



THE KINGSBURY
COLOMBO-SRI LANKA

HAPPENING



CURATING HAPPINESS

ANNUAL REPORT 2024/25

HAPPENING

CURATING HAPPINESS

The Kingsbury is synonymous with grandeur and excellence, setting the stage for Colombo's prestigious events, finest dining experiences, and unparalleled hospitality.

As the epicenter of it all, we are the pulse of the city, offering a dynamic and vibrant atmosphere where guests can celebrate, unwind, and experience the very best of Sri Lanka.

This report highlights the rewards of our resilience and innovation, which have propelled us forward and enabled us to redefine Sri Lanka's hospitality landscape. With tourism flourishing once again, we continue to lead the way, enhancing every experience with sophistication, warmth, and an unwavering commitment to excellence.

At The Kingsbury, luxury isn't just offered—it's happening, right here, right now.

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FOSTERING A CULTURE OF HAPPINESS

Happiness is more than a feeling— it is an experience and a culture we are proud to cultivate. At The Kingsbury, happiness is reflected in every thoughtful detail, every act of warm hospitality, and every moment that leaves a lasting impression. Across every space, every interaction, and every smile, we create an atmosphere where joy feels effortless, genuine, and enduring.



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ABOUT THIS REPORT

We are proud to present to you, our third Integrated Annual Report (the Report) for the financial year ended 31st March 2025. This is in line with our continued commitment to present clear, concise yet comprehensive reporting across the Hayleys Leisure Sector including The Kingsbury PLC. We firmly believe that our timely adoption of the International Integrated Reporting (IR) Framework issued by the Value Reporting Foundation would provide sufficient and detailed information to all our stakeholders.



MATERIALITY

Materiality Information presented in this Report has been collated based on the principle of materiality. Material topics are those which have or could potentially impact the Company's ability to create value over the short, medium and long-term. Materiality serves as a cornerstone in our annual report, guiding our focus on disclosing information that could impact stakeholders' decision-making. We adhere to rigorous standards to determine materiality, considering both quantitative thresholds and qualitative significance.

Material topics are determined based on Hayleys group guidelines and customised to reflect sector specific priorities, which applies the principle of double materiality, addressing both impact and financial perspectives, based on a thorough evaluation of internal and external factors. This includes topics outlined in the GRI guidelines, along with those aligned to our value creation model, operating context, and strategic goals. Additionally, we have integrated relevant aspects from the SASB standards to strengthen our understanding of sustainability-related risks and opportunities.

By prioritising material information, we ensure transparency, relevance, and reliability in our reporting, empowering stakeholders with the insights they need to make informed decisions about our Company. Further analysis on material topics is found in pages 38 to 40 of this Report.

Reporting boundary and scope

The Report covers operations of The Kingsbury PLC for the period from 01st April 2024 to 31st March 2025. We adopt an annual reporting cycle for both financial and non-financial reporting. This Report builds on the previous year's report for the period ended 31st March 2024. There are no restatements of non-financial information reported in the prior year unless otherwise stated.

REPORTING PRINCIPLES

We have adopted the following local and international reporting frameworks/guidelines and external assurance in ensuring the quality and integrity of our reporting

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 (as amended)
- Listing Rules of the Colombo Stock Exchange
- Independent Auditors' 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 (as amended)
- Listing Rules of the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission

FORWARD LOOKING STATEMENTS

Forward-looking statements within this annual report involve risks, uncertainties, and assumptions that may cause actual results to differ materially from those expressed or implied by such statements. These statements typically include projections, expectations, and forecasts regarding future events, trends, and opportunities based on current assessments and assumptions. While we believe these statements are reasonable, they are subject to various factors and uncertainties that could cause actual results to differ materially from those anticipated.

These factors include but are not limited to changes in market conditions, regulatory environments, and competitive landscapes. Accordingly, stakeholders should exercise caution when relying on forward-looking statements and are encouraged to review our filings with relevant regulatory authorities for a comprehensive understanding of the risks and uncertainties that could affect our future performance and prospects. The Company makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

WAY FORWARD IN OUR ANNUAL REPORTING

As we forge ahead in enhanced financial and non-financial reporting, we intend to obtain external assurance on the same in the coming years. We will also enhance the adoption of frameworks and guidelines that are available locally and internationally which will enhance the quality and integrity of our disclosures.

MATERIALITY

We identify material topics in accordance with Hayleys Group guidelines, tailored to the specific context of our sector, integrating double materiality and aligning with GRI and SASB standards, while considering internal and external factors, our value creation model, and strategic priorities.



INTER-LINKS

Where possible, we have linked our discussions to stakeholders impacted, capitals and UN's Sustainability Development Goals through the use of navigation icons.

EQUITY

We have embraced both positive and negative performance for a fair and balanced representation of our value creation during the year.

CONNECTIVITY OF INFORMATION

GOVERNANCE	RISK
STAKEHOLDERS	
CUSTOMERS	EMPLOYEES
BUSINESS PARTNERS	GOVERNMENT & REGULATORS
COMMUNITIES	SHAREHOLDERS

THE CAPITALS

FINANCIAL CAPITAL	MANUFACTURED CAPITAL	INTELLECTUAL CAPITAL
HUMAN CAPITAL	SOCIAL AND RELATIONSHIP CAPITAL	NATURAL CAPITAL

SGD's



A PDF version of this Report is accessible on our corporate website



A PDF version of this Report is accessible on the Colombo Stock Exchange website

FEEDBACK

We welcome your feedback on how we can enhance the relevance and reader friendliness of our Report.

Please contact

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ABOUT US

BEHIND THE BRAND, “THE KINGSBURY”

The Kingsbury seamlessly blends timeless luxury with the warmth of authentic Sri Lankan hospitality, offering an unparalleled experience in the heart of Colombo’s vibrant city center. As a premier five-star

hotel in Sri Lanka’s commercial capital, we take pride in offering an exceptional experience marked by elegance, comfort, and sophistication. An iconic landmark on Colombo’s skyline, The Kingsbury stands as a testament to refined grandeur, where modern architectural design harmoniously

blends with classic charm. Located in the vibrant heart of Colombo between the iconic Galle Face Green and the bustling World Trade Centre, our hotel provides guests a place to unwind while indulging in exquisite gourmet dining and world-class hospitality.

THE ESSENCE OF THE KINGSBURY

Our Purpose

Curating Happiness

Our Vision

To be the most preferred leisure service provider in Sri Lanka

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



Hayleys
LEISURE

FLAGSHIP BRAND OF HAYLEYS LEISURE SECTOR

Operating under the umbrella of Hayleys PLC—one of Sri Lanka’s most respected and diversified conglomerates—the Group holds a controlling stake of 59.48% in the Company.

URBAN ELEGANCE REDEFINED

A distinguished five-star haven in the heart of Colombo, we seamlessly fuse sophisticated luxury with warm hospitality, creating the perfect sanctuary for discerning business travellers and leisure seekers alike.



WHERE THE CITY MEETS SERENITY

Perfectly positioned at the epicentre of Colombo, just steps from the Central Business District, iconic attractions, and major transport hubs — offering luxury seekers, global explorers, and business trailblazers a refined escape to unwind, connect, and recharge.

STAY, MEET, UNWIND — ALL IN STYLE

From exquisitely designed rooms and suites to cutting-edge conference venues and wellness facilities, our diverse offerings cater to every need—whether you're here to relax, celebrate, or collaborate.



A FEAST FOR THE SENSES

Delight in a world of flavours at our award-winning restaurants and bars—from the global spread at Harbour Court and the finest seafood at The Ocean, to the artistry of Tenku Japanese Dining, authentic Chinese Cuisine at Yue Chuan, premium cuts at the Kings Steak Bar and the lively vibes of Honey Beach Club and Sky Lounge.

UNCOMPROMISING STANDARDS, UNMATCHED SERVICE

Underpinned by strong SOP's and internationally recognised certifications including ISO 22000:2018, we uphold the highest standards in hygiene, safety, and service excellence—proudly achieving a 100% pass rate in our HACCP audits.



SECTOR PROMISE

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

A VISION FOR A SUSTAINABLE FUTURE

In line with Hayleys PLC's "The Hayleys Life Code," The Kingsbury is dedicated to driving impactful environmental, social, and governance initiatives, actively working towards a sustainable future with a focused action plan for 2030.



VALUE CREATION HIGHLIGHTS

Year ended 31st March	2025	2024	Year on Year change
FINANCIAL CAPITAL (Rs.'000)			
Revenue	5,327,046	5,266,787	01%
EBITDA	906,467	719,892	26%
Results from operating activities	705,502	552,343	28%
Profit before tax	539,587	254,653	112%
Profit after tax	551,153	264,085	109%
FINANCIAL POSITION (Rs.'000)			
Total assets	5,980,541	5,822,351	03%
Total debt	1,648,602	1,971,391	16%
BALANCE SHEET PERFORMANCE RATIOS			
Gearing (%)	46.26	59.34	22%
Debt/Equity	0.86	1.45	41%
Equity asset ratio (times)	0.32	0.23	39%
Current ratio (times)	0.78	0.61	28%
Quick asset ratio (times)	0.65	0.48	36%
Interest cover (times)	4.35	2.01	116%
PROFITABILITY RATIOS (%)			
Operating profit margin	17	14	21%
Return on assets	9.02	4.37	106%
Return on equity	33.75	29.76	13%
Return on capital employed	11.80	9.49	24%
MARKET / SHAREHOLDERS INFORMATION			
Earnings per share (Rs.)	1.14	0.55	107%
Net asset value per share (Rs.)	3.96	2.79	42%
Share price (closing) (Rs.)	11.90	10.80	10%
Market capitalisation (Rs.'000)	5,759,600	5,227,200	10%
Price to earnings ratio (times)	10.45	19.79	47%

Year ended 31st March	2025	2024	Year on Year change
MANUFACTURED CAPITAL			
Property, plant & equipment - Rs.'000	4,431,680	4,497,314	01%
Room Inventory	229	229	-
Capital expenditure - Rs.'000	151,587	112,326	35%
HUMAN CAPITAL			
Total employees	748	802	07%
Economic value added per employee - Rs.'000	7,122	6,567	08%
Training hours per employee	27	18	50%
Retention rate - %	65	67	(03%)
INTELLECTUAL CAPITAL			
Brand Rating (Trip Advisor)	4.6	4.5	02%
Number of awards won	02	02	-
Average service tenure of an employee (above 10 years) - %	21%	20	01%
SOCIAL AND RELATIONSHIP CAPITAL			
Investments in CSR activities - Rs.'000	1,163	976	19%
Number of beneficiaries	9,365	8,976	04%
Supplier size	841	809	04%
Payment to suppliers - Rs.'000	3,423,056	3,264,007	(05%)
NATURAL CAPITAL			
Carbon footprint - tCO ₂ e	5,160	7,511	31%
Energy consumption - MJ per Occupied Room Night	782	734	(07%)
Water consumption - m ³ per Occupied Room Night	442	429	(03%)

A sunset over a pool with silhouettes of palm trees and a circular structure.

CRAFTING A VISION OF HAPPINESS

In a year defined by transformation and opportunity, The Kingsbury's leadership team has remained steadfast in its commitment to excellence. Guided by a clear vision, a passion for service, and strategic foresight, they have been instrumental in shaping not only exceptional luxury experiences, but also a culture of happiness that resonates deeply with our guests and our teams alike.

LEADERSHIP

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This year marked a defining chapter in the Company's illustrious journey as we successfully harnessed the momentum - A clear reflection of strength of The Kingsbury's market position in Sri Lanka's hospitality industry.

CHAIRMAN'S MESSAGE

At The Kingsbury, value creation is not confined to financial performance - it is embedded in the experience we deliver, the relationships we nurture and the trust we continue to earn.

DEAR STAKEHOLDER,

On behalf of the Board of Directors, I am honoured to present the 3rd Integrated Annual Report of Your Company for the financial year ended 31st March 2025. This year marked a defining chapter in the Company's illustrious journey as we successfully harnessed the momentum of a robust revival in international tourism and a stabilising macroeconomic landscape to deliver a best-ever financial performance. During the year under review, Profit After Tax surged by 109% to Rs. 551 million, a clear reflection of strength of The Kingsbury's market position in Sri Lanka's hospitality industry.

RECLAIMING GLORY & REALISING UNTAPPED POTENTIAL

Tourism, in its truest sense, is more than an economic lever - it is a bridge between cultures, a facilitator of global exchange and, increasingly, a driver of innovation and sustainability. The World Travel and Tourism Council's most recent data reflects the resilience and relevance of the sector: a US\$ 11.1 trillion contribution to global GDP and the creation of 348 million jobs, one in every ten. These figures are a testament to the

tourism sectors' ability to revive, redefine and reshape entire economies and drive broad-based value creation.

Sri Lanka, too, is now firmly back on the global travel map. Tourism receipts of US\$ 3.2 billion, and a 38% growth in arrivals underscore the nation's potential to re-emerge as a top-tier destination in Asia. The months of January and February 2025 have already surpassed pre-pandemic monthly arrival records, driven by an improved country image, stable macro-economic fundamentals and the release of pent-up global demand for experiential travel. The imperative now is to ensure that this resurgence translates into sustainable, broad-based growth.

I would be remiss not to acknowledge the critical role played by domestic travellers in anchoring the industry during the most turbulent years. At The Kingsbury, we have always recognised and respected this patronage. This balance, between global ambition and local authenticity, will continue to define our strategy. Sri Lanka must sharpen focus on attracting higher-yielding visitor segments, curating premium experiences and enhancing value creation across the tourism supply chain.

DELIVERING VALUE TO OUR STAKEHOLDERS

The year under review demonstrated The Kingsbury's ability to adapt to a dynamic and highly competitive environment. Our Food & Beverage segment delivered revenue growth of 5%, affirming our position as the premier culinary destination in Colombo. This achievement was underpinned by our continued focus on excellence and innovation in gastronomy, supported by our loyal clientele.

While the resurgence in international arrivals provided positive momentum, the hospitality landscape in Colombo saw a marked shift. A significant increase in room inventory, estimated at over 30%, as international and local brands entered the market, intensified competition among city hotels. This influx exerted pressure on both occupancy and number of covers for Food & Beverage. Yet, our distinct value proposition, exceptional location, and unwavering commitment to guest satisfaction enabled The Kingsbury to retain its competitive edge and deliver sustainable performance.

At The Kingsbury, value creation is not confined to financial performance - it is embedded in the experience we deliver, the relationships we nurture and the trust we continue to earn. Our continued recognition as a preferred destination for Food & Beverage is a testament to our brand equity and the guest-centric culture we uphold. High rankings across global travel platforms further validate our ability to consistently meet and exceed expectations. Our partnerships with tour operators and travel

CHAIRMAN'S MESSAGE

intermediaries were further strengthened during the year, ensuring that our offering remains compelling across key customer segments.

The Kingsbury has long stood as a symbol of excellence in Sri Lanka's hospitality landscape. Its prime location within the capital's business and cultural epicentre affords us a strategic advantage - one that is thoughtfully amplified through our offering. Whether it is the panoramic ocean vistas, proximity to financial hubs, or the impeccable dining experiences at our ten culinary venues, The Kingsbury offers a holistic proposition for both leisure and business travellers. Our commitment to consistently elevating the guest experience is not an act of differentiation - it is an expectation we must continuously exceed.

STRENGTHENING ESG STANDARDS

As a subsidiary of the Hayleys Group, our sustainability journey is shaped by the Hayleys Lifecode, which defines our shared environmental, social, and governance aspirations. The revised version, launched in March 2025, will guide our progression towards deeper ESG integration and accelerating positive impacts. In order to ensure rigour in execution, our ESG agenda is monitored at multiple levels. The Board remains actively engaged, in addition to reviews conducted by the Hayleys ESG Steering Committee, which was established to drive implementation, ensuring continuous improvement in our practices.

Our strategy at The Kingsbury is not merely to participate in the industry's rebound, but to shape its evolution. This entails rigorous financial discipline, continued investment in our people and a deepening of our commitment to sustainability. From local sourcing and waste management to climate-related disclosures standards, our journey toward responsible luxury is both strategic and sincere. The Kingsbury has been seamlessly integrated into Hayleys Group's 2030 Sustainability Agenda, aligning its operations with the Group's bold vision for a greener, more responsible future.

EARNINGS PER SHARE

The Company reported an Earnings Per Share (EPS) of Rs. 1.14, based on a Profit After Tax of Rs. 551 million, reflecting an increase of 107% over the previous year. Net Asset Value (NAV) per share grew by 42%, rising from Rs. 2.79 to Rs. 3.96. The Kingsbury's equity remains an attractive proposition for discerning investors seeking stable, long-term value.

GOOD GOVERNANCE

In an era where transparency, oversight and accountability are paramount, The Kingsbury remains unwavering in its commitment to best-in-class corporate governance. The Board provides clear strategic direction and ensures adherence to both regulatory frameworks and voluntary codes of best practice. In line with the revised Listing Rules of the Colombo Stock Exchange (Section 9), we completed full compliance by 01st October 2024, including the reclassification of directors, restructuring of Board Committees, and publication of key governance policies.

We are pleased to welcome Mr. Jonathan Alles and Mr. Milinda Hewagama to the Board. Their deep expertise brings a valuable perspective to our strategic deliberations. We also extend our appreciation to Ms. Isabel Jamaldeen, who stepped down during the year, for her meaningful contributions. Mr. Timothy Speldewinde continues to serve as the Senior Independent Director, providing impartial oversight and guidance in accordance with the Listing Rules.

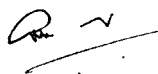
FUTURE OUTLOOK

I am pleased to share that the outlook for the Company remains promising, with the Sri Lanka Association of Inbound Tour Operators (SLAITO) projecting up to 2.3 million tourist arrivals in 2025 and an anticipated 17% growth in international visitors. Sri Lanka's positioning on global travel lists and increased international airline capacity predicts well for the industry. Despite the complexities of the global geopolitical landscape, Sri Lanka ended the fiscal year on a strong note, with record arrivals in the fourth quarter, a trend we believe will sustain, supported by favourable macroeconomic conditions and renewed international confidence. The first quarter's momentum suggests this goal is within reach. Sri Lanka's rising visibility in prestigious travel rankings and international media, combined with government-led promotional campaigns, augurs well for the sector.

At The Kingsbury, we are poised to build on this momentum. Our strategy will be underpinned by the careful stewardship of resources, continued innovation in culinary and guest experiences, and prudent financial management to reinforce our balance sheet strength. The Kingsbury will continue to leverage its unique strengths and capabilities to withstand escalating competitive pressures and maintain its market position. Nonetheless, we remain attuned to potential headwinds - ranging from airline connectivity and climate volatility to external economic shocks in key source markets. Long travel supply chains demand agility and we are well prepared to navigate these complexities. The Company is poised to enter the new financial year with strengthened capital buffers, clarity of purpose and the collective expertise to deliver on our ambitions.

APPRECIATION

I take this opportunity to thank my fellow Board of Directors for their wisdom, vigilance and governance; our Managing Director for his thoughtful execution of our strategy; and above all, the management team and our staff whose dedication and professionalism remain the cornerstone of The Kingsbury experience. We are also deeply grateful to all our stakeholders for their continued trust and support. As we move forward, we do so with a profound sense of responsibility - not only to deliver returns, but to create enduring value for all those we serve.



Mohan Pandithage

Executive Chairman

28th April 2025



I am proud to report that The Kingsbury PLC sustained its upward trajectory, delivering a commendable 107% growth in earnings and achieving a historic Profit After Tax of Rs. 551 million.

MANAGING DIRECTOR'S REVIEW

DEAR SHAREHOLDER,

The 2024/25 year marked a return to robust growth amidst a climate of renewed optimism for Sri Lanka's hospitality sector. Against a backdrop of growing tourist inflows and intensifying industry competition, I am proud to report that The Kingsbury PLC sustained its upward trajectory, delivering a commendable 107% growth in earnings and achieving a historic Profit After Tax of Rs. 551 million. These best-ever financial results, while grounded in operational discipline and market responsiveness, are also a reflection of the enduring strength of The Kingsbury brand. The property remains a defining landmark of Colombo's hospitality landscape: distinguished by a consistently high standard of service and an award-winning culinary repertoire that has come to define the city's gastronomic aspirations. It continues to occupy a commanding position at the pinnacle of urban luxury, offering discerning guests an experience that is both timeless and transformative.

A REJUVENATED TOURISM SECTOR

The year under review bore witness to a visible reawakening of Sri Lanka's tourism sector, as international arrivals rose by an encouraging 38%, surpassing the two million mark. This resurgence was led predominantly by visitors from Europe and the Asia & Pacific, accounting for a combined 93% of arrivals. India, the largest single contributor, delivered 20% of inbound traffic, while Russia and the United Kingdom followed closely at 10% and 9% respectively. Notably, the 'other' category expanded by 45%, pointing to a

welcome diversification of source markets and a strengthening of Sri Lanka's appeal among emerging travel segments. Tourism earnings reflected this momentum, rising by 55% year-on-year to US\$ 3.2 billion. This growth, underpinned by higher average spending per traveller, provided a welcome lift to industry participants across the value chain.

However, as the market expanded, so too did the competition - particularly within Colombo's five-star segment, where room inventory swelled by 31% as international and local brands reasserted their presence. At the same time, the expansion of airline capacity played a vital role in sustaining momentum, enabling a broader reach and supporting volume growth throughout the year.

Domestically, the low interest rate environment was a welcome reprieve for an industry that remains fundamentally capital intensive. However, the appreciation of the Sri Lankan Rupee presented a moderated challenge, tempering foreign currency-denominated revenues and subtly compressing margins. We approached this development with prudence, remaining focused on driving operational efficiency and managing costs without compromising the guest experience.

A significant contributor to the sector's resilience has been the Sri Lankan diaspora, whose visits are both emotionally resonant and economically vital. Their presence not only boosts arrival numbers but also reaffirms a sense of belonging that strengthens our positioning as a luxury

hospitality provider rooted in authenticity. Their loyalty, particularly during seasonal periods and holiday peaks, remains a cornerstone of industry stability - and one we hold in the highest regard.

INSPIRED PERFORMANCE

The year under review was marked by the Company's best-ever financial performance and strong forward momentum. Revenue grew to Rs. 5.3 billion, supported by record-setting performance in December's Food & Beverage revenue and a steady increase in occupancy rates throughout the year. Our Food & Beverage segment remained the dominant contributor, accounting for 69% of total revenue and growing by 5% to Rs. 3.6 billion.

The appreciation of the Sri Lankan Rupee against the US Dollar, the removal of the minimum room rate for Colombo city hotels and the notable increase in five-star room supply in Colombo collectively exerted pressure on room revenue. Despite these challenges, The Company sustained steady occupancy levels at 67% compared to last year. We remained firmly focused on stringent spend management, enhanced operational efficiency and tightened procurement practices, knowing it was key to strengthening our return to profitability and protecting our financial stability. This strategic focus delivered strong results: EBITDA rose by a significant 26% to Rs. 906 million while finance costs reduced by 41% to Rs. 180 million due to a combination of lower interest rates and decreased borrowings. As a result, we reported a Profit Before Tax of Rs. 540 million, reflecting an impressive 112% increase over the previous year. This performance not only reflects the tailwinds of a resurgent leisure sector but also the strength of our operational stewardship and discipline in capital management.

Our improved profitability has translated into greater financial resilience. The Company's equity position strengthened as retained losses were reduced by Rs. 595 million. Interest-bearing liabilities declined by 16% to Rs. 1.6 billion, reflecting our sustained commitment to prudent debt

The purpose of 'curating happiness' is the guiding force behind our decisions. Service excellence remains our true hallmark. It is here that we continuously challenge ourselves - refining the art of hospitality.

MANAGING DIRECTOR'S REVIEW

management. These measures contributed to a notable improvement in our Company's debt-to-equity ratio, which improved from 59% to 46% - a testament to our disciplined financial strategy and long-term orientation.

Buoyed by our return to profitability in the preceding financial year, we entered the year under review with a cautiously optimistic outlook. While the momentum of recovery offered promising signs, we remained acutely aware of the need to consolidate our financial position - building adequate capital buffers for debt servicing and reinforcing reserves to mitigate unforeseen macroeconomic or sector-specific shocks. Resource optimisation, anchored in sustainability principles, remained a central tenet of our operations. Every initiative was carefully evaluated through the lens of financial prudence and long-term value creation. Capital expenditure was confined to essential maintenance and service enhancements, ensuring operational continuity while preserving liquidity for loan repayments and contingencies. Total capital investments during the year amounted to Rs. 152 million.

OUR WINNING STRATEGY

The purpose of 'curating happiness' is the guiding force behind our decisions. Our strategy is focused on delivering a truly holistic guest experience - where the elegance of our accommodation is seamlessly paired with exceptional culinary journeys. Located at the edge of Colombo's vibrant business district, with panoramic views of the Indian Ocean, our setting itself plays a key role in curating moments of joy and serenity for our guests. By making Food & Beverage a defining part of our offering, we have established ourselves as the leader in Colombo's city hotel dining scene. Our nine distinct gourmet venues and premium delivery service are not simply products: they are experiences, carefully crafted to curate happiness at every touchpoint. It is this relentless commitment to curating happiness that sets us apart, builds guest

loyalty and reinforces our place as a preferred destination for both local and international travellers. Service excellence remains our true hallmark. It is here that we continuously challenge ourselves - refining the art of hospitality, investing in training and delivering moments of delight that linger well beyond checkout.

As a city hotel, we occupy the unique position of catering to both leisure travellers and the corporate segment. Our relationships with destination management companies, event planners and an expanding portfolio of corporate partners allow us to engage a diverse clientele.

Furthermore, we simultaneously embraced digital transformation to drive direct engagement with our guests. Our web presence has evolved into a dynamic touchpoint - integrating convenience with content-rich experiences that resonate from the very first interaction. This enhanced digital ecosystem allows us to deepen engagement, convert interest into bookings and build enduring relationships with a global audience.

EMPOWERING OUR PEOPLE

At the heart of every great hotel; is a great team. As a people-based business, we recognise that our ability to deliver exceptional experiences is fundamentally tied to the passion, skill and commitment of our employees. During the year under review, our team numbers stabilised, while the wave of post-crisis employee migration that impacted the broader hospitality industry in previous years began to strengthen. This improvement is not incidental. It is the result of our continued investment in nurturing talent, with structured training programmes and mentorship designed to equip our teams with the technical skills and service ethos demanded by a luxury hospitality brand. Average training hours per employee increased - a modest but meaningful indicator of our ongoing commitment to people development.

Our organisational culture continues to play a central role in preserving the high standards for which we are known. It is also key to positioning the property as an employer of choice in a highly competitive sector. The total value distributed to employees rose by 10% to Rs. 1.1 billion. These figures underscore our role in supporting livelihoods and in attracting ambitious, service-minded youth to the industry.

INTEGRATING SUSTAINABILITY

As a proud subsidiary of the Hayleys Group, our sustainability journey is guided by the Hayleys Lifecode: a compass that informs not only our values but also our operational discipline. As a responsible business, The Kingsbury aims to minimise its environmental footprint, reduce carbon emissions and conserve resources, aligned with the Group's 2030 goals for a sustainable future. We align closely with group-wide methodologies to assess materiality, report transparently and refine our strategic direction through regular reviews by our senior management and the Group Management Committee. This alignment ensures that our sustainability efforts are both locally responsive and globally relevant. Our reporting practices continue to evolve in tandem with global standards of SASB & GRI. In the year under review, we extended our sustainability disclosures to include climate-related risks and opportunities in accordance with SLFRS S1 & S2 standards, keeping pace with our parent company's forward-looking commitments.

Our operational sustainability is deeply embedded in our sourcing practices, with 92% of our procurement originating from local vendors. This strengthens local economies while allowing us to ensure traceability and food safety standards across the value chain. Recognising the urgency of environmental stewardship, we instituted a Sustainability Committee comprising cross-departmental representation, tasked with embedding sustainability into every facet of our

operations. We further solidified our ESG governance by becoming a member of the Lanka Responsible Care Council, thereby committing ourselves to a continuous improvement framework aligned with best practices in environmental and social performance.

A structured waste management programme in partnership with a licensed organisation and in consultation with the Central Environmental Authority was introduced. It is now diverted to biofuel production - one of our many initiatives aimed at supporting a transition towards a circular economy. Further, our unwavering focus on guest well-being is evident in stringent food safety and security protocols.

LOOKING AHEAD

The outlook for 2025 is buoyed by optimism, SLAITO & THASL underpin a forecasted 17% growth in international tourist arrivals. Encouragingly, arrivals in the first quarter of 2025 reached the highest levels on record, a testament to Sri Lanka's re-emergence as a premier destination. Recognition in global destination rankings, along with the increasing presence of international operators, will help amplify this momentum. With an average occupancy rate of 67% in 2024/25, we anticipate further growth, buoyed by increasing arrivals.

However, sustaining this growth demands consistent, enabling policy frameworks and the strengthening of supply chains - from aviation connectivity to service ecosystems - that underpin visitor experience and national reputation. The hospitality industry must remain united in its efforts to promote Sri Lanka, not only as a destination but as an experience to be remembered. The Kingsbury is well-positioned to thrive in this renewed landscape. Our multifaceted value proposition appeals equally to discerning locals and international

guests. Our culinary experiences remain a cornerstone of our identity - energised by bold promotions and curated events designed to deliver both excellence and profitability.

ACKNOWLEDGEMENTS

It has been both a responsibility and a privilege to lead an extraordinary team. Their unwavering commitment to excellence is the quiet force behind every guest's smile, every memorable meal and every successful stay. I am deeply grateful for the guidance and vision of our Chairman, whose support has been instrumental in establishing The Kingsbury brand presence and its market positioning. I extend my sincere appreciation to the members of the Board, who continue to steward this organisation with diligence, discernment and integrity.

As for our investors and business partners, I offer my heartfelt thanks for their continued belief in our journey, which fuels our ambition - not just to grow, but to lead, to inspire and to set new benchmarks for excellence in the industry.



Rohan Karr
Managing Director

28th April 2025

BOARD OF DIRECTORS

Mohan Pandithage

Chairman and Chief Executive

(Appointed on 23rd April 2010)

Mr. Mohan Pandithage since assuming the role of Chairman and Chief Executive in 2009, Mr. 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 Hayleys Leisure PLC. He also serves as a Non-Executive Director on the Boards of Diesel and Motor Engineering PLC.

Rohan Karunarajah (Karr)

Managing 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 of experience. He has held senior positions such as Executive Vice President / Sector Head / General Manager at leading hotels in both Sri Lanka and in the 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 22nd April 2010)

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 Hayleys Leisure PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group. He also serves as the Chairman of Sri Lankan Airlines Limited and Sri Lankan Catering Limited.

Niranjana Deva-Adithya

Non-Executive Director

(Appointed on 16th February 2009)

Mr. Niranjana Deva Adithya DL FRSA, Member of Parliament (1992-1997) and MEP - Member of European Parliament (1999-2019) was the first post-war Asian born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office.

Mr. Deva Adithya was elected as the first Asian-born British Member of the European Parliament, representing over 08 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years. He has served for 35 years as Her Majesty's Deputy Lieutenant for the Lord Lieutenancy of London representing The Queen. He was the Vice President of the International Development Committee for 15 years overseeing the Euro 25 billion European Aid Budget.

Mr. Deva Adithya is the Publisher and President of the Global Media Platform Home - Commonwealth Union.

Mr. Deva Adithya was the Chairman of the European Union (EU) Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in The EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the United Nations General Assembly.

For his Tsunami Relief work, Mr. Deva Adithya was made a Chevalier of the Catholic Church and Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka.

Ramani Ponnambalam

Non-Executive Director

(Appointed on 30th July 2010)

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 McLaren 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 Hayleys Leisure 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 the First Vice Chairperson & Jt. Head of Governance Pillar Women's Chamber of Industry and Commerce.

Timothy Speldewinde

Independent, Non-Executive Director

(Appointed on 01st July 2022)

Mr. Timothy Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and a Fellow Member of the Chartered Institute of Management Accountants, UK. He possesses wide experience in managing local as well as international facilities and has been an integral member of the MAS Group for over 26 years.

Mr. Speldewinde is a director of Hayleys PLC, Horana Plantations PLC, Wealth Trust Securities Limited and Contemporary Ceylon (Pvt) Ltd. He serves as the Chairman of the Audit Committees of Horana Plantations PLC and Wealth Trust Securities Limited. He is a Consultant to the Board of MAS Holdings (Pvt) Ltd. He was the former CEO of Stretchline Holdings headquartered in Hong Kong, with manufacturing facilities in Sri Lanka and overseas.

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, Hayleys Leisure PLC, Singer (Sri Lanka) 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 Boards of Eurocarb Products Ltd (UK) and Haylex Ltd (UK).

Ranil De Silva

Independent, Non-Executive Director

(Appointed on 3rd January 2024)

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, Hayleys Leisure 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.

BOARD OF DIRECTORS

Jonathan Alles

Independent, Non-Executive Director

(Appointed on 24th January 2025)

Mr. Jonathan Alles was the Managing Director/Chief Executive Officer of Hatton National Bank PLC and counts over 37 years of banking experience, having served several international banks including the National Bank of Abu-Dhabi, Saudi British Bank-Riyadh, British Bank of the Middle-East and HSBC, Dubai and Colombo, before taking on the reins at HNB. He was a Director of the Sri Lanka Banks Association (SLBA) and its Chairman from 2014 to 2016. He served as Chairman of the Asian Bankers Association for 3 years from 2018 onwards, was a member of its Board of Directors and also served as the Chairman of its Advisory Committee. Mr. Alles holds a First Class MBA in Finance from the University of Stirling, UK. He is an Associate Member of the Institute of Bankers of Sri Lanka.

Mr. Alles currently serves as an Independent Non-Executive Director of Hayleys PLC, Alumex PLC and Singer (Sri Lanka) PLC, and serves on the Boards of United Motors Lanka PLC, Ceylon Beverage Holdings PLC and Lion Brewery Ceylon PLC.

Milinda Hewagama

Non-Executive Director

(Appointed on 28th 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.

NURTURING A LANDSCAPE OF HAPPINESS

At The Kingsbury, our operations are grounded in thoughtful service, consistent quality, and an unwavering commitment to value. By remaining attuned to evolving guest expectations and market trends, we consistently deliver meaningful experiences that reflect our dedication to excellence— and most importantly, to creating lasting happiness that elevates every stay.

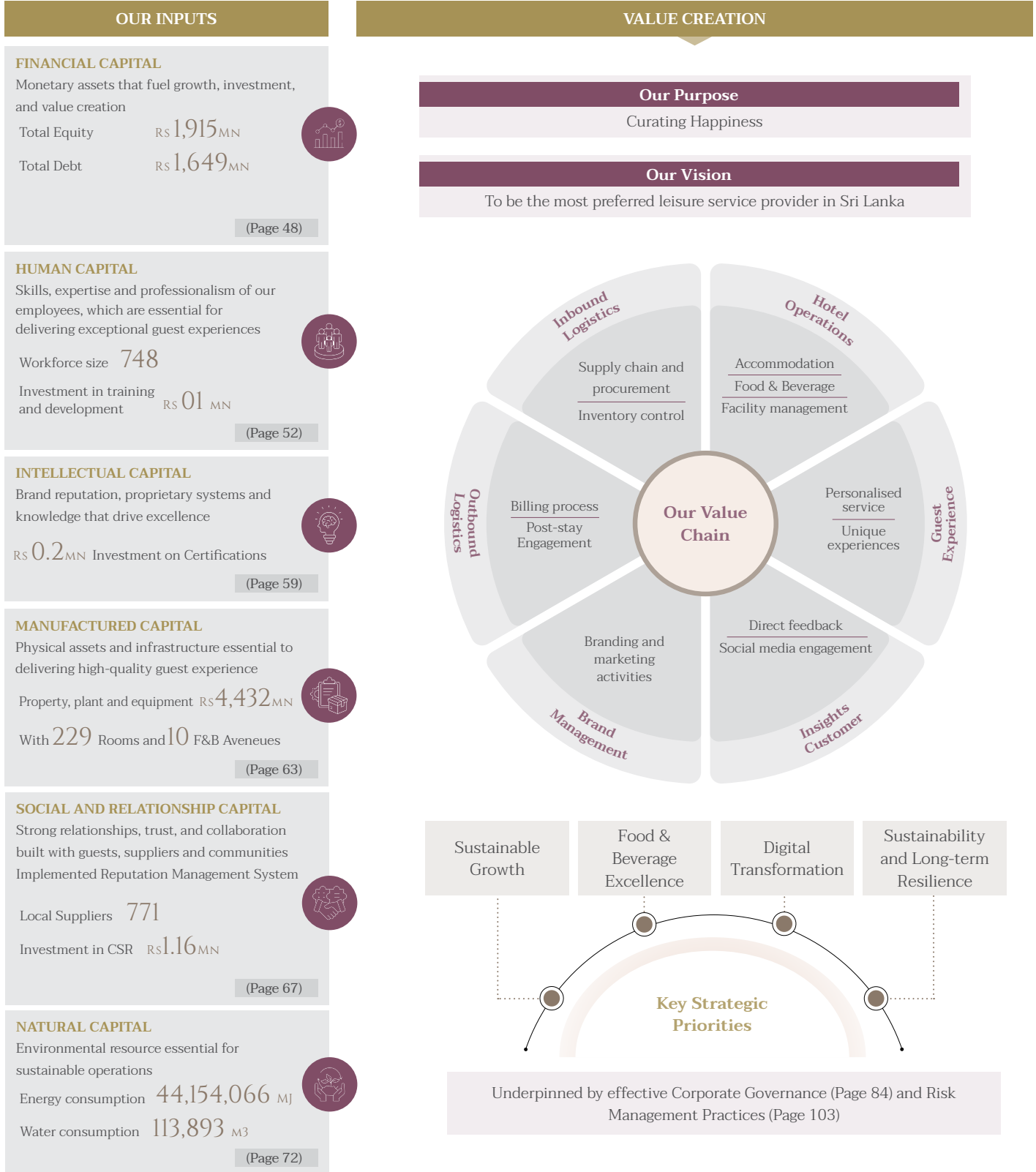



OPERATING LANDSCAPE AND VALUE CREATION

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VALUE CREATION MODEL

Our value chain encompasses a series of interconnected activities that collectively enhance guest satisfaction, streamline operations, and drive long-term profitability. From procurement and logistics to guest services and post-stay engagement, each stage in the value chain plays a critical role in ensuring operational efficiency and maintaining the Hotel's competitive advantage.



OUTPUT AND OUTCOMES	STAKEHOLDERS IMPACTED
<p>FINANCIAL CAPITAL (PAGE 48 TO 51) Delivering sustained value for shareholders and debt providers Return on Equity: 33.75% Profit After Tax: RS 551 MN Gearing: 46.26%</p>	 
<p>HUMAN CAPITAL (PAGE 52 TO 58) Creating a culture of innovation and collaboration that continuously inspires our team 65% Employee retention rate Total Training hours : 20,316</p>	 
<p>INTELLECTUAL CAPITAL (PAGE 59 TO 62) Innovative service offerings and refined processes to fulfill evolving guest expectations ISO 22000:2018; HACCP Certified 100% Health & Safety Audits passed Awards & Recognition</p>	 
<p>MANUFACTURED CAPITAL (PAGE 63 TO 66) Driving enhanced value through forward-thinking, strategic investments RS 152 MN Capital Expenditure 99,959 Guest Nights & 497,850 F&B Covers</p>	 
<p>SOCIAL AND RELATIONSHIP CAPITAL (PAGE 67 TO 71) Creating lasting value for all stakeholders through long-term, collaborative partnerships 91.8% Global Review Index (GRI) 25% Suppliers screened CSR beneficiaries: 9,365</p>	 
<p>NATURAL CAPITAL (PAGE 72 TO 79) A proactive commitment to sustainable resource consumption 5,160 tCO₂e Total GHG Emission 91,114 M³ Total Waste Water Generation 316 MT Total Solid Waste Generation</p>	 

HOSPITALITY ECOSYSTEM

THE HOSPITALITY ECOSYSTEM

From sourcing premium materials and ensuring efficient logistics, to delivering exceptional services and nurturing post-stay relationships, each stage contributes to operational excellence and reinforces the organisation’s commitment to unmatched luxury and sophistication. This is our Hospitality Ecosystem—an integrated network designed to deliver a seamless, elevated experience at every touchpoint.



