



# Tangerine Beach Hotels PLC

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Annual Report  
2024/2025

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# Financial Highlights

Year ended 31st March	2025 Rs.' 000	2024 Rs.' 000	% Change
<b>Results for the year</b>			
Gross Revenue	1,058,425	964,685	9.72
Cost of Sales	350,150	357,350	(2.01)
Operating Profit before Interest & Tax	(49,493)	(19,768)	150.37
Interest Expense	2,772	1,650	68.00
Profit/(Loss) before Tax	63,370	73,967	(14.33)
Income Tax Expense	2,954	3,452	(14.43)
Profit/(Loss) after Tax	66,324	77,419	(14.33)
Profit/(Loss) attributable to Shareholders	66,324	77,419	(14.33)
<b>Financial Position at the end of the year</b>			
Shareholders' Funds (Stated Capital & Reserves)	3,350,939	2,980,992	12.41
Total Assets	4,422,796	3,907,907	13.18
Number of Shares in Issue (Millions)	20	20	-
Cash & cash equivalent	298,970	178,420	67.57
<b>Ratios</b>			
Return on Shareholders' Funds (%)	1.98	2.60	(23.29)
Return on Total Assets (%)	1	2.00	(25.28)
Year on Year EPS increase / decrease	(14.76)	61.00	(124.20)
Interest Cover (Times)	22.21	16.71	32.94
Equity / Assets (%)	75.77	76.28	(0.67)
Current Ratio (Times)	(2.68)	(3.16)	(15.03)
Gearing Ratio (Times)	0.003	0.000	-
<b>Information per Ordinary share</b>			
Earnings per Share (Rs.)	3.32	3.87	(14.23)
Net Asset per Share (Rs.)	168	149	12.43
<b>Market Shareholder Information</b>			
Market Value per Share as at 31st March (Rs.)	70	58.90	18.85
Market Capitalisation (Rs.' 000)	1,400,000	1,178,000	18.85
Price Earnings Ratio (Times)	21.11	15.22	38.70

# Chairperson's message

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*Dear Shareholders,*

It is my pleasure to present the Annual Report of Tangerine Beach Hotel PLC for the financial year ended 31 March 2025. This year marked a period of reflection, recalibration and forward movement, as we strategically repositioned ourselves in a tourism landscape that continues to evolve in complexity and opportunity. Against a backdrop of global volatility and local economic transition, we are proud to report a year of renewed momentum, operational agility and a sharpened focus on long-term value creation.

## **Navigating Change in a Shifting Operating Environment**

The first half of the year was marked by continued uncertainty, coupled with economic fragilities in key source markets. However, we were encouraged by Sri Lanka's gradual macroeconomic stabilisation, supported by progress under the IMF programme, declining inflation, a more stable exchange rate, and improved fiscal discipline. These indicators restored a measure of confidence across sectors, including tourism.

The new government's emphasis on transparency, investor confidence, and good governance has created a more stable policy environment, while its proactive efforts to revitalise the tourism sector - streamlined visa processes, renewed global promotion campaigns, and infrastructure upgrades - have fostered optimism across the industry. These initiatives, coupled with a strong commitment to economic reform and institutional stability, have significantly improved the operating climate for hotel and travel operators as well as the broader hospitality sector.

Importantly, the local tourism sector experienced a strong revival, emerging as one of the most resilient segments of the economy. The country welcomed over 2 million international visitors in 2024, with total earnings from tourism reaching USD 3.2 billion. Renewed connectivity, a more cohesive national marketing effort, and Sri Lanka's growing appeal as a boutique and wellness destination contributed significantly to this rebound. For hotels along the Western and Southern coasts, including ours, this created a more favourable operating context in the latter part of the year.

It was within this fluid but improving backdrop that Tangerine Beach Hotel charted a steady course, leveraging its iconic setting, strong brand recall and deeply embedded service culture to capture renewed demand. We exit the financial year with a firmer operational foundation and a clearer path to sustainable growth.

## **Building Momentum through Agility and Diversification**

Thanks to a strong recovery in the winter season, underpinned by long-stay bookings, agile pricing strategies and targeted sales outreach, we regained much of the momentum lost earlier in the year. Revenue rose to Rs. 1.06 billion, driven not only by higher occupancy but also by robust growth across high-margin ancillary services including Ayurveda, events and day excursions. This signals an important shift in our business model—towards a more diversified and experience-led offering.

Gross profit stood at Rs. 708.3 million, reflecting disciplined cost control and margin enhancement initiatives. Although net profit declined to Rs. 66.32 million due to a reduction in the share of profit

from our associate company, our core operations remained sound and resilient.

## **Reimagining the Brand to Meet Emerging Expectations**

Tangerine Beach Hotel has long been associated with tranquil coastal charm and lush garden landscapes. During the year, we undertook a strategic rebranding initiative that amplified these strengths, repositioning the property as a sanctuary for wellness seekers, nature lovers and experience-driven travellers.

This repositioning was not only aesthetic—it was strategic. We revamped our digital presence, optimised our online booking experience and partnered with key European tour operators to regain traction in traditional markets such as Germany, the UK and Scandinavia. In parallel, we expanded outreach to emerging markets and domestic segments through curated promotions and co-branded experiences. These efforts were supported by improved online reputation scores and awards such as the TripAdvisor Travellers' Choice and Booking.com Traveller Review Award.

## **Sustainability and Innovation as Pillars of Growth**

Our commitment to environmental stewardship remained central to our operations. We made further headway in our transition to green energy, significantly reducing electricity usage through investment initiative in solar infrastructure.

We maintained our ISO 22000:2018 certification and commenced audit preparations for Travelife Certification, milestones that affirm our pursuit of responsible hospitality.

As climate risks and resource constraints reshape the tourism industry, we believe that a resilient, low-impact business model is not only a responsibility—but also a competitive differentiator. This approach mirrors our Group's broader sustainability vision, as seen across sister properties, where we have consistently prioritised eco-conscious practices, ethical governance and community engagement.

### **Empowering People, Enabling Growth**

Behind every guest interaction is a team member committed to excellence. Our employees remain our greatest asset, and we are proud of our ability to retain talent, strengthen capabilities and maintain a healthy staff-to-room ratio amid industry-wide labour challenges.

Structured training sessions were conducted in Ayurveda, guest care, health and safety and digital marketing. Our internal recognition mechanisms were reinforced, with regular appraisals, employee spotlights and leadership mentoring programmes now firmly in place.

We recognise that service excellence is powered by culture, and culture is powered by people. In the year ahead, we will deepen our investment in human capital—ensuring our teams are future-ready, motivated and aligned to our vision.

### **Elevating the Guest Experience**

Our service philosophy is rooted in warmth, attention to detail and creating memorable experiences. During the year, we introduced curated wellness and retreat packages, upgraded amenities and personalised services to

elevate the guest journey. These enhancements received strong positive feedback and supported repeat business, particularly from high-value segments.

As guest preferences shift toward experience-rich, wellness-led and environmentally conscious stays, we will remain agile in reimagining the hotel experience—delivering intimacy, personalisation and cultural immersion in a sustainable setting.

### **Strategic Investment for Long-Term Resilience**

The past few years have taught us the importance of investing for tomorrow while navigating today. Our capital investments during the year focused on asset upkeep, energy optimisation, guest comfort and aesthetic upgrades. Select refurbishments were undertaken with sustainability and accessibility in mind, ensuring alignment with global best practices.

Prudent financial stewardship enabled us to preserve liquidity and reinvest without compromising our balance sheet. We enter the new year with a healthy financial position, poised to pursue new growth avenues.

### **Future Outlook**

The year ahead presents significant opportunities as Sri Lanka's tourism recovery gains momentum, buoyed by global tailwinds, evolving digital travel trends, and supportive local policy reforms. Tangerine Beach Hotel is well-positioned to capitalise on these favourable dynamics through a focused and forward-looking strategy.

We will prioritise the expansion of our revenue streams by introducing bundled experiences and enhancing high-margin service offerings. At the same time, we aim

to strengthen our digital and brand ecosystems to drive direct bookings, increase visibility, and foster guest loyalty. Sustainability will remain a cornerstone of our growth agenda, with plans to broaden our practices in line with global benchmarks.

Internally, we will deepen employee engagement by cultivating a purpose-driven service culture that supports innovation and excellence. In parallel, we will continue to align closely with national tourism strategies, supporting destination competitiveness and contributing meaningfully to Sri Lanka's broader hospitality renaissance.

### **Appreciation**

In closing, I extend my heartfelt thanks to the Board of Directors for their unwavering guidance and vision, to our employees for their dedication and passion, and to our shareholders, guests, partners and communities for their continued trust and support.

We step into the new year with clarity, energy and ambition, committed to shaping the next chapter of Tangerine Beach Hotel through responsible growth, service excellence and lasting guest value.



A. M. Ondaatjie  
Chairperson

15th August 2025

# Board of Directors

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## A M Ondaatjie - Chairperson - Non-Executive Director



Ms. Angeline Ondaatjie was appointed to the Board on 14th August 1992 and assumed the role of Chairperson and Managing Director on 13th May 2019. She stepped down from the position of Managing Director with effect from 30th June 2022. Ms. Ondaatjie has over 30 years of experience across the tourism, financial services, and manufacturing sectors. She holds a Master's degree from the University of Texas at Austin, USA, and a Bachelor of Science degree from the Massachusetts Institute of Technology (MIT), USA. She is a former Director of the Sri Lanka Tourism Promotion Bureau and a former Vice President of the Tourist Hotels Association. Currently, Ms. Ondaatjie serves as a Safety Advisor for Princeton in Asia, is a member of the Education Council of MIT, and is a Trustee of the Lionel Wendt Memorial Fund.

Ms. Ondaatjie currently serves on the Boards of the following companies:

	Name of the Company	Position held	Executive/Non Executive
1	Mercantile Investments and Finance PLC	Director	Executive
2	Mercantile Fortunes (Pvt) Limited	Director	Non-Executive
3	Nilaveli Beach Hotels (Pvt) Limited	Director	Non-Executive
4	The Nuwara Eliya Hotels Co. PLC	Director	Non-Executive
5	Royal Palms Beach Hotels PLC	Chairperson	Non-Executive
6	Tangerine Tours (Pvt) Limited	Chairperson	Non-Executive
7	Security Ceylon (Pvt) Limited	Director	Non-Executive
8	Global Films Limited	Director	Non-Executive
9	International Fortunes (Pvt) Limited	Director	Non-Executive
10	Mercantile Orient (Pvt) Limited	Director	Non-Executive
11	Fair View Hotel (Pvt) Limited	Director	Non-Executive
12	Nilaveli Hotels (Pvt) Limited	Director	Non-Executive
13	Mercantile Fortunes Insurance Brokers (Pvt) Ltd	Director	Non-Executive
14	The Light House Hotel PLC	Director	Non-Executive
15	Phoenix Industries Limited	Director	Non-Executive
16	Brushco (Pvt) Ltd	Director	Non-Executive
17	Tangerine Vacations (Pvt) Ltd	Chairperson	Non-Executive

Board Sub-Committee Memberships	Member - BNGC
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**G G Ondaatjie** - Non -Executive Director

Mr. Gerard Ondaatjie was appointed to the Board on 4th December 1993. He has over 30 years of experience in the tourism, financial services, and trading sectors. He holds a Bachelor of Science degree in Accountancy from Arizona State University, USA. He is a former Member of the Commission on the Simplification of Existing Laws and Regulations in the Interest of the People, and a former Member of the Colombo Port City Economic Commission. He currently serves as a member of the Sri Lanka Tourism Advisory Committee.

Mr. Ondaatjie also serves on the Boards of the following companies:

	Name of the Company	Position held	Executive/Non Executive
1	Mercantile Investments and Finance PLC	Managing Director	Executive
2	The Nuwara Eliya Hotels Company PLC	Dy.Chairman	Non-Executive
3	Royal Palms Beach Hotels PLC	Director	Non-Executive
4	Nilaveli Beach Hotels (Pvt) Limited	Director	Non-Executive
5	Tangerine Tours (Pvt) Limited	Director	Non-Executive
6	Security Ceylon (Pvt) Limited	Chairman	Non-Executive
7	Mercantile Fortunes (Pvt) Limited	Chairman	Non-Executive
8	Global Films Limited	Chairman	Non-Executive
9	Mercantile Orient (Pvt) Limited	Chairman	Non-Executive
10	International Fortunes (Pvt) Limited	Chairman	Non-Executive
11	Fair View Hotel (Pvt) Limited	Chairman	Non-Executive
12	Nilaveli Hotels (Pvt) Limited	Director	Non-Executive
13	Mercantile Fortunes Insurance Brokers (Pvt) Limited	Chairman	Non-Executive
14	Tangerine Vacations (Pvt) Ltd	Director	Non-Executive

# Board of Directors

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## **T J Ondaatjie** - Non -Executive Director



Mr. Travice Ondaatjie was appointed to the Board on 20th July 1995. He has over 25 years of experience in the tourism and financial services sectors. He holds a Bachelor of Science degree from Arizona State University, USA.

Mr. Ondaatjie currently serves on the Boards of the following companies:

	Name of the Company	Position held	Executive/Non Executive
1	Mercantile Investments and Finance PLC	Director	Executive
2	The Nuwara Eliya Hotels Co. PLC	Director	Non-Executive
3	Royal Palms Beach Hotels PLC	Director	Non-Executive
4	Nilaveli Beach Hotels (Pvt) Limited	Chairman	Non-Executive
5	Tangerine Tours (Pvt) Limited	Director	Non-Executive
6	Security Ceylon (Pvt) Limited	Director	Non-Executive
7	Mercantile Fortunes (Pvt) Ltd	Director	Non-Executive
8	Global Films Limited	Director	Non-Executive
9	Mercantile Orient (Pvt) Limited	Director	Non-Executive
10	International Fortunes (Pvt) Limited	Director	Non-Executive
11	Fair View Hotel (Pvt) Limited	Director	Non-Executive
12	Nilaveli Hotels (Pvt) Limited	Chairman	Non-Executive
13	Mercantile Fortunes Insurance Brokers (Pvt)Ltd	Director	Non-Executive
14	Tangerine Vacations (Pvt)Ltd	Director	Non-Executive

## **C A Ondaatjie** - Non Executive Director



Mrs. Christabel Ondaatjie has served as a Director of the Company since its inception. She has over 30 years of experience in the tourism and trading sectors.

Mrs. Ondaatjie currently serves on the Boards of the following companies:

	Name of the Company	Position held	Executive/Non Executive
1	Nilaveli Beach Hotels (Pvt) Ltd	Director	Non -Executive
2	Mercantile Fortunes (Pvt) Ltd	Director	Non-Executive

**N H V Perera** - *Non -Executive Director*

Mr. Hasantha Perera was appointed to the Board on 25th November 1999. He is and has been attached to Lucian Perera Associates, a legal firm, for over a period of ten years. Mr. Perera presently serves on the Boards of the following companies.

	Name of Company	Position held	Executive/Non Executive
1	Royal Palms Beach Hotels PLC	Director	Non-Executive
2	Yala Safari Beach Hotels Ltd	Director	Non-Executive
3	Blue Ocean Beach Hotels Ltd	Director	Non-Executive
4	Yala Properties (Pvt) Ltd	Director	Non-Executive
5	South Asia Economic and Trading Corporation (Pvt) Ltd	Director	Non-Executive
6	Ceylon Electro Mechanical Services (Pvt) Ltd	Director	Non-Executive
7	Desano Investments Ltd	Director	Non-Executive
8	Tisara Hotels (Pvt) Ltd	Director	Non-Executive
9	Koggala Beach Resorts (Pvt) Ltd	Director	Non-Executive
10	Thisara Investments (Pvt) Ltd	Director	Non-Executive
11	Ranyan Industries (Pvt) Ltd	Director	Non-Executive
12	Ranali Marketing (Pvt) Ltd	Director	Non-Executive
13	Janath Trading & Investments (Pvt) Ltd	Director	Non-Executive
14	Long Beach Resort (Pvt) Ltd	Director	Non-Executive
15	N Vaitilingam & Company Ltd	Director	Non-Executive
16	Sugar and Spice (Pvt) Ltd	Director	Executive
17	The Coastal Village (Pvt) Ltd	Director	Non-Executive
18	Barron House (Pvt) Ltd	Director	Non-Executive

Board Sub-Committee Memberships

Member - BAC, BRPTR

**L H Jayasinghe** - *Executive Director*

Mr. Lakal Jayasinghe was appointed to the Board on 20th December 2007 and currently serves as the Director/General Manager of Tangerine Beach Hotels PLC. He has over 40 years of experience in the tourism sector, gained both in Sri Lanka and overseas. He is a Fellow of the Ceylon Hotel School Graduates Association and holds a Diploma in Hotel Management.

