FRAMEWORK

The 12 policies required by Section 9 were reviewed and approved by the Board and published on the Company website.

## AN EFFECTIVE BOARD

The Board of the Company comprises 10 Directors of whom 2 serve in an executive capacity, namely the Chairman, Mr. A. M. Pandithage and the Managing Director, Mr. R. J. Karunarah. There are 3 Independent Non-Executive Directors and 5 Non-Executive Directors. As the Chairman is an executive, Mr. D. T. R. De Silva has been appointed as the Senior Independent Director. The current composition ensures a balance of skills, experience and perspectives for discussion of matters set before the Board including determining the strategic direction of the Group, oversight on progress and performance and risk management.

### Voluntarily adopted standards and codes



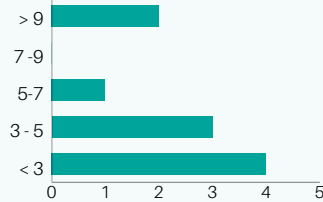
### Collective Knowledge



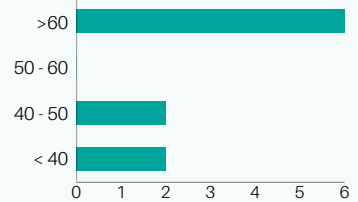
### Gender Representation



### Tenure of Services

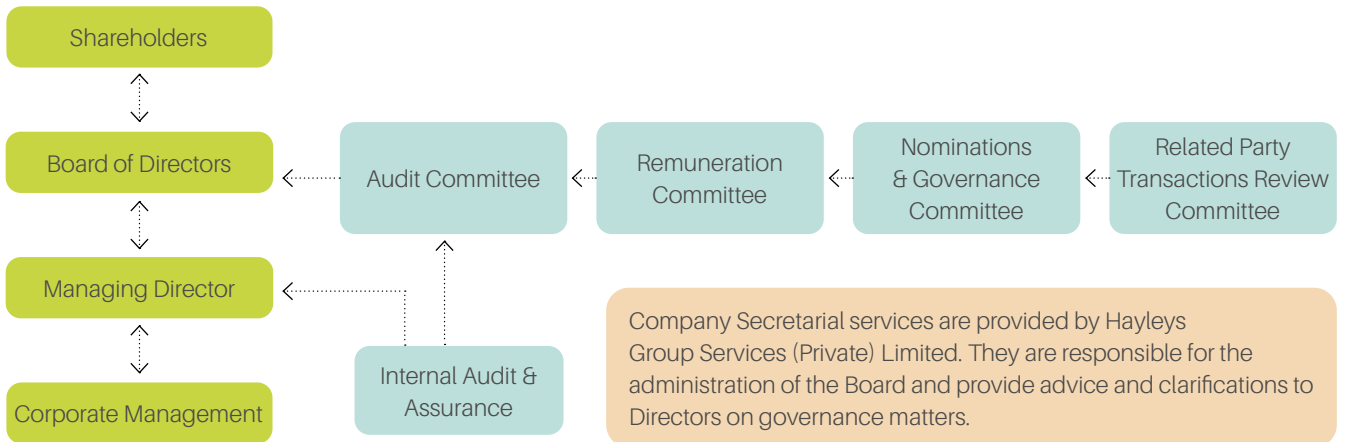


### Age Diversity



## GOVERNANCE STRUCTURE

The Board relies on an effective governance structure for empowerment, accountability and oversight as set out below.



# CORPORATE GOVERNANCE

## BOARD MEETINGS

The Board of Hayleys Leisure PLC and the Board Audit Committee met once every quarter. The Directors' attendance during the year is shown in the table below.

Name of Director	Executive/ Non-Executive / Independent Non-Executive	Attendance				
		Board Meetings	Audit Committee	Nominations & Governance Committee	Related Party Transactions Review Committee	Remuneration Committee
Mr. A. M. Pandithage - Chairman	Executive	04/04	-	-	-	-
Mr. R. J. Karunarahah - Managing Director	Executive	04/04	-	-	-	-
Mr. S. C. Ganegoda	Non-Executive	02/04	-	01/02	02/04	00/01
Ms. R. N. Ponnambalam	Non-Executive	04/04	-	-	-	-
Ms. W. D. De Costa	Non-Executive	04/04	04/04	-	-	-
Mr. D. T. R. De Silva	Independent Non-Executive	04/04	04/04	02/02	04/04	01/01
Ms. K. A. D. B Perera	Non-Executive	03/04	-	-	-	-
Ms. A. I. Wanigasekera *	Independent Non-Executive	02/02	02/02	01/01	02/02	01/01
Ms. A. A. K. Amarasinghe	Independent Non-Executive	03/04	-	-	-	-
Ms. H. D. K. Randiligama **	Independent Non-Executive	02/02	02/02	01/01	02/02	N/A
Mr. T. M. Hewagama ***	Non-Executive	01/01	-	-	-	-

\* Resigned w.e.f. 31.12.2024

\*\* Appointed w.e.f. 31.12.2024

\*\*\* Appointed w.e.f. 30.04.2025

Name of Director	Directorship at Hayleys Leisure PLC	Number of Board seats held in Listed Companies		Number of Board seats held in Unlisted Companies	
		Executive	Non-Executive	Executive	Non-Executive
Mr. A. M. Pandithage	Executive	11	1	120	10
Mr. R. J. Karunarahah	Executive	2	0	7	0
Mr. S. C. Ganegoda	Non-Executive	2	8	0	54
Ms. W. D. De Costa	Non-Executive	0	1	0	0
Ms. R. N. Ponnambalam	Non-Executive	0	1	1	1
Ms. K. A. D. B. Perera	Non-Executive	0	10	0	4
Mr. D. T. R. De Silva	Independent Non-Executive	0	4	0	1
Ms. A. A. K. Amarasinghe	Independent Non-Executive	1	3	0	1
Ms. H. D. K. Randiligama	Independent Non-Executive	0	1	0	0
Mr. T. M. Hewagama	Non-Executive	0	2	0	18

## ROLES & RESPONSIBILITIES

### ROLES & RESPONSIBILITIES OF THE BOARD

- Formulation and implementation of business strategy
- Ensuring that the Managing Director and Corporate Management possess relevant skills, experience and knowledge to implement the strategy
- Approving budgets, major capital expenditure and financing arrangements
- Establishing effective systems and processes including financial and non-financial reporting, internal controls, business continuity and risk management
- Establishing systems to monitor compliance with regulatory requirements
- Nurturing an organizational culture in line with corporate values and codes of ethics
- Considering and balancing stakeholder interests in corporate decisions
- Regular review of value creation processes and value chain impacts to facilitate transition to a green economy
- Financial and non-financial reporting

### EXECUTIVE CHAIRMAN'S ROLE

- Provide leadership to the Board and effective conduct of Board meetings
- Determining the agenda for Board meetings in consultation with the Company Secretary and the Head of Finance
- Ensure that new Directors go through an induction programme, facilitating their effective participation
- Ensuring compliance with relevant legal and regulatory frameworks
- Balancing of stakeholder interests and meeting obligations
- Ensuring participation of both Executive and Non-Executive Directors
- Ensuring that all Directors are adequately briefed on matters arising at Board Meetings
- Ensuring that Directors contribute effectively, leveraging the collective skills and experience of the Board
- Ensuring that shareholders are given adequate opportunity to make observations, express their views and seek clarifications at meetings of shareholders
- Facilitating effective management of potential conflicts of interest

### ROLE OF MANAGING DIRECTOR

- Maintaining a close working relationship with the Chairman, and acting as a sounding board for the Chairman when required
- Developing Group's business strategy for approval by the Board
- Developing and recommending to the Board, budgets that support the Group's long-term strategy
- Effective implementation of business strategy
- Effective management of risks
- Ensuring compliance with applicable rules and regulations
- Succession planning and building talent pipelines for critical roles
- Creating an ethical environment and nurturing a culture based on the Group's values.

# CORPORATE GOVERNANCE

## SECTION 1: CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CASL)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>A. DIRECTORS</b>			
<b>A.1 The Board</b>			
<p>The Company is headed by an effective Board of Directors with local and international experience. The Board of Directors of the Company consists of professionals in the fields of Accounting, Management, Economics, Marketing and Business Leaders. All Directors possess the skills, experience and knowledge complemented with a high sense of integrity and independent judgment. The Board gives leadership in setting the strategic direction and establishing a sound control framework for the successful functioning of the Company. The Board's composition reflects a sound balance of independence and anchors shareholder commitment. Profiles of Directors are given on pages 19 to 21.</p>			
1. Board Meetings	A.1.1	Compliant	<p>The Board usually meets at quarterly intervals, but may meet more frequently as needed. The Board met four (04) times during the year on 02nd August 2024, 01st November 2024, 23rd January 2025 and 30th April 2025. Scheduled Board meetings were arranged well in advance, and all Directors were expected to attend each meeting. Any instances of non-attendance of Board meetings were generally related to prior business, personal commitments or illness. The attendance at Board meetings held is set out on page 88 of the Annual Report.</p>
2. Board Responsibilities	A.1.2	Compliant	<p>The Board is responsible to the Shareholders for creating and delivering long-term sustainable Shareholder value through the business. The Board ensures the formulation and implementation of a sound business strategy. The Board has put in place a Corporate Management team with the required skills, experience and knowledge necessary to implement the business strategy of the Company. The Board also ensures effective systems are in place to secure integrity of information, internal controls and risk management. The Board ensures that the Company's values and standards are set with an emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations.</p>
3. Compliance with laws and access to independent professional advice	A.1.3	Compliant	<p>The Board collectively, and Directors individually recognise their duty to comply with laws of the country which are applicable to the Company. The Company had complied with all applicable laws and regulations during the year. A procedure has been put in place for Directors to seek independent professional advice in furtherance of their duties, at the Company's expense.</p>
4. Company Secretary	A.1.4	Compliant	<p>Company Secretarial Services are Provided by Hayleys Group Services (Private) Limited which is headed by an Attorney-at-Law who is a qualified chartered secretary ably assisted by professionally qualified secretaries who are registered with the Registrar of Companies. The services of the Company Secretary are available to Directors. The Company Secretaries keep the Board informed of new laws, regulations and requirements coming into effect, which are relevant to them as individual Directors and collectively to the Board.</p> <p>The Company has obtained appropriate insurance covers and they are further detailed on page 115 under "Annual Report of the Board of Directors on the Affairs of The Company".</p>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
5. Independent judgment	A.1.5	Compliant	<p>The Non-Executive Directors are independent of the management and free from any business and other relations. The Directors exercise independent judgment to bear on all issues of strategy, performance, resources and standards of business conduct.</p> <p>The Non- Executive Directors make an annual determination of their independence through a signed and dated declaration to that effect and make sure there is no conflict of interest.</p> <p>The Board gives direction to the long term strategy, seeking and contributing views and opinions on strategic options proposed by the Executive Management. All members of the Board have fiduciary duties and statutory liabilities, regardless of whether they are Executive or Non-Executive.</p>
6. Dedication of adequate time and effort by the Board and the Company	A.1.6	Compliant	All Directors of the Company dedicate adequate time and effort to fulfil their duties as Directors of the Company (both before and after the Board Meetings), in order to ensure that the duties and responsibilities owed to the Company are satisfactorily discharged.
7. Calling for a Resolution	A.1.7	Compliant	Any Director can call for a resolution to be presented to the Board where they feel it is in the best interest to the Company.
8. Training for Directors	A.1.8	Compliant	The Board regularly reviews and agrees on the training and development needs of the Board members, to ensure Directors are capable to make appropriate decisions with regard to the current and future performance of the business.

#### A.2 Chairman and Chief Executive Officer (CEO)

There should be a clear division of responsibilities between the Chairman and Chief Executive Officer in order to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decision-making. The roles of the Chairman and Chief Executive Officer function separately in the Company. The Chairman's main responsibility is to lead, direct and manage the work of the Board in order to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director, who performs the role of the Chief Executive Officer, is responsible for the day-to-day operations of the Company. Mr. D. T. R. De Dilva has been appointed as a Senior Independent Director as the Chairman is an Executive Chairman in compliance with Section 9 of the CSE Listing Rules.

9. Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	Compliant	The positions and functions of the Chairman and the Managing Director have been separated; the role of the Managing Director is to manage the day-to-day running of the Company. The Board has delegated this responsibility to the Managing Director and he then leads the Corporate Management team in making and executing operational decisions. The Managing Director is also responsible for recommending strategy to the Board.
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## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>A.3 Chairman's Role</b>			
The Chairman leads and manages the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully preserves order and facilitates the effective discharge of Board functions. The profile of the Chairman is given on page 19.			
10. Role of the Chairman	A.3.1	Compliant	<p>The Chairman is an outstanding business leader and provides leadership to the Board, controls and preserves order at Board meetings and provides the Board with strategic direction and guidance in managing the affairs of the Company.</p> <p>The Chairman maintains close contact with all Directors and, where necessary, holds meetings with Non-Executive Directors without Executive Directors being present.</p> <p>The Chairman is also responsible for:</p> <ul style="list-style-type: none"> <li>• Ensuring the new Board Members are given an appropriate induction, covering terms of appointment.</li> <li>• Ensuring the effective participation of both Executive and Non-Executive Directors. All Directors are encouraged to make an effective contribution, within their respective capabilities, for the benefit of the Company.</li> <li>• Ensuring that a balance of power between Executive and Non-Executive Directors is maintained.</li> <li>• Ensuring that the views of Directors on issues under consideration are ascertained. Ensuring that the agenda for Board meetings is developed in consultation with the Managing Director, Head of Finance and the Company Secretary taking into consideration the matters relating to strategy, performance, resource allocation, risk management and compliance.</li> </ul>
<b>A.4 Financial Acumen</b>			
The Code requires that the Board comprises members with sufficient financial acumen and knowledge in order to offer guidance on matters on finance. The Board of the Company has met the above requirement as the Chairperson of the Audit Committee is a qualified Accountant having professional qualifications and equipped with sufficient financial acumen and knowledge to offer guidance on matters of finance.			
11. Financial acumen and knowledge	A.4	Compliant	<p>The Board includes four senior Chartered Accountants (ICASL &amp; CIMA UK) one of whom serves as the Chairman of the Audit Committee.</p> <p>These Directors add substantial value and independent judgment on the decision-making of the Board on matters concerning finance and investment.</p>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>A.5 Board Balance</b>			
The Code requires that a balance is maintained between the Executive and Non-Executive Directors (NEDs) so that no individual or a small group of individual Directors are able to dominate the Board's decision-making. The Board consists of Two (02) Executive Directors and Eight (08) Non-Executive Directors. Each of them brings to the Board, wide experience and the ability to exercise independence and judgment when taking informed decisions.			
12. Presence of Non-Executive Directors	A.5.1	Compliant	The Board consists of 10 Directors comprising Executive Directors (ED) - 02, Non-Executive Directors (NED) - 05, Independent Non-Executive Directors - 03 (INED).
13. Criteria to evaluate Independence of Non-Executive Directors	A.5.3	Compliant	Refer Section A.5.5 below. The Board considers Non-Executive Director's independence on an annual basis. For a Director to be deemed 'independent', such a Director should be independent of management and free of any business or any other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment. The Board complies with the criteria for determining independence of Directors.
14. Signed declaration of independence by the Non-Executive Directors	A.5.4	Compliant	Every Non-Executive Director of the Company has made a written submission as to their independence against the specified criteria.
15. Determination of Independence	A.5.5	Compliant	The Board has determined the independence of Directors based on the declarations submitted by the Non-Executive Directors, as to their independence as a fair representation and will continue to evaluate their independence on this basis annually. No circumstances have arisen for the determination of independence by the Board, beyond the criteria set out in the Code. Independent Non-Executive Directors are:  Mr. D. T. R. De Silva  Ms. A. A. K. Amarasinghe  Ms. A. I. Wanigasekera - Resigned w.e.f. 31.12.2024  Ms. H. D. K. Randiligama - Appointed w.e.f. 31.12.2024
16. Alternate Directors	A.5.6	Compliant	No alternate Director has been appointed by any of the Board Members.
17. Senior Independent Director	A.5.7	Compliant	The Board has appointed <b>Mr. D. T. R. De Silva</b> as the Senior Independent Director ('SID') of the Company. A report from the SID is included on page 126 of the Annual Report.
18. Role of the SID	A.5.8.	Compliant	The SID makes himself available for confidential discussions with other Directors who have concerns which they believe have not been properly considered by the Board. Refer Report of the SID on page 126.
19. Meetings between Chairman and Non-Executive Directors	A.5.9	Compliant	The Chairman holds meetings with Non-Executive Directors without the presence of Executive Directors as necessary and at least once a year.

## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>A.6 Supply of Information</b>			
Management should provide time-bound information in a format that is appropriate and which enables the Board to discharge its duties. Financial and non-financial information is analysed and presented to the Board to make informed and accurate decisions.			
20. Obligation of the Management to provide appropriate and timely information to the Board	A.6.1	Compliant	The Board was provided with timely and appropriate information by the management by way of Board papers and proposals. The Board sought additional information as and when necessary. The Chairman also ensured all Directors were properly briefed on issues arising at Board meetings.
21. Adequate time for effective Board meetings	A.6.2	Compliant	The Minutes, Agenda and papers required for Board meetings are provided in advance to facilitate its effective conduct.
<b>A.7 Appointments To The Board</b>			
The Code requires having a formal and transparent procedure in place for the appointment of new Directors to the Board.			
22. Nominations and Governance Committee	A.7.1 & A.7.2	Compliant	The Company established its own Nominations and Governance Committee (NGC) on 6th May 2024. Please refer NGC report on page 121. On the recommendation of the NGC, the Board annually assesses the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company.
23. Disclosure of new appointments	A.7.4	Compliant	A brief resume of the Director, nature of his/her experience and names of the companies he/she holds the directorship and the independence is informed to the Colombo Stock Exchange and disclosed in this Annual Report on pages 19 to 21 of the Annual Report.
24. Report of the NGC	A.7.5	Compliant	A Report of the NGC is included on page 121 of the Annual Report.
25. Terms of Reference	A.7.6	Compliant	The NGC has comprehensive Terms of Reference, which include the NGC composition and functions of the NGC.
<b>A.8 Re-election of Directors</b>			
All Directors should be required to submit themselves for re-election at regular intervals at least once in every three years.			
26. Re-election of Directors:	A.8.1 & A.8.2	Compliant	<p>The provisions of the Company's Articles of Association require a Director appointed by the Board to hold office until the next Annual General Meeting and seek re-appointment by the shareholders at that meeting.</p> <p>The Articles of Association call for one third of the Directors in office to retire at each Annual General Meeting. The Directors who retire are those who have served for the longest period after their appointment/re-appointment. Retiring Directors are generally eligible for re-election. The Managing Director does not retire by rotation.</p>
27. Resignation of Directors:	A.8.3	Compliant	Directors who resigned prior to completion of his/her appointed term, provided a written communication to the Board of his/her reasons for resignation.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>A.9 Appraisal of Board Performance</b>			
The Board should periodically appraise its own performance against the present targets in order to ensure that the Board responsibilities are satisfactorily discharged.			
28. Annual performance evaluation of the Board and its Committees	A.9.1, A.9.2, A.9.3 & A.9.4	Compliant	The Board undertakes an annual self-evaluation of its own performance and of its committees. The Board evaluated its performance and effectiveness in the current year.
<b>A.10 Disclosure of Information in Respect of Directors</b>			
Details in respect of each Director should be disclosed in the Annual Report for the benefit of the Shareholders.			
29. Details in respect of Directors	A.10.1	Compliant	The following details pertaining to each Director are disclosed as follows: <ul style="list-style-type: none"> <li>(a) Brief profile with expertise and experience - pages 19 to 21.</li> <li>(b) Directors' Interest in Contracts - page 114.</li> <li>(c) Attendance at Board Meetings and Committee meetings held during the year - pages 88, 118, 120, 121 and 123.</li> </ul>
<b>A.11 Appraisal of Managing Director</b>			
The Board of Directors should annually assess the performance of the Managing Director who performs the role of the Chief Executive Officer.			
30. Targets and evaluation of the Managing Director	A.11.1 & A.11.2	Compliant	<p>Prior to the commencement of each financial year, the Board sets reasonable financial and non-financial targets which are in line with short, medium and long-term objectives of the Company, achievement of which should be ensured by the Managing Director.</p> <p>The performance of the Managing Director is evaluated by the Board each quarter and the overall evaluation at the end of each fiscal year in order to ascertain whether the targets set by the Board have been achieved and if not, whether the failure to meet such targets was reasonable in the circumstances.</p>
<b>B. DIRECTORS' REMUNERATION</b>			
<b>B.1 Remuneration Procedure</b>			
This principle ensures that the Company has a well-established, formal and transparent procedure in place for developing an effective remuneration policy for both Executive and Non-Executive Directors where no Director is involved in deciding his/her own remuneration in order to avoid potential conflict of interest.			
31. Remuneration Policy	B.1	Compliant	The Company has a formal and transparent procedure for fixing remuneration of Executives and Directors. No Director is involved in deciding his/her own remuneration.
32. Establishment of Remuneration Committee	B.2.1, B.2.2, B.2.3	Compliant	<p>The Company established its own Remuneration Committee on 6th May 2024. Refer Report of the Remuneration Committee on page 120.</p> <p>Details of the payment of remuneration to Directors are disclosed on page 114 of the Annual Report.</p>
33. Terms of Reference of Remuneration Committee	B.2.16	Compliant	The Remuneration Committee has comprehensive Terms of Reference, which include the composition and functions of the Committee.

## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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### B.2 The Level and Make up of Remuneration

The level of remuneration of both Executive and Non-Executive Directors should be sufficient to attract and retain the Directors needed to run the Company successfully. A proportion of Executive Directors' remuneration should be structured to link rewards to the corporate and individual performance.

34. Level of Remuneration	B.2, B.2.4, B.2.6, B.2.7	Compliant	The Remuneration Committee structures the remuneration package to attract, retain and motivate the Directors needed to run the company successfully but avoid paying more than is necessary for this purpose. The remuneration levels relative to other companies and performance of the Directors are taken into account when considering the remuneration levels of the Directors.
35. Levels of Remuneration of Executive Directors	B.2.5 & B.2.8	Compliant	Remuneration for Executive Director(s) promotes short, medium and long term performance of the Company. The performance-related elements are transparent and is reviewed by the Remuneration Committee annually against the set targets and goals.
36. Levels of Remuneration of Non-Executive Directors	B.2.14	Compliant	Remuneration for Non-Executive Directors reflects the time commitment and responsibilities of their role, taking into consideration market practices.

### B.3 Disclosure of Remuneration

The Code requires the Company to disclose in its Annual Report the details of the Remuneration paid and the Remuneration Policy.

37. Disclosure of Remuneration and Remuneration Committee	B.3. B.3.1 & B.2.15	Compliant	Please refer page 114 for the total Directors' remuneration.  A Report of the Remuneration Committee is included on page 120 of the Annual Report.
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## C. RELATIONS WITH SHAREHOLDERS

### C.1 Constructive use of the Annual General Meeting (AGM) and Conduct of General Meetings

The Code requires the Board to use the AGM to communicate with shareholders and encourage their active participation. In this regard, all Shareholders of the Company receive the Notice of Meeting within the statutory due dates.

38. Adequate Notice of AGM	C.1.1, C.1.2 and C.1.3	Compliant	<p>The Annual Report including Financial Statements of the Company are published on the websites of the Company and the Colombo Stock Exchange (CSE). Notice of Meeting and the Form of Proxy are sent to shareholders 15 working days prior to the date of the AGM as required by statute in order to provide the opportunity to all the shareholders to attend the AGM.</p> <p>The Company proposes a separate resolution at the AGM on each substantially separate issue.</p> <p>Further, the adoption of the Annual Report of the Board of Directors on the Affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.</p> <p>The Company has in place an effective mechanism to count all proxies lodged on each resolution, and the balance for and against the resolution, after it has been dealt with on a show of hands, except where a poll is called.</p>
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Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>C.2 Communication with Shareholders</b>			
The Code requires that the Board should implement effective communication with Shareholders.			
39. Channel to reach all Shareholders	C.2.1	Compliant	The main mode of communication between the Company and the Shareholders is the AGM. Shareholders are provided with the information prior to the AGM.  Further, financial and other announcements are promptly submitted to CSE to publish in the CSE website.
40. Policy methodology and process for communication with shareholders.	C. 2. 2.	Compliant	An open-door policy is in place, which enables Shareholders to keep in constant touch, visit and obtain information from the Company Secretaries, Hayleys Group Services (Private) Limited and engage in dialogue.
41. Contact person for communication	C.2.4 & C.2.6	Compliant	Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena - 0112627653)
42. Process to make Directors aware of major issues and concerns of Shareholders	C.2.5	Compliant	All major issues relating to Shareholders are brought to the attention of the Board.
<b>C.3 Major Transactions</b>			
The Code requires that the Board discloses major and material transactions of the Company to its Shareholders.			
43. Channel to inform details of major transactions to Shareholders	C.3, C.3.1, C.3.2 & C.3.3	Compliant	The Company disclosed details of the major and material transactions of the Company to its Shareholders through financial and other announcements submitted to the CSE. The Company complied with the Companies Act No. 07 of 2007 ('Companies Act') and CSE Listing Rules pertaining to major transactions.
<b>D.1 Financial and Business Reporting (The Annual Report)</b>			
The Board should present a balanced and understandable assessment of the Company's financial position, performance and prospects.			
44. Board's responsibility for Statutory and Regulatory Reporting	D.1, D.1.1, D.1.2, D.1.3	Compliant	The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner.  When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act, the Listing Rules of the CSE and prepared and presented them in accordance with Sri Lanka Accounting Standards. The Financial Statements include a statement from the Managing Director and Head of Finance declaring that the Financial Statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company.
45. Declaration by Directors' report in the Annual Report	D.1.4	Compliant	The Directors have made all required declarations in the "Annual Report of the Board of Directors" that appears on pages 113 to 116 of the Annual Report.

## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
46. Statement of Directors and Auditors	D.1.5	Compliant	The "Statement of Directors' Responsibilities" is given on page 117 and the "Auditors' Report" is given on pages 129 to 132 of the Annual Report.
47. Management Discussion & Analysis in the Annual Report	D.1.6	Compliant	The "Management Discussion and Analysis" is given on page 41 of the Annual Report.
48. Summoning an EGM in the event the net assets of the company falls below 50% of the value of the company's shareholders' funds.	D.1.7	Compliant	Net Assets of the Company did not fall below 50% of the value of the Company's Shareholders' funds during Financial Year 2024/25.
49. Disclosure of related transactions	D.1.8	Compliant	Refer the "Related Party Transactions Review Committee Report" on page 118 of the Annual Report and Note 29 of the Financial Statements.

### D.2 Risk Management and Internal Control

The Board should have a sound system of internal controls to safeguard Shareholders' investments and the Company's assets. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives.

50. Annual evaluation of the Internal Controls System and Risk Management	D.2.1, D.2.1.1, D.2.1.2, D.2.1.3	Compliant	The Board is responsible for the Group's internal control and its effectiveness. Internal control is established with emphasis placed on safeguarding assets, making available accurate and timely information and imposing greater discipline on decision-making. It covers all controls, including financial, operational and compliance controls and risk management. It is important to state, however, that any system can ensure only reasonable, and not absolute, assurance that errors and irregularities are prevented or detected within a reasonable time. The Hayleys Management Audit & System Review Department (MASRD) plays a significant role in assessing the effectiveness and successful implementation of existing controls and strengthening these and establishing new controls where necessary. The MASRD's reports are made available to the Chairman and Managing Director and the Chairman of the Audit Committee. The Board has reviewed the effectiveness of the system of financial controls for the period up to the date of signing the accounts. There is a direct channel of communication between the Head of MASRD and the Chairman of the Audit Committee without the interference of any Directors or Executives.
51. Availability of internal audit function and disclosure in annual report.	D.2.2.2 & D.2.2.3	Compliant	Please refer Internal Control and Risk Management Report on pages 115, 106 to 112 of the Annual Report.
52. Review of the process and effectiveness of risk management and internal controls.	D.2.2.3	Compliant	The Audit Committee reviews internal control issues and risk management measures and evaluates the adequacy and effectiveness of the risk management and internal control systems including financial reporting.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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### D.3 Audit Committee

The Board should have formal and transparent arrangements in selecting and applying the accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's External Auditor. Mr. D. T. R. De Silva is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka. The Managing Director, General Manager and the Head of Finance attend the meetings of the Audit Committee by invitation. The Audit Committee has written Terms of Reference and is empowered to examine any matters relating to the financial affairs of the Company and its Internal and External Audits.

It helps the Company to strike the proper balance between conformance and performance.

53. Composition of the Audit Committee	D.3.1	Compliant	<p>Audit Committee consists of Three (03) Non-Executive Directors</p> <ul style="list-style-type: none"> <li>Mr. D. T. R. De Silva - Chairman</li> <li>Ms. W. D. De Costa - Member</li> <li>Ms. A. I. Wanigasekara - Member - Resigned 31.12.2024</li> <li>Ms. H. D. K. Randiligama - Member - Appointed 31.12.2024</li> </ul> <p>The Company Secretaries, Hayleys Group Services (Private) Limited serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit, Head of Finance and Hayleys Group CFO are invited to attend meetings as required. The input of the Statutory Auditors and the Group Internal Auditor is obtained where necessary. The Audit Committee is required to assist the Company to achieve a balance between conformance and performance.</p>
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### D.4 Risk Committee

The Board should establish a procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.

56. Established procedure for risk management	D.4	Compliant	The Audit Committee oversees the procedure for risk management including how risks are determined, risk culture, risk appetite, risk identification and classification, rating and management of risk.
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### D.5 Related Party Transactions Review Committee

The Board should establish a procedure to ensure that the Company does not engage in transactions with "related parties" in a manner that would grant such parties "more favourable treatment" than that accorded to third parties in the normal course of business.

57. A related party and related party transactions will be as defined in LKAS 24.	D.5.1	Compliant	The Company adopts the definition of a related party and related party transactions as defined in LKAS 24.
58. Establishment of Related Party Transactions Review Committee and composition.	D.5.2	Compliant	The Company established its own Related Party Transactions Review Committee (RPTRC) on 6th May 2024. Please refer Report of the RPTRC on page 118.
59. Written terms of reference of Related Party Transactions Review Committee.	D.4.3	Compliant	The RPTRC has written Terms of Reference.

## CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
<b>D.6 Code of Business Conducted and Ethics</b>			
The Company should develop a Code of Business Conduct and Ethics for Directors and members of the Senior Management team and must promptly disclose any waivers of the Code for Directors or others.			
60. Code of Business Conduct and Ethics	D.6	Compliant	The Directors and the members of the senior management are bound by the 'Hayleys Way' which is the code of business conduct and ethics of the Hayleys Group. The Group and Company adopted the Internal Code of business conduct and Ethics Policy with effect from 01st October 2024. This Code addresses conflict of interest, corporate opportunities, confidentiality of information, fair dealing, protection and proper use of the Company's assets, compliance with laws and regulations and encouraging the reporting of any illegal or unethical behaviour etc.
<b>D.7 Corporate Governance Disclosure</b>			
Directors of the Company disclose annually the Company's adherence to the Code of Best Practice on Corporate Governance issued by The Institute of Chartered Accountants of Sri Lanka.			
61. Disclosure of corporate governance	D.7.1	Compliant	This requirement is met through the presentation of the Annual Report.
<b>E. INSTITUTIONAL INVESTORS</b>			
Institutional shareholders have the responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are transacted into practice.			
<b>E.1 Shareholders' Voting</b>			
Communication with Shareholders	E.1.1	Compliant	In order to avoid conflicts of interest by nurturing the mutual understanding, the Board carries out dialogues with its Shareholders at general meetings. In this regard, the AGM of the Company plays a critical role. Voting by the Shareholders is crucial in carrying a resolution at the AGM. The Chairman, who plays the role of the agent, communicates the views and queries of the Shareholders to the Board and the senior management, in order to ensure that the views are properly communicated to the Company. Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena - 0112627653)
<b>F. OTHER INVESTORS</b>			
63. Investing/Divesting Decision	F.1 & F.2	Compliant	Individual investors are encouraged to carry out adequate analysis or seek independent advice in investing or divesting decisions. They are also encouraged to participate in General Meetings of companies and exercise their voting rights. Information is disseminated to all shareholders.
<b>G. INTERNET OF THINGS &amp; CYBER SECURITY</b>			
The Board should have a process to identify how the business models, IT devices within and outside the rationalisation can connect to the organisation's network to send and receive information and the consequent cybersecurity risks that may affect the business.			

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
64. Internet of Things & Cyber Security	G.1	Compliant	<p>The Company has implemented a property management and financial information system which has increased the effectiveness and efficiency in the provision of management information and has implemented a comprehensive IT policy which strengthens controls of the organisation's IT System and ensures unauthorised access and data loss is prevented.</p> <p>Hayleys Group's Disaster Recovery Policy ensures that daily backups are taken in a timely manner and stored in remote locations ensuring reduction of downtime and continuity of operations during a disaster.</p>

## H. SUSTAINABILITY: ENVIRONMENT, SOCIETY AND GOVERNANCE (ESG) RISK AND OPPORTUNITIES

The process of recognising, managing measuring and reporting ESG

65. ESG Reporting	H.1	Compliant	<p>As a subsidiary of the Hayleys Group, the Company complies with the Hayleys Lifecode which sets out the Hayleys Group Sustainability framework. The Company has in place formal processes for collecting the non-financial information necessary for sustainability reporting which are reviewed quarterly by the Company Board. A dedicated Sustainability function supports the Company's sustainability agenda and progress made as set out in the Natural Capital Report on page 72.</p>
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Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2023/24
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## I. SPECIAL CONSIDERATIONS FOR LISTED ENTITIES

Listed entities shall establish and maintain policies relating to its governance and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.

66. Establishments of the following Policies:	I.1.1	Compliant	The Company has published the policies on the Company website. The Hayleys Lifecode is also accessible through the Company website: <a href="https://www.amayaresorts.com/about/annual-reports">https://www.amayaresorts.com/about/annual-reports</a>
<ul style="list-style-type: none"> <li>• Policy on the Matters relating to the Board of Directors</li> <li>• Policy on Board Committees</li> <li>• Policy on Corporate Governance</li> <li>• Policy on Rewards and Remuneration</li> <li>• Business Code of Conduct</li> <li>• Policy on Risk Management and Internal Control</li> <li>• Policy on Shareholder and Investor Communications</li> <li>• ESG - Environmental Policies</li> <li>• ESG - Social Policies</li> <li>• Policy on Control and Management of Company Assets and Shareholder Investments</li> <li>• Policy on Corporate Disclosure</li> <li>• Policy on Whistleblowing</li> <li>• Policy on Good Governance and Business Ethics</li> </ul>			

# CORPORATE GOVERNANCE

## SECTION 2: COLOMBO STOCK EXCHANGE LISTING RULES STATEMENT OF COMPLIANCE

This section covers Hayleys Leisure PLC's extent of adherence to the requirements of Sections 7 and 9 of the Listing Rules of the Colombo Stock Exchange.

### COMPLIANCE WITH CSE CONTINUING LISTING RULES - SECTION 7.6

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
7.6 (i), (ii)	Names of persons who during the financial year were Directors and principal activities during the year	Compliant	Report of the Board of Directors on pages 113 to 116.
7.6 (iii), (iv)	Twenty largest Shareholders, float adjusted market capitalisation, public holding percentage, no. of public shareholders and minimum required public shareholding	Compliant	Shareholder Information on page 186.
7.6 (v)	Directors' and CEO's(MD's) holding in shares	Compliant	Report of the Board of Directors on page 113.
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on page 106.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 54.
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate Note 14 to the Financial Statements
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors on page 113.
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Shareholder Information on page 186.
7.6 (xi)	Ratios and Market Price Information	Compliant	Refer page 187
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Note 14 to the Financial Statements.
7.6 (xiii)	If during the financial year the entity has raised funds either through a public issue, rights issue or private placement.	N/A	N/A
7.6(xiv)	Information in respect of Employee Share Ownership or Stock Option Schemes	N/A	N/A
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Compliant	Corporate Governance Report on pages 86 to 105.
7.6 (xvi)	Related party transactions exceeding 10% of Equity or 5% of total assets of the Entity as per audited financial statements, whichever is lower	Compliant	Refer Related Party Transactions on pages 178 to 180.

## COMPLIANCE WITH CSE CONTINUING LISTING RULES - SECTION 9

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	<p>The Company has established and continues to maintain the policies</p> <ul style="list-style-type: none"> <li>• Policy on the Matters relating to the Board of Directors</li> <li>• Policy on Board Committees</li> <li>• Policy on Corporate Governance</li> <li>• Policy on Rewards and Remuneration</li> <li>• Business Code of Conduct</li> <li>• Policy on Risk Management and Internal Control</li> <li>• Policy on Shareholder and Investor Communications</li> <li>• ESG - Environmental Policies</li> <li>• ESG - Social Policies</li> <li>• Policy on Control and Management of Company Assets and Shareholder Investments</li> <li>• Policy on Corporate Disclosure</li> <li>• Policy on Whistleblowing</li> <li>• Policy on Good Governance and Business Ethics</li> </ul> <p>The Company has published the policies on the Company website;  <a href="https://www.amayaresorts.com/about/annual-reports">https://www.amayaresorts.com/about/annual-reports</a></p>
9.3	Board Committees	Compliant	The Company has established an Audit Committee, Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review Committee.
9.3.3	Chairperson of Board Committees	Compliant	Chairperson of Board Committees is not the Chairperson of the Board.
9.4.1	Meeting Procedures	Compliant	Company maintains records of all resolutions passed at General Meetings.
9.4.2	Communication and Relations with Shareholders	Compliant	<p>The Company has a Shareholder Communication and Relations policy and it is published on the corporate website.</p> <p>Shareholder Communication is with Hayleys Group Services (Private) Limited (C. Gunawardena- 0112627653)</p> <p>The policy includes a process whereby Directors are informed of major issues and concerns of shareholders.</p>
9.5.1	Policy on matters relating to the Board of Directors	Compliant	The Company maintains a Policy on Matters relating to the Board of Directors, which was uploaded on to the Company website on 01 October 2024. The Policy specifies the minimum number of meetings which a Director is required to attend which is 50% of the meetings.
9.6.2	Chairperson and CEO	Compliant	The positions of Chairperson and CEO are held by separate individuals.
9.6.3	Senior Independent Director	Compliant	The Company has a Senior Independent Director (SID). The rationale is given on page 126.
9.6.3. (b)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Independent Directors without the presence of other Directors to discuss matters and concerns relating to the Company.
9.6.3. (c)	Senior Independent Director	Compliant	The SID holds a meeting once a year with the Non-Executive Directors without the presence of the Chairperson to appraise the Chairperson's performance.

## CORPORATE GOVERNANCE

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID on page 126.
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee fulfil the assessment criteria set out in the Listing Rules.
9.7.2	Fitness of Directors and CEO	Compliant	The Company ensures that all persons recommended by the Nominations and Governance Committee as Directors satisfy the Fit and Proper Assessment Criteria before such Nominations are placed before these appointments are made.
9.7.4	Fitness of Directors and CEO	Compliant	The Directors and the CEO have provided declarations confirming that they satisfy the Fit and Proper Assessment Criteria during the financial year and as at the date of such confirmation.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 10 Directors as at 30th April 2025.
9.8.2	Independent Directors	Compliant	3 Directors are Independent.
9.8.3	Independent Directors	Compliant	All NEDs have submitted their confirmations on Independence, which is in line with the regulatory requirements.
9.8.5	Disclosure relating to Directors	Compliant	Each Non-Executive Director signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director.
9.9	Alternative Director	N/A	Company does not have any Alternative Director
9.10.1	Disclosure relating to Directors	Compliant	As per the Company's policy, the maximum number of directorships a Director can hold is in 20 listed companies.
9.10.2	Disclosure relating to Directors	Compliant	The Company disclosed the appointments of new Directors to the CSE together with a brief resume of Director, capacity of directorship and if they hold any relevant interest in shares of the Company. Appointments are reviewed by the Nominations and Governance Committee of the Company and recommended to the Board of the Company.  Please refer pages 19 to 21 for the brief resume of each Director.
9.10.3	Disclosure relating to Directors	Compliant	All changes to Board Committees were immediately informed to the CSE.
9.10.4	Disclosure relating to Directors	Compliant	Please refer pages 19 to 21, 113 to 116, 86 to 105.
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 121.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 3 Non-Executive Directors.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 121.
9.11.6	Disclosure in the Annual Report	Compliant	Refer the Nominations and Governance Committee Report on page 121.

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.12. 2-5	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 120 and Principles B1 to B3 on pages 95 to 96 of this Corporate Governance Report.
9.12.6	Composition of Remuneration Committee	Compliant	Refer Remuneration Committee Report on page 120.
9.12.7	Functions of Remuneration Committee	Compliant	Refer Remuneration Committee Report on page 120.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	The remuneration paid to Directors is given in Note 29.3 to the Financial Statements on page 180.
9.13.2	Audit Committee	Compliant	Refer Audit Committee Report on pages 123 - 125.
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on pages 123 - 125.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on pages 123 - 125.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on pages 123 - 125.
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC comprises 3 Non-Executive Directors. Refer Report of the Related Party Transactions Review Committee on page 118.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transactions Review Committee on page 118.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times during the Financial Year 2024/25. Refer RPTRC Report on page 118.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 29 of the Notes to the Financial Statements on pages 178 to 180.
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 29 of the Notes to the Financial Statements on pages 178 to 180.
9.14.8	The Report by the Related Party Transactions Review Committee	Compliant	Please refer the Report of the Related Party Transactions Review Committee on page 118.
9.14.8 (4)	An affirmative declaration by the Board of Directors	Compliant	Please refer the Annual Report of Board of Directors for an affirmative statement of compliance of the Board on pages 113 to 116.
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 113 to 116 and Corporate Governance Report on pages 86 to 105.

# RISK MANAGEMENT

## RISK GOVERNANCE

The Group holds ultimate responsibility for risk management, with oversight support provided by the Board Audit Committee (BAC). The BAC conducts comprehensive risk reviews during its quarterly meetings to ensure effective governance.

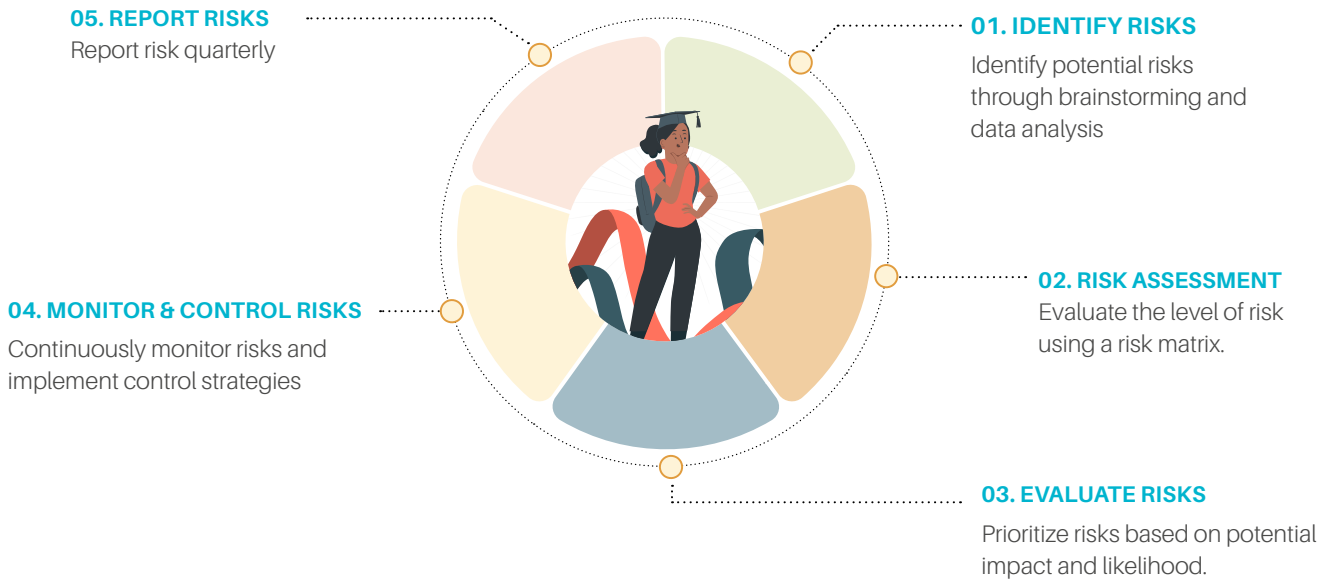
## Risk Landscape

The Group monitors the risk landscape using multiple sources to assess the key trends that are shaping our industry globally and locally to determine the emerging risks and opportunities, their severity of impact and their velocity. The PESTEL framework serves as a tool for assessing these and we have used the same to summarise the risk landscape that prevailed at the close of the financial year.



## RISK MANAGEMENT FRAMEWORK

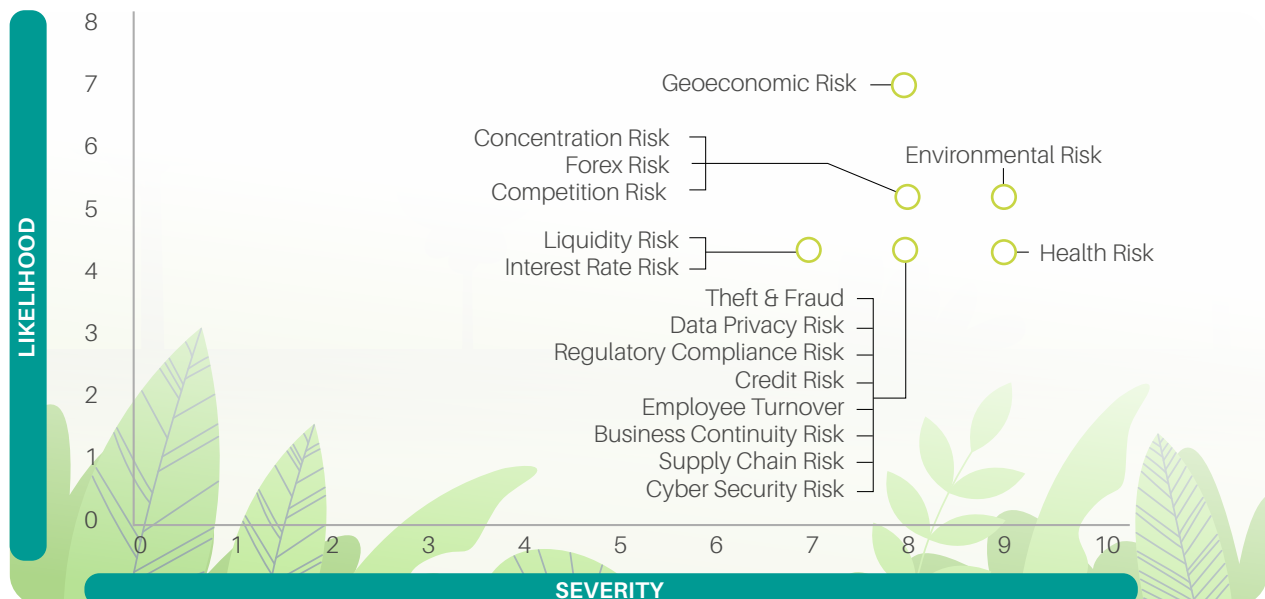
Our comprehensive risk management framework empowers our businesses to make informed decisions by defining acceptable levels of risk. It establishes processes and internal controls to assess these risks and maintain them within our desired tolerance. This 5-step Risk Management Framework proactively anticipates potential risks and enables building resilience through focused risk mitigation plans.



## KEY RISKS AND OPPORTUNITIES

The Group actively assesses potential risks and opportunities that could affect the Sector's future trajectory. Our risk management framework facilitates early detection of emerging risks and opportunities, enabling thorough tracking and evaluation. This allows the management to measure our preparedness for potential scenarios and adjust strategies accordingly.

## RISK HEAT MAP



# RISK MANAGEMENT

↔ Ongoing / Managed Risk ↗ Potential to escalate/remains elevated

S - Short term M - Medium term L - Long term

High  Medium  Low

## INTEREST RATE RISK

Potential Impact	Mitigation Strategy	Present context
Constrain in capital inflows and deter investment	All facilities are benchmarked against the AWPLR, ensuring alignment with prevailing market conditions and enabling the organisation to secure the most competitive borrowing rates.	With introduction of CBSL's single overnight policy (OPR), interest rates are continuing to be stable.

Severity: 7

Likelihood: 5

Outlook - ↗

Time Span & Risk Priority

M-L

## LIQUIDITY RISK

Potential Impact	Mitigation Strategy	Present context
Limited cash flow hindering fulfillment of financial commitments	Maintain agile and forward-looking working capital management. Securing credit banking facilities while targeting shorter working capital cycles	Credit terms with vendors are structured to support the Company's working capital cycle.

Severity: 7

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

S-M

## CREDIT RISK

Potential Impact	Mitigation Strategy	Present context
Risk of defaults with possible losses and negative cash flow straining operational working capital	Receivables Monitoring and Collection Discipline	Credit terms are extended selectively, based on predefined approval thresholds and creditworthiness assessments.

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

S-M

## FOREX RISK

Potential Impact	Mitigation Strategy	Present context
Direct implications on revenue generation	Monitor exchange rate movements and Key Economic Indicators (KEI). Adopting dynamic pricing strategies with current market conditions	The Sri Lankan rupee appreciated reflecting improved investor confidence and capital inflows.

Severity: 8

Likelihood: 6

Outlook - ↗

Time Span & Risk Priority

S-M

↔ Ongoing / Managed Risk

↗ Potential to escalate/remains elevated

S - Short term M - Medium term L - Long term

High   Medium   Low  

### CONCENTRATION RISK

Potential Impact	Mitigation Strategy	Present context
High dependency on intermediaries and third parties leading to limited pricing power and negotiating flexibility.	Invest in latest technological advancements to reach higher capture ratio and strengthening relationships	Promotion of multi-market campaigns targeting local & international audience 7 guest nationality diversification

Severity: 8

Likelihood: 6

Outlook - ↔

Time Span & Risk Priority

M-L

### GEOECONOMIC RISK

Potential Impact	Mitigation Strategy	Present context
The imposition of new tariffs, political transition and social unrest will disrupt the economic stability, subsequently affecting the ability of local and global travellers to spend on leisure and tourism	Guest source market diversification and strengthening marketing efforts	Diversification of target markets i.e. new emerging markets such as India, China, and Southeast Asia. Introduction of specially curated packages to attract domestic travellers

Severity: 8

Likelihood: 8

Outlook - ↗

Time Span & Risk Priority

S-M

### COMPETITION RISK

Potential Impact	Mitigation Strategy	Present context
Intense competition from both established and emerging players, leading to intense price pressure and reduced profitability.	Establishment of Market Intelligence & Competitor Monitoring and strengthening unique selling points (USP) through product innovation, superior customer experience and brand positioning.	Company performs at the top of the comp set with attractive pricing strategies, personalised services and delivering high-quality standards.

Severity: 8

Likelihood: 6

Outlook - ↗

Time Span & Risk Priority

S-M

### SUPPLY CHAIN RISK

Potential Impact	Mitigation Strategy	Present context
Increase in supplier bargain power and single source supplier risk	Formation of tiered supplier base and venturing alternative supplier markets & primary sources	Implementation of Supplier Evaluation Committee for Supplier Screening

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

M-L

# RISK MANAGEMENT

↔ Ongoing / Managed Risk ↗ Potential to escalate/remains elevated

S - Short term M - Medium term L - Long term

High  Medium  Low

## ENVIRONMENT RISK

Potential Impact	Mitigation Strategy	Present context
Extreme weather events and rising temperatures are impacting both international tourist arrivals and domestic travel, leading to reduced occupancy and income.	Energy and emissions reduction initiatives aligned with global sustainability goals to promote responsible environmental stewardship	Initiation of Sustainable 2030 Goal Plan with Targeted KPIs

Severity: 9

Likelihood: 6

Outlook - ↗

Time Span & Risk Priority

L

## HEALTH & SAFETY RISK

Potential Impact	Mitigation Strategy	Present context
Operational disruption, Guest & staff wellbeing and reputational damage	Closely monitor regional health & safety regulations and proactive environment management. Adhering to the established protocols to minimise any potential negative impact on the business	Occupational health and safety training programs are conducted for all employee categories. In addition, a 24/7 in-house doctor is available to support employee well-being.