The Pulse of Hospitality

Where housekeeping, kitchen, engineering, and front office come together to deliver seamless service-driven by operational excellence, intelligent systems, and dedicated teams.

What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> • Skilled and trained staff • Energy-efficient infrastructure • Standard Operating Procedures (SOPs) • Digital management tools 	<ul style="list-style-type: none"> • Resource-efficient operations • Consistent service standards 	<ul style="list-style-type: none"> • Customers • Employees • Business Partners



Voices That Guide

Through reviews, surveys, and real-time data, we listen, learn, and improve—ensuring each stay is better than the last

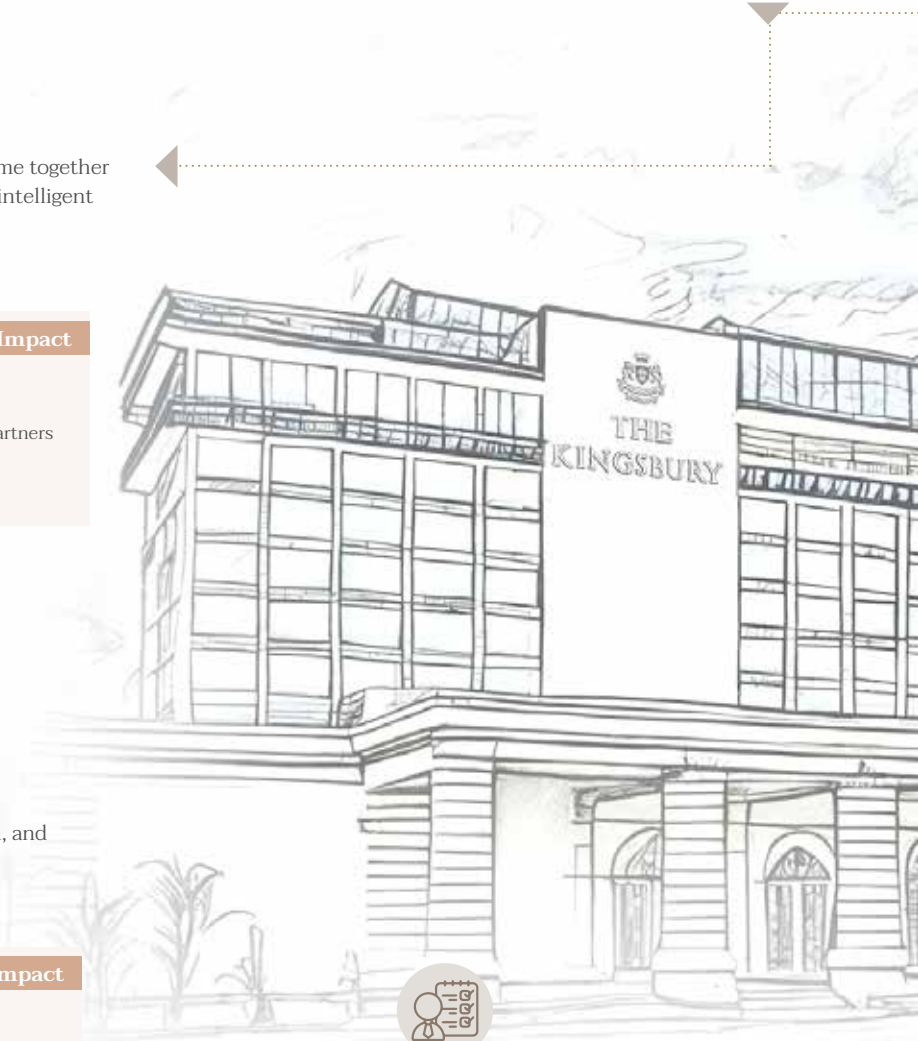
What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> • Guest feedback (reviews, surveys, social) 	<ul style="list-style-type: none"> • Data-driven decision-making • Tailored guest experiences 	<ul style="list-style-type: none"> • Customers • Employees



Curating Quality Behind the Curtain

From farm to table - this is where sustainability and quality begin. Local sourcing, efficient supply chains, and eco-conscious partnerships come together to create every luxurious detail before the guest even arrives.

What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> • Locally sourced ingredients & supplies • Sustainable vendor relationships 	<ul style="list-style-type: none"> • Ethically sourced products • Reduced environmental footprint • Strong local supplier network 	<ul style="list-style-type: none"> • Local suppliers • Communities





Crafting the Guest Journey

Comfort, personalisation, and curated amenities shape unforgettable stays and lasting impressions

What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> Personalised service culture Guest data and preferences 	<ul style="list-style-type: none"> High guest satisfaction Repeat bookings & loyalty 	<ul style="list-style-type: none"> Customers Employees Business partners



Elevating the Brand Story

Our voice and values come to life through storytelling, digital presence, and the emotional connections we build with guests

What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> Digital presence (web, social media) PR, content, and storytelling 	<ul style="list-style-type: none"> Strong brand recognition Market differentiation 	<ul style="list-style-type: none"> Customers Employees



Sustaining Connections Beyond Check-Out

Loyalty programmes, thoughtful follow-ups, and shared memories keep the relationship alive- until next time

What Fuels Us	What We Create	Who We Impact
<ul style="list-style-type: none"> Post-stay communications 	<ul style="list-style-type: none"> Lasting guest relationships Sustainable revenue flow 	<ul style="list-style-type: none"> Customers Shareholders



DELIVERING OUR STRATEGY

The Kingsbury experienced a remarkable year of recovery, fuelled by the resurgence of tourism, with Sri Lanka once again becoming a highly sought-after travel destination. Visitor numbers surpassed 02 million, reflecting strong industry optimism. Favourable macroeconomic conditions, including lower interest rates and a decline in exchange rates, contributed positively to the Company's growth in revenue. Strategically, the Company implemented a calculated increase in room rates, capitalising on high demand while maintaining market leadership with the highest occupancy rates among city hotels. Cost management initiatives, which had been set in motion earlier, resulted in improved efficiency and better gross profit margin compared to the previous year. Meanwhile, sustainability efforts continued to be a core focus, ensuring long-term resilience. Digital transformation played a crucial role in enhancing our online presence, driving direct bookings through channel manager and digital marketing. Additionally, The Kingsbury solidified its position as the No. 01 Food & Beverage destination in Colombo, with its diverse range of restaurants generating the highest revenue among city hotels. Recognising the importance of exceptional dining experiences in influencing guest choices, our culinary excellence became a key differentiator. With a strong foundation in place, The Kingsbury remains committed to sustaining growth, enhancing guest experiences, and reinforcing its leadership in the hospitality industry.



SUSTAINABLE GROWTH

Developments and Highlights

- Focused on strengthening account-based and market-based relationships to drive business growth
- CAPEX investments made to upgrade the property, facilities, and equipment to sustain luxury standards
- Strengthened cost-control initiatives, leading to improved gross profit margins
- Enhanced procurement strategies and operational efficiencies to optimise expenses

Key Performance Indicators

- CAPEX investment
- Occupancy rate
- Market share
- Gross profit margin
- Operating cost



FOOD & BEVERAGE EXCELLENCE

Developments and Highlights

- Secured the top position in Food & Beverage revenue among Colombo city hotels
- Strengthened restaurant offerings to cater to both local and international guests
- Targeted marketing and promotional strategies to enhance awareness of restaurant offerings
- Leveraged culinary reputation to drive hotel stays and corporate engagements

Key Performance Indicators

- F&B revenue growth
- Global Review Index
- Increase in food & beverage covers



DIGITAL TRANSFORMATION

Developments and Highlights

- Expanded e-commerce and digital marketing efforts to drive direct bookings
- Promotion of F&B through digital marketing, by engaging content with customers to showcase products directly
- Enhanced data and cybersecurity measures
- Integrated Channel Manager with Property Management System to optimise room inventory management and streamline the reservation process

Key Performance Indicators

- Online direct booking growth
- Investment in digital marketing
- Customer engagement metrics (social media reach, review scores)
- Investment in IT Infrastructure, automations and systems



SUSTAINABILITY & LONG-TERM RESILIENCE TRANSFORMATION

Developments and Highlights

- Establishing an ESG Committee and a dedicated Sustainability Department to lead the company's ESG initiatives
- Sustainability KPIs were assigned to key HODs, embedding responsibility into operations
- Secured membership in the Lanka Responsible Care Council
- Focused on energy efficiency, waste reduction, and responsible sourcing

Key Performance Indicators

- Energy and water intensity
- Waste diverted from landfill
- Food waste intensity

SHAREHOLDER RELATIONSHIPS

Stakeholder engagement is central to building strong relationships and creating open communication with those impacted by our operations. At The Kingsbury, we prioritise understanding the needs and expectations of key stakeholders—including investors, employees, customers, suppliers, communities, and regulators. Through dedicated engagement platforms, we ensure their voices guide our strategies, drive innovation, and support long-term value creation. Our structured engagement approach, from stakeholder identification to continuous interaction, strengthens trust and aligns with our overall value creation model.

1. Stakeholder Assessment

Identify and assess current and potential stakeholders, evaluating their relevance and prioritising them based on their level of interest and impact on the business.

2. Understand Stakeholder Needs

Remain attuned to stakeholder needs and expectations, striving to create value by consistently meeting or exceeding them.

3. Determine Engagement Approach

Determine engagement methods, frequency, and depth based on each stakeholder's level of interest and potential influence.

4. Implement Engagement Strategies and Review

Customise engagement strategies based on stakeholder interest and regularly review for effectiveness and alignment with evolving needs.

Highlights of our stakeholder engagement in 2024/25 are depicted below:

SHAREHOLDERS



Level of Engagement

Involved and interactive



Frequency of Engagement

Quarterly / Annually

Value Created

RS. 551 MN

Profit after tax

10.45

Price Earning Ratio

RS. 3.96

Net asset value per share

Profile

- Public shareholders
- Prospective Investors
- Investment Analysts / Stockbrokers and traders
- Media

Engagement Mechanisms

- Annual General Meetings
- Extraordinary General Meetings
- Investor meetings on needs basis
- Periodic publications:
 - Annual report (print and online version)
 - Quarterly financial statements
 - Announcements made to CSE
- Corporate websites of The Kingsbury PLC and our parent company Hayleys PLC
- <https://www.thekingsburyhotel.com>
- <https://www.hayleys.com/leisure>

Link to Capitals



Key Concerns

- Opportunities for sustainable development
- Management of macroeconomic risk and opportunities
- Corporate governance and risk management strategies
- Integration of Environmental, Social, and Governance (ESG) principles

Our Response

- Strengthening governance and risk management frameworks
- Focusing on business growth and sustainability
- Maintaining transparent and ongoing relationships with stakeholders
- Implemented robust cost-control measures, resulting in improved gross profit margins
- Formed a Steering Committee to drive ESG efforts

Link to SDGs



SHAREHOLDER RELATIONSHIPS

CUSTOMERS



Level of Engagement



Frequency of Engagement

Involved and interactive

Frequent

Value Created

91.8%

GRI

45,668

Guest arrivals

Profile

- Leisure
- Business / corporate
- Entertainment / casino
- Local Patrons and International Guests
- Shipping Crew

Engagement Mechanisms

- Customer interaction touch points
- Feedback on social media
- Feedback received via channel partners
- Corporate websites
- Customer satisfaction surveys
- Brochures, itineraries, magazines and other publications

Link to Capitals



FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

Key Concerns

- Ensuring quality of product and service delivery
- Upholding brand integrity and delivering five-star quality standards
- Prioritising safety and privacy

Our Response

- Pricing strategy aligned with delivering enhanced value for money
- Enhanced restaurant offerings to attract local and international guests, securing a top market position
- Realigning processes and resources to prioritise guest comfort while minimising costs
- Ensuring customer value and safety through facility upgrades and enhanced features

Link to SDGs



SUPPLIERS & BUSINESS PARTNERS



Level of Engagement



Frequency of Engagement

Keep satisfied

Regular/ As required

Value Created

RS. 3,423 MN

Payments to suppliers

92%

Local community sourcing

1,500

Total Business Partners

Profile

- SME's, WOE's
- Tour Operators and Travel Agents
- Local DMCs

Engagement Mechanisms

- Interactions through physical or virtual meetings
- Site Visits
- Contractual Agreements
- Periodic seminars, workshops/forums

Link to Capitals



FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

Key Concerns

- Stable procurement
- Fair pricing and payment terms
- Opportunities for mutual growth
- Revised terms and conditions in response to the external challenges

Our Response

- Enhanced engagement with business partners
- Expanded supplier network to enhance sourcing flexibility and quality
- Centralised group purchasing with fixed-term contracts to drive efficiency and cost savings

Link to SDGs



EMPLOYEES



Level of Engagement



Frequency of Engagement

Involved and interactive

Frequent

Value Created

09%
Female representation in managerial category

RS 1,107 MN
Employee Earnings

20%
Internal Promotions

Profile

- Employees

Engagement Mechanisms

- Multi-level staff meetings
- Employee Satisfaction surveys
- Performance appraisals
- Engagement via digital platforms
- Grievance handling mechanism
- Employee engagement programmes

Link to Capitals

HUMAN CAPITAL

Key Concerns

- A safe work environment
- Job security and fair remuneration
- Opportunities for training and development
- Career progression
- Work-life balance
- Diversity, Equity and inclusion

Our Response

- Focus on performance-based culture
- Capability enhancement through training and development
- Competitive remuneration
- Policies to include diversity and balanced representation

Link to SDGs

GOVERNMENT/REGULATORS



Level of Engagement



Frequency of Engagement

Keep informed

As required

Value Created

RS. 990 MN
Taxes Paid

RS. 54 MN
Contribution towards tourism industry

Zero instances of significant non-compliance

Profile

Government and related bodies such as;

- SLTDA - Sri Lanka Tourism Development Authority
- SLTPB - Sri Lanka Tourism Promotion Bureau
- BOI - Board of Investments
- IRD - Inland Revenue Department

Engagement Mechanisms

- Engagement with Government agencies and counterparts
- Direct engagement with relevant regulatory authorities
- Tax/Fees/Levy/Duty payments

Link to Capitals

FINANCIAL CAPITAL

NATURAL CAPITAL

INTELLECTUAL CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL

Key Concerns

- Compliance to all relevant regulations and guidelines in the country
- Recovery of the tourism sector
- Transparency in work practices

Our Response

- Maintain compliance to all relevant regulations and guidelines
- Continuous collaboration SLTDA and other tourism bodies locally and globally
- Timely and accurate disclosures

Link to SDGs

SHAREHOLDER RELATIONSHIPS

COMMUNITY



Level of Engagement



Frequency of Engagement

Keep satisfied

As required

Value Created

9,365

Total Beneficiaries

RS. 1.16_{MN}

Investment in CSR

24

Employment opportunities created from Hayleys Leisure Training Academy

Profile

- The communities we serve

Engagement Mechanisms

- Meetings with Beneficiaries of our corporate social responsibility (CSR) endeavours
- Publications on our CSR initiatives

Link to Capitals



SOCIAL AND RELATIONSHIP CAPITAL

Key Concerns

- Collaboration for climate change initiatives
- Contribution towards vulnerable communities
- Employment opportunities

Our Response

- CSR activities
- Designing and executing CSR initiatives with a significant impact on beneficiaries
- Created employment opportunities for school leavers and individuals from vulnerable communities

Link to SDGs



OPERATING LANDSCAPE

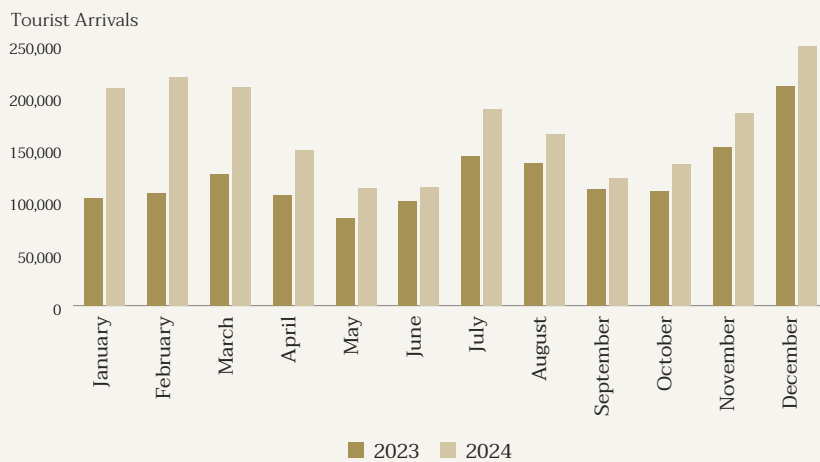
As economic activity steadily stabilised throughout the year and the tourism industry showed signs of revival, confidence in a broad-based sectoral recovery grew stronger. In this first year of recovery, it is crucial to assess the impact of the external environment on the Hotel’s operations. This involves identifying potential risks that may affect performance, and recognising emerging opportunities stemming from evolving market conditions

TOURISM SECTOR

In 2024, Sri Lanka’s tourism sector saw a remarkable recovery, with over 2 million tourist arrivals and an estimated revenue of USD 3.2 billion, reflecting a 53.2% growth compared to 2023. The number of arrivals rose by 38.07%, totalling 2,053,465 visitors. This substantial growth is largely

attributed to the easing of global travel restrictions, strong performances from key source markets, and heightened traveller confidence in Sri Lanka as a destination. December marked the peak of the tourist season, with a record of 248,592 visitors.

Tourist Arrivals by Month 2023 & 2024



In 2024, Europe remained the largest source of tourists to Sri Lanka, accounting for 50.67% of arrivals, followed by the Asia-Pacific region with 41.91%. India was the top source market, contributing 20.3% of total arrivals. Other prominent source markets included Australia (4.4%), France (4.3%), and the United States (2.9%), highlighting Sri Lanka’s broad appeal despite longer travel distances.

Tourist arrivals to Sri Lanka are predominantly driven by leisure and vacation, with the Meetings, Incentives, Conferences, and Exhibitions (MICE) sector also contributing significantly. Furthermore, wellness tourism is experiencing notable growth, with 3.45% of visitors travelling for wellness purposes, highlighting the increasing interest in Sri Lanka’s Ayurveda and spa offerings.

RISKS AND OPPORTUNITIES

- Volatility in international arrivals due to global economic conditions and geopolitical tensions can directly impact occupancy rates
- Increasing competition from other hotels and destinations in Sri Lanka catering to the MICE sector
- The post-pandemic recovery and strong growth in international arrivals, particularly from Europe and India, offer opportunities to attract high-value guests
- Sri Lanka’s government push for tourism growth and improved international relations can result in more incentives and easier access for international travellers

STRATEGIC RESPONSE

- Develop marketing strategies focused on key source markets and high-value segments
- Strengthen relationships with MICE organisers to become a preferred venue for conferences, exhibitions, and corporate activities
- Leverage the Hotel’s unique luxury services and exceptional gourmet food offerings to create memorable experiences

OPERATING LANDSCAPE

POLITICAL

LOCAL AND GEOPOLITICAL STABILITY

In 2024, Sri Lanka conducted both presidential and parliamentary elections, leading to a transformation in the political landscape and creating a generally optimistic outlook for economic growth. Throughout the year, the country made significant progress in restoring macroeconomic stability and ensuring the resilience of its financial system. The continuation of the Extended Fund Facility (EFF) arrangement with the International Monetary Fund (IMF) played a crucial role in stabilising economic conditions. As a result of these developments, two leading credit rating agencies upgraded Sri Lanka's sovereign rating, significantly lowering the country's risk premium. While broad-based stability has been achieved, its sustainability remains contingent on the consistent implementation of key fiscal, financial, and monetary policies in the future.

The geopolitical landscape plays a vital role in a country's tourism industry, as factors such as political stability, security, and international relations significantly influence traveller confidence and investment. Escalating risks to the global economy, including the ongoing Russia-Ukraine conflict, trade policy uncertainties, increased tariffs, reduced migration, and tighter global financial conditions, could have far-reaching effects on key sectors such as tourism, disrupting international travel demand, affecting foreign direct investment in hospitality infrastructure, and altering consumer spending patterns.

RISKS AND OPPORTUNITIES

- Prolonged economic hardships may reduce local consumer spending on hospitality and leisure.
- Ongoing geopolitical tensions could lower international tourist arrivals.
- A stable political environment presents growth opportunity for increased international arrivals.
- Improved ties with key markets such as India, China and Middle East could drive higher tourist inflows.

STRATEGIC RESPONSE

- Engage with tourism boards, policymakers, and trade associations to influence favourable policies and leverage national promotional campaigns.
- Reduce dependency on specific regions by targeting emerging tourist markets, including India, China, and the Middle East.

ECONOMIC

GDP PERFORMANCE

The Sri Lankan economy experienced a strong rebound in 2024 supported by accommodative monetary policies and a low-inflation environment. During the first three quarters of the year, the economy is estimated to have grown by 5.2%, with key sectors such as industry and tourism showing significant expansion. As a result, the real GDP grew by 5% following 2 years of continuous decline. This was seen to be a consistent positive growth pattern across all four quarters for the first time since 2017.

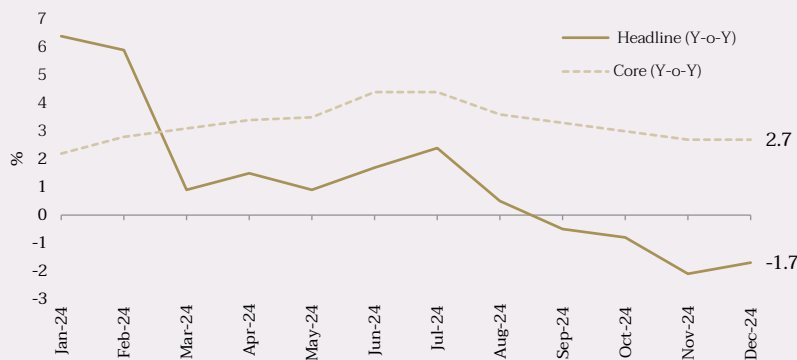
INTEREST RATES

The Central Bank eased monetary policy three times throughout 2024, leading to significant reductions in market interest rates. Domestic money market liquidity remained generally in surplus, and short-term money market rates were aligned with the monetary policy stance. The low-interest rate environment, combined with sufficient market liquidity, helped the economy navigate its recovery phase. Considering both domestic and global developments, the Monetary Policy Board continues to maintain the Overnight Policy Rate (OPR) at 8.00%.

RISKS AND OPPORTUNITIES

- Long-term economic hardships and reduced disposable income may result in decreased spending on luxury accommodations and services by local customers.
- Lower interest rates and a stronger currency may provide more favourable financing conditions for capital improvements and expansion.
- A stable and strengthening economy can boost travel confidence, potentially resulting in increased international arrivals.

Movements in Headline and Core Inflation (CCPI, 2021=100)



Source: Department of Census and Statistics

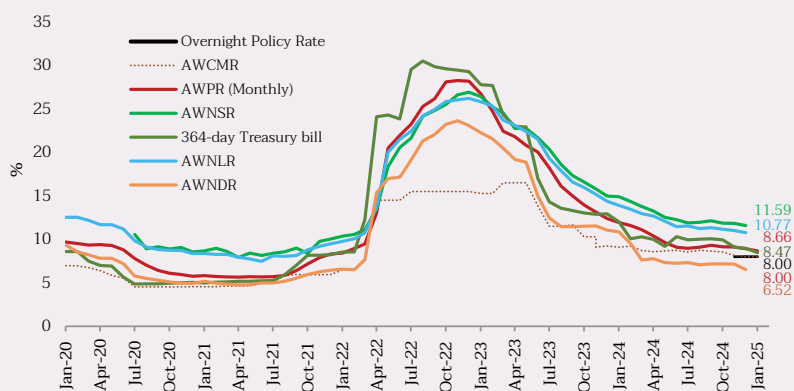
EXCHANGE RATE

The Sri Lankan Rupee continued its appreciation trend throughout 2024, strengthening against the US Dollar, driven by robust foreign exchange inflows from higher worker remittances, increased tourism earnings, and the conversion of export proceeds. By the end of August 2024, the Rupee had appreciated by 7.9%, maintaining its upward trend since late 2023. Liquidity conditions in the domestic foreign exchange market improved, supported by rising service export and remittance inflows. The external sector showed renewed resilience, with the Balance of Payments strengthening and the current account recording a surplus for the second consecutive year, marking a significant achievement in Sri Lanka's recent economic history.

INFLATION

Inflation steadily declined throughout 2024, eventually reaching deflationary levels in the latter part of the year, falling below the target of 5%. This was driven by higher-than-expected reductions in energy prices, a stronger currency, and a decline in food prices. As a result, headline inflation, measured by the Colombo Consumer Price Index, reached its first deflationary levels in nine years in September 2024. The easing of inflationary pressures led to a temporary period of deflation, which allowed for further monetary easing, stimulating credit expansion and economic activity.

Movement in Selected Market Interest Rates



STRATEGIC RESPONSE

- Shift marketing efforts towards international and higher-spending domestic tourists, emphasising The Kingsbury's luxury offerings capabilities.
- Take advantage of favourable financing conditions to invest in property upgrades and infrastructure improvements, enhancing guest experiences and long-term competitiveness.
- Introduce flexible pricing and packages to cater to different customer segments, including local tourists and international visitors with varying budgets.

MATERIAL TOPICS

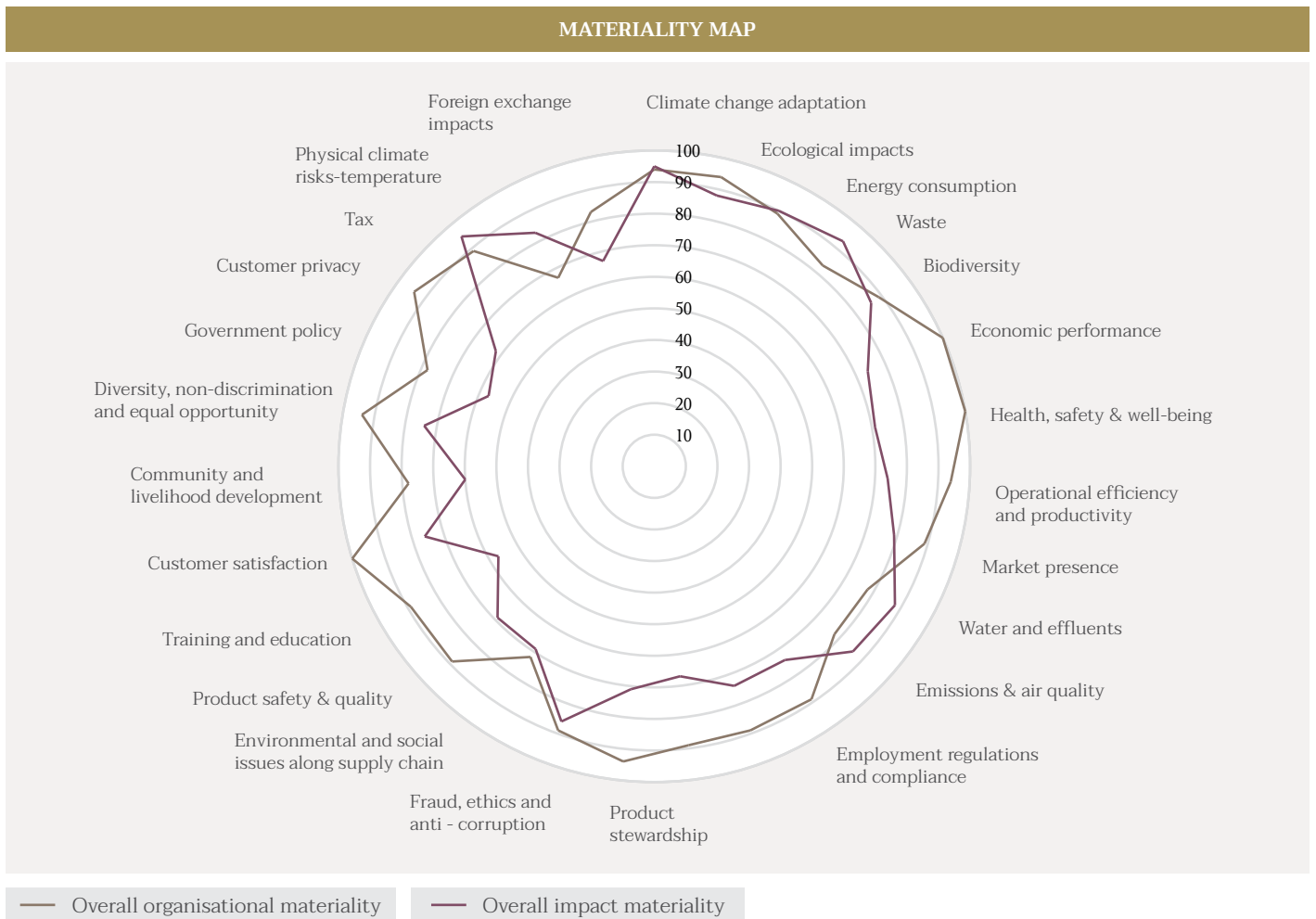
Material matters are the critical factors that hold the greatest significance for our stakeholders and have the potential to drive substantial impact on our value creation. Our approach to identifying these material topics follows the guidelines of Hayleys Group, incorporating the concept of double materiality, 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.



Material Topic	Corresponding GRI topic/ SASB Standard	Stakeholders Impacted	SDG
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	  
Regulations and compliance	GRI 2-27	Shareholders, Business Partners, Government	
Product Stewardship	Nutritional Content	Customers	 
Fraud, ethics and anti-corruption	GRI 205	Employees, Government	 

MATERIAL TOPICS

Material Topic	Corresponding GRI topic/ SASB Standard	Stakeholders Impacted	SDG
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	

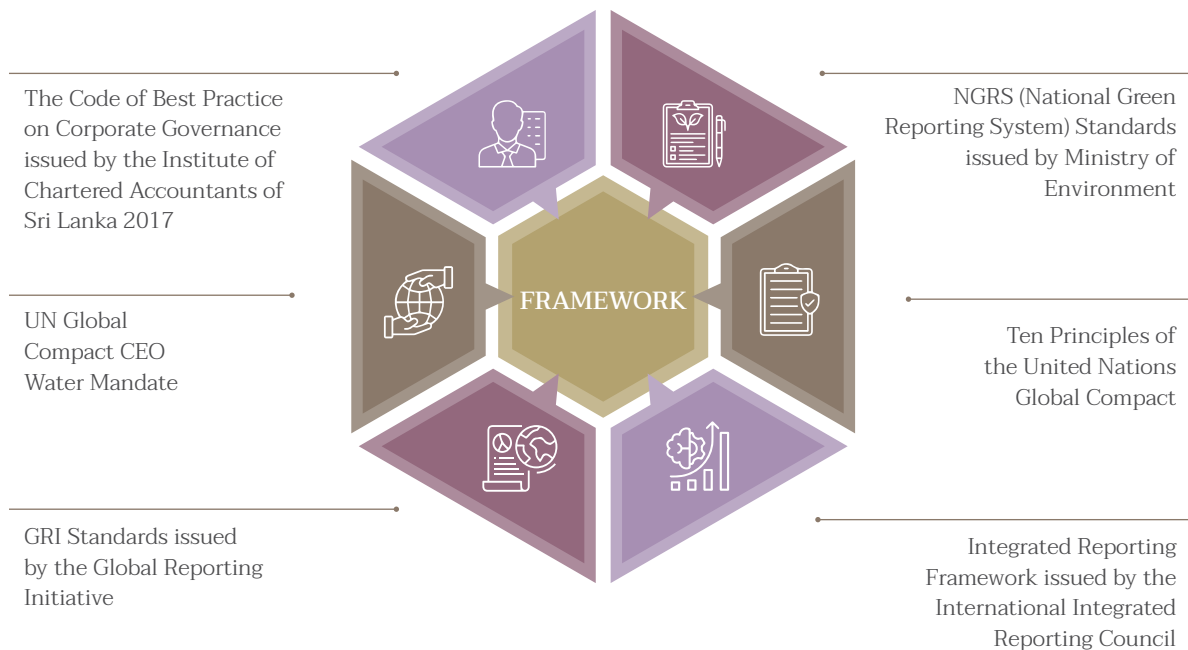


GREEN HORIZON

EMBARKING ON A RENEWED SUSTAINABILITY PATH

As a subsidiary of Hayleys PLC, The Kingsbury is guided by the Hayleys Lifecode, which outlines the Group’s 2030 environmental, social, and governance (ESG) aspirations, roadmap, and action plan. The revised version, launched in March 2025, serves as a strategic guide in our journey toward becoming the industry’s most sustainable leisure operator, accelerating our journey toward excellence in responsible hospitality. The Hayleys ESG framework forms the foundation for all sustainability initiatives within the Leisure sector, ensuring a structured approach to responsible business practices.

THE HAYLEYS LIFECODE REPRESENTS THE COMPANY’S CODE OF ETHICS AND BUSINESS CONDUCT, GUIDED BY THE FOLLOWING FRAMEWORKS



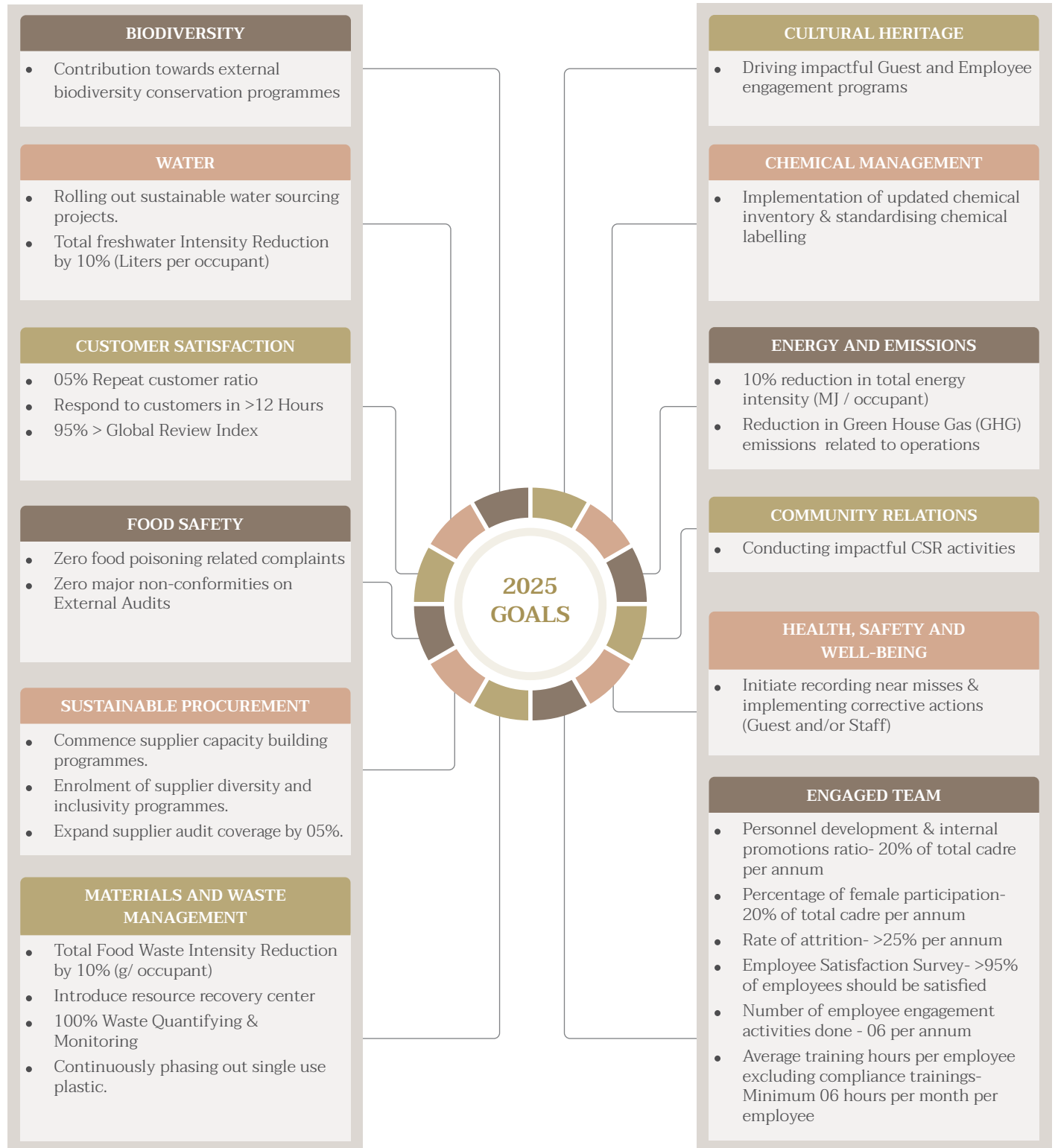
A RENEWED COMMITMENT TO SUSTAINABILITY

In 2024, we took a bold step forward by revitalising our sustainability strategy, ensuring it is more deeply integrated into every aspect of our business strategy and daily operations. This refresh reflects our unwavering commitment to sustainability, as we have now clearly defined key focus areas within our ESG roadmap. Acknowledging the significance of these

focus areas, we have implemented annual targets across all properties to establish a solid foundation for achieving our 2025 objectives and ensuring steady, measurable progress. By aligning our efforts with these targeted priorities, we aim to drive measurable and impactful change, reinforcing our responsibility to the environment, society, and governance.

To further enhance governance, an Sustainability Committee at the Organisational level has been established to drive the ESG agenda, while the Board of Directors and the Hayleys ESG Steering Committee conduct regular reviews to ensure alignment with the Group’s sustainability goals.