# Board of Directors

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## **P S R Casie Chitty** - *Non-Executive Director*



Mr. Rajiv Casie Chitty was appointed to the Board of Tangerine Beach Hotels PLC on 5th February 2013. He has over 33 years of experience in the private sector, including more than 18 years at senior management level. He currently serves as the Chief Operating Officer of Commercial Credit and Finance PLC.

Mr. Casie Chitty holds a Master's degree in Economics from the University of Colombo and a Master's degree in Computer Science from the University of Staffordshire, UK. He is a Fellow of the Association of Chartered Certified Accountants (ACCA), UK, an Associate Member of the Chartered Institute of Management Accountants (CIMA), UK, and a Chartered Financial Analyst (CFA), USA. He is also a Past President of the ACCA Sri Lanka Branch.

Mr. Casie Chitty currently serves on the Boards of the following companies:

	Name of Company	Position held	Executive/Non Executive
1	Commercial Credit & Finance PLC	Director/COO	Executive
2	Royal Palms Beach Hotels PLC	Director	Non-Executive
3	ACL Cables PLC	Director	Non-Executive
4	BG Marine Investment (Pvt) Ltd	Director	Non-Executive
5	Merc Marine Management (Pvt) Ltd	Director	Non-Executive
6	Ceyline Holdings (Pvt) Ltd	Director	Non-Executive
7	CMA CGMA Lanka (Pvt) Ltd	Director	Non-Executive
8	Mercantile Seaman's Training Institute (Pvt) Ltd	Director	Non-Executive
9	CINEC Campus (Pvt) Ltd	Director	Non-Executive
10	Lakdhanavi (Pvt) Ltd	Director	Non-Executive

Board Sub-Committee Memberships	Member - BRC
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**G K S Kumar** - Non Executive Independent Director

Mr. Sudath Kumar was appointed to the Board of Tangerine Beach Hotels PLC on 23rd December 2024. He is a Partner at Nanayakkara & Company - Chartered Accountants, with over 25 years of extensive experience in auditing, management consultancy, assurance services, and tax consultancy, serving both small and large-scale enterprises. He also currently serves as a Consultant to Alhambra Hotels Ltd.

Mr. Kumar holds a Master of Business Administration (MBA) from the University of Colombo and a Bachelor's Degree in Human Resource Management (Special) from the University of Kelaniya. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA).

He serves on the Boards of several other companies, contributing his expertise in finance, governance, and strategic leadership at the highest level.

Mr. Kumar currently serves on the Boards of the following companies:

	Name of Company	Position held	Executive/Non Executive
1	Harischandra Mills PLC	Director	Non-Executive
2	Aims Secretarial Services (Pvt) Ltd	Director	Executive
3	Lenard Refrigeration Services (Pvt)Ltd	Director	Executive
4	House of Sports (Pvt)Ltd	Director	Executive
5	Royal Palms Beach Hotels PLC	Director	Non- Executive

Board Sub-Committee Memberships	Chairman - BAC, BRPTR	Member - BRC ,BNGC
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**P T K Navaratne** - Non Executive Independent Director

Ms. Punyakanthi Navaratne was appointed to the Board of Tangerine Beach Hotels PLC on 23rd December 2024. She currently serves as the Vice President of Legal Affairs at WSO2 Lanka (Pvt) Ltd, where she oversees legal affairs across twelve international entities. With extensive experience in the computer software industry, she is highly skilled in Corporate Law, Open Source Software Licensing, Legal Compliance, Data Protection, Business Analysis, and Contract Negotiations.

Her legal career spans several decades, including her tenure as a Partner at Paul Ratnayeke Associates from June 1995 to December 2008. She also served as a Director at PR Secretarial Services (Pvt) Ltd from 1996 to 2010. Additionally, she held the role of Independent Non-Executive Director at Mercantile Investments and Finance PLC from January 2012 to January 2021.

Ms. Navaratne holds a Bachelor of Laws (LLB) degree from the University of Colombo and is an Attorney-at-Law.

Ms. Navaratne currently serves on the Boards of the following companies.

	Name of Company	Position held	Executive/Non Executive
1	Royal Palms Beach Hotels PLC	Director	Non- Executive

Board Sub-Committee Memberships	Chairperson-BRC, BNGC	Member - BAC, BRPTR
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# Board of Directors

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## **Aroshi Nanayakkara** - *Non Executive Independent Director*



Ms. Aroshi Nanayakkara is the Chief Executive Officer of the Global Consulting Company and a dynamic leader with extensive expertise in Strategic Planning, Human Resources, and Risk Management. She brings a wealth of experience gained from working with leading multinationals and some of Sri Lanka's most prominent blue-chip companies.

Prior to her current role, Ms. Nanayakkara held key positions at renowned institutions including ABN AMRO Bank NV, Deutsche Bank, Eagle Insurance, the Delmege Group, and the Brandix Group of Companies. At Brandix, she served as the Chief Risk Officer and subsequently as Chief Executive Officer of Brandix Hangers (Pvt) Ltd. She is also the former Vice President of the Lanka India Business Association and immediate past Chairperson of Sri Lanka Institute of Directors..

Ms. Nanayakkara holds a Bachelor of Science (BSc) in Management from the Massachusetts Institute of Technology (MIT), USA, and a Master of Science (MSc) in Management from the London School of Economics (LSE), UK. She is also an Associate Chartered Management Accountant (ACMA) and a Chartered Global Management Accountant (CGMA), accredited by the Chartered Institute of Management Accountants (CIMA), UK.

She serves on the Boards of several esteemed companies, contributing her strategic insight and leadership expertise.

Ms. Nanayakkara currently serves on the Boards of the following companies

	Name of Company	Position held	Executive/Non Executive
1	Sampath Bank PLC	Director	Non-Executive
2	Asian Hotels & Properties PLC	Director	Non-Executive
3	Sri Lanka Institute of Directors	Board Member	-
4	Women Corporate Directors (WCD), Sri Lanka Chapter	Chairperson	-
5	Keels Food Products PLC	Director	Non-Executive
6	Royal Palms Beach Hotels PLC	Director	Non- Executive

# Management Discussion and Analysis

## Operating Environment

### Global Forces Shape Travel & Tourism

The past year saw a steady resurgence in global travel, even as the broader economy remained shaped by inflationary pressures, cautious central bank policies, and ongoing geopolitical uncertainty. International tourism gained strong momentum, buoyed by the release of pent-up demand and a growing preference for meaningful, experience-led travel. According to the United Nations World Tourism Organization (UNWTO), global tourist arrivals reached 88% of pre-pandemic levels by the end of 2024, with Asia and the Pacific rebounding particularly sharply following extended border closures.

Consumer expectations continued to evolve, with travellers seeking immersive, wellness-oriented, and culturally authentic experiences. This shift prompted hospitality providers worldwide to rethink service models, enhance digital touchpoints, and integrate sustainability more visibly into guest offerings. While operating costs, especially in energy, food, and staffing, remained elevated, industry players responded with innovation and efficiency measures to sustain service quality and competitiveness.

### Global Tourism Landscape

#### Reimagining Travel: The Rise of Experiential Tourism

The global tourism sector recorded a strong recovery in 2024, with international arrivals reaching approximately 1.4 billion, representing 99% of pre-pandemic levels and an 11% increase over 2023, according to UN Tourism. Growth was particularly notable in Asia and the Pacific, where arrivals rose by 33% year-on-year following the full reopening of borders and easing of long-haul travel restrictions.

This rebound coincided with a shift in traveller preferences. Demand has increasingly gravitated towards experiential, culturally immersive, and wellness-focused travel. At the same time, digital transformation has accelerated across the industry, reshaping guest engagement through contactless technology, personalised services, and data-led operational enhancements.

For Tangerine Beach Hotel, these trends present a timely opportunity to align our service offerings with evolving guest expectations. Our focus remains on strengthening agility and innovation in service delivery, while embedding sustainability and personalisation into the guest experience. With global travel projected to grow by a further 3% to 5% in 2025, we remain committed to adapting our value proposition to capitalise on continued momentum in leisure travel.

### Sri Lanka

#### Shifting Ground, Emerging Opportunities

In 2024, Sri Lanka began to emerge from a challenging economic period, showing signs of stabilisation across several key indicators. The broader recovery was underpinned by continued engagement with the IMF programme, improvements in foreign reserves, and efforts to strengthen fiscal management. While overall business sentiment improved, cost-consciousness remained high among local and international consumers, and household spending power recovered only gradually.

The tourism sector stood out as a source of resilience and renewal, with over 1.8 million arrivals recorded during the year. Stronger air connectivity, focused destination promotion, and Sri Lanka's growing

reputation as a boutique and wellness-focused destination helped attract returning European visitors and new interest from regional markets. The Southern and Western coastal belts, in particular, continued to benefit from this renewed momentum.

#### Sri Lanka's Hospitality Sector: Strengthening Recovery, Navigating Change

Sri Lanka's tourism sector delivered its strongest post-pandemic performance in 2024, welcoming over 2 million international visitors - 22% increase over the previous year. Total earnings reached USD 3.2 billion, supported by an average daily receipt of USD 181.15 and an average stay of 8.42 days. The hospitality sector was valued at USD 4.2 billion, with projected growth to USD 7.8 billion by 2032.

Key source markets included India, Russia, the United Kingdom, and Germany, while high-occupancy areas along the Southern and Western coastal belts continued to attract steady demand. Boutique and wellness-oriented properties gained ground, reflecting changing consumer expectations. However, input cost volatility, talent shortages, and elevated airfare levels continued to weigh on industry margins.

Against this backdrop, Tangerine Beach Hotel focused on operational efficiency and service adaptation. Long-stay winter bookings helped drive recovery in the second half of the year, while stable energy and currency conditions supported cost containment. Domestic tourism also remained a valuable segment, particularly during off-peak periods.

# Management Discussion and Analysis

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## Policy Reform and Sectoral Alignment

The introduction of Sri Lanka's revised Tourism Act in 2024 marked a notable structural shift in the regulatory landscape. The new framework is intended to enhance destination management, improve service quality, and support investment in marketing, infrastructure, and skills development.

This policy evolution supports a more enabling environment for hotel operators. For Tangerine Beach Hotel, it enhances our ability to respond to market opportunities through improved governance, clearer institutional coordination, and more targeted promotion. Looking ahead, we will continue to align our operations with national tourism priorities while advancing our strategic goals in guest satisfaction, talent development, and long-term competitiveness.

## Implications for Tangerine Beach Hotel

This context demanded agility and innovation for Tangerine Beach. Guest expectations continued to evolve, with a clear shift toward personalised, immersive travel experiences. At the same time, the industry grappled with persistent input cost pressures, limited availability of skilled labour, and logistical bottlenecks. In response, we prioritised operational streamlining, cross-training of staff, and targeted product enhancements to maintain service quality and guest satisfaction. Our ability to remain responsive to dynamic market conditions and adapt our offerings to emerging trends was critical to sustaining performance in a transitional economic environment.

## Marketing Strategies Driving Visibility & Demand

Tangerine Beach Hotel's marketing efforts during the financial year 2024/25 were shaped by an evolving travel landscape and shifting consumer expectations. Despite a slow start to the year with a subdued summer season, strategic and well-timed marketing interventions contributed to a significant turnaround in the latter half of the year. A strong winter season from November onwards helped drive improved occupancy, enhanced brand visibility, and a marked uplift in guest engagement across our properties.

## Strategic Repositioning and Brand Differentiation

In a highly competitive and price-sensitive environment, Tangerine Beach Hotel PLC adopted a more targeted and differentiated brand positioning strategy. For instance, the Hotel undertook a comprehensive rebranding initiative that pivoted away from conventional beach-centric imagery to highlight its unique tranquil garden setting. This shift was supported by a refreshed visual identity across all digital platforms, including new photography that showcased the property's verdant landscapes and serene ambience.

Such rebranding efforts enabled the hotel to appeal to a wider audience seeking restful, nature-rich experiences. The outcome was a measurable improvement in online visibility, guest sentiment, and platform rankings. Enhanced digital representation also facilitated the acquisition of new high-volume tour operator partnerships in key European source markets, including the UK and Germany, contributing to year-on-year client growth from these regions.

## Strengthening Online Presence and Engagement

TBH's digital marketing strategy remained focused on enhancing e-commerce performance and social media engagement. A dedicated Social Media Team continued to build strong brand narratives, actively promoting hotel activities and experiences across Facebook, Instagram, and YouTube, resulting in steady year-on-year growth in follower base and engagement rates. This strategy reaped rich rewards, with Tangerine Beach Hotel being awarded the Booking.com Traveller Review Award for 2024, reflecting the consistently positive guest reviews and reinforcing its appeal across online booking platforms.

The Group's increased emphasis on content quality, storytelling, and audience targeting played a key role in boosting conversion rates and direct bookings. Cross-platform alignment and partnerships with online travel agencies (OTAs) helped reinforce the brand's positioning in both leisure and wellness segments.

## Awards and Accolades

During the year under review, Tangerine Beach Hotel continued to earn recognition for service excellence, receiving two notable accolades:

- TripAdvisor Travellers' Choice Award
- HolidayCheck Award

These awards reaffirm the Group's steadfast commitment to delivering exceptional guest experiences and upholding high quality standards.

The impact of these efforts was reflected in robust topline growth across several revenue streams. At Tangerine Beach Hotel, year-on-year gains were recorded in:

- Banquets (+36%)
- Beverages (+21%)
- Ayurveda (+27%)
- Day Outing/Buffer Sales (28%)

These results underscore the success of the Group's strategy to diversify beyond room revenue through targeted marketing and service innovation.

## Business Performance & Agility

### Our Strategic Response

The financial year 2024/25 presented a mixed operating environment for Tangerine Beach Hotel (TBH), shaped by external disruptions and shifting market dynamics. As one of the Group's flagship properties, TBH faced a particularly challenging start to the year. However, in line with the Group's broader strategy of resilience and repositioning, the hotel responded with agility, delivering a strong recovery in the latter part of the year, driven by operational discipline and revenue diversification.

Total revenue for the year rose to Rs. 1.06 billion, up from Rs. 964.7 million in the previous year, supported by modest improvements in occupancy and stronger contributions from non-room revenue streams. Strategic cost containment measures reduced the cost of sales from 37% of revenue in the previous year to 33% this year, resulting in an increase in gross profit to Rs. 708.3 million, compared to Rs. 607.3 million in 2023/24. This reflects improved operational efficiency and tighter cost controls.

The hotel recorded a net profit of Rs. 66.32 million, compared to Rs. 77.42 million in the prior year, reflecting a decline primarily due to a lower share of profit from the associate company, despite operational

improvements. However, total comprehensive income rose sharply to Rs. 369.9 million, driven by strong revaluation gains and enhanced financial resilience.

The hotel's total asset base expanded to Rs. 4.42 billion (2023/24: Rs. 3.91 billion) mainly due to the revaluation of land and buildings at year-end to comply with accounting standards. Total equity increased to Rs. 3.35 billion (2023/24: Rs. 2.98 billion), supported by retained earnings and fair value gains, with net assets per share rising to Rs. 168 from Rs. 149.

Cash flow performance was particularly encouraging, with the Company generating Rs. 209 million in net cash from operations during the year under review. This was primarily driven by collections from year-end receivables of the previous financial year, marking a significant improvement over the prior year.

The year also saw a shift in revenue composition, with ancillary income streams such as banquets, beverages, day outings, and Ayurveda services recording double-digit growth. These results validate the Hotel's strategy to diversify earnings and reduce reliance on core room revenue. Meanwhile, operational initiatives, including the integration of solar energy and the renegotiation of key contracts, contributed to margin improvements.

Despite the initial setbacks, Tangerine Beach Hotel concluded the year with a stronger financial footing, enhanced cost efficiency, and a broader, more resilient revenue base. Its ability to adapt to operational challenges while capitalising on alternative income streams and reinforcing guest value propositions positions the hotel well for sustained performance in the year ahead.

Looking ahead, Tangerine Beach Hotel remains focused on consolidating the gains achieved during the year and further strengthening its competitive position. Continued emphasis on operational excellence, agile resource management, and the strategic expansion of high-margin revenue streams will remain central to sustaining profitability and long-term value creation. With a sharpened focus on guest experience, sustainability, and market responsiveness, the Hotel is well poised to navigate future uncertainties while delivering consistent performance and stakeholder value.