Severity: 9

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

S-M

## EMPLOYEE TURNOVER

Potential Impact	Mitigation Strategy	Present context
challenges in attracting and retaining skilled employees	Employee engagement, development, and workplace culture enhancement	Continuous offering of training and development programmes and stronger organisation commitment to DEI policy. Salary and benefits benchmarked to Industry level

Severity: 8

Likelihood: 5

Outlook - ↗

Time Span & Risk Priority

S-M

↔ Ongoing / Managed Risk

↗ Potential to escalate/remains elevated

S - Short term M - Medium term L - Long term

High  Medium  Low

### BUSINESS CONTINUITY RISK

Potential Impact	Mitigation Strategy	Present context
Disruption to operation due to external factors	Cross-training of key personnel and flexible staffing models  Health and safety protocols are embedded to minimise disruption due to workforce-related incidents.	Continuous trainings & simulation drills are conducted for employees on disaster preparedness

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

M-L

### THEFT & FRAUD

Potential Impact	Mitigation Strategy	Present context
Potential damage to brand leading to loss of business opportunity	Comprehensive control establishment to detect, deter, and respond to instances that may compromise security.	Enforced robust security surveillance & physical security across premises Comprehensive insurance policy covers in place

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

S-M

### REGULATORY COMPLIANCE RISK

Potential Impact	Mitigation Strategy	Present context
Non-compliance of licenses & permits, environmental and labor law compliances leading to damage in organisations reputation, penalties and charges	Ongoing tracking of changes in laws, regulations, and industry standards at both local and international levels.  Engagement with legal and regulatory advisors	Introduction of compliance tracking system for Contracts/Permits/Licences. Timely submission of statutory filings and disclosures to regulators.

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

M-L

# RISK MANAGEMENT

↔ Ongoing / Managed Risk

↗ Potential to escalate/remains elevated

S - Short term M - Medium term L - Long term

High  Medium  Low

## CYBER SECURITY RISK

Potential Impact	Mitigation Strategy	Present context
Possible phishing attacks on emails/networks	Implementation of Advanced Threat Protection and cyber security governance	Cybersecurity awareness training was made mandatory for all employees - one session per quarter, complemented by poster campaigns.  Phishing attack simulation drill and real-time alerting mechanisms to be reinforced

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

M-L

## DATA PRIVACY RISK

Potential Impact	Mitigation Strategy	Present context
Breach on Personal Identification information of Guest/Staff/Vendor/Organisational	Formalised data privacy and protection policies aligned with local laws (Sri Lanka's Data Protection Act) and international standards such as EU GDPR.	A gap analysis was conducted for the introduced Data Protection Act in Sri Lanka and the corresponding recommendations are in the process of being deployed.

Severity: 8

Likelihood: 5

Outlook - ↔

Time Span & Risk Priority

M-L

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Directors of Hayleys Leisure PLC are pleased to present their report to the Shareholders together with the Audited Financial Statements of the Company and the Group, for the year ended 31st March 2025.

The details set out herein provide the pertinent information required by the Companies Act No. 07 of 2007 (the Companies Act), the Listing Rules of the Colombo Stock Exchange (Listing Rules of CSE) and the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka. The Financial Statements were reviewed and approved by the Board on 30th of April 2025.

## PRINCIPAL BUSINESS ACTIVITIES

The Principal Activity of the Company and its subsidiaries included in the consolidation consist of operating star class hotels, providing services for management research and development of the group of hotels.

## REVIEW OF BUSINESS

The Chairman's Message and the Managing Director's Review of Operations give a fair analysis of the operations of the Company during the financial year ended 31st March 2025 and its future prospects.

The Directors to the best of their knowledge and belief confirm that the Company and the Group has not engaged in any activities that contravene laws and regulations.

There have been no material fines imposed on the Company by the Government or any regulatory authority in any jurisdiction where the Company operates.

## PERFORMANCE AND APPROPRIATIONS

The Company's performance and financial position including that of its subsidiaries for the year ended 31st March 2025 is summarised in the Statements of Group financial and operational highlights 2024/25 on pages 133 to 139.

## FINANCIAL STATEMENTS AND AUDITORS' REPORT

The Financial Statements of the Company and the Group are given on pages 133 to 184 of this report.

The Auditor's Report on the Financial Statements of the Company and the Group is given on pages 129 to 132.

## STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was Rs. 909,370,708/- comprising 107,989,958 ordinary shares.

## RESERVES

Details of reserves of the Company are shown in Note 23 to the Financial Statements.

## CAPITAL EXPENDITURE

The total capital expenditure incurred on the acquisition of Property, Plant and Equipment during the year amounted to Rs. 162 Mn. (2024 - Rs. 142Mn) details of which are given in Note 14 to the Financial Statements.

## PROPERTY, PLANT AND EQUIPMENT

Information relating to the movement in Property, Plant and Equipment is given in Note 14 to the Financial Statements.

## CHANGES IN FIXED ASSETS

The movement in fixed assets during the year is set out in Note 14 to the Financial Statements.

## INVESTMENTS

Details of investments held by the Company and by the Group are given in Note 17 to the Financial Statements.

## DIRECTORATE

The names of the Directors who served during the year are given below and their brief profiles appear on pages 19 to 21 of the Report.

### Executive Directors

Mr. A. M. Pandithage - Executive Chairman  
Mr. R. J. Karunarajah - Managing Director

### Non-Executive Directors

Mr. S. C. Ganegoda  
Ms. R. N. Ponnambalam  
Ms. W. D. De Costa  
Ms. K. A. D. B. Perera  
Mr. T. M. Hewagama  
(Appointed w.e.f. 30.04.2025)

### Independent Non-Executive Directors

Mr. D. T. R. De Silva  
Ms. A. A. K. Amarasinghe  
Ms. H. D. K. Randiligama  
(Appointed w.e.f. 31.12.2024)  
Ms. A. I. Wanigasekera  
(Resigned w.e.f. 31.12.2024)

In accordance with Rule 9.8.5 of the Listing Rules of CSE, Non-Executive Directors have submitted a signed and dated declaration as per the specimen given in Appendix 9A of the Listing Rules of CSE.

In terms of the Article No. 29(1) of the Articles of Association of the Company Ms. R. N. Ponnambalam and Ms. W. D. De Costa retire by rotation and being eligible offer themselves for re-election at the Annual General Meeting.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

Notice has been given of the intention to propose an ordinary resolution in terms of Section 211 of the Companies Act for the re-appointment of Mohan Pandithage who is over Seventy years of age, resolving that the age limit of Seventy years stipulated in Section 210 of the Companies Act shall apply to the aforesaid Director.

Ms. H. D. K. Randiligama was appointed to the Board as an Independent Non-Executive Director on 31st December 2024 in terms of Article No. 27 (2) of the Articles of Association of the Company. Shareholders will be requested to re-elect Ms. H. D. K. Randiligama at the Annual General Meeting.

Mr. T. M. Hewagama was appointed to the Board as a Non-Executive Director on 30th April 2025 in terms of Article No. 27 (2) of the Articles of Association of the Company. Shareholders will be requested to re-elect Mr. T. M. Hewagama at the Annual General Meeting.

Details of Directors' shareholding is as follows:

	Shareholding as at 31.03.2025	Shareholding as at 31.03.2024
Mr. A. M. Pandithage	NIL	NIL
Mr. R. J. Karunarahaj	NIL	NIL
Mr. S. C. Ganegoda	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL
Ms. W. D. De Costa	NIL	NIL
Mr. D. T. R. De Silva	NIL	NIL
Ms. K. A. D. B. Perera	NIL	NIL
Ms. A. I. Wanigasekara (Resigned w.e.f. 31.12.2024)	NIL	NIL
Ms. H. D. K. Randiligama (Appointed w.e.f. 31.12.2024)	NIL	NIL
Mr. T. M. Hewagama (Appointed w.e.f. 30.04.2025)	NIL	NIL

With a view to improving the collective effectiveness and performance of the Board, Board and Sub Committee evaluations were carried out during the year, including an assessment of the systems and processes which are in place.

## DIRECTORS' SHAREHOLDING

Directors of the Company and its Subsidiaries who have relevant interests in the shares of the respective Companies have disclosed their shareholdings and any acquisitions/ disposals to the Boards in compliance with Section 200 of the Companies Act.

## INTEREST REGISTER

The Company, in compliance with the Companies Act, maintains an Interest Register.

## DIRECTORS' INTERESTS IN SHARES

Directors interest in shares are given below.

## DIRECTORS' INTERESTS IN TRANSACTIONS

The Directors of the Company and its subsidiaries have made general disclosures as per Section 192 (2) of the Companies Act. Note 29.3 to the Financial Statements dealing with related party disclosure includes details of their interests in transactions.

## DIRECTORS' REMUNERATION

Directors' remuneration in respect of the Company for the financial year ended 31st March 2025 is given in Note 29.3 to the Financial Statements.

Executive Directors' remuneration is established within an established framework. The total remuneration of Executive Directors for the year ended 31st March 2025 is Rs. 77,705,407/-.

The total remuneration of Non-Executive Directors for the year ended 31st March 2025 is Rs. 5,850,000/- determined according to scales of payment decided upon by the Board. The Board is satisfied that the payment of this remuneration is fair to the Company.

## BOARD SUB COMMITTEES

Other than the Audit Committee of the Company, the following sub committees of the Company were established on the 06th of May 2024.

- The Remuneration Committee
- The Nominations and Governance Committee
- The Related Party Transactions Review Committee

The Remuneration Committee held 01 meeting, the Nominations and Governance Committee held 02 meetings, the Related Party Transactions Review Committee held 04 meetings and the Audit Committee held 04

meetings respectively during the year. Please refer the Sub Committee reports on pages 118, 120, 121 and 123.

## **POLICIES**

The Company has adopted the policies effective 01st October 2024 and has uploaded to the Company's website. Policies relating to Policy on the Matters relating to the Board of Directors, Policy on Board Committees, Policy on Corporate Governance, Policy on Rewards and Remuneration, Business Code of Conduct, Policy on Risk Management and Internal Control, Policy on Shareholder and Investor Communications, ESG - Environmental Policies, ESG - Social Policies, Policy on Control and Management of Company Assets and Shareholder Investments, Policy on Corporate Disclosure, Policy on Whistleblowing, Policy on Good Governance and Business Ethics.

'The Hayleys Way' serves as the Internal Code of Business conduct and Ethics for all Directors, Key Management Personnel and other employees. The 'Hayleys Lifecode' includes a suite of environmental, social and governance related policies which are applicable across the Group.

The Hayleys Lifecode other required policies are accessible through the Company website.

## **RELATED PARTY TRANSACTIONS**

The Board of Directors hereby confirms that the Company has complied with rules stipulated in Section 9.14 of the Colombo Stock Exchange Listing Rules pertaining to Related Party Transactions.

The Company established its own Related Party Transactions Review Committee on 6th May 2024. Please refer page 118 for the Related Party Transactions Review Committee Report.

The Related Party Transactions Review Committee met 04 times during the year. Related party transactions are given in Note 29 to the Financial Statements.

## **EMPLOYEES AND INDUSTRIAL RELATIONS**

There have been no material issues pertaining to employees and industrial relation of the Company during the Financial Year. The number of persons employed by the Group was 706.

## **SHAREHOLDERS DISTRIBUTION & PUBLIC SHAREHOLDING**

The distribution of shareholders is indicated on page 186 in the Annual Report. There were 2,586 registered shareholders as at 31st March 2025. The percentage of the shares held by the public as per the Listing Rules of CSE being 31.45% representing 2,579 shareholders.

## **SHAREHOLDING INFORMATION**

Information relating to major shareholders of the Company as at 31st March 2025 is given on page 187.

## **DIVIDENDS**

No Dividends were declared during the Financial Year under review.

## **MARKET PRICE INFORMATION**

Information relating to market price is given on page 186.

## **INSURANCE & INDEMNITY**

The ultimate parent of the Company, Hayleys PLC has obtained a Directors' and Officers' Liability insurance from a reputed insurance company in Sri Lanka providing worldwide cover to indemnify all past, present and future Directors and officers of the Group.

## **DONATIONS**

No donations were made during the year.

## **STATUTORY PAYMENTS**

The Directors to the best of their knowledge and belief are satisfied that all statutory payments in relation to the government and the employees have been made and provided.

## **TAXATION**

The tax position of the Company is given in Notes 11 to the Financial Statements.

## **CONTINGENT LIABILITIES**

There were no material contingent liabilities outstanding as at 31st March 2025 other than that described in Note 27.3 of the Financial Statements.

## **ACCOUNTING POLICIES**

The Accounting Policies adopted in preparation of Financial Statements are given on pages 140 to 152. The Accounting Policies adopted are consistent with those of the previous year.

## **EXPOSURE TO RISK**

The Company's Audit Committee plays a major role in the process of risk assessment. The Risk Management section of this report elaborates these practices and the risk factors of the Company.

## **INTERNAL CONTROLS**

The Directors acknowledge their responsibility for the Company's system of internal controls. The system is designed to give assurance, inter alia, regarding safeguarding the assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## AUDITORS

The Auditors, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 2,563,926/- (2024 - Rs. 3,163,630/-) as audit fees by the Group. In addition, they were paid Rs. 1,465,186/- (2024 - Rs. 659,419/-) by the Group for non-audit related work.

The Audit Committee of the Company reviews the appointment of the Auditor, its effectiveness and the relationship with the Company including the level of audit and non-audit fees paid to the Auditors.

As far as the Directors are aware, the Auditors do not have any relationship or interest in the Company. The Auditors have confirmed that they do not have any relationship (other than that of Auditors) or interest in the Company other than those disclosed above.

Messrs. Ernst & Young, Chartered Accountants have expressed their willingness to continue in office and in accordance with the Companies Act a resolution proposing the reappointment of Messrs. Ernst & Young, Chartered Accountants, as Auditors and to authorise the Directors to determine their remuneration is being proposed at the Annual General Meeting.

## POST BALANCE SHEET EVENTS

Subsequent to the date of the Balance Sheet, no circumstances have arisen which would require adjustments to the accounts.

Significant events occurring after the reporting date are given in Note 30 to the Financial Statements.

## GOING CONCERN

The Directors, after making necessary inquiries and reviews including the reviews of the budget for the ensuing year, capital expenditure requirements,

future prospects and risks, cash flows and borrowing facilities, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the going concern basis has been adopted in the preparation of the Financial Statements.

## CORPORATE GOVERNANCE

The Company has complied with the revised Corporate Governance rules laid down under the Listing Rules of the CSE and the recommendations provided in the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The Corporate Governance Report on pages 86 to 105 discusses this further.

Mr. D. T. R. De Silva was appointed as the Senior Independent Director on 1st November 2023 in accordance with the Corporate Governance requirements.

The Board was of the opinion that Mr. A. M. Pandithage should remain as the Executive Chairman of the Company due to his extensive experience, deep insights and domain knowledge evidenced through the leadership provided to the Group. Please refer the Senior Independent Director's Report on page 126.

The Directors satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director during the financial year.

The Directors have declared all material interests in contracts involving the Company and the Group and they refrain from voting on matters in which they have a material interest.

The Board has updated themselves with the applicable laws, rules and regulations and are aware of the changes to the Listing Rules and other regulatory requirements.

There have been no non-compliances with laws or regulations and the Directors to the best of their knowledge and belief confirm that the Company nor the Group have engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company and the Group by the Government or any regulatory authority in any jurisdiction where the Group companies operate.

## ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Chas P. Hayley Lounge, No. 400, Deans Road, Colombo 10 at 11:00 a.m. on 25th June 2025. The Notice of the Annual General Meeting appears on page 203 of the Annual Report.

For and on behalf of the Board  
Hayleys Leisure PLC



Mohan Pandithage  
Executive Chairman



Rohan Karr  
Managing Director



Hayleys Group Services (Private) Limited  
Secretaries

30th April 2025

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under the Sections 150 and 151 of the Companies Act No. 07 of 2007 (the Companies Act), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit & loss of the Company for the financial year.

The Directors are also responsible, under Section 148 of the Companies Act for ensuring that proper accounting records are kept to disclose, with reasonable accuracy, the financial position and enable preparation of the Financial Statements.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/ LKAS).

The Financial Statements provide the information required by the Companies Act and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken reasonable measures to safeguard the assets of the Company and, in that context, have instituted appropriate systems of internal control in order to prevent and detect fraud and other irregularities.

The External Auditors, Messrs. Ernst & Young, Chartered Accountants, were deemed re-appointed in terms of Section 158 of the Companies Act and were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 129 to 132 sets out their responsibilities in relation to the Financial Statements.

### 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 provided where relevant.

By Order of the Board of Hayleys Leisure PLC



Hayleys Group Services (Private) Limited  
Secretaries

30th April 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee ('The Committee') of the Company was established on 06th May 2024 in compliance with the Governance Rules stipulated in Section 9 of the Listing Rules of Colombo Stock Exchange. The Committee is appointed by and is responsible to the Board of Directors and comprises two Independent Non-Executive Directors and one Non- Executive Director.

The Members who served on the Committee during the Financial Year 2024/25 are as follows:

Mr. D. T. R. De Silva\* - Chairman

Mr. S. C. Ganegoda\*\*

Ms. A. I. Wanigasekera\*\*\* (resigned w.e.f. 31.12.2024)

Ms. H. D. K. Randiligama\* (appointed w.e.f. 31.12.2024)

\* Independent Non-Executive Director

\*\* Non-Executive Director

The Committee meets on a quarterly basis or as often as may be deemed necessary. During the financial year 2024/25, the Committee met four times to review the related party transactions.

The attendance of the Members at the meetings is as follows:

Director	Quarter 01	Quarter 02	Quarter 03	Quarter 04
Mr. D. T. R. De Silva (Chairman)	✓	✓	✓	✓
Mr. S. C. Ganegoda	✓	-	-	✓
Ms. A. I. Wanigasekera	✓	✓	N/A	N/A
Ms. H. D. K. Randiligama	N/A	N/A	✓	✓

The Chairman of the Committee is an Independent Non- Executive Director. Profiles of the Committee members are given on pages 19 to 21.

The Chairman, Managing Director, Director Finance and any other officers as may be required by the Committee attend the meetings by invitation.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, act as the Secretaries to the Committee and Minutes of Committee meetings are tabled at the Board meetings, thereby providing the Directors access to the deliberations of the Committee.

## DUTIES OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

- To review in advance all proposed related party transactions of the Company and Group either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such review, prior to the completion of the transaction.
- Seek any information the Committee requires from management, employees or external parties with regard to any transaction entered into with a related party.
- Obtain knowledge or expertise to assess all aspects of proposed related party transactions where necessary, including obtaining appropriate professional and expert advice from suitably qualified persons.
- To recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- To monitor that all related party transactions of the entity and Group are transacted on normal commercial terms and are not prejudicial to the interests of the entity and its minority shareholders.
- Meet with the management, Internal Auditors/External Auditors as necessary to carry out the assigned duties.
- To review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.

- To review the economic and commercial substance of both recurrent/non-recurrent related party transactions.
- To monitor and recommend the acquisition or disposal of substantial assets between related parties, including obtaining “competent independent advice” from independent professional experts with regard to the value of the substantial asset of the related party transaction.
- To ensure that there is an adequate and effective process in place to capture information which is relevant to its review function.

#### **TASK OF THE COMMITTEE**

The Committee reviewed the related party transactions of the Company and their compliances and communicated the same to the Board.

The Committee in its review process recognised the adequacy of the content and quality of the information forwarded to its members by the Management.

#### **DISCLOSURES**

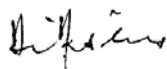
A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 29 to the Financial Statements given on pages 178 to 180 in this report.

#### **POLICY AND TERMS OF REFERENCE**

The Committee has established a clear Policy and Terms of Reference approved by the Board, setting forth the procedure to identify the related parties and the process of reporting the transactions with related parties to the Committee on a quarterly basis. The Policy outlines the composition of the Committee, meeting procedures and the responsibilities of the Committee. It also specifies the approval processes and disclosure requirements, including market announcements and Annual Report disclosures. The Policy guides the Committee and makes them responsible for ensuring that no Director or major shareholder takes advantage of their position to the detriment of the interest of minority shareholders.

#### **DECLARATION**

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the report of the Board of Directors on page 115 of this Annual Report.



Mr. D. T. R. De Silva  
Chairman  
Related Party Transactions Review  
Committee

30th April 2025

# REMUNERATION COMMITTEE REPORT

The Remuneration Committee (“the Committee”) of the Company was established on 06th May 2024 in compliance with Section 9 of the Listing Rules of Colombo Stock Exchange.

The Committee is appointed by and is responsible to the Board of Directors and comprises two Independent Non-Executive Directors and one Non-Executive Director.

The Members who served on the Committee during the Financial Year 2024/25 are as follows:

Mr. D. T. R. De Silva\* - Chairman  
 Ms. A. I. Wanigasekera\*  
 (resigned w.e.f 31-12-2024)  
 Ms. H. D. K. Randiligama\*  
 (appointed w.e.f 31-12-2024)  
 Mr. S. C. Ganegoda\*\*

\* Independent Non-Executive Director  
 \*\* Non-Executive Director

The Committee meets as often as may be deemed necessary. The Committee met once during the year.

The attendance of the Members at meeting is as follows:

Director	Quarter 02
Mr. D. T. R. De Silva	✓
Mr. S. C. Ganegoda	-
Ms. A. I. Wanigasekera	✓
Ms. H. D. K. Randiligama	N/A

The Chairman of the Committee is an Independent Non- Executive Director.

The Remuneration Committee has well-defined Terms of Reference.

The members of the Committee are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgment.

## RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

- To make recommendations to the Board of Directors regarding the framework of remuneration to the Executive Directors and Senior Management.

- To evaluate the compensation of the Managing Director, Executive Directors and the Senior Management.
- To review the guidelines and parameters for the compensation structures of Senior Management within the Company taking into consideration industry norms.
- To review from time to time information related to Executive and Non-Executive Directors payments, to ensure that they are on par with the market/industry rates.
- To evaluate the performance of the Managing Director, Executive Director and the Senior Management, against predetermined targets and goals set by the Board.
- To assess and recommend to the Board of Directors promotions of the Senior Management and to address succession planning.
- To recommend annual salary increments and bonuses.

The Committee in performing its duties obtains the assistance of the Managing Director of the Company to provide relevant information to the Committee, and to assist in their analysis and deliberations, except when his own compensation package is reviewed. The Managing Director and the Board Chairman participate by invitation in the meetings of the Remuneration Committee as and when necessary.

## REMUNERATION POLICY

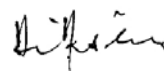
The remuneration policy of the Company/ Group is to attract, motivate and retain a highly qualified and experienced executive team, and reward performance accordingly in the backdrop of industry norms. These compensation packages provide compensation appropriate for each business within the Group and commensurate with each employee’s level of expertise and contributions, bearing in mind the business performance and shareholder returns.

The remuneration packages which are linked to individual performances are aligned with the Company and the Group short term and long term strategy.

All Non-Executive Directors (other than Directors who are employed by Hayleys PLC) receive a fee for serving on the Board and serving on sub committees. They do not receive any performance related incentive payments.

## ACTIVITIES IN 2024/25

- Reviewed the performance of the Chairman and the Executive Directors based on the targets set in the previous year and determined the bonus payable and the annual increments.
- The Committee also reviewed the compensation parameters of the Senior Management and implemented market corrections where necessary. The Committee also recommended that compensation packages to be in line with the market median.
- The Committee further recommended the bonus payable and annual increments to be paid based on the ratings of the Performance Management System. The aggregate remuneration of the Executive and Non-Executive Directors for the financial year amounted to Rs. 83,555,407/-.



Mr. D. T. R. De Silva  
 Chairman  
 Remuneration Committee  
 30th April 2025

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee (“the Committee”) of the Company was established on 06th May 2024. The Committee is appointed by and is responsible to the Board of Directors and comprises two Independent Non-Executive Directors and one Non-Executive Director. The Members who served on the Committee during the Financial Year 2024/25 are as follows:

Mr. D. T. R. De Silva\* - Chairman

Mr. S. C. Ganegoda\*\*

Ms. H. D.K. Randiligama \* (Appointed w.e.f. 31.12.2024)

Ms. A. I. Wanigasekera\* (Resigned w.e.f. 31.12.2024)

\* Independent Non-Executive Director

\*\* Non-Executive Director

The attendance of the Members at the meetings is as follows:

Director	Quarter 02	Quarter 04
Mr. D. T. R. De Silva	✓	✓
Mr. S. C. Ganegoda	-	✓
Ms. A. I. Wanigasekera	✓	N/A
Ms. H. D. K. Randiligama	N/A	✓

The Chairman of the Committee is an Independent Non- Executive Director.

The Committee has well-defined terms of reference approved by the Board outlining the Committee’s purpose, composition, quorum, authority, responsibilities, and meeting related matters, which were approved by the Committee on 31st October 2024.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the Secretary to the Committee.

## DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- The Nominations and Governance Committee evaluates and recommends the appointment of Directors to the Board and Committees considering the required skills, experience and qualifications necessary.

- Consider and recommend (or not recommend) the re- election of current Directors taking into account the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Company and the discharge of the Board’s overall responsibilities and the number of directorships held by the Director in other listed and unlisted companies and other principle commitments.
- Establish and maintain a formal and transparent procedure to evaluate, select and appoint / re-appoint Directors of the Company.
- Establish and maintain a set of criteria for selection of Directors such as academic / professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.