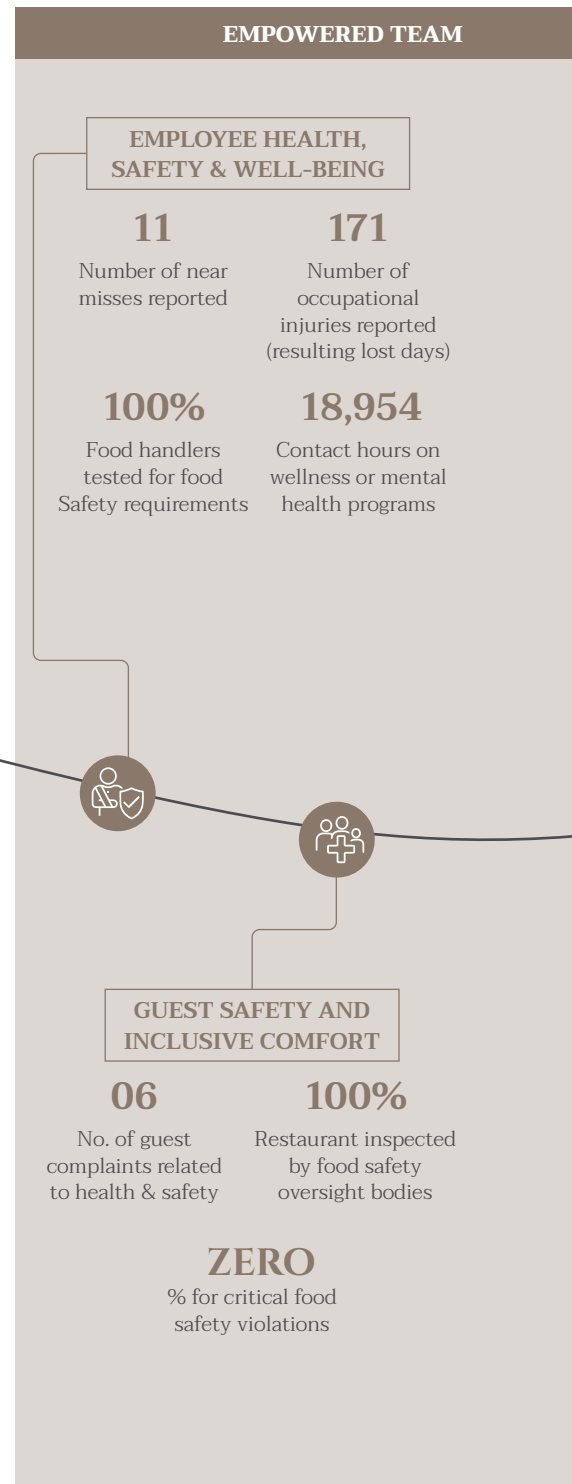
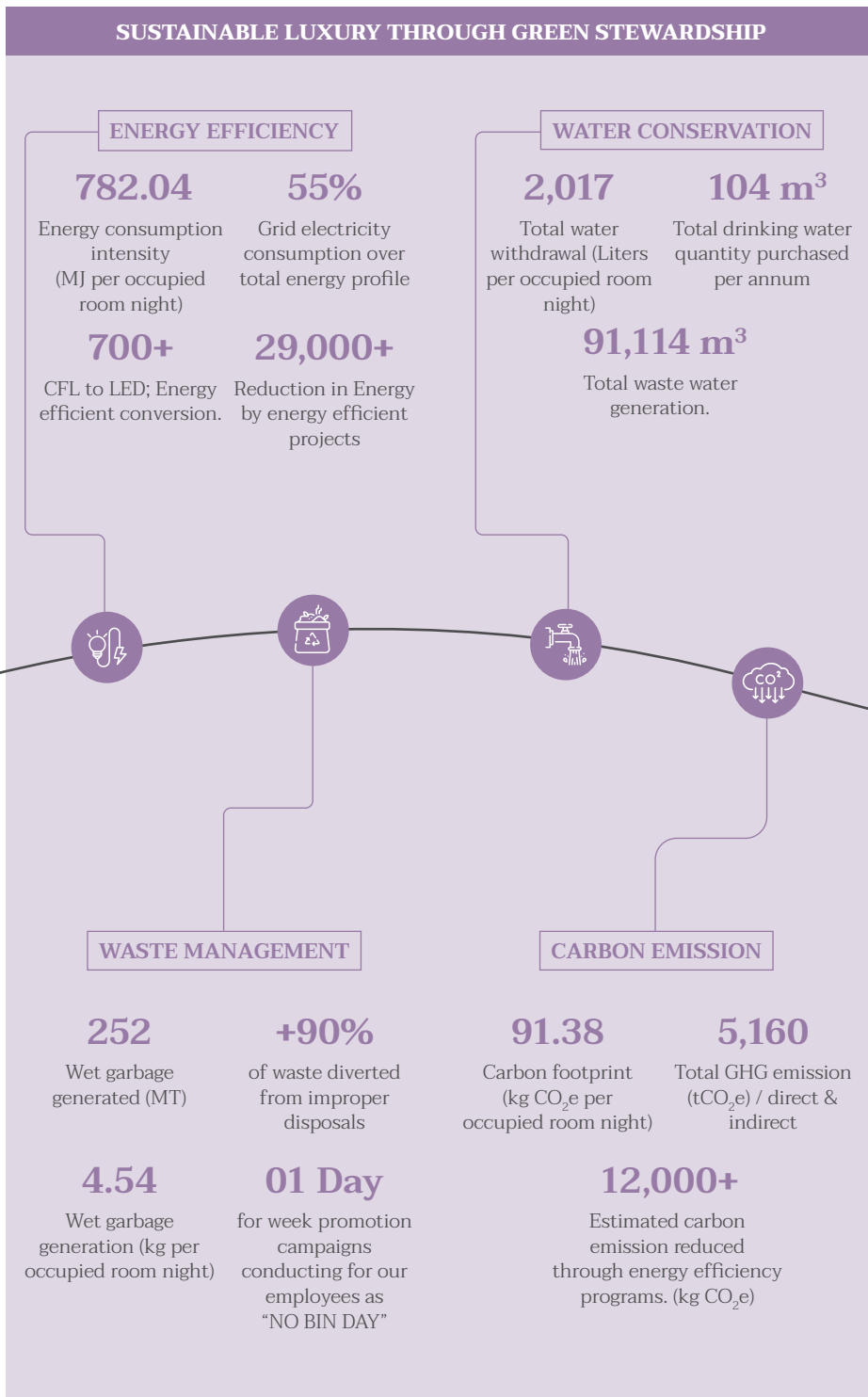
Key Focus Areas in our ESG road map and the 2025 goals are presented below:



GREEN HORIZON

EMBARKING ON A RENEWED SUSTAINABILITY PATH

The Kingsbury is one of Sri Lanka’s premier luxury hotels, contributing significantly to the nation’s hospitality sector. Beyond being a key player in tourism, the company has a notable impact on the country’s socio-economic landscape. This impact is evident in its commitment to environmental sustainability, social responsibility, and strong governance practices.



ELEVATED EXPERIENCE

EMPLOYEE TRAINING AND CAREER DEVELOPMENT

07

Number of certified training programs offered

20,316

Total training hours



DEI & FAIR EMPLOYMENT

100%

compliance with labour standards or audits

146

of promotions filled internally

264

tCO₂e employee commuting related GHG emission

69%

of employees hired from the local region

13%

female representation

COMMUNITY CONNECTIONS

LOCAL EMPLOYMENT & ECONOMIC EMPOWERMENT

154

Internships and apprenticeships offered to local students

24

Number of trainees trained from Hayleys Leisure Training Academy



SUSTAINABLE & ETHICAL SOURCING

92%

procurement from local suppliers

18%

spend on local small and medium enterprises (SMEs)

09

audits carried out to ensure suppliers meet sustainability standards

116.44

supplier transportation & distribution related GHG emissions (tCO₂e) - calculated based on 80% of our suppliers

57

no. of suppliers recognised from 20km radius



SHAPING A FUTURE OF HAPPINESS

At The Kingsbury, every strategic decision is driven by a clear purpose: to shape a future of lasting happiness for our guests, our people, and our partners. With resilience, innovation, and a commitment to sustainable growth, we continually evolve our operations, ensuring each step forward strengthens and brightens the future for everyone who is part of our journey.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL CAPITAL.....	48	SOCIAL AND RELATIONSHIP CAPITAL	67
HUMAN CAPITAL	52	NATURAL CAPITAL	72
INTELLECTUAL CAPITAL	59	WAY FORWARD	80
MANUFACTURED CAPITAL	63		









FINANCIAL CAPITAL



The Kingsbury marked a year of historic milestones, delivering a solid financial achievement that reinforced its enduring market leadership. The company reported a profit after tax of Rs. 551 million, driven by disciplined spend governance, strategic investments, and outstanding operational execution.

HIGHLIGHTS OF THE YEAR

Profit After Tax RS 551 MN	Return on Equity 33.75%	Year on Year Profit Growth 109%	SDGs    
Total Equity RS 1,915 MN	Total Assets RS 5,981 MN	Total Liabilities RS 4,065 MN	

FINANCIAL REVIEW

The Kingsbury marked a year of historic milestones, delivering a solid financial achievement that reinforced its enduring market leadership. The company reported a profit after tax of Rs. 551 million, driven by disciplined spend governance, strategic investments, and outstanding operational execution. Equally, revenue of Rs. 5,327 million was achieved, a testament to its solid growth trajectory and resilience in an increasingly competitive landscape. Significantly, these achievements not only highlight a year of exceptional progress but also represent key moments in the company's journey, affirming its ability to overcome challenges and sustain a legacy of financial excellence.

Revenue distribution	2025 Rs. Mn.	2024 Rs. Mn.	2023 Rs. Mn.	2022 Rs. Mn.	2021 Rs. Mn.
Rooms	1,350	1,435	888	394	45
Restaurants	2,563	2,478	1,825	876	449
Banquets	1,113	1,033	958	672	261
Others	301	320	146	80	23

COST OF SALES

During the current reporting cycle, the cost of sales has recorded a decrease of 2 million, reflecting the successful implementation of cost-effective strategies such as improved procurement practices, efficient inventory management, and strategic sourcing initiatives that have enabled the Company to manage per-room costs effectively.

GROSS PROFIT

The Company recorded a Gross Profit of Rs. 2,555 million in 2024/25, compared to Rs. 2,492 million in the prior year, reflecting a year-on-year increase of Rs. 63 million. This growth was supported by the Company's continued emphasis on pricing optimisation, improved product and service mix, and strengthened cost discipline. As a result, the Gross Profit Margin expanded to 48%, up from 47% in 2023/24. This marks the fourth consecutive year of margin expansion, underscoring the Company's strong operational recovery and effective margin management initiatives. The steady upward trajectory in margin performance over the five-year period reflects the resilience of the Company's operating model, underpinned by revenue diversification, and enhanced procurement practices.

GP / PBT - 5 Year trend	2025 Rs. Mn.	2024 Rs. Mn.	2023 Rs. Mn.	2022 Rs. Mn.	2021 Rs. Mn.
Gross Profit/ (Loss)	2,555	2,492	1,419	477	(85)
Profit Before Tax/ (Loss)	540	255	(405)	(457)	(881)

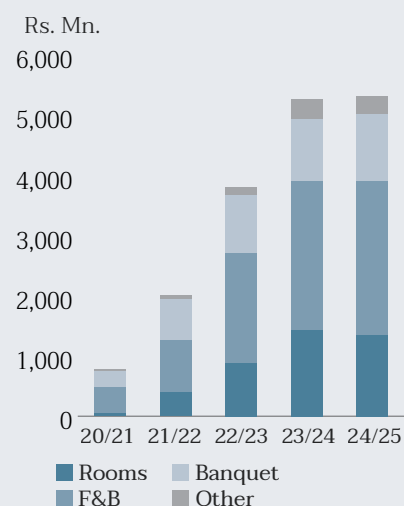
FINANCIAL PERFORMANCE

REVENUE

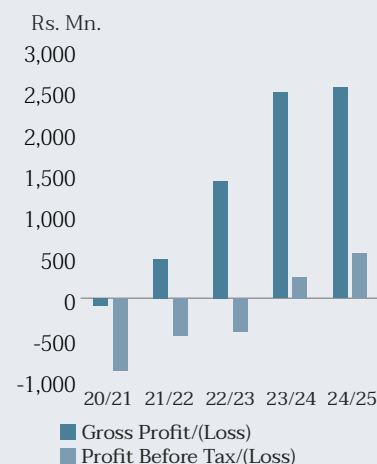
The Company revenue recorded a marginal growth of 1% to Rs. 5,327 million during the year under review (2023/24: Rs. 5,267 million). This growth was primarily supported by strong momentum in Food & Beverage (F&B) segment, contributing Rs. 3,639 million to the topline, up from Rs. 3,477 million in the previous year. Banquet revenues also reflected steady growth, increasing to Rs. 1.1 billion, underscoring the continued growth of the events segment. Revenue from ancillary services grew at a moderate pace, supported by focused promotions and cross-selling initiatives targeting both in-house guests

and local patrons. Despite the removal of the Minimum Room Rate (MRR) policy for Colombo hotels in May 2024, The Kingsbury maintained a stable occupancy rate of 67%, reflecting its strong competitive positioning amidst heightened competition within the Colombo city hospitality market. The Company recorded a 27% Compound Annual Growth Rate (CAGR) across total revenue, underscoring the strength of its brand equity and the strategic effectiveness of its investments during a period marked by both macroeconomic recovery and industry-wide transformation.

Revenue



Gross Profit/(Loss)



FINANCIAL CAPITAL

EBITDA

The Company recorded an EBITDA of Rs. 906 million in 2024/25, reflecting a robust year-on-year growth of 26% compared to Rs. 720 million in the previous financial year. This performance was underpinned by improved operating efficiency, higher contribution from core revenue segments, and continued cost discipline across operations.

OPERATING PROFITABILITY

In the 2024/25 financial year, The Kingsbury exhibited notable improvements in profitability, with its Gross Operating Profit (GOP) margin rising from 14% to 17%. This expansion in margin is a result of operational efficiency implemented throughout the year. Administrative expenses remained relatively stable at Rs. 1,778 million, showing a marginal decrease from Rs. 1,869 million in the previous year. Staff cost optimisation was achieved through roster adjustments and reduced night shift hours for employees. The electricity tariff revisions during the year had a positive impact on the reduction of overhead costs by 4%.

Expenditure	2025 Rs. Mn.	2024 Rs. Mn.	Year on Year change
Administrative expenses	1,778	1,869	-5%
Marketing expenses	92	85	8%
Finance cost	180	304	-41%

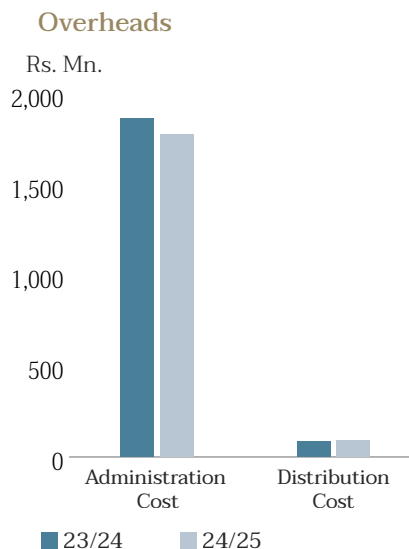
FINANCE EXPENSES

The Company's financial performance in 2024/25 was bolstered by a significant reduction in finance costs, which declined by 41% from Rs. 304 million in 2023/24 to Rs. 180 million. This improvement was primarily driven by lower interest expenses, with overdraft and loan-related interest costs decreasing by Rs. 17 million and Rs. 95 million, respectively. The reduction reflects the easing of market borrowing rates and the transition to a unified policy interest rate framework introduced by the Central Bank of Sri Lanka (CBSL), which created a more favourable financing environment and supported the Company's ongoing efforts to reduce interest burden.

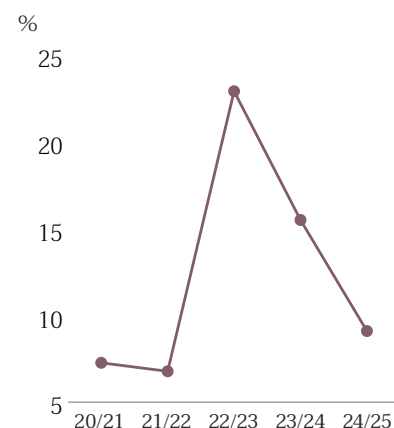
Revenue	2025 Rs. Mn.	2024 Rs. Mn.	Year on Year change
Revenue	5,327	5,267	1%
Cost of Sales	(2,772)	(2,774)	0%
Gross Profit	2,555	2,492	3%
Profit before tax	540	255	112%

PRE AND POST TAX PROFITS

Profit Before Tax (PBT) increased by 112% year-on-year (YOY), rising from Rs. 255 million in 2023/24 to Rs. 540 million in 2024/25. This growth was primarily attributable to a Rs. 63 million improvement in gross profit, driven by stronger operational performance and enhanced revenue generation across key segments. Profit After Tax (PAT) mirrored this trend, recording a 109% year-on-year increase, rising from Rs. 264 million in 2023/24 to Rs. 551 million in 2024/25.



Interest Rate (end year, AWPLR)



Profitability	2025 Rs. Mn	2024 Rs. Mn	Year on Year change
Profit / (Loss) before tax	540	255	112%
Profit / (Loss) after tax	551	264	109%

FINANCIAL POSITION

ASSETS

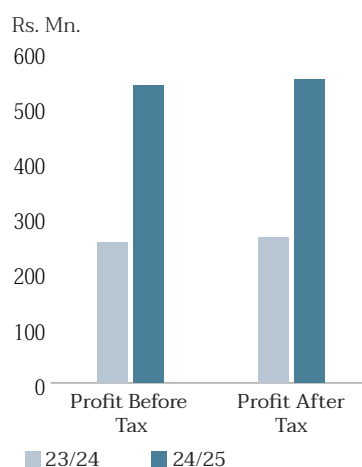
As at 31st March 2025, the Company's total asset base stood at Rs. 5,981 million, reflecting a year-on-year growth of 3% compared to Rs. 5,822 million reported in 2023/24. This increase was largely driven by an 18% expansion in current assets, which rose to Rs. 1,522 million, supported by improved working capital management and enhanced operational momentum. The Company remained committed to upholding its status as a luxury brand in the hotel industry through continued investment in infrastructure and guest experience. During the year, Rs. 29 million was allocated to upgrading plant, machinery, and equipment, while Rs. 63 million was dedicated into circulating assets to support ongoing service excellence. With the easing of import restrictions and the improved availability of goods, the company has adopted a 20-day inventory turnover, ensuring more efficient stock rotation. Consequently, inventory decreased to Rs. 145 million from Rs. 170 million, reflecting enhanced inventory management practices and supply chain agility. Additionally, trade and other receivables were actively monitored, with credit periods maintained within a disciplined range of 30–60 days, contributing to a healthier receivables profile.

Assets	2025 Rs. Mn	2024 Rs. Mn	2023 Rs. Mn	2022 Rs. Mn	2021 Rs. Mn
Total Assets	5,981	5,822	4,443	4,304	4,116
Non Current Assets	4,458	4,529	3,659	3,769	3,875
- Property Plant and Equipment	4,432	4,497	3,631	3,751	3,856
- Other Non-current assets	27	32	28	18	19
Current Assets	1,522	1,293	783	535	241
- Inventories	145	170	168	114	72
- Trade & other receivables	1,186	871	375	178	30
- Other current assets	191	252	241	243	139

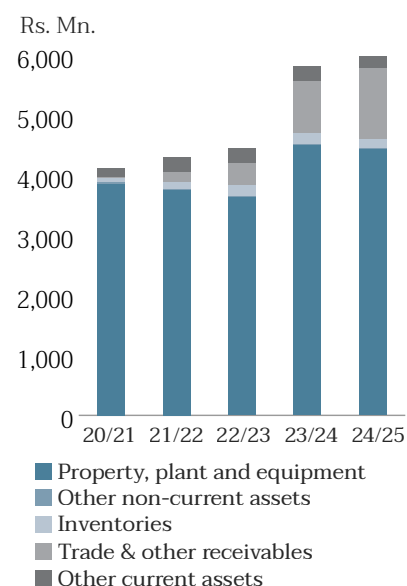
LIABILITIES AND EQUITY

The Company's total equity and liabilities stood at Rs. 4,065 million as at 31st March 2025, marking a 09% decrease compared to Rs. 4,472 million in the previous year. This expansion was primarily driven by the strengthening of shareholders' equity, which grew by 42% year-on-year to Rs. 1,915 million (2023/24: Rs. 1,351 million), reflecting improved profitability and the accumulation of retained earnings. Total liabilities, meanwhile, decreased to Rs. 4,065 million from Rs. 4,472 million in the prior year, supported by effective debt management. Non-current borrowings declined by Rs. 349 million, from Rs. 1,260 million to Rs. 911 million, reflecting scheduled repayments and reduced reliance on long-term financing. Current liabilities remained steady at Rs. 1,963 million, with a slight increase in overdrafts, aligned with the Company's working capital requirements. As a result, the gearing ratio improved significantly, declining from 59.34 in 2023/24 to 46.26 in 2024/25.

Profitability



Asset Composition





HUMAN CAPITAL



The dedication and expertise of the Kingsbury team are the cornerstones of our strategic aspirations, driving our brand Promise, creating innovation, and delivering exceptional guest experiences through their skills and knowledge.

2025 TARGETS

Personnel development & internal promotions

20%

of total cadre per annum

Percentage of female participation

10%

total cadre per annum

Employee Satisfaction Survey

>95%

of employees should be satisfied

Rate of attrition

>25%

per annum

Number of employee engagement activities done

>25%

per annum

Average training hours per employee excluding compliance trainings

6 HOURS

per month per employee

HIGHLIGHTS OF THE YEAR

- Implementation of Paternity Leave Policy
- Launch of "TYPsy" online learning platform -First Sri Lankan Hotel Chain to implement this type of initiative.

SDGs



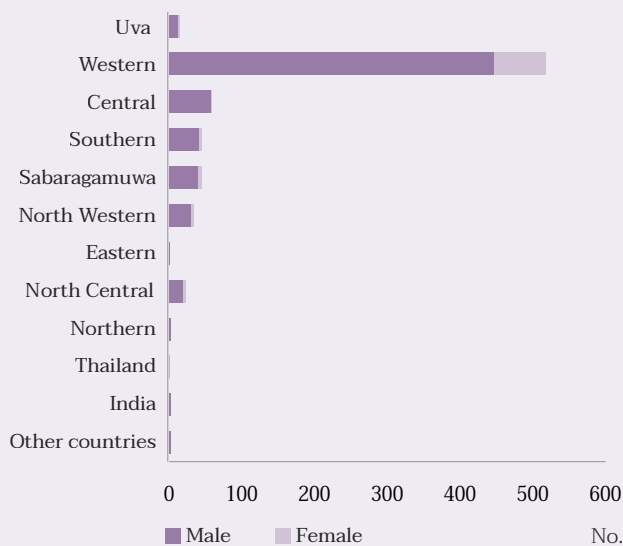
MANAGEMENT APPROACH

At The Kingsbury, our Human Resource policies and procedures are designed to align seamlessly with industry-leading standards while ensuring full compliance with all regulatory requirements. Our HR governance and management approach is structured, with a detailed set of policies and SOPs outlined in the HR policy and procedure manual. This includes comprehensive policies on recruitment, learning and development, and discipline. Recently, we updated our overtime payment policy, transitioning to a more efficient and automated system. During the year the hotel implemented a new paternity leave policy granting employees 7 days of paternity leave.

TEAM PROFILE

The team at The Kingsbury consists of 748 employees, with 61% in permanent positions and 39% in contract roles. All employees are engaged on a full-time basis. Reflecting strong employee loyalty and continuity, over 26% of our workforce has been with the company for over five years, while 37% are under 30 years of age, adding to the dynamism and diversity of our team.

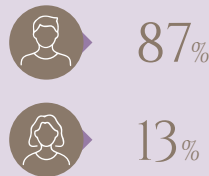
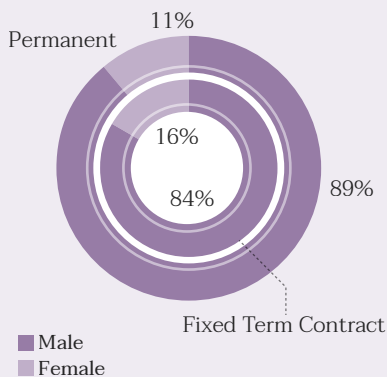
Employees by Region & Gender



Employees by Category & Gender



Employees by Contract & Gender



NATIONALITY



TALENT MOVEMENTS DURING 2024/2025

Talent Recruitment and Retention:

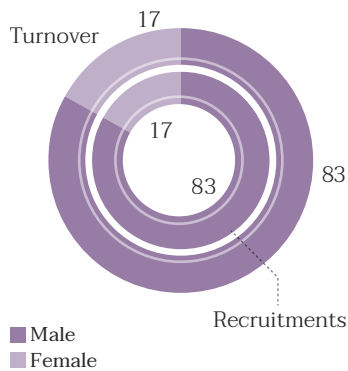
Employee attrition emerged as a major challenge in the hospitality sector, driven by ongoing skilled migration and increased competition from international and local hotel chains entering the Colombo market. The challenge in recruiting new talent was especially pronounced for skilled positions in the culinary department. To overcome this, we hired expatriates for specialised roles and established a pipeline for lower-

level staff, keeping candidates on standby for future openings. We also collaborated with Hotel Schools to secure trainees during peak periods. With a focus on recruiting talent from the local community we have successfully welcomed 219 employees from local regions to our team during the year. Furthermore, we increased the resignation notice period for executives from one month to three months to ensure smoother transitions. During the year, while the headcount reduced from 802 to 748, we remained focused on maintaining high standards and productivity.

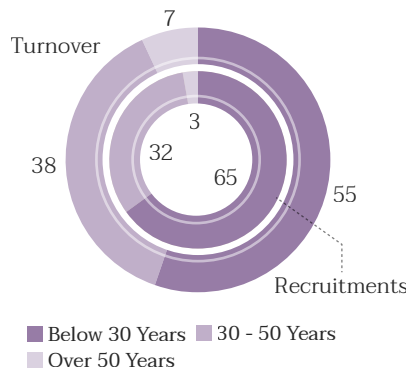
HUMAN CAPITAL

The movements in our permanent cadre are presented graphically below:

Recruitment and Turnover by Gender



Recruitment and Turnover by Age



HEALTH AND SAFETY

Ensuring the safety of our employees, while maintaining a safe, injury-free work environment, are strategic priorities that are deeply embedded in our operational ethos. Driven by a comprehensive Health & Safety Policy, we have implemented a structured framework that supports organisation-wide initiatives focused on safeguarding the well-being of all guests and employees. This policy defines stringent measures and protocols designed to uphold the highest standards of hygiene, sanitation, and safety throughout our premises. Updates to our health and safety policy are communicated to both employees and guests through internal and external channels. We regularly review and update the policy to identify opportunities for enhancing internal processes and ensuring alignment with local health and safety regulations, as well as industry standards.

During the year, we made significant investments to enhance both fire safety and overall workplace safety across our operations. Our fire safety investments focused on upgrading detection and suppression systems, improving alarm

and evacuation protocols, and conducting regular fire drills and training sessions to ensure preparedness. We strengthened workplace safety through infrastructure improvements, the implementation of updated safety protocols, and increased training on hazard prevention and occupational health.

Health and safety related benefits provided to employees include:

- Providing comprehensive insurance coverage for all employees, ensuring they have access to medical treatment and support in case of illness or injury
- Providing access to OPD claim facilities, allowing them to receive medical treatment and claim expenses for outpatient services.
- Offering an in-house clinic which operates 24/7, with staff available at all times to provide medical support.
- Providing daily doctor visits to ensure continuous healthcare availability.

The Company's health and safety record for the year under review is given below.

Occupational injuries/accidents	54
Near misses	11
Total number of man days lost due to occupational injuries	171

EMPLOYEE ENGAGEMENT AND WELL-BEING

Employee engagement and well-being are fundamental in creating a positive work environment that drives both individual and organisational success. To sustain engagement throughout the year, we organised monthly activities designed to motivate and retain our staff. We have adhered to a structured Employee Engagement Calendar, ensuring that morale remains high through regular activities, health camps, and awareness programs.

Over the past year, we have introduced a range of activities, including:

- Meditation and yoga sessions for our female staff to promote well-being and mindfulness.
- Breast cancer awareness sessions for female staff.
- Eye and dental health clinics.
- Celebrations for International Women's Day with special events.
- Monthly karaoke sessions organised to promote team bonding.
- Recognition of Employee of the Quarter, with certificates and appreciation events.

Training	Content	Total time (Hours)	Number of participants	Target audience
Occupational health & safety	General safety practices, PPEs & sign boards Safe chemical handling practices SDS & spillage handling Knife safety Safety in hot surfaces & deep fryers Safety for slips, trips & falls incidents Work at height safety Near miss reporting & responsibilities for safety culture	8	147	All employees
Safe chemical handling	Basics of chemical safety SDS & chemical handling PPEs Chemical spillage handling	2	26	Chemical handlers
Occupational health & safety induction program	General safety practices, PPEs & sign boards Safe chemical handling practices SDS & Spillage handling Knife safety Safety in hot surfaces & deep fryers Safety for slips, trips & falls incidents Work at height safety Near miss reporting & responsibilities for safety culture	18	294	Newly recruited staff members within 1st week
On-the-Job occupational health & safety	Safe chemical handling practices SDS & spillage handling Knife safety Safety in hot surfaces & deep fryers Work at height safety Near miss reporting	15	180	Kitchen & stewarding staff
Fire safety	Chemistry of fire Fire extinguisher & hydrant system Manual call point, fire detector & sprinkler system Fire incident management & responsibilities Evacuation	16.5	317	All employees
Fire Fighting	Firefighting measures	80	40	ERT Team
First Aid	Awareness & practical session on first aid	16	79	All employees
Life Guard	Swimming pool safety & guest related health emergency handling	8	5	Recreation team

REMUNERATION AND BENEFITS

We have developed a remuneration and benefits framework aimed at attracting and motivating high-caliber talent. Our compensation is aligned with industry standards, ensuring competitive pay in the market. Based on a recent market survey, our pay structure stands out as highly competitive within the industry. We maintain the highest level of transparency in determining remuneration, following the guidelines of our HR policy. Our approach emphasises fairness, transparency, and meritocracy, with clear policies in place to eliminate gender-based or any other form of discrimination. During the year, a total of Rs. 1,107 million was allocated for employee remuneration, reflecting an increase of 9.7% compared to the previous year.

HUMAN CAPITAL

Benefits for full-time employees are listed below:

PERFORMANCE MANAGEMENT

The Company employs a fair and transparent performance evaluation methodology. At the start of each financial year, objectives and KPIs are established, with evaluations conducted using a balanced scorecard method. A career committee consisting of all Heads of Departments (HODs) is in place to review each employee's performance rating. Any concerns are thoroughly addressed during these discussions. Based on individual performance, all HODs collaboratively determine the final rating, which directly influences the corresponding employee benefits. This evaluation process applies to 100% of our employees.

EMPLOYEE RECOGNITION AND REWARDS

We are dedicated in recognising and celebrating the exceptional contributions of our employees, whose dedication is crucial to our ongoing success. Our "Employee of the Quarter" recognition program highlights staff members nominated for their commitment, attitude, attendance, and overall performance. Nominations are followed by a confidential voting process initially chosen by respective HOD, where each employee casts two votes—one for a nominee within their department and another for a nominee from a different department. The nominee with the highest votes is honoured as "Employee of the Quarter", with a runner-up also recognised.

TRAINING AND DEVELOPMENT

We have implemented a structured and comprehensive approach in identifying and addressing training needs across the organisation. The primary method is our annual appraisal cycle, where employees actively highlight their training requirements. These are then reviewed by Heads of Departments (HODs) to determine necessary training initiatives. Beyond the appraisal process, supervisors and HODs conduct one-on-one discussions to gain deeper insights into individual

training needs. Additionally, we leverage the ReviewPro system, which aggregates feedback from 30 search engines, enabling us to analyse guest comments and identify key areas for improvement.

Our training strategy spans across all levels of the organisation, focusing on critical skill development to enhance performance. As part of our commitment to continuous improvement, we are introducing skill evaluations to measure the effectiveness of training programs and spot

job evaluations to assess their real-world impact on employee performance. We also actively monitor guest feedback and use it to tailor targeted training sessions that enhance service quality and align with guest expectations. This integrated and data-driven approach creates continuous learning and professional growth, ultimately strengthening employee capabilities and elevating service excellence at The Kingsbury.

Key training programs conducted during the year are listed below:

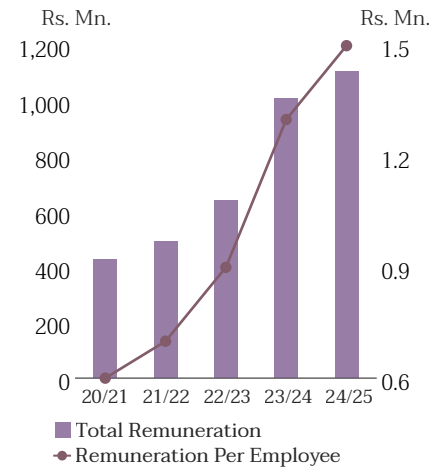
LAUNCH OF TYPSTY – ONLINE LEARNING PLATFORM

Introduction of Typsy- a globally recognised online training platform. Typsy offers continuous learning aligned with global hospitality trends and provides staff with the opportunity to earn internationally recognised certifications, enhancing their professional growth and expertise. The online learning platform was launched across the sector during the year, and we are proud to be the first Sri Lankan hotel chain to introduce such a platform, empowering our teams with accessible and industry-relevant training opportunities.

SKILL DEVELOPMENT SESSIONS

We conduct a variety of skill development sessions, including mandatory fire safety and first aid training, supervisor skill development programs, and on-the-job training initiatives. These sessions are designed to ensure continuous safety management. We collaborate with the Colombo Fire Brigade to form a specialised Emergency Response Team and partner with the Red Cross for certification programs in emergency response.

Employee Remuneration



Training	Number of Participants
Emergency Rescue Training (Fire) – Colombo Fire Brigade	40
First Aid Training – Sri Lanka Red Cross	69
Life Guard Training	5
Supervisor Development Program	26

Training	Number of Participants
Coffee Training	21
Wine Training -Rockland	36
Wine Training -Mega Trading	22
Arrack Training	28



PRODUCT KNOWLEDGE SESSIONS

We have created close relationships with our vendors to offer product knowledge sessions, particularly in areas such as coffee and wine. These sessions include training and certification, ensuring our employees are well-equipped with essential product knowledge to enhance guest experience.

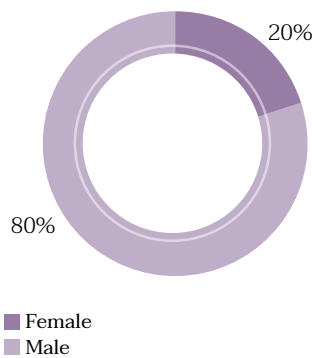
BUDDY SYSTEM FOR NEW EMPLOYEES

We have implemented a Buddy System during the first month of an employee’s tenure. This curated training program pairs new employees with a department buddy, assisting them in becoming familiar with the Standard Operating Procedures (SOPs) and ensuring a smooth transition into their roles. This ensures that employees feel comfortable and supported, promoting retention and contributing to their success within the organisation.

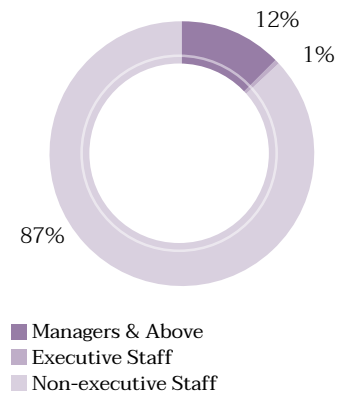
DIVERSITY AND INCLUSION

As an equal opportunity employer, we are dedicated in creating an inclusive workplace. Our policies, aligned with Hayleys PLC, uphold fair employment practices and ensure equitable compensation for all individuals, irrespective of their background. Developing a diverse and inclusive workforce is a core social ambition outlined in the Group’s ESG Roadmap – the Hayleys Lifecode. In line with the Lifecode’s publicly committed action points under the social pillar, we aim to achieve 100% coverage of Diversity, Equity, and Inclusion (DEI) and anti-discrimination awareness training by 2030. This initiative strives to reduce unconscious bias, challenge stereotypes, and create an

Average Training Hours by Gender



Average Training Hours by Category



environment of respect across all organisational levels. Additionally, this objective aligns with the United Nations Sustainable Development Goals 8 (Decent Work and Economic Growth) and 5 (Gender Equality).

HUMAN CAPITAL

THE FOLLOWING BENEFITS ARE PROVIDED TO SUPPORT AND EMPOWER OUR FEMALE EMPLOYEES:

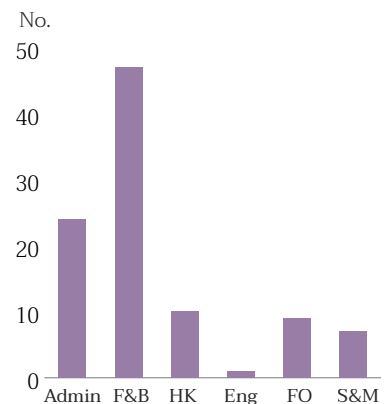
Maternity Leave & Parental Support:	Paid maternity leave, extended leave options, and comprehensive parental support programs
Health & Wellness Programs:	Special healthcare packages, mental health support, and wellness programs focused on promoting women’s overall well-being
Safety & Security Measures:	Safe transportation services for female employees during evening shifts, alongside a robust anti-harassment policy to ensure safety
Dedicated Rest Areas:	Relaxation spaces created specifically for female employees to provide comfort and relaxation
Women’s Health Awareness Campaigns:	Regular health check-ups, awareness sessions on reproductive health, and fitness programs to promote women’s health
Skills Development & Upskilling:	Specialised training programs in hospitality management, technology, and soft skills to empower women in their career progression

WAY FORWARD

Training & Development priorities for the upcoming year are as follows:

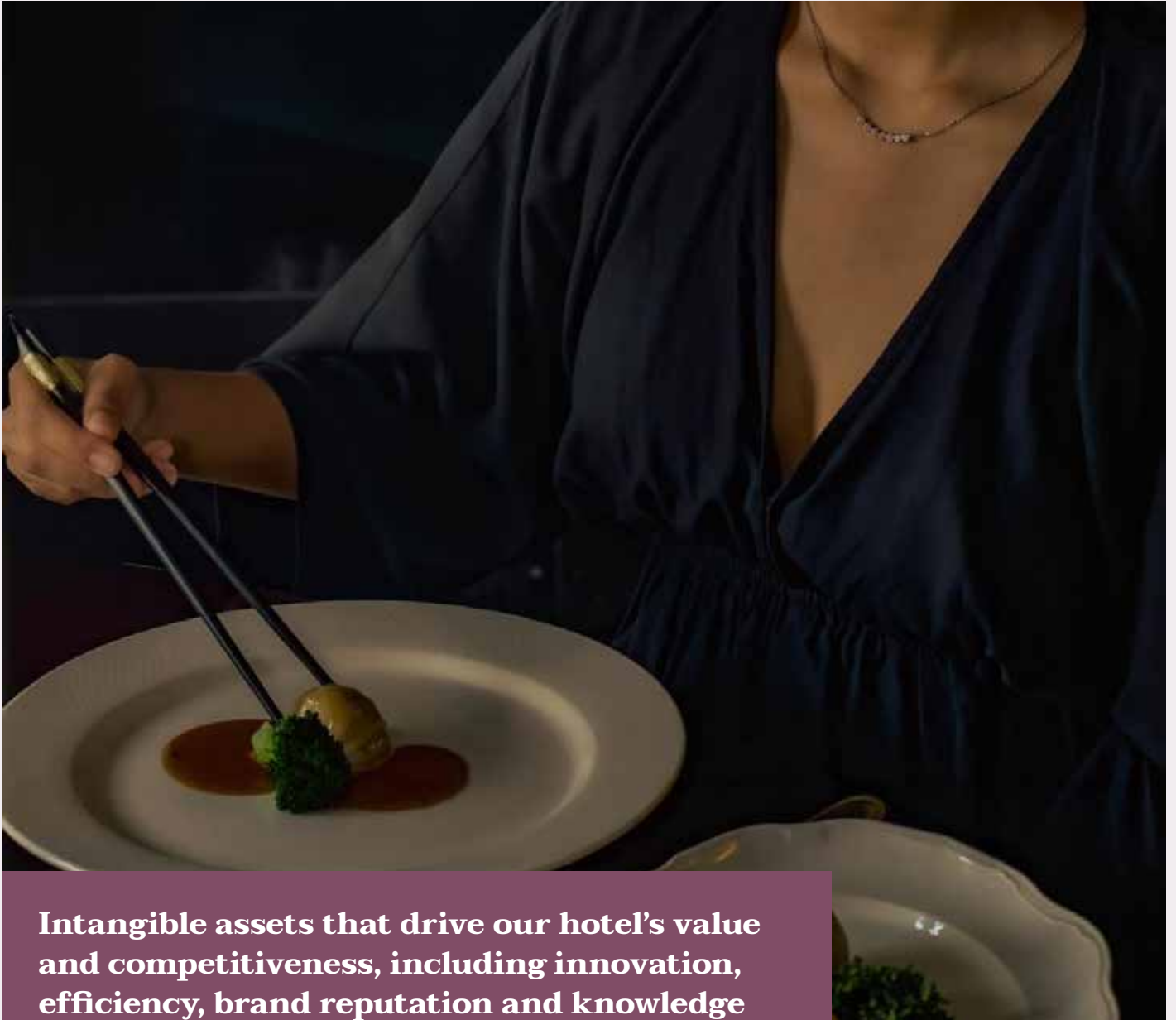
Diversity, Inclusion, and Equity Training	All staff will undergo training in accordance with our social pillar, which prioritise an equal and a diverse workforce to achieve happiness and sustainability.
Succession Planning	Developing employees to advance them for the next level, targeting non-executive and middle management.
Internal and External Competitions	Organising internal competitions in Culinary and Food & Beverage to develop talent and prepare for external competitions, ensuring a competitive talent pool.
Leadership Skill Development	Leadership programs targeting non-executive and middle management, including outbound and classroom sessions to build leadership capabilities within the sector.