## People Strategies

### Empowering our workforce through resilience, inclusion, and growth.

In the face of continued operational pressures and a cautiously recovering tourism landscape, Tangerine Beach Hotel (TBH) adopted a prudent and resilient human resource strategy in 2024/25. Prioritising operational efficiency without compromising employee wellbeing, the hotel maintained an optimal staff-to-room ratio of 1.5:1. Recruitment remained limited to essential replacements, driven by both cost-containment imperatives and the ongoing shortage of skilled talent in the local labour market.

Despite the challenges, TBH demonstrated a strong commitment to its workforce. Notably, the hotel recorded a year-on-year increase in service charge disbursements, an outcome that reflects both performance improvements and a values-driven culture that recognises frontline contribution.

# Management Discussion and Analysis

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This commitment to shared success has been pivotal in sustaining morale, motivation, and service quality during a period of volatility.

## Training and Development

People development remained a cornerstone of TBH's HR philosophy. The hotel delivered a wide-ranging training calendar targeting both operational and executive teams, focused on enhancing role-specific skills, regulatory awareness, and service excellence.

All Heads of Departments (HODs) were encouraged to champion continuous learning, cascading knowledge through structured in-house programmes and team-level engagement. Monthly training sessions covered key areas such as hotel marketing, social media, legal compliance, occupational safety, and ISO standards. Specialised training was also conducted for Ayurveda and spa staff on massage techniques, product knowledge, and guest-centric service.

Key training themes included:

- Front office protocols and guest relations
- Food and beverage service techniques (e.g., tray balancing, plated service)
- Legal/statutory compliance and employee rights
- Ayurveda and spa treatments, including hands-on massage instruction
- Environmental management and chemical safety, aligned with ISO 14001:2015 and ISO 45001:2018
- Hotel accounting and financial acumen for executive staff

Employee orientation remained a regular feature, especially for new recruits, to ensure alignment with TBH's service culture and operational standards.

By nurturing a learning-oriented culture and equipping employees with the tools to excel, TBH continues to foster high levels of engagement, adaptability, and guest satisfaction, key differentiators in a competitive hospitality landscape.

## Planet Strategies

### Driving environmental responsibility through thoughtful action and innovation

At Tangerine Beach Hotel (TBH), sustainability is a deeply embedded philosophy that shapes every aspect of our operations. Our approach is holistic, encompassing environmental stewardship, economic responsibility, and community engagement. We believe that long-term value creation is possible only through continuous, thoughtful action to reduce our ecological footprint, foster strong community partnerships, and instil a sense of responsibility among our employees and guests.

### Environmental and Economic Sustainability

During the 2024/25 financial year, TBH implemented several strategic initiatives aimed at reducing our environmental impact while enhancing operational efficiency.

**Solar power integration:** A major milestone was the installation of solar panels across the property. Launched in May 2024, with Phase I completed by October, the project has already delivered a 40% reduction in electricity consumption. Solar energy is also used to power hot water systems, further reducing reliance on non-renewable energy sources.

**Micro-farming:** Our on-site micro-farming project supplies fresh produce for guest and staff meals,

significantly cutting down food miles and promoting sustainable kitchen practices.

## Conservation Initiatives

**Water conservation:** Recycled water from our in-house sewage treatment plant is used to maintain landscaped gardens. Water usage is monitored through a metering system, and guests are encouraged to reuse towels and linen to support conservation efforts.

**Waste management:** Wet waste is provided to a local piggery, while dry waste is carefully segregated and sold to registered recyclers. In partnership with Eco Spindles, we have also set up an on-site cubicle for the collection and sorting of plastic waste.

**Energy efficiency:** A full transition to LED lighting has resulted in measurable energy savings and a reduced carbon footprint.

## Certification

In line with our focus on health and safety, TBH successfully achieved recertification under ISO 22000:2018, reaffirming our adherence to international food safety standards.

We have also applied for Travelife Certification, a globally recognised sustainability standard for the tourism industry. The audit is scheduled for August 2025.

## Community Engagement

Our sustainability efforts extend beyond the hotel grounds. We are committed to supporting and uplifting surrounding communities, recognising that true sustainability must generate inclusive growth and shared value.

**Local sourcing:** Over 50% of our food supplies are sourced from local producers, supporting the local

economy and ensuring freshness. We also conducted awareness sessions for suppliers to help them align with standards such as ISO 22000:2018, raising quality and compliance across the supply chain.

**Youth engagement:** In 2024, we hosted educational tours for A/L students from Dammananda College, offering hands-on exposure to hotel operations and encouraging interest in hospitality careers.

### **Disaster Preparedness and Resilience**

**Tsunami Early Warning Tower:** In collaboration with local authorities, TBH supported the installation of a tsunami early warning tower on hotel premises, providing a vital resource for the coastal community.

**Flood mitigation:** Our stormwater drainage systems are designed to accommodate runoff from neighbouring villages, helping mitigate flooding during the monsoon season.

### **Future Outlook**

This financial year was a period of both challenge and renewal for Tangerine Beach Hotel, as the business navigated a dynamic operating environment shaped by changing traveller expectations, economic transitions, and sectoral reforms. Through a clear focus on operational agility, guest-centric service delivery, and strategic revenue diversification, the Hotel delivered a commendable performance, enhancing profitability, strengthening its asset base, and reinforcing brand equity in a competitive market.

The Hotel's progress in sustainability, digital engagement and human capital development reflects a deeply embedded commitment to long-term value creation, not only for shareholders but also for guests, employees, communities, and the environment. Our initiatives in renewable energy, waste reduction, local sourcing, and youth engagement underscore our belief that responsible stewardship is integral to business success.

Looking ahead, Tangerine Beach Hotel remains steadfast in its commitment to build on these gains. With a sharpened focus on experience-driven travel, operational resilience, and sustainability leadership, Tangerine Beach Hotel is well-positioned to seize emerging opportunities and deliver consistent value in an ever-evolving hospitality landscape.

# Corporate Governance

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Corporate Governance is the system by which the company is directed and controlled. A good Corporate Governance structure encourages companies to create value through entrepreneurship, innovation and establishes accountability and transparency commensurate with the inherent risks and opportunities available to the Company. It influences how the objectives of the Company are set and achieved, risks identified and managed and organizational performance optimized. Tangerine Beach Hotels PLC uses the CSE listing rules as a guideline in their Corporate Governance framework. The Board of Directors is strictly committed towards achieving commendable Corporate Governance principles.

## Board Composition

The Board comprises of 10 Directors including the Chairperson.. This includes 03 Independent Non-Executive Directors, 01 Executive Director and 06 Non-Executive Directors.

## Role and Function of the Board of Directors

The Board has overall control and oversight of the activities, the strategic direction and the governance of the Company. Its role includes control and oversight of the company's businesses, risk management and compliance, the performance of management; approving and monitoring financial and other reports; and capital expenditure and reporting to shareholders.

The Board meets as a practice as and when required. Agendas and papers are circulated in advance to enable informed deliberation at meetings and decisions are made by consensus.

## Board Independence

None of the Independent Directors have held executive responsibilities in their capacity as Independent Directors and had submitted a declaration confirming their Independence as at 31st March 2025 in accordance with Section 07 of the CSE listing regulations on Corporate Governance.

## The Responsibilities of the Board

The Board of Directors is responsible for;

- Formulating of business strategies taking into consideration the Company's strengths, competencies and risks
- Implementing and monitoring of such strategies
- Reviewing and ratifying systems in operation relating to risk management, internal control, codes of conduct and compliance with the laws, statutes and regulations
- Reviewing, monitoring and ratifying all capital expenditure, acquisitions and divestitures
- Monitoring Senior Management performance
- Ensuring that effective information and audit systems are in place
- Ensuring that due attention is given to annual and interim financial statements prior to Publication
- Determining the quantum of the final dividend
- Approving and monitoring financial and other reporting.

## Regular Re-election of Directors

Directors retire at the Annual General Meeting in accordance to the Articles of Association of the Company. A retiring director is eligible for re-election.

## Compliance with Legal Requirements

The Board is conscious of its responsibility to the Shareholders, the Government and the Society at large, in which it operates and is unequivocally committed to upholding ethical behavior in conducting its business. The Board, through the Company's Administrative and Finance Divisions, strives to ensure that the businesses of the Company comply with the laws and regulations of the country. The Board of Directors ensures that all financial statements are prepared in accordance with the Sri Lanka Accounting Standards and conform to the requirements of the Colombo Stock Exchange.

Attendance at Board Meetings			
Name of Director	27/03/2025	29/10/2024	Meeting Attendance
<b>Non - Executive Directors</b>			
A M Ondaatjie	✓	✓	2/2
G G Ondaatjie	✓	✓	2/2
T J Ondaatjie	✓	✓	2/2
C.A. Ondaatjie	-	-	
<b>Non - Executive Non- Independent Directors</b>			
N H V Perera	✓	✓	2/2
P.S.R.Casie Chitty	✓	✓	2/2
<b>Non - Executive Independent Directors</b>			
** G K S Kumar	✓	-	1/2
** P T K Navaratne	✓	-	1/2
***Aroshi Nanayakkara	-	-	-
<b>Executive Director</b>			
L.H.Jayasinghe	✓	✓	2/2

\*\* Appointed to the Board with effect from 23rd December 2024

\*\*\* Appointed to the Board with effect from 28th March 2025

### Audit Committee

The Audit Committee comprises of Two Independent Non-Executive Directors and a Non-Executive Director.

The members of the Audit Committee are as follows:

Mr. G K S Kumar - *Chairman*

Ms.P T K Navaratne

Mr.N H V Perera

The Chief Financial Officer, Financial Controller and the General Manager attend the Audit Committee meetings by invitation. The Audit Committee is assisted by the Internal Audit. Internal Controls have been designed to ensure transparency and good governance within the Company. A report of the Audit Committee is given on page 31.

The Audit Committee met Four times during the year according to a predetermined agenda.

Name of Director	Position	Attendance at Audit Committee Meetings				Meeting Attendance
		13/02/2025	11/11/2024	09/08/2024	27/05/2024	
** G K S Kumar	Chairman	✓	-	-	-	1/4
N H V Perera	Member	✓	✓	✓	✓	4/4
* P.S.R.Casie Chitty	Member	-	✓	✓	✓	3/4
** P T K Navaratne	Member	✓	-	-	-	1/4

\* Ceased to be a member of committee as of 23rd December 2024

\*\* New Appointments to the committee with effect from 23rd December 2024

# Corporate Governance

## Remuneration Committee

The Remuneration Committee consists of 02 Independent Non-Executive Directors and a Non-Executive Director. The Committee is chaired by the Independent Non-Executive Director P .T. K. Navaratne .The Chief Financial Officer assists the committee by providing the relevant information and participating in the analysis and deliberations.

The objective of the Remuneration Committee is to review and recommend the remuneration payable to the Executive Directors.

The Remuneration Committee met once during the financial year.

Name of Director	Position	Attendance at Remuneration Committee Meetings	
		13/02/2025	Meeting Attendance
P .T. K. Navaratne	Chairperson	✓	1/1
P.S.R.Casie Chitty	Member	✓	1/1
G .K .S. Kumar	Member	✓	1/1

## Related Party Transactions Review Committee

The Related Party Transactions Review Committee consists of two Non-Executive Independent Directors and a Non - Executive Director.

Mr G K S Kumar. - *Chairman*

Ms.P T K Navaratne

Mr. N H V Perera

The Chief Financial Officer assists the committee by providing the relevant information and participating in the analysis and deliberations.

The objective of the Related Party Transactions Review Committee is to be consistent with the Code of Best Practices on Related Party transactions issued by the Securities & Exchange Commission.

A report of the Related Party Transactions Review Committee is given on page 32.

The Related Party Transactions Review Committee met Four times during the financial year.

Name of Director	Position	Attendance at Related Party Transactions Review Committee				Meeting Attendance
		13/02/2025	11/11/2024	09/08/2024	27/05/2024	
**G K S Kumar	Chairman	✓	-	-	-	1/4
N H V Perera	Member	✓	✓	✓	✓	4/4
*P.S.R.Casie Chitty	Member	-	✓	✓	✓	3/4
*Lakal Jayasinghe	Member	-	✓	✓	✓	3/4
**P T K Navaratne	Member	✓	-	-	-	1/4

\* Ceased to be a member of committee as of 23rd December 2024

\*\* New Appointments to the committee with effect from 23rd December 2024

## Nomination & Governance Committee Report

The Nomination & Governance Committee consists of two Independent Non-Executive Directors and a Non-Executive Director, namely:

Ms. P .T. K. Navaratne - *Chairperson*

Mr. G .K .S. Kumar

Ms A .M. Ondaatjie

The objective of the Nomination & Governance Committee is leading Board Appointments and establishing a Nomination Process for Directors

A report of the is given Nomination & Governance Committee on page 34.

The Committee met once during the year.

Name of the Directors	Position	Attendance at Nomination & Governance Meetings 13.02.2025	Meeting Attendance
P .T. K. Navaratne	Chairperson	✓	1/1
G .K .S. Kumar	Member	✓	1/1
A .M. Ondaatjie	Member	✓	1/1

## Relationship with Stakeholders

The Board of Directors ensured that the top management team possesses right skills to deliver their best contribution towards the company. The Board has empowered such employees to make operational decisions and also encourage them to make recommendations to the Board on areas of strategic importance. The vision, goals and objectives of the company have been formulated and all the employees have been briefed clearly of their specific job to achieve overall results for the company.

The company maintains sound relationship with regulatory authorities The Shareholders have the right to voice their concerns to Board of Directors and exercise their votes at Annual General Meetings/ Extraordinary General Meetings of the company. The notice of such meetings, and relevant documents as required by the Companies Act No.07 of 2007 and Listing Rules of Colombo Stock Exchange are circulated to all the shareholders at least 15 working days prior to the date of the meeting

## The Company Secretary

The role of the company secretary comprises of advising the Board and ensuring that all requirements relating to the Companies Act, Board procedures and other related rules and regulations are adhered to and followed. All directors have access to the company secretary. The removal of the company secretary requires a board resolution to be passed as specified in the Company's Articles of Association.

## Accountability

The Board of Directors' and the Audit Committee review the quarterly and annual audited Financial Statements and the accounts to ensure that a true, balanced and a fair view of the Company's performance is presented to the shareholders.

## Disclosure

The Board's policy is to disclose all relevant information to stakeholders, within the bounds of prudent commercial judgment, in addition to preparing the financial statements in accordance with Sri Lanka Accounting Standards, the Companies Act No.07 of 2007 and in conformity with Stock Exchange disclosure requirements.

# Corporate Governance

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**Going Concern**

The Board of Directors after reviewing the financial position and cash flow of the company is confident that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the "Going Concern Basis" has been adopted in the preparation of the Financial Statements.

**Compliance Report**

The Directors confirm that to the best of their knowledge all taxes and duties payable by the Company and all contribution levies and taxes payable on behalf of and in respect of the employees of the company and all other known statutory dues payable as at the Balance Sheet date have been paid or are provided for in the accounts.

**Auditors**

The auditors Ernst & Young were re-appointed at the Annual General Meeting held on the 30th of September 2024 and the Directors' authorized their remuneration.

The auditors conduct the annual audit with the objective of providing credence to the accounting records, policies and Financial Statements of the Company

**Management Committee**

The executive directors and senior managers have been assigned and delegated to achieve Company objectives.

**Internal Audits**

Deloitte (SJMS Associates ) are appointed as the internal auditors of Tangerine Beach Hotels PLC. The internal audit function operates unconstrained to the external audit. Quarterly internal audits are conducted to identify any exposure to risk and any such vulnerability are reported to the management in order to facilitate early action.