- Establish and maintain a suitable process for the periodic evaluation of the performance of Board Directors of the Company to ensure their responsibilities are satisfactorily discharged.
- Consider if a Director is able to and has been adequately carrying out his or her duties as a Director, taking into consideration the number of Listed Company Boards on which the Director is represented and other principal commitments.
- Develop succession plans for the Board of Directors and Key Management Personnel.
- Review and recommend the overall corporate governance framework of the Company taking into account the Listing Rules and other applicable regulatory requirements and industry best practices. Review and update the corporate governance policies/ framework in line with regulatory and legal developments relating to same.
- Receive reports from the Management on compliance of the corporate governance framework of the Company including the Company’s compliance with provisions of the SEC Act, Listing Rules of the Colombo Stock Exchange and other applicable laws and reasons for any deviations or non-compliances.

## DISCLOSURE OF ACTIVITIES

The Board performance evaluation has been carried out and discussed at Board meetings. Any major issues relating to the Company are updated to the Independent Directors by the Chairman or Managing Director. Special Board meetings are called if the need arises, to discuss any important or critical matters. No such special meetings were held during the financial year.

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

Newly appointed Directors were given an induction to the Company and the orientation programme includes inviting the Directors to the manufacturing facilities to gain an understanding of the operations of the Company.

Requirements as per the Listing Rules and applicable rules and regulations are informed to the new Directors. Existing Directors are regularly updated with corporate governance requirements, Listing Rules and other applicable laws.

Non-Executive Directors have submitted declarations regarding their independence / non-independence. The fitness and propriety of the Directors were examined. All Independent Directors of the Company meet the criteria set out in the Listing Rules of the Colombo Stock Exchange for determining independence.

The Company has adopted the following policies, with effect from 1st October 2024, and has uploaded them to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange:

- Policy on the Matters relating to the Board of Directors
- Policy on Board Committees
- Policy on Corporate Governance
- Policy on Rewards and Remuneration
- Business Code of Conduct
- Policy on Risk Management and Internal Control
- Policy on Shareholder and Investor Communications
- ESG - Environmental Policies
- ESG - Social Policies
- Policy on Control and Management of Company Assets and Shareholder Investments

- Policy on Corporate Disclosure
- Policy on Whistleblowing
- Policy on Good Governance and Business Ethics

The policies and processes relating to the nomination of new Members to the Board are governed by the Policy on Corporate Governance.

## RE-APPOINTMENTS / RE-ELECTIONS

One Third (1/3) of all the Directors, except those who have been appointed to the Board since the last Annual General Meeting, retire by rotation in terms of the Articles of Association and being eligible submit themselves for re-election at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Ms. R. N. Ponnambalam and Ms. W. D. De Costa as Directors at the Annual General Meeting to be held on 25th June 2025, based on their performance and the contribution made to achieve the objectives of the Board.

Ms. R. N. Ponnambalam, Non-Executive Director, was appointed to the Board in December 2011, and was last re-appointed as a Director in June 2021. Her directorships and other principal commitments are given in the profile on page 20.

Ms. W. D. De Costa, Non-Executive Director, was appointed to the Board in 2014, and was last re-appointed as a Director in June 2023. Her directorships and other principal commitments are given in the profile on page 20. She serves on the Audit Committee of the Company.

Directors Ms. H. D. K. Randiligama who was appointed to the Board on 31st December 2024, and Mr. T. M. Hewagama who was appointed to the

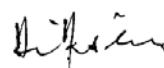
Board on 30th April 2025 will come up for re-election by the shareholders at the Annual General Meeting. Their profiles are given on page 21.

Due to the invaluable contribution made to the Board as a result of his many years of experience, industry knowledge and business acumen, the Committee has recommended to reappoint as a Director Mr. Abeyakumar Mohan Pandithage who is over seventy years and who retires in terms of Section 210 of the Companies Act No. 7 of 2007.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares of the Company.

The Company is committed to ensuring Board diversity by bringing a wide range of experience and skills to the Board. Age and gender diversity have been essential factors contributing to the effective performance of the Company's Board.

The Corporate Governance requirements stipulated under the Listing Rules are met by the Company and details are given on pages 103 to 105 of this Report.



Mr. D. T. R. De Silva  
Chairman  
Nominations and Governance  
Committee

30th April 2025

# AUDIT COMMITTEE REPORT

## COMPOSITION

The Audit Committee ('the Committee') is appointed by and is responsible to the Board of Directors. The Members who served on the Committee during the Financial Year 2024/25 are as follows:

Mr. D. T. R. De Silva \* (Chairman)

Ms. W. D. De Costa \*\*

Ms. A. I. Wanigasekera \*  
(Resigned w.e.f. 31.12.2024)

Ms. H. D. K. Randiligama \*  
(Appointed w.e.f. 31.12.2024)

\* Independent Non-Executive Director

\*\* Non-Executive Director

The Audit Committee of Hayleys Leisure PLC, appointed by and responsible to the Board of Directors, comprises Three Non-Executive Directors, namely, Mr. D. T. R. De Silva, Ms. W. D. De Costa and Ms. H. D.K. Randiligama (Appointed w.e.f. 31st December 2024).

During the period 1st April 2024 to 31st December 2024 the Audit Committee comprised Mr. D. T. R. De Silva (Chairperson), Ms. W. D. De Costa and Ms. A. I. Wanigasekera (resigned w.e.f. 31st December 2024).

Mr. Ranil De Silva is a Fellow Member of Chartered Institute of the Management Accountants UK, an Associate Member of the Institute of Chartered Accountants of Sri Lanka and a Member of the Chartered Institute of Marketing UK.

Brief profiles of each member are provided on pages 19 to 21 of this report. Their individual and collective financial knowledge and business acumen and the independence of the Committee, are brought to bear on their deliberations and judgments on matters that come within the Committee's purview.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, acts as the secretary to the Committee.

## CHARTER OF THE AUDIT COMMITTEE

The Audit Committee Charter is periodically reviewed and revised with the concurrence of Board of Directors to make sure that new developments relating to the function of the committee are updated. The terms of reference of the committee are clearly defined in the Charter of the Audit Committee.

The "Rules on Corporate Governance" under the Listing Rules of the Colombo Stock Exchange and "Code of Best Practice on Corporate Governance" issued by Institute of Chartered Accountants of Sri Lanka in 2023, further regulate the composition, roles and functions of the Audit Committee.

## ATTENDANCE AT AUDIT COMMITTEE MEETINGS

The Committee meets as often as may be deemed necessary. It met 4 times to discuss the quarterly and annual Financial Statements for the financial year under review.

The attendance of the Members at these meetings is as follows:

Director	Quarter 01	Quarter 02	Quarter 03	Quarter 04
Mr. D. T. R. De Silva (Chairman)	✓	✓	✓	✓
Ms. W. D. De Costa	✓	✓	✓	✓
Ms. A. I. Wanigasekera	✓	✓	N/A	N/A
Ms. H. D.K. Randiligama	N/A	N/A	✓	✓

The Chairman of the Board, Managing Director, Executive Directors and the Chief Financial Officer of the Company, Hayleys Group Chief Financial Officer and Head of Group Management Audit and System Review Department (MA&SRD) attend the meetings of the Committee by invitation. The External Auditors are also invited to be present where relevant.

The proceedings of the Audit Committee are regularly reported to the Board of Directors. Audit Committee meeting papers, including the agenda, minutes and related reports and documents, are circulated to the committee members in advance.

## TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Committee functions within the Terms of Reference approved by the Committee. The role of the Audit Committee is to assist the Board in fulfilling its oversight and responsibilities.

The Terms of Reference are periodically reviewed and revised to make sure that new developments relating to the functions of the Audit Committee are included therein.

# AUDIT COMMITTEE REPORT

## THE AUTHORITY OF THE AUDIT COMMITTEE

- Recommend appointment, dismissal, service period and audit fee of the external auditors.
- Establish and maintain a direct communication channel with the external auditors.
- Resolve any issues regarding financial reporting between the management and the external auditor.
- Pre-approve all audit and non-audit services performed by the external audit firm and internal audit service providers.
- Seek any information it requires from employees or external parties relating to investigations.
- Meet with the management, external auditors as necessary to carry out the assigned duties.

## ACTIVITIES IN 2024/25

The Audit Committee, inter alia, engaged in the following activities during the financial year under review:

## FINANCIAL REPORTING SYSTEM

The Committee reviewed the quality and integrity of the financial reporting system adopted by the Company and the Group in the preparation of its quarterly and annual Financial Statements to ensure reliability of the processes and consistency of the accounting policies and methods adopted and their compliance with the Sri Lanka Financial Reporting Standards. The methodology included obtaining statements of compliance from Head of Finance and Director in Charge. The Committee recommended the Financial Statements to the Board for its deliberations and approval. The Committee, in its evaluation of the financial reporting system, also recognised the adequacy of the content and quality of routine management information reports

forwarded to the management, regulatory authorities and shareholders.

Further, the Committee reviewed the procedures established by the Management to comply with regulatory requirements and is satisfied that financial reporting requirements under the Listing Rules of the Colombo Stock Exchange, Companies Act No. 07 of 2007, Securities and Exchange Commission Act and other relevant financial reporting related regulations and requirement are met.

## INTERNAL CONTROL SYSTEMS

The Committee reviewed the process to assess the adequacy and effectiveness of the Internal Financial Controls that have been designed to provide reasonable assurance to the Directors that Group assets are safeguarded and the financial reporting system can be relied upon in preparation and presentation of Financial Statements.

The Hayleys Group MA&SRD reports on key control elements and procedures in Group companies that are selected according to a Group annual audit plan. Internal Audits are outsourced wherever necessary, to leading audit firms in line with the annual audit plan. The Committee obtained significant findings and recommendations together with the Management's responses on the review of the internal controls carried out by the internal auditors and provided recommendations for improvement. Follow up reviews were scheduled to ascertain that audit recommendations are being acted upon.

The Committee also evaluated the Internal Audit Function covering key areas such as scope, quality of internal audits, independence and resources. The Committee appraised the independence of the Hayleys Group MA&SRD, in the conduct of their assignments.

The Annual Internal Audit Plan is approved by the Audit Committee and its progress is reviewed on a quarterly basis in order to reflect the changing business needs and to ensure new and emerging risks are considered. During the financial year 2024/25, 04 internal audits were performed.

## RISK MANAGEMENT

The Committee obtained and reviewed statements from the Heads of Business Sectors identifying their respective major business risks, and mitigation action taken or contemplated for the management of these risks.

The Committee also conducted ESG risk assessments during the year, thereby identifying, prioritising and monitoring sustainability-related risks and opportunities.

The Committee reviewed the risk management, internal controls, business continuity planning, information security system and potential cyber risks in the Group and appropriate remedial actions were recommended to the Management and the Board.

A review of the insurance policies and their adequacy was also carried out.

## EXTERNAL AUDIT

During the year under review, the Committee held meetings with the External Auditor to review the nature, approach, scope of the audit, Audit Plan and the Audit Management Letters of the Company. Actions taken by the Management in response to the issues raised, as well as the effectiveness of the internal controls in place, were discussed with the heads of business units. Remedial action was recommended wherever necessary.

The Committee has reviewed the other services provided by the External Auditor to the Group to ensure that

their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity to External Auditor to meet the Audit Committee Members independently, if necessary.

The Committee annually reviews the appointment of the External Auditor and makes recommendations to the Board accordingly. During the year under review, the Committee assessed the independence and effectiveness of the External Audit function and is satisfied that the independence of the External Auditor had not been impaired by any event or service that gives rise to a conflict of interest. Due consideration has been given to the nature of the services provided by the External Auditor and the level of audit and non-audit fees received by the Auditor, in order to ensure that it did not compromise their independence.

The Committee obtained written assurance from the External Auditors that they are and have been Independent throughout the conduct of the audit engagement in terms of all relevant professional and regulatory requirements and has made a determination of the independence of auditors based on the same.

The current External Auditor, Messrs. Ernst & Young, Chartered Accountants, was initially appointed as External Auditor in 2003/04 and continues to hold that position at present. A partner rotation of the Auditors takes place periodically. A rotation of partner took place in financial year 2018/19.

#### **APPOINTMENT OF EXTERNAL AUDITORS**

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, continue as External Auditors for the financial year ending

31st March 2026 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2024/25.

#### **COMPLIANCE**

The Committee obtained written assurances from the Managing Director and Head of Finance of Company on the status of the Group's operations and finances. The Committee also received representations on the adequacy of provisions made for possible liabilities and reviewed reports tabled by the Company certifying their compliance with relevant statutory requirements. Further, the Committee obtained regular updates from the Head of HR and Legal regarding compliance matters.

#### **ETHICS AND GOOD GOVERNANCE**

The Committee continuously emphasized on upholding ethical values of the staff members. In this regard, the Internal Code of Business Conduct and Ethics, the policies on Whistleblowing and Anti-Bribery and Corruption were put in place. The Policies were followed by educating and encouraging all members of the staff. All appropriate procedures are in place to conduct independent investigations into incidents reported through Whistleblowing or identified through other means. The Whistleblower Policy guarantees strict confidentiality of the identity of the Whistleblowers.

#### **SRI LANKA ACCOUNTING STANDARDS**

The Committee reviewed the revised policy decisions relating to adoption of new and revised Sri Lanka Accounting Standards (SLFRS/ LKAS) applicable to the Company and made recommendation to the Board of Directors. The Committee would continue to monitor the compliance with relevant Accounting Standards and

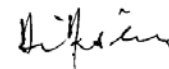
keep the Board of Directors informed at regular intervals. The Committee has pursued the assistance of Messrs. Ernst & Young to assess and review the existing SLFRS policies and procedures adopted by the Company and the Group and continuously monitors the progress of implementation of SLFRS as per the requirements of Sri Lanka Accounting Standards.

#### **SUPPORT TO THE COMMITTEE**

The Committee received information and support from the Management during the year to enable it to carry out its duties and responsibilities effectively.

#### **EVALUATION OF THE COMMITTEE**

An independent evaluation of the effectiveness of the Committee was carried out by the other members of the Board during the year, and considering the overall conduct of the Committee and its contribution on the overall performance of the Company, the Committee has been rated as highly effective.



Mr. D. T. R. De Silva  
Chairman  
Audit Committee  
30th April 2025

## STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

(Profile of Mr. D. T. R. De Silva, The Senior Independent Director of Hayleys Leisure PLC is given on page 20 of this report.)

In order to comply with Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 1st November 2023.

Section 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the Chairman and CEO are the same person or where the Chairman is not an Independent Director, a SID shall be appointed. At Hayleys Leisure PLC although the Chairman is not the CEO, he is not an Independent Director.

### ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The SID provides guidance to the Chairman on matters of governance of the Company.

The role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board.

The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company, should the need arise.

### ACTIVITIES DURING THE YEAR

In line with the regulatory requirements, I presided over the following meetings and exercised my voting rights where necessary.

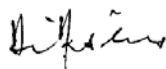
Meetings were held with the Non-Executive Directors without the presence of the Executive Directors. At these meetings the performance of the Chairman and the Executive Directors were appraised.

A meeting was held with only the Independent Directors and discussions were held on matters relating to the Company and the operation of the Board.

The outcome of these meetings together with recommendations were duly informed to the Chairman and the Board.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, in order to enhance stakeholder acceptance and to make a positive impact on value creation.

I believe that I have fulfilled the obligations entrusted to the SID in accordance with the Corporate Governance guidelines.



D. T. R. De Silva  
Senior Independent Director

30th April 2025

# FINANCIAL STATEMENTS



## Investing In Growth, Sustaining Memories

At Hayleys Leisure, our financial performance is more than a measure of success; it empowers us to create meaningful experiences. With resilience, strategic discipline, and a focus on sustainable growth, we have reinforced our foundation to support both stability and the experiences that define us. Our business is built to last, striking a balance between profitability, purpose, and people.

## FINANCIAL CALENDAR

Interim Financial Statement - Quarter 1	2nd August 2024
Interim Financial Statement - Quarter 2	1st November 2024
Interim Financial Statement - Quarter 3	23rd January 2025
Interim Financial Statement - Quarter 4	30th April 2025
Annual General Meeting	25th June 2025

# INDEPENDENT AUDITOR'S REPORT



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel: +94 11 246 3500  
Fax: +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

## TO THE SHAREHOLDERS OF HAYLEYS LEISURE PLC

### Report on the audit of the financial statements

#### Opinion

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

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

#### Basis for opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

# INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue</b></p> <p>The Group's revenue for the year ended 31 March 2025 amounted to Rs. 3,332,078,702/-, as disclosed in Note 7 to the financial statements.</p> <p>The accounting policy for revenue recognition is disclosed in Note 4.1.1 to the financial statements.</p> <p>Revenue was a key audit matter due to the materiality of revenue reported for the year; and the increase of 16% it represents, over the previous year.</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>assessed whether the Group's accounting policy for revenue recognition has been appropriately applied.</li> <li>tested the relevant key controls over revenue. Our procedures included testing the general IT control environment and the relevant key IT application controls relating to the most significant IT systems relevant to revenue.</li> <li>performed analytical procedures to understand and assess the reasonableness of the reported revenues</li> <li>tested revenue transactions to invoices and other supporting documents such as house keeping and guest-in-house reports, guest reservation cards, etc. our procedures included testing: <ul style="list-style-type: none"> <li>revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; and</li> <li>journal entries recognized to revenue.</li> </ul> </li> </ul> <p>We also assessed the adequacy of the related disclosures set out in notes 4.1.1 and 7 to the Financial Statements.</p>
<p><b>Management's assessment of carrying values of Property, Plant and Equipment</b></p> <p>As at 31 March 2025, the Group's property, plant and equipment amounted to Rs. 4,475,992,190/- which represents 76% of the total assets of the Group.</p> <p>As a result the management carried out an impairment assessment of the Group's property, plant and equipment based on the recoverable amount determined by Management using value in use computations (VIU). Such Management VIU calculations are based on the discounted future cash-flows of the cash-generating unit (CGU). A deficit between the recoverable value and the carrying value of the CGU would result in an impairment.</p> <p>Management's assessment of the recoverable amount of property, plant and equipment was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land.</li> <li>the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations considering economic conditions.</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>gained an understanding of how Management has forecasted its discounted future cash flows which included consideration of the impacts of the economic conditions in the country on its operations.</li> <li>based on the best available information up to the date of our report, we assessed the reasonableness of significant assumptions used by the Group including growth rate used for extrapolation purposes, discount rate and terminal growth rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in use calculations.</li> </ul> <p>We also assessed the adequacy of the disclosures made in Notes 4.11 and 14 in the Financial Statements</p>



Key audit matter	How our audit addressed the key audit matter
<p>Key areas of significant judgments, estimates and assumptions included:</p> <ul style="list-style-type: none"> <li>key inputs and assumptions related to the value in use computations of future cash flows, growth rates used for extrapolation purposes, discount rates and terminal growth rates including the potential impact of the economic conditions prevailing in the country, as disclosed in Note 4.11 to the financial statements.</li> </ul>	

**OTHER INFORMATION INCLUDED IN THE 2025 ANNUAL REPORT**

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor’s report thereon. Management is responsible for the other information.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# INDEPENDENT AUDITOR'S REPORT



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence

and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2965.

30th April 2025  
Colombo

## STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
<b>Revenue</b>	7	<b>3,332,078,702</b>	2,877,807,941	<b>467,135,283</b>	440,803,695
Cost of sales		<b>(1,242,649,924)</b>	(1,118,549,309)	-	-
<b>Gross profit</b>		<b>2,089,428,778</b>	1,759,258,632	<b>467,135,283</b>	440,803,695
Other income	8	<b>81,027,638</b>	49,541,326	<b>9,678,772</b>	480,986
Selling and marketing expenses		<b>(65,441,269)</b>	(68,962,676)	<b>(22,000)</b>	(441,799)
Administrative expenses		<b>(1,634,246,898)</b>	(1,595,764,048)	<b>(447,887,271)</b>	(432,758,451)
Finance cost	9.1	<b>(231,705,417)</b>	(385,347,972)	<b>(31,179,111)</b>	(56,020,404)
Finance income	9.2	<b>38,307,369</b>	86,767,255	<b>4,589,698</b>	25,202,920
<b>Profit/ (Loss) before tax</b>	10	<b>277,370,201</b>	(154,507,483)	<b>2,315,371</b>	(22,733,053)
Income tax (expenses)/reversal	11	<b>(117,857,808)</b>	8,521,166	-	-
<b>Profit/ (Loss) after tax</b>		<b>159,512,393</b>	(145,986,317)	<b>2,315,371</b>	(22,733,053)
<b>Profit/ (Loss) attributable to:</b>					
Equity holders of the parent		<b>156,839,847</b>	(112,625,669)	<b>2,315,371</b>	(22,733,053)
Non-Controlling interest		<b>2,672,546</b>	(33,360,648)	-	-
		<b>159,512,393</b>	(145,986,317)	<b>2,315,371</b>	(22,733,053)
Basic Earnings/ (Loss) per share	12	<b>1.45</b>	(1.04)	<b>0.02</b>	(0.21)

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

## STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Profit/ (Loss) for the year</b>		<b>159,512,393</b>	<b>(145,986,317)</b>	<b>2,315,371</b>	<b>(22,733,053)</b>
<b>Other comprehensive income/ (loss)</b>					
<b>Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods</b>					
Actuarial gain/ (loss) on defined benefit plan	25	(612,618)	(8,602,297)	375,936	(2,666,203)
Differed tax impact on actuarial gain/ (loss)		183,785	2,580,687	-	-
		(428,833)	(6,021,610)	375,936	(2,666,203)
Effect of income tax rate change on revaluation reserve					
Surplus on revaluation of freehold land	23	-	132,436,000	-	-
Deffered tax impact on revaluation gain	23	-	(39,730,800)	-	-
		-	92,705,200	-	-
<b>Net other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>(428,833)</b>	<b>86,683,590</b>	<b>375,936</b>	<b>(2,666,203)</b>
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>(428,833)</b>	<b>86,683,590</b>	<b>375,936</b>	<b>(2,666,203)</b>
<b>Total comprehensive income/ (loss) for the year, net of tax</b>		<b>159,083,560</b>	<b>(59,302,727)</b>	<b>2,691,307</b>	<b>(25,399,256)</b>
<b>Total comprehensive income/ (loss) attributable to:</b>					
Equity holders of the parent		156,585,638	(25,644,520)	2,691,307	(25,399,256)
Non-controlling interest		2,497,922	(33,658,207)	-	-
		159,083,560	(59,302,727)	2,691,307	(25,399,256)

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	4,475,992,191	4,511,580,370	23,470,008	25,603,107
Right-of-use assets	15	15,039,629	27,397,621	-	-
Investments in subsidiaries	16	-	-	1,237,519,176	1,237,519,176
Other non current financial assets	17	10	265,877,281	10	265,877,281
		<b>4,491,031,830</b>	<b>4,804,855,272</b>	<b>1,260,989,194</b>	<b>1,528,999,564</b>
<b>Current assets</b>					
Inventories	19	89,763,083	99,496,181	-	-
Trade and other receivables	20	1,105,336,772	706,457,794	2,006,574,924	1,044,608,678
Advances and prepayments		71,538,590	62,325,935	6,657,742	1,415,467
Tax receivables		4,141,854	4,245,140	-	1,693
Other current financial assets	17	2,220,566	2,081,757	2,220,566	2,081,757
Short term deposits	21	2,704,612	2,466,380	2,704,612	2,466,380
Cash and cash equivalents	21	110,547,537	133,180,654	10,961,861	12,129,378
		<b>1,386,253,014</b>	<b>1,010,253,841</b>	<b>2,029,119,705</b>	<b>1,062,703,353</b>
<b>Total assets</b>		<b>5,877,284,844</b>	<b>5,815,109,113</b>	<b>3,290,108,899</b>	<b>2,591,702,917</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Stated capital	22	909,370,708	909,370,708	909,370,708	909,370,708
Revaluation reserve	23	469,694,322	469,694,322	-	-
Retained earnings		122,738,148	(34,612,746)	135,832,239	132,375,676
		<b>1,501,803,178</b>	<b>1,344,452,284</b>	<b>1,045,202,947</b>	<b>1,041,746,384</b>
Non-controlling interest		(167,280,347)	(169,778,269)	-	-
<b>Total equity</b>		<b>1,334,522,831</b>	<b>1,174,674,015</b>	<b>1,045,202,947</b>	<b>1,041,746,384</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	18	1,031,607,869	1,539,920,217	-	-
Trade and other payables	24	836,594,248	562,582,755	825,049,197	494,373,759
Deferred tax liabilities	11.3	373,487,608	255,783,473	-	-
Retirement benefit obligation	25	77,027,984	62,580,259	8,489,568	7,208,503
		<b>2,318,717,709</b>	<b>2,420,866,704</b>	<b>833,538,765</b>	<b>501,582,262</b>
<b>Current liabilities</b>					
Interest bearing loans and borrowings	18	1,142,026,125	1,035,495,969	292,219,159	294,297,284
Trade and other payables	24	906,640,861	1,066,153,523	1,071,798,324	718,850,605
Other current non-financial liabilities	26	175,377,318	117,918,902	47,349,704	35,226,382
		<b>2,224,044,304</b>	<b>2,219,568,394</b>	<b>1,411,367,187</b>	<b>1,048,374,271</b>
<b>Total equity and liabilities</b>		<b>5,877,284,844</b>	<b>5,815,109,113</b>	<b>3,290,108,899</b>	<b>2,591,702,917</b>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.