Departmental Female Representation





INTELLECTUAL CAPITAL



Intangible assets that drive our hotel's value and competitiveness, including innovation, efficiency, brand reputation and knowledge sharing.

HIGHLIGHTS OF THE YEAR

- 20% Employees having over 10 years of industry experience
- 91.8% GRI

2025 TARGETS

5%

Repeat Customer Ratio

95%

Global Review Index

Driving Impactful Guest & Employee Engagement Programmes

SDGs



INTELLECTUAL CAPITAL

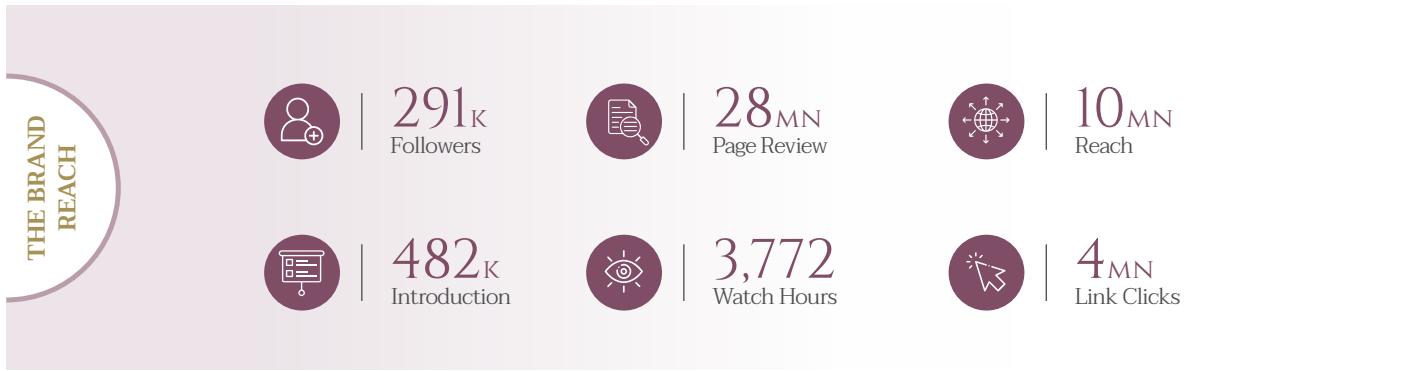
THE KINGSBURY BRAND

The Kingsbury is the flagship brand of Hayleys PLC, Sri Lanka's largest and most diversified conglomerate. It offers a unique guest experience that embodies Hayleys Leisure's promise of curating happiness. Strategically located in Colombo, The Kingsbury provides guests with easy access to key attractions, business districts, shopping centers, and entertainment venues.

Renowned for its unwavering commitment to luxury and exceptional service,

The Kingsbury has earned its reputation as one of Colombo's premier five-star destinations. The hotel seamlessly blends elegance, comfort, and sophistication, establishing itself as a symbol of refined hospitality in Sri Lanka. With a legacy of fine hospitality, The Kingsbury's quality is built on impeccable attention to detail, personalised experiences, and a dedication to the highest standards in service, cuisine, and amenities. Whether catering to business travellers, leisure guests, or hosting prestigious events, The Kingsbury consistently delivers excellence in every aspect.

The Kingsbury continues to strengthen its brand presence across multiple platforms, driven by a strategic focus on digital engagement. Our social media presence plays a vital role in enhancing brand visibility, with clearly defined KPI targets aimed at increasing reach, engagement, and audience growth across key platforms. We also actively monitor and respond to Online Travel Agency (OTA) ratings and guest reviews, ensuring that feedback is integrated into service enhancements and guest experience strategies.



AWARDS AND RECOGNITIONS

We are proud to have received various awards and recognitions during the year, highlighting the excellence, commitment, and service standards of The Kingsbury.



THE DIVERSE OFFERINGS OF OUR RESTAURANT BRANDS

The Kingsbury offers an exceptional range of dining experiences through its diverse restaurant brands, each designed to cater to the varied tastes and preferences of our guests. From upscale dining venues offering exquisite international cuisine to casual lounges providing a laid-back atmosphere, our restaurants create a unique experience to cater to every mood and occasion. Our signature dining venues feature a blend of world-class dishes curated by Culinary Artisan, while our attentive service elevate every meal into an unforgettable experience.

	<p>TENKU The Kingsbury Colombo's authentic Japanese restaurant</p>		<p>KINGS STEAKBAR For relaxed nights of grand comforts, great food & live music</p>		<p>THE KINGSBURY INDULGENCE Delivery of star-class cuisine</p>
	<p>SKY LOUNGE For a chic rooftop bar experience with views of the city and coastline below</p>				<p>HARBOUR COURT For an unforgettable, gastronomic adventure of international cuisine</p>
	<p>YUE CHUAN For a delectable voyage to exotic China with a side of Sri Lanka</p>				<p>THE NOSH An exquisite cafe and restaurant</p>
	<p>OCEAN For a delicious spread of seafood</p>				<p>CHURROS For varied tastes of gourmet patisserie and fresh brews</p>

ORGANISATIONAL TACIT KNOWLEDGE

As social dynamics evolve and customer expectations become more sophisticated, the skill profile required in the hospitality industry has transformed, intensifying the competition for top talent. At The Kingsbury, our staff's collective experience and expertise form a valuable pool of tacit knowledge, which is continually enhanced through ongoing training and development initiatives. Additionally, regular updates to our Standard Operating Procedures ensure that our team stays ahead of industry trends and challenges, enabling us to effectively navigate unforeseen disruptions.

One clear indicator of this wealth of tacit knowledge is the impressive length of service among our employees. The Board of Directors brings broad industry experience and stability to the Company,

with an average tenure of over 15 years in their respective industries. This long-standing leadership is complemented by a management team with an average of 10 years of service in the hotel industry. This commitment to excellence has been a crucial factor in the hotel's ability to adapt and thrive. Adding to this wealth of knowledge, our team comprises 20% employees having over 10 years of industries' experience. Looking ahead, our growth strategy focuses on developing internal talent, making continuous investments in building a diverse, future-fit team that is digitally savvy, agile, and responsive to the evolving needs of the industry.

SYSTEMS AND PROCESSES

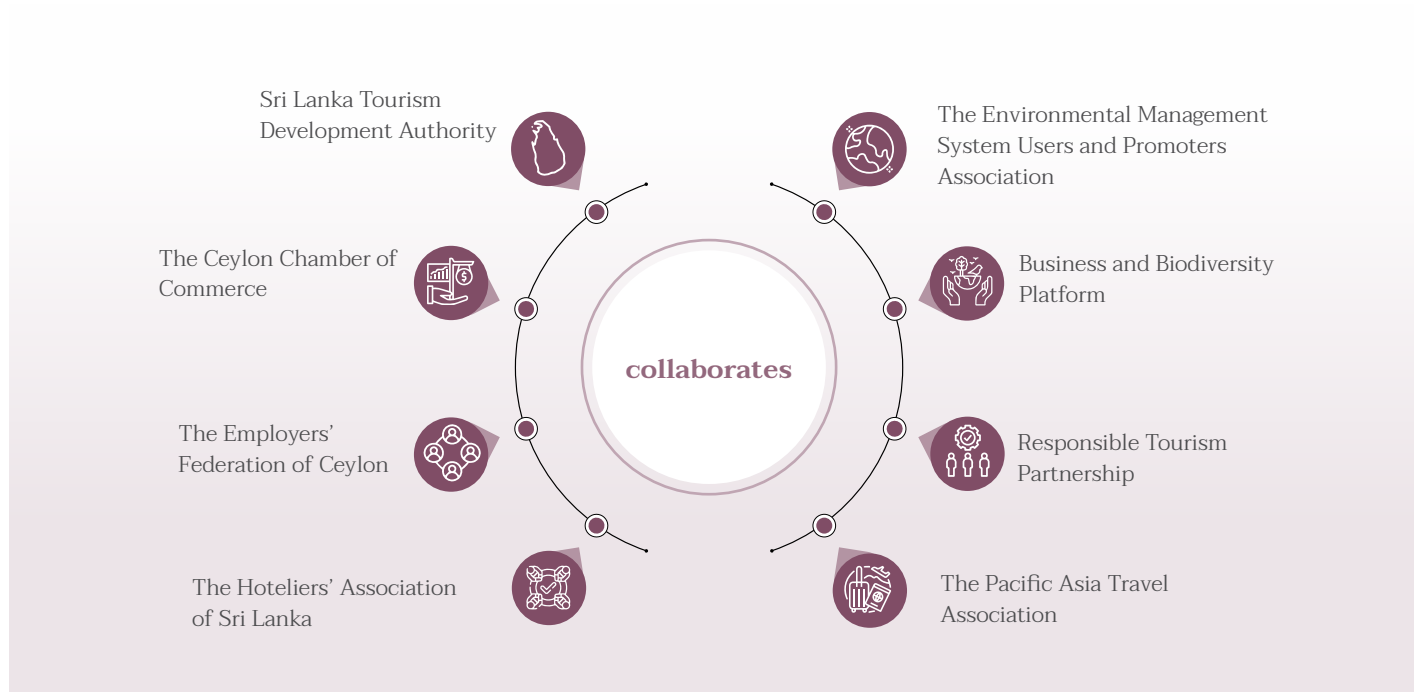
The company's operations are guided by a comprehensive Standard Operating Procedure (SOP) manual, which provides

clear and detailed instructions on all key functions across the organisation. These SOPs serve as a crucial tool for ensuring consistency and efficiency, covering critical areas such as Food & Beverage, Front Office, and Housekeeping. To maintain high service standards, our SOPs are continuously reviewed and updated, ensuring they remain relevant and aligned with the latest industry practices. Our commitment to quality is reinforced by the ISO 22000: 2018 certification, which assures that our processes meet the highest standards in food safety and management, further enhancing our ability to provide outstanding customer experience.

INTELLECTUAL CAPITAL

INDUSTRY COLLABORATIONS

The company actively collaborates with several organisations dedicated to advancing the tourism industry in Sri Lanka, including:



THE KINGSBURY CULTURE

The Kingsbury culture is deeply rooted in the overarching vision of Hayleys Leisure Sector to be the most preferred leisure service provider in Sri Lanka. Our core values serve as the foundation of this culture, guiding every aspect of our operations and interactions. These values include a commitment to never saying no to our guests, ensuring we get it right the first time, cultivating an innovative mindset, and prioritising the well-being of our employees and their families. We emphasise sustainability in everything we do, ensuring that our practices not only benefit our business but also the communities and environments we serve. At the heart of our mission is the commitment to curating happiness for all those who trust and place their confidence in The Kingsbury brand.

WAY FORWARD

To maintain and enhance The Kingsbury brand and its intellectual capital, we will continue to invest in the development of our employees, creating a culture of continuous learning and innovation. This will involve regular training programs, leadership development initiatives, and the implementation of cutting-edge technologies to ensure our team remains adaptable and ahead of industry trends.



MANUFACTURED CAPITAL



Our tangible assets, including infrastructure, equipment, and technology, play a crucial role in our operations. These physical resources are essential in driving guest satisfaction and operational efficiency, thereby making a significant contribution to the overall success of our business.

HIGHLIGHTS OF THE YEAR

RS. 13 MN

Investments made for IT Infrastructure and Systems

RS. 7.46 MN

Investments in Fire Safety Enhancements

RS. 152 MN

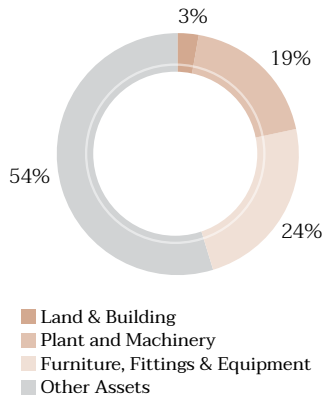
CAPEX Investments

SDGs

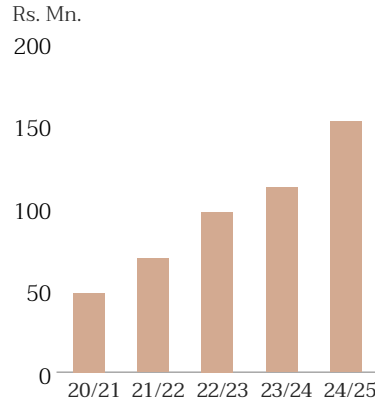


MANUFACTURED CAPITAL

Property Plant and Equipment (PPE)



Capital Expenditure on PPE



Facilities we offer

- Superior, Deluxe, Premium, Executive rooms, Suites and The Presidential Suite
- Restaurants and bars
- Venues for weddings, meetings and conferences
- Swimming pool
- Fitness Centre
- Spa

MANUFACTURING CAPABILITIES

Our commitment to delivering an exceptional guest experience is demonstrated through continuous investment in our physical infrastructure and amenities. These strategic investments have significantly elevated the overall

ambiance, comfort, and functionality of our property, reinforcing The Kingsbury’s reputation as a premier destination for both business and leisure travellers.

Key upgrades across guest rooms, public areas, and recreational facilities have been

designed to exceed guest expectations and align with global hospitality standards. Additionally, substantial investments in modernising our conference facilities and ballrooms have strengthened our position as a preferred venue for corporate meetings, weddings and social events.

The Kingsbury Colombo offers 229 elegantly appointed rooms and suites, complemented by 10 restaurants & bars, and multiple event spaces, including 4 banquet venues.

HARBOUR COURT
An all-day dining restaurant renowned for its expansive international buffet, featuring live cooking stations and a diverse array of global cuisines.

SKY LOUNGE
Rooftop bar providing panoramic views of Colombo’s skyline, Port City, and Galle Face Green where guests can Savour cocktails, tapas, and live music.

KINGS STEAKBAR
Sophisticated dining venue offering premium cuts of steak paired with an extensive selection of fine wines and complemented by live piano music.

TENKU
Japanese restaurant offering an authentic culinary experience with a range of traditional dishes crafted with precision and artistry.

YUE CHUAN
Specialising in authentic Sichuan cuisine, Yue Chuan presents a menu crafted by expert chefs, with chic interior and private dining rooms.

HONEY BEACH CLUB
Outdoor venue by the pool that combines a relaxed beachside atmosphere with a selection of refreshing beverages and light bites.

OCEAN
Seafood restaurant offering the freshest catches where guests can enjoy a variety of seafood dishes.

CHURROS
A cafe serving an indulgent selection of gourmet desserts, artisanal pastries, and freshly brewed beverages

THE KINGSBURY INDULGENCE
Colombo’s premier online food delivery platform, offering over 400 exquisite dishes from The Kingsbury’s renowned kitchens.

THE NOSH
Located at the World Trade Center in Colombo, The Nosh is a stylish cafe and restaurant designed with a refined ambiance at the heart of the city’s business hub.

CAPITAL INVESTMENTS DURING THE YEAR

During the financial year, The Kingsbury allocated Rs. 152 million in capital expenditure towards enhancing operational efficiency and guest experience. These targeted investments have significantly contributed to sustaining the hotel's position as a leading luxury property in Colombo. These investments were strategically directed as follows:

FURNITURE AND FITTINGS – RS. 36 MILLION

Upgrades were made to guest room furnishings, public areas, and dining venues to maintain comfort, aesthetic appeal, and alignment with luxury standards.

PLANT AND MACHINERY – RS. 29 MILLION

Investments were directed toward essential plant and mechanical systems, including the upgrading of air conditioning units and the installation of new kitchen and laundry equipment to ensure improved productivity while upholding stringent hygiene and quality standards.

CUTLERY, GLASSWARE, AND SERVICE EQUIPMENT – RS. 63 MILLION

Upgrading kitchenware, cutlery, and glassware, and enhancing both the presentation and service quality across our F&B outlets.

FIRE SAFETY ENHANCEMENTS

To elevate our fire safety standards, we initiated a series of targeted projects aimed at strengthening protection measures across the property. These enhancements address critical fire risks, ensure full compliance with safety regulations, and prioritise the safety of our guests and staff. Key improvements include the installation of advanced fire detection and suppression systems, upgraded alarm mechanisms, and reinforced emergency response protocols.

The fire safety improvements implemented during the year and the capital expenditure are listed below:

Gas Detector Installation	Wireless Fire Alarm System Installation
New Sprinkler Line Installation	Wet Chemical Fire Extinguisher Installation
Fire-Rated Cables for Fire Pumps	Additional Fire alarms for Sound Enhancement
New Diesel Day Tank Installation	

IT SYSTEMS AND DIGITAL INFRASTRUCTURE

At The Kingsbury, we have implemented a comprehensive and forward-thinking strategy focused on enhancing operational efficiency, streamlining workflows, and ensuring seamless service delivery across all departments through the strengthening of our IT infrastructure and digital capabilities. By leveraging advanced technologies and automation, we have significantly enriched the guest experience. Substantial investments in data protection and network security have fortified our digital environment, safeguarding sensitive information and mitigating potential cybersecurity risks. Some of the initiatives taken during the year are listed below:

SAP ERP Upgrade to SAP RISE

As part of our commitment to digital transformation, we successfully upgraded our ERP system to SAP RISE, a cloud-based platform offering enhanced speed and functionality. This transition from an on-premises setup to a cloud-based solution has significantly improved system performance, facilitated better data accessibility, and introduced advanced features to support more efficient business processes across the hotel's operations.

MANUFACTURED CAPITAL

Mobile Authorisation in Materials Controls

To streamline procurement workflows and address operational bottlenecks, we introduced mobile authorisation capabilities for purchase orders within our material control system. This innovation enables operational staff to approve requests in real time, ensuring timely procurement decisions essential for smooth hotel operations.

User Deactivation Alerts

To strengthen access control and improve information security, we integrated our HR system with IT operations to the user deactivation process. Upon employee resignation, real-time alerts are generated, allowing IT administrators to promptly deactivate user accounts. This proactive measure minimises security risks associated with delayed account termination and enhances overall system integrity.

Enhanced Data and Cybersecurity Measures

In line with global cybersecurity best practices, we implemented a suite of advanced data protection and monitoring solutions. Delinea, a privileged access management system by Fentons, was deployed to track and audit IT administrative activities, ensuring accountability and transparency. We also introduced Microsoft Information Protection to classify data by confidentiality level, restricting access to certain functions. We reinforced network security with advanced firewalls and monitoring tools to detect unauthorised software and monitor internet traffic in real time. Mobile Device Management (MDM) tools were deployed to prevent unauthorised app installations, data outflow. Additionally, regular cybersecurity awareness campaigns, email spam filter upgrades, and security posters were used to educate staff and reduce risks from phishing and other threats.

Integration of Channel Manager with Property Management Systems

To improve reservation management, we integrated with Star Channel Manager with the property management system (PMS). This two-way integration automates the flow of Online Travel Agents (OTA) reservations directly into the PMS while pushing real-time room availability updates back to OTAs. The system has significantly improved reservation accuracy, reduced manual data entry, and optimised room inventory management.

Guest Experience Enhancements

Several digital enhancements were introduced to elevate the guest experience. Mobile check-in and check-out functionality now allows reception staff to assist guests directly using tablets, enhancing efficiency and convenience. We also launched QR code-based service requests, enabling guests to expedite requests without traditional phone calls. Our internet infrastructure was upgraded hotel-wide, improving bandwidth and connectivity. Additionally, the in-room entertainment experience was enhanced to broadcast promotional content and hotel information.

IT Process Automation and Data Migration

To improve IT efficiency, we automated software patch management, allowing timely updates across all core applications. All data previously stored on local servers was migrated to Microsoft SharePoint. This shift enables secure, remote access to files and creates seamless collaboration, ensuring staff can access essential information from anywhere while maintaining strict data security standards.

WAY FORWARD

As part of our ongoing digital transformation journey, several key initiatives are planned for the upcoming year to address operational inefficiencies and further enhance automation:

- To eliminate the current challenges of manually handling Capex-related documentation with a digital approval system
- Automation of user provisioning and de-provisioning across all systems to eliminate existing loopholes
- Implementing further digitisation initiatives across multiple departments to streamline workflows, enhance productivity, and improve service delivery.



SOCIAL AND RELATIONSHIP CAPITAL



Our social and relationship capital forms the essential foundation that connects our business to a broad network of stakeholders, including customers, suppliers, regulators, and the wider community. This capital is built on trust, mutual respect, and effective communication.

HIGHLIGHTS OF THE YEAR

- 91.5% Respond to customers in >12 Hours
- 18% supplier spends on small to medium scaled business

2025 TARGETS

>12 HOURS
Respond to customers

5%
Expand Supplier
Screening

Conduct impactful
CSR activities

SDGs



SOCIAL AND RELATIONSHIP CAPITAL

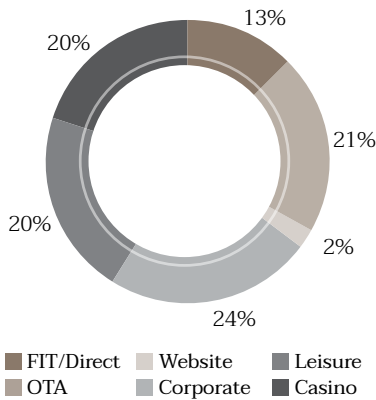
CUSTOMERS

The strength of the relationships we build with our customers is crucial in ensuring the long-term stability of our business. Our primary clientele is composed of 80% of international tourists, with a strong presence in corporate, leisure and OTA (Online Travel Agency) bookings. Our strategy with Destination Management Companies (DMC) focuses on building strong account-based and market-based

relationships to drive business growth. We also place significant emphasis on corporate key account management, utilising geographic targeting to strengthen our relationships with major corporate clients. Our OTA channels and website serve as essential booking platforms, driving a significant portion of our business while complementing our direct sales efforts. The Kingsbury

actively participates in international trade fairs such as WTM (World Travel Market) to establish direct contracts with tour operators. These partnerships help secure seasonal contracts, expand our reach, and attract a global clientele.

Customer Segments



CUSTOMER VALUE CREATION:

As a key player in the Sri Lankan hospitality sector, we understand the importance of creating and maintaining strong customer connections. The Kingsbury aims to be the most preferred and affordable quality brand in the hospitality industry, delivering exceptional service and memorable experiences to our guests. We actively engage with guests through personalised service, feedback channels, to understand guest preferences and continuously improve our offerings. Guided by The Kingsbury Philosophy, we prioritise customer relations, treating every guest as 'King'. We continually innovate to offer unique experiences that attract new clients while retaining our loyal customer base through exciting promotions and concepts. Customer relations are, without a doubt, a vital element of our hotel's social capital.

FEEDBACK AND TESTIMONIALS:

Our unwavering commitment to exceeding customer expectations is evident in the consistently positive reviews we receive across multiple platforms. We actively leverage customer testimonials and public relations initiatives to build trust, enhance credibility, and strengthen our brand image. By positioning our loyal guests as brand ambassadors, we ensure their positive experiences resonate with potential customers and help drive engagement.

We monitor and analyse feedback through platforms such as TripAdvisor, Google, Agoda and Booking.com. Also, we maintain a rating of 8.0 on Booking.com and 4.6 on TripAdvisor, reflecting our dedication to delivering exceptional service.

We also monitor our performance through GRI-aligned indicators and detailed social media analytics, segmented by audience groups.

Operationally, our front-of-house team plays a crucial role in guest engagement, conducting one-on-one interactions to gather real-time feedback and promptly address any concerns. This proactive approach ensures issues are resolved efficiently, contributing to overall guest satisfaction and loyalty.

CULINARY EXCELLENCE:

The Kingsbury aspires to be the most preferred and cost-effective brand in the hospitality industry. To achieve this, we have strategically leveraged our exceptional culinary offerings, positioning Food & Beverage as our key differentiating factor. Despite intense competition, The Kingsbury has continued to be the top of mind for customers in Colombo, outperforming even high-end, well-established brands. The quality of our food is our top priority, and it is evident in the high number of repeat customers we attract. We constantly prioritise delivering outstanding culinary experiences, ensuring customer loyalty and satisfaction.

KEY F&B INITIATIVES UNDERTAKEN DURING THE YEAR:

ENHANCEMENT OF HARBOUR COURT – ALL-DAY DINING HUB



Harbour Court solidified its position as the highest revenue-generating restaurant at The Kingsbury, becoming the central hub for all-day dining. Known for its diverse culinary offerings ranging from Indian, Chinese, Sri Lankan, to Asian cuisine, the restaurant received consistently positive reviews for both food quality and service. In December 2024, Harbour Court recorded the highest revenue for all-day dining among city hotels, reinforcing The Kingsbury's reputation as a premier dining destination.

INTRODUCTION OF THEMATIC CULINARY PROMOTIONS



To offer variety and enhance guest experiences, we introduced several themed promotions, including Indian cuisine festivals, Seychelles seafood promotions, and Arabian food experiences. These initiatives broadened our culinary appeal and provided guests with unique dining experiences throughout the year.

INNOVATIVE CONCEPT AT OCEAN SEAFOOD RESTAURANT



Ocean Seafood Restaurant launched the Seafood Boil concept, a hands-on dining experience where guests enjoy a mix of prawns, lobsters, and fish cooked in rich sauces and served directly on the table. This interactive and family-friendly concept allowed dinners to immerse themselves in flavours while enjoying a relaxed and engaging atmosphere.

SUNDAY CARVERY AT THE FINE DINING RESTAURANT



Our fine dining venue gained recognition for hosting the city's best Sunday Carvery, featuring premium cuts of steak and a refined continental menu. With an average of 60 regular patrons, the event has become a sought-after social gathering, praised for exceptional service, quality offerings, and an elevated dining ambiance.

ENTERTAINMENT AT HONEY BEACH CLUB AND SKY LOUNGE



Honey Beach Club and Sky Lounge served as key entertainment venues. Honey Beach attracted a vibrant crowd with live bands and dynamic music catering to young and middle-aged guests. Sky Lounge offered a more relaxed atmosphere with panoramic city views, easy listening music, and a curated selection of cocktails and food, providing a perfect setting for evening leisure and socialising.

INTRODUCTION OF JAPANESE HIGH TEA AT TENKU



We launched a unique Japanese High Tea experience at Tenku Japanese Restaurant. This innovative concept blends traditional high tea with authentic Japanese flavours, offering guests a distinctive and immersive culinary experience and has become a standout attraction.

SOCIAL AND RELATIONSHIP CAPITAL

CUSTOMER TESTIMONIALS

It doesn't get better than this!

I have travelled many countries and coming to Kingsbury Colombo is always a good experience. I have visited multiple times and always enjoy. Especially the honey beach club which is great for food, drinks, music & entertainment. All very helpful & there is definitely more to mention. If you want to have a high quality experience without breaking the bank, visit Sri Lanka, Colombo, Kingsbury, Honey Beach Club. Never disappointed!

We are Delighted.

Super service, fully fledged menu.

We really enjoyed the food and we experienced the super customer service provided by the whole staff at Harbour court at The Kingsbury Hotel, Sri Lanka.

The whole set up was perfectly arranged, ambient was marvellous.

Great food at Kings Steak Bar restaurant

A big thank you to Asanka and Gihan and Shalitha for their hospitality and excellent service. A very big thank you to all of you for making it a most pleasant stay.

DIGITAL STRATEGY

We have substantially expanded our digital marketing initiatives, achieving an 80% increase in content creation. Additionally, we have explored new avenues such as CGI content and refined our communication strategies across key platforms, including Meta and Google. Our digital presence is further strengthened through Facebook, Instagram, TikTok, and YouTube, enabling us to engage with our audience in dynamic and innovative ways.

CUSTOMER PRIVACY

At The Kingsbury, we place the utmost importance on safeguarding customer privacy and are committed to protecting guest data across all touchpoints. All our websites and platforms where customer information is collected are fully compliant with the General Data Protection Regulation (GDPR). Guests are clearly informed about how their data will be used, with assurance that their information will not be utilised for any unsolicited marketing purposes. Communication with guests is strictly limited to matters related to their reservations.

To ensure the highest standards of data protection, we have implemented the following measures:

- Comprehensive staff training on customer privacy and data protection.
- Robust data security practices supported by clearly defined privacy policies.
- Full adherence to GDPR requirements, reflecting our commitment to international standards of data

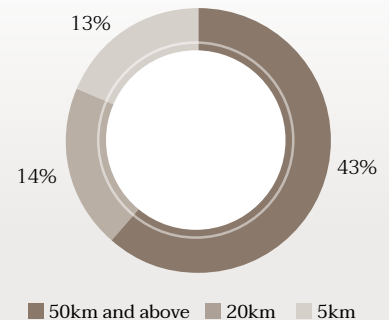
There were no occurrences of non-compliance with regulations pertaining to service information, marketing communications, data privacy violations, and other relevant areas throughout the year.

SUPPLIERS

Suppliers play a vital role in enabling us to consistently deliver high-quality experiences to our guests. At The Kingsbury, we uphold rigorous standards of quality, hygiene, and sustainability across our supply chain. While our products are sourced from 92% of local vendors in support of the domestic economy, with a strong emphasis on encouraging local procurement wherever feasible. We are committed to promoting supplier diversity by actively engaging with a wide range of vendors, including small and medium

enterprises (SMEs), local producers, and minority-owned businesses. Our management team maintains ongoing engagement with suppliers to ensure adherence to our quality benchmarks and timely delivery, reinforcing our commitment to excellence at every stage of the supply process.

Geographic Supplier Network Distribution

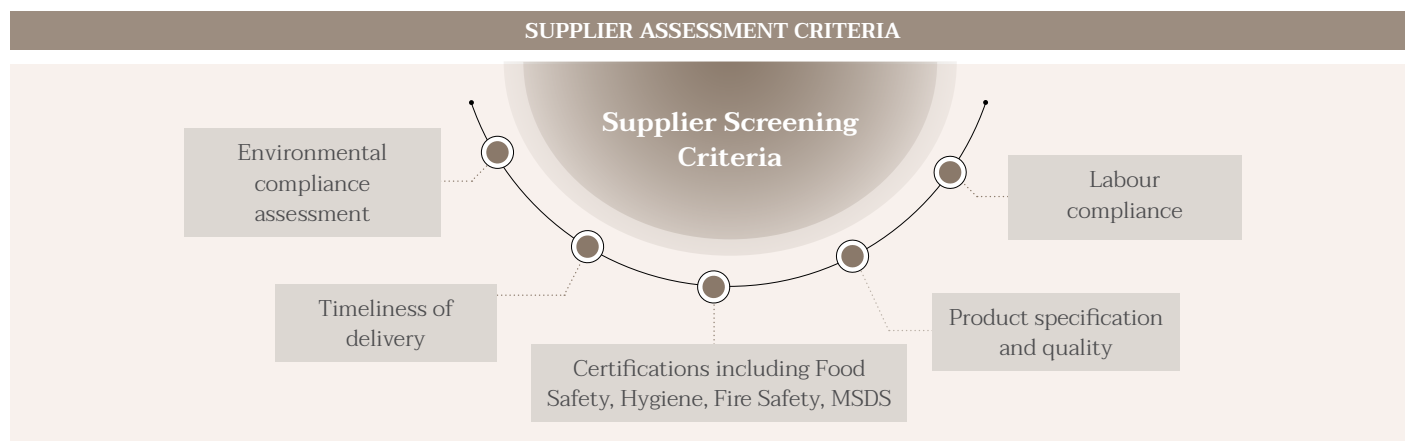


SUSTAINABLE SOURCING

At The Kingsbury, supplier selection is governed by a structured process that emphasises strict compliance, regular audits, and collaborative engagement. We operate in alignment with the Procurement Policy of Hayleys Group and defines our sourcing strategy ensuring alignment with Environmental, Social, and Governance (ESG) principles.

This process is further reinforced by a comprehensive risk management framework, designed to anticipate and mitigate potential supply chain disruptions through well-defined contingency plans. Our Supplier Evaluation Committee comprising Key personnels, 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. Over the past year, we screened suppliers accounting for 25% of our total procurement spend which has a supplier diversity scope of SMEs, WOE's and local and small owned businesses, Through continuous engagement, we work closely with suppliers to drive improvements and ensure exceptional culinary experiences for our guests.



COMMUNITY

We are dedicated in creating a meaningful and positive impact on the communities where we operate. Our approach to community engagement and corporate social responsibility (CSR) is aligned with Hayleys Group policies, ensuring a cohesive and a responsible commitment to social and environmental sustainability.

We were honoured to support our community by providing nutritious meals to temples as a gesture of spiritual offering, and to differently-abled children at the Ratmalana School for the Deaf and Blind. This initiative reflects our deep commitment to compassion, inclusion, and the well-being of those who need it most. Through these acts, we hope to bring comfort, dignity, and a sense of care to every individual we serve.

WAY FORWARD

Our strategic initiatives for the upcoming year include:

- Target emerging markets and strengthen collaborations with local and international tour operators to boost inbound business.
- Revamp the channel mix with a focus on ATL strategies, highlighting ESG initiatives and employer branding as core communication pillars.
- Elevate The Kingsbury's positioning through curated F&B events and experiences to attract premium clientele.



NATURAL CAPITAL



We are committed to preserving natural capital by actively reducing our environmental impact through sustainable practices that promote resource efficiency and environmental stewardship.

HIGHLIGHTS OF THE YEAR

- Reporting our greenhouse gas (GHG) emissions in accordance with ISO 14064-1:2018, ensuring alignment with internationally recognised standards for organisational-level GHG quantification and disclosure.
- Obtained membership with the Lanka Responsible Care Council, reinforcing our commitment to continuously enhancing sustainable business operations.

2025 TARGETS

<p>Energy and Emission management</p> <p>10%</p> <p>Reduction in total energy intensity (MJ/occupant)</p>	<p>Material and Waste Management</p> <p>10%</p> <p>Reduction in total food waste intensity (g/occupant)</p>	<p>Chemical Management</p> <p>Implementation of updated chemical inventory & standardising chemical labelling</p>
<p>Water & Effluent Management</p> <p>10%</p> <p>Reduction in total freshwater Intensity (Liters/occupant) and Implementation of sustainable water sourcing</p>	<p>100%</p> <p>Waste Quantifying & Monitoring</p> <ul style="list-style-type: none"> • Introduction of resource recovery center 	<p>Biodiversity</p> <p>Initiate concept garden internally and contribute towards external biodiversity conservation programs</p>

SDGs



OUR ESG FRAMEWORK AND GOVERNANCE

The ESG framework of Hayleys PLC serves as the foundation for all ESG initiatives within the Leisure sector, providing a structured approach to sustainability. At The Kingsbury, our Environmental Management Framework is closely aligned with the ESG principles and targets of the Sector, a comprehensive set of environmental objectives that guides the Group's sustainability efforts. This alignment ensures that our environmental strategies are not only robust and well-

integrated but also contribute to the broader sustainability goals of Hayleys PLC, driving responsible operations and long-term environmental stewardship. Our environmental governance framework includes dedicated policies on energy efficiency, water conservation, waste management, and biodiversity, while social aspects are incorporated within our human resource, supply chain and customer relations policies.

To drive sustainability initiatives at The Kingsbury, All Heads of Departments

(HODs) appointed by the ESG Committee, ensures a structured, collaborative, and strategic approach to sustainability. Furthermore, specific sustainability KPIs have been assigned to key HODs, using the past three quarters' performance as a baseline. Clear targets were established for the year 2025, ensuring a focused and data-driven approach integrating environmental and social responsibility into core operational functions. This serves as the foundation for the upcoming launch of our comprehensive long-term ESG roadmap.

ENVIRONMENTAL MANAGEMENT FRAMEWORK



2025 ENVIRONMENTAL TARGETS

10%	10%	10%
Reduction in water intensity	Reduction in wet garbage intensity	Reduction in energy intensity

Standardising waste & chemical management practices

Guided by Hayleys PLC's, "The Hayleys Lifecode", which sets out the Group's 2030 environmental, social and governance aspirations, roadmap and action plan.

MATERIALS AND WASTE

During the year, we undertook several initiatives to enhance material and waste management across our departments, with a strong focus on sustainability. In line with our commitment to optimise our material consumption, we continued our efforts in plastic elimination, having

previously phased out plastic straws and now working towards eliminating plastic water bottles. We are committed to phasing out single-use plastics across our operations through a structured, multi-stage approach. This includes replacing plastic straws, toothbrushes, and packaging with sustainable alternatives. As part of

our ongoing sustainability efforts, several projects are currently in the pipeline aimed at further reducing plastic usage. Key initiatives include the elimination of PET water bottles from our operations and a reduction in the use of cling film by transitioning to more sustainable packaging solutions.

NATURAL CAPITAL

IMPACT OF SINGLE USE PLASTIC PHASE-OUT

	No. of Units
Annual impact of plastic straw elimination (transition to paper straws)	159,700
Annual impact of polythene laundry bag elimination (transition to paper bags)	6,600
Annual impact of plastic toothbrush elimination (introducing toothbrushes made with rice husk)	27,950

RENEWABLE MATERIAL CONSUMPTION

	UoM	Renewable Materials
Food ingredients	Kg	1,028,736
Food ingredients	Liters	195,751
Food ingredients	Units	1,862,494
Paper & cardboard (packaging material)	Kg	173
Paper & cardboard (packaging material)	Units	635,345
Paper & cardboard (stationery and amenities)	Units	7,734

NON-RENEWABLE MATERIAL CONSUMPTION

	UoM	Non-Renewable Materials
Polythene & Plastic (packaging material)	Units	627,962
Aluminium	Units	41,087
Aluminium	Meters	68
Chemicals	Kg	29,374
Chemicals	Liters	19,739
Chemicals	Units	989
Polythene & Plastic (general operations)	Units	1,480,952

Several key sustainable material management practices currently implemented across our operations are listed below:

- Our laundry department runs a continuous incentive-driven hanger return initiative, which enabled the reuse of 40,825 hangers in the current financial year, 19% Y-O-Y reducing new hanger purchases and generating significant cost savings.
- Both the kitchen and housekeeping departments have adopted sustainable materials by prioritising locally sourced alternatives over previously imported items. This shift contributes to reducing Scope 3 (indirect) carbon emissions linked to supply chain operations.