**Other Information**

The Annual Report contains statements from the Board including the responsibilities of the Directors for the preparation of the Financial Statements and the Directors are of the view that they have discharged their responsibilities as set out in this statement. The performance of the company during the year under review and the future prospects of the company are covered in the Chairman's review of operations

## Section 9 of the Revised Listing Rules of the CSE on Corporate Governance.

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
<b>9.1 Corporate Governance Rules</b>			
9.1.3	A statement confirming compliance with Corporate Governance Rules	Yes	The Company adheres to the Corporate Governance Rules. Any deviations from these rules are disclosed within this Report, along with a clear explanation for each instance.
<b>9.3 Board Committees</b>			
9.3.1 b/c/d	Minimum required Board Committees	Yes	Required Committees are established and operational.
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	yes	The required committees are functioning effectively, With clear mandates and engaged members
<b>9.4 Meeting procedures and the conduct of all General Meetings with shareholders</b>			
9.4.1	Records of all resolutions and the information upon a resolution being considered at any General Meeting shall be maintained.	Yes	Records of all resolutions are maintained
9.4.2 a/b/c	Communication and relations with shareholders and investors	Yes	Investor relations policy .
<b>9.6 Chairperson and CEO</b>			
9.6.1	Requirement for a SID if the same individual holds the positions of Chairperson and CEO	N/A	N/A as the Chairperson is a NED
9.6.2	Market announcement on the rationale behind the appointment of a SID	N/A	N/A
9.6.3 a-d	Requirement for a SID	N/A	N/A
9.6.3 E	SID shall make a signed explanatory disclosure demonstrating the effectiveness of their duties	N/A	N/A
9.6.4	Rationale for the appointment of a SID set out in the Annual Report	N/A	N/A
<b>9.7 Fitness of Directors and CEO</b>			
9.7.1 - 9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE and related disclosures	Yes	Fit and proper declaration has been obtained from directors for the year.
<b>9.8 Board Composition</b>			
9.8.3 (i) to (viii)	Requirements for meeting the criteria to be an ID	Yes	Details of the independence criteria are met during the year under review.
9.8.5 a/b/c	The Board shall annually determine the independence or otherwise of IDs and name the Directors who are determined to be 'independent'.	Yes	All independent Non-Executive Directors (NEDs) have declared their independence, which has been duly evaluated. No non-compliances were identified during the year under review.
<b>9.9 Alternate Directors</b>			
a-e	Appointment of Alternate Directors to be in accordance with the Rules and such requirements to be incorporated into the Articles of Association.	Yes	Articles of Association amended accordingly

# Corporate Governance

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
<b>9.10 Disclosures relating to Directors</b>			
9.10.2/9.10.3	Market announcement upon the appointment of a new director and any changes to the Board composition	Yes	The relevant market announcement has been made .
9.10.4 a-i	Details about the Board members	Yes	Refer the board of director profile Pages 4 to 10 Corporate Governance report page 16 to 20 Annual report of the board of directors page 4 to 10 Committee reports page 30 to 34
<b>9.11 Nominations and Governance Committee</b>			
9.11.1	Establishment of a Nominations and Governance Committee (NGC)	Yes	Refer to the Nominations and Governance Committee Report
9.11.2	Formal procedure for the appointment and reelection of Directors	Yes	Refer to the Nominations and Governance Committee Report
9.11.3	NGC to have a written Terms of Reference	Yes	Refer to the Nominations and Governance Committee Report
9.11.4 (1) a-b	The Composition of NGC	Yes	Refer to the Nominations and Governance Committee Report
9.11.4 (2)	Chairperson of NGC to be an ID	Yes	Refer to the Nominations and Governance Committee Report
9.11.4 (3)	Disclosure of names of the NGC Chairperson and members		Refer to the Nominations and Governance Committee Report
9.11.5 (i) - (x)	Functions of NGC	Yes	Refer to the Nominations and Governance Committee Report
9.11.6 a-m	NGC Report with requisite information to be disclosed in Annual Report	Yes	Refer to the Nominations and Governance Committee Report
<b>9.12 Remuneration Committee</b>			
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual Directors.	Yes	Refer to the Remuneration Committee Report
9.12.4	Remuneration for NEDs shall be based on a policy of non-discriminatory pay practices to ensure the independence.	Yes	Refer to the Remuneration Committee Report
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Yes	Refer to the Remuneration Committee Report
9.12.6 (3)	An ID shall be appointed as the Chairperson of the Remuneration Committee	Yes	Chairman is ID
9.12.7	Functions	Yes	Refer to the Remuneration Committee Report
9.12.8 A	Names of Remuneration Committee Chairperson and members	Yes	Refer to the Remuneration Committee Report
9.12.8 B	Statement of Remuneration Policy	Yes	Refer to the Remuneration Committee Report
9.12.8 C	Aggregate remuneration paid to EDs and NEDs	Yes	Refer to the Remuneration Committee Report

CSE Rule	Requirement	Compliance Status	Action / Reference (within the Report)
<b>9.13 Audit Committee</b>			
9.13.2	The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties.	Yes	Refer to the Audit Committee Report
<b>9.14 Related Party Transactions Review Committee</b>			
9.14.2 (1)	Related Party Transactions Review Committee shall comprise a minimum of 3 members, the majority of whom should be IDs, and an ID shall be appointed as the Chairperson.	Yes	Refer Related Party Report .
9.14.2 (2)	Where the parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may function as the subsidiary's Related Party Transactions Review Committee.	N/A	N/A
9.14.3	Functions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.4	General Requirements	Yes	Refer to the Related Party Transactions
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Yes	Refer to the Related Party Transactions
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transactions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.8 (2)	Details pertaining to Recurrent Related Party Transactions	Yes	Refer to the Related Party Transactions Review committee Report
9.14.8 (3)	Report of the Related Party Transactions Review Committee	Yes	Refer to the Report of the Related Party Transactions Review Committee
9.14.9 (1)/(2)	Shareholder approval for the acquisition and disposal of substantial assets	N/A	N/A
9.14.9 (4)/(5)/			
(6)	Competent, independent advice on the acquisition and disposal of substantial asset	N/A	N/A
<b>9.16 Additional Disclosures</b>			
(i)	Directors have disclosed all material interests in contracts and have refrained from voting when materially involved.	Yes	There were no material non-recurring transactions
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence.	Yes	Refer to Annual report of board of directors
(iii)	Directors are aware of laws, rules and regulations and their changes, particularly to Listing Rules and applicable capital market provisions.	Yes	Refer to Annual report of board of directors
(iv)	Disclosure of material non-compliance with laws/ regulations and fines by relevant authorities where the Entity operates.	N/A	N/A

# Risk Management

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Risk management is the process of identifying, quantifying, and managing the risks that an organization faces. As the outcomes of business activities are uncertain, they are said to have some element of risk.

It is important to understand and manage the risks and accept in the context of the overall corporate strategy.

Tangerine Beach Hotels PLC effectively manages both risk and reward. The hotel believes that in order to ensure reward, risk needs to be managed effectively. The risk framework involves risk identification, risk assessment and risk mitigation.

Risk is the probability of an undesirable outcome occurring due to a chosen activity or action.

The process of identifying potential risks and developing strategies to mitigate those risks is termed as Risk Management.

The benefit of identifying, managing and mitigating risks is immense for the diverse hospitality industry in which Tangerine Beach Hotel Beach Hotel operates.

Listed below are some of the risks and risk mitigation strategies used by Tangerine Beach Hotels PLC:

- **Business Risk** results from the adverse impact on the Company's revenue and profitability. Hence, business risk is effectively managed so that the revenues and cash flows will not be affected, and Tangerine Beach Hotel may be able to achieve its business objectives, grow and retain its competitiveness within the industry.

## Control Measures

- Tangerine Beach Hotels manages its business risk by strategizing on increasing its market share and constantly seeking to tap emerging markets. The Company boasts of an impressive foreign clientele consisting of Russian, Ukraine, Germany and UK clients apart from its local market.
- The business also utilizes the aid of various booking engines such as Agoda.com and Booking.com to increase its revenue and market position worldwide.
- Internal measures are taken by the Company as well to constantly review and streamline its costs and expenditure. This internal exercise helps the Company to revise rates and increase profitability while maintaining its competitive position.
- **Economic Risk** emerges from changes in economic variables such as inflation rates and interest rates which may distort the Company's growth as a result. Higher inflation rates may cause costs to increase and lower profitability for the Company. On the other hand, an increase in interest rates may increase finance costs and result in inability to repay debt.

## Control Measures

- Tangerine Beach Hotels exercises regular cost reviews and places strict cost controls while concurrently maintaining quality. Maintaining high quality and improving its impressive brand image enables the hotel to maintain its rates in a competent manner enabling any adverse effects of inflation to even out.

- Though higher interest rates are detrimental to the finance costs payable by the Company, Tangerine Beach Hotels uses these increased rates to invest its excess funds. Thus, the Company benefits from matching payments against receipts.
- The hotel is cautious in investing its funds or entering into loans and takes into account both reliability and the most beneficial rates. The hotel manages to do this effectively using the strength of its associate company Mercantile Investments and Finance PLC.
- **Foreign Exchange Risk** disrupts revenue due to exposure to fluctuations in foreign currency. Tangerine Beach Hotels deals with a wide foreign clientele. Volatility in foreign exchange rates can cause a fall in revenue for the Company when translating its foreign currency payments to rupees.

## Control Measures

- The hotel seeks to denominate most of its foreign sales contracts in the stable US Dollar & Euro which are considered safe currencies.
- The Company is also able to monitor foreign exchange movements through its head office treasury function. The treasury function enables the Company to review and convert foreign currency at the best rates and thereby maximize gains.
- **NATURAL DISASTER RISK** is the damage any natural hazards could cause to the business. Several examples of natural disasters that could affect the hotel include fire, tsunami and floods.

#### Control Measures

- The Company has taken numerous measures to transfer the risk to third parties in the form of insurance policies. These insurance policies cover the risk of the Company's assets being damaged due to natural hazards.
- The hotel has invested in physical security and contingency measures in the hotel premises such as emergency exits, fire hoses, fire extinguishers and fire alarms to safeguard the assets of the company.
- **Legal & Statutory Risk** is borne through litigation by the government, customers and business partners when legal and statutory requirements are not complied. This could result in losses arising from non-compliance with statutes and flawed contracts.

#### Control Measures

- The Company obtains assistance from the centralized legal division in all legal proceedings. The division provides guidance, direction and advice to the hotel upon entering business contracts and signing agreements. Hence, the hotel is safeguarded from incurring unexpected losses as a result
- Statutory compliance is given high priority and is regularly monitored and reviewed by the management. The quarterly internal audit program scopes in statutory compliance. A compliance certification is handed over to the Audit Committee for review by the management.
- **Operational Risk** results through slack in internal controls, inefficient business processes,

fraud, undue care and system breakdowns. The Company could face several implications in the form of disrupted operations, losses and ineffective use of resources.

#### Control Measures

- The hotel has laid down clear systems and procedures with regard to ensuring compliance with its internal controls. The hotel uses a formal process where internal auditors are appointed to help detect the above mentioned operational risks by means of quarterly internal audits.
- The auditors review the processes for its efficiency and effectiveness. More stringent internal controls are placed if deemed necessary. This process promotes transparency and minimizes the risks associated with the Company operations.
- Further, there are CCTV cameras attached to key locations in the hotel premises to detect fraud and negligence.
- **Health & Safety Risk** is caused by unhealthy and dangerous work practices. This could be of two fold, health and safety of customers and health and safety of the workers in the Company.

#### Control Measures

- The Company does constant maintenance to its chillers, elevators and the other assets it owns to ensure safe use. The hotel also carries out constant refurbishment of its premises to ensure safety for both its customers and workers.
- The hotel has taken contingency measures and ensured the availability of emergency exits and safety warnings.

- **Competition Risk** results through strong competitive actions from new entrants and existing players in the market. The risk of competition involves the threat of new entrants as well.

#### Control Measures

- Tangerine Beach Hotels PLC places significant emphasis on maintaining its competitive position in the market. The excellent brand quality, unique interior and superlative service by the staff remain exclusive to the hotel, hence giving TangerineBeach a competitive edge over new and existing players in the market.
- To take further advantage of its attractive brand, Tangerine Beach Hotel Palms enhances its brand standard through regular refurbishment of the hotel property and upgrading of the facilities being offered. This helps the hotel to remain consumer focused and blend in innovative changes to suit the various tastes of its guests and make their visits memorable and repeated.
- Another measure the Hotel takes to maintain its competitive position is through support from its associate travel arm Tangerine Tours (Pvt) Ltd. Besides this, long term affable relationships with other major tour operators are maintained to ensure successful business relationships. The hotel also maintains constant monitoring of its main competitors in the market as this enables to respond faster to competitive strategies.

# Annual Report of Board of Directors

The Directors have pleasure in submitting their report, together with the Audited Accounts for the financial year ended 31st March 2025.

## Review of the year

The Chairperson Review on pages 2 to 3 contains a review of operations during the financial year.

## Principal Activity

The principal activity of the Company, which is hotelliering, remained unchanged.

## Corporate Governance

The Board of Directors of the Company is responsible for the governance of the company, which include setting out strategic aims, providing leadership and supervising the management. The corporate governance practices of the Company are given on pages 16 to 23.

## Turnover

The net revenue of the Company for the year was Rs. 1,058,425,894/- (2024 Rs 964,685,960) Segmental Analysis of revenue is given in Note 03 to the financial statements.

## Results for the Year

	31.03.2025	31.03.2024
Net profit/(loss) for the year amounts	63,369,793	73,967,096
Less: Provision for Taxation	2,954,584	3,452,446
Profit /(Loss) for the year	66,324,377	77,419,542
Unappropriated profit brought forward	957,357,344	882,416,031
Profit available for appropriation	1,020,054,763	957,357,344

## Accounting Polices

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages . There were no changes to the Accounting Policies adopted during the year.

## Dividends

The Directors do not recommend a dividend for this Financial year.

## Capital Expenditure

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 171,631,380 (2024 - Rs. 40,822,282) details of which are given in Note 10 to the Financial Statements.

## Commitments & Contingencies

The Company does not have significant capital commitments as at the reporting date

## Outstanding Litigation

In the opinion of the Directors and in consultation with the Company Lawyers,

Company doesn't have outstanding litigation.

## Property Plant & Equipment

The details of property, plant & equipment of the Company are shown in Note 9 to the Financial Statements.

## Reserves

The movements during the year of Capital and Revenue Reserves are shown in the Statement of changes in Equity on page 42.

## Donations

During the year donations to Rs. 25,000 (2024- Rs Zero) were made to various charities by the Company.

## Post Balance Sheet Events

There have been no material events occurring after the Balance Sheet date that require adjustments to or disclosure in the financial statements.

## Going Concern

The Board of Directors is satisfied that the Company will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Directors consider that it is appropriate to prepare Financial Statements on Going Concern basis.

## Directors

The names of the Directors are shown on pages 4 to 10.

In terms of Article 88(i) of the Articles of Association, Mr. T J Ondaatjie retires by rotation and being eligible, offers himself for re-election.

Special notice has been given of the intention to propose ordinary resolutions as set out in the notice of meeting to re-elect Mrs. C A Ondaatjie as a Director of the company in terms of Section 211 of the Companies Act No. 07 of 2007.

In terms of Article 95 of the Articles of Association Ms. P T K Navaratne, Mr. G K Sudath Kumar and Ms. A Nanayakkara retire and being eligible, offer themselves for re-election.

### Board Committees

The following members of the Board serve on the Audit Committee

Mr. G K Sudath Kumar  
Ms. P T K Navaratne  
Mr. N H V Perera

The report of the audit committee is given on page 30 of this report.

The following members of the Board serve on the Remuneration Committee.

Ms. P T K Navaratne  
Mr. P S R Casie Chitty  
Mr. G K Sudath Kumar

The following members of the Board serve on the Related Party Transactions Review Committee

Mr. G K Sudath Kumar  
Ms. P T K Navaratne  
Mr. N H V Perera

The Board affirms that the Company has complied with the requirements of the listing rules of the Colombo Stock Exchange on Related Party Transactions.

The following members of the Board serve on the Nominations and Governance Committee.

Ms. P T K Navaratne  
Mr. G K Sudath Kumar  
Ms. A M Ondaatjie

### Directors Interest Register

The Company maintains an Interest Register in compliance with the Companies Act No.07 of 2007.

### Directors Interest in Contracts

The Directors of the Company have made the general disclosures provided for in Section 192(2) of the Companies Act No.07 of 2007. The related party disclosures and the Directors of each of those related parties are given on pages 71 to 72 and they have refrained from voting on matters in which they were materially interested

### Directors' Remuneration

The aggregate emoluments paid to the Directors during the year, amounted to Rs. 8,393,000.

### Directors Shareholdings

As at 31st March	2025 Shares	2024 Shares
Ms. A M Ondaatjie	569,982	569,982
Mrs. C A Ondaatjie	259,854	259,854
Mr. G G Ondaatjie	538,028	538,028
Mr. T J Ondaatjie	582,220	582,220
Mr. N H V Perera	202,236	202,236
Mr. L H Jayasinghe	-	-
P S R Casie Chitty	-	-
P T K Navaratne	-	-
G K S Kumar	-	-
A Nanayakkara	-	-

Mr. L H Jayasinghe serves as Director/General Manager and does not hold any shares in the company.