Ravindra Dissanayake  
Head of Finance

The Board of Directors is responsible these financial statements. Signed for and on behalf of the Board by;



Mohan Pandithage  
Executive Chairman



Rohan Karr  
Managing Director

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

30th April 2025  
Colombo

## STATEMENT OF CHANGES IN EQUITY

Group	Attributable to owners of the parent				Non - Controlling Interest	Total Equity
	Stated Capital	Revaluation Reserve	Retained Earnings	Total		
	(Note 22) Rs.	(Note 23) Rs.	Rs.	Rs.		
<b>Balance as at 31 March 2023</b>	909,370,708	376,989,122	83,736,975	1,370,096,805	(136,120,063)	1,233,976,742
Loss for the year	-	-	(112,625,669)	(112,625,669)	(33,360,648)	(145,986,317)
Actuarial loss (net of tax) on defined benefit plan	-	-	(8,177,217)	(8,177,217)	(425,080)	(8,602,297)
Deferred tax impact on actuarial loss	-	-	2,453,165	2,453,165	127,522	2,580,687
Surplus on revaluation of freehold land	-	132,436,000	-	132,436,000	-	132,436,000
Deferred tax impact	-	(39,730,800)	-	(39,730,800)	-	(39,730,800)
<b>Balance as at 31 March 2024</b>	909,370,708	469,694,322	(34,612,746)	1,344,452,284	(169,778,269)	1,174,674,015
Profit for the year	-	-	156,839,847	156,839,847	2,672,546	159,512,393
Unclaimed Dividend Writeback	-	-	765,256	765,256	-	765,256
Actuarial loss (net of tax) on defined benefit plan	-	-	(437,994)	(437,994)	(174,624)	(612,618)
Deferred tax impact on actuarial loss	-	-	183,785	183,785	-	183,785
<b>Balance as at 31 March 2025</b>	909,370,708	469,694,322	122,738,148	1,501,803,178	(167,280,347)	1,334,522,831

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

Company	Stated Capital	Retained Earnings	Total equity
	(Note 22)		
	Rs.	Rs.	Rs.
<b>Balance as at 1 April 2023</b>	909,370,708	157,774,933	1,067,145,641
Loss for the year	-	(22,733,053)	(22,733,053)
Actuarial loss (net of tax) on defined benefit plan	-	(2,666,204)	(2,666,204)
<b>Balance as at 31 March 2024</b>	909,370,708	132,375,676	1,041,746,384
Profit for the year	-	2,315,371	2,315,371
Unclaimed Dividend Wrightback	-	765,256	765,256
Actuarial loss (net of tax) on defined benefit plan	-	375,936	375,936
<b>Balance as at 31 March 2025</b>	909,370,708	135,832,239	1,045,202,947

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

# CASH FLOW STATEMENT

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Cash flows from/(used in) operating activities</b>					
Profit/ (Loss) before tax		277,370,201	(154,507,483)	2,315,371	(22,733,064)
Adjustment for					
Depreciation	14	191,122,332	193,604,846	7,875,736	11,550,235
Provision for defined benefit obligation	25	18,733,191	18,702,540	3,104,046	2,277,664
Amortization of right of use assets	15.2	9,041,733	4,901,878	-	-
Derecognition of Asset		-	19,461,085	-	-
(Gain)/loss on disposal of property, plant and equipment		5,629,924	(4,625,734)	-	-
Dividend income	8	(782)	(986)	(782)	(986)
Finance income	9.2	(38,168,560)	(86,675,948)	(4,450,890)	(25,020,305)
Finance cost	9.1	231,705,417	385,347,972	31,179,111	56,020,404
Foreign exchange gain/(loss)		3,749,469	47,960,366	1,084,414	(1,378,582)
(Gain) /loss on financial assets at FVTPL		(138,809)	(91,307)	(138,808)	(91,307)
Impairment/(reversal) of trade and other receivables		(3,203,389)	4,283,747	-	-
Creditors written back		(9,226,601)	(3,339,725)	-	-
Exchange (gain)/loss impact on borrowings		(5,495,861)	(56,968,300)	-	-
Operating profit/(loss) before working capital changes		681,118,265	368,052,951	40,968,198	20,624,059
(Increase)/decrease in inventories					
		9,733,099	17,427,241	-	-
(Increase)/decrease in trade and other receivables					
		(129,153,473)	(327,434,523)	(696,226,091)	(488,682,452)
Increase in advance and prepayment					
		(9,212,656)	14,163,148	(5,242,275)	583,928
Increase/(decrease) in trade and other payables					
		128,425,304	664,515,847	684,388,414	571,765,726
Increase/(decrease) in other current non financial liabilities					
		57,458,416	(30,167,231)	12,123,322	(15,799,884)
Cash generated from/(used in) operations		738,368,955	706,557,433	36,011,568	88,491,377
Finance cost paid					
		(201,266,861)	(374,333,185)	(29,588,222)	(54,641,822)
Defined benefit obligation paid	25	(4,898,085)	(8,426,225)	(1,447,045)	(1,847,683)
Tax paid		(783,652)	-	-	-
Net cash from/(used in) operating activities		531,420,357	323,798,023	4,976,301	32,001,872

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

Year ended 31 March	Note	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Cash flows from/(used in) investing activities</b>					
Acquisition of property, plant and equipment	14	(161,677,851)	(143,828,687)	(5,742,637)	(11,003,529)
Finance income received		4,119,344	5,800,794	1,914,394	3,211,612
Dividend received		782	986	782	986
Proceeds from disposal of property, plant and equipment		28,814	5,556,391	-	-
Net cash from/(used in) investing activities		(157,528,911)	(132,470,516)	(3,827,461)	(7,790,931)
<b>Cash flows from/ (used in) financing activities</b>					
Proceeds from interest bearing loans and borrowings	18	-	117,112,748	-	-
Repayment of interest bearing loans and borrowings	18	(539,452,945)	(298,936,092)	-	(19,642,858)
Principal payment under finance lease liabilities	18	(15,070,103)	(11,438,044)	-	-
Net cash from/(used in) financing activities		(554,523,048)	(193,261,388)	-	(19,642,858)
<b>Net increase/(decrease) in cash and cash equivalents</b>		(180,631,602)	(1,933,881)	1,148,840	4,568,083
<b>Cash and cash equivalents at the beginning of the year</b>		(395,109,876)	(393,175,995)	(279,701,526)	(284,269,609)
<b>Cash and cash equivalents at the end of the year</b>	21	(575,741,478)	(395,109,876)	(278,552,686)	(279,701,526)

The accounting policies and notes on pages 140 through 184 form an integral part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

### 1.1 Reporting Entity

Hayleys Leisure PLC (“the Company”) is a Public Limited Liability company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka. The address of the Company’s registered office and the principal place of business is situated at Level 27, East Tower, World Trade Center, Echelon Square, Colombo 01.

### 1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2025 comprise “the Company” referring to Hayleys Leisure PLC as the holding Company and the “Group” referring to companies that have been consolidated therein (Subsidiaries).

### 1.3 Nature of Operations and Principal Activities of the Company and the Group

During the year, the principal activities of the Group were as follows:

#### A. Hayleys Leisure PLC

During the year, the principal activities of the Company were provision of management and marketing services to its subsidiaries and managing entities.

#### B. Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited and Sun Tan Beach Resorts Limited.

The principal activities were provision of food, beverage, lodging and other hospitality industry related activities.

#### C. Hayleys Hotel Management Services (Private) Limited

The principal activity was providing hotel management related services.

#### D. Hayleys Holidays (Private) Limited, CDC Conventions (Private) Limited

Currently these Companies remain as dormant.

### 1.4 Parent Entity and Ultimate Parent Entity

In the opinion of the Directors, the Company’s parent and ultimate parent undertaking and controlling party is also Hayleys PLC, which is incorporated in Sri Lanka.

### 1.5 Approval of Financial Statements

The consolidated Financial Statements of Hayleys Leisure PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2025 were authorised for issue by the Directors on 30th April 2025.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standards (SLFRSs/LAKS) promulgated by the Institute of chartered Accountants of Sri Lanka (CA Sri Lanka), and with the requirements of the Companies Act No. 7 of 2007.

### 2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for

- Lands which are recognised as property, plant and equipment which are measured at cost at the time of the acquisition and subsequently carried at fair value.
- Financial instruments reflected as fair value through profit or loss (FVTPL) which are measured at fair value.
- Financial instruments designated as fair value through Comprehensive income which are measured at fair value.

Where appropriate, specific policies are explained in the succeeding notes.

No adjustments have been made for inflationary factors in the consolidated financial statements.

### 2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lanka Rupees (Rs), which is the Group’s functional and presentation currency.

### 2.4 Materiality and Aggregation

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

### 2.5 Comparative Information

The consolidated financial statements provide comparative information in respect of the previous year. The accounting policies other than for leases have been consistently applied by the Group and, are consistent with those used in the previous year. Previous year’s figures and phrases have been re-arranged whenever necessary to conform to current presentation.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of Consolidation

The consolidated Financial Statements encompass the Company, its Subsidiaries (together referred to as the “Group”)

Subsidiaries are disclosed in Note 16 to the financial statements. Investment in subsidiaries are carried at cost less impairments in the separate financial statements.

### 3.2 Subsidiaries

Subsidiaries are those entities controlled by the group. Control is achieved when the group is exposed, or rights, to variable returns from its involvement with the investee and when it has the ability to affect those returns through its power over the investee. Specifically, the group controls an investee if, and only if, the group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the group has less than a majority of the voting or similar rights of an investee, the group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The group's voting rights and potential voting rights

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary, if acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the group gains control until the date the group ceases to control the subsidiary.

Profit or loss and each component of Comprehensive Income are attributed to equity holders of the parent of the Group and to the non-controlling interests, even if this results in the Non-Controlling Interests having a deficit balance. When necessary, adjustments are made to the

financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 3.3 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the group elects whether to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Transaction costs, other than those associated with the issue of debt or equity securities that the group incurs in connection with a business combination are expensed and included in administrative expenses.

When the group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss recognised in Statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Profit or Loss in accordance with SLFRS. Other contingent consideration that is not within the scope of SLFRS is measured at fair value at each reporting date with changes in fair value recognised in the Statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Profit or Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the

# NOTES TO THE FINANCIAL STATEMENTS

acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion the cash-generating unit retained.

### 3.4 Functional and Presentation Currency

The Group's Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs), which is the functional and presentation currency of the Group.

#### Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Foreign currency differences arising on retranslation are recognised in the statement of profit or loss. All other differences arising on settlement or translation of monetary items are taken to Statement of profit or loss.

### 3.5 Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a 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 a right at the reporting date to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

### 3.6 Fair value measurement

The Group measures financial instruments such as investments which are designated as fair value through Comprehensive Income and at fair value through profit or loss and non-financial assets such as owner-occupied land, at fair value at each reporting date. 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 in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Note 14
- Quantitative disclosures of fair value measurement hierarchy Note 13
- Property (land) under revaluation model Note 14
- Financial instruments (including those carried at amortised cost) Note 17

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 Group.

The fair value of an asset or a liability is

measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group 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 Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group 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 STATEMENT OF PROFIT OR LOSS AND STATEMENT OF FINANCIAL POSITION**

### **4.1 Statement of Profit or Loss**

Income and Gains

#### **4.1.1 Revenue from Contracts with Customers**

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

Hayleys Leisure PLC's gross revenue comprises provision of management and marketing services to its subsidiaries and managing entities and the Group's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities.

#### **Management and Commission Income**

Management and Commission Income is recognized based on the terms in the related contracts and is recognised as the services are performed.

#### **Room Revenue**

Room revenue is recognised on rooms occupied on daily basis.

#### **Sale of Food and Beverage**

Revenue from sale of food and beverage is recognized at the point in time when control is transferred to the customer, generally on delivery of the goods.

#### **Other Hospitality related Services**

Other hospitality related services are recognised as the services are performed.

#### **4.1.2 Finance income**

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in Statement of Profit or Loss.

Foreign currency gains and losses are reported on a net basis other than for exchange loss recognised based on the ineffective portion of the cash flow hedge.

#### **4.1.3 Dividend Income**

Dividend income is recognised in Statement of profit or loss on the date the entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

#### **4.1.4 Rental income**

Rental income is recognised in Statement profit or loss as it accrues.

#### **4.1.5 Gains and losses**

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the net sales proceeds with the carrying amounts of property, plant & equipment and are recognised net within "other income" in profit or loss.

#### **4.1.6 Other Income**

Other income is recognised on an accrual basis.

## **4.2 Expenses**

Expenses are recognised in the Statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year.

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

# NOTES TO THE FINANCIAL STATEMENTS

## 4.3 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

## 4.4 Finance costs

Finance costs comprise interest expense on borrowings, exchange loss on foreign currency loans and changes in the fair value of financial assets at fair value through profit or loss.

The interest expense component of finance lease payments is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 4.5 Tax expense

Tax expense comprises current income tax, dividend tax and deferred tax. Current tax and deferred tax are recognised in statement of profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Comprehensive income.

### Current Tax

Current income tax assets or liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current tax relating to items recognised directly in Comprehensive Income is recognised in Comprehensive Income and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation

and establishes provisions where appropriate.

### Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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:

- When the deferred 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.

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred 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 tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in 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 the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or in the statement of profit or loss.

#### Dividend Tax

Tax on dividend income from subsidiaries is recognized as an expense in the consolidated statement of profit or loss at the same time as the liability to pay the related dividend is recognized.

#### Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except:

When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Receivables and payables that are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 4.6 Property, Plant and Equipment

The group applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services and for administration purpose and are expected to be used for more than one year.

Property, Plant and Equipment is recognized if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Items of Property, Plant & Equipment measured at cost net of accumulated depreciation and accumulated impairment losses, if any, except for land which is measured at fair value. Construction in progress is stated at cost, net of accumulated impairment losses, if any.

The cost of Property, Plant & Equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of Plant and Equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Revaluation of land is done with sufficient frequency to ensure that the fair value of the land does not differ materially from its carrying amount, and is undertaken by professionally qualified valuers.

Any revaluation surplus is recorded in Comprehensive Income and credited to the asset revaluation reserve in equity, however, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the statement of profit or loss, the increase is recognized in the statement of profit or loss. A revaluation deficit is recognized in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

The cost of replacing a component of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized in accordance with the derecognition policy given below.

Costs of the repair & maintenance of Property, Plant and Equipment are recognized in statement of profit or loss as incurred.

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gains and losses on derecognition are recognized (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) in statement of profit or loss and gains are not classified as revenue.

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of Property, Plant and Equipment, in reflecting the expected pattern of consumption of the future economic benefits embodied in the asset.

# NOTES TO THE FINANCIAL STATEMENTS

Asset class	Period
Freehold buildings	50 years
Buildings - Bathroom	15 years
Buildings - Furniture & Fittings	12.5 years
Building on leasehold land	over the lease period
Building - Plant and machinery	15 years
Sports Center	15 years
Road network	20 years
Furniture and fittings	10 years
Plant and machinery	15 years
Kitchen equipment	15 years
Office equipment	15 years
Computer equipment	05 years
Circulating Assets - Short term	03 years
Circulating Assets - Long term	10 years
Fixtures and fittings	15 years
Electronic Equipment	05 years
Motor vehicles	05 years

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognized. The asset's residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end and adjusted prospectively, if appropriate.

## 4.6.1 Leased assets

The Group assesses at contract 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.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments

and right-of-use assets representing the right to use the underlying assets.

### i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Land rights – 40 – 50 Years

Motor vehicles – 05 Years

CCTV system – 05 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

### ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option

to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

### iii) Short-term leases and leases of low-value assets

The Group does not apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions during the year for any lease contracts.

## 4.7 Intangible assets

### 4.7.1 Basis of Recognition

An Intangible asset is recognized if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

### 4.7.2 Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair value as at the date of acquisition. Following initial recognition, intangible assets are

carried at cost less any accumulated amortization and accumulated impairment losses. 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.

#### 4.7.3 Useful economic lives and Amortization

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### 4.7.4 De-recognition of Intangible Assets

Intangible assets are de-recognized on disposal or when no future economic benefits are expected from its use. 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 recognized in the

statement of profit or loss when the asset is derecognized.

#### 4.7.5 Leasehold Rights

In respect of operating leases acquired under a business combination where the Group is lessee, Group determines whether the terms of each operating lease are favorable or unfavorable relative to market terms. The Group recognizes an intangible asset if the terms of an operating lease are favorable relative to market terms and a liability if the terms are unfavorable relative to market terms. Leasehold rights represent value of favorable lease terms.

#### 4.7.6 Subsequent Expenditure

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

#### 4.7.7 Amortization

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

### 4.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

#### 4.8.1 Financial assets

##### 4.8.1.1 Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business

model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All financial assets are initially measured at fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

##### 4.8.1.2 Subsequent measurement

For purpose of subsequent measurement of financial assets are classified in four categories:

- Financial Assets at amortised cost
- Financial assets at fair value through

# NOTES TO THE FINANCIAL STATEMENTS

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 derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group 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 recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group 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 profit or loss. Dividends are recognized as other income in the

statement of profit or loss when the right of payment has been established, except when the Group 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.

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. 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 recognized in finance income or finance costs in the statement of profit or loss.

#### 4.8.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired. Or:
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### 4.8.1.4 Impairment of financial assets

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

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 4.8.2 Financial Liabilities

### 4.8.2.1 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 hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

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

#### 4.8.2.2 Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

##### Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit or loss.

#### 4.8.2.3 Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### 4.8.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in

the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognized amounts and
- There is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### 4.8.4 Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 13.

#### 4.9 Inventories

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Food and Beverages	Weighted Average Basis
House Keeping and Maintenance	
Printing and Stationary	
Consumables and Other	

Net realizable value is the estimated selling price in the ordinary course of business

less, the estimated cost of completion and the estimated costs necessary to make the sale.

#### 4.10 Cash and cash equivalents

Cash in hand and at bank 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, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### 4.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount 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. When 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 of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation

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multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Comprehensive Income. For such properties, the impairment is recognized in Comprehensive Income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized 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.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable

amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

## 4.12 Employee Benefits

### 4.12.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognized as an employee benefit expense in statement of profit or loss in the periods during which services are rendered by employees.

The Group contributes 12% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contribution respectively.

### 4.12.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by the independent actuaries using the Projected Unit Credit (PUC) method as recommended by LKAS 19 'Employee Benefits'.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in Note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

Provision has been made for retirement gratuities from the beginning of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The settlement of the liability would be made based on the half of the last month salary drawn in to number of years completed. Actuarial gains or losses are recognized in full in Comprehensive Income.

### 4.12.3 Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

## 4.13 Provisions

Provisions are recognized when the Group 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized 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, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 4.14 Related Party Transactions

Terms and conditions of transactions with related parties

The Group carried out transactions in the ordinary course of business with related entities. Governance structure, nature of

the entity's relationships, principal place of business have been disclosed in the corporate governance section and Group directory.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash.

#### Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets whichever is lower of the company as per 31 March 2025 audited financial statements, which required additional disclosures in the 2024/2025 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act

#### Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 other than disclosed in note 29 to the consolidated financial Statements, which required additional disclosures in the 2024/2025 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

#### 4.15 Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements in conformity with SLFRS/ LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgements and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence actual experience and results may differ from these judgements and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period and any future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes.

#### Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in 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 Group's ability to continue as a going concern and the management do not intend either to liquidate or to cease operations of the Group. Therefore, the

Financial Statements continue to be prepared on the going concern basis.

#### Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to good will recognized by the Group.

#### Measurement of the Employee Benefit Obligations

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligations are given in note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

#### Revaluation of Land

The Group measures lands which are recognized as Property, Plant & Equipment at revalued amount with change in value being recognized in the Statement of Comprehensive income. The valuer has used valuation techniques such as direct

# NOTES TO THE FINANCIAL STATEMENTS

capital comparison. Further details on revaluation of land are disclosed in Note 14 to the consolidated financial statements.

## Provision for expected credit losses of trade receivables

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

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

## Leases - Estimating the incremental borrowing rate for discounting lease commitments

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and making certain entity-specific adjustments based on the type, terms and conditions of the lease.

## 6 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17.

The amendments are not expected to have a material impact on the Group's financial statement.

### Lack of exchangeability - Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statement.

## 7 REVENUE

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Revenue from contracts with customers (Note 7.1)	3,378,056,859	2,918,546,565	467,135,283	440,803,695
Tourism development levy	(31,381,526)	(26,286,107)	-	-
Turnover tax	(14,596,631)	(15,052,517)	-	-
	<b>3,332,078,702</b>	<b>2,877,807,941</b>	<b>467,135,283</b>	<b>440,803,695</b>

### 7.1 Revenue from contracts with customers

The Group classifies its revenue streams according to business units based on the nature of services for easy of understanding. Namely; Room Revenue, Food and Beverage Revenue and Other Hotel Related Revenue, which are grouped as over time/ the period of stay and at a point in time. The Board monitors the operating results for the purpose of performance assessment. Assets and Liabilities are managed on a collective basis and are not allocated to operating segments.

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Revenue Recognised over time/ period of stay	2,454,452,761	2,043,147,291	467,135,283	440,803,695
Revenue recognised at a point in time	923,604,098	875,399,274	-	-
	<b>3,378,056,859</b>	<b>2,918,546,565</b>	<b>467,135,283</b>	<b>440,803,695</b>

Contract liabilities and its movement is disclosed in Note 26.1 to the financial statements.

## 8 OTHER INCOME AND GAINS

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Sundry income	48,745,915	41,297,030	9,677,990	480,000
Dividend income	782	986	782	986
Rent income	390,000	277,851	-	-
Payable written back	9,226,601	3,339,725	-	-
Profit on disposal of property, plant and equipment	22,664,340	4,625,734	-	-
	<b>81,027,638</b>	<b>49,541,326</b>	<b>9,678,772</b>	<b>480,986</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 9 FINANCE COST AND INCOME

### 9.1 Finance Cost

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest expenses on bank overdrafts	47,815,782	61,794,560	29,588,222	54,286,637
Interest expenses on lease liabilities	2,361,873	4,683,568	-	-
Exchange loss	30,438,556	11,014,787	1,590,889	1,378,582
Interest expenses on bank loans	151,089,206	307,855,057	-	355,185
	231,705,417	385,347,972	31,179,111	56,020,404

### 9.2 Finance Income

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Interest income	3,980,535	27,700,794	1,775,587	25,111,613
Gain on investments at fair value through profit or loss	138,809	91,307	138,809	91,307
Exchange gain	34,188,025	58,975,154	2,675,302	-
	38,307,369	86,767,255	4,589,698	25,202,920

## 10 PROFIT/(LOSS) BEFORE TAX

Stated after charging	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Year ended 31 March				
Employees benefits including the following	434,388,862	357,633,687	206,252,773	180,340,211
- Defined benefit plan costs - gratuity (included in employee benefits)	18,733,191	18,702,540	3,104,046	2,277,664
- Defined contribution plan costs - EPF and ETF (included in employee benefits)	59,496,802	51,109,921	6,066,773	5,000,508
Depreciation and amortization	200,164,065	198,506,724	7,875,736	11,550,235
Directors' emoluments	5,850,000	5,675,000	5,850,000	5,675,000
Service fees	40,487,385	40,164,561	31,742,709	20,888,243
Auditor's remuneration	2,563,926	3,163,630	696,758	659,419
Professional fees	5,156,766	3,517,542	1,064,502	559,159
Advertising and sales promotion expenses	18,587,091	12,871,846	22,000	141,927

## 11 INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 March are as follows :

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<b>Income Statement</b>				
<b>Current income tax</b>				
Current income tax charge (Note 11.1)	(432,917)	(799,653)	-	-
	(432,917)	(799,653)	-	-
<b>Deferred income tax</b>				
Deferred taxation (charge)/ release (Note 11.3)	(117,424,891)	9,320,819	-	-
	(117,424,891)	9,320,819	-	-
<b>Income tax (expense) reported in the profit or loss</b>	<b>(117,857,808)</b>	<b>8,521,166</b>	<b>-</b>	<b>-</b>

11.1 A reconciliation between income tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Accounting profit before income tax	277,370,201	(154,507,483)	2,315,371	(22,733,053)
Disallowed items	348,193,899	550,282,798	24,138,879	14,240,806
Allowed items	(199,191,113)	(176,559,317)	(5,194,123)	(1,178,530)
Interest income	(3,959,139)	(27,685,330)	(1,775,587)	(25,111,613)
Dividend income	(782)	(986)	(782)	(986)
Other income	(390,000)	(277,851)	-	-
None taxable income	(337,133)	(56,968,300)	-	-
Exempt due to BOI tax holiday	(124,071,528)	(124,839,966)	-	-
Taxable profit from business	297,614,405	53,764,413	19,483,758	-
Taxable (loss) from business	-	(44,320,848)	-	(34,783,376)
<b>Other sources of income</b>				
Interest income	3,242,171	26,457,988	1,775,587	25,111,613
Rental income	390,000	277,851	-	-
Dividend income	782	986	782	986
Taxable other income	3,632,953	26,736,825	1,776,369	25,112,599
Non taxable other income	(782)	(986)	(782)	(986)
Total statutory income	301,246,576	80,500,252	21,259,345	25,111,613
Tax losses brought forward and utilized	(300,751,108)	(77,834,741)	(21,259,345)	(25,111,613)
Total taxable income	495,468	2,665,511	-	-
Income tax at 30% on taxable profits	(148,640)	(799,653)	-	-
(Under)/ Over provision for previous years	(284,277)	-	-	-
Current income tax charge	(432,917)	(799,653)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 11 INCOME TAX EXPENSE - (Contd...)