- The kitchen team promotes the use of in-house manufactured goods such as baked beans and processed meats. This not only improves material efficiency and product quality but also reduces packaging waste and supply chain-related emissions.
- The kitchen department has implemented creative food waste repurposing techniques to reduce wet garbage and associated emissions. Examples include using carrot peels and leek bottoms for stocks and sauces and converting lime shells into lime powder and preserves.

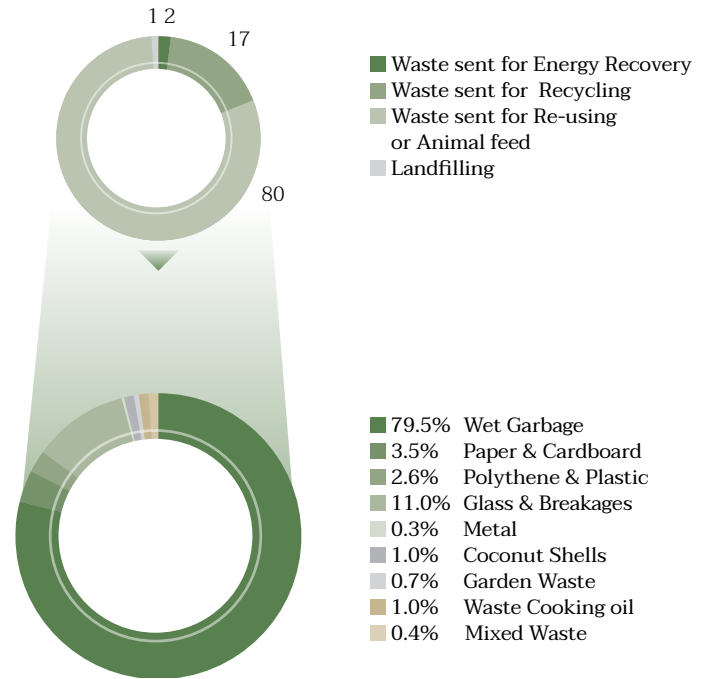
As part of our commitment to sustainable waste management, we have strengthened our waste segregation and reporting systems in alignment with sustainable reporting standards to enhance transparency and accountability. Through the implementation of our sustainability KPI program, we have expanded the scope of our waste reporting and improved waste classification. These efforts have significantly boosted our ability to monitor, quantify, and track waste across the property, drilling down to department level.

Recognising the significant impact of food waste in the hospitality industry, we are actively setting food waste reduction targets. To address this, we continued the "No Bin Day" initiative in our staff cafeterias, where meals are carefully prepared to minimise waste. Customised meal plans are offered, and this practice is implemented once a week, resulting in a notable reduction in food waste.

We are committed to sustainability by sending our used cooking oil to be transformed into biodiesel, a process that re-purposes waste and substantially reduced our environmental impact while contributing to a sustainable energy solution.

WASTE BY DISPOSAL

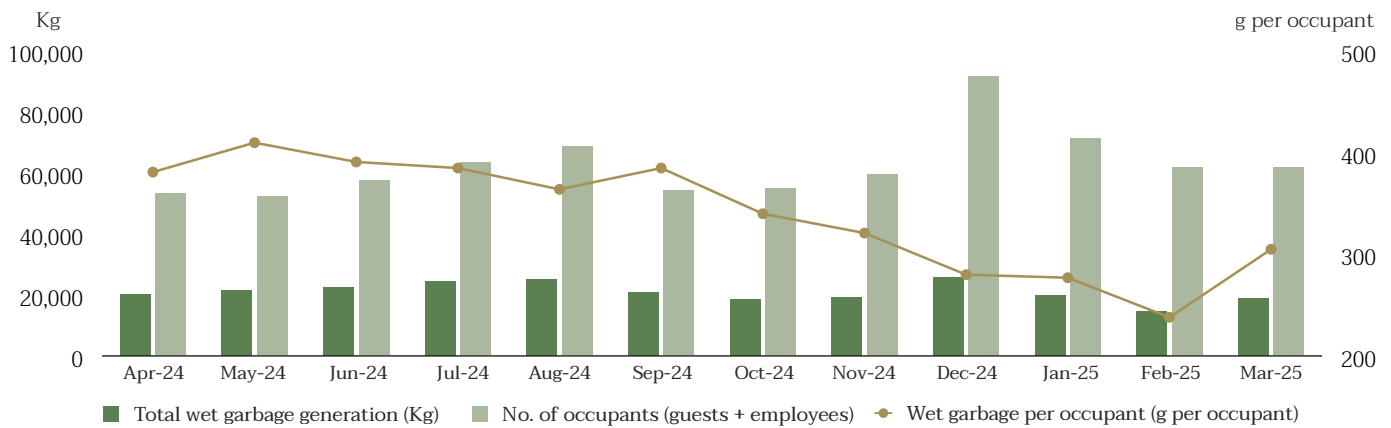
Method of disposal	MT	%
Waste sent for Energy Recovery	6.49	2%
Waste sent for Recycling	54.89	17%
Waste sent for Re-using or Animal feed	251.50	80%
Landfilling	3.44	1%
Total Waste	316.32	



WASTE PROFILE

Method of disposal	MT	%
Wet Garbage	251.50	79.5%
Paper & Cardboard	10.99	3.5%
Polythene & Plastic	8.28	2.6%
Glass & Breakages	34.71	11.0%
Metal	0.92	0.3%
Coconut Shells	3.23	1.0%
Garden Waste	2.32	0.7%
Waste Cooking oil	3.25	1.0%
Mixed Waste	1.12	0.4%
Total Waste	316.32	

Wet Garbage Generation for 2024/25



ENERGY & EMISSION

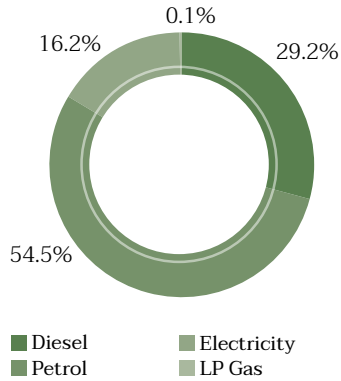
We closely monitor the consumption of non-renewable energy sources, including diesel, petrol, LPG, and electricity, to manage energy usage effectively. Currently, 100% of our electricity consumption is sourced from grid electricity. This year, we have introduced several energy-saving initiatives, such as replacing over 700 filament bulbs and fluorescent tubes with

energy-efficient LED lighting in key areas such as the Victorian and Balmoral Banquet Halls. To further optimise energy efficiency, we have installed heatproof stickers on the glass roof of our rooftop restaurant, reducing the strain on the air conditioning system. We have also implemented remote monitoring of energy systems, which include trials for remote power consumption monitoring in the chiller and cold rooms.

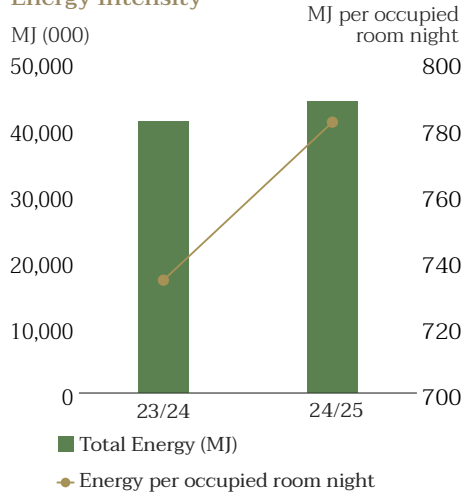
As part of our ongoing energy management strategy, we conduct daily observations of energy consumption and have implemented targeted training programs to enhance staff awareness. Due to increased hotel operations compared to the previous year total energy consumption for the Company has increased by 7.3%, while energy intensity has been increased by 6.5%.

NATURAL CAPITAL

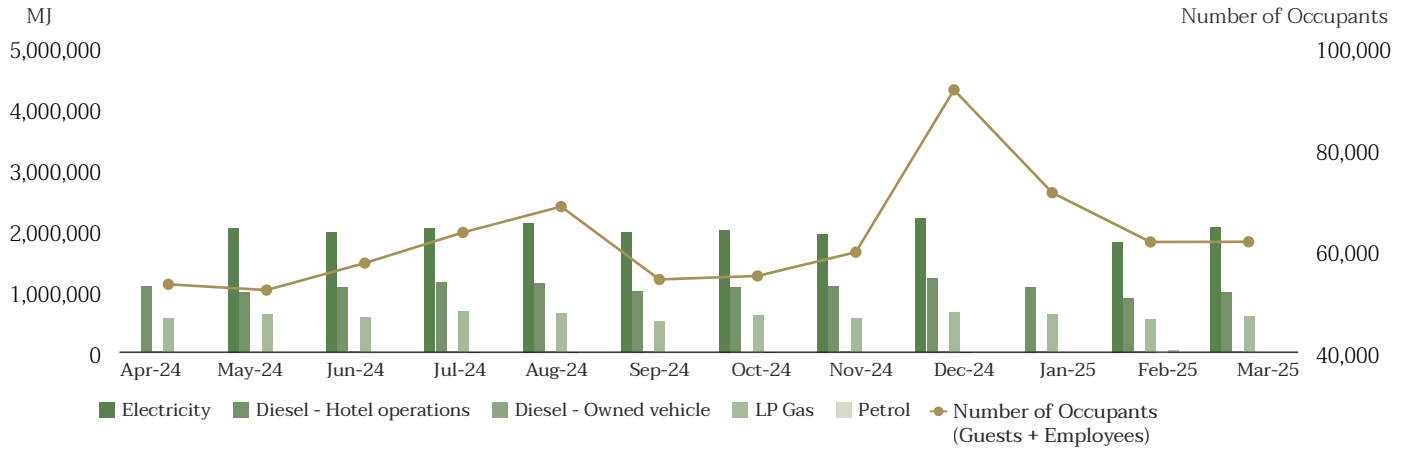
Energy Consumption by Source



Energy Consumption Vs Energy Intensity



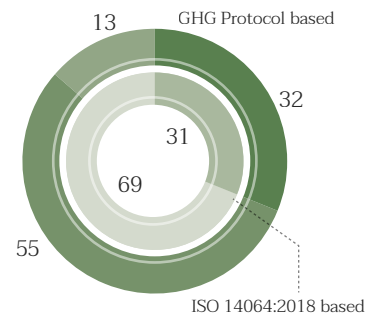
Monthly Energy Consumption vs Occupants



To improve our emissions accountability, this year we implemented ISO 14064 1: 2018 enabling us to quantify our green house gas emissions and undergo third party verifications. We have expanded the scope of our emissions reporting to include upstream transport and additional relevant activities. By the beginning of the financial year 25/26, we aim to receive the verified audit certificate for our

emissions management, further enhancing our commitment to environmental responsibility. This milestone will serve as a strong foundation for developing and implementing scientifically driven GHG reduction plans, fully aligned with the Hayleys Group ESG framework.

GHG Emission Classification



- Total Scope 1 emissions
- Total Scope 2 emissions
- Total Scope 3 emissions
- Total direct emissions
- Total indirect emissions

GHG EMISSION SUMMARY - CLASSIFIED BY GHG PROTOCOL

Emission Source	tCO ₂ e				
	CO ₂	CH ₄	N ₂ O	HFC	Total
SCOPE 1 EMISSION					
Stationary combustion	1,403.21	4.05	2.31	-	1,409.57
Mobile combustion	11.80	0.02	0.17	-	12.00
Fugitive emissions	0.04	-	-	185.72	185.77
Total Scope 1 emissions in tonnes CO ₂ e	1,415.06	4.07	2.48	185.72	1,607.33
SCOPE 2 EMISSIONS					
Indirect emissions from imported electricity	2,859.82	-	-	-	2,859.82
Total Scope 2 emissions in tonnes CO ₂ e	2,859.82	-	-	-	2,859.82
SCOPE 3 EMISSION					
T & D Loss and water supply	294.51	-	-	-	294.51
Upstream Transportation & Distribution	113.82	1.39	1.24	-	116.44
Waste Generated in Operations	9.76	-	-	-	9.76
Business Air Travels	7.75	-	-	-	7.745
Employee Commuting	263.90	-	-	-	263.90
Total Scope 3 emissions in tonnes CO ₂ e	689.73	1.39	1.24	-	692.36
Total emissions in tonnes CO ₂ e	4,964.61	5.46	3.72	185.72	5,159.50
Biogenic Emission	0.68	-	-	-	0.68

GHG EMISSION SUMMARY - CLASSIFIED BY ISO 14064:2018

Emission Source	tCO ₂ e				
	CO ₂	CH ₄	N ₂ O	HFC	Total
CATEGORY 1: DIRECT GHG EMISSIONS					
1.1 Direct emissions from stationary combustion	1,403.21	4.05	2.31	-	1,409.57
1.2 Direct emissions from mobile combustion	11.80	0.02	0.17	-	12.00
1.3 Direct fugitive emissions	0.04	-	-	185.72	185.77
Total direct emissions in tonnes CO ₂ e	1,415.06	4.07	2.48	185.72	1,607.33
CATEGORY 2: INDIRECT GHG EMISSIONS					
Emissions from imported electricity	2,859.82	-	-	-	2,859.82
CATEGORY 3: INDIRECT GHG EMISSIONS					
Emissions from Upstream transport & distribution	15.84	-	-	-	15.84
Emissions from Employee commuting	263.90	-	-	-	263.90
Emissions from Business Air Travels	7.75	-	-	-	7.75
Emissions from other 3rd Party - Petrol - Road	97.97	1.39	1.24	-	100.60
CATEGORY 4: INDIRECT GHG EMISSIONS					
Emissions from Water Supply	17.04	-	-	-	17.04
Emissions from the Disposal of Solid & Liquid Waste	9.76	-	-	-	9.76
CATEGORY 6: INDIRECT GHG EMISSIONS					
T & D Loss	277.47	-	-	-	277.47
Total indirect emissions in tonnes CO ₂ e	3,549.55	1.39	1.24	-	3,552.17
Total emissions in tonnes CO ₂ e	4,964.61	5.46	3.72	185.72	5,159.50
Biogenic Emission	0.68	-	-	-	0.68

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 (CO₂) emissions come from the combustion or decomposition of biomass - plant or animal material. The most relevant source of biogenic CO₂ for many organisations is the combustion of biofuels.

CHEMICAL MANAGEMENT

We are enhancing chemical handling within our operations by leveraging the Lanka Responsible Care Council membership obtained in 2024. Through this partnership, we have been working to improve chemical management standards, implementing an updated chemical inventory system, and standardising chemical labelling to ensure safe and efficient handling across all properties.



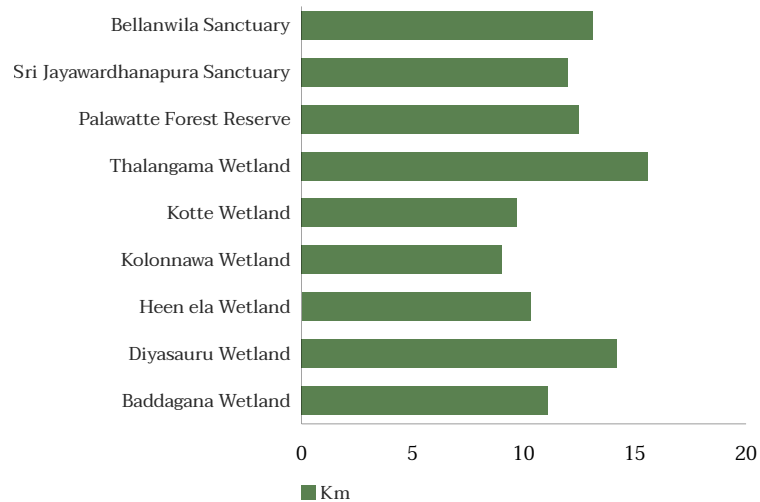
BIODIVERSITY

As part of our ongoing commitment to mitigating the impact on biodiversity, the Company is actively involved in a biodiversity project focused on improving biodiversity conservation internally and externally. Though there are several barriers with the location, The Kingsbury team is working on creating conceptual gardening within the limited space available. Objectives of this initiative is to improve employee engagement into nature conscious working culture, value addition to our kitchen operation, and improving the aesthetic appearance with greenery.

Furthermore, our biodiversity conservation efforts extends to external collaborations notably aligning with hayleys plantations "Kirulu Projects". This joint initiative fuelled by a pledge from The Kingsbury and Amaya Resorts to plant 500 trees and has achieved successful planting of 358 trees to date.

The Kingsbury property is situated in a region of significant ecological value, underscored by its proximity to key biodiversity hotspots. Colombo has been designated as a Ramsar Wetland City, recognising its commitment to preserving wetland ecosystems and biodiversity.

Kingsbury's Proximity to Ecological Hotspots



Total land area (m2)	Built area footprint (m2)	Built area %
18,034	3,251	18%

ENVIRONMENT SUSTAINABILITY FOCUSED WORKING CULTURE

We are actively cultivating a workplace culture centered on environmental sustainability, recognising that employee engagement is key to the long-term success of our sustainability initiatives. Several foundational steps have already been implemented to embed these values across our operations:

- Establishment of an ESG Committee at the organisational level to oversee and guide sustainability efforts.
- Introduction of annual sustainability KPIs, with progress reviewed monthly in collaboration with the management team.

- Adoption of a sustainability celebration calendar to promote awareness and participation throughout the year.
- Promoting both internal and external biodiversity enhancement programs, creating active involvement from employees.
- Obtain a recognised sustainability certification, demonstrating our dedication to continuous improvement in environmental and social responsibility.
- Continues conduction of energy, water, and waste audits to identify potential improvement opportunities.
- Developing partnerships with industry & academies to strengthen our ESG journey through knowledge sharing, innovation, and capacity building.

WAY FORWARD

- Develop and implement a comprehensive Environmental, Social, and Governance (ESG) roadmap to guide our sustainability strategy and initiatives over the next five years.

WAY FORWARD



GLOBAL OUTLOOK

The global economy in 2024 navigated a highly intricate environment shaped by the lingering effects of the pandemic, ongoing geopolitical tensions, and climate-related disruptions, placing considerable pressure on supply chains and contributed to energy and food insecurity. Although global growth is forecast to stabilise at 3.2%, this aggregate

conceals notable regional variations. Entering 2025, the outlook remains clouded by considerable uncertainty, largely driven by evolving policy landscapes in the wake of widespread electoral transitions. According to the IMF, global growth is projected at 3.3% for both 2025 and 2026, below the pre-pandemic average of 3.7% (2000–2019).

Inflation is expected to ease, reaching 4.2% in 2025 and 3.5% by 2026. However, shifts in economic policy could influence inflation trends, interest rates, exchange rates and production costs in the years ahead.



COUNTRY OUTLOOK

Emerging from a period of profound economic adversity, Sri Lanka is now demonstrating encouraging signs of recovery, propelled by determined policy action and unified national effort. These developments have contributed to the restoration of macroeconomic stability and are laying the groundwork

for a more durable and future-ready economy. Inflation is projected to shift into positive territory by mid-2025, gradually aligning with the 5% target over the medium term, supported by prudent policy calibration. Recent GDP data from the Department of Census and Statistics (DCS) indicates year-on-

year growth of 5.5% in the 3rd quarter of 2024 underscoring the momentum of economic revival (Central Bank, 2025). Ongoing policy reforms to enhance the business environment, alongside strategic infrastructure investments, are essential to strengthening Sri Lanka’s appeal as a premier tourist destination.



TOURISM INDUSTRY OUTLOOK

Sri Lanka’s tourism industry has steadily regained momentum, showcasing strength and flexibility in adapting to global shifts. As of 2024, the sector is firmly on the path to recovery, evidenced by a surge in both international arrivals and tourism-related earnings. Forecasts for 2025 remain encouraging, with expected visitor

numbers ranging from approximately 2.3 million to 2.4 million, depending on external conditions. These goals are being pursued through a combination of infrastructure development and focused promotional efforts. On the global front, the UN World Tourism Organisation (UNWTO) projects a 3% to 5% rise in

international travel for 2025, assuming stable macroeconomic conditions, a continued easing of inflation, and a calm geopolitical environment.

KINGSBURY’S PLANS FOR PROGRESS

GUEST EXPERIENCE AND BRAND POSITIONING

Position The Kingsbury as the city’s leading culinary destination through continuous innovation and a dynamic approach to redefining the dining experience.

Implement event-driven communications and curated experiences to highlight Kingsbury’s exceptional culinary, entertainment, and lifestyle offerings.

Enhance guest engagement tools to improve the booking experience and build deeper brand loyalty.

Introduce wellness and dining offerings that blend global standards with authentic local culture .

GROWTH AND MARKET EXPANSION

Expand into emerging international markets through strategic marketing and global partnerships to diversify the guest portfolio.

Capture growth in the MICE and premium leisure segments by upgrading facilities and positioning The Kingsbury as the premier venue for luxury and corporate events.

SUSTAINABILITY AND ESG LEADERSHIP

Drive a renewed ESG strategy with a focus on delivering impactful, large-scale initiatives.

Increase focus on energy efficiency, water conservation, and waste reduction to align with international sustainability benchmarks.

Expand ESG outreach through community development programs and educational campaigns.

Strengthen supply chain resilience with a focus on local sourcing and diversified supplier partnerships.

PEOPLE AND CULTURE

Embed the purpose of curating happiness across all Hayleys Leisure properties, with training programs focused on cultivating meaningful guest and employee experiences.

Conduct an employee happiness survey with actionable plans developed to enhance workplace satisfaction and productivity.

Invest in team development through targeted training, recognition programs, and leadership opportunities to support retention and growth.

SECURING THE PILLARS OF HAPPINESS

Strong governance and thoughtful risk management serve as the pillars that support The Kingsbury's enduring promise of happiness. Driven by a commitment to integrity, responsibility, and care, we protect the foundations of our operations, ensuring that trust, excellence, and long-term value are at the core of everything we do.

GOVERNANCE AND RISK MANAGEMENT

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CORPORATE GOVERNANCE

The Kingsbury PLC ('The Company') operates within a fit for purpose governance structure that complies with regulatory requirements and best practices set out in governance codes. Additionally, as a subsidiary of Hayleys PLC, the Company is required to adhere to high standards set out in the ESG Framework of the Group as set out in the Hayleys Lifecode. A Board comprising reputed professionals in the country steer the Company, using governance structures to balance empowerment and accountability while reinforcing an ethical culture.

The Company adheres to the following regulatory and voluntary requirements:

Regulatory	<ul style="list-style-type: none"> • Companies Act No.7 of 2007 • Colombo Stock Exchange Listing Rules
Voluntary	<ul style="list-style-type: none"> • Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka

KEY CHANGES IN 2024/25

The Company completed compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange as most provisions came into effect by 1st October 2024. Compliance with voluntary codes ensured that governance matters were in line with best practice. As a result, there were only a few changes required during the year. The key changes in 2024/25 are highlighted alongside.

COMPOSITION IS KEY

The Board comprises 10 directors of whom 2 are Executive Directors, 3 are Independent Non-Executive Directors and 5 are Non-Executive Directors as at the reporting date. The Chairman, Mr. Mohan Pandithage is an Executive Chairman and Mr. Rohan Karunarajah is the Managing Director. As the Chairman is an executive director, Mr. Timothy Speldewinde has been appointed as Senior Independent Director in the previous financial year. The Board received declarations of independence which were reviewed by the Nominations & Governance Committee to confirm the independence of directors during the year. All Board members are professionals and in of repute in their fields and bring diverse perspectives and insights that enrich the discussions pertaining to matters set before the Board.

The table below sets out the diversity and attributes of the Board.



Appointments

- Mr. Jonathan Alles, Independent Non-Executive Director (w.e.f. 24th January 2025).
- Mr. Milinda Hewagama, Non-Executive Director (w.e.f. 28th April 2025).

Resignations

- Ms. Isabel Jamaldeen, Independent Non-Executive Director (w.e.f. 22nd January 2025).

Committees

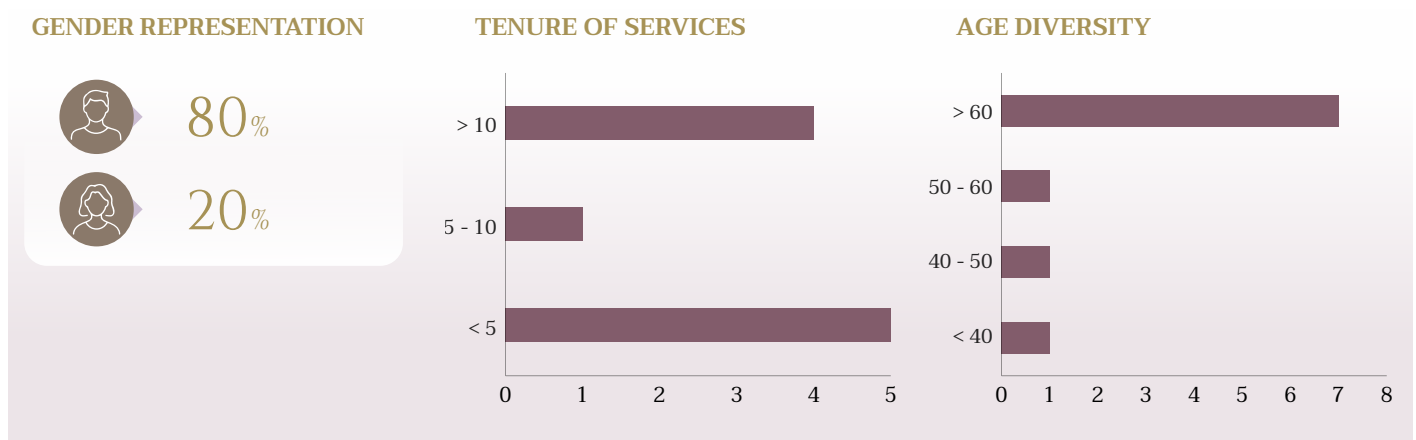
- Mr. Jonathan Alles was appointed to the Audit Committee w.e.f. 24th January 2025 and the following sub-Board Committees w.e.f. 28th April 2025 :
- Related Party Transaction Review Committee.
- Nomination and Governance Committee.
- Remuneration Committee.

Reclassification of Directors

- Mr. Niranjan Deva Aditya as a Non-Executive Director.
- Ms. Ramani Ponnambalam as a Non-Executive Director.

Compliance

- Publishing of 12 policies on company website on 01st October 2024.
- Aligning Board Committee Terms of Reference to CSE Listing Rules.



GOVERNANCE STRUCTURE

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



Name of Director	Directorship at The Kingsbury PLC - Executive / Non-Executive / Independent Non-Executive	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. Karunarajah	Executive	2	0	7	0
Mr. S. C. Ganegoda	Non-Executive	2	8	0	54
Mr. N. J. De S. Deva Aditya	Non-Executive	0	0	0	0
Ms. R. N. Ponnambalam	Non-Executive	0	1	1	1
Mr. T. A. B. Speldewinde	Independent Non-Executive	0	6	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
Mr. A. J. Alles	Independent Non-Executive	0	7	0	1
Mr. T. M. Hewagama	Non-Executive	0	2	0	18

CORPORATE GOVERNANCE

ROLES & RESPONSIBILITIES

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 organisational 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.

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- Regular review of value creation processes and value chain impacts to facilitate transition to a green economy.
- Financial and non-financial reporting.

ROLE OF THE MANAGING DIRECTOR

- Maintaining a close working relationship with the Chairman, and acting as a sounding board for the Chairman when required.
- Developing the Company's business strategy for approval by the Board.
- Developing and recommending to the Board, budgets that support the Company'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.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

- Act as a bridge between the board, shareholders, and executives.
- Acting as a sounding board and providing guidance to the Chairman.
- Facilitating communication between Independent Directors and Executive Directors.
- Facilitating communication between Non-Executive Directors and other Directors.
- Leading annual meetings with non-executive directors to assess the Chair's effectiveness.
- Stepping in during board disputes or governance challenges to mediate and resolve issues.
- Assisting in the selection and transition of key leadership roles.

BOARD MEETINGS AND ATTENDANCE

The Board of The Kingsbury PLC 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	Board Meeting	Audit Committee Meeting	Nominations & Governance Committee Meeting	Remuneration Committee Meeting	Related Party Transactions Review Committee Meeting
Mr. A. M. Pandithage - Chairman	Executive	04/04	-	-	-	-
Mr. R. J. Karunarahah - Managing Director	Executive	04/04	-	-	-	-
Mr. S. C. Ganegoda	Non-Executive	04/04	-	02/02	01/01	04/04
Mr. N. J. De S. Deva Aditya	Non-Executive	02/04	-	-	-	-
Ms. R. N. Ponnambalam	Non-Executive	04/04	-	-	-	-
Ms. I. Jamaldeen (Resigned w.e.f. 22nd January 2025)	Independent Non-Executive	02/02	02/02	-	-	-
Mr. T. A. B. Speldewinde	Independent Non-Executive	04/04	04/04	02/02	01/01	04/04
Ms. K. A. D. B. Perera	Non-Executive	03/04	-	-	-	-
Mr. D. T. R. De Silva	Independent Non-Executive	04/04	04/04	02/02	01/01	04/04
Mr. A. J. Alles (Appointed w.e.f. 24th January 2025)	Independent Non-Executive	02/02	02/02	01/01	-	01/01
Mr. T. M. Hewagama (Appointed w.e.f. 28th April 2025)	Non-Executive	01/01	-	-	-	-

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
A. DIRECTORS			
A.1 The Board			
<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 and 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 22 to 24.</p>			
1. Board Meetings	A.1.1	Compliant	<p>The Board usually meets at quarterly intervals, but also meets more frequently when needed. The Board met four (04) times during the year on 01st August 2024, 31st October 2024, 27th January 2025 and 28th 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 87 of the Annual Report.</p>

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
2. Board Responsibilities	A.1.2	Compliant	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.
3. Compliance with laws and access to independent professional advice	A.1.3	Compliant	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.
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.</p> <p>The services of the Company Secretary are made available to Directors as necessary. The Company Secretary 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 it is further detailed in page 110 under "Annual Report of the Directors on the Affairs of The Company".</p>
5. Independent judgment	A.1.5	Compliant	<p>Non-Executive directors are independent of the management and free from any business and other relations. The directors exercise independent judgement 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 of 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.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
A.2 Chairman and Chief Executive Officer (CEO)			
<p>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.</p>			
9.	Division of responsibilities of the Chairman and Managing Director (CEO)	A.2	<p>Compliant</p> <p>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.</p>
A.3 Chairman's Role			
<p>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 the Board functions. The profile of the Chairman is given on page 22.</p>			
10	Role of the Chairman	A.3.1	<p>Compliant</p> <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"> • Ensuring the new Board Members are given an appropriate induction, covering terms of appointment • 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 • Ensuring that a balance of power between Executive and Non-Executive Directors is maintained • 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.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
A.4 Financial Acumen			
<p>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.</p>			
11. Financial acumen and knowledge	A.4	Compliant	<p>The Board includes four senior Chartered Accountants (Institute of Chartered Accountants of Sri Lanka & 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>
A.5 Board Balance			
<p>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.</p>			
12. Presence of Non-Executive Directors	A.5.1	Compliant	The Board consists of 10 Directors comprising of: 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	<p>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.</p> <p>The Board complies with the criteria for determining independence of directors.</p>
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	<p>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.</p> <p>Independent Non-Executive Directors are:</p> <ul style="list-style-type: none"> • Mr. T. A. B. Speldewinde • Mr. D. T. R. De Silva • Ms. I. Jamaldeen (Resigned w.e.f. 22nd Jan 2025) • Mr. A. J. Alles (Appointed w.e.f. 24th Jan 2025)

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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 Mr. T. A. B. Speldewinde as the Senior Independent Director ('SID') of the Company. A report from the SID is included in page 121 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. A report from the SID is included in page 121 of the Annual Report.
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.
A.6 Supply of Information			
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.
A.7 Appointments To The Board			
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 2nd May 2024. Please refer NGC report on page 116. 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 the Annual Report on pages 22 to 24.
24. Report of the NGC in the Annual Report	A.7.5	Compliant	A Report of the NGC is included in page 116 of the Annual Report.
25. Terms of Reference of NGC	A.7.6	Compliant	The NGC has comprehensive Terms of Reference, which include the composition and functions of the NGC.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
A.8 Re-election of Directors			
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.
A.9 Appraisal of Board Performance			
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.
A.10 Disclosure of Information in Respect of Directors			
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	<p>The following details pertaining to each Director are disclosed as follows:</p> <p>(a) Brief profile with expertise and experience - pages 22 to 24.</p> <p>(b) Directors' Interest in Contracts - page 109.</p> <p>(c) Attendance at Board meetings and Committee meetings held during the year - pages 87, 114, 115, 116 and 118.</p>
A.11 Appraisal of Managing Director			
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 and 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>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
B. DIRECTORS' REMUNERATION			
B.1 Remuneration Procedure			
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	The Company established its own Remuneration Committee on 2nd May 2024. Refer Report of the Remuneration Committee on page 115. Details of the payment of remuneration to Directors are disclosed in page 109 of the Annual Report.
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.
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 109 for the total Directors' remuneration. A Report of the Remuneration Committee is included in page 115 of the Annual Report.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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>
C.2 Communication with Shareholders			
The Code requires that the Board should implement effective communication with Shareholders.			
39. Channel to reach all shareholders	C.2.1	Compliant	<p>The main mode of communication between the Company and the shareholders is the AGM. Shareholders are provided with the information prior to the AGM.</p> <p>Further, financial and other announcements are promptly submitted to the CSE to publish on the CSE website.</p>
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.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
C.3 Major Transactions			
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.
D.1 Financial and Business Reporting (The Annual Report)			
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	<p>The Board has recognised the responsibility to present regulatory and statutory reporting in a balanced and understandable manner.</p> <p>When preparing Quarterly and Annual Financial Statements, the Company complied with the requirements of the Companies Act, 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.</p>
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 109 to 112 of the Annual Report.
46. Statement of Directors and Auditors	D.1.5	Compliant	The "Statement of Directors' Responsibilities" is given on page 113 and the "Auditors' Report" is given on pages 125 to 127 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 46 of the Annual Report.
48. Summoning an EGM in the event the net assets of the company fall 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 party transactions	D.1.8	Compliant	Refer the "Related Party Transactions Review Committee Report" on page 114 of the Annual Report and Note 30 of Financial Statement.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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 Company'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 103 to 108 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.
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. T. A. B. Speldewinde 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) Independent Non-Executive Directors</p> <ul style="list-style-type: none"> • Mr. T. A. B. Speldewinde - Chairman • Mr. D. T. R. De Silva - Member • Ms. I. Jamaldeen - Member - Resigned w.e.f. 22nd Jan 2025 • Mr. A. J. Alles - Member - Appointed w.e.f. 24th Jan 2025 <p>The Company Secretaries, Hayleys Group Services (Private) Limited serves as its Secretary. The Chairman, Managing Director, Head of Internal Audit, the Head of Finance and Hayleys Group CFO are invited to attend meetings as required. The input of the External 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>

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
54. Terms of Reference of the Audit Committee	D.3.2	Compliant	The scope of the Audit Committee has been widened to include risk management duties. Refer the Audit Committee Report on page 118. Terms of Reference of the Audit Committee clearly explains the purpose of the Committee, its duties and responsibilities together with the scope and functions of the Committee.
55. Disclosures of the Audit Committee	D.3.3	Compliant	The Report of the Audit Committee is given on pages 118 to 120 of the Annual Report.
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.
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 2nd May 2024. Please refer RPTRC Report on page 114 of the Annual Report.
59. Written terms of reference of Related Party Transaction Review Committee.	D.5.3	Compliant	The RPTRC has written Terms of Reference.
D.6 Code of Business Conduct and Ethics			
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 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.

CORPORATE GOVERNANCE

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
D.7 Corporate Governance Disclosure			
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.
E. INSTITUTIONAL INVESTORS			
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.			
E.1 Shareholders' Voting			
62. 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)
F. OTHER INVESTORS			
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 the Company and exercise their voting rights. Information is disseminated to all shareholders .
G. Internet of Things & Cyber Security			
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.			
64. Internet of Things & Cyber Security	G.1	Compliant	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. The 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.
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	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 is set out in the Natural Capital Report on page 72.

Corporate Governance Principles	Reference of Code	Compliance	The Company's Extent of Compliance in 2024/25
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		
a) Policy on the Matters relating to the Board of Directors			The Company has published the policies on the company website.
b) Policy on Board Committees			
c) Policy on Corporate Governance			The Hayleys Lifecode is also accessible through the Company website.
d) Policy on Rewards and Remuneration			https://www.thekingsburyhotel.com/annual-reports
e) Business Code of Conduct			
f) Policy on Risk Management and Internal Control			
g) Policy on Shareholder and Investor Communications			
h) ESG - Environmental Policies			
i) ESG – Social Policies			
j) Policy on Whistleblowing			
k) Policy on Good Governance and Business Ethics			
l) Policy on Control and Management of Company Assets and Shareholder Investments			
m) Policy on Corporate Disclosure			

SECTION 2: COLOMBO STOCK EXCHANGE LISTING RULES STATEMENT OF COMPLIANCE

This section covers The Kingsbury 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 109 to 112.
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 172.
7.6 (v)	Directors' and CEO's (MD's) holding in shares	Compliant	Report of the Board of Directors on page 109.
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on pages 103 to 108.
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Human Capital on page 52.
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate on page 144.
7.6 (ix)	Number of shares representing the Entity's stated capital	Compliant	Report of the Board of Directors on page 111.
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information on page 172.
7.6 (xi)	Ratios and Market Price Information	Compliant	Information given on page 172.
7.6(xii)	Changes in Entity's and subsidiaries' fixed assets and market value of land	Compliant	Information provided in page 144.

CORPORATE GOVERNANCE

CSE Rule Reference	Corporate Governance Principles	Compliance Status	Page Reference
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 page 84.
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	Related Party Transactions on page 158.

Compliance with CSE Continuing Listing Rules – Section 9

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.2.1	Policies	Compliant	<p>Policy on the Matters relating to the Board of Directors</p> <p>Policy on Board Committees</p> <p>Policy on Corporate Governance</p> <p>Policy on Rewards and Remuneration</p> <p>Business Code of Conduct</p> <p>Policy on Risk Management and Internal Control</p> <p>Policy on Shareholder and Investor Communications</p> <p>ESG - Environmental Policies</p> <p>ESG – Social Policies</p> <p>Policy on Control and Management of Company Assets and Shareholder Investments</p> <p>Policy on Corporate Disclosure</p> <p>Policy on Whistleblowing</p> <p>Policy on Good Governance and Business Ethics</p> <p>The Company has published the policies on the company website: https://www.thekingsburyhotel.com/annual-reports.</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 Policy specifies the minimum number of meeting which a director is required to attend which is 50 % of the meetings.