### Public Holding

The number of ordinary shares held by the public as at 31st March 2025 was 7,253,886 shares (2024- 7,253,886), which amounted to 36.27% (2023- 36.27%) of the issued ordinary shares of the Company.

The number of public shareholders as at 31st March 2025 - 1,575

Float Adjusted Market Capitalization as at 31/03/2025 Rs. 507,780,000.00

The Company is compliant with the minimum public holding requirement under option 5 of 7.13.1(i)(a)

Number of shares representing the Stated Capital 20,000,000

### Employee Share Option Schemes

The Company does not have any employee share option schemes.

# Annual Report of Board of Directors

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## Compliance with Applicable Laws and Regulations

The Directors made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules applicable capital market provisions.

## Risk Management and Internal Controls

Risk Management and Internal Control measures carried out by the Board are given on page and the Board has conducted a review of the internal controls covering financial operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith.

## Appraisal of Board Performance

The Board carried out an annual self-evaluation of its own performance and that of the subcommittees to ensure that they discharge their duties and responsibilities satisfactorily.

## Auditors

Messrs. Ernst & Young Chartered Accountants are deemed re-appointed in terms of Section 158 of the Companies Act No.7 of 2007 as the Auditors of the Company. A resolution proposing the Directors be authorized to determine the remuneration of the Auditors will be submitted to the Annual General Meeting.

The Auditors Messrs. Ernst & Young were paid Rs. 860,000/- as audit fees. Fees for non-audit service Rs. 231,521/- by the Company.

As far as the Directors are aware, the Auditor does not have any relationship (other than that of an auditor) with the company other than those disclosed above. The Auditors also do not have any interests in the Company.

For and behalf of the Board



A.M.Ondaatjie  
Chairperson



T.J.Ondaatjie  
Director

Mercantile Investments and Finance PLC  
Secretaries

15th August 2025

# Statement of Directors Responsibilities

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## **Statement of the Directors' responsibilities in relation to the Financial Statements**

The responsibilities of the Directors, in relation to the Financial Statements of the Company differ from the responsibilities of the Auditors, which are set out in the Independent Auditor's Report on pages 36 to 38.

As per the provisions of the Companies Act No. 7 of 2007 the Directors are required 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 results of its operations for the Financial Year.

The Directors consider that, in preparing these Financial Statements set out through page 39 to 79 appropriate Accounting Policies have been selected and applied in a consistent manner, supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are confident that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company maintains sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and to ensure that the Financial Statements presented comply with the Companies Act No. 7 of 2007.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

The Directors are confident that they have discharged their responsibilities as set out in the statement. The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company as at the Balance Sheet date have been paid or where relevant, provided for.

By Order of the Board

Mercantile Investments and Finance PLC  
*Secretaries*

15th August 2025

# Audit Committee Report

## Functions

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its overall responsibilities. The Audit Committee functions include the review of Financial Statements, internal control procedures, compliance with accounting standards and statutory compliance. The Audit Committee assists the Board of Directors in discharging their duties. Where necessary the Audit Committee makes suggestions and recommendations to the Board in areas within its purview.

## Members of the Audit Committee

The Audit Committee consists of two Non-Executive Independent Directors namely, Mr. G K S Kumar, Ms. P.T.K Navaratne and one Non - Executive director Mr. N.H.V. Perera.

## Meetings

The Audit Committee held 04 meetings during the year under review. The Statutory Auditors, the Group Financial Controller, Financial Controller and the General Manager also attend these meetings on invitation.

Name of Director	Position	Attendance at Audit Committee Meetings				Meeting Attendance
		13/02/2025	11/11/2024	09/08/2024	27/05/2024	
**G K S Kumar	Chairman	✓	-	-	-	1/4
N H V Perera	Member	✓	✓	✓	✓	4/4
*P S R Casie Chitty	Member	-	✓	✓	✓	3/4
**P T K Navaratne	Member	✓	-	-	-	1/4

\* Ceased to be a member of committee as of 23rd December 2024

\*\* New Appointments to the committee with effect from 23rd December 2024

## Role and Responsibilities

The Committee plays a vital role in ensuring the integrity of the Company's financial reporting, robustness of internal controls, compliance with statutory obligations and effectiveness of risk management systems. Its core responsibilities include;

- Monitoring the integrity and transparency of the Company's financial statements.
- Overseeing internal and external audit functions including the independence, scope and performance of auditors
- Reviewing and recommending the appointment, reappointment, of the external Auditors and their remuneration.
- Evaluating the adequacy and effectiveness of internal control frameworks
- Ensure compliance with applicable laws, regulations, corporate governance standard and ethical conduct.

## Key Activities during the year

- **Financial Reporting**  
The committee reviewed the quarterly and annual financial statements, focusing on the application of accounting policies, critical accounting estimates and judgements. Special emphasis was placed on key Audit Matters
- **Internal Audit and Controls**  
Reports submitted by Internal Auditors were critically evaluated. The Committee reviewed management's representation and tracked the timely implementation of recommended improvements.
- **External Audit**  
Pre-audit planning and post audit reviews were held with the External Auditors to assess audit strategy, execution and findings.
- **Regulatory Compliance and governance**  
The committee-maintained oversight of regulatory developments and ensured the Company's compliance with all statutory and corporate governance requirements.



G K S Kumar  
Chairman-Audit Committee

15th August 2025

# Remuneration Committee Report

The Remuneration Committee, appointed by and responsible to the Board of Directors, consists of two Non-executives independent Directors Ms.P T K Navaratne, Mr. G K S Kumar and a Non-Executive Director Mr.P.S.R. Casie Chitty. The Committee is chaired by Ms.P T K Navaratne

## Roles and Responsibility

Reviewing and making recommendations to the Board on remuneration packages and policies applicable to the Directors and Key Management Personnel.

## Purpose of the Committee

The Remuneration Committee is a sub-committee of the Board, which is responsible for reviewing, making recommendations to the Board and approving the remuneration packages and policies applicable to the Directors and Key Management Personnel.

## Duties of Committee

Attracting, retaining and motivating Directors of appropriate calibre and experience are essential to the Company's future success and therefore it is the primary objective of the Committee. The other objectives of the remuneration policy are to:

- Ensure the integrity of the Company's remuneration strategy is maintained and that the shareholder and employee interests are aligned;
- Pay a base salary, benefits and other perks which compares with other companies of comparable size and complexity in accordance with the remuneration policy;

- Use short-term and long-term increments to encourage Executive Directors to out-perform targets, thereby linking their rewards to the interests of shareholders and other stakeholders and giving them the opportunity to increase their earnings;
- Overseeing the compliance with statutory responsibilities relating to remuneration;
- Reviewing Executive and Non-Executive Director termination payments;

## Remuneration Policy

Remuneration policies and practices are designed to support strategy and promote long-term sustainable success of the Company. The Directors emoluments are disclosed on page 71.

- Executive remuneration is aligned to the Company's purpose and values, and is clearly linked to the successful delivery of the Company's long-term strategy;
- Determine the remuneration of senior management.
- Executive EPF & ETF contributions are in line with those available to the rest of the workforce; and provide enhanced reporting in the Company's annual report and accounts.

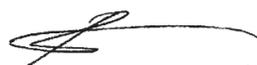
## Meetings

The Committee met once during the financial year. The Group Financial Controller assists the committee by providing relevant information required by the committee.

Name of Director	Attendance at Remuneration Committee Meetings		
	Position	13/02/2025	Meeting Attendance
P T K Navaratne	Chairperson	✓	1/1
P.S.R.Casie Chitty	Member	✓	1/1
G K S Kumar	Member	✓	1/1

## Conclusion

During the year, the Committee conducted a review of all elements of the remuneration packages of Directors and performance-related elements. This report describes how the Board has applied the principles relating to Directors' remuneration in the Combined Code on Corporate Governance, and the corresponding requirements as per Companies Act 2007 through the remuneration committee



P T K Navaratne  
Chairperson  
Remuneration Committee

15th August 2025

# Related Party Transactions Review Committee Report

## Introduction

The Board established the Related Party Transactions Review Committee in terms of the Code of Best Practice on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka (the "Code") and section 9 of the Listing Rules of the Colombo Stock Exchange (the "Rules"). This Committee is tasked with enhancing corporate transparency and ensuring that all Related Party Transactions (RPTs) are conducted on fair and equitable terms that safeguard the interest of all shareholders.

## Composition of the Committee

Name	Membership Status	Directorship Status/ Position held in the company
G K S Kumar	Chairman	Non-Executive Independent Director
P T K Navaratne	Member	Non-Executive Independent Director
N H V Perera	Member	Non-Executive Non-Independent Director

## The mandate of the Committee includes:

### (1) The Purpose:

The primary objective of the Committee is to ensure that all Related Party Transactions undertaken by the Company are conducted in a manner that is transparent, fair and compliant with applicable legal and regulatory frameworks, thereby protecting the interest of the minority shareholders and ensuring sound corporate governance.

### (2) Composition:

The Related Party Transaction Review Committee shall comprise of two Non-Executive Independent Directors and one Non-Executive Non Independent Director. Currently, the committee consists of three Directors. The chairman of the committee is Mr. G K S Kumar - Independent Director.

### (3) Operation:

The Related Party Transaction Review Committee held four meetings during the last financial year ending 31st March 2024. The Committee has reviewed all the Related Party Transactions quarterly and has communicated the comments and observations to the Board of Directors and has complied with the section 9.3.2© of the CSE listing rules.

Name of Director	Position	Attendance at Related Party Transaction Review Committee Meetings				Meeting Attendance
		13/02/2025	11/11/2024	09/08/2024	27/05/2024	
**G K S Kumar	Chairman	✓	-	-	-	1/4
N H V Perera	Member	✓	✓	✓	✓	4/4
* P.S.R.Casie Chitty	Member	-	✓	✓	✓	3/4
*Lakal Jayasinghe	Member	-	✓	✓	✓	3/4
**P T K Navaratne	Member	✓	-	-	-	1/4

\* Ceased to be a member of committee as of 23rd December 2024

\*\* New appointment

### (4) Responsibilities:

- To seek and receive reports on Related Party Transactions between the Company and its Affiliates.
- To review related Party Transactions.
- To recommend corrective measures.

**Policies and procedures**

The Company maintains a Directors' Interest Register and all Directors of the Company have disclosed their interests in other Companies conforming to the provisions of the Companies Act No. 07 of 2007. Further, all Related Party Transactions in accordance with Sri Lanka Accounting Standard 24 - (LKAS 24 - Related Party Transactions) are disclosed under Note No. 28 to the Financial Statements. The Committee in discharging its functions primarily relied on processes that were validated from time to time with a view to ensuring that:

- There is compliance with 'The Code' and the Listing Rules of the CSE.
- Shareholder interests are protected; and
- Fairness and transparency are maintained.



**G K S Kumar**

*Chairman - Related Party Transactions Review Committee*

15th August 2025

# Nomination & Governance Committee Report

The objective of the Committee is to manage the selection, appointment re-election and evaluation of Board Directors.

The Nominations and Governance Committee appointed by the Board comprised of three (03) Members two (02) of whom were Non - Executive Independent Directors

The Nominations and Governance Committee as at 31 March 2025, consisted of the following members

## Composition of the Committee

Name of the Directors	Position	Attendance at Nomination & Governance Meeting 13.02.2025	Meeting Attendance
P .T. K. Navaratne w.e.f. 23rd December 2024	Chairperson Non - Executive Independent Directors	✓	1/1
G .K. S. Kumar w.e.f. 23rd December 2024	Member Non - Executive Independent Directors	✓	1/1
A .M. Ondaatjie w.e.f. 23rd December 2024	Member Non-Executive Director	✓	1/1

## Committee Meetings

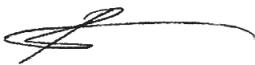
The Committee met once during the year .Minutes of the Nomination and Governance Committee meeting are also tabled at the Board Meetings

## Responsibilities of the committee

1. Evaluation of the quality of the Board members and its composition.
2. Evaluation of the performance of the Board, its Committees and Individual Directors to ensure that their responsibilities are satisfactorily discharged.
3. Reviewing the appointments, re-appointments, re-election, and election of Directors to the Boards of the Companies, as well as their succession planning, and suggesting amendments where necessary.

## Key Functions of the Committee

1. Ensuring the diversity in terms of experience, skills and age to support effective Board performance. and effectiveness of Tangerine Beach Hotels Plc as well as the Key Management Personnel (KMPs).
2. Reviewing and recommending appointments to the Boards of companies whenever necessary.
3. Evaluating and recommending suitable internal and external candidates to higher levels of management.
4. Evaluating the eligibility of the Directors who have offered themselves for reappointment and re- election to the Board considering the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities and make necessary recommendations to the Board.
5. Evaluating the combination of varied skills, knowledge and experience of the Directors of the Company and of the companies
6. Ascertain the competencies of Directors are adequate to meet the required strategic demands of the company.



P .T. K. Navaratne  
Chairperson -Nomination & Governance Committee

15th August 2025

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# Independent Auditor's Report

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Chartered Accountants  
Rotunda Towers  
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ey.com

CAY/SW/DW

## TO THE SHAREHOLDERS OF TANGERINE BEACH HOTELS PLC Report on The Audit of The Financial Statements

### Opinion

We have audited the financial statements of Tangerine Beach Hotels 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 gives a true and fair view of the financial position of the Company as at 31 March 2025, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the 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 the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, 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 Shakthivel B.Com (Sp), M U M Mansoor ACA

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of fair value of Land and Buildings:</b> Property, Plant and Equipment include land and buildings carried at fair value.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>■ materiality of the reported land and building balances which amounted to Rs 2,732 Mn and represents 62% of the total assets; and</li> <li>■ the degree of assumptions, judgments and estimation uncertainties associated with assessing fair value of land and buildings such as reliance on comparable market transactions, and current market conditions.</li> </ul> <p>Key areas of significant judgments, estimates and assumptions used in assessing fair value of the land and building, as disclosed in note 29.6, included judgements involved in ascertaining the appropriateness of valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> <li>■ Estimate of per perch value of the land.</li> <li>■ Estimate of the per square foot value of the buildings.</li> </ul>	<p><b>Our audit procedures included the following key procedures:</b></p> <ul style="list-style-type: none"> <li>■ Assessed the competency, capability, and objectivity of the external valuer engaged by the company</li> <li>■ Read the external valuer's report and understood the key estimates made and the approach taken by the valuer in determining the valuation of each property</li> <li>■ Assessed the reasonableness of the significant judgements, estimates and assumptions made by the valuer per perch price of land, per square foot rate of building and valuation techniques as relevant in assessing the fair value of each property</li> </ul> <p>We have also assessed the adequacy of the disclosures made in note 10 &amp; 29.6 to the financial statements.</p>

### Other information included in the company's 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

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

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

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

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

# Independent Auditor's Report

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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 also:

1. 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. 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 7752.



15 August 2025  
Colombo

# Statement of Financial Position

As at 31 March 2025	Note	2025 Rs.	2024 Rs.
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	2,916,392,538	2,499,410,604
Intangible Assets	11	501,127	787,354
Investments in Associate	12.1	836,363,411	762,649,790
Right-of-use assets	14	1,970,292	2,829,997
		3,755,227,368	3,265,677,745
<b>Current Assets</b>			
Inventories	13	34,736,193	37,505,294
Trade and Other Receivables	15	165,762,199	282,846,110
Income Tax Receivable		4,839,918	4,363,460
Other Non Financial Assets	16	29,949,140	23,048,705
Amounts Due from Related Parties	17.3	173,423	219,791
Short Term Investments	17.2	133,138,492	115,825,640
Cash at Bank and In Hand	18	298,970,247	178,420,744
		667,569,611	642,229,744
<b>Total Assets</b>		<b>4,422,796,979</b>	<b>3,907,907,489</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Stated Capital	19	244,800,000	244,800,000
Revaluation Reserve	20.1	2,085,466,138	1,778,757,213
Fair Value Reserve	20.4	618,513	77,386
Retained Earnings		1,020,054,763	957,357,344
<b>Total Equity</b>		<b>3,350,939,414</b>	<b>2,980,991,943</b>
<b>Non-Current Liabilities</b>			
Interest Bearing Loans and Borrowings	23	10,000,000	-
Deferred Tax Liabilities	9.3	769,351,982	684,826,520
Post Employment Benefit Liability	24	42,150,369	36,110,364
Lease Liability	25	1,688,531	2,712,588
		823,190,882	723,649,472
<b>Current Liabilities</b>			
Trade and Other Payables	21	134,846,027	123,600,769
Amounts Due to Related Parties	22	11,034,600	11,142,951
Current Portion of Lease Liability	25	1,024,057	867,872
Current Portion of Interest Bearing Loans and Borrowings	23	101,761,999	67,654,482
		248,666,683	203,266,074
<b>Total Equity and Liabilities</b>		<b>4,422,796,979</b>	<b>3,907,907,489</b>

These Financial Statements are in compliance with the requirements of the Companies Act No.07 of 2007.