### 11.2 Tax losses

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Tax losses brought forward	1,592,494,978	1,346,940,288	799,111,656	497,038,797
Tax losses utilized during the year	(300,751,108)	(77,834,741)	(21,259,345)	(25,111,613)
Tax losses expired during the year	(306,594,675)	-	(306,594,675)	-
Adjustment for tax losses b/f	(47,814,496)	279,068,582	5,925,166	292,401,097
Loss incurred during the year	-	44,320,849	-	34,783,375
<b>Tax losses carried forward</b>	<b>937,334,699</b>	<b>1,592,494,978</b>	<b>477,182,802</b>	<b>799,111,656</b>

### 11.3 Deferred taxation - group

Year ended 31 March	Statement of Financial Position		Statement of profit or Loss	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<b>Deferred tax liability</b>				
Accelerated depreciation on property, plant and equipment	284,364,856	266,501,950	(17,862,906)	22,726,663
Revaluation surplus on land	200,825,799	200,825,799	-	-
Directly charged to equity	-	-	-	179,200
Lease liability	618,961	1,087,573	468,612	(1,091,052)
	<b>485,809,616</b>	<b>468,415,322</b>	<b>(17,394,294)</b>	<b>21,814,811</b>
<b>Deferred tax assets</b>				
Retirement benefit obligation - through statement of profit or loss	(13,394,356)	(12,081,700)	1,312,656	3,263,560
Retirement benefit obligation - through other comprehensive income	(1,739,030)	(2,018,274)	-	-
Trade and other receivables	(739,309)	(1,979,950)	(1,240,641)	1,242,308
Carried forward tax losses	(96,449,313)	(196,551,925)	(100,102,612)	(16,999,860)
	<b>(112,322,008)</b>	<b>(212,631,849)</b>	<b>(100,030,597)</b>	<b>(12,493,992)</b>
Deferred taxation (charge)/ release			<b>(117,424,891)</b>	<b>9,320,819</b>
Net deferred tax liability	<b>373,487,608</b>	<b>255,783,473</b>		

#### 11.3.1 Reconciliation of deferred tax charge/ release

Deferred tax (charge) / release reported in the profit or loss	(117,424,891)	9,320,819
Deferred tax (charge) / release reported in other comprehensive income	(279,244)	(38,676,068)
	<b>(117,704,135)</b>	<b>(29,355,249)</b>

### 11.3.2 Hayleys Leisure PLC

The company has a carried forward tax loss amounting to Rs. 477,182,802/- (2024 - Rs. 799,111,656/-) that is available for six years to offset against future statutory income of the company. A deferred tax asset amounting to Rs.143,154,841/- (2024 - Rs. 239,733,497/-) has not been recognized in respect of this tax loss and other temporary differences which has resulted deferred tax assets as it is anticipated that the deferred tax asset will not realize in the foreseeable future.

## 12 EARNINGS/ (LOSS) PER SHARE

### 12.1 Earnings/ (Loss) Per Share

Earnings/ (loss) per share is calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the loss per share computations.

#### 12.1.1 Amount used as the numerator:

Year ended 31 March	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Profit/(Loss) for the year	159,512,393	(145,986,317)	2,315,371	(22,733,053)
Profit/(Loss) attributable to non-controlling Interest	2,672,546	(33,360,648)	-	-
Profit/(Loss) attributable to ordinary shareholders of parent company for basic/diluted earnings per share	156,839,847	(112,625,669)	2,315,371	(22,733,053)
<b>Number of ordinary shares used as the denominator</b>				
Weighted average number of ordinary shares in issue applicable to basic/diluted earnings or loss per share	107,989,958	107,989,958	107,989,958	107,989,958
Basic Earnings/ (Loss) per share	1.45	(1.04)	0.02	(0.21)

# NOTES TO THE FINANCIAL STATEMENTS

## 13 FAIR VALUE MEASUREMENT

13.1 The following table provides the fair value measurement hierarchy of the group's assets.

Fair value measurement hierarchy for assets as at 31 March 2025:	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
		Rs.	Rs.	Rs.	Rs.
<b>Assets measured at fair value:</b>					
<b>Non-financial assets</b>					
Land (Note 14)	31 March 2025	1,039,000,000	-	-	1,039,000,000
<b>Non-financial assets as at 31 March 2025</b>		<b>1,039,000,000</b>	<b>-</b>	<b>-</b>	<b>1,039,000,000</b>
<b>Fair value measurement hierarchy for assets as at 31 March 2024:</b>					
<b>Assets measured at fair value:</b>					
<b>Non-financial assets</b>					
Land (Note 14)	31 March 2024	1,039,000,000	-	-	1,039,000,000
<b>Non-financial assets as at 31 March 2024</b>		<b>1,039,000,000</b>	<b>-</b>	<b>-</b>	<b>1,039,000,000</b>
<b>Financial assets</b>					
<b>As at 31 March 2025</b>					
Quoted investment in equity securities (Note 17.1)	31 March 2025	2,220,566	2,220,566	-	-
<b>Total fair value through profit or loss financial assets</b>		<b>2,220,566</b>	<b>2,220,566</b>	<b>-</b>	<b>-</b>
<b>Total financial assets as at 31 March 2025</b>		<b>2,220,566</b>	<b>2,220,566</b>	<b>-</b>	<b>-</b>
<b>As at 31 March 2024</b>					
Quoted investment in equity securities (Note 17.1)	31 March 2024	2,081,757	2,081,757	-	-
<b>Total fair value through profit or loss financial assets</b>		<b>2,081,757</b>	<b>2,081,757</b>	<b>-</b>	<b>-</b>
<b>Total financial assets as at 31 March 2024</b>		<b>2,081,757</b>	<b>2,081,757</b>	<b>-</b>	<b>-</b>

### 13.2 The following table provides the fair value measurement hierarchy of the company's assets.

Fair value measurement hierarchy for assets as at 31 March 2025 and 2024:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
		Rs.	Rs.	Rs.	Rs.
<b>Assets measured at fair value as at 31 March 2025</b>					
<b>Financial assets</b>					
Quoted investment in equity securities (Note 17.1)	31 March 2025	2,220,566	2,220,566	-	-
<b>Total fair value through profit or loss financial assets</b>		2,220,566	2,220,566	-	-
<b>Total financial assets as at 31 March 2025</b>		2,220,566	2,220,566	-	-
<b>As at 31 March 2024</b>					
<b>Financial assets</b>					
Quoted investment in equity securities (Note 17.1)	31 March 2024	2,081,757	2,081,757	-	-
<b>Total fair value through profit or loss financial assets</b>		2,081,757	2,081,757	-	-
<b>Total financial assets as at 31 March 2024</b>		2,081,757	2,081,757	-	-

### 13.3 Fair Value of financial assets

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

Year ended 31 March	Carrying amount		Fair value	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<b>Financial assets</b>				
Other financial assets				
- Fair Value through profit or loss investments	649,378	649,378	2,220,566	2,081,757
<b>Total</b>	<b>649,378</b>	<b>649,378</b>	<b>2,220,566</b>	<b>2,081,757</b>

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

# NOTES TO THE FINANCIAL STATEMENTS

## 14 PROPERTY, PLANT AND EQUIPMENT

### 14.1 Group

	Balance As at 01.04.2024	Additions	Transfers	Disposals	Balance As at 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Gross carrying amounts</b>					
At Cost or Valuation					
Freehold land	1,039,000,000	-	-	-	1,039,000,000
Freehold buildings	1,941,164,875	-	-	(35,550)	1,941,129,325
Buildings - Bathroom	7,076,500	-	-	(2)	7,076,498
Buildings - Furniture& Fittings	608,569	1,106,059	-	-	1,714,628
Buildings - Plant and Machinery	143,810,913	7,788,779	-	-	151,599,692
Building on leasehold land	1,911,430,434	1,500,000	-	(11,651,272)	1,901,279,162
Sports Center	8,532,122	1,120,000	-	(1,368,245)	8,283,877
Road network	32,498,582	1,477,994	-	-	33,976,576
Furniture and fittings	353,075,987	9,494,519	-	(2,185,390)	360,385,116
Plant and machinery	294,347,575	12,048,435	-	(6,762,626)	299,633,384
Kitchen equipment	176,037,262	13,236,720	-	(2,596,568)	186,677,414
Office equipment	9,186,493	2,356,185	-	-	11,542,678
Computer equipment	177,302,450	21,714,570	-	(1,866,552)	197,150,468
Circulating Assets - Short term	155,148,760	31,883,871	-	(30,531,057)	156,501,574
Circulating Assets - Long term	26,925,574	5,981,063	-	-	32,906,637
Fixtures and fittings	117,728,008	-	-	-	117,728,008
Sign Board	2,181,901	-	-	-	2,181,901
Electronic Equipment	121,161,881	22,057,256	-	(8,567,401)	134,651,736
Motor vehicles	78,048,040	30,550,892	-	-	108,598,932
	6,595,265,926	162,316,343	-	(65,564,663)	6,692,017,606
<b>In the course of construction</b>					
Building work in progress	1,477,994	839,500	(1,477,994)	-	839,500
	1,477,994	839,500	(1,477,994)	-	839,500
<b>Total gross carrying amount</b>	6,596,743,920	163,155,843	(1,477,994)	(65,564,663)	6,692,857,106

## Depreciation

	Balance As at	Charge	Transfers	Disposals	Balance As at
	01.04.2024	for the year			31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At Cost or Valuation</b>					
Freehold buildings	261,524,458	20,208,886	-	(7,503)	281,725,841
Buildings - Bathroom	6,966,587	46,989	-	-	7,013,576
Buildings - Furniture & Fittings	484,909	71,427	-	-	556,336
Buildings - Plant and Machinery	62,083,064	5,545,720	-	(11,351,695)	56,277,089
Building on leasehold land	643,820,605	73,077,300	-	-	716,897,905
Sports Center	6,952,436	365,742	-	(1,018,375)	6,299,803
Road network	15,722,909	1,686,681	-	-	17,409,590
Furniture and fittings	328,299,970	13,024,701	-	(1,722,317)	339,602,354
Plant and machinery	208,416,863	15,512,172	-	(6,076,692)	217,852,343
Kitchen equipment	131,426,597	9,552,085	-	(2,501,176)	138,477,506
Office equipment	6,370,950	195,242	-	-	6,566,192
Computer equipment	94,427,217	21,323,918	-	(1,866,499)	113,884,636
Circulating Assets - Short term	119,664,722	18,648,770	-	(26,414,344)	111,899,148
Circulating Assets - Long term	14,234,980	1,927,262	-	-	16,162,242
Fixtures and fittings	53,845,403	-	-	-	53,845,403
Sign Board	2,181,899	-	-	-	2,181,899
Electronic Equipment	57,338,360	6,758,749	-	(8,462,366)	55,634,743
Motor vehicles	71,401,621	3,176,688	-	-	74,578,309
<b>Total depreciation</b>	<b>2,085,163,550</b>	<b>191,122,332</b>	<b>-</b>	<b>(59,420,967)</b>	<b>2,216,864,915</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 14 PROPERTY, PLANT AND EQUIPMENT - (Contd...)

Year ended 31 March	2025	2024
	Rs.	Rs.
<b>Net book value</b>		
<b>At cost or valuation</b>		
Freehold land	1,039,000,000	1,039,000,000
Freehold buildings	1,659,403,484	1,679,640,417
Buildings - Bathroom	62,922	109,913
Buildings - Furniture & Fittings	1,158,292	123,660
Buildings - Plant and Machinery	95,322,603	81,727,849
Building on leasehold land	1,184,381,257	1,267,609,829
Sports Center	1,984,074	1,579,686
Road network	16,566,986	16,775,673
Furniture and fittings	20,782,762	24,776,017
Plant and machinery	81,781,041	85,930,712
Kitchen equipment	48,199,908	44,610,665
Office equipment	4,976,486	2,815,543
Computer equipment	83,265,832	82,875,233
Circulating Assets - Short term	44,602,426	35,484,038
Circulating Assets - Long term	16,744,395	12,690,594
Fixtures and fittings	63,882,605	63,882,605
Sign Board	2	2
Electronic Equipment	79,016,993	63,823,521
Motor vehicles	34,020,623	6,646,419
	<b>4,475,152,691</b>	<b>4,510,102,376</b>

#### 14.1.1 In the course of construction

Building work in progress	839,500	1,477,994
	<b>839,500</b>	<b>1,477,994</b>
<b>Total carrying amount of property, plant and equipment</b>	<b>4,475,992,191</b>	<b>4,511,580,370</b>

14.1.2 During the financial year, the group acquired & transferred property, plant and equipment to the aggregate value of Rs. 163,155,843/- (2024 - Rs. 151,422,602/-). Cash payments amounted to Rs. 161,677,851/- (2024 - Rs. 143,828,687/-) were made during the year for purchase of property, plant and equipment.

14.1.3 Information on the freehold land, freehold buildings, leasehold land and buildings on leasehold land of the group is as follows;

Company	Location	Ownership	Extent
Culture Club Resorts (Private) Limited	Dambulla	Freehold	0.406 Hectares
	Dambulla	Leasehold	8.094 Hectares
Kandyan Resorts (Private) Limited	Kandy	Freehold	4.8233 Hectares
Sun Tan Beach Resorts Limited	Passikudah	Leasehold	3.8109 Hectares

Fair value measurement disclosures for revalued lands are provided in note 13.

Significant unobservable valuation

Price per perch	Range
- Kandyan Resorts (Private) Limited	Rs. 350,000/- to Rs. 800,000/-
- Culture Club Resorts (Private) Limited	Rs. 56,000/-

14.1.4 If lands were measured using the cost model, the carrying amount would be Rs. 127,587,077/-.

14.1.5 Property, plant and equipment recognised above include fully depreciated assets having a gross carrying amount of Rs. 727,912,516/- (2024- Rs. 615,333,144/-).

## 14.2 Company

Gross carrying amounts	Balance As at	Additions	Transfers	Disposals	Balance As at
	01.04.2024				31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At Cost</b>					
Motor vehicles	33,556,800	-	-	-	33,556,800
Furniture and fittings	12,588,610	97,787	-	-	12,686,397
Circulating Assets - Short term	457,179	-	-	-	457,179
Circulating Assets - Long term	1,075,550	-	-	-	1,075,550
Electronic equipment	498,103	611,501	-	-	1,109,604
Office equipment	5,728,991	733,349	-	-	6,462,340
Computer equipment	27,891,320	4,300,000	-	-	32,191,320
<b>Total gross carrying amount</b>	<b>81,796,553</b>	<b>5,742,637</b>	<b>-</b>	<b>-</b>	<b>87,539,190</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 14 PROPERTY, PLANT AND EQUIPMENT - (Contd...)

Depreciation	Balance	Charge for	Transfers	Disposals	Balance
	As at	the year			As at
	01.04.2024				31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At cost</b>					
Motor vehicles	27,066,240	3,126,359	-	-	30,192,599
Furniture and fittings	6,876,617	1,135,026	-	-	8,011,643
Circulating Assets - Short term	457,179	-	-	-	457,179
Circulating Assets - Long term	592,539	101,565	-	-	694,104
Electronic Equipment	276,397	102,855	-	-	379,252
Office equipment	5,227,510	81,241	-	-	5,308,751
Computer equipment	15,696,964	3,328,690	-	-	19,025,654
<b>Total depreciation</b>	<b>56,193,446</b>	<b>7,875,736</b>	<b>-</b>	<b>-</b>	<b>64,069,182</b>

Net Book Values	2025	2024
	Rs.	Rs.
<b>At Cost</b>		
Motor vehicles	3,364,201	6,490,560
Furniture and fittings	4,674,754	5,711,993
Circulating Assets - Short term	-	-
Circulating Assets - Long term	381,446	483,011
Electronic equipment	730,352	221,706
Office equipment	1,153,589	501,481
Computer equipment	13,165,666	12,194,356
<b>Total carrying amount of property, plant and equipment</b>	<b>23,470,008</b>	<b>25,603,107</b>

14.2.1 During the financial year, the company acquired property, plant and equipment to the aggregate value of Rs. 5,742,637/- (2024 - Rs. 11,003,529/-). Cash payments amounted to Rs. 5,742,637/- (2024 - Rs. 11,003,529/-) were made during the year for purchase of property, plant and equipment.

14.2.2 Property, plant and equipment recognised above include fully depreciated assets having a gross carrying amount of Rs. 43,854,844/- (2024 - Rs. 17,153,955/-).

## 15 RIGHT OF USE ASSETS

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Leasehold lands	13,560,330	21,085,788	-	-
Leasehold motor vehicles	-	2,325,000	-	-
Leasehold office equipment - CCTV	1,479,299	3,986,833	-	-
	<b>15,039,629</b>	<b>27,397,621</b>	<b>-</b>	<b>-</b>

### 15.1 Nature of the leasehold properties

Year ended 31 March	Lessor	Lease Term	Annual Rental	
			2025	2024
			Rs.	Rs.
Lands	SLTDA/BOI/ Mr. N. Senarathne	1992 - 2042	5,139,600	5,139,600
Motor vehicles	HNB	2020 - 2024	-	981,142
Office equipment - CCTV	Singer Finance (Lanka) PLC	2020 - 2025	3,876,840	3,876,840

### 15.2 Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
As at 01 April	27,397,621	32,299,499	-	-
Modification	(3,713,842)	-	-	-
Amotisation expenses	(8,644,150)	(4,901,878)	-	-
<b>As at 31 March</b>	<b>15,039,629</b>	<b>27,397,621</b>	<b>-</b>	<b>-</b>

	Lands	Motor Vehicle	CCTV	Total
As at 01 April	21,085,789	2,325,000	3,986,832	27,397,621
Amotisation expenses	(3,802,959)	(2,325,000)	(2,516,191)	(8,644,150)
Modification	(3,722,500)	-	8,658	(3,713,842)
<b>As at 31 March</b>	<b>13,560,330</b>	<b>-</b>	<b>1,479,299</b>	<b>15,039,629</b>

### 15.3 The following are the amounts recognised in profit or loss in respect of ROU Assets and related Lease liabilities:

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Amotisation expense of right-of-use assets	8,644,150	4,901,878	-	-
Interest expense on lease liabilities	2,361,873	4,683,568	-	-
<b>Total amount recognised in profit or loss</b>	<b>11,006,023</b>	<b>9,585,446</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 16 INVESTMENT IN SUBSIDIARIES

### 16.1 Non-quoted investment in subsidiaries

Company	Holding		Carrying Amount	
	2025	2024	2025	2024
	%	%	Rs.	Rs.
Kandyan Resorts (Private) Limited	100%	100%	323,612,971	323,612,971
Culture Club Resorts (Private) Limited	100%	100%	392,749,255	392,749,255
Sun Tan Beach Resorts Limited (Note 16.1.2)	82.44%	82.44%	521,156,950	521,156,950
<b>Total non-quoted investment in subsidiaries</b>			<b>1,237,519,176</b>	<b>1,237,519,176</b>

#### 16.1.1 Reconciliation of cost of investment of Sun Tan Beach Resorts Limited.

	2025	2024
	Rs.	Rs.
Balance 01 April 2024	968,690,672	968,690,672
Balance 31 March 2025	968,690,672	968,690,672

#### 16.1.2 Accumulated impairment on investment of Sun Tan Beach Resorts Limited.

	2025	2024
	Rs.	Rs.
Balance as at 01 April	447,533,722	447,533,722
Balance as at 31 March	447,533,722	447,533,722
Carrying amount of investment in Sun Tan Beach Resorts Limited	521,156,950	521,156,950

### 16.2 Material partly-owned subsidiary

Financial information of the subsidiaries that have material non-controlling interest is provided below.

#### Proportion of equity interest held by non-controlling interests:

Company Name	Incorporation	2025	2024
		Rs.	Rs.
Sun Tan Beach Resorts Limited	Sri Lanka	17.56%	17.56%

#### Accumulated balances of material non-controlling interest

Company Name	2025	2024
	Rs.	Rs.
Sun Tan Beach Resorts Limited	146,971,277	144,473,370
	146,971,277	144,473,370

16.2.1 The Summarized financial information of the Sun Tan Beach Resorts Limited are provided below

	2025 Rs.	2024 Rs.
<b>Summarized statement of financial position</b>		
Current assets	152,584,414	122,391,877
Non current assets	3,238,357,750	3,268,939,904
Current liabilities	1,627,088,542	1,187,536,545
Non current liabilities	927,024,836	1,381,189,092
<b>Total equity</b>	<b>836,828,786</b>	<b>822,606,144</b>
<b>Attributable to:</b>		
Equity holders of the parent	689,857,509	678,132,774
Non-controlling interest	146,971,277	144,473,370

	2025 Rs.	2024 Rs.
<b>Summarized statement of profit/ (loss)</b>		
Revenue	1,040,362,605	863,639,977
Cost of sales	(415,836,863)	(354,362,883)
Administrative expenses	(444,022,417)	(423,691,597)
Finance costs	(159,611,503)	(281,581,296)
Profit/ Loss before tax	15,649,828	(189,841,417)
Income tax	(432,917)	(107,045)
Profit/ Loss for the year	15,216,911	(189,948,462)
Total comprehensive profit/ (loss)	14,222,639	(192,368,779)
Attributable to non-controlling interest	2,497,922	(33,658,205)

	2025 Rs.	2024 Rs.
<b>Summarized statement of cash flows</b>		
Cash flows used in operating activities	538,564,475	201,543,289
Cash flows used in investing activities	(48,756,392)	(34,501,556)
Cash flows from Financing activities	(509,811,759)	(101,900,921)
Net increase in cash and cash equivalents	(20,003,676)	65,140,812

# NOTES TO THE FINANCIAL STATEMENTS

## 17 OTHER FINANCIAL ASSETS

### Other financial assets

	Group/ Company	
	2025	2024
	Rs.	Rs.
<b>Current</b>		
<b>Financial assets at fair value through profit or loss</b>		
Quoted investments in equity shares (Note 17.1)	2,220,566	2,081,757
	2,220,566	2,081,757
<b>Non-Current</b>		
<b>Equity instruments designated at fair value through OCI</b>		
Non-quoted investments in equity securities (Note 17.2)	10	10
	10	10
<b>Debt instruments at amortised cost</b>		
Related party receivables (Note 17.3)	-	265,877,271
	-	265,877,271
<b>Total other financial assets</b>	<b>2,220,576</b>	<b>267,959,038</b>
<b>Total current</b>	<b>2,220,566</b>	<b>2,081,757</b>
<b>Total non-current</b>	<b>10</b>	<b>265,877,281</b>

### 17.1 Fair value through profit or loss

#### Quoted investments in equity securities

Group/ Company	No. of Shares		Cost		Value	
	2025	2024	2025	2025	2024	2024
			Rs.	Rs.	Rs.	Rs.
The Fortress Resorts PLC	90,075	90,075	646,349	2,206,838	646,349	2,071,725
LB Finance PLC	160	160	3,029	13,728	3,029	10,032
	90,235	90,235	649,378	2,220,566	649,378	2,081,757
Fair value adjustment of investments			1,571,188	-	1,432,379	-
<b>Total Quoted investments in equity securities</b>			<b>2,220,566</b>	<b>2,220,566</b>	<b>2,081,757</b>	<b>2,081,757</b>

## 17.2 Non-quoted investments in equity securities

	No. of Shares		Carrying Value	
	2025	2024	2025	2024
				Rs.
La Forteresse (Private) Limited	1	1	10	10
Total non-quoted investments in equity securities	1	1	10	10

Based on the management's valuation, the fair value changes are immaterial to the financial statements and no adjustments made to the financial statements.

## 17.3 Debt instruments at amortised cost

	Group/Company	
	2025	2024
	Rs.	Rs.
Luxury Resort Pvt Ltd		
Balance as at 01 April	265,877,271	265,877,271
Reclassified	(265,877,271)	-
Balance as at 31 March	-	265,877,271

## 18 OTHER FINANCIAL LIABILITIES

### 18.1 Interest bearing loans and borrowings - group

	2025			2024		Total
	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	Total	Amount Repayable Within 1 Year	Amount Repayable After 1 Year	
	Rs.	Rs.				
Bank loans (Note 18.1.1)	441,511,197	1,028,178,456	1,469,689,653	492,715,153	1,521,923,306	2,014,638,459
Lease liability (Note 18.3)	11,521,301	3,429,413	14,950,714	12,023,906	17,996,911	30,020,817
Bank overdrafts (Note 21)	688,993,627	-	688,993,627	530,756,910	-	530,756,910
	1,142,026,125	1,031,607,869	2,173,633,994	1,035,495,969	1,539,920,217	2,575,416,186

# NOTES TO THE FINANCIAL STATEMENTS

## 18.1.1 Bank loans

	Balance As at 01.04.2024 Rs.	Loans Obtained/ Interest capitalised Rs.	Foreign Currency Conversion Rs.	Repayments Rs.	Balance As at 31.03.2025 Rs.
Hatton National Bank PLC - LKR TL	912,501,402	-	-	(127,644,664)	784,856,738
Hatton National Bank PLC - USD TL	571,431,796	-	(5,495,861)	(250,641,936)	315,293,999
DFCC Bank PLC - LKR TL	337,263,136	-	-	(124,724,220)	212,538,916
Bank of Ceylon	125,182	-	-	(125,182)	-
Sampath Bank PLC	193,316,943	-	-	(36,316,943)	157,000,000
	2,014,638,459	-	(5,495,861)	(539,452,945)	1,469,689,653

### Terms and conditions of the loans

The repayment terms of borrowing and the security offered to each loan (other than leases) are set out below;

	HNB *** Rs. 25Mn	HNB Rs. 202Mn	HNB Rs. 717Mn	DFCC Rs. 24Mn	DFCC Rs. 199Mn	DFCC Rs. 18Mn	DFCC Rs. 98Mn
Term of Interest	Fixed	AWPLR + Premium	AWPLR + Premium	AWPLR + Premium	AWPLR + Premium	AWPLR + Premium	AWPLR + Premium
Capital Repayment	Rs. 338,889/-	Rs. 8,160,000/-	Rs. 2,000,000/-	Rs. 673,000/-	Rs. 5,536,933/-	Rs. 522,353/-	Rs. 2,720,779/-
Repayment by	Jun-24	Mar-26	Mar-30	Feb-27	Feb-27	May-27	Feb-27
Security offered	Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd						

	Sampath - Rs. 250Mn	BOC*** - Rs. 25Mn
Term of Interest	AWPLR + Premium	Fixed
Capital Repayment	Rs. 3,000,000/-	Rs. 5,714,286/-
Repayment by	Aug-29	Apr-24
Security offered	CG ** of HLPLC*	Letter of comfort from Hayleys PLC/ HLPLC*

\* Hayleys Leisure PLC

\*\* Corporate Guarantee

\*\*\* Loans settled during the year

## 18.2 Interest bearing loans and borrowings - company

	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.
Bank loans	-	-	-	-	-	-
Bank overdrafts (Note 21)	292,219,159	-	292,219,159	294,297,284	-	294,297,284
	292,219,159	-	292,219,159	294,297,284	-	294,297,284

### 18.3 Lease Liability - Group

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Opening balance	30,020,817	41,458,862	-	-
Gross payments	(17,609,661)	(14,555,584)	-	-
Interest accrued on lease liabilities	2,539,558	3,117,539	-	-
Closing balance	14,950,714	30,020,817	-	-
Current	11,521,301	12,023,906	-	-
Non-current	3,429,413	17,996,911	-	-

### 19 INVENTORIES

	2025 Rs.	2024 Rs.
Food and beverages	47,583,715	51,561,620
Housekeeping and maintenance	40,290,452	47,022,070
Consumable and other	1,888,916	1,211,214
Inventory provision	-	(298,723)
	89,763,083	99,496,181

### 20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Trade receivables	245,495,486	317,409,692	16,811,698	16,811,698
Less - Impairment made from trade receivables	(20,556,666)	(23,760,055)	(16,811,698)	(16,811,698)
	224,938,820	293,649,637	-	-
Other receivables	144,029,744	84,112,676	112,651,216	69,782,602
Other receivables from related parties (Note 20.1)	736,368,208	328,695,481	1,905,392,106	986,294,474
Provision for doubtful receivables	-	-	(11,468,398)	(11,468,398)
	1,105,336,772	706,457,794	2,006,574,924	1,044,608,678

# NOTES TO THE FINANCIAL STATEMENTS

## 20.1 Other receivables from related parties

	Relationship	Group		Company	
		2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Hayleys PLC	Ultimate Parent	90,000	-	-	-
Hayleys Hotel Management Services (Private) Limited	Subsidiary	-	-	18,586,891	12,366,429
CDC Conventions (Private) Limited	Subsidiary	-	-	6,924,293	6,924,293
Hayleys Holidays (Private) Limited	Subsidiary	-	-	2,950,912	2,950,912
Kandyan Resorts (Private) Limited	Subsidiary	-	-	175,971,652	194,046,157
Sun Tan Beach Resorts Limited	Subsidiary	-	-	1,001,038,800	481,132,895
The Kingsbury PLC	Affiliate	72,800	110,000	-	-
Kelani Valley Resorts (Private) Limited	Affiliate	3,688,765	5,417,159	3,688,765	5,417,159
Hayleys Consumer Products Limited	Affiliate	-	415,001	-	-
Hayleys Aventura (Private) Limited	Affiliate	-	249,000	-	-
Eastern Hotels (Private) Limited	Affiliate	5,060,555	3,636,071	-	-
Luxury Resort Pvt Ltd	Affiliate	724,382,295	313,399,251	695,199,197	283,350,801
Hayleys Travels Pvt Ltd	Affiliate	1,882,197	4,641,171	-	-
Haycarb PLC	Affiliate	-	309,000	-	-
Hayleys Agriculture Holdings Limited	Affiliate	-	169,000	-	-
Hayleys Tours (Private) Limited	Affiliate	1,031,596	105,828	1,031,596	105,828
Hayleys Lifesciences (Private) Limited	Affiliate	160,000	34,000	-	-
Energynet (Pvt) Ltd	Affiliate	-	210,000	-	-
		736,368,208	328,695,481	1,905,392,106	986,294,474

- Trade and other receivables are non interest bearing and generally on 30-120 day terms.