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
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 in page 121.
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.
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 121.
9.7.1	Fitness of Directors and CEO	Compliant	The Company ensures that the persons recommended by the Nominations and Governance Committee of the Company 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 Director 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 28th 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 NED signed and submitted a declaration regarding his/her independence. The Board assessed the independence declared by the Director. The Board having considered that the Independent Directors who have served over 9 years do not exert control over the Company and are capable of acting in an impartial and independent manner, determined that they are nevertheless independent.
9.9	Alternative Directors	N/A	Company does not have any Alternative Directors
9.10.1	Disclosure relating to Directors		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 Colombo Stock Exchange, 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 and recommended to the Board of the Company. Please refer pages 22 to 24 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 Colombo Stock Exchange.

CORPORATE GOVERNANCE

CSE Rule Reference	Subject	Compliance Status	Extent of Adoption
9.10.4	Disclosure relating to Directors	Compliant	Please refer pages 22, 84, 109.
9.11.1-3	Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 116.
9.11.4	Composition of the Nominations and Governance Committee	Compliant	The Nominations and Governance Committee comprises 4 NEDs.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 116.
9.12.6	Composition of Remuneration Committee	Compliant	Refer Remuneration Committee Report on page 115.
9.12. 2-5	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 115 and Principles B1 to B3 on page 93 of this Corporate Governance Report.
9.12.7	Functions of Remuneration Committee	Compliant	Refer Remuneration Committee Report on page 115.
9.12.8	Disclosure in the Annual Report relating to Remuneration Committee	Compliant	The remuneration paid to Directors is given in Note 30.8 to the Financial Statements on page 162.
9.13.2	Audit Committee	Compliant	Refer Audit Committee Report on pages 118 to 120.
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on page 118.
9.13.4	Audit Committee Functions	Compliant	Refer Audit Committee Report on page 118.
9.13.5	Disclosure in the Annual Report relating to Audit Committee	Compliant	Refer Audit Committee Report on page 118.
9.14. 2	Composition of the Related Party Transactions Review Committee (RPTRC)	Compliant	The RPTRC comprises 3 Directors out of which 2 Directors are Independent. Please see the Report of the Related Party Transaction Review Committee in page 114.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the Related Party Transactions Review Committee in page 114.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times during the Financial year 2023/24 refer page 114.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 30 of the Notes to the Accounts on page 158.
9.14.7	Disclosure of Non-Recurrent and Recurrent Related Party Transactions	Compliant	Please refer Note 30.1 and 30.2 of the Notes to the Financial Statements on page 158.
9.14.8	The Report by the Related Party Transaction Review Committee	Compliant	Please refer the Report of the Related Party Transaction Review Committee on page 114.
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 page 109.
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 109 to 112 and Corporate Governance Report on pages 84 to 102.

RISK MANAGEMENT

RISK GOVERNANCE

The Company retains responsibility for risk management, with the Audit Committee aiding in oversight, reviews risks quarterly in depth, refining the assessments with constructive feedback, reviewing processes and providing guidance in managing the same.

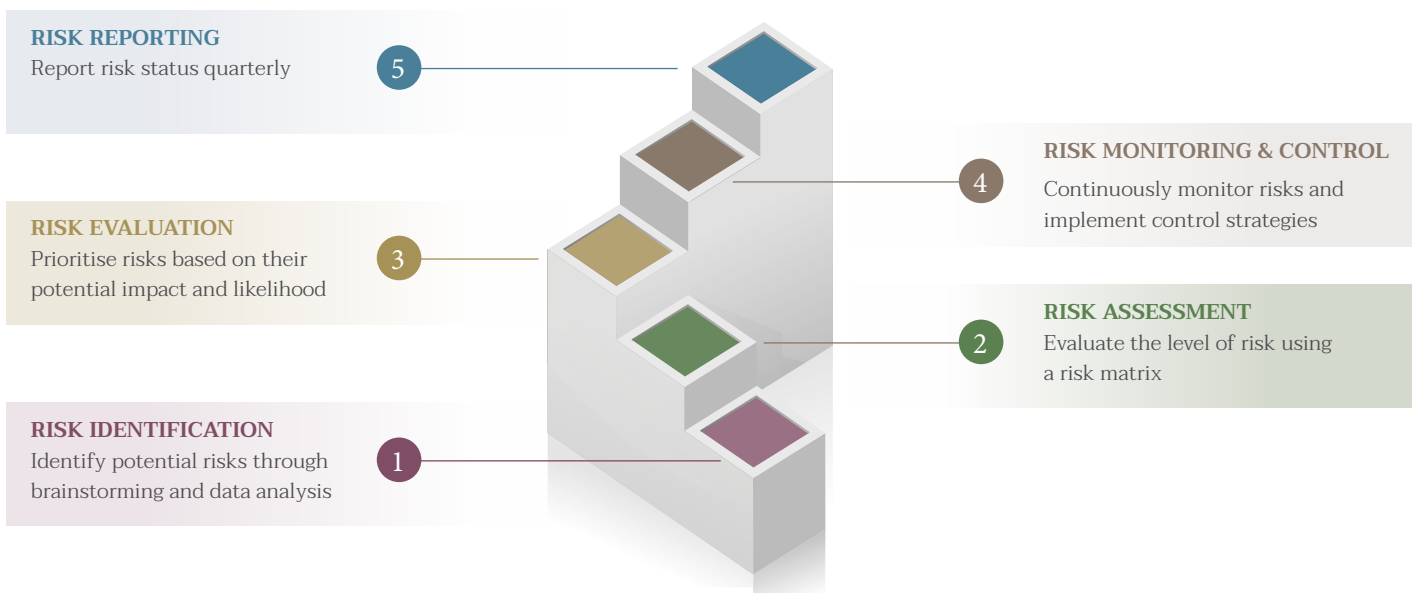
RISK LANDSCAPE

We assess global and local key trends to identify emerging risks and opportunities, their impact and momentum. Using the PESTEL framework, we have summarised the risk landscape at the end 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.



RISK MANAGEMENT

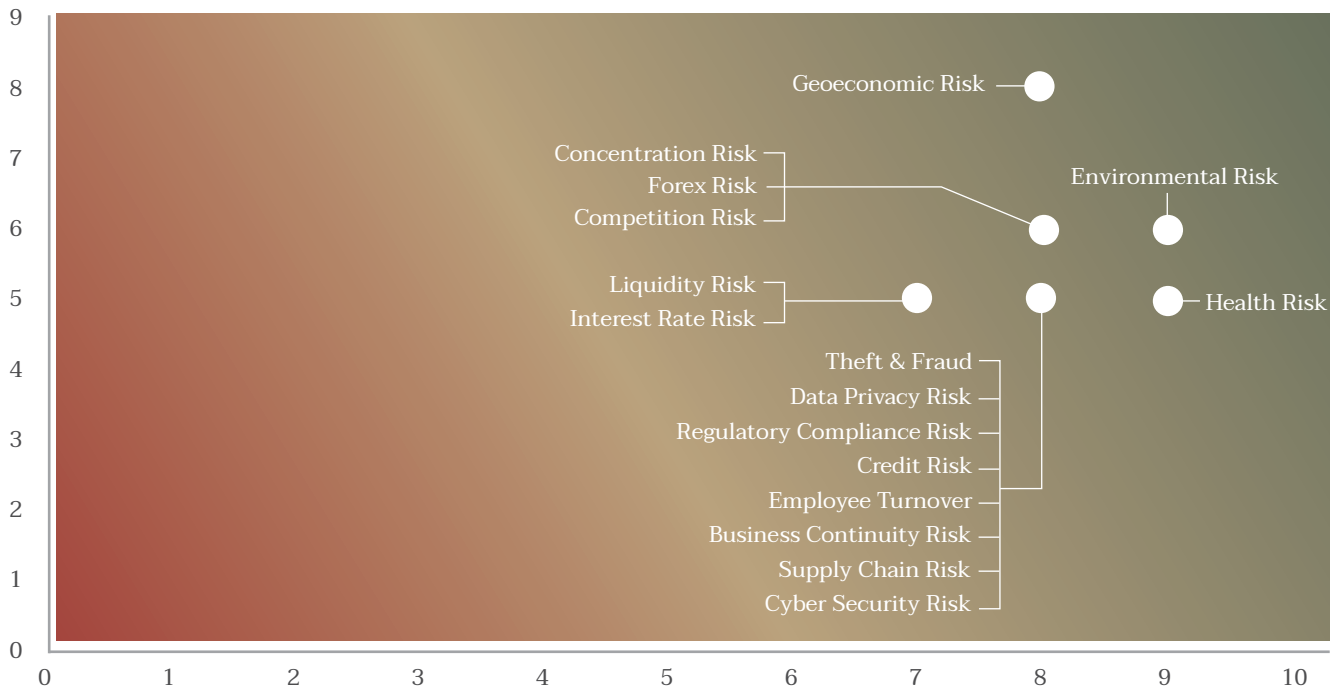
KEY RISKS AND OPPORTUNITIES

The Company actively assesses potential risks and opportunities that could affect the Sectors' 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. Our risks were prioritised by assessing the severity of impact and the likelihood of occurrence as depicted below.

SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

In alignment with the Sri Lanka Financial Reporting Standards (SLFRSs), the Company has undertaken a structured approach to identifying and quantifying Sustainability Related Risks and Opportunities (SRROs) using a set of predefined environmental and regulatory risk criteria. These include Temperature, Policy and Legal Frameworks, Water, Ecological Impact, and Energy Transition. This analysis enables us to prioritise regulatory disclosures that have the most material impact on our operations and long-term value creation. We are currently in the process of developing a medium- to long-term roadmap that integrates SRRO compliance into our broader strategic and sustainability objectives.

RISK HEAT MAP



↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

INTEREST RATE RISK

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

High (Red circle) Medium (Yellow circle) Low (Blue circle)

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	Outlook - ↗	Time Span & Risk Priority (M-L)
Likelihood: 5		

↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

LIQUIDITY RISK

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

High Medium Low

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) Adopt 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

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 & guest nationality diversification
Severity: 8 Likelihood: 6	Outlook - ↔	Time Span & Risk Priority M-L

RISK MANAGEMENT

↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

GEOECONOMIC RISK

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

High Medium Low

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 competition with attracting 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

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

↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

HEALTH & SAFETY RISK

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

High Medium Low

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

BUSINESS CONTINUITY RISK

Potential Impact	Mitigation Strategy	Present context
Disruption to operations 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

RISK MANAGEMENT

↔ on going / Managed Risk ↗ Potential to escalate/remains elevated

REGULATORY COMPLIANCE RISK S - Short-term M - Medium term L - Long term High Medium Low

Potential Impact	Mitigation Strategy	Present context
Non-compliance of licenses & permits, environmental and labour law compliances leading to damage in the organisation's 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	Outlook - ↔	Time Span & Risk Priority M-L
Likelihood: 5		

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	Outlook - ↔	Time Span & Risk Priority M-L
Likelihood: 5		

DATA PRIVACY RISK

Potential Impact	Mitigation Strategy	Present context
Breach on Personal Identification information of Guest/Staff/Vendor/Organisation	Formalized 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	Outlook - ↔	Time Span & Risk Priority M-L
Likelihood: 5		

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

The Directors of The Kingsbury PLC are pleased to present their report on the affairs of the Company together with the audited Financial Statements of the Company, 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 28th April 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW OF THE YEAR

The Principal Business Activity of the Company is to operate star class city Hotel- The Kingsbury Hotel Colombo.

There were no material changes in the nature of business of the Company during the financial year.

There has been no non-compliance with laws or regulations and the Directors to the best of their knowledge and belief, confirm that the Company has not engaged in any activity that contravenes applicable laws and regulations. There have been no material fines imposed on the Company by the Government.

The Company's businesses and their performance during the year, with comments on financial results, as well as future business developments are appraised in the Chairman's and the Managing Director's messages on pages 14 and 18 of this Report. Those also provide an overall assessment of the state of affairs of the Company with details of important events that took place during the period.

The segment wise contribution to the Company's revenue, profit, result, assets and liabilities are provided in Note 4.2 to the Financial Statements.

These reports together with the Financial Statements reflect the state of affairs of the Company.

The Company was listed on the Colombo Stock Exchange on 01st January 1982 subsequent to an Initial Public Offering.

FINANCIAL STATEMENTS

The Financial Statements of the Company are given on pages 128 to 132.

INDEPENDENT AUDITOR'S REPORT

The Independent Auditor's Report on the Financial Statements is given on pages 125 to 127.

ACCOUNTING POLICIES

The Accounting Policies adopted in preparation of Financial Statements are given on pages 133 to 140.

Changes made to the Accounting Policies during the accounting period are described under Note 03 of the Financial Statements.

INTEREST REGISTER

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

Particulars of entries in the Interests Register are detailed below:

Mr. Dhammika Perera directly and indirectly holds 51.01% of the total issued shares of Hayleys PLC which in return holds 36.08% of shares in the Company.

Hayleys PLC, in which Mr. Mohan Pandithage, Mr. Sarath Ganegoda, Mr. Rohan Karunarajah and Mr. Timothy Speldewinde are Directors, holds 174,614,114 shares (36.08%) in the Company.

Carbotels (Pvt) Limited, in which Mr. Mohan Pandithage, Mr. Sarath Ganegoda, Mr. Milinda Hewagama are Directors holds 113,250,000 shares (23.40%) in the Company.

DIRECTORS' INTERESTS IN SHARES

Directors' Interests in Shares are given later in this Report.

DIRECTORS' INTERESTS IN TRANSACTIONS

The Directors of the Company have made the general disclosure as per Section 192 (2) of the Companies Act Note 30.8 to the Financial Statements dealing with related party disclosure includes details of their interests in transactions.

DIRECTORS' EMOLUMENTS AND OTHER BENEFITS

Directors' emoluments in respect of the Company for the financial year ended 31st March 2025 is given in Note 30.8 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. 5,325,000/- 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

The Company on 2nd May 2024, established its own Board Sub Committees.

The Remuneration Committee held 01 meeting, The Related Parties Transactions Review Committee held 04 meetings, The Nomination and Governance Committee held 02 meetings and the Audit Committee held 04 meetings during the year.

Please refer the sub committee reports on pages 114, 115, 116 and 118.

RELATED PARTY TRANSACTIONS

The Related Party Transactions Review Committee met 04 times during the financial year 2024/25. Related Party Transactions are given in Note 30 in the Notes to the Financial Statements.

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

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

The Company established its own Related Party Transactions Review Committee on 2nd May 2024. Please refer page 114 for the Related Party Transactions Review Committee Report.

The names of the members of the Committee and their attendance at the Meetings are given on the Related Party Transactions Review Committee Report in page 114.

CORPORATE DONATIONS

No donations were made during the year.

DIRECTORS OF THE COMPANY

The names of the Directors who served during the year are given below and their brief profiles appear on pages 22 to 24 of this Annual Report.

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Mr. S. C. Ganegoda
Ms. K. A. D. B. Perera
Mr. N. J. De S. Deva Adithya
Ms. R. N. Ponnambalam
Mr. T. M. Hewagama - Appointed
w.e.f. 28.04.2025

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. T. A. B. Speldewinde
Mr. D. T. R. De Silva
Mr. A. J. Alles - Appointed w.e.f. 24.01.2025
Ms. I. Jamaldeen - Resigned
w.e.f. 22.01.2025

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 Article No. 86 of the Articles of Association of the Company Mr. S. C. Ganegoda and Ms. K. A. D. B. Perera retire by rotation and being eligible, offer themselves for re-election at the Annual General Meeting.

Pursuant to Section 211 of the Companies Act No. 07 of 2007, an ordinary resolution will be put before the shareholders for the reappointment of Mr. A. M. Pandithage notwithstanding the age limit of seventy years stipulated by Section 210 of the Companies Act.

Mr. A. J. Alles was appointed to the Board as an Independent Non-Executive Director on 3rd January 2024 in terms of Article No. 94 of the Articles of Association of the Company, Shareholders will be requested to re-elect Mr. A. J. Alles at the Annual General Meeting.

Mr. T. M. Hewagama was appointed to the Board as a Non-Executive Director on 28th April 2025 in terms of Article No. 94 of the Articles of Association of the Company. Shareholders will be requested to re-elect Mr. T. M. Hewagama at the Annual General Meeting.

With a view to improve 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.

INSURANCE AND 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.

POLICIES

The Company has adopted the following policies, with effect from 1st October 2024 and has uploaded them to the Company's website:

- 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 is accessible through the Company website.

INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Company's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records, reliability of financial information generated and cyber security.

All internal controls which include financial controls, operational and compliance controls and risk management have been reviewed by the Board of Directors and they have obtained reasonable assurance of the effectiveness of the existing controls. The

successful adherence to existing controls has been ascertained and improvements have been carried out where necessary. The Board is satisfied with the Company's adherence to and the effectiveness of these controls.

GOING CONCERN

The Directors, after making necessary inquiries and reviews including the reviews of the Company's 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.

DIRECTORS' SHAREHOLDINGS

The shareholdings of the Directors are as follows;

	Shareholding as at 31/03/2025	Shareholding as at 31/03/2024
Mr. A. M. Pandithage	NIL	NIL
Mr. R. J. Karunarajah	NIL	NIL
Mr. S. C. Ganegoda	125,000	125,000
Mr. N. J. De S. Deva Adithya	NIL	NIL
Ms. R. N. Ponnambalam	NIL	NIL
Ms. I. Jamaldeen (Resigned w.e.f. 22.01.2025)	NIL	NIL
Mr. T. A. B. Speldewinde	NIL	NIL
Ms. K. A. D. B. Perera	NIL	NIL
Mr. D. T. R. De Silva	NIL	NIL
Mr. A. J. Alles (Appointed w.e.f. 24.01.2025)	NIL	NIL
Mr. T. M. Hewagama (Appointed w.e.f. 28.04.2025)	NIL	NIL

AUDITORS

The Auditors of the Company during the year, Messrs. Ernst & Young, Chartered Accountants, were paid Rs. 1,500,000 /- (2023/24 – Rs. 982,536/-) as audit fees by the Company. In addition, they were paid Rs. 3,725,419/- (2023/24 – Rs. 593,360/-) by the Company 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 re-appointment 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.

INVESTMENTS

No investments were made during the Financial Year.

PROPERTY, PLANT AND EQUIPMENT

An analysis of the property, plant and equipment of the Company, additions and disposals made during the year and depreciation charged during the year are set out in Note 12 to the Financial Statements.

CHANGES IN FIXED ASSETS

The movement in Fixed Assets during the year is set out in Note 12 to the Financial Statements.

CAPITAL COMMITMENTS

Details of the capital commitments of the Company as at 31st March 2025 are disclosed in Note 26 to the Financial Statements.

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 is Rs. 836,000,000/- comprising 484,000,000 ordinary shares.

RESERVES

Total Company reserves as at 31st March 2025 amounts to Rs. 1,327,106,000/- (2023/24 – Rs. 1,357,389,000/-). Movements are shown in the Statement of Changes in Equity in the Financial Statements.

TAXATION

The tax position of the Company is given in Notes 10 and 21 to the Financial Statements.

DIVIDENDS

No Dividends were declared during the Financial Year.

MARKET PRICE INFORMATION

Information relating to market price is given on page 172.

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

EMPLOYEES AND INDUSTRIAL RELATIONS

There have been no material issues pertaining to employees and industrial relations of the Company during the Financial Year.

No. of persons employed by the Company as at 31st March 2025 was 748.

INVESTOR INFORMATION AND MAJOR SHAREHOLDERS

The twenty largest shareholders of the Company as at 31st March 2025, together with an analysis are given on page 173 of the Annual Report.

The number of registered shareholders of the Company as at 31st March 2025 was 5,066.

PUBLIC SHAREHOLDING

As at 31st March 2025, 39.17% of the issued capital of the Company was held by the public comprising 5,027 shareholders.

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.

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.

The declaration relating to statutory payments is made in the Statement of Directors' Responsibilities on page 113.

CONTINGENT LIABILITIES

There were no material contingent liabilities outstanding as at 31st March 2025 other than that described in Note 25 of the Financial Statements.

POST BALANCE SHEET EVENTS

Subsequent to the date of the Balance Sheet no circumstances have arisen which would require adjustments to the accounts. Significant post balance sheet events which in the opinion of the Directors require disclosure are described in Note 35 to 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 84 to 102 discusses this further.

Mr. T. A. B. Speldewinde 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 Company. Please refer the Senior Independent Director's Report on page 121.

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 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 has not engaged in any activity that contravenes applicable 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.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the Chas P. Hayley Lounge, No. 400, Deans Road, Colombo 10 at 1.00 p.m. on 25th June 2025. The Notice of the Annual General Meeting appears on page 187 of the Annual Report.

For and on behalf of the Board
The Kingsbury PLC



Mohan Pandithage
Executive Chairman



Rohan Karr
Managing Director



**Hayleys Group Services (Private)
Limited**
Secretaries

28th April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible, under 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 125 to 127 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 The Kingsbury PLC



Hayleys Group Services (Private) Limited

Secretaries

28th April 2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee ('The Committee') of the Company was established on 02nd 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 three 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. T. A. B. Speldewinde * (Chairman) Mr. S. C. Ganegoda **
Mr. D. T. R. De Silva * Mr. A. J. Alles * (Appointed w.e.f. 28.04.2025)

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

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

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.

Name of Member	Quarter 01	Quarter 02	Quarter 03	Quarter 04
Mr. T. A. B. Speldewinde	✓	✓	✓	✓
Mr. D. T. R. De Silva	✓	✓	✓	✓
Mr. S. C. Ganegoda	✓	✓	✓	✓
Mr. A. J. Alles	N/A	N/A	N/A	✓

The Chairman of the Committee is an Independent Non-Executive Director. Profiles of the Committee members are given in pages 22 to 24.

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

- Review in advance all proposed related party transactions of the Company 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.
- Recommend, where necessary, to the Board and obtain their approval prior to the execution of any related party transaction.
- Monitor that all related party transactions of the entity 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.
- Review the transfer of resources, services or obligations between related parties regardless of whether a price is charged.
- Review the economic and commercial substance of both recurrent/non recurrent related party transactions.
- 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.

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.

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 30 to the Financial Statements given in pages 158 to 163 of this report.

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 109 of this Annual Report.



T. A. B. Speldewinde
Chairman

Related Party Transactions Review
Committee

28th April 2025

REMUNERATION COMMITTEE REPORT

The Remuneration Committee (“the Committee”) of the Company was established on 2nd 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. T. A. B. Speldewinde * (Chairman)

Mr. D. T. R. De Silva *

Mr. S. C. Ganegoda **

Mr. A. J. Alles * (Appointed w.e.f. 28.04.2025)

* Independent Non-Executive Director

** Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

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

Name of Member	Quarter 02
Mr. T. A. B. Speldewinde	✓
Mr. D. T. R. De Silva	✓
Mr. S. C. Ganegoda	✓
Mr. A. J. Alles	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 judgement.

The Remuneration Committee has well defined Terms of Reference. The Members of the Committee, comprising three Independent Non-Executive Directors and two Non-Executive Directors, are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

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 Team.
- To review the guidelines and parameters for the compensation structures of Senior Management within the Company taking into consideration industry norms.
- 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 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 Company 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’s 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

During the year the Committee reviewed the performance of the Managing Director and Senior Management based on the targets set in the previous year. 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. 83,030,407/-



Mr. T. A. B. Speldewinde
Chairman

Remuneration Committee
28th April 2025

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Nominations and Governance Committee (“the Committee”) of the Company was established on 2nd 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. T. A. B. Speldewinde * (Chairman)

Mr. D. T. R. De Silva *

Mr. S. C. Ganegoda **

Mr. A. J. Alles * (Appointed w.e.f. 28.04.2025)

* Independent Non-Executive Director

** Non-Executive Director

COMPOSITION AND ATTENDANCE AT COMMITTEE MEETINGS

Name of Member	Quarter 02	Quarter 04
Mr. T. A. B. Speldewinde	✓	✓
Mr. D. T. R. De Silva	✓	✓
Mr. S. C. Ganegoda	✓	✓
Mr. A. J. Alles	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 principal 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’s 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.

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 proprietary 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 the Managing Director, retire by rotation in terms of the Articles of Association and being eligible, submit themselves for reelection at the Annual General Meeting.

Accordingly, the Committee has recommended to re-elect Mr. S. C. Ganegoda and Ms. K. A. D. B. Perera, to the Board at the Annual General Meeting to

be held on 25th June 2025, based on their performance and contribution made to achieve the objectives of the Board.

Mr. Sarath Ganegoda, Non-Executive Director, was appointed to the Board in April 2010 and last re-appointed as a Director in June 2023. His directorships and other principal commitments are given in the profile on page 22. He serves as a member of the Remuneration Committee, Related Party Transactions Review Committee and Nominations and Governance Committees of Haycarb PLC, Dipped Products PLC, Horana Plantations PLC, Hayleys Leisure PLC and Hayleys Fibre PLC. He also serves as a member of the Related Party Transactions Review Committee and Nominations and Governance Committee of Hayleys Fabric PLC.

Ms. K. A. D. B. Perera, Non-Executive Director, was appointed to the Board in October 2022 and was last re-appointed as a Director in June 2023. Her directorships and other principal commitments are given in her profile on page 23. She does not serve on any Board Sub-Committees.

Directors Mr. A. J. Alles who was appointed to the Board on 24th January 2025, and Mr. T. M. Hewagama who was appointed to the Board on 28th April 2025 will come up for re-election by the shareholders at the Annual General Meeting. Their profiles in page 24 set out their other principal commitments and directorships

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

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 in pages 99 to 102 of this Report.



T. A. B. Speldewinde
Chairman

Nominations and Governance Committee

28th 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. T. A. B. Speldewinde (Chairman)*

Mr. D. T. R. De Silva*

Ms. I. Jamaldeen* (Resigned w.e.f. 22.01.2025)

Mr. A. J. Alles* (Appointed w.e.f. 24.01.2025)

* Independent Non-Executive Director

** Non-Executive Director

The Chairman, Mr. T. A. B. Speldewinde is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and also a Fellow of the Chartered Institute of Management Accountants UK.

A brief profile of each member is provided on pages 22 to 24 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 the Board of Directors to make sure that new developments relating to the functions of the Committee are updated.

The Charter of the Committee was last reviewed and approved by the Committee on 02nd May 2024. The terms of reference of the Committee are clearly defined in the Charter of the 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 the

Institute of Chartered Accountants of Sri Lanka in 2023, further regulate the composition, roles and functions of the Audit Committee.

MEETINGS OF THE AUDIT COMMITTEE

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:

Name of Member	Quarter 01	Quarter 02	Quarter 03	Quarter 04
Mr. T. A. B. Speldewinde (Chairman)	✓	✓	✓	✓
Mr. D. T. R. De Silva	✓	✓	✓	✓
Ms. I. Jamaldeen	✓	✓	N/A	N/A
Mr. A. J. Alles	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 when 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.

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 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 Heads of Finance Company. 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, six 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 to 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 Company to ensure that their objectivity and independence as External Auditor has not been impaired. The Committee provides the opportunity to the 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.

AUDIT COMMITTEE REPORT

The current External Auditor, Messrs. Ernst & Young, Chartered Accountants was initially appointed as External Auditor in 2011/12 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 2022/23.

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 the 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 emphasised 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 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.



T. A. B. Speldewinde
Chairman

Audit Committee

28th April 2025

STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

(Profile of Mr. T. A. B. Speldewinde, The Senior Independent Director of The Kingsbury PLC is given on page 23 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 The Kingsbury 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 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 Director was 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.



T. A. B. Speldewinde
Senior Independent Director

28th April 2025

A close-up photograph of a person's hands holding a dark blue pen with gold accents, poised to write on a stack of white papers. In the foreground, a dark blue bowl filled with a rich, brown, glossy sauce and topped with two skewers of food is visible. The background is dark, creating a focused and professional atmosphere.

SUSTAINING A LEGACY OF HAPPINESS

At The Kingsbury, our financial performance forms the backbone of a lasting legacy of happiness. Through resilience and strategic clarity, we have solidified our foundations and embraced sustainable growth. By navigating challenges with care and focus, we are building a future where lasting value, stability, and happiness are intertwined.

FINANCIAL STATEMENTS

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FINANCIAL CALENDAR

Interim Financial Statement - Quarter 1	01st August 2024
Interim Financial Statement - Quarter 2	31st October 2024
Interim Financial Statement - Quarter 3	27th January 2025
Interim Financial Statement - Quarter 4	28th April 2025
Annual General Meeting	25th June 2025

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
Chartered Accountants
Rotunda Towers
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P.O. Box 101
Colombo 03, Sri Lanka

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TO THE SHAREHOLDERS OF THE KINGSBURY PLC

Report on the audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2025, and of 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 Company in accordance with the Code of

Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the 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.

Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue</p> <p>The Company's revenue for the year ended 31 March 2025 amounted to Rs. 5,273 Mn, as disclosed in note 4 to the financial statements.</p> <p>The accounting policy for revenue recognition is disclosed in Note 2 to the financial statements.</p> <p>Revenue was a key audit matter due to :</p> <ul style="list-style-type: none"> the materiality of revenue reported for the year end 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> assessed whether the Company's accounting policy for revenue recognition has been appropriately applied 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 performed analytical procedures to understand and assess the reasonableness of the reported revenues 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:

INDEPENDENT AUDITOR'S REPORT



Key Audit Matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> revenue transactions around the year-end to determine whether transactions have been recorded in the proper period and to the proper accounts; and journal entries recognised to revenue. <p>We also assessed the adequacy of the related disclosures set out in notes 2 and 4 to the financial statements.</p>

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. The 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 disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 scepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3755.

28th April 2025
Colombo

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)

STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Revenue	4	5,327,046	5,266,787
Cost of sales		(2,771,802)	(2,774,366)
Gross profit		2,555,244	2,492,421
Other income and expenses	5	20,352	14,347
Administrative expenses		(1,777,934)	(1,869,081)
Marketing expenses		(92,160)	(85,344)
Finance income	8	13,994	6,047
Finance cost	9	(179,909)	(303,737)
Profit/(Loss) before tax		539,587	254,653
Income tax (expense) / reversal	10	11,566	9,432
Profit/(Loss) after tax		551,153	264,085
Basic earnings per share (Rs.)	11	1.14	0.55

The Accounting Policies and Notes on pages 133 through 169 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Profit/(Loss) for the year		551,153	264,085
Other Comprehensive Income that will not to be reclassified to profit or loss in subsequent periods			
Revaluation of buildings and building integrals	28.1	-	938,021
Income tax effect on building and building integrals	28.1	-	(281,406)
Transfer to retained earning from Revaluation reserve	28.1	12,978	13,028
Re-measurement loss on defined benefit plans	20.2.1	(2,817)	(9,951)
Income tax effect on other comprehensive income	21.2	845	2,985
Other Comprehensive income for the year, net of tax		11,006	662,677
Total Comprehensive Income for the year, net of tax		562,159	926,762

The Accounting Policies and Notes on pages 133 through 169 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

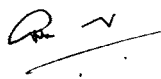
Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
ASSETS			
Non-current assets			
Property, plant and equipment	12	4,431,680	4,497,314
Intangible assets	13	15,741	20,639
Right of use asset	14	10,933	11,180
		4,458,354	4,529,133
Current assets			
Inventories	15	145,076	170,410
Trade and other receivables	16	1,186,432	870,866
Other non-financial assets	17	85,626	97,413
Income tax receivable		9,310	7,494
Cash and cash equivalents	18	95,743	147,035
		1,522,187	1,293,218
Total assets		5,980,541	5,822,351
EQUITY AND LIABILITIES			
Equity			
Stated capital	27	836,000	836,000
Revaluation reserve	28	1,327,106	1,357,389
Retained earnings		(247,942)	(842,609)
		1,915,164	1,350,780
Non-current liabilities			
Interest-bearing borrowings	19	910,873	1,260,367
Post-employment benefit obligation	20	128,935	109,180
Deferred tax liability	21	594,885	620,275
Lease Liability	22	16,640	16,648
Trade and other payables	23	447,252	351,454
Other Non- Current Liabilities		3,600	1,600
		2,102,185	2,359,524
Current liabilities			
Trade and other payables	23	1,068,165	1,261,041
Interest-bearing borrowings	19	737,729	711,024
Other non-financial liabilities	24	154,912	137,594
Lease Liability	22	2,386	2,388
		1,963,192	2,112,047
Total equity and liabilities		5,980,541	5,822,351

I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Ravindra Dissanayake - Head of Finance

The Board of Directors is responsible for preparation & presentation of financial statements.
Signed for and on behalf of the Board of Directors.



Mohan Pandithage - Executive Chairman



Rohan Karr - Managing Director

The Accounting Policies and Notes on pages 133 through 169 form an integral part of the Financial Statements.

28th April 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March	Note	Stated capital Rs. '000	Revaluation reserve Rs. '000	Retained earnings Rs. '000	Total Rs. '000
Balance as at 01 April 2023		836,000	731,173	(1,143,155)	424,018
Net Profit/(Loss) for the period		-	-	264,085	264,085
Revaluation of buildings and building integrals	28	-	938,021	-	938,021
Deferred tax effect on building and building integrals	28	-	(281,406)	-	(281,406)
Other comprehensive income		-	-	(6,966)	(6,966)
Total comprehensive income		-	656,615	257,119	913,734
Transfer to retained earnings from Revaluation reserve	28	-	(43,427)	43,427	-
Deferred tax on transfer	28	-	13,028	-	13,028
Balance as at 31 March 2024		836,000	1,357,389	(842,609)	1,350,780
Net Profit/(Loss) for the period		-	-	551,153	551,153
Other comprehensive income		-	-	(1,972)	(1,972)
Total comprehensive income		-	-	549,181	549,181
Transfer to retained earnings from Revaluation reserve	28	-	(43,261)	43,261	-
Deferred tax on transfer	28	-	12,978	-	12,978
Unclaimed Dividend write-back		-	-	2,225	2,225
Balance as at 31 March 2025		836,000	1,327,106	(247,942)	1,915,164

The Accounting Policies and Notes on pages 133 through 169 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Operating activities			
Cash generated from operations	29	593,806	473,626
Interest received	8	4,731	5,774
Interest paid		(161,153)	(85,368)
Lease Interest paid		(2,379)	(2,381)
Employee benefit obligations	20	(12,138)	(13,947)
Net cash generated from operating activities		422,867	377,704
Investing activities			
Purchases of property, plant and equipment	12	(151,587)	(112,326)
Purchases of intangible assets	13	(762)	(7,508)
Proceeds from disposal of property, plant and equipment		2,065	-
Net cash generated from /(used in) investing activities		(150,284)	(119,834)
Financing activities			
Payments on interest-bearing borrowings		(402,804)	(310,176)
Payments on lease rent		(10)	(8)
Net cash generated from financing activities		(402,814)	(310,184)
Effects of exchange rate changes on Cash & cash equivalents		(8,379)	(28,743)
Net increase/(decrease) in cash and cash equivalents		(138,610)	(81,057)
Movement in cash and cash equivalents			
At the beginning of year		(153,882)	(72,825)
Net increase/(decrease)		(138,610)	(81,057)
At end of year	18	(292,492)	(153,882)

The Accounting Policies and Notes on pages 133 through 169 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

1.1 Reporting Entity

The Kingsbury PLC (“Company”) is a limited liability company incorporated in Sri Lanka and listed on the Colombo Stock Exchange Sri Lanka. The address of its registered office and principal place of business is No. 48, Janadhipathi Mawatha, Colombo 1.

1.2 Principal Activity and Nature of Operations

During the year, the principal activities of the Company were the provision of Hospitality & Leisure Services.

1.3 Parent Entity and Ultimate Parent Entity

The Company’s parent entity is considered Hayleys PLC. In the opinion of the directors, the Company’s ultimate parent undertaking and controlling party is Hayleys PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorisation for Issue

The Financial Statements of The Kingsbury PLC, for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 28th April 2025.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

2.1.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for buildings and building integrals of property, plant, and equipment which were subsequently measured at fair value. The Financial Statements are presented in Sri Lankan Rupees Thousands, except when otherwise indicated. The preparation and presentation of these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

2.1.2 Statement of Compliance

The Financial Statements of the Company which comprise the Statement of Financial Position, Statement of Profit or Loss, Statement of Other Comprehensive Income, and Statement of Changes in Equity, Statement of Cash Flows and Significant Accounting Policies and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS).

2.1.3 Comparative Information

Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

2.2 Significant Accounting Judgments and Estimates

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 recognised 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 recognised in the Financial Statements is included in the following notes.

a. Going Concern

As of the reporting date, the company reported retained losses of Rs. 248 Mn (2024: retained losses of Rs. 843 Mn) and a net current liability position of Rs. 441Mn (2024: net current liability of Rs. 819 Mn) However, The Company’s management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern.

Therefore, the Financial Statements continue to be prepared on the going concern basis. Refer Note 31.

b. Revaluation of Property, Plant and Equipment

The Company measures buildings and building integrals at revalued amounts with gains in fair value being recognised in equity (Revaluation Reserve). The Company usually engages an external, independent and qualified valuer to determine the fair values. When current market prices of similar assets are available, such evidences are considered in estimating fair values of these assets. In the absence of such information the Company determines within reasonable fair value estimates, amounts that can be attributed as fair values, with the assistance of an independent professional valuer. Further details are given in Note 12.2.

c. Components of Buildings and Useful Life

In determining the depreciation expense, the Company with the assistance of an independent professional valuer determined the components of buildings that have varying useful lives. Approximation techniques and appropriate groupings were used in

NOTES TO THE FINANCIAL STATEMENTS

such determination as well as in the assessment of the useful lives of each component. Further details are given in Note 12.4.

d. Impairment of non-financial assets

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 of 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 Company is not yet committed to or significant future investments that will enhance the performance of the assets 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. The key assumptions used to determine the recoverable amount for the CGU, are discount rate and terminal growth rate, 26% and 3% respectively.

e. Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are given in Note 21.

f. Post-Employment Benefit Obligation

The post-employment benefit obligation; gratuity, is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and staff turnover. Due to the complexity of the valuation; the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details are given in Note 20.

g. Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to eliminate the lease, if it is reasonably certain not to be exercised. Refer to Note 22 for information on potential future rental payments relating to periods

following the exercise date of extension and termination options that are not included in the lease term.

2.3 Material Accounting Policy Information

2.3.1 Foreign Currencies

(a) Functional and Presentation Currency

Items included in the Financial Statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Sri Lankan Rupees, which is the Company's functional and presentation currency.

(b) Transactions and Balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

2.3.2 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

2.3.3 Property, Plant and Equipment

a. At Initial Recognition

All property, plant and equipment are initially stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

b. At Subsequent Measurement

Property, plant and equipment other than building and building integrals is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment when that cost is incurred, if the recognition criteria is met. Building and building integrals are

subsequently measured at fair value less accumulated depreciation and such valuations are carried out by external independent valuers.

Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognised in Other Comprehensive Income and credited to the revaluation surplus in equity.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in the Statement of Profit or Loss, in which case the increase is recognised in the Statement of Profit or Loss. A revaluation deficit is recognised in Profit or Loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost.

c. Depreciation

Depreciation is calculated on a straight-line basis over the useful life of assets or components. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate

	2025	2024
Buildings and building integrals	15 - 50 years	15 – 50 years
Plant, machinery and Plant, machinery and equipment	15 years	15 years
Furniture and fittings	10 years	10 years
Motor vehicles	05 years	05 years
Linen, cutlery, crockery and glassware	3 years	3 years

d. Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the

Statement of Profit or Loss during the financial period in which they are incurred.

e. De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss when the asset is de-recognised. The revaluation surplus included in the equity in respect of an item of property, plant and equipment is transferred directly to equity when the assets are de-recognised.

2.3.4 Lease

The Company 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.

2.3.4.1 Right-of-use Assets

The Company recognises 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 recognised, 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.