M.I. Shahabdeen  
Chief Financial Officer

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by;



A.M. Ondaatjie  
Chairperson



T. J. Ondaatjie  
Director

The Accounting Policies and Notes on pages 44 through 79 form an integral part of the financial statements.

# Statement of Profit or Loss

Year ended 31 March 2025		2025	2024
	Note	Rs.	Rs.
Revenue	3	1,058,425,894	964,685,960
Cost of Sales		(350,150,280)	(357,350,475)
<b>Gross Profit</b>		<b>708,275,614</b>	<b>607,335,485</b>
Other Income & Gains	4	2,859,766	(11,769,253)
Selling and Distribution Expenses		(26,038,503)	(24,717,979)
Administrative Expenses		(627,457,166)	(598,662,891)
Loss From Derecognition of Property, Plant & Equipment		(4,181,185)	(2,937,491)
Other Expenses	7	(1,106,380)	(785,474)
Profit / (Loss) From Operations		52,352,147	(31,537,603)
Finance Income	6.1	9,228,217	59,119,528
Finance Expenses	6.2	(2,772,043)	(1,650,750)
Share of Associate Company's Profit	12.3	4,561,472	48,035,921
<b>Profit / (Loss) Before Tax</b>	5	<b>63,369,793</b>	<b>73,967,096</b>
Income Tax Expenses	9	2,954,584	3,452,446
Profit / (Loss) for the Year		66,324,377	77,419,542
<b>Earnings Per Share</b>	8	<b>3.32</b>	<b>3.87</b>

The Accounting Policies and Notes on pages 44 through 79 form an integral part of the financial statements.

# Statement of Comprehensive Income

Year ended 31 March 2025	Note	2025 Rs.	2024 Rs.
Profit/(Loss) for the Year		66,324,377	77,419,542
<b>Other Comprehensive Income</b>			
<i>Other comprehensive income to be reclassified to statement of profit or loss in subsequent periods (net of tax):</i>		-	-
<b>Other comprehensive income not to be reclassified to statement of profit or loss in subsequent periods (net of tax):</b>			
Actuarial Gains/(Losses) on Post Employment Benefit Liability	24.1	(4,592,112)	(2,504,510)
Income Tax Effect on Actuarial Gains/(Losses) on Post Employment Benefit Liability	9.3	1,377,633	751,353
Revaluation of Land & Building	20.2	326,543,103	-
Deferred Tax Effect on Revaluation of Land & Building	20.2	(88,857,679)	8,838,785
		234,470,945	7,085,628
Actuarial Gains/(Losses) on Post Employment Benefit Liability - Associate	12.2	(589,256)	(720,501)
Deferred Tax Effect on Actuarial Gains/(Losses) on Post Employment Benefit Liability -Associate	12.2	176,776	216,150
Revaluation of Land & Building -Associate	20.3	95,623,132	-
Deferred Tax Effect on Revaluation of Land & Building - Associate	20.3	(26,599,631)	2,061,763
Gain on Fair Value Through Other Comprehensive Income Financial Instruments		773,038	-
Deferred Tax Effect on Gain on Fair Value Through OCI Financial Instruments		(231,911)	-
		69,152,148	1,557,412
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		303,623,093	8,643,040
<b>Other Comprehensive Income for the Year</b>		303,623,093	8,643,040
<b>Total Comprehensive Income for the Year</b>		<b>369,947,470</b>	<b>86,062,582</b>

The Accounting Policies and Notes on pages 44 through 79 form an integral part of the financial statements.

# Statement of Changes in Equity

Year ended 31 March 2025	Stated Capital	Revaluation Reserve	Revaluation Reserve of Associate Company	Fair value Reserve of Financials Assets at FVOCI	Retained Earnings	Total Equity
	Rs.	Rs. (Note 20.1)	Rs. (Note 20.1)	Rs. (Note 20.4)	Rs.	Rs.
As at 01 April 2023	244,800,000	1,426,398,799	341,457,866	77,386	882,416,031	2,895,150,082
Profit/(Loss) for the Year	-	-	-	-	77,419,542	77,419,542
Other Comprehensive Income	-	8,838,785	2,061,763	-	(2,257,508)	8,643,040
Total Comprehensive Income	-	8,838,785	2,061,763	-	75,162,034	86,062,582
Adjustment for Right of use Asset - Associate	-	-	-	-	(220,721)	(220,721)
Balance as at 01 April 2024	244,800,000	1,435,237,584	343,519,629	77,386	957,357,344	2,980,991,943
Profit/(Loss) for the year	-	-	-	-	66,324,377	66,324,377
Other Comprehensive Income	-	237,685,424	69,023,501	541,127	(3,626,958)	303,623,094
Total Comprehensive Income	-	237,685,424	69,023,501	541,127	62,697,418	369,947,470
Adjustment for Right of use Asset - Associate	-	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	<b>244,800,000</b>	<b>1,672,923,008</b>	<b>412,543,130</b>	<b>618,513</b>	<b>1,020,054,763</b>	<b>3,350,939,414</b>

The Accounting Policies and Notes on pages 44 through 79 form an integral part of the financial statements.

# Statement of Cash Flows

Year ended 31 March 2025		2025	2024
	Note	Rs.	Rs.
<b>Operating Activities</b>			
Profit before tax		63,369,793	73,967,096
<b>Adjustments for;</b>			
Depreciation on Property, Plant and Equipment	10.2	77,011,363	73,908,153
Allowance for Inventory		606,273	941,972
Amortisation of Intangible Assets	11	286,227	286,227
Depreciation of Right of Use Asset	14	859,705	859,704
Provision for Bad and Doubtful Debts	15.2	(120,450)	138,950
Interest Income	6.1	(9,228,217)	(59,119,528)
Interest Expense	6.2	2,772,043	1,650,750
(Profit)/Loss on Disposal of Property, Plant and Equipment	4	(5,200,000)	-
De-recognition of Property, Plant and Equipment		4,181,185	2,937,491
Post Employment Benefit Plans	24.1	7,214,528	8,056,134
Share of Associate Profit	12.3	(4,561,472)	(48,035,921)
		137,190,978	55,591,028
<b>Changes in Working Capital:</b>			
(Increase)/Decrease in Receivable and Prepayments	15/16/17	114,709,659	(171,224,257)
(Increase)/Decrease in Inventories	13	2,162,827	(4,612,748)
Increase/(Decrease) in Trade and Other Payables	21/22	11,136,906	24,504,149
Cash Generated from Operations		265,200,370	(95,741,828)
Finance Costs Paid	6.2	(1,839,915)	(584,431)
Retirement Benefit Cost Paid	24	(5,766,635)	(2,047,870)
Income Tax Paid		(476,455)	(4,532,609)
Net Cash Flows From/(Used in) Operating Activities		257,117,365	(102,906,738)
<b>Cash Flows from/(Used in) Investing Activities</b>			
Acquisition of Property, Plant & Equipment	10.1	(171,631,380)	(40,822,282)
Acquisition of Intangible Assets	10	-	(800,155)
Proceeds from Disposal of Property, Plant & Equipment		5,200,000	-
Investments (Made) / Withdrawals in Fixed Deposit		(17,212,643)	229,798,822
Interest Income Received		9,128,008	78,321,649
Loan Obtained		30,000,000	-
Net Cash Flows from/(Used in) Investing Activities		(144,516,015)	266,498,034
<b>Cash Flows from/(Used in) Financing Activities</b>			
(Repayment)/Proceed of Interest bearing Loans and Borrowings	23.1	(8,000,000)	(15,998,000)
Payment of Lease Liabilities	25.1	(1,800,000)	(1,800,000)
Net Cash Flows from/(Used in) Financing Activities		(9,800,000)	(17,798,000)
Net increase/(Decrease) in Cash and Cash Equivalents		102,801,350	145,793,296
Effect of exchange rate changes on cash and cash equivalents		(4,359,364)	(6,254,992)
Cash and Cash Equivalents at the beginning of the year	18	110,766,262	(28,772,042)
<b>Cash and Cash Equivalents at the end of the year</b>		<b>209,208,248</b>	<b>110,766,262</b>

The Accounting Policies and Notes on pages 44 through 79 form an integral part of the financial statements.

# Notes to the Financial Statements

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## 1. CORPORATE INFORMATION

### 1.1 General

Tangerine Beach Hotels PLC ("Company") is a PLC limited liability company incorporated and domiciled in Sri Lanka. The registered office of the Company is located at No. 236 Galle Road, Colombo 03, and the principal place of business is situated at St. Abrew's Drive Road, Waskaduwa, Kalutara North.

### 1.2 Principal Activities and Nature of Operations

The principal activity of the Company was hoteliering.

### 1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company does not have an identifiable parent of its own.

### 1.4 Date of Authorisation for Issue

The financial statements of Tangerine Beach Hotels PLC for the year ended 31 March 2025 were authorized for issue in accordance with a resolution of the Board of Directors on 15th August 2025.

## 2. STATEMENT OF COMPLIANCE

The Financial Statements which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows, together with the accounting policies and notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

## 2.1 Basis of Preparation

### 2.1.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis except for Freehold Land and Buildings and Financial Instruments at amortized cost that have been measured at fair value. The preparation and presentation of these Financial Statements is in compliance with the Companies Act No. 07 of 2007.

### 2.1.2 Comparative Information

The presentation and classification of the financial statements of the previous year has been amended, where relevant for better presentation and to be comparable with those of the current year.

### 2.1.3 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are treated immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'. Understandability of the Financial Statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. Notes to the Financial Statements are presented in a systematic manner that ensures the understandability and comparability of Financial Statements.

### 2.1.4 Offsetting

Assets and liabilities or income and expenses are not set off unless required or permitted by a Sri Lanka Accounting Standard.

## 2.1.5 Changes in Accounting Policies

The accounting policies adopted by the company are consistent with those of the previous financial year.

## 2.2 Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Financial Statements of the Company in conformity with Sri Lanka Accounting Standards 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.

### Judgments

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements.

### Going Concern

The directors have made an assessment of the company's ability to continue in business for the foreseeable future. Therefore the financial statements are continued to be prepared in a Going Concern Basis.

### Critical Accounting Estimates and Assumptions

The financial statements are sensitive to assumptions and estimates made in measuring certain carrying amounts represented in the Statement of Financial Position and amounts charged to the Statement of income. These could result in a significant risk of causing material adjustments to the carrying amounts of assets and liabilities which are disclosed in the relevant Notes to the Financial Statements.

### Fair Value of Property, Plant & Equipment:

The Land and Building of the company are reflected at fair value. Land and Building are valued by reference to market based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of Land and Building, with the assistance of an independent professional valuer.

Valuations are performed frequently enough to ensure that the fair value of a revalued land does not differ materially from its carrying amount. To determine the frequency of valuations, the management uses its judgement supported by the advice of an independent professional valuer. Further details are given in Note 10.

### Components of Buildings:

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 such determination as well as in the assessment of the useful lives of each component.

### De-recognition of Property Plant & Equipment Subject to Refurbishments:

In order to comply with the LKAS 16 - Property Plant & Equipment, the company determined the cost of derecognised assets based on the quantity surveyor's valuation.

### Impairment of Trade Debtors:

The Company reviews at each reporting date all receivables to assess whether an allowance should be recorded in the statement of income. The Management uses judgment in estimating such amounts in the light of the duration of outstanding and any other factors management is aware of, that indicate uncertainty in recovery. Further information is given in Note 15.

### Defined Benefit Plans:

The Defined Benefit Obligation and the related charge for the year are determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, future salary increases, mortality rates etc. Due to the long term nature of such obligations these estimates are subject to significant uncertainty. Further details are given in Note 24.

### Useful lives of Property, Plant & Equipment:

The company reviews the residual values, useful lives and methods of depreciation of Property, Plant & Equipment at each reporting date. Judgement of the management is exercised estimation of these values, rates, methods and hence they are subject to uncertainty.

### Useful life of Intangible Asset:

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period.

## 2.3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.3.1 Foreign Currency Translations

The Financial Statements are presented in Sri Lanka Rupees, which is also the Company's functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Differences arising on settlement or translation of monetary items are recognised in the profit and loss. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### 2.3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting

# Notes to the Financial Statements

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as a principal in all of its revenue arrangements.

The following specific recognition criteria must also be met before revenue is recognized.

## a) Room Revenue

Revenue is recognized on the rooms occupied on daily basis.

## b) Food & Beverage Revenue

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

## c) Other Hotel Related Revenue

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

## d) Interest

Interest Income is recognized on a time proportion basis that takes in to account the effective yield.

## e) Others

Other income is recognized 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 income, having deducted from proceeds on disposal, the carrying amount of the assets and related selling expenses.

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.

## 2.3.3 Expenditure Recognition

- a) Expenses are recognized in the statement of income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.
- b) For the purpose of presentation of statement of income the directors are of the opinion that function of expenses method presents fairly the elements of the Company's performances, hence such presentation method is adopted.

## 2.3.4 Taxation

### (a) Current Income Taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Companies are liable to tax at the rate of 30%.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the relevant tax legislations.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

### (b) Sales Tax

Revenue, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the sales tax is recognised as a part of the cost of the asset or part of the expense items as applicable and receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### (c) 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 recognized for all taxable temporary differences.

Deferred tax assets are recognized 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 utilized.

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

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

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

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

**2.3.5 Fair Value Measurement**

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,

assuming that market participants act in their economic best interest.

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

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

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

External valuers are involved for valuation of significant assets, such as land and building. Involvement of external valuers is decided upon annually by the Board of Directors, where selection criteria would include market knowledge, reputation, and independence and whether professional standards are maintained.

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

**2.3.6 Inventories**

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

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

Food and Beverage	At purchase cost on weighted average basis.
Other Inventories	At purchase cost on weighted average basis.

**2.3.7 Cash and Short-term Deposits**

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash

# Notes to the Financial Statements

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equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

## 2.3.8 Investment in Associates

The company's investment in its associates is accounted for under the equity method of accounting in separate financial statements (amendments to LKAS 27). An associate is an entity in which the company has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in an associate is carried in the financial position at cost plus post acquisition changes in the company's share of net assets of the associate. Goodwill relating to an associates included in the carrying amount of the investment is not amortised. The statement of income reflects the share of the result of operation of the associate. Where there has been a change recognised directly in the equity of the associate, the Company recognized its share of any such change and discloses this, when applicable, in the statement of changing in equity.

The reporting dates of the associate and the company are identical and the associate's accounting policies confirm to those used by the company for like transactions and events in similar circumstance.

## 2.3.9 Property, Plant and Equipment

Property, Plant and Equipment (except for land & Building) is stated at cost, net of accumulated depreciation and/or 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 recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major refurbishment is performed, its cost is recognized 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 recognized in the profit or loss as incurred.

Land and Building is measured at fair value less accumulated depreciation on building, less impairment losses. Valuations are performed with sufficient frequency (Once in 03 years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

A revaluation surplus is recognized in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in the Statement of income, in which case the increase is recognized in the Statement of income. A revaluation deficit is recognized in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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.

An item of Property, Plant and Equipment is derecognized 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 income when the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

Depreciation is calculated on a straight line basis over the useful lives of the assets.

The useful lives of the assets are estimated as follows;

	2025	2024
Buildings and building integrals	3.66-70 Years	3.66-70 Years
Motor Vehicles	6-16 Years	6-16 Years
Kitchen Equipment	6-12 Years	6-12 Years
Furniture and Fittings	10-20 Years	10-20 Years
Office Equipment	6-15 Years	6-15 Years
Recreational Equipment	3-8 Years	3-8 Years
Hotel Equipment	3-12 Years	3-12 Years
Computer Equipment	3-5 Years	3-5 Years
Linen & Furnishing	3 Years	3 Years
Cutlery, Crockery & Glassware	3 Years	3 Years
Plant & Machinery	10-20 Years	10-20 Years
Solar Heater System	10 Years	10 Years
Telephone System	8- 10Years	8- 10Years
Air Conditioning System	10-16 Years	10-16 Years
Gym Equipment	10-15 Years	10-15 years
Solar Power System	10-15 Years	15 Years

Depreciation of an asset begin when it is available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

#### Capital Work-in-Progress

Capital work-in-progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of buildings, major plant and machinery, awaiting capitalisation.