## 20.2 As at 31 March, the aging analysis of trade receivables of group is as follows,

	Total	Neither past due nor impaired	Past due but not impaired			
			> 60 days	61-120 days	121-180 days	181-365 days
2025	224,938,820	17,245,667	192,010,996	15,486,487	195,670	-
2024	293,649,637	141,685,379	76,429,583	63,005,085	12,529,590	-

### Provision matrix and impairment of debtors

- Management has carried out an impairment provision based on the simplified approach of Expected credit loss (ECL) method and no any impairment provision has been accounted for trade debtors as the ECL is insignificant. Management considered 100% ECL for debtors aged more than 180 days in determining the provision matrix for ECL.

## 21 CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT

### Components of cash and cash equivalents

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Favourable cash and cash equivalent balances				
Cash and bank balances	110,547,537	133,180,654	10,961,861	12,129,378
Short term deposits	2,704,612	2,466,380	2,704,612	2,466,380
	113,252,149	135,647,034	13,666,473	14,595,758
Unfavourable cash and cash equivalent balances				
Bank overdraft	(688,993,627)	(530,756,910)	(292,219,159)	(294,297,284)
	(688,993,627)	(530,756,910)	(292,219,159)	(294,297,284)
Total cash and cash equivalents for the purpose of statement of cash flows	(575,741,478)	(395,109,876)	(278,552,686)	(279,701,526)

Short term deposits are held with registered financial institutions have less than 3 months maturity period.

## 22 STATED CAPITAL

	Group/ Company			
	2025		2024	
	Number	Rs.	Number	Rs.
Fully paid ordinary shares	107,989,958	909,370,708	107,989,958	909,370,708
	107,989,958	909,370,708	107,989,958	909,370,708

## 23 REVALUATION RESERVE

	2025	2024
	Rs.	Rs.
On property, plant and equipment		
As at 01 April	469,694,322	376,989,122
Surplus on revaluation of freehold land	-	132,436,000
Deffered tax impact on revaluation gain	-	(39,730,800)
As at 31 March	469,694,322	469,694,322

## NOTES TO THE FINANCIAL STATEMENTS

### 24 TRADE AND OTHER PAYABLES

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Trade payables	90,669,333	211,476,547	2,829,107	18,637,396
Other payables to related parties (Note 24.1)	1,512,484,763	1,216,685,593	1,885,610,602	1,187,551,326
Sundry creditors including accrued expenses	140,081,013	200,574,138	8,407,812	7,035,642
	<b>1,743,235,109</b>	<b>1,628,736,278</b>	<b>1,896,847,521</b>	<b>1,213,224,364</b>

#### 24.1 Other Payables to Related Parties

Year ended 31 March	Relationship	Group		Company	
		2025	2024	2025	2024
		Rs.	Rs.	Rs.	Rs.
Hayleys PLC	Ultimate Parent	1,259,278,978	987,131,633	1,215,220,993	839,803,333
Culture Club Resorts (Private) Limited	Subsidiary	-	-	440,098,529	126,460,219
The Kingsbury PLC	Affiliate	243,968,000	224,074,035	227,353,627	221,139,774
Advantis Projects & Engineering (Private) Limited	Affiliate	641,035	-	-	-
Hayleys Consumer Products Limited	Affiliate	1,123,760	246,638	-	-
Hayleys Travels (Private) Limited	Affiliate	1,287,400	148,000	1,287,400	148,000
Hayleys Business Solutions (Pvt) Ltd	Affiliate	673,620	943,851	446,334	-
Hayleys Agriculture Holdings Limited	Affiliate	694,123	1,244,309	-	-
Hayleys Aventura (Private) Limited	Affiliate	2,175,766	224,250	-	-
Mabroc Teas (Pvt) Ltd	Affiliate	540,952	716,169	-	-
Logiwiz Limited	Affiliate	48,144	-	48,144	-
Energynet (Pvt) Ltd	Affiliate	46,982	-	46,982	-
Kelani Valley Resorts (Private) Limited	Affiliate	27,500	-	-	-
Singer (Sri Lanka) PLC	Affiliate	727,497	974,281	-	-
Hayleys Fentons Ltd	Affiliate	1,154,613	826,726	1,108,593	-
IML Delivery Systems (Pvt) Ltd		96,393	155,701	-	-
		<b>1,512,484,763</b>	<b>1,216,685,593</b>	<b>1,885,610,602</b>	<b>1,187,551,326</b>

## 25 RETIREMENT BENEFIT OBLIGATION

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company is liable to pay retirement benefits under the Payment of Gratuity Act, No. 12 of 1983. The liability recognised in the Financial Statements in respect of defined benefit plans is the present value of the defined benefit obligation as at the reporting date. The defined benefit obligation is calculated by a qualified actuary as at the reporting date using the Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Such actuarial valuations will be carried out every year.

The liability is not externally funded. All Actuarial gains or losses are recognised under other comprehensive income. Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. When the benefits or plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in income statement. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
<b>Defined Benefit Obligation - Gratuity</b>				
Defined benefit obligation as at the beginning of the year	62,580,259	43,701,647	7,208,503	4,112,319
Employee transfer	315,300	-	(862,045)	-
Service cost	11,517,447	8,298,031	2,325,861	1,703,727
Interest cost	7,215,745	10,404,509	778,185	573,937
Actuarial (gain)/loss	612,618	8,602,297	(375,936)	2,666,203
Benefit paid	(5,213,385)	(8,426,225)	(585,000)	(1,847,683)
Defined benefit obligation as at the end of the year	77,027,984	62,580,259	8,489,568	7,208,503

The expenses are recognized in the following line items in the statement of profit and loss and other comprehensive income

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Statement of profit and loss	18,733,191	18,702,540	3,104,046	2,277,664
Other comprehensive income	612,618	8,602,297	(375,936)	2,666,203
	19,345,809	27,304,837	2,728,110	4,943,867

Messrs. Actuarial & Management Consultants (Private) Limited, an independent actuaries, carried out an actuarial valuation of the defined benefit plan gratuity on 31 March 2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

	2025	2024
Discount rate	11%	12%
Future salary increment rate	10%	11%
Average remaining working life (years)	4.8	5

## NOTES TO THE FINANCIAL STATEMENTS

### 25.1 Sensitivity of the principal assumptions used

	Expected Future Salaries		Discount Rate	
	1% increase	1% decrease	1% increase	1% decrease
	Rs.	Rs.	Rs.	Rs.
<b>Company</b>				
Change in present value of defined benefit obligation	8,955,301	8,064,034	8,102,487	8,920,461
<b>Group</b>				
Change in present value of defined benefit obligation	80,791,720	71,792,534	72,190,968	80,425,109

### 25.2 Maturity analysis of the payments

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Within the next 12 months	10,909,169	9,870,531	2,208,510	1,544,887
Between 1 to 5 years	34,941,922	26,111,927	3,462,743	2,686,239
Between 5 to 10 years	17,977,123	15,863,354	1,779,341	2,269,433
More than 10 years	13,199,770	10,734,447	1,038,975	707,944
	77,027,984	62,580,259	8,489,569	7,208,503

## 26 OTHER CURRENT NON-FINANCIAL LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Contract liabilities (Note 26.1)	131,565,822	94,789,323	45,597,556	34,080,671
Other tax payable	43,811,496	23,129,579	1,752,148	1,145,711
	175,377,318	117,918,902	47,349,704	35,226,382

### 26.1 Contract liabilities

	Group		Company	
	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.
Opening balance	94,789,323	143,683,527	34,080,671	49,804,434
Advance received during the year	143,080,856	2,048,669,013	73,475,908	38,454,888
Setoff against the receivables	(106,304,357)	(2,097,563,217)	(61,959,023)	(54,178,651)
Closing balance	131,565,822	94,789,323	45,597,556	34,080,671

## 27 COMMITMENTS AND CONTINGENCIES

### 27.1 Capital expenditure commitments

#### Culture Club Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the financial statements amounting to Nil (2024 - Nil).

#### Kandyan Resorts (Private) Limited

Future capital expenditure approved by the Board but, not provided for in the financial statements amounting to Nil (2024 - Nil).

#### Sun Tan Beach Resorts Limited

Future capital expenditure approved by the Board but, not provided for in the financial statements amounting to Nil. (2024 - Nil).

### 27.2 Lease Commitments

The Group has lease contracts for lands, buildings, motor vehicles and office equipment. Future minimum lease payments under leases contracts together with the present value of the net minimum lease payments are, as follows:

	Group		Company	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	Rs.	Rs.	Rs.	Rs.
Within one year	12,038,089	11,334,040	-	-
After one year but not more than five years	3,800,379	1,175,014	-	-
More than five years	5,748,342	2,441,660	-	-
Total minimum lease payments	21,586,810	14,950,714	-	-
Less- Amounts representing finance charges	(6,636,096)	-	-	-
Present value of minimum lease payments	14,950,714	14,950,714	-	-

### 27.3 Contingent Liabilities

There are no any contingent liabilities as at the reporting date.

## 28 ASSETS PLEDGED

The following assets have been pledged as securities as at reporting date.

Nature of Assets Pledged	Nature of Liability	Carrying Amount Pledged		Included Under
		2025 Rs.	2024 Rs.	
Leasehold Right of the land and Hotel building belongs to Sun Tan Beach Resorts Ltd	Refer Note 15 & 16	3,114,078,012	3,115,128,630	Property, Plant and Equipment and ROU Assets

# NOTES TO THE FINANCIAL STATEMENTS

## 29 RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

### 29.1 Transaction with the Related Entities

Nature of Transaction

Recurring related party transactions

	Parent Company		Subsidiary Companies		Other Companies		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>As at 01 April</b>	(839,803,333)	(495,697,701)	570,960,467	313,598,088	333,463,285	329,647,873	64,620,419	147,548,260
Rendering/ obtaining services	(396,103,018)	(344,105,632)	148,113,959	-	54,040,024	(14,728,325)	(193,949,035)	(358,833,957)
Management fees	-	-	22,175,660	187,770,699	278,758,284	289,594,381	500,514,844	477,365,080
Interest income	-	-	980,753	1,796,154	-	32,686,084	980,753	34,482,238
Expenses incurred by the company on behalf of others	-	-	46,351,819	142,775,787	(848,690)	33,154,693	45,503,129	175,930,480
Collection made on behalf of the company	-	-	-	(21,023,213)	-	(21,654,192)	-	(42,677,405)
Collections made by the company on behalf of the others	-	-	(35,895,920)	(53,957,048)	(8,740,226)	(325,580,028)	(44,636,146)	(379,537,076)
Net fund transfers	-	-	(186,893,620)	-	(217,414,435)	10,342,799	(404,308,055)	10,342,799
Settlements by the company	20,685,358	-	-	-	30,370,237	-	51,055,595	-
<b>As at 31 March</b>	<b>(1,215,220,993)</b>	<b>(839,803,333)</b>	<b>765,374,018</b>	<b>570,960,467</b>	<b>469,628,479</b>	<b>333,463,285</b>	<b>19,781,504</b>	<b>64,620,419</b>
<b>Included in</b>								
Amounts due from related parties	-	-	1,205,472,547	697,420,686	699,919,559	288,873,788	1,905,392,106	986,294,474
Amounts due to related parties	(1,215,220,993)	(839,803,333)	(440,098,529)	(126,460,219)	(230,291,080)	(221,287,774)	(1,885,610,602)	(1,187,551,326)
Other non current financial assets	-	-	-	-	-	265,877,271	-	265,877,271
	<b>(1,215,220,993)</b>	<b>(839,803,333)</b>	<b>765,374,018</b>	<b>570,960,467</b>	<b>469,628,479</b>	<b>333,463,285</b>	<b>19,781,504</b>	<b>64,620,419</b>

## 29.2 Transactions carried out by subsidiaries with other related parties

	2025	2024
	Rs.	Rs.
<b>As at 1st April</b>	(106,309,666)	(19,132,616)
Goods/services obtained	(57,534,026)	(92,856,673)
Settlements made	133,319,651	5,679,623
<b>As at 31 March</b>	(30,524,041)	(106,309,666)

### Parent: Hayleys PLC

Subsidiaries: Culture Club Resorts (Private) Limited, Kandyan Resorts (Private) Limited, CDC Conventions (Private) Limited, Hayleys Holidays (Private) Limited, Hayleys Hotel Management Services (Private) Limited and Sun Tan Beach Resorts Limited.

Other Companies: The Kingsbury PLC, Luxury Resort Pvt Ltd, Hayleys Consumer Products Limited, Singer Finance (Lanka) PLC, Hayleys Business Solutions International (Pvt) Ltd, Advantis Projects & Engineering (Pvt) Ltd, Alumex PLC, Dipped Product PLC, Eastern Hotel Pvt Ltd, Energynet Pvt Ltd, Fentons Ltd, Haycarb PLC, Hayleylines Limited, Hayleys Agriculture Holdings Ltd, Hayleys Aventura Pvt Ltd, Hayleys Lifesciences, Hayleys Fabric PLC, IML Delivery Systems (Pvt) Ltd, Mabroc Teas (Pvt) Ltd, Moceti International Pvt Ltd, Hayleys Travels (Pvt) Ltd, Hayleys Tours (Private) Limited, Singer (Sri Lanka) PLC, Kelani Valley Resorts (Private) Limited & Logiwiz Limited.

### 29.2.1 Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 05% of the total assets whichever is lower of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 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.

### 29.2.2 Recurrent related party transactions:

Except for the below, there were no recurrent related party transactions which in aggregate value exceeds 10% of the revenue of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 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.

Name of the Related Party	Relationship	Nature of the Transactions	Aggregate value of Related Party Transactions entered into during the financial year	Aggregate value of Related Party Transactions as a % of Net Revenue	Terms & conditions of the Related Party Transactions
Hayleys PLC	Ultimate Parent	Rooms & Other Sales	4,058,945	0.1%	Recurrent
Hayleys PLC	Ultimate Parent	Sectorial and administration charges	461,567,401	13.9%	Recurrent
The Kingsbury PLC	Affiliate	Rooms & Other Sales	16,892,984	0.5%	Recurrent
The Kingsbury PLC	Affiliate	Purchase of Goods/ Services	252,480	0.0%	Recurrent
The Kingsbury PLC	Affiliate	Management Fee	270,738,782	8.1%	Recurrent
The Kingsbury PLC	Affiliate	Sectorial and administration charges	182,490,955	5.5%	Recurrent

# NOTES TO THE FINANCIAL STATEMENTS

## 29 RELATED PARTY DISCLOSURES - (CONTD...)

### 29.3 Transactions with key management personnel of the company

The key management personnel of the company are the members of its Board of Directors and that of its parent.

#### a) Key management personnel compensation

	2025	2024
	Rs.	Rs.
Short-term employee benefits	77,705,407	74,544,966
Directors emoluments	5,850,000	5,650,000
	83,555,407	80,219,966

#### b) Other transactions

No material transactions have taken place during the year with the key management personnel of the company, which required to disclosure in these financial statements other than those disclosed above.

## 30 EVENT OCCURRING AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the financial statements.

## 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprise interest bearing loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The group financial assets includes trade and other receivables, and cash and short-term deposits that arrive directly from its operations. The group also holds Fair value through OCI investments and equity investments designated under fair value through profit or loss.

The Group has exposure to the following risks from its financial instruments;

1. Market risk
2. Credit risk
3. Liquidity risk

The Audit Committee is responsible for overseeing how management ensures compliance with the Group's risk management policies and procedures. It also evaluates the adequacy of the risk management framework in addressing the Group's risk exposures. In fulfilling this oversight role, the Committee is supported by the Management Audit System Review Department (MASRD) of Hayleys PLC, which conducts both scheduled and ad-hoc reviews of risk management controls and processes, with findings reported directly to Audit Committee

### 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, deposits, available-for-sale investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2025 and 2024.

The analyses exclude the impact of movements in market variables on the carrying value of Retirement Benefit obligation and provisions.

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (Contd...)

#### Interest rate risk

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

The group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings as follows:

	Increase / decrease in basis points	Effect on profit/ (loss) before tax
2025	+50	10,868,170
	-50	(10,868,170)
2024	+50	12,877,081
	-50	(12,877,081)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

#### Foreign exchange risk

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

#### Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. With all other variables held constant, the group's profit before tax is affected through the impact on floating rate borrowings as follows:

	Change in USD rate	Effect on profit before tax	Effect on equity
2025	+/- 5%	(187,473)	(131,231)
2024	+/- 5%	(2,398,018)	(1,678,613)

#### Equity price risk

The group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the group's senior management on a regular basis. The group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 2,220,566/- (2024-Rs. 2,081,757/-) An increase or decrease of 10% on the Colombo Stock Exchange (CSE) market index (ASPI) could have an impact of approximately Rs. 222,056.60/- (2024-Rs. 208,175.7/-) on the income and equity attributable to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including term deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

## Trade receivables

The group has established policies, procedures and controls to manage the credit risk of travel agents, corporate customers and other customers of the group. The group thoroughly evaluate customers credentials and credit worthiness prior to contracting with them and as at reporting date. Risk exposure to receivables from individuals and entities are minimal as most of the transaction's with local individuals were done on cash basis.

An impairment analysis is performed at each reporting date using a provision matrix (simplified approach) to measure expected credit losses. The management also considered the local and global economic indicators and the results of negotiations and subsequent cash receipts in determining the provision for impairment.

## Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The group's evaluating the banks and financial institutions based on respective credit ratings.

## Liquidity risk

In line with Group policies, liquidity risk is managed by maintaining adequate cash reserves and ensuring access to committed credit facilities to meet financial obligations as they fall due. The Group regularly monitors its liquidity position to ensure that sufficient funding is available to meet both operational and financial commitments. Flexibility in short-term funding is primarily maintained through the use of bank overdraft facilities.

The Group has Rs. 2,704,612/- of short term deposits and Rs. 110,547,537/- of cash balance as at the reporting date and the Group assessed these funds are sufficient to meet the obligations when due.

## Excessive risk concentration

Concentrations arise as a number of hotels are coming and engaged in tourism industry activities in the Group's geographical region and have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines mitigate those risk factors. The Group has improve the marketing activities specially in different customer segments and geographical region to attract many more tourists from those regions. Significant part of the Group customer base was reflected form the foreign tourists and the Group now considering the promoting the Hotel to local customers as well.

### 31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - (CONTD...)

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 31 March 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 Years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	688,993,627	119,054,474	333,978,023	896,502,870	135,105,000	2,173,633,994
Trade and other payables	-	230,750,344	675,890,517	836,594,248	-	1,743,235,109
	688,993,627	349,804,818	1,009,868,540	1,733,097,118	135,105,000	3,916,869,103

As at 31 March 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 Years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest-bearing loans and borrowings	530,756,910	144,284,257	360,454,802	1,368,559,212	171,361,005	2,575,416,186
Trade and other payables	-	412,050,685	654,102,838	562,582,755	-	1,628,736,278
	530,756,910	556,334,942	1,014,557,640	1,931,141,967	171,361,005	4,204,152,464

#### Capital management

Capital includes only the equity attributable to the equity holders of the parent.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence to sustain future development of the business. The Group's objectives when managing capital are to;

- i. safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders, and
- ii. maintain an optimal capital structure to reduce the cost of capital.

Management monitors the return on capital, as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Group's policy is to keep the gearing ratio at minimum level. The Group includes within net debt, bank overdraft, trade and other payables, less cash and cash equivalents.

## NOTES TO THE FINANCIAL STATEMENTS

	<b>2025</b>	2024
	<b>Rs.</b>	Rs.
Interest-bearing loans and borrowings (Note 18)	2,173,633,994	2,575,416,186
Trade and other payables (Note 24)	1,743,235,109	1,628,736,278
Less: Cash and short term deposits (Note 21)	(113,252,149)	(135,647,034)
Net debt	3,803,616,954	4,068,505,430
Equity	1,334,522,831	1,174,674,015
Total capital	1,334,522,831	1,174,674,015
Capital and net debt	5,138,139,785	5,243,179,445
Gearing ratio	74.03%	77.60%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

## SUPPLEMENTARY INFORMATION



## Enriching Experiences, Sparking Memories

At Hayleys Leisure, we understand that the small details make a big impact. Our commitment to excellence is reflected in every interaction, shaping memorable experiences for our guests. These thoughtful touches transform an ordinary stay into something special, sparking memories that endure.

## SHAREHOLDERS INFORMATION

### Ordinary Shareholders as a 31st March 2025 -2,586 (as at 31st March 2024 - 2,214)

	Residents			Non Residents			Total		
	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%
1 - 1000	1,739	419,305	0.39	10	4,292	0.00	1,749	423,597	0.39
1,001 - 10,000	584	2,109,825	1.95	5	18,199	0.02	589	2,128,024	1.97
10,001 - 100,000	208	6,015,520	5.57	2	69,257	0.06	210	6,084,777	5.63
100,001 - 1,000,000	27	9,109,838	8.44	-	-	-	27	9,109,838	8.44
Over 1,000,000	11	90,243,722	83.57	-	-	-	11	90,243,722	83.57
	2,569	107,898,210	99.92	17	91,748	0.08	2,586	107,989,958	100.00

Category	Residents			Non Residents			Total		
	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%	No.of Shareholders	No.of Shares	%
Individuals	2,426	14,729,154	13.64	17	91,748	0.08	2,443	14,820,902	13.72
Institutions	143	93,169,056	86.28	-	-	-	143	93,169,056	86.28
	2,569	107,898,210	99.92	17	91,748	0.08	2,586	107,989,958	100.00

For the Twelve months ended 31 March	2025		2024	
		Date		Date
Highest Price Rs.	37.50	22.01.2025	28.00	24.08.2023
Lowest Price Rs.	17.60	10.09.2024	19.10	12.06.2023
Closing Price Rs.	28.20		20.00	
No. of transactios	11,799		4,871	
No. of shares traded	30,108,420		16,684,616	
Value of shares traded Rs.	866,854,304		405,457,044	

## TOP TWENTY SHAREHOLDERS

Name of Shareholder	No.of Shares as at 31.03.2025	%	No.of Shares as at 31.03.2024	%
1 Hayleys PLC	46,690,587	43.24	46,690,587	43.24
2 Dean Foster (Private) Limited	23,049,088	21.34	23,049,088	21.34
3 Employee's Provident Fund	10,388,284	9.62	10,388,284	9.62
4 Mr. Sujeewa Indika Ranasinghe	2,397,391	2.22	2,390,926	2.21
5 Mercantile Investments and Finance PLC	1,933,440	1.79	1,933,440	1.79
6 Toyo Cushion Lanka (Private) Limited	1,835,420	1.70	1,835,420	1.70
7 Associated Electrical Corporation Ltd	1,497,732	1.39	1,234,942	1.14
8 Volanka Exports Limited	1,445,358	1.34	1,445,358	1.34
9 Mr. Kulappuarachchige Don Dammika Perera	1,006,422	0.93	1,006,422	0.93
10 Mr. Prakash Rajaratnam	828,000	0.77	-	-
11 People's Leasing & Finance PLC/ C. D. Kohombanwickramage	732,844	0.68	-	-
12 Mr. Shiran Harsha Amarasekera	727,830	0.67	-	-
13 Bank of Ceylon No. 1 Account	686,139	0.64	686,139	0.64
14 Ms. Sharmila Shashi Prabah Kandambi	612,017	0.57	-	-
15 People's Leasing & Finance PLC/ L. P. Hapangama	592,437	0.55	1,381,692	1.28
16 Mr. Govindasami Ramanan	553,568	0.51	-	-
17 Deutsche Bank AG - National Equity Fund	452,211	0.42	400,000	0.37
18 DFCC Bank PLC/Maskeliya Tea Exports (Private) Limited	328,403	0.30	-	-
19 Mr. Derek Joseph De Silva Wijeyeratne	320,088	0.30	320,088	0.30
20 Mr. Hitbandara Atapattu Mudiyanseelage Premaratne Algama	314,504	0.29	314,504	0.29
<b>TOTAL</b>	<b>96,391,763</b>	<b>89.26</b>	<b>93,076,890</b>	<b>86.19</b>

There were no non-voting shares as at 31st March 2025

For the Twelve months ended 31 March	2025	2024
Market Capitalisation as at 31st March	3,045,316,815.60	2,159,799,160.00
Float - Adjusted Market Capitalisation as at 31st March	957,758,940.60	679,261,660.00
Minimum public holding requirement as at 31st March	20.00%	20.00%
Percentage of Public Holding	31.45%	31.45%
Total no. of shareholders representing public holding	2,579	2,207

The Company complies with option 5 of the Listing Rules 7.13.1 (i) (a) - 20% minimum Public Holding is required if the Company has less than Rs. 2.5 Bn. Float Adjusted Market Capitalisation.