2.3.4.2 Lease Liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to

NOTES TO THE FINANCIAL STATEMENTS

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 Company 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.

The Company lease liabilities are included in Note 22 to the Financial Statements.

2.3.5 Intangible Assets

The Company's intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software 5 years

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category consistent with the function of the intangible asset.

2.3.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Initial Recognition and Subsequent Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), 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 Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 do not contain a significant financing component.

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 Company'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. 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent Measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon de-recognition (equity instruments)
- Financial assets at fair value through profit or loss
Financial Assets at Amortised Cost (Debt Instruments) The Company measures financial assets at amortised cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired
The Company's financial assets at amortised cost includes trade and other receivables,

short-term deposits, cash and bank balances and other financial assets.

c) **De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired;

Or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, 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 Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company 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 Company could be required to repay.

d) **Impairment of Financial Assets**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Trade Receivables:

For trade receivables, the Company applies a simplified approach in calculating Expected Credit Losses (ECL). Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain

cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.3.7 Other Non-Financial Assets

All other non-financial assets are valued net of specific provision, where necessary, so as to reduce the carrying value of such assets to their estimated realisable value.

2.3.8 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Income Statement in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised

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in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.3.9 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of property, plant and equipment. Involvement of external valuers is decided by the

management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

2.3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method.

The cost of the inventory comprises purchase price, taxes (other than those subsequently recoverable by the Company from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods. It excludes the borrowing costs, trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

2.3.11 Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short-term deposits with maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.3.12 Financial Liabilities

a) 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 recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payable, bank overdrafts and interest bearing loans and borrowings.

b) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings (Financial liabilities at amortised cost)

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit or Loss.

This category generally applies to interest-bearing loans and borrowings

c) **De-recognition**

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.3.13 Other Non-Financial Liabilities

Other non-financial liabilities are recognised at their monetary amount.

2.3.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.3.15 Employee Benefits

a) **Defined Contribution Plans**

All employees of the Company are members of the Employees' Provident Fund and the Employees' Trust Fund, to which the Company contributes 12% and 3% respectively of such employees' basic or consolidated wage or salary and cost of living and all other allowances.

The Company's contributions to the defined contribution plans are charged to the Statement of Profit or Loss in the year to which they relate.

b) **Defined Benefit Plan**

The liability recognised in the Statement of Financial Position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date together with past service cost. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of treasury bonds 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to the Statement of Other Comprehensive Income.

2.3.16 Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Financial Statements in the period in which the dividends are approved by the Company's shareholders.

2.3.17 Taxation

Current income tax assets and liabilities for the current period 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 income tax relating to items recognised directly in equity is recognised in equity 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.

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

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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax 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 realised or the liability is settled, based on tax rates (and tax laws) that have been

NOTES TO THE FINANCIAL STATEMENTS

enacted or substantively enacted at the reporting date.

Turnover Based Taxes

Turnover based taxes include Value Added Tax, Nations Building Tax and Tourism Development Levy. Company pays such taxes in accordance with the respective statutes.

2.3.19 Revenue Recognition

2.3.19.1 Revenue from contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expect to entitled in exchange of those goods or services.

The Company's gross turnover comprises proceeds from provision of food, beverage, lodging and other hospitality industry related activities. The net Company's turnover excludes turnover taxes and trade discounts.

The specific recognition criteria described below must also be met before revenue is recognised.

- a) Room revenue is recognised on the rooms occupied on daily basis.
- b) Food & Beverage revenue is recognised at the time of sales.
- c) Other Hotel Related Revenue is accounted when such service is rendered.

2.3.19.2 Revenue from other income sources

- d) Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimates future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Other income is recognised on an accrual basis. Net gains and losses of a revenue nature on the disposal of Property, Plant & Equipment has been accounted for in the Statement of Profit or Loss, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expense gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

f) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration

(or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The Company recognises advanced received for future reservations as contract liabilities.

The Company recognises advanced received for future reservations as contract liabilities.

3. CHANGES IN ACCOUNTING POLICIES

3.1 New and amended standards and interpretations

No significant impact resulted on the Financial Statements of the Company due to changes in Accounting standards and disclosures during the year.

3.2 Standards Issued but not Yet Effective

The new and amended standards and interpretations that are issued up to the date of issuance of the Company's financial statements but are not effective for the current annual reporting period, are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.2.1 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.

4. REVENUE

The Company classifies its revenue streams according to business units based on the nature of services for easy of understanding. Namely; Room Revenue, Food & Beverage Revenue and Other Hotel Related Revenue. 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.

4.1 Summary

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Gross turnover	5,327,046	5,266,787
Less: Taxes	(53,856)	(53,118)
Net turnover	5,273,190	5,213,669

4.2 Segmentation of the revenue

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Room sales	1,336,185	1,420,595
Food & Beverage sales	3,638,785	3,476,974
Other hotel related revenue	298,220	316,100
Total revenue	5,273,190	5,213,669

5. OTHER INCOME AND EXPENSES

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Loss on disposal of property, plant and equipment	(3,589)	(893)
Sundry income	23,941	15,240
Other income and expenses	20,352	14,347

NOTES TO THE FINANCIAL STATEMENTS

6. PROFIT BEFORE TAX

The following items have been charged /(credited) in arriving at profit before tax:

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Directors' emoluments		5,325	6,200
Auditors remuneration - Audit fees		1,500	983
- Non-audit fees		3,725	593
Depreciation & Amortisation	7	200,965	167,549
Impairment allowance for trade receivables	33.2 C	(2,309)	2,989
Repair and maintenance expenditure		129,729	86,877
Employee Benefits		1,107,143	1,009,162
Power and energy expenditure		280,838	382,386
Loss on disposal of property, plant & equipment		3,589	893
Marketing and promotional fee		59,759	66,784

7. DEPRECIATION & AMORTISATION

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Depreciation on Property, Plant and Equipment	195,058	161,640
Amortisation of intangible assets	5,660	5,662
Amortisation of Right to use assets	247	247
Depreciation & Amortisation	200,965	167,549

8. FINANCE INCOME

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Interest income	4,731	5,774
Foreign exchange gain	9,263	273
	13,994	6,047

9. FINANCE EXPENSES

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Interest expenses	(162,267)	(274,721)
Foreign exchange loss	(17,642)	(29,016)
	(179,909)	(303,737)
Net Finance Income / (Expenses)	(165,915)	(297,690)

10. TAXATION**10.1**

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Current tax (expense)/ reversal	10.2	-	(937)
Deferred tax (charge)/ release	21.1	11,566	10,369
Income Tax (Expense)/ Reversal		11,566	9,432

10.2 Reconciliation of accounting profit to income tax expense

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Profit/(loss) before tax		539,587	254,653
Disallowable expenses		315,171	284,170
Allowable expenses		(147,105)	(225,090)
Business income/(loss) during the year		707,653	313,733
Interest Income		4,731	5,774
Utilization of tax losses		(712,384)	(319,507)
Taxable income		-	-
Income tax @ 30% & 14%		-	-
Tax on taxable income		-	-
Under/(over) provision for previous year	10.1	-	(937)
Current tax (expense)/reversal		-	(937)

11. BASIC EARNINGS/(LOSS) PER SHARE

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Year ended 31 March	2025	2024
Net profit attributable to shareholders-Rs'000	551,153	264,085
Weighted average number of ordinary shares in issue-'000	484,000	484,000
Basic earnings per share (Rs.)	1.14	0.55

NOTES TO THE FINANCIAL STATEMENTS

12. PROPERTY, PLANT AND EQUIPMENT

12.1 Summary

12.1.1

Year ended 31 March 2024	Buildings and building integrals	Plant, machinery & equipment	Furniture & fittings	Motor vehicles	Linen, cutlery, crockery & glassware	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/valuation						
Balance as at 01 April 2023	3,200,360	856,585	351,051	17,303	381,630	4,806,929
Additions	43,081	34,419	9,715	3,165	39,320	129,700
Disposals	-	-	(1,292)	-	-	(1,292)
Breakages, losses & discarded	-	-	-	-	(31,898)	(31,898)
Revaluation during the year	938,021	-	-	-	-	938,021
De-recognition	-	(535)	-	-	-	(535)
Classification change	(1,103)	(31,196)	79,222	-	(50,872)	(3,949)
Balance as at 31 March 2024	4,180,359	859,273	438,696	20,468	338,180	5,836,976
Depreciation						
Balance as at 01 April 2023	77,825	595,398	277,942	11,112	230,323	1,192,600
Depreciation charge	76,749	43,685	30,787	522	9,897	161,640
Disposals	-	-	(1,098)	-	-	(1,098)
Breakages, losses & discarded	-	-	-	-	(11,817)	(11,817)
Classification change	(1,590)	(67,210)	24,132	12	43,225	(1,432)
De-recognition	-	(231)	-	-	-	(231)
Balance as at 31 March 2024	152,984	571,642	331,763	11,646	271,628	1,339,662
Net book value as at 31 March 2024	4,027,375	287,631	106,933	8,822	66,552	4,497,314
Capital work in progress						
Balance as at 1st April 2023	17,374	-	-	-	-	17,374
Cost incurred during the year	-	-	-	-	-	-
Amount transferred to Property, Plant and Equipment	(17,374)	-	-	-	-	(17,374)
Balance as at 31 March 2024	-	-	-	-	-	-
Total net book value as at 31 March 2024	4,027,375	287,631	106,933	8,822	66,552	4,497,314

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

12.1.2

Year ended 31 March 2025	Buildings and building integrals	Plant, machinery & equipment	Furniture & fittings	Motor vehicles	Linen, cutlery, crockery & glassware	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cost/valuation						
Balance as at 01 April 2024	4,180,359	859,273	438,696	20,468	338,180	5,836,976
Additions	4,496	29,332	35,640	16,614	62,639	148,721
Disposals	-	(568)	(17,576)	-	-	(18,144)
Breakages, losses & discarded	-	-	-	-	(34,728)	(34,728)
Revaluation during the year	-	-	-	-	-	-
De-recognition	-	-	-	-	-	-
Classification change	-	-	-	-	681	681
Balance as at 31 March 2025	4,184,855	888,037	456,760	37,082	366,772	5,933,506
Depreciation						
Balance as at 01 April 2024	152,984	571,642	331,763	11,646	271,628	1,339,663
Depreciation charge	94,476	48,126	31,460	642	20,354	195,058
Disposals	-	(400)	(14,002)	-	-	(14,402)
Breakages, losses & discarded	-	-	-	-	(15,627)	(15,627)
Classification change	-	-	-	-	-	-
De-recognition	-	-	-	-	-	-
Balance as at 31 March 2025	247,460	619,368	349,221	12,288	276,355	1,504,692
Net book value as at 31 March 2025	3,937,395	268,669	107,539	24,794	90,417	4,428,814
Capital work in progress						
Balance as at 01 April 2024	-	-	-	-	-	-
Cost incurred during the year	2,866	-	-	-	-	2,866
Amount transferred to Property, Plant and Equipment	-	-	-	-	-	-
Amount reversed during the year	-	-	-	-	-	-
Balance as at 31 March 2025	2,866	-	-	-	-	2,866
Total net book value as at 31 March 2025	3,940,261	268,669	107,539	24,794	90,417	4,431,680

NOTES TO THE FINANCIAL STATEMENTS

12.2 Fair Valuation Process and Key Valuation Assumptions

The Company measures Buildings and building integrals at revalued amounts. The Company usually engages an external qualified valuer on a regular basis to determine the fair values.

The latest revaluation has been carried out by Mr. P B Kalugalagedera (F.I.V Sri Lanka) a chartered independent valuer as at 31 March 2025. The valuation of the buildings and integrals located at the principal place of business, No. 48, Janadhipathi Mawatha, Colombo 1, have been determined using direct capital comparison method by using level 3 of the fair value measurement hierarchy. Approximate price per sq.ft is Rs. 12,500/- to Rs. 25,000/- (2024 - Rs. 12,000/-to Rs. 25,000/-). Significant increase or decrease in estimated price per square foot in isolation would result in a significantly higher or lower fair value measurement.

12.3 If the Buildings and building integrals were stated using cost model, the carrying amounts would be as follows:

Asset category	Cost Rs.'000	Accumulated depreciation Rs.'000	Net book value Rs.'000
Buildings and building integrals	3,770,305	1,019,688	2,750,617
	3,770,305	1,019,688	2,750,617

12.4 The Company regularly reviews the useful life of each significant component of buildings and in the review process, the Company obtains the assistance of an independent professional valuer. Accordingly, depreciation is calculated for the year using a straight line method for each individual significant component of building.

Components included in buildings and building integrals and their useful lives are as follows:		
-	Buildings superstructure	44 years
-	Bathrooms	15 years
-	Ballroom finishes	20 years
-	Elevators	25 years
-	Mechanical and engineering	25 years

12.5 The gross carrying amount of any fully depreciated property, plant & equipment that is still in use as at 31 March 2025 is Rs. 739,389,826/- (2024: Rs.709,599,975/-)

12.6 During the financial year, the Company acquired or transferred property, plant and equipment to the aggregate value of Rs. 151,587,297/- (2024 - Rs. 129,699,794/-) including cost incurred on capital work in progress of which Rs. 2,866,149/- (2024 Rs. 17,373,960). Cash payments amounted to Rs. 148,721,148/- (2024 - Rs. 112,325,834/-) were made during the year for purchase of property, plant and equipment.

13. INTANGIBLE ASSETS

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Cost		
Balance as at 01 April	35,399	54,494
Additions during the year	762	7,508
Classification change	-	3,812
Disposal	-	(30,415)
Balance as at 31 March	36,161	35,399
Amortisation		
Balance as at 01 April	14,760	37,651
Amortisation during the year	5,660	5,662
Classification change	-	1,431
Disposal	-	(29,984)
Balance as at 31 March	20,420	14,760
Net Book Value	15,741	20,639

The intangible assets consist of computer software.

14. RIGHT OF USE ASSETS

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Cost			
Balance as at 01 April		12,415	12,415
Balance as at 31 March		12,415	12,415
Amortisation			
Balance as at 01 of April		1,235	988
Amortisation for the period	22.2	247	247
Balance as at 31 March		1,482	1,235
Net book value of right of use assets		10,933	11,180

The Hotel building is constructed on land obtained from the Ceylon Tourist Board on a 99 year lease commencing from 09 May 1970, for which the Company pays a sum of Rs. 2.5 Mn annually as operating lease rental. Remaining lease period is 44 years.

NOTES TO THE FINANCIAL STATEMENTS

15 INVENTORIES

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Food, Beverages and Tobacco	108,936	135,205
Consumables	36,140	35,205
Inventories	145,076	170,410

16 TRADE AND OTHER RECEIVABLES

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Trade receivables		220,259	295,450
Less: Impairment Allowances	33.2.C	(840)	(3,149)
		219,419	292,301
Inter-company receivables	30.5	967,013	578,565
Trade and other receivables		1,186,432	870,866

17 OTHER NON-FINANCIAL ASSETS

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Prepayments	24,556	27,719
Advances Paid	24,136	29,973
Security deposits	22,737	21,736
Other receivables	14,197	17,985
Other non-financial assets	85,626	97,413

18 CASH AND CASH EQUIVALENTS

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
18.1 Cash at bank and in hand	95,743	147,035
Cash and short-term deposits	95,743	147,035

18.2 For the purposes of the cash flow statement, the year end cash, and cash equivalents comprise the following:

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Cash and short-term deposits		95,743	147,035
Bank overdraft	19.1	(388,236)	(300,917)
Cash and Cash equivalents at the end of the period		(292,492)	(153,882)

19. INTEREST-BEARING BORROWINGS

19.1 Borrowings

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
Current liabilities		
Bank overdraft	388,236	300,917
Borrowings from Banks / Financial Institutions	349,493	410,107
	737,729	711,024
Non-current liabilities		
Borrowings from Banks / Financial Institutions	910,873	1,260,367
Total borrowings	1,648,602	1,971,391

19.2 TERMS AND CONDITIONS

Description	Bank/Financial Institution				
	Bank of Ceylon				
	Rs. 1,190 Mn	Rs. 233 Mn	Rs. 114 Mn	Rs. 91 Mn	Rs. 33 Mn
Commencement date	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024	27 Mar 2024
End date	27 Sep 2029	27 Mar 2027	30 Jun 2025	30 Jun 2024	13 Jul 2024
Grace period (Months)	6	-	-	-	-
Installment amount	Rs. 19.8 Mn	Rs. 6.4 Mn	Rs. 6.7 Mn	Rs. 18.3 Mn	Rs. 6.7 Mn
Interest rate	AWPLR +Premium	Fixed	Fixed	Fixed	Fixed
Term (Months)	66	36	15	3	3
Balance due 31 March 2025	Rs. 1,071 Mn	Rs. 155 Mn	Rs. 34 Mn	-	-

- 19.3** Existing mortgage bond No. 364 over lease hold right of the Hotel property and bond Nos. 1416 dated 27 July 2001 for Rs. 100 Mn and 166 dated 09 May 2013 for Rs. 1,335 Mn over lease hold rights of the property situated at the junction of Janadhipathi Mawatha and Chaithya Road adjoining the Central Bank.

20. POST-EMPLOYMENT BENEFIT OBLIGATION

- 20.1** 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.

NOTES TO THE FINANCIAL STATEMENTS

20.2 Summary

Year ended 31 March	Note	2025 Rs.'000	2024 Rs.'000
As at 1 April		109,180	88,465
Transfers		(343)	-
Charge for the year	20.2.1	32,236	34,662
Benefits paid		(12,138)	(13,947)
As at 31 March		128,935	109,180

20.2.1 Charge for the year

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Reported in Income Statement		
Current service cost	17,066	13,559
Interest cost	12,353	11,152
Service Cost	29,419	24,711
Reported in Other Comprehensive Income		
Net actuarial Loss recognised immediately to Other Comprehensive Income	2,817	9,951
Charge for the year	32,236	34,662

20.3 The Company obtained an actuarial valuation from an independent professional actuary, Messrs. Actuarial and Management Consultants (Pvt) Ltd, in March 2025, to ascertain the post-employment benefit obligation arising in respect of Gratuity.

The principal actuarial assumptions used in determining the liability were.

Year ended 31 March	2025	2024
Discount rate (per annum)	11%	12%
Future salary increase (per annum)	10.00%	11.00%
Retiring age	60 years	60 years

20.4 Sensitivity of assumptions employed in actuary valuation

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the post-employment benefit liability measurement.

31 March 2025 (Rs.'000)			
Increase / (decrease) in Discount Rate	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post-Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	122,254	(122,254)
(1%)	-	136,302	(136,302)
-	1%	136,885	(136,885)
-	(1%)	121,613	(121,613)

31 March 2024 (Rs.'000)			
Increase / (decrease) in Discount Rate	Increase/ (decrease) in Salary Increment	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on Post-Employment Benefit Obligation increase / (decrease) in the Liability
1%	-	103,448	(103,448)
(1%)	-	115,509	(115,509)
-	1%	115,997	(115,997)
-	(1%)	102,910	(102,910)

20.5 Distribution of Post-Employment Benefit Obligation Over Future Lifetime

The following table demonstrates distribution of the future working lifetime of the Post-Employment Benefit Obligation as at the reporting period.

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Less than or equal 1 year	14,864	13,661
Over 1 year and less than or equal 5 years	58,740	50,698
Over 5 year and less than or equal 10 years	37,219	29,351
Beyond 10 years	18,112	15,470
Total	128,935	109,180

NOTES TO THE FINANCIAL STATEMENTS

21 DEFERRED TAX LIABILITY

21.1

Year ended 31 March	Statement of Financial Position		Statement of Profit or Loss		Statement of Other Comprehensive Income	
	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000	2025 Rs. '000	2024 Rs. '000
Deferred Tax Liability						
Capital Allowance for tax Purpose	1,168,542	1,201,827	(20,307)	251,582	(12,978)	(268,378)
	1,168,542	1,201,827	-	-	-	-
Deferred Tax Assets						
Defined Benefit Plans	38,680	33,395	(4,440)	3,871	(845)	2,985
Net Lease Liability	2,429	2,358	(71)	73	-	-
Bad Debt Provision	252	945	693	(896)	-	-
Un-used Tax Losses	532,296	544,854	12,559	(244,261)	-	-
	573,657	581,552				
Net Deferred Tax Liability	594,885	620,275	-	-	-	-
Deferred Tax charge/(release)	-	-	(11,566)	10,369	(13,823)	(265,393)

21.2 The movement on the deferred income tax account is as follows:

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Deferred tax assets			
As at 01 April		581,552	819,780
Amount charged to Income Statement		(8,740)	(241,213)
Tax income recognised in Other Comprehensive Income		845	2,985
As at 31 March		573,657	581,552
Deferred tax liabilities			
As at 01 April		1,201,827	1,185,031
Income statement charge		(20,307)	(251,582)
		1,181,520	933,449
Deferred tax on revaluation gain		-	281,406
Deferred tax on amount transferred from revaluation reserve	28.1	(12,978)	(13,028)
As at 31 March		1,168,542	1,201,827
Deferred tax liabilities (net)		594,885	620,275

Deferred tax assets and liabilities as at reporting date, deferred tax charge/(release) in the income statement and deferred tax charge/(credit) in equity, are attributable to provision for retirement benefit obligations, accelerated tax depreciation, tax losses carried forward and asset revaluation. The deferred tax on amount transferred from revaluation reserve to retained earnings represents the deferred tax on the difference between the depreciation on revalued property, plant and equipment and the equivalent depreciation based on the historical cost of property, plant and equipment.

- 21.3** The unused tax losses amounted to Rs. 1,986,497,200/- (2024: Rs.2,686,627,364/-), which shall expire during the year of assesment as follows;

Description	Year of Assessment	Amount Rs. Mn	Expiry by (Year of Assessment)
Losses during the year	2019/20	42	2025/26
Losses during the year	2020/21	977	2026/27
Losses during the year	2021/22	558	2027/28
Losses during the year	2022/23	409	2028/29

21.4 Sensitivity of assumptions in key revenue variable

The following table demonstrates the sensitivity to a reasonably possible change in the key assumptions of revenue variables (Occupancy / ARR / No. of covers) with all other variables held constant to assess the recoverability of tax brought forward losses within the next five years.

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Brought Forward tax loss as at 01 April	2,686,627	2,619,375
Adjustment to the B/F losses	23,672	386,758
Actual tax Loss for the year	-	-
Tax losses utilised during the year	(723,786)	(319,507)
Carried Forward tax loss as at 31 March	1,986,513	2,686,627
Forecasted Taxable Income in next five years	5,360,379	5,890,234

	Increase / (decrease)	Sensitivity Effect on taxable income increase / (decrease) - Rs.'000
Occupancy Rate	5%	298,707
	(5%)	(299,293)
Average Room Rate	5%	303,707
	(5%)	(304,293)
Number of covers	5%	487,707
	(5%)	(467,293)

NOTES TO THE FINANCIAL STATEMENTS

22 LEASE LIABILITY

22.1 Movement of Operating Lease Liabilities

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Balance as at 01 April	19,036	19,043
Accretion of Interest	2,378	2,381
Payment to lease creditor	(2,388)	(2,388)
Balance as at 31 March	19,026	19,036
Current	2,386	2,388
Non-Current	16,640	16,648
	19,026	19,036

22.2 The following are the amount recognised in profit or loss:

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Depreciation expenses of right of use assets	247	247
Interest expense on lease liability	2,378	2,381
Total Amount recognised in profit and loss	2,625	2,628

The Company has built the Hotel on a land leased from Ceylon Tourist Board on a 99 year lease commencing from 9th May 1970 for which the Company pays a sum of Rs. 2.5 Mn annually as operating lease rental

22.3 Effect of the adoption of SLFRS 16 as at 01 April 2020

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
ASSETS		
Right of Use Asset	10,933	11,180
	10,933	11,180
EQUITY AND LIABILITIES		
Revenue reserves	-	-
Interest bearing borrowings/Lease liability	-	-
	-	-
Reconciliation of lease liability		
Operating lease commitments as at April 2024	19,036	19,043
Other adjustment that increase / (decrease) liability	(10)	(7)
Gross lease liabilities as at March 2025	19,026	19,036

22.4 Following is the maturity lease liability for future periods with interest cost

	0 to 3 Months	3 to 12 Months	1 to 5 Years	Above 5 Years
Lease Liability - Rs.'000	597	1,791	11,940	91,146

23 TRADE AND OTHER PAYABLES

Year ended 31 March	Note	2025 Rs.'000	2024 Rs.'000
Trade payables		271,699	382,874
Inter-company payables	30.6	811,799	795,343
Accrued expenses		213,046	183,326
Other payables		218,873	250,952
Trade and other payables		1,515,417	1,612,495

24 OTHER NON-FINANCIAL LIABILITIES

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Advances received for future reservations*	125,153	115,438
Other payables	29,759	22,156
Other non-financial liabilities	154,912	137,594

* The Company recognises advance payments received for future reservations as contract liabilities.

25 CONTINGENCIES**Contingent liabilities**

There were no contingent liabilities outstanding at the reporting date, except for pending litigation in relation to:

- (a) The application filed by legal counsel on behalf of the Company objecting the order made by the Learned Magistrate of Maligakanda Magistrate Court for the Company to pay 1% of the turnover of the Hotel as license fees to the Colombo Municipal Council (CMC). The Company filed a petition of appeal on 27 January 2011 in the court of appeal. The Court of appeal has abated the matter pending the decision of the court in the Writ Application filed challenging the levying of 1% of Turnover as License Duty.
- (b) There are fourteen cases filed by the Colombo Municipal Council at the Maligakanda Magistrate Court for operating a restaurant in the years 2009 (13219/M), 2010 (14158/M), 2011 (15464/R), 2013 (28930/14), 2014 (16397/15), 2015 (15580/16), 2016 (15689/17), 2017 (16909/18), 2018 (16251/19), 2019 (4689/20), 2020 (7579/21), 2021 (11639/22), 2022 (25128/23) and 2023 (37681/24), without obtaining a requisite license in terms of by-law No. 3 of the Bylaws of Colombo Municipal Council relating to eating houses published in the Government Gazette bearing No. 13,354 dated 19 October 1962. All cases, have concluded in the Magistrate's Court with the Hon. Magistrate holding against the Company and fining the Company LKR 100/-, for each case, which fine has been paid, as of date.
- (c) The writ application (766/2010) filed by the Company challenging, inter alia, the decision taken by Colombo Municipal Council to levy license fees equivalent to 1% of the total annual turnover as a precondition to the issue of the Annual Trade License for the years 2008, 2009 and 2010 in respect of the restaurant operated at hotel premises. Judgment of the Court of Appeal was given against the Hotel on 19 September 2019, while the cost was ordered, the same has not been quantified.

NOTES TO THE FINANCIAL STATEMENTS

- (d) The Sri Lanka Tourism Development Authority (SLTDA) has proposed an upward revision of the monthly lease rental payable by the Company. The Company has formally written to SLTDA requesting SLTDA to reconsider the proposed lease rental revision in light of Circular No. 2020/6 (Land Commissioner General's Department) As at the date of approval of these financial statements, the revised monthly lease rental has not been finalized. Accordingly, the possible financial effect if any is not yet reasonably estimable.

26 COMMITMENTS

(a) Capital commitments

The Company has no capital commitment as at the reporting date.

27 STATED CAPITAL

Year ended 31 March	2025		2024	
	Number '000	Rs.'000	Number '000	Rs.'000
Balance at beginning of the year	484,000	836,000	484,000	836,000
Balance at end of the year	484,000	836,000	484,000	836,000

28 RESERVES

Year ended 31 March	Note	2025 Rs.'000	2024 Rs.'000
Revaluation reserve	28.1	1,327,106	1,357,389
Total		1,327,106	1,357,389

28.1 Revaluation Reserve

The movement in the revaluation reserve is as follows.

Year ended 31 March	Note	2025 Rs.'000	2024 Rs.'000
At beginning of year		1,357,389	731,173
Revaluation gain during the year	12.1.1	-	938,021
Deferred tax on revaluation gain		-	(281,406)
Transfer to retained earnings*		(43,261)	(43,427)
Deferred tax on transfers to retained earnings		12,978	13,028
At end of year		1,327,106	1,357,389

*The amount transfer to retained earnings represents the current year's depreciation effect of the revaluation gain of previous years and the revaluation gain of those assets which were disposed or de-recognised during the year.

29. CASH GENERATED FROM OPERATIONS

29.1 Reconciliation of profit before tax to cash generated from operations:

Year ended 31 March	2025 Rs.'000	2024 Rs.'000
Profit before tax	539,587	254,653
Adjustments for:		
- Depreciation on Property, Plant and Equipment	214,111	161,640
- Amortisation on Right to use Assets	247	247
- Amortisation of intangible assets	5,660	5,662
- Provision for bad and doubtful debts	(2,309)	2,989
- Interest income	(4,731)	(5,774)
- Interest expense	162,267	274,721
- Foreign exchange (gain)/ loss	8,379	28,743
- Loss on disposal of Property, Plant and Equipment	1,524	893
- Post-employment benefit plans	29,419	24,711
Changes in working capital:		
- Receivable and pre-payments	(300,295)	(531,778)
- Inventories	25,334	(2,437)
- Payables	(85,387)	259,356
Net cash generated from/(used in) operations	593,806	473,626

29.2 Changes in liabilities arising from Financing activities

	Balance as at 01 April 2024 Rs.'000	Interest converted to loan Rs.'000	Cash Inflows Rs.'000	Cash Outflows Rs.'000	Exchange differences and other non-cash adjustments Rs.'000	Balance as at 31 March 2025 Rs.'000
Interest bearing Loans and Borrowings	1,670,473	-	-	(402,804)	(7,302)	1,260,367
Total Liabilities from Financing activities	1,670,473	-	-	(402,804)	(7,302)	1,260,367

	Balance as at 01 April 2023 Rs.'000	Interest converted to loan Rs.'000	Cash Inflows Rs.'000	Cash Outflows Rs.'000	Exchange differences and other non-cash adjustments Rs.'000	Balance as at 31 March 2024 Rs.'000
Interest bearing Loans and Borrowings	2,004,429	233,249	-	(310,176)	(257,029)	1,670,473
Total Liabilities from Financing activities	2,004,429	233,249	-	(310,176)	(257,029)	1,670,473

NOTES TO THE FINANCIAL STATEMENTS

30 RELATED PARTY DISCLOSURE

30.1 Non-recurrent related party transactions:

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity of 5% of the total assets whichever is lower of the Company as per 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 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.

30.2 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 Company as per 31st March 2025 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange Listing Rule 9.3.2 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.

30.2.1

Name of the related party	Relationship	Nature of the transaction	Aggregate value of Related Party Transactions entered into during the financial year Rs. '000	Aggregate value of Related Party Transactions as a% of Net Revenue Rs. '000	Terms & conditions of the Related Party Transactions
Hayleys PLC	Ultimate Parent	Rooms and banquet sales	37,784	0.7%	Recurrent
Hayleys PLC	Ultimate Parent	Purchase of goods / services	52,099	1.0%	Recurrent
Hayleys PLC	Ultimate Parent	Sectorial and administration charges	347,953	6.6%	Recurrent
Advantis Ships (Pvt) Ltd	Affiliate	Rooms and banquet sales	245	0.0%	Recurrent
Advantis Projects & Engineering (Pvt) Ltd	Affiliate	Purchase of goods / services	3,759	0.1%	Recurrent
Air Global (Pvt) Ltd	Affiliate	Rooms and banquet sales	3,482	0.1%	Recurrent
Alumex PLC	Affiliate	Rooms and banquet sales	6,800	0.1%	Recurrent
Bonterra Ltd	Affiliate	Rooms and banquet sales	76	0.0%	Recurrent
CEVA Logistics Lanka	Affiliate	Rooms and banquet sales	685	0.0%	Recurrent
Chas P Hayleys & Company (Pvt) Ltd	Affiliate	Rooms and banquet sales	660	0.0%	Recurrent
Clarrion Shipping (Pvt) Ltd	Affiliate	Rooms and banquet sales	8,019	0.2%	Recurrent
CMA CGM Lanka (Pvt)Ltd	Affiliate	Rooms and banquet sales	1,763	0.0%	Recurrent
COSCO Shipping Lines Lanka (Pvt) Ltd	Affiliate	Rooms and banquet sales	2,181	0.0%	Recurrent
Culture Club Resorts (Pvt) Ltd	Affiliate	Rooms and banquet sales	2,140	0.0%	Recurrent
Culture Club Resorts (Pvt) Ltd	Affiliate	Marketing and promotional fees	4,440	0.1%	Recurrent
Culture Club Resorts (Pvt) Ltd	Affiliate	Sectorial and administration charges	60	0.0%	Recurrent
Dipped Products PLC	Affiliate	Rooms and banquet sales	7,540	0.1%	Recurrent
Fentons Ltd	Affiliate	Rooms and banquet sales	13,854	0.3%	Recurrent
Fentons Ltd	Affiliate	Purchase of goods / services	15,362	0.3%	Recurrent
Haycarb PLC	Affiliate	Rooms and banquet sales	4,662	0.1%	Recurrent
Hayleylines Ltd	Affiliate	Rooms and banquet sales	290	0.0%	Recurrent

Name of the related party	Relationship	Nature of the transaction	Aggregate value of Related Party Transactions entered into during the financial year Rs. '000	Aggregate value of Related Party Transactions as a% of Net Revenue Rs. '000	Terms & conditions of the Related Party Transactions
Hayleys Advantis Ltd	Affiliate	Rooms and banquet sales	11,001	0.2%	Recurrent
Hayleys Agriculture Holdings Ltd	Affiliate	Rooms and banquet sales	2,153	0.0%	Recurrent
Hayleys Agriculture Holdings Ltd	Affiliate	Purchase of goods / services	8,778	0.2%	Recurrent
Hayleys Aventura (Pvt) Ltd	Affiliate	Rooms and banquet sales	11,250	0.2%	Recurrent
Hayleys Aventura (Pvt) Ltd	Affiliate	Purchase of goods / services	756	0.0%	Recurrent
Hayleys Aviation & Projects (Pvt) Ltd	Affiliate	Rooms and banquet sales	7,917	0.2%	Recurrent
Hayleys Business Solutions (Pvt) Ltd	Affiliate	Rooms and banquet sales	4,550	0.1%	Recurrent
Hayleys Business Solutions (Pvt) Ltd	Affiliate	Purchase of goods / services	4,916	0.1%	Recurrent
Hayleys Consumer Products Ltd	Affiliate	Rooms and banquet sales	754	0.0%	Recurrent
Hayleys Consumer Products Ltd	Affiliate	Purchase of goods / services	11,275	0.2%	Recurrent
Hayleys Energy Services Lanka (Pvt) Ltd	Affiliate	Rooms and banquet sales	722	0.0%	Recurrent
Hayleys Fabric PLC	Affiliate	Rooms and banquet sales	10,587	0.2%	Recurrent
Hayleys Fibre PLC	Affiliate	Rooms and banquet sales	690	0.0%	Recurrent
Hayleys Free Zone Ltd	Affiliate	Rooms and banquet sales	430	0.0%	Recurrent
Hayleys Leisure PLC	Affiliate	Rooms and banquet sales	1,838	0.0%	Recurrent
Hayleys Leisure PLC	Affiliate	Sectorial and administration charges	(270,739)	-5.1%	Recurrent
Hayleys Leisure PLC	Affiliate	Purchase of goods / services	89,399	1.7%	Recurrent
Hayleys Leisure PLC	Affiliate	Sectorial and administration charges	467,219	8.9%	Recurrent
Hayleys Lifesciences	Affiliate	Rooms and banquet sales	290	0.0%	Recurrent
Hayleys Travels (Pvt) Ltd	Affiliate	Rooms and banquet sales	11,099	0.2%	Recurrent
Hayleys Travels (Pvt) Ltd	Affiliate	Purchase of goods / services	2,255	0.0%	Recurrent
Haymat (Pvt) Ltd	Affiliate	Rooms and banquet sales	24	0.0%	Recurrent
Horana Plantation	Affiliate	Rooms and banquet sales	843	0.0%	Recurrent
IML Delivery Systems (Pvt) Ltd	Affiliate	Purchase of goods / services	38	0.0%	Recurrent
Kandyan Resorts (Pvt) Ltd	Affiliate	Rooms and banquet sales	191	0.0%	Recurrent
Kandyan Resorts (Pvt) Ltd	Affiliate	Marketing and promotional fees	5,039	0.1%	Recurrent
Kelani Valley Plantations PLC	Affiliate	Rooms and banquet sales	3,142	0.1%	Recurrent
Logiwiz Ltd	Affiliate	Purchase of goods / services	1,994	0.0%	Recurrent
Luxury Resorts (Pvt) Ltd	Affiliate	Rooms and banquet sales	83	0.0%	Recurrent

NOTES TO THE FINANCIAL STATEMENTS

Name of the related party	Relationship	Nature of the transaction	Aggregate value of Related Party Transactions entered into during the financial year Rs. '000	Aggregate value of Related Party Transactions as a% of Net Revenue Rs. '000	Terms & conditions of the Related Party Transactions
Luxury Resorts (Pvt) Ltd	Affiliate	Sectorial and administration charges	68,232	1.3%	Recurrent
Luxury Resorts (Pvt) Ltd	Affiliate	Sectorial and administration charges	305,321	5.8%	Recurrent
Mabroc Teas (Pvt) Ltd	Affiliate	Rooms and banquet sales	2,585	0.0%	Recurrent
Mabroc Teas (Pvt) Ltd	Affiliate	Purchase of goods / services	5,512	0.1%	Recurrent
Martin Bauer Hayleys (Private) Limited	Affiliate	Rooms and banquet sales	2,056	0.0%	Recurrent
Millennium Transportation (Pvt) Ltd	Affiliate	Rooms and banquet sales	23	0.0%	Recurrent
North South Lines (Pvt) Ltd	Affiliate	Rooms and banquet sales	6,212	0.1%	Recurrent
Ocean Network Express Lanka (Pvt) Ltd	Affiliate	Rooms and banquet sales	100	0.0%	Recurrent
Quality Seed Co. (Pvt) Ltd	Affiliate	Purchase of goods / services	1,146	0.0%	Recurrent
Ravi Industries Ltd	Affiliate	Rooms and banquet sales	549	0.0%	Recurrent
Ravi Industries Ltd	Affiliate	Purchase of goods / services	198	0.0%	Recurrent
Rileys (Pvt) Ltd	Affiliate	Rooms and banquet sales	1,376	0.0%	Recurrent
S&T Interiors (Pvt) Ltd	Affiliate	Rooms and banquet sales	1,853	0.0%	Recurrent
Singer Finance (Lanka) PLC	Affiliate	Rooms and banquet sales	2,314	0.0%	Recurrent
Singer Sri Lanka PLC	Affiliate	Rooms and banquet sales	10,330	0.2%	Recurrent
Singer Sri Lanka PLC	Affiliate	Purchase of goods / services	4,972	0.1%	Recurrent
Sri Lanka Shipping Company Ltd	Affiliate	Rooms and banquet sales	681	0.0%	Recurrent
Sun Tan Beach Resorts Ltd	Affiliate	Rooms and banquet sales	2,059	0.0%	Recurrent
Sun Tan Beach Resorts Ltd	Affiliate	Marketing and promotional fees	3,166	0.1%	Recurrent
Talawakelle Tea Estates PLC	Affiliate	Rooms and banquet sales	537	0.0%	Recurrent
Talawakelle Tea Estates PLC	Affiliate	Purchase of goods / services	700	0.0%	Recurrent
Toyo Cushion Lanka (Pvt) Ltd	Affiliate	Rooms and banquet sales	106	0.0%	Recurrent
Total Transport Solutions Maldives (Pvt) Ltd	Affiliate	Rooms and banquet sales	133	0.0%	Recurrent
Unisyst Engineering Ltd	Affiliate	Rooms and banquet sales	425	0.0%	Recurrent
Volanka (Pvt) Ltd	Affiliate	Rooms and banquet sales	2,009	0.0%	Recurrent
			1,324,945	10.2%	

30.3 Parent and ultimate controlling party

Hayleys PLC holds 59.48% controlling interest of The Kingsbury PLC.

30.4 Transactions with the related parties during the year were as follows:

Year ended 31 March Nature of Transaction	Parent **		Fellow subsidiaries		Entities connected to KMP		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Rooms and banquet sales	37,784	44,817	153,311	164,158	168,540	60,779	359,635	269,754
Purchase of goods / services	52,099	54,468	151,059	168,207	9,917	-	213,075	222,675
Marketing and promotional fees	-	-	12,645	228,724	-	-	12,645	228,724
Sectorial and administration charges	347,953	363,712	570,093	100,000	-	-	918,046	463,712

30.5 Outstanding receivables balance arising from the above transactions:

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Ultimate Parent		6,842	11,530
Affiliated Other companies		960,171	567,035
Inter-company receivable	30.5.1	967,013	578,565
Entities connected to KMP		26,078	13,843

30.5.1 Outstanding inter-company receivables

Year ended 31 March	Relationship	2025 Rs. '000	2024 Rs. '000
Hayleys PLC	Ultimate Parent	6,842	11,530
Advantis Express (Pvt) Ltd	Affiliate	-	39
Air Global (Pvt) Ltd	Affiliate	280	9
Alumex PLC	Affiliate	711	651
Bonterra Ltd	Affiliate	-	295
Clarion Shipping (Pvt) Ltd	Affiliate	533	66
COSCO Shipping Lines Lanka (Pvt) Ltd	Affiliate	38	-
Culture Club Resorts (Pvt) Ltd	Affiliate	-	11
Dipped Products PLC	Affiliate	352	753
Fentons Limited	Affiliate	957	955
Haycarb PLC	Affiliate	1,192	943
Hayleylines Ltd	Affiliate	123	-
Hayleys Advantis Limited	Affiliate	492	-
Hayleys Agriculture Holdings Limited	Affiliate	-	899
Hayleys Aventura (Pvt) Ltd	Affiliate	2,209	11,380
Hayleys Aviation & Projects (Pvt) Ltd	Affiliate	65	-
Hayleys Business Solutions International (Pvt) Ltd	Affiliate	-	107
Hayleys Consumer Products Ltd	Affiliate	42	-
Hayleys Fabric PLC	Affiliate	169	1,599
Hayleys Fibre PLC	Affiliate	-	56

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March	Relationship	2025 Rs. '000	2024 Rs. '000
Hayleys Free Zone Limited	Affiliate	-	176
Hayleys Leisure PLC	Affiliate	227,354	241,425
Hayleys Travels (Pvt) Ltd	Affiliate	34,030	2,480
Haymat (Pvt) Ltd	Affiliate	11	-
Kandyan Resorts (Pvt) Ltd	Affiliate	16,562	2,913
Luxury Resorts (Pvt) Ltd	Affiliate	672,012	299,332
Mabroc Teas (Pvt) Ltd	Affiliate	797	-
Millennium Transportation (Pvt) Ltd	Affiliate	-	34
North South Lines (Pvt) Ltd	Affiliate	-	133
Ocean Network Express Lanka (Pvt) Ltd	Affiliate	-	227
Rileys (Pvt) Limited	Affiliate	-	135
S & T Interiors (Pvt) Ltd	Affiliate	1,123	144
Singer Finance (Lanka) PLC	Affiliate	99	334
Singer Sri Lanka PLC	Affiliate	179	262
Sun Tan Beach Resorts Ltd	Affiliate	-	11
Talawakelle Tea Estates PLC	Affiliate	-	1,342
Toyo Cushion Lanka (Pvt) Ltd	Affiliate	42	-
Total Transport Solutions Maldives (Pvt) Ltd	Affiliate	-	29
Unisyst Engineering Ltd	Affiliate	-	295
Volanka (Pvt) Ltd	Affiliate	799	-
		967,013	578,565

30.6 Outstanding payable balance arising from the above transactions:

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Ultimate Parent		799,776	756,928
Affiliated Other companies		12,023	38,415
Inter-company payable	30.6.1	811,799	795,343

All the above related party transactions have been conducted on relevant commercial terms with the respective parties. All related party outstanding balances at the year-end are unsecured, interest free other than in the case of funding arrangements, and are to be settled in cash or its equivalents.

30.6.1 Outstanding inter-company payables

Year ended 31 March	Relationship	2025 Rs '000	2024 Rs '000
Hayleys PLC	Ultimate Parent	799,776	756,928
Fentons Limited	Affiliate	3,524	24,712
Hayleys Agriculture Holdings Limited	Affiliate	966	768
Hayleys Business Solutions International (Pvt) Ltd	Affiliate	579	1,126
Hayleys Consumer Products Ltd	Affiliate	686	1,877
Kandyan Resorts (Pvt) Ltd	Affiliate	-	111
Logiwiz Ltd	Affiliate	166	281
Singer Sri Lanka PLC	Affiliate	2,531	652
IML Delivery Systems (Pvt) Ltd	Affiliate	4	4
Mabroc Teas (Pvt) Ltd	Affiliate	385	1,180
Hayleys Aviation & Projects (Pvt) Ltd	Affiliate	-	4,620
Hayleys Travels (Pvt) Ltd	Affiliate	147	-
Delmege Forsyth & Company Ltd	Affiliate	1,957	2,724
Royal Ceramics Lanka PLC	Affiliate	518	360
Royal Bathware Ltd	Affiliate	257	-
Talawakelle Tea Estates PLC	Affiliate	65	-
Ravi Industries Ltd	Affiliate	29	-
Hayleys Advantis Projects & Engineering (Pvt) Ltd	Affiliate	208	-
		811,799	795,343

30.7 Key management compensation

The Key Management Personnel (KMP) of the Company are the members of its Board of Directors and that of its parent.

30.8 Terms and Conditions of Transactions with Related Parties and KMP:

The sales to and purchases from related parties and KMP are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Year ended 31 March	2025 Rs. '000	2024 Rs. '000
a. Key Management Personnel Compensation		
Short-term employee benefits	77,705	84,061
Directors Emoluments	5,325	6,200
	83,030	90,261
b. Transactions, with KMP and their close family members		
Rooms and banquet sales	178,457	60,779
c. Outstanding receivable balance arising from above transactions	26,078	13,843

NOTES TO THE FINANCIAL STATEMENTS

31. GOING CONCERN

The Kingsbury PLC being a leading 5 star hotel in the city of Colombo, reported a profit after tax amounting to Rs. 551 Mn with a remarkable turnaround from the adverse conditions that prevailed over the past five years. In determining the basis of preparation of the Financial Statements for the year ended 31 March 2025, based on the assessment made by the management there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a Going Concern. The Company continued to place emphasis on undrawn facilities and improved cashflow generated from the operation to meet short, medium, and long-term fund requirements, unforeseen obligations as well as unanticipated opportunities.

Having anticipated the financial impact and relatable adverse effects, the Company undertook rigorous cost management measures and alternate revenue generating avenues were also introduced to ensure business continuity. Furthermore, the Company has proactively approached Financial Institutions to negotiate and enable funding mechanisms to counter upcoming funding requirements. Having considered possible scenarios, the Board of Directors is satisfied that the Company has sufficient capital to continue in operational existence for the foreseeable future

32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments of the Company comprise financial assets and financial liabilities. Fair value is the amount at which the financial assets could be exchanged or a financial liability transferred, between knowledgeable and willing parties in an arm's length transaction. The information presented herein represents the determination of fair values as at the reporting date.

32.1 Financial Instruments carried at Fair Value

The Company does not have any financial instruments that are carried at Fair value as at the reporting date.

32.2 Financial Instruments not carried at Fair Value

Given below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the Financial Statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

Year ended 31 March	2025		2024	
	Carrying Value Rs.'000	Fair Value Rs.'000	Carrying Value Rs.'000	Fair Value Rs.'000
Financial assets				
Cash and bank	95,743	95,743	147,035	147,035
Trade and other receivables	1,186,432	1,186,432	870,866	870,866
	1,282,175	1,282,175	1,017,901	1,017,901
Financial liabilities				
Trade and other payables	1,515,417	1,515,417	1,612,495	1,612,495
Interest-bearing loans and borrowings	1,648,602	1,648,602	1,971,391	1,971,391
	3,164,019	3,164,019	3,583,886	3,583,886

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the Financial Statements:

Other current financial assets, trade and other receivables and trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value closely approximates with its fair values.

Trade and other payables

For the above, instruments with maturities of less than 12 months, the carrying value is reasonably estimate of its fair values.

Interest-bearing loans and borrowings

All the borrowings are obtained at variable interest rates. Hence the carrying value closely approximates with its fair values.

33. RISK MANAGEMENT

33.1 Introduction

The Company has exposure to the following risks from its financial instruments;

1. Credit risk
2. Liquidity risk
3. Market risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework, which includes developing and monitoring the Company's risk management policies.

NOTES TO THE FINANCIAL STATEMENTS

The Audit Committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by it. The Audit Committee is assisted in its oversight role by the Management Audit System Review Department (MASRD) of Hayleys PLC. MASRD undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

33.2 Credit Risk

(a) Introduction

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Company has an established credit policy under which each new customer is reviewed individually for credit worthiness before standard payment and delivery terms are offered to the customer. The credit review includes bank and other reputed company references. Credit granted is subject to regular review, to ensure it remains consistent with the customer's creditworthiness in relations to the anticipated volume of business.

The maximum exposure to credit risk is represented by the carrying value of each financial asset on the reporting date.

(b) The maximum exposure to credit risk at the reporting date

Year ended 31 March	Note	2025 Rs. '000	2024 Rs. '000
Trade and other receivables	16	1,186,432	870,866

(c) The ageing of the trade receivable at the reporting date

Year ended 31 March	Gross Receivable		Impairment Allowance*		Carrying Value	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Not due 0 - 30 days	306,574	179,984	-	-	306,574	179,984
Past due:						
Past due 31 - 60 days	49,468	88,415	-	-	49,468	88,415
Past due 61 - 90 days	(31,744)	(252)	-	-	(31,744)	(252)
Past due 91 - 120 days	82,231	140,010	-	-	82,231	140,010
Past due 121 - 180 days	21,964	141,053	-	-	21,964	141,053
More than 180 days	758,779	324,805	840	3,149	757,939	321,656
Total	1,187,272	874,015	840	3,149	1,186,432	870,866

* Movement in the Impairment Allowance

	2025 Rs.'000	2024 Rs.'000
Balance as at 01 April	3,149	6,138
Impairment recognised	(2,309)	(2,989)
Written-off	-	-
Balance as at 31 March	840	3,149

33.3 Liquidity Risk**(a) Introduction**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(b) The following are the contractual maturities of financial liabilities at its carrying value:

Year ended 31 March 2025	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3 to 12 Months Rs.'000	More than 1 Year Rs.'000
Trade and other payables	1,515,417	565,123	950,294	-
Interest-bearing borrowings	1,648,602	388,236	349,493	910,873
	3,164,019	953,359	1,299,787	910,873

Year ended 31 March 2024	Contractual maturities of financial liabilities			
	Carrying amount Rs.'000	Up to 3 Months Rs.'000	3 to 12 Months Rs.'000	More than 1 Year Rs.'000
Trade and other payables	1,612,495	1,179,825	432,670	-
Interest-bearing borrowings	1,971,391	300,917	410,107	1,260,367
	3,583,886	1,480,742	842,777	1,260,367

NOTES TO THE FINANCIAL STATEMENTS

The liquidity risk management

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach.

The business units attempt to match cash outflows in each time bucket against the combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement, or other secured borrowings.

The Company continued to place emphasis on ensuring that undrawn committed facilities and the ultimate parent company's affirmation (refer Note 30.4) on its intention and ability to secure funding are sufficient to meet the short, medium and long-term funding requirements, unforeseen obligations as well as unanticipated opportunities.

Further the Company is in constant dialogue with banks regarding financing requirements including re-scheduling loan arrangements in-light with government introduced funding mechanisms aimed at providing assistance to overcome the liquidity concerns associated to the tourism industry. The Company continues to differ its essential expenditure to maintain a better cash position.

The daily cash management processes at the business units include active cash flow forecasts and matching the duration and profiles of assets and liabilities, thereby ensuring a prudent balance between liquidity and earnings.

(c) **If interest rate increased or decreased by 1% the effect of the same to the interest expenses and liability would be:**

Year ended 31 March 2025 increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on borrowings liability increase / (decrease) in the Liability
1%	(11,902)	11,902
(1%)	11,902	(11,902)

Year ended 31 March 2024 increase / (decrease) in interest rate	Sensitivity Effect on Comprehensive Income increase / (decrease) in results for the year	Sensitivity Effect on borrowings liability increase / (decrease) in the Liability
1%	(19,714)	19,714
(1%)	19,714	(19,714)

33.4 Market Risk

(a) **Introduction**

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to the changes in market prices. Mainly the changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

(b) **Foreign currency risk**

The Company is exposed to foreign currency risk on revenue, purchases, borrowings and cash deposits denominated in currencies other than the functional currency of the Company. The currencies giving rise to this risk are primarily US dollars, Sterling pounds, Euro and Japanese yen.

If market rate appreciates or depreciates by 1% the effect of the same to the exchange gain/(loss) would be:

Year ended 31 March 2025	Increase / (decrease) in market rate Rs.'000	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs.'000
	1%	(84)
	(1%)	84

Year ended 31 March 2024	Increase / (decrease) in market rate Rs.'000	Sensitivity Effect on Comprehensive Income increase/(decrease) in results for the year Rs.'000
	1%	(40)
	(1%)	40

34. CAPITAL MANAGEMENT

The Company's capital structure consists of debt, which includes the loans and borrowings disclosed in Note 19 cash and cash equivalents disclosed in Note 18 and the equity, comprising share capital, reserves and retained earnings/ (losses), as disclosed in the statement of changes in equity. The Company seeks to maintain a balance between the higher returns that might be possible with reasonable levels of borrowings obtained to fund its long-term projects as the Hotel underwent upgrading.

35. EVENTS OCCURRING AFTER THE REPORTING DATE

There were no significant events subsequent to the balance sheet date which is required to be disclosed in the Financial Statements.

36. COMPARATIVE INFORMATION

Company

The following comparative figures have been classified in the Statement of Financial Position to improve the comparability of financial statements in order to provide a better presentation.

Statement of Financial Position

Year ended 31 March 2024 (Rs.'000)		Previously Reported Rs.'000	Reclassification Rs.'000	Adjustment Rs.'000
Trade and other payables	Non-current	-	351,454	(351,454)
Trade and other payables	Current	1,612,495	1,261,041	351,454

SUPPORTING A STORY OF HAPPINESS

Every detail at The Kingsbury contributes to the richness of our story of happiness. From our practices and commitments, to the values that guide us, each layer of care and dedication helps shape who we are today and who we aspire to be in the future.



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INFORMATION TO SHAREHOLDERS

ORDINARY SHAREHOLDERS AS AT 31ST MARCH 2025

Ordinary Shareholders as a 31st March 2025 - 5,066 (as at 31st March 2024 - 4,661)

No. of shares held	Residents			Non-Residents			Total		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
1 - 1000	2,781	872,622	0.18	10	4,550	0.00	2,791	877,172	0.18
1,001 - 10,000	1,581	5,888,046	1.22	20	98,120	0.02	1,601	5,986,166	1.24
10,001 - 100,000	532	17,320,285	3.58	4	161,718	0.03	536	17,482,003	3.61
100,001 - 1,000,000	111	31,799,385	6.57	1	140,000	0.03	112	31,939,385	6.60
Over 1,000,000	26	427,715,274	88.37	-	-	-	26	427,715,274	88.37
	5,031	483,595,612	99.92	35	404,388	0.08	5,066	484,000,000	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	4,829	89,404,052	18.47	35	404,388	0.08	4,864	89,808,440	18.56
Institutions	202	394,191,560	81.44	-	-	-	202	394,191,560	81.44
	5,031	483,595,612	99.92	35	404,388	0.08	5,066	484,000,000	100.00

SHARE TRADING INFORMATION

For the Twelve months ended 31st March		2025		2024	
			Date		Date
Highest Price	Rs.	14.50	1/24/25	12.5	9/11/23
Lowest Price	Rs.	8.90	9/18/24	8.3	6/1/23
Closing Price	Rs.	11.90		10.8	
No. of transactions		11,576		7,268	
No. of shares traded		72,782,565		57,676,313	
Value of shares traded	Rs.	892,068,058		630,499,103	

No.	Name of Shareholder	No. of Shares as at 31/03/2025	%	No. of Shares as at 31/03/2024	%
1	Hayleys PLC	174,614,114	36.08	174,614,114	36.08
2	Carbotels (Pvt) Limited	113,250,000	23.40	113,250,000	23.40
3	Employee's Provident Fund	51,089,884	10.56	51,119,894	10.56
4	Mr. Kulappu Arachchige Don Harindra Perera	15,096,347	3.12	15,096,347	3.12
5	Mr. Kulappu Arachchige Don Anurada Perera	13,346,626	2.76	13,346,626	2.76
6	Bank of Ceylon-No2 A/C (BOC PTF)	10,010,351	2.07	10,860,351	2.24
7	Mr. Kulappu Arachchige Don Dammika Perera	6,432,292	1.33	6,432,292	1.33
8	Renuka Hotels PLC	4,742,600	0.98	4,742,600	0.98
9	Renuka City Hotels PLC	4,520,600	0.93	4,520,600	0.93
10	Renuka Consultants & Services Limited	3,670,200	0.76	3,670,200	0.76
11	Mr. Narawala Gamage Mahinda	3,403,529	0.70	2,927,585	0.60
12	People's Leasing & Finance PLC/ L. P. Hapangama	2,950,287	0.61	2,455,400	0.51
13	Mr. Shiran Harsha Amarasekera	2,534,000	0.52	2,149,000	0.44
14	Mr. Amarakoon Mudiyansele Weerasinghe	2,507,771	0.52	2,507,771	0.52
15	Mr. Gonalagodaghe Buwaneka Dinuwan Thilakaratne	2,500,000	0.52	788,820	0.16
16	Mr. Addara Pathiranage Somasiri	2,200,000	0.45	2,200,000	0.45
17	Cargo Boat Development Company PLC	2,020,200	0.42	2,020,200	0.42
18	Seylan Bank PLC/ Andaradeniya Estate (Pvt) Ltd	1,700,000	0.35	0	0.00
19	J. B. Cocoshell (Pvt) Ltd	1,673,554	0.35	1,635,344	0.34
20	Sampath Bank PLC/ Mrs. Priyani Dharshini Ratnagopal	1,650,000	0.34	1,700,000	0.35
	Others	64,087,645	13.24	67,962,856	14.04
		484,000,000	100.00	484,000,000	100.00

*There were no non-voting shares as at 31st March 2025.

	No. of Shares as at 31/03/2025	No. of Shares as at 31/03/2024
Market Capitalisation	5,759,600,000	5,227,200,000
Float - Adjusted Market Capitalisation	2,255,985,268.60	2,047,494,240.00
Minimum public holding requirement	20.00%	20.00%
Percentage of Public Holding	39.17%	39.17%
Total no. of shareholders representing public holding	5,027	4,657

The Company complies with option 5 of the Listing Rules 7.13.1 (i) (a) which requires a minimum public holding of 20% for a Company having a float adjusted market capitalisation of less than Rs. 2.5 Bn.

TEN YEAR FINANCIAL SUMMARY

Year ended 31 March	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
OPERATING RESULTS										
Revenue	5,327,046	5,266,787	3,817,614	2,021,666	777,923	1,843,754	2,956,631	3,085,143	3,061,048	2,702,581
Cost of sales	(2,771,802)	(2,774,366)	(2,398,328)	(1,544,454)	(862,849)	(1,222,437)	(1,526,383)	(1,630,688)	(1,469,351)	(1,264,925)
Gross Profit/(Loss)	2,555,244	2,492,421	1,419,286	477,212	(84,926)	621,317	1,430,248	1,454,455	1,591,697	1,437,656
Other income and (expenses)	20,352	14,347	7,505	25,406	33,405	85,644	(28,985)	12,541	(4,503)	2,918
Administrative expenses	(1,777,934)	(1,869,081)	(1,412,003)	(801,228)	(702,416)	(883,719)	(1,020,714)	(1,060,184)	(919,108)	(790,370)
Marketing expenses	(92,160)	(85,344)	(54,261)	(47,811)	(45,342)	(112,583)	(150,783)	(137,734)	(129,346)	(122,455)
Finance income	13,994	6,047	18,195	25,633	601	6,309	9,281	8,765	20,905	18,393
Finance expense	(179,909)	(303,737)	(383,574)	(135,750)	(82,717)	(122,101)	(66,259)	(89,914)	(134,629)	(188,283)
Profit/(Loss) before tax	539,587	254,653	(404,852)	(456,538)	(881,394)	(405,133)	172,788	187,929	425,016	357,860
Income Tax (Charge) / Reversal	11,566	9,432	(147,621)	29,702	123,200	12,284	(72,011)	(48,775)	(44,670)	(64,493)
Net Profit/(Loss) after tax	551,153	264,085	(552,473)	(426,836)	(758,194)	(392,849)	100,777	139,154	380,346	293,367
ASSETS EMPLOYED										
Non-current assets										
Property, plant and equipment	4,431,680	4,497,314	3,631,703	3,751,328	3,856,101	4,095,352	3,690,668	3,898,611	3,860,890	3,791,472
Intangible assets	15,741	20,639	16,843	5,952	7,250	11,374	17,128	21,214	25,517	24,110
Right of use asset	10,933	11,180	11,427	11,674	11,921	12,168	-	-	-	-
	4,458,354	4,529,133	3,659,973	3,768,954	3,875,272	4,118,894	3,707,796	3,919,825	3,886,407	3,815,582
Current assets										
Cash and cash equivalents	95,743	147,035	167,386	112,265	13,571	63,947	253,156	294,984	496,742	517,047
Current assets other than cash and cash equivalents	1,426,444	1,146,183	615,894	423,107	227,339	398,780	351,539	321,658	327,552	307,796
	1,522,187	1,293,218	783,280	535,372	240,910	462,727	604,694	616,642	824,294	824,842
Total assets	5,980,541	5,822,351	4,443,253	4,304,326	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701	4,640,424
SHAREHOLDER'S FUND										
Stated capital	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000	836,000
Reserves	1,327,106	1,357,389	731,173	870,444	816,874	833,924	826,093	904,808	940,907	905,830
Retained earnings	(247,942)	(842,609)	(1,143,155)	(579,342)	(167,943)	565,212	911,606	793,072	613,646	440,154
	1,915,164	1,350,780	424,018	1,127,102	1,484,931	2,235,136	2,573,699	2,533,880	2,390,553	2,181,984
LIABILITIES										
Non-current liabilities										
Non-current liabilities other than borrowings	1,191,312	1,099,157	474,352	171,743	194,573	318,876	335,880	282,418	246,327	164,366
Borrowings	910,873	1,260,367	918,580	1,036,859	1,049,209	574,469	550,610	510,618	942,101	1,380,820
	2,102,185	2,359,524	1,392,932	1,208,601	1,243,782	893,345	886,490	793,036	1,188,428	1,545,186
Current liabilities										
Current liabilities other than borrowings and overdraft	1,225,463	1,401,023	1,300,243	993,598	785,505	752,255	388,855	462,197	562,965	386,163
Current portion of borrowings and bank overdraft	737,729	711,024	1,326,060	975,024	601,964	700,885	463,446	747,354	568,755	527,091
	1,963,192	2,112,047	2,626,303	1,968,622	1,387,469	1,453,140	852,301	1,209,551	1,131,720	913,254
Total equity and liabilities	5,980,541	5,822,351	4,443,253	4,304,325	4,116,182	4,581,621	4,312,490	4,536,467	4,710,701	4,640,424

KEY INDICATORS

		2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
		Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Current ratio	No. of Times	0.78	0.61	0.30	0.27	0.17	0.32	0.71	0.51	0.73	0.90
Net assets per share	(Rs.)	3.96	2.79	0.88	2.33	3.07	4.62	10.64	10.47	9.88	9.02
Market price per share	(Rs.)	11.90	10.80	9.90	8.00	6.00	8.70	12.80	18.00	15.50	15.00
Earnings per share	(Rs.)	1.14	0.55	(1.14)	(0.88)	(1.57)	(0.81)	0.42	0.58	1.57	1.21
Price earnings ratio	No. of Times	10.45	19.79	(8.67)	(9.07)	(3.83)	(5.36)	30.74	31.30	9.86	12.37
Gearing	%	46.26	59.34	84.11	64.09	49.68	35.93	27.48	32.70	37.81	46.21
Dividend per share	(Rs.)	-	-	-	-	-	-	-	0.25	0.25	0.15
Dividend pay out ratio	%	-	-	-	-	-	-	-	86.95	31.81	24.75

GRI CONTENT INDEX

Statement of use	The Kingsbury PLC has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025
GRI 1 used	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							
	2-1 Organisational details	About Us	08-09				
GRI 2: General Disclosures 2021	2-2 Entities included in the organisation's sustainability reporting	About This Report	06-07				A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	2-3 Reporting period, frequency and contact point	About This Report	06-07				
	2-4 Restatements of information	About This Report	06-07				
	2-5 External assurance	About This Report	06-07				
	2-6 Activities, value chain and other business relationships	Value Creation Model	26-27	None			
	2-7 Employees	Human Capital	52-58	None			
	2-8 Workers who are not employees	Human Capital	52-58	None			
	2-9 Governance structure and composition	Corporate Governance	84-102	None			
	2-10 Nomination and selection of the highest governance body	Corporate Governance	84-102	None			
	2-11 Chair of the highest governance body	Corporate Governance	84-102	None			
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance	84-102	None			
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	84-102	None			
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance	84-102	None			
	2-15 Conflicts of interest	Corporate Governance	84-102	None			
	2-16 Communication of critical concerns	Corporate Governance	84-102	None			
	2-17 Collective knowledge of the highest governance body	Corporate Governance	84-102	None			
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	84-102	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	2-19 Remuneration policies	Corporate Governance	84-102	None			
	2-20 Process to determine remuneration	Corporate Governance	84-102	None			
	2-21 Annual total compensation ratio	Corporate Governance	84-102	None			
	2-22 Statement on sustainable development strategy	Corporate Governance	84-102	None			
	2-23 Policy commitments	Corporate Governance	84-102	None			
	2-24 Embedding policy commitments	Corporate Governance	84-102	None			
	2-25 Processes to remediate negative impacts	Corporate Governance	84-102	None			
	2-26 Mechanisms for seeking advice and raising concerns	Corporate Governance	84-102	None			
	2-27 Compliance with laws and regulations	Corporate Governance	84-102	None			
	2-28 Membership associations	Intellectual Capital	59-62	None			
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	31-34	None			
	2-30 Collective bargaining agreements			2-30	Not applicable	Not relevant to the Company's operations	
Material topics							
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				
Economic performance							
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 / Risk management	72-79 /103-108	None			
	201-3 Defined benefit plan obligations and other retirement plans	Notes to Financial Statements	133-169	None			
	201-4 Financial assistance received from government			201-4	Not applicable		

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			202-1	Confidentiality constrains		
	202-2 Proportion of senior management hired from the local community	Human Capital	52-58	None			
Indirect economic impacts							
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	67-71	None			
	203-2 Significant indirect economic impacts	Social & Relationship Capital	67-71	None			
Procurement practices							
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	67-71	None			
Anti-corruption							
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	84-102	None			
	205-2 Communication and training about anti-corruption policies and procedures	Corporate Governance	84-102	None			
	205-3 Confirmed incidents of corruption and actions taken	Corporate Governance	84-102	None			
Anti-competitive behaviour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40z	None			
GRI 206: Anti- competitive Behaviour 2016	206-1 Legal actions for anti- competitive behaviour, anti- trust, and monopoly practices	Corporate Governance	84-102	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Tax							
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	84-102	None			
	207-2 Tax governance, control, and risk management	Corporate Governance	84-102	None			
	207-3 Stakeholder engagement and management of concerns related to tax	Corporate Governance	84-102	None			
	207-4 Country-by-country reporting			207-4	Not applicable	Not relevant to the Company's operations	
Materials							
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	72-79	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	
Energy							
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 organisation	Natural Capital	72-79	None			
	302-2 Energy consumption outside of the organisation				Information unavailable/ incomplete	Too many variables to standardise	
	302-3 Energy intensity	Natural Capital	72-79	None			
	302-4 Reduction of energy consumption	Natural Capital	72-79				
	302-5 Reductions in energy requirements of products and services	Natural Capital	72-79				

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Water and effluents							
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	72-79	None			
	303-2 Management of water discharge-related impacts	Natural Capital	72-79	None			
	303-3 Water withdrawal	Natural Capital	72-79	None			
	303-4 Water discharge	Natural Capital	72-79	None			
	303-5 Water consumption	Natural Capital	72-79	None			
Biodiversity							
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	72-79	None			
	304-2 Significant impacts of activities, products and services on biodiversity	Natural Capital	72-79	None			
	304-3 Habitats protected or restored	Natural Capital	72-79	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	
Emissions							
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	72-79	None			
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital	72-79	None			
	305-3 Other indirect (Scope 3) GHG emissions	Natural Capital	72-79	None			
	305-4 GHG emissions intensity	Natural Capital	72-79	None			
	305-5 Reduction of GHG emissions	Natural Capital	72-79	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
	305-6 Emissions of ozone-depleting substances (ODS)	Natural Capital	72-79	None			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			305-7	Not available / Incomplete information	Not relevant to the Company's operations	
Waste							
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	72-79	None			
	306-2 Management of significant waste-related impacts	Natural Capital	72-79	None			
	306-3 Waste generated	Natural Capital	72-79	None			
	306-4 Waste diverted from disposal	Natural Capital	72-79	None			
	306-5 Waste directed to disposal	Natural Capital	72-79	None			
Supplier environmental assessment							
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	67-71	None			
	308-2 Negative environmental impacts in the supply chain and actions taken	Social & Relationship Capital	67-71	None			
Employment							
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	52-58	None			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital	52-58	None			
	401-3 Parental leave	Human Capital	52-58	None			

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Labour/management relations							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes			402-1	Not applicable	Not relevant to the Company's operations	
Occupational health and safety							
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	52-58	None			
	403-2 Hazard identification, risk assessment, and incident investigation	Human Capital	52-58	None			
	403-3 Occupational health services	Human Capital	52-58	None			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Human Capital	52-58	None			
	403-5 Worker training on occupational health and safety	Human Capital	52-58	None			
	403-6 Promotion of worker health	Human Capital	52-58	None			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Capital	52-58	None			
	403-8 Workers covered by an occupational health and safety management system	Human Capital	52-58	None			
	403-9 Work-related injuries	Human Capital	52-58	None			
	403-10 Work-related ill health	Human Capital	52-58	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Training and education							
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	52-58	None			
	404-2 Programmes for upgrading employee skills and transition assistance programs	Human Capital	52-58	None			
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Capital	52-58	None			
Diversity and equal opportunity							
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	52-58	None			
	405-2 Ratio of basic salary and remuneration of women to men	Human Capital	52-58	405-2	Confidentiality constrains		
Non-discrimination							
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	52-58	None			
Freedom of association and collective bargaining							
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	
Child labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Social & Relationship Capital	67-71	None			

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GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Forced or compulsory labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Social & Relationship Capital	67-71	None			
Security practices							
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	
Rights of indigenous peoples							
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	
Local communities							
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 programmes	Social & Relationship Capital	67-71	None			
	413-2 Operations with significant actual and potential negative impacts on local communities	Social & Relationship Capital	67-71	None			
Supplier social assessment							
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	67-71	None			
	414-2 Negative social impacts in the supply chain and actions taken	Social & Relationship Capital	67-71	None			

GRI Standard/ Other Source	Disclosure	Location	Page No.	Omission			GRI Sector Standard Ref. No.
				Requirement(s) Omitted	Reason	Explanation	
Public policy							
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		
Customer health and safety							
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	59-62	None			
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	Intellectual Capital	59-62	None			
Marketing and labelling							
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics	38-40	None			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Social & Relationship Capital	67-71	None			
	417-2 Incidents of non- compliance concerning product and service information and labelling	Social & Relationship Capital	67-71	None			
	417-3 Incidents of non- compliance concerning marketing communications	Social & Relationship Capital	67-71	None			
Customer privacy							
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	67-71	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	44,154.066 GJ	72-79
	2. Percentage grid electricity	%		55% (out of total energy)	
	3. Percentage renewable	%		0%	
Water Management	1. Total water withdrawn	m3	SV-HL-140a.1	113,893 m3	72-79
	2. Total water consumed	m3		22,779 m3 (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	72-79
	Description of environmental management policies and practices to preserve ecosystem services	N/A	SV-HL-160a.2	Please refer Natural Capital	72-79
Labour Practices	1. Voluntary and		SV-HL-310a.1	36.6%	52-58
	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	52-58
	1. Average hourly wage	Rs.	SV-HL-310a.3	Not reported due to reasons of confidentiality	52-58
	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	52-58
Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	No.	SV-HL-450a.1	0 - based on available data sources	-

Activity Metric	Unit of Measure	Code	Disclosure
Number of available room-nights	No.	SV-HL-000.A	83,585
Average occupancy rate	%	SV-HL-000.B	67%
Total area of lodging facilities	M2	SV-HL-000.C	3,251 m2
Number of lodging facilities and the percentage that are:	No & %	SV-HL-000.D	Only 01 facility 100% owned
1. Managed			
2. Owned and leased			
3. Franchised			

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE FIFTY SIXTH ANNUAL GENERAL MEETING OF THE KINGSBURY PLC will be held on Wednesday, **25 June 2025 at 1.00 p.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 Mr. S. C. Ganegoda, who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
3. To re-elect as a Director Ms. K. A. D. B. Perera., who retires by rotation at the Annual General Meeting in terms of Article 86 of the Articles of Association of the Company.
4. To re-elect as a Director Mr. A. J. Alles who has been appointed to the Board since the last Annual General Meeting, in terms of Article 94 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 94 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 75 (1) of the Articles of Association of the Company be deleted in its entirety and be replaced by the following Article;

“75 (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 Twelve (12).”

Special Resolution (2)

IT IS HEREBY RESOLVED THAT existing Article 75 (2) of the Articles of Association of the Company be deleted in its entirety, and be replaced by the following Article 75 (2);

“75 (2) Notwithstanding anything to the contrary, so long as the shares of the Company are quoted on the Colombo Stock Exchange, the Company shall in compliance with the Listing Rules of the Exchange ensure that the Board of Directors include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of directors at any given time, whichever is higher.”

Special Resolution (3)

IT IS HEREBY RESOLVED THAT the existing Article 75 (3) of the Articles of Association of the Company be deleted in its entirety.

Special Resolution (4)

IT IS HEREBY RESOLVED THAT Articles 106 (i), 106 (ii) and 106 (iii) of the Articles of Association of the Company be deleted in their entirety, and be replaced by the following Articles 106 (1) to 106 (5);

“Alternate Directors

106 (1) 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.

106 (2) 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.

106 (3) 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.

106 (4) 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.

106 (5) The attendance of any Alternate Director at any meeting including Board Committee meetings shall be counted for the purpose of the quorum.”

NOTICE OF MEETING

Special Resolution (5)

IT IS HEREBY RESOLVED THAT the existing Article 106 (iv) of the Articles of Association of the Company be deleted in its entirety and be replaced by the following Article renumbered as Article 106 (6);

"106 (6) 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."

Special Resolution (6)

IT IS HEREBY RESOLVED THAT the existing Article 106 (v) of the Articles of Association of the Company be renumbered as Article 106 (7).

By Order of the Board,

THE KINGSBURY PLC



**HAYLEYS GROUP SERVICES (PRIVATE)
LIMITED**
SECRETARIES

COLOMBO

28th April 2025

Notes to shareholders:

1. The Annual Report of the Company for 2024/25 is available on the corporate website: <https://www.thekingsburyhotel.com/annual-reports> and on the Colombo Stock Exchange website: <https://cse.lk/Pages/company-profile/company-profile.component.html?symbol=SERV.N0000>
2. A Shareholder is entitled to appoint a proxy to attend and vote instead of himself/herself 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 forty-eight (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 The Kingsbury 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 Fifty Sixth Annual General Meeting of the Company to be held on Wednesday, 25 June 2025 at 1.00 p.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.	<input type="checkbox"/>	<input type="checkbox"/>
2. To re-elect as a Director Mr. S. C. Ganegoda, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect as a Director Ms. K. A. D. B. Perera, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect as a Director Mr. A. J. Alles, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect as a Director Mr. T. M. Hewagama, as set out in the Notice.	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-appoint Mr. A. M. Pandithage, in terms of Section 211 of the Companies Act No. 07 of 2007.	<input type="checkbox"/>	<input type="checkbox"/>
7. To authorise the Directors to determine donations and contributions to charities for the ensuing year.	<input type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>
9. To pass the Special Resolutions to amend the Articles of Association of the Company as set out in the Notice.		
• Special Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>
• Special Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>
• Special Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>
• Special Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>
• Special Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>
• Special Resolution 6	<input type="checkbox"/>	<input type="checkbox"/>

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.

CORPORATE STRUCTURE

NAME OF COMPANY

The Kingsbury PLC

COMPANY REGISTRATION NO.

PQ 203

LEGAL FORM

A Public Limited Company Incorporated in Sri Lanka.

DATE OF INCORPORATION

04th May 1969

REGISTERED OFFICE

No. 48, Janadhipathi Mawatha
Colombo 01
Sri Lanka.

Telephone : 011 - 2421221

Website : www.thekingsburyhotel.com

STOCK EXCHANGE LISTING

The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.

BOARD OF DIRECTORS

Mr. A. M. Pandithage (Chairman)

Mr. R. J. Karunarahah (Managing Director)

Mr. N. J. De S. Deva Adithya

Mr. S. C. Ganegoda

Ms. R. N. Ponnambalam

Mr. T. A. B. Speldewinde

Ms. K. A. D. B. Perera

Mr. D. T. R. De Silva

Ms. I. Jamaldeen (Resigned w.e.f. 22nd Jan 2025)

Mr. A. J. Alles (Appointed w.e.f. 24th Jan 2025)

Mr. T. M. Hewagama (Appointed w.e.f. 28th Apr 2025)

AUDIT COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Ms. I. Jamaldeen (Resigned w.e.f. 22nd Jan 2025)

Mr. A. J. Alles (Appointed w.e.f. 24th Jan 2025)

REMUNERATION COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles (Appointed w.e.f. 28th Apr 2025)

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles (Appointed w.e.f. 28th Apr 2025)

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. T. A. B. Speldewinde (Chairman)

Mr. D. T. R. De Silva

Mr. S. C. Ganegoda

Mr. A. J. Alles (Appointed w.e.f. 28th Apr 2025)

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

Bank of Ceylon

Nations Trust Bank PLC

Designed & produced by

emagewise

Digital Plates & Printing by
Softwave Printing and Publishing (Pvt) Ltd



THE KINGSBURY
COLOMBO - SRI LANKA