### 2.3.10 Financial Assets and Liabilities

#### Initial recognition of Financial Assets and Financial Liabilities

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.

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.

#### 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 derecognition (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 following,

Trade receivables and Other current financial assets are held to collect contractual cash flows and give rise to cash flows representing solely

# Notes to the Financial Statements

payments of principal and interest. These are classified and measured as Debt instruments at amortised cost.

Equity investments in non-listed companies are classified and measured as Equity instruments designated at fair value through OCI. The Company elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as equity instrument fair value through OCI, since it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

## Debt instrument at Fair Value through OCI

A debt instrument is measured at FVOCI only if it meets both of the following conditions:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- And
- The contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

FVOCI debt instruments are subsequently measured at fair value with gains or losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses and ECL and reversals are recognised in profit or loss. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

## Derecognition of financial assets

A financial asset is primarily derecognised 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.

## Impairment of Financial Assets

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss which includes trade receivables.

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

For trade receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises

a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## Financial Liabilities Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as 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 financial liabilities of the Company include loans and borrowings, Trade and other payables and Amount due to related parties.

## Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

The Company does not have any Financial liabilities at fair value through profit or loss.

## Financial Liabilities at Amortised Cost (Loans and Borrowings)

This is the category most relevant to the Company. 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 derecognised 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.

### **Derecognition of Financial Liabilities**

The Company may remove a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—i.e when the obligation specified in the contract is discharged or cancelled or expires.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

A gain or loss on a financial liability that is measured at amortised cost and is not part of a hedging relationship be recognised in profit or loss when the financial liability is derecognised and through the amortisation process.

### **2.3.11 SLFRS 15 Revenue from Contracts with Customers**

SLFRS 15 established a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. SLFRS 15 required the Company to exercise judgement, taking into consideration all of the relevant facts and circumstances

when applying each step of the model to contracts with their customers.

The Company carried out an impact analysis of the possible impact from adoption of the SLFRS 15 across all the services offered by the Hotel. The key aspects covered are as follows.

Identified all the goods or services, or contract deliverables, which have been promised within usual course of carrying out services of the Hotel. In determining this, the management looked at implicitly or explicitly promised services including customary business practices or policies of the hotel. Having considered the same, hotel then determined that in all principle services rendered, there was one distinct performance obligation rather than many.

In connection with contracts with travel agents, tour operators, on-line travel agents, corporate customers and free-individual-travellers, the company identified certain principal vs agent considerations. In recognising revenue from these transactions, the company considered whether the nature of its promise is a performance obligation to provide the hotel services itself (acting as a principal) or to arrange for the other party to provide those such services (acting as an agent). In particular, certain on-line travel agent agreements had terms indicative that the Hotel was in fact the principal, while in certain other circumstances, considerations that were suggestive of agency considerations were present. Company does not have any outsourced other hotel related services. Accordingly, this aspect of principal versus agent did not result in material changes to the reported figures, despite the analysis and effort carried out by the Company.

### **2.3.12 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, except capitalized development costs, are not capitalized and expenditure is recognized in the statement of income when it is incurred.

The Company's intangible assets include the value of computer software. An intangible asset is recognized 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 05 years

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

# Notes to the Financial Statements

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

### 2.3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of income net of any reimbursement.

### 2.3.14 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the company are disclosed in Note 26.

### 2.3.15 Retirement Benefit Obligations

#### a) Defined Benefit Plans - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent professional actuary once in every year using the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in Other Comprehensive Income.

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Key assumptions used in determining the defined retirement benefit obligation are given in Note 24 Any changes in these assumptions will impact the carrying amount of defined benefit obligation.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on "Employee benefits' However, under the payment of gratuity act no 12 of 1983, the liability to an employee rises only on completion of 5 years of continued service.

The gratuity liability is not externally funded.

#### b) Defined Contribution Plans - Employees' Provident Fund & Employees' Trust Fund

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

### 2.3.16 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 Companies 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 Statement of income 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 recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the Statement of profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

### 2.3.17 Right of Use Assets and Lease Liabilities

#### Right of Use Asset

The right-of-use asset is initially measured at cost. This comprises of the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. After the commencement date, Company measures the right-of-use asset on cost model.

#### Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, on initial application the Company used the incremental borrowing rate as the discount rate to determine the lease liability.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. After the commencement date, the

Company measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease or any other basis more representative of the time pattern of the benefits derived from the lease.

### 2.3.18 Dividend Distributions

The Company recognizes a liability to make cash or non-cash distributions to owners of equity when the distribution is authorized and is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed. Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in income as a separate line in statement of comprehensive income.

## 2.4 New Accounting Standards issued but not yet effective as at Reporting Date

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

#### 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 01 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statement.

# Notes to the Financial Statements

## 3. REVENUE

Year ended 31 March 2025	2025 Rs.	2024 Rs.
<b>Segmentation of the Revenue</b>		
Room Sales	302,144,816	240,878,355
Food and Beverage Sales	714,403,148	684,808,526
Spa sales	7,339,287	6,528,146
Ayurveda Sales	13,706,663	10,152,202
Other Hotel Related Revenue	20,831,980	22,318,731
	<b>1,058,425,894</b>	<b>964,685,960</b>

## 4. OTHER INCOME & GAINS

Year ended 31 March 2025	2025 Rs.	2024 Rs.
Exchange Gain	(3,007,953)	(12,029,731)
Profit/(Loss) on Property Plant & Equipment	5,200,000	-
Scrap Sales	667,719	260,478
	<b>2,859,766</b>	<b>(11,769,253)</b>

## 5. PROFIT BEFORE TAXATION

Year ended 31 March 2025	2025 Rs.	2024 Rs.
<b>Stated after Charging/(Crediting)</b>		
Depreciation	77,011,363	73,908,153
Amortisation of intangible Assets	286,227	286,227
Auditors' Remuneration	946,000	860,000
Allowances for Inventory	606,273	941,972
Salaries & Wages	171,772,411	149,579,412
Cost of meals	41,311,643	39,399,436
Defined contribution plans	21,100,870	18,419,984
Post employment benefit plans	7,214,528	8,056,134
Directors' Emoluments	545,000	942,600
Operation and Marketing Fees- Payable to a Related Party	41,779,284	37,510,955
Repair and maintenance expenditure	58,214,077	47,509,821
Power and energy expenditure	59,396,138	96,635,001
Exchange Gain/(Loss)	(3,007,953)	(12,029,731)
Sales Promotional and advertising	9,957,728	11,640,259
Social security contribution levy	21,665,029	17,569,727

**6. NET FINANCE INCOME/(EXPENSES)**

	2025 Rs.	2024 Rs.
<b>6.1 Finance Income</b>		
Interest Income on Foreign Currency Deposit	1,696,850	203,428
Interest Income on Fixed Deposit	5,471,678	56,530,873
Interest Income on Money Market	2,059,689	2,385,227
	<b>9,228,217</b>	<b>59,119,528</b>
<b>6.2 Finance Expenses</b>		
Interest Expenses on Loans & Overdrafts	(1,839,915)	(584,431)
Interest Expenses on Lease	(932,128)	(1,066,319)
	<b>(2,772,043)</b>	<b>(1,650,750)</b>
	<b>6,456,174</b>	<b>57,468,778</b>

**7. OTHER EXPENSES**

Year ended 31 March 2025	2025 Rs.	2024 Rs.
Bank Charges	1,106,380	785,474
	<b>1,106,380</b>	<b>785,474</b>

**8. EARNINGS PER SHARE**

Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding.

The following reflects the income and share data used in the Basic Earnings Per Share computations.

Amount Used as the Numerator:	2025 Rs.	2024 Rs.
Net Profit for the period	66,324,377	77,419,542
Net Profit attributable to Ordinary Shareholders for Basic Earnings Per Share	<b>66,324,377</b>	<b>77,419,542</b>
Number of Ordinary Shares Used as Denominator	Number	Number
Weighted average number of Ordinary Shares Applicable to Basic Earnings Per Share	20,000,000	20,000,000
Earnings Per Share	3.32	3.87

## Notes to the Financial Statements

**9. INCOME TAX**

The major components of income tax expenses for the year ended 31 March are as follows

	2025 Rs.	2024 Rs.
<b>Current Income Tax</b>		
Current Income Tax charge	-	-
Under/(Over) Provision of current taxes in respect of prior years	-	-
	-	-
<b>Deferred Income Tax</b>		
Deferred Taxation Charge/(Reversal) (Note 9.3)	(2,954,584)	(3,452,446)
Income tax expense reported in the Statement of profit or loss	<b>(2,954,584)</b>	<b>(3,452,446)</b>
<b>Statement of Changes in Equity</b>		
<b>Deferred Income Tax related to items charged or credited through OCI to equity :</b>		
Recognition of Deferred Tax on Temporary Differences	1,377,633	751,353
Revaluation of Land and Buildings to Fair Value	(88,857,679)	8,838,785
Income tax expense reported in equity	<b>(87,480,046)</b>	<b>9,590,138</b>

**9.1** A Reconciliation Between Tax Expense and the Product of Accounting Profit multiplied by the statutory tax rate is as follows :

	2025 Rs.	2024 Rs.
Accounting Profit / (Loss) before tax from continuing operations	63,369,793	73,967,096
Less : Share of Associate Company's Profits /( Loss)	4,561,472	48,035,921
Accounting Profit Before Income Tax	58,808,321	25,931,175
Add - Aggregate disallowable Items	136,228,976	86,860,613
Less - Aggregate Allowable Items	(75,227,934)	(112,124,018)
Less - Other Sources of Income	-	-
Tax Profit /( Loss) for the Year	119,809,363	667,770
Less Tax losses Utilised During the Year	(119,809,363)	(667,770)
	-	-
<b>Other Sources of Income</b>		
- Statutory Income from Interest	9,228,216	59,119,527
- Rent Income	9,922,496	9,618,221
Less - Exempt Interest & Other	(1,696,850)	(203,428)
Taxable Income	17,453,862	68,534,320
Less Tax Losses Utilised During the Year	(17,453,862)	(68,534,320)
Less - Exempt Interest & Other	-	-
Applicable Tax Rate	30%	30%
<b>Income Tax Expense for the Year</b>	-	-

**9.2** The business profits and income of the company are liable to tax at a rate of 30% as per the First Schedule of the Inland Revenue Act No. 24 of 2017 and amendment thereto. Other sources of income are also taxable at 30%.

### 9.3 Deferred Tax Assets , Liabilities

	2025 Rs.	2024 Rs.
Deferred Tax Liabilities	783,924,776	697,444,015
Deferred Tax Assets	(14,572,794)	(12,617,495)
Net Deferred Tax Liabilities	<b>769,351,982</b>	<b>684,826,520</b>

#### Deferred Taxation Charge/(Reversal) - Statement of Profit or Loss /Other Comprehensive Income

	Statement of Financial Position		Statement of Profit or Loss		Statement of Comprehensive Income	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
<b>Deferred Tax Liability</b>						
Intangible Assets	(8,230)	44,168	(52,398)	37,859	-	-
Revalued Land and Building	633,831,463	544,973,784	-	(54,234,636)	88,857,679	(8,838,785)
Capital allowances for tax purposes	150,101,543	152,426,063	(2,324,520)	52,908,892	-	-
	783,924,776	697,444,015	(2,376,918)	(1,287,885)	88,857,679	(8,838,785)
<b>Deferred Tax Assets</b>						
Defined Benefit Plans - recognised through income statement	(12,645,111)	(10,833,109)	(434,369)	(1,802,478)	(1,377,633)	(751,353)
Right of Use Asset - recognised through income statement	(222,689)	(225,139)	2,450	(37,807)	-	-
Allowances for Doubtful Receivables	(418,437)	(454,572)	36,135	(41,685)	-	-
Allowances for obsolete inventories	(1,286,557)	(1,104,675)	(181,882)	(282,591)	-	-
	(14,572,794)	(12,617,495)	(577,666)	(2,164,561)	(1,377,633)	(751,353)
Deferred Tax Charge to the Income Statement			(2,954,584)	(3,452,446)		
Deferred Tax Charge to Other Comprehensive Income					87,480,046	(9,590,138)
Deferred Tax Assets/ Liability	<b>769,351,982</b>	<b>684,826,520</b>				

## Notes to the Financial Statements

**10. PROPERTY, PLANT & EQUIPMENT****10.1 Gross Carrying Amounts**

	Balance as at 01.04.2024	Additions	Transfers on Revaluations	Disposal / Derecognition	Revaluation	Balance as at 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At Cost or Valuation</b>						
Freehold Land	1,248,375,000	-	-	-	319,725,000	1,568,100,000
Buildings on Freehold Land	1,195,681,400	91,334,650	(124,731,403)	(4,749,000)	6,818,103	1,164,353,750
Motor Vehicles	38,666,568	-	-	(4,000,000)	-	34,666,568
Plant & Machinery	54,602,155	-	-	-	-	54,602,155
Hotel Equipment	91,917,155	1,079,623	-	-	-	92,996,778
Kitchen Equipment	30,109,395	99,390	-	-	-	30,208,785
Furniture and Fittings	164,481,691	898,800	-	-	-	165,380,491
Office Equipment	1,325,727	-	-	-	-	1,325,727
Recreational Equipment	1,647,500	-	-	-	-	1,647,500
Solar Heater System	6,171,101	-	-	-	-	6,171,101
Telephone System	4,053,049	-	-	-	-	4,053,049
Air Conditioning System	58,364,968	-	-	-	-	58,364,968
Gym Equipment	6,485,171	-	-	-	-	6,485,171
Computer Equipment	15,124,193	940,466	-	-	-	16,064,659
Linen and Furnishing	45,057,205	3,236,432	-	(6,847,158)	-	41,446,479
Cutlery, Crockery and Glassware	10,675,265	3,228,709	-	(2,298,774)	-	11,605,200
Solar Power System	3,030,000	70,813,310	-	-	-	73,843,310
<b>Total Value of Depreciable Assets</b>	<b>2,975,767,543</b>	<b>171,631,380</b>	<b>(124,731,403)</b>	<b>(17,894,932)</b>	<b>326,543,103</b>	<b>3,331,315,691</b>

**10.2 Depreciation**

	Balance as at 01.04.2024	Charge for the year	Transfers on Revaluations	Disposal / Derecognition	Balance as at 31.03.2025
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>At Cost or Valuation</b>					
Buildings on Freehold Land	81,919,385	43,379,833	(124,731,403)	(567,815)	-
Motor Vehicles	38,379,935	286,633	-	(4,000,000)	34,666,568
Plant & Machinery	37,952,667	2,650,825	-	-	40,603,492
Hotel Equipment	79,293,796	4,012,587	-	-	83,306,383
Kitchen Equipment	26,971,538	1,324,650	-	-	28,296,188
Furniture and Fittings	100,011,014	9,049,375	-	-	109,060,389
Office Equipment	1,154,349	59,190	-	-	1,213,539
Recreational Equipment	1,487,500	160,000	-	-	1,647,500
Solar Heater System	6,142,884	28,216	-	-	6,171,100
Telephone System	3,195,548	245,000	-	-	3,440,548
Air Conditioning System	44,170,129	2,466,676	-	-	46,636,805
Gym Equipment	4,584,844	540,431	-	-	5,125,275
Computer Equipment	12,799,186	980,068	-	-	13,779,254
Linen and Furnishing	28,180,725	7,943,558	-	(6,847,158)	29,277,125
Cutlery, Crockery and Glassware	8,800,441	1,569,699	-	(2,298,774)	8,071,366
Solar Heater System	1,313,000	2,314,622	-	-	3,627,622
<b>Total Depreciation</b>	<b>476,356,941</b>	<b>77,011,363</b>	<b>(124,731,403)</b>	<b>(13,713,747)</b>	<b>414,923,154</b>

**10.3 Net Book Values**

	2025 Rs.	2024 Rs.
<b>At Cost or Valuation</b>		
Freehold Land	1,568,100,000	1,248,375,000
Buildings on Freehold Land	1,164,353,750	1,113,762,015
Motor Vehicles	-	286,633
Plant & Machinery	13,998,663	16,649,488
Hotel Equipment	9,690,395	12,623,359
Kitchen Equipment	1,912,598	3,137,858
Furniture and Fittings	56,320,102	64,470,677
Office Equipment	112,188	171,378
Recreational Equipment	-	160,000
Solar Heater System	-	28,216
Telephone System	612,501	857,501
Air Conditioning System	11,728,163	14,194,839
Gym Equipment	1,359,896	1,900,327
Computer Equipment	2,285,405	2,325,007
Linen and Furnishing	12,169,354	16,876,480
Cutlery ,Crockery and Glassware	3,533,834	1,874,824
Solar Power System	70,215,688	1,717,000
<b>Total Net Carrying Amount of Property, Plant &amp; Equipment</b>	<b>2,916,392,538</b>	<b>2,499,410,604</b>

**10.4**

- a) Land and Building is measured at fair value less depreciation on building, less impairment losses. Valuations are performed with sufficient frequency (Once in 03 years). The fair value of land and buildings was determined by means of a revaluation during the financial year 2024/2025 by Messrs. E.G Jayatissa an independent valuer based on valuer market based evidence and depreciated replacement cost method. The results of such evaluation were incorporated in these Financial Statements from its effective date which is 31 March 2025. The surplus arising from the revaluation net of deferred taxes was transferred to a revaluation reserves.
- b) The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation, is as follows:

	Cost Rs.	Cumulative Depreciation If assets were Carried at cost Rs.	Net Carrying Amount 2025 Rs.	Net Carrying Amount 2024 Rs.
<b>Class of Asset</b>				
Freehold Land	9,782,792	-	9,782,792	9,782,792
Buildings on Freehold Land	802,850,497	192,951,085	609,899,412	453,081,123
	<b>812,633,289</b>	<b>192,951,085</b>	<b>619,682,204</b>	<b>462,863,915</b>

**10.5** During the financial year, the Company acquired Property, Plant & Equipment to the aggregate value of Rs.171,631,380/- (2024 - Rs.40,822,282/-) for cash consideration.

# Notes to the Financial Statements

**10.6** Property, Plant & Equipment includes fully depreciated assets which are still in use having a gross carrying amount of Rs 174,314,828 (2024 - Rs.172,317,791/-).

## 11. INTANGIBLE ASSETS

Year ended 31 March 2025	2025 Computer Software Rs.	2024 Computer Software Rs.
<b>Cost</b>		
As at 01 April	7,900,918	7,100,763
Acquired during the period	-	800,155
As at 31 March	7,900,918	7,900,918
<b>Amortization</b>		
As at 01 April	7,113,564	6,827,337
Amortization for the year	286,227	286,227
As at 31 March	7,399,791	7,113,564
<b>Net Book Value</b>	<b>501,127</b>	<b>787,354</b>

## 12. INVESTMENT IN ASSOCIATE

The Company has a 28.41% interest in Royal Palms Beach Hotels PLC, situated at Kaluthara which is also involved in the hoteliering business. The companies' interest in Royal Palms Beach Hotels PLC is accounted for using the equity method in the company financial statements. The following table illustrates the summarized financial information of the Royal Palms Beach Hotels PLC.

### 12.1 Share of the Associate's Statement of Financial Position (28.41%)

	As per Books of Associate		As per Shareholding	
	2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Current assets	979,538,388	958,177,527	278,286,856	272,218,235
Non current assets	2,802,139,384	2,481,810,203	796,087,799	705,082,279
Current liabilities	(190,718,509)	(201,057,378)	(54,183,128)	(57,120,401)
Non current liabilities	(814,549,867)	(721,984,593)	(231,411,867)	(205,114,075)
Net Assets	2,776,409,396	2,516,945,759	788,779,659	715,066,038
Goodwill			47,583,752	47,583,752
			836,363,411	762,649,790

**12.2 Equity Value of Investment in Equity Accounted Investee**

	2025 Rs.	2024 Rs.
As at 01 April	762,649,790	713,277,178
Comprehensive income (Note 12.3)	4,561,472	48,035,921
Other comprehensive income (Note 12.3)	(412,480)	(504,351)
Revaluation of land & Building	95,623,132	-
Revaluation of land & Building -Income tax effect	(26,599,631)	2,061,763
Gain on Fair Value Through Other Comprehensive Income Financial Instruments	773,038	-
Income tax effect on Gain on Fair Value Through Other Comprehensive Income Financial Instruments	(231,911)	-
Adjustment for Right of Use Asset	-	(220,721)
<b>As at 31 March</b>	<b>836,363,411</b>	<b>762,649,790</b>

**12.3 Associate's Revenue and Profit**

	2025 Rs.	2024 Rs.
Revenue	955,845,376	1,092,317,075
Cost of sales	(304,474,493)	(324,497,006)
Other income	(12,266,575)	(8,125,529)
Selling and Distribution Costs	(30,619,758)	(27,649,647)
Administrative Expenses	(581,252,184)	(601,845,570)
Other Expenses	(4,422,272)	(1,558,117)
Finance Income	13,172,142	38,971,895
Finance Cost	(2,067,485)	(2,890,575)
Profit (Loss) Before Tax	33,914,750	164,722,526
Tax Expense	(17,858,881)	4,358,506
Profit (Loss) Loss After Tax	16,055,869	169,081,032
Other Comprehensive Income	243,407,771	5,481,915
<b>Total Comprehensive Income</b>	<b>259,463,640</b>	<b>174,562,947</b>
<b>Share of the Associate's Revenue and Profit ( 28.41%)</b>		
Profit (Loss) Before Tax	9,635,180	46,797,670
Profit After Tax	4,561,472	48,035,921
Other Comprehensive Income	69,152,148	1,557,412
<b>Total Comprehensive Income</b>	<b>73,713,620</b>	<b>49,593,333</b>
Carrying amount of the Investment	836,363,411	762,649,790
Market Value of the shares **	468,691,938	426,083,580

\*\* Investment is held for long term strategic reason and the investment is recovered through dividends. The management do not intend on disposing the stake held and realizing the investment.

## Notes to the Financial Statements

**13. INVENTORIES**

	2025 Rs.	2024 Rs.
Food and Beverage	17,735,774	18,661,890
Housekeeping and Uniform	9,716,484	9,984,507
Other Consumables	11,572,460	12,541,147
	39,024,717	41,187,544
Allowances for Obsolete Inventories	(4,288,524)	(3,682,250)
	<b>34,736,193</b>	<b>37,505,294</b>

**14. RIGHT-OF-USE ASSETS**

Movement during the year	Right-of-Use buildings	
	2025 Rs.	2024 Rs.
Cost		
Balance as at beginning of the year	8,597,051	9,189,791
Recognition/(Derecognition) of operating leases under SLFRS 16	-	(592,740)
<b>Balance as at end of the year</b>	<b>8,597,051</b>	<b>8,597,051</b>
<b>Year ended 31 March 2025</b>	<b>2025 Rs.</b>	<b>2024 Rs.</b>
Accumulated Depreciation / Impairment		
Balance as at beginning of the year	5,767,054	4,907,350
Charge for the year	859,705	859,704
<b>Balance as at end of the year</b>	<b>6,626,759</b>	<b>5,767,054</b>
Net Book Value		
At at the beginning of the year	2,829,997	4,282,441
As at the end of the year	1,970,292	2,829,997

## Details of Right-of-Use Asset Relating to Leased Property

Nature of the Leasing Activity	Location of the leased property	Unexpired lease period as at 31.03.2025
Building - 898.44 sq.ft.	Colombo 03	05 Year

**14.1 Sensitivity of Right-of-Use Assets / Lease Liability to Key Assumption**

Sensitivity to Discount Rate/ Incremental Borrowing Rates	ROU Asset	Lease Liability
Increased 1%	(26,294)	(27,100)
Decreased -1%	22,422	41,250

**15. TRADE AND OTHER RECEIVABLES**

	2025 Rs.	2024 Rs.
<b>Trade Debtors</b>		
-Related Parties (15.1)	35,712,465	142,648,400
-Others	129,517,576	140,758,809
Less: Impairment Allowances for Trade Debtors(15.2)	(1,394,790)	(1,515,240)
	163,835,251	281,891,969
<b>Other Debtors</b>	1,905,160	670,415
Loans to Company Officers	21,787	283,726
	<b>165,762,199</b>	<b>282,846,110</b>

**15.1 Trade Dues from Related Parties**

Name of the Related Party	Relationship	2025 Rs.	2024 Rs.
Tangerine Tours (Pvt) Limited	Other Related Party	35,712,465	140,290,005
Tangerine Vacations (Pvt) Limited	Other Related Party	-	2,358,395
		<b>35,712,465</b>	<b>142,648,400</b>

**15.2 Total allowance for impairment on trade debtors**

	2025 Rs.	2024 Rs.
Balance as at beginning of the year (As per SLFRS 09)	1,515,240	1,376,290
Charge/(Reversal) for the year	(120,450)	138,950
<b>Balance as the end of the year</b>	<b>1,394,790</b>	<b>1,515,240</b>

**16. OTHER NON FINANCIAL ASSETS**

	2025 Rs.	2024 Rs.
Prepayments	16,228,895	10,156,627
Other Receivables	120,000	120,000
VAT Receivable	13,600,244	12,772,078
	<b>29,949,140</b>	<b>23,048,705</b>

# Notes to the Financial Statements

## 17. OTHER FINANCIAL ASSETS

### 17.1 Non Quoted Equity Securities with Non Related Parties

Year ended 31 March 2025	No. of Shares		Cost	Directors Valuation	Cost 2024	Directors Valuation
Lanka Glass Company Limited	50,000	50,000	500,000	-	500,000	-
Research International (Pvt) Limited	10,000	10,000	100,000	-	100,000	-
<b>Gross Carrying Value of Investments</b>			<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>-</b>

Directors' valuations are based on cost of investments less any decline in value other than temporary, as decided by the Board of Directors.

### 17.2 Measured at Amortized Cost Short Term Investments - Fixed Deposits

			2025	2024	
		Company	Relationship	Rs.	Rs.
Fixed Deposits	Mercantile Investments and Finance PLC		Other Related Party	40,892,013	74,654,556
	Commercial Bank of Ceylon PLC			92,246,486	41,171,084
				<b>133,138,499</b>	<b>115,825,640</b>

### 17.3 Measured at Amortized Cost Amounts Due from Related Parties

		2025	2024
Name of the Related Party	Relationship	Rs.	Rs.
Nilaveli Beach Hotels (Pvt) Limited	Other Related Party	172,062	152,588
The Nuwara Eliya Hotels Company PLC	Other Related Party	1,361	67,203
		<b>173,423</b>	<b>219,791</b>

## 18. CASH AND BANK BALANCES

	2025	2024
	Rs.	Rs.
Cash at Bank and in Hand	298,970,247	178,420,744

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

Cash at Bank and in Hand	298,970,247	178,420,744
Bank Overdraft (Note 23)	(89,761,999)	(67,654,482)
	<b>209,208,248</b>	<b>110,766,262</b>

**19. STATED CAPITAL**

	Number of Ordinary shares shares	
At 31 March 2025	20,000,000	244,800,000
At 31 March 2024	20,000,000	244,800,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time on the residue of Profits and are eligible to participate in any surplus assets in a winding up. They are also entitled to one vote per share at meetings of the Company. There are no other preferences or restrictions on ordinary shares.

**20. RESERVE****20.1 Revaluation Reserve**

	2025 Rs.	2024 Rs.
Revaluation Reserve - Company (Note 20.2)	1,672,923,008	1,435,237,584
Revaluation Reserve - Associate Company (Note 20.3)	412,543,130	343,519,629
	2,085,466,138	1,778,757,213

**20.2 Revaluation Reserve - Company On: Property, Plant and Equipment**

Year ended 31 March 2025	2025 Rs.	2024 Rs.
As at the beginning of the year	1,435,237,584	1,426,398,799
Revaluations During the year	326,543,103	-
Deferred tax on transfers to retained earnings	-	8,838,785
Tax effect on surplus on revaluation	(88,857,679)	-
<b>As at the end of the year</b>	<b>1,672,923,008</b>	<b>1,435,237,584</b>

(a) Transfer to retained earnings represents the amounts transferred on impact of deferred tax, depreciation difference on cost and revalued amount of property, plant and equipment disposed and de-recognized during the year.

**20.3 Revaluation Reserve - Associate Company On: Property, Plant & Equipment**

	2025 Rs.	2024 Rs.
As at the beginning of the year	343,519,629	341,457,866
Revaluations During the year	95,623,132	-
Deferred tax on transfers to retained earnings	-	2,061,763
Tax effect on surplus on Revaluation	(26,599,631)	-
<b>As at the end of the year</b>	<b>412,543,130</b>	<b>343,519,629</b>

The above Share of Associate Company's Revaluation Reserve represents the Company's Share of current year depreciation effect of the revaluation gain of previous years and the revaluation gain of those assets which were disposed or de-recognized during the year.

## Notes to the Financial Statements

**20.4 Fair Value Reserve- Associate Company**

	2025 Rs.	2024 Rs.
As at the beginning of the year	77,386	77,386
fair Value Reserve During the year	773,038	-
Tax effect on Reserve	(231,911)	-
<b>As at the end of the year</b>	<b>618,513</b>	<b>77,386</b>

**21. TRADE AND OTHER PAYABLES**

	2025 Rs.	2024 Rs.
Financial Liabilities (Note 21.1)	65,678,938	71,219,112
Non Financial Liabilities (Note 21.2)	69,167,089	52,381,658
	<b>134,846,027</b>	<b>123,600,769</b>

**21.1 Financial Liabilities**

Trade Payables	47,986,448	55,208,677
Other Payables	16,368,204	14,592,854
Dividends Payable	988,720	988,720
Payables to Contractors /Other Suppliers	335,565	428,861
	<b>65,678,938</b>	<b>71,219,112</b>

**21.2 Non Financial Liabilities**

Advanced Received for Reservation	21,751,589	8,974,957
VAT Payable	19,842,316	18,208,206
TDL Payable	4,343,024	4,064,405
SSCL Payable	2,921,001	57,959
EPF and ETF Payable	2,819,867	2,507,958
Other Payables	17,489,293	18,568,173
	<b>69,167,089</b>	<b>52,381,658</b>

**22. AMOUNTS DUE TO RELATED PARTIES**

Name of the Related Party	Relationship	2025 Rs.	2024 Rs.
Security Ceylon (Pvt) Limited	Other Related Party	1,637,102	1,642,354
Tangerine Tours (Pvt) Limited	Other Related Party	6,908,085	6,502,093
Mercantile Investments and Finance PLC	Other Related Party	120,950	-
Royal Palms Beach Hotels PLC	Associate Company	2,368,463	2,998,504
		<b>11,034,600</b>	<b>11,142,951</b>

**23. INTEREST BEARING LOANS AND BORROWINGS**

Year ended 31 March 2025	2025 Rs.	2024 Rs.
<b>Current</b>		
Bank Overdraft	89,761,999	67,654,482
Term Loan -Commercial Bank Of Ceylon PLC (23.1)	12,000,000	-
	101,761,999	67,654,482
<b>Non - Current</b>		
Term Loan -Commercial Bank Of Ceylon PLC (23.1)	10,000,000	-
<b>Total Borrowings</b>	<b>111,761,999</b>	<b>67,654,482</b>

**23.1 Term Loan - Commercial Bank of Ceylon PLC**

	Loan Obtained Rs.	Repayment Rs.	As At 31.03.2025 Rs.
Term Loan Facility Under "Green Financing"	30,000,000	(8,000,000)	22,000,000
	<b>30,000,000</b>	<b>(8,000,000)</b>	<b>22,000,000</b>

**23.2 Details of Loan - Terms and Conditions**

Purpose	To Partly finance the investment cost in installation of rooftop solar system.
Loan amount	Rs. 30,000,000/- (Rupees Thirty Million only)
Commencement date	31st July 2024
Repayment of Loan	Capital to be repaid 30 equal monthly installments of Rs. 1,000,000/- .
Interest Rate	At Average Weighted Prime Lending Rate(AWPLR)+1.0%per annum together with any other statutory charges thereon payable monthly subject to fluctuations at the discretion of the Bank.
Security	General Terms and Conditions relating to Term Loan Facility for Rs 30,000,000

**24. POST EMPLOYMENT BENEFIT LIABILITY**

	2025 Rs.	2024 Rs.
Balance as at the Beginning of the Year	36,110,364	27,597,592
Charge for the Year (Note 24.1)	11,806,640	10,560,642
Payments Made during the year	(5,766,635)	(2,047,870)
<b>Balance as at the end of the Year</b>	<b>42,150,369</b>	<b>36,110,364</b>

**24.1 Charge for the Year**

Current Service Cost for the year	2,881,284	2,536,613
Interest cost for the year	4,333,244	5,519,519
	7,214,528	8,056,132
Actuarial (Gain)/Loss