# 10 YEAR FINANCIAL SUMMARY AND KEY INDICATORS

Year ended 31 March Results	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
<b>Revenue</b>	3,332,079	2,877,808	1,531,664	777,262	362,362	1,225,951	1,643,863	1,442,894	1,575,332	1,623,312
Profit before tax	277,370	(154,507)	(892,029)	(892,717)	(784,638)	(252,362)	270,449	50,051	188,262	301,625
Taxation	(117,858)	8,521	67,599	(5,823)	(5,081)	(13,999)	(35,217)	(42,012)	(39,439)	(54,927)
Profit after tax	159,512	(145,986)	(824,431)	(898,540)	(789,719)	(266,361)	235,232	8,038	148,823	246,698
Profit/(Loss) attributable to equity holders of the parent	156,840	(112,626)	(741,165)	(826,368)	(723,771)	(168,578)	299,697	93,267	206,443	287,016
Profit/(Loss) attributable to Non-controlling Interest	2,673	(33,361)	(83,265)	(72,173)	(65,948)	(97,783)	(64,465)	(85,229)	(57,620)	(40,317)
<b>Fund employed</b>										
Stated capital*	909,371	909,371	909,371	909,371	909,371	909,371	909,371	819,780	819,779	718,907
Capital Reserves	469,694	469,694	376,989	462,906	423,794	423,794	423,794	269,100	274,699	410,346
Other component of equity	-	-	-	-	71,981	(60,487)	(49,105)	(7,569)	(17,286)	(44,854)
Revenue reserves	122,738	(34,613)	83,737	825,883	1,469,067	2,236,086	2,414,321	2,406,462	2,318,535	2,266,477
Equity attributable to equity holders of the parent	1,501,803	1,344,453	1,370,097	2,198,160	2,874,212	3,508,763	3,698,380	3,487,773	3,395,728	3,350,876
Non-Controlling Interest	(167,280)	(169,778)	(136,120)	(52,790)	25,491	22,272	128,253	206,597	285,554	399,931
Borrowings	2,173,634	2,575,416	2,790,881	2,775,877	2,023,826	1,568,828	1,354,460	1,447,915	1,518,536	1,791,385
<b>Assets Employed</b>										
Non-current assets	4,491,032	4,804,855	4,744,849	4,996,335	5,093,434	4,973,397	4,999,758	5,027,506	5,141,443	5,436,798
Current assets	1,386,253	1,010,254	664,128	663,129	396,390	695,115	830,547	607,443	564,134	564,440
Current Liabilities net of borrowings	1,082,018	1,184,072	1,113,990	493,485	380,164	375,162	451,869	309,384	510,648	324,016
provisions	-	-	-	-	-	193,486	197,344	183,280	146,797	135,031
Capital Employed	3,508,157	3,750,091	4,024,858	4,921,246	4,923,530	5,099,864	5,181,093	5,142,286	5,038,133	5,542,191
<b>Cashflow</b>										
Net cash inflow/ (outflow) from operating activities	531,420	323,798	(173,504)	(737,321)	(624,158)	(114,412)	372,205	52,255	374,717	434,669
Net cash inflow/ (outflow) from Investment Activities	(157,529)	(132,471)	(65,858)	46,714	88,744	(53,141)	110,336	(57,978)	110,652	(157,439)
Net cash inflow/ (outflow) from Financing Activities	(554,523)	(193,261)	140,954	5,183,397	341,790	108,421	(404,683)	(50,455)	(525,346)	49,477
Increase/ (decrease) in cash and cash equivalents	(180,632)	(1,934)	(98,408)	(172,210)	(193,624)	(59,132)	77,858	(56,178)	(39,978)	326,707
<b>Key Indicators</b>										
Earnings/ (Loss) per share (basic) (Rs.)**	1.45	(1.04)	(6.86)	(7.65)	(6.70)	(3.12)	5.55	1.80	3.98	5.69
Dividend per share (Rs.)	-	-	-	-	-	-	5.50	-	2.00	4.00
Net Assets Value per share (Rs.)**	13.91	12.45	12.69	20.36	26.62	64.98	68.49	67.23	65.46	66.44
Market price per share (rs.)	28.20	20.00	24.00	16.20	17.80	25.00	37.20	52.80	63.80	60.50
Return of shareholders fund (%)	11.95	(12.43)	(66.81)	(41.88)	(27.23)	(7.54)	6.15	0.22	4.04	6.58
Return of capital employed (%)	14.51	6.16	(9.20)	(10.89)	(11.24)	(1.65)	8.53	4.14	7.81	8.28
Price earnings ratio (times)	19.42	(19.18)	(3.50)	(2.12)	(2.66)	(8.01)	6.70	29.37	16.03	10.63

\* Share capital and share premium previously reported have been reclassified to reflect stated capital as define in the Companies Act No. 07 of 2007.

\*\* Earnings per share and Net Asset per share in all reporting periods were adjusted based on post sub division of two shares for every one ordinary share held.

# GRI CONTENT INDEX

<b>Statement of use</b>	Hayleys Leisure PLC has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	

General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	About this Report	5				
	2-2 Entities included in the organization's sustainability reporting	About this Report	3-4				
	2-3 Reporting period, frequency and contact point	About this Report	3-4				
	2-4 Restatements of information	About this Report	3-4				
	2-5 External assurance	About this Report	3-4				
	2-6 Activities, value chain and other business relationships	Value Creation Model	26-27	None			
	2-7 Employees	Human Capital	54-61	None			
	2-8 Workers who are not employees	Human Capital	54-61	None			
	2-9 Governance structure and composition	Corporate Governance	86-105	None			
	2-10 Nomination and selection of the highest governance body	Corporate Governance	85-105	None			
	2-11 Chair of the highest governance body	Corporate Governance	85-105	None			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	85-105	None			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	85-105	None			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	85-105	None			
	2-15 Conflicts of interest	Corporate Governance	85-105	None			

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
	2-16 Communication of critical concerns	Corporate Governance	85-105	None			
	2-17 Collective knowledge of the highest governance body	Corporate Governance	85-105	None			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	85-105	None			
	2-19 Remuneration policies	Corporate Governance	85-105	None			
	2-20 Process to determine remuneration	Corporate Governance	85-105	None			
	2-21 Annual total compensation ratio	Corporate Governance	85-105	None			
	2-22 Statement on sustainable development strategy	Corporate Governance	85-105	None			
	2-23 Policy commitments	Corporate Governance	85-105	None			
	2-24 Embedding policy commitments	Corporate Governance	85-105	None			
	2-25 Processes to remediate negative impacts	Corporate Governance	85-105	None			
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	85-105	None			
	2-27 Compliance with laws and regulations	Corporate Governance	85-105	None			
	2-28 Membership associations	Intellectual Capital	62-65	None			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	28-31	None			
	2-30 Collective bargaining agreements			2-30	Not applicable	Not relevant to the Company's operations	
<b>Material topics</b>							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics	38-40	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Material Topics	38-40				

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Economic performance</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Value Creation Model	26-27	None			
	201-2 Financial implications and other risks and opportunities due to climate change	Natural Capital	72-84	None			
	201-3 Defined benefit plan obligations and other retirement plans	Notes to Financial Statements	150	None			
	201-4 Financial assistance received from government				201-4	Not applicable	Not relevant to the Company's operations
<b>Market presence</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage				202-1	Confidentiality constraints	
	202-2 Proportion of senior management hired from the local community	Human Capital	54-61	None			
<b>Indirect economic impacts</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Social & Relationship Capital	66-71	None			
	203-2 Significant indirect economic impacts	Social & Relationship Capital	66-71	None			
<b>Procurement practices</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Social & Relationship Capital	66-71	None			

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Anti-corruption</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Corporate Governance	85-105	None			
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	85-105	None			
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance	85-105	None			
<b>Anti-competitive behavior</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Corporate Governance	85-105	None			
<b>Tax</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 207: Tax 2019	207-1 Approach to tax	Corporate Governance	85-105	None			
	207-2 Tax governance, control, and risk management	Corporate Governance	85-105	None			
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance	85-105	None			
	207-4 Country-by-country reporting			207-4	Not applicable	Not relevant to the Company's operations	

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Materials</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Natural Capital	72-84	None			
	301-2 Recycled input materials used			301-2	Information unavailable/incomplete	Too many variables to standardise	
	301-3 Reclaimed products and their packaging materials			301-3	Not applicable	Not relevant to the Company's operations	
<b>Energy</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Natural Capital	72-84	None			
	302-2 Energy consumption outside of the organisation				Information unavailable/incomplete	Too many variables to standardise	
	302-3 Energy intensity	Natural Capital	72-84	None			
	302-4 Reduction of energy consumption	Natural Capital	72-84	None			
	302-5 Reductions in energy requirements of products and services	Natural Capital	72-84	None			
<b>Water and effluents</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Natural Capital	72-84	None			
	303-2 Management of water discharge-related impacts	Natural Capital	72-84	None			
	303-3 Water withdrawal	Natural Capital	72-84	None			
	303-4 Water discharge	Natural Capital	72-84	None			
	303-5 Water consumption	Natural Capital	72-84	None			

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Biodiversity</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Natural Capital	72-84	None			
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital	72-84	None			
	304-3 Habitats protected or restored	Natural Capital	72-84	None			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				304-4	Not applicable	Not relevant to the Company's operations
<b>Emissions</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital	72-84	None			
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	72-84	None			
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	72-84	None			
	305-4 GHG emissions intensity	Natural Capital	72-84	None			
	305-5 Reduction of GHG emissions	Natural Capital	72-84	None			
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital	72-84	None			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				305-7	Not applicable	Not relevant to the Company's operations

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission		GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason Explanation	
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Natural Capital	72-84	None		
	306-2 Management of significant waste-related impacts	Natural Capital	72-84	None		
	306-3 Waste generated	Natural Capital	72-84	None		
	306-4 Waste diverted from disposal	Natural Capital	72-84	None		
	306-5 Waste directed to disposal	Natural Capital	72-84	None		
<b>Supplier environmental assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Social & Relationship Capital	66-71	None		
	308-2 Negative environmental impacts in the supply chain and actions taken	Social & Relationship Capital	66-71	None		
<b>Employment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human Capital	54-61	None		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	54-61	None		
	401-3 Parental leave	Human Capital	54-61	None		

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Labor/management relations</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes			402-1	Not applicable	Not relevant to the Company's operations	
<b>Occupational health and safety</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Human Capital	54-61	None			
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	54-61	None			
	403-3 Occupational health services	Human Capital	54-61	None			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	54-61	None			
	403-5 Worker training on occupational health and safety	Human Capital	54-61	None			
	403-6 Promotion of worker health	Human Capital	54-61	None			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	54-61	None			
	403-8 Workers covered by an occupational health and safety management system	Human Capital	54-61	None			
	403-9 Work-related injuries	Human Capital	54-61	None			
	403-10 Work-related ill health	Human Capital	54-61	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Training and education</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human Capital	54-61	None			
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Capital	54-61	None			
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	54-61	None			
<b>Diversity and equal opportunity</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital	54-61	None			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	54-61	405-2	Confidentiality constraints		
<b>Non-discrimination</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Capital	54-61	None			
<b>Freedom of association and collective bargaining</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			407-1	Not applicable	Not relevant to the Company's operations	

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason	Explanation	
<b>Child labor</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social & Relationship Capital	66-71	None			
<b>Forced or compulsory labor</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social & Relationship Capital	66-71	None			
<b>Security practices</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			410-1	Not applicable	Not relevant to the Company's operations	
<b>Rights of indigenous peoples</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples			411-1	Not applicable	Not relevant to the Company's operations	
<b>Local communities</b>							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Social & Relationship Capital	66-71	None			
	413-2 Operations with significant actual and potential negative impacts on local communities	Social & Relationship Capital	66-71	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission		GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason Explanation	
<b>Supplier social assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Social & Relationship Capital	66-71	None		
	414-2 Negative social impacts in the supply chain and actions taken	Social & Relationship Capital	66-71	None		
<b>Public policy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 415: Public Policy 2016	415-1 Political contributions			415	Not available	
<b>Customer health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Intellectual Capital	62-65	None		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Intellectual Capital	62-65	None		

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission		GRI Sector Standard Ref. No
				Requirement(s) Omitted	Reason Explanation	
<b>Marketing and labeling</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Social & Relationship Capital	66-71	None		
	417-2 Incidents of non-compliance concerning product and service information and labeling	Social & Relationship Capital	66-71	None		
	417-3 Incidents of non-compliance concerning marketing communications	Social & Relationship Capital	66-71	None		
<b>Customer privacy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Social & Relationship Capital	66-71	None		

# SASB DISCLOSURE INDEX

## Hotels & Lodging - Sustainability Disclosure topics and accounting metrics

Topic	Accounting Metric	Unit of Measure	Code	Disclosure	Page
Energy Management	1. Total energy consumed	GJ	SV-HL-130a.1	27,258 GJ	72-84
	2. Percentage grid electricity	%		84% (out of total energy)	
	3. Percentage renewable	%		0%	
Water Management	1. Total water withdrawn	m <sup>3</sup>	SV-HL-140a.1	152,535 m <sup>3</sup>	72-84
	2. Total water consumed	m <sup>3</sup>		32,392 m <sup>3</sup> (assumption based calculated)	
Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	No.	SV-HL-160a.1	Please refer Natural Capital	72-84
	Description of environmental management policies and practices to preserve ecosystem services	n/a	SV-HL-160a.2	Please refer Natural Capital	72-84
Labour Practices	1. Voluntary and		SV-HL-310a.1	36.5%	54-61
	2. Involuntary turnover rate for lodging facility employees			0%	
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Rs.	SV-HL-310a.2	None	54-61
	1. Average hourly wage	Rs.	SV-HL-310a.3	Not reported due to reasons of confidentiality	54-61
	2. percentage of lodging facility employees earning minimum wage, by region	%		100% of employees earned above the local stipulated minimum wage in regions of operation	
	Description of policies and programmes to prevent worker harassment	n/a	SV-HL-310a.4	Please refer Human Capital	54-61
Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	No.	SV-HL-310a.4	0 (based on available data sources)	-

Activity Metric	Unit of Measure	Code	Disclosure
Number of available room-nights	No.	SV-HL-000.A	139,065
Average occupancy rate	%	SV-HL-000.B	65%
Total area of lodging facilities	M2	SV-HL-000.C	44,478 m2
Number of lodging facilities and the percentage that are:	No & %	SV-HL-000.D	2 facilities 100% owned and 1 facility 82.17% owned
1. Managed			
2. Owned and leased			
3. Franchised			

# CORPORATE STRUCTURE

## NAME OF COMPANY

Hayleys Leisure PLC

## COMPANY REGISTRATION NO

PQ 145

## LEGAL FORM

Public Quoted Company with limited liability originally incorporated in Sri Lanka as a Private Company and later converted to a Public Company.

## REGISTERED OFFICE

Level 27, East Tower  
World Trade Center  
Echelon Square  
Colombo 01  
Sri Lanka  
Telephone 011 - 4767800  
Website [www.amayaresorts.com](http://www.amayaresorts.com)

## BOARD OF DIRECTORS

Mr. A. M. Pandithage (Chairman)  
Mr. R. J. Karunarajah (Managing Director)  
Ms. W. D. De Costa  
Mr. S. C. Ganegoda  
Mr. D. T. R. De Silva  
Ms. K. A. D. B. Perera  
Ms. A. A. K. Amarasinghe  
Ms. H. D. K. Randiligama  
(Appointed w. e. f. 31.12.2024)  
Ms. A. I. Wanigasekera  
(Resigned w. e. f. 31.12.2024)  
Mr. T. M. Hewagama  
(Appointed w. e. f. 30.04.2025)

## AUDIT COMMITTEE

Mr. D. T. R. De Silva (Chairman)  
Ms. W. D. De Costa  
Ms. A. I. Wanigasekera  
(Resigned w. e. f. 31.12.2024)  
Ms. H. D. K. Randiligama  
(Appointed w. e. f. 31.12.2024)

## REMUNERATION COMMITTEE

Mr. D. T. R De Silva (Chairman)  
Mr. S. C. Ganegoda  
Ms. A. I. Wanigasekera  
(Resigned w. e. f. 31.12.2024)  
Ms. H. D. K. Randiligama  
(Appointed w. e. f. 31.12.2024)

## NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. D. T. R De Silva (Chairman)  
Mr. S. C. Ganegoda  
Ms. A. I. Wanigasekera  
(Resigned w. e. f. 31.12.2024)  
Ms. H. D. K. Randiligama  
(Appointed w. e. f. 31.12.2024)

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. D. T. R De Silva (Chairman)  
Mr. S. C. Ganegoda  
Ms. A. I. Wanigasekera  
(Resigned w. e. f. 31.12.2024)  
Ms. H. D. K. Randiligama  
(Appointed w. e. f. 31.12.2024)

## SUBSIDIARY COMPANIES UNQUOTED

Culture Club Resorts (Private) Limited.  
Kandyan Resorts (Private) Limited.  
Sun Tan Beach Resorts Limited.  
Hayleys Holidays (Private) Limited.  
CDC Convention (Private) Limited.  
Hayleys Hotel Management Services (Private) Limited.

## SECRETARIES

Hayleys Group Services (Private) Limited  
No. 400, Deans Road  
Colombo 10  
Sri Lanka.  
Telephone : +94 112 627 650-3 (4 lines)

## AUDITORS

Ernst & Young Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
Colombo 03  
Sri Lanka.

## BANKERS

Hatton National Bank PLC  
Commercial Bank of Ceylon PLC  
Pan Asia Bank PLC  
Nations Trust Bank PLC  
DFCC Bank PLC  
Seylan Bank PLC  
Bank of Ceylon  
Sampath Bank PLC

# NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTY THIRD ANNUAL GENERAL MEETING OF HAYLEYS LEISURE PLC will be held on **25 June 2025 at 11 a.m.** at the Chas P. Hayley Lounge of Hayleys PLC, No. 400, Deans Road, Colombo 10 for the following purposes:

1. To consider and adopt the Annual Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.
2. To re-elect as a Director Ms. R. N. Ponnambalam, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
3. To re-elect as a Director Ms. W. D. De Costa, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.
4. To re-elect as a Director Ms. H. D. K. Randiligama who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.
5. To re-elect as a Director Mr. T. M. Hewagama who has been appointed to the Board since the last Annual General Meeting, in terms of Article 27 (2) of the Articles of Association of the Company.
6. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.

## ORDINARY RESOLUTION

'That Mr. Abeyakumar Mohan Pandithage, who is over the age of Seventy years be and is hereby re-appointed as a Director for a further period of one year and it is hereby declared that the age limit of seventy years referred to in Section 210 of the Companies Act No. 07 of 2007 shall not apply to him'.

7. To authorise the directors to determine donations and contributions to charities for the ensuing year.
8. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/26 and to authorise the Directors to determine their remuneration.
9. To consider and if thought fit, to pass the following Special Resolutions to amend the existing articles in the Articles of Association of the Company;

## Special Resolution (1)

IT IS HEREBY RESOLVED THAT Article 27 (1) of the Articles of Association of the Company be deleted in its entirety and be replaced by the following Article;

"27(1) Unless otherwise determined by ordinary resolution of the shareholders of the Company, the number of Directors shall not be less than five (5) and not more than fourteen (14)."

## Special Resolution (2)

IT IS HEREBY RESOLVED THAT Articles 27 (4), 27 (5), 27(6), 27 (7) and 27(8) of the Articles of Association of the Company be deleted in their entirety, and be replaced by the following Articles 27 (4) (i); to 27 (4) (vi);

"27 (4) Alternate Directors

- (i) An Alternate Director shall only be appointed under exceptional circumstances by any Director ('appointor'), giving notice in writing left at the office of the Company and approved by the Board to be an Alternate Director of the Company to act in their place during their absence, subject to applicable laws, rules and regulations. Any such appointment shall not exceed a period of one (1) year from the date of appointment.

- (ii) If an Alternate Director is appointed for a Non-Executive Director such Alternate should not be an Executive of the Company. Similarly, if an Alternate Director is appointed for an Independent Director, the person so appointed shall meet the criteria for independence under applicable laws, rules and regulations. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate qualifies as an Independent Director before the appointment is made.

- (iii) In the event a Director appoints another Director to be his Alternate Director he shall thereupon be entitled to exercise (in addition to his own right of voting as a Director) such appointor's rights at meetings of the Board. A person shall not act as an Alternate Director for more than one Director.

- (iv) An Alternate Director shall on his giving an address for such notice to be served upon him be entitled to receive notices of all meetings of Directors and to attend and vote as a Director, at any such meeting at which the Director appointing him is not personally present and generally at such meetings to perform all the functions of his appointor as a Director in the absence of such appointor.

- (v) The attendance of any Alternate Director at any meeting including Board Committee meetings shall be counted for the purpose of the quorum.

- (vi) An Alternate Director may be appointed for a specified period (not exceeding one (1) year) or until the happening of a specified event, but he shall **ipso facto** cease to be an Alternate Director if his appointor ceases for any reason to be a Director."

# NOTICE OF MEETING

## Special Resolution (3)

IT IS HEREBY RESOLVED THAT the existing Article 27 (9), Article 27 (10) and Article 27(11) of the Articles of Association of the Company be renumbered as Article 27 (5), Article 27 (6) and Article 27 (7) respectively.

By Order of the Board,  
HAYLEYS LEISURE PLC



**HAYLEYS GROUP SERVICES (PRIVATE)  
LIMITED**

Secretaries

Colombo  
30th April 2025

## Notes to shareholders:

1. The Annual Report of the Company for 2024/25 is available on the corporate website: <https://www.amayaresorts.com/about/annualreports> and on the Colombo Stock Exchange website: <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=CONN.N0000>
2. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than fortyeight (48) hours before the time fixed for the Meeting.
3. A shareholder who requires a hard copy of the Annual Report must post or handover the duly completed 'Form of Request for a printed copy of the Annual Report 2024/25' to the office of the Secretaries.

# FORM OF PROXY

I/We .....

(Full Name of Shareholder, NIC No./Reg. No.) of.....

..... being a Shareholder/Shareholders of Hayleys Leisure PLC hereby appoint:

(1) ..... (Full Name of Proxyholder and NIC No.) of .....

..... or failing him/her

2) ABEYAKUMAR MOHAN PANDITHAGE (Chairman of the Company) of Colombo, or failing him, one of the Directors of the Company as my/ our Proxy to attend and vote as indicated hereunder for me/ us and on my/ our behalf at the Forty Third Annual General Meeting of the Company to be held on Wednesday, 25 June 2025 at 11 a.m. and at every poll which may be taken in consequence of the aforesaid meeting and at any adjournment thereof.

	For	Against
1. To adopt the Annual Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors thereon.		
2. To re-elect as a Director Ms. R. N. Ponnambalam, as set out in the Notice.		
3. To re-elect as a Director Ms. W. D. De Costa, as set out in the Notice.		
4. To re-elect as a Director Ms. H. D. K. Randiligama, as set out in the Notice.		
5. To re-elect as a Director Mr. T. M. Hewagama as set out in the Notice.		
6. To re-appoint Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.		
7. To authorise the Directors to determine donations and contributions to charities for the ensuing year.		
8. To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2025/ 26 and to authorise the Directors to determine their remuneration.		
9. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
Special Resolution 1		
Special Resolution 2		
Special Resolution 3		

Signed on this ..... day of ..... 2025.

.....

Signature of Shareholder

(Instructions are given overleaf)

# FORM OF PROXY

## Instructions:

1. The completed Form of Proxy must be deposited with the Company Secretaries, Hayleys Group Services (Private) Limited, at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the start of the meeting. Delayed Proxy Forms shall not be accepted.
2. A Shareholder entitled to attend and vote at the Annual General Meeting of the Company, is entitled to appoint a Proxy to attend and vote instead of him/ her and the Proxy need not be a Shareholder of the Company.
3. Full name of Shareholder/ Proxy holder and their NIC Nos. are mandatory. Your Proxy Form will be rejected if these details are not completed.
4. A Shareholder is not entitled to appoint more than one Proxy to attend on the same occasion.
5. The duly completed Proxy Form must be dated and signed by the Shareholder.
6. Please indicate with an "X" in the space provided how your proxy is to vote on the resolutions. If no indication is given, the proxy can vote as he/ she thinks fit.
7. In the case of a company/ corporation the proxy must be executed in the manner prescribed by its Articles of Association or by a duly authorised Director.
8. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of Proxy.
9. In case of Marginal Trading Accounts (slash accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/ Banker with whom the account is maintained.





Designed & produced by



Digital Plates & Printing by  
Softwave Printing and Publishing (Pvt) Ltd

Hayleys  
LEISURE

The logo for Hayleys LEISURE features the word "Hayleys" in a dark green, sans-serif font, positioned above the word "LEISURE" in a brown, all-caps, sans-serif font. A thin, dark green curved line is positioned below the word "LEISURE", starting under the 'L' and ending under the 'E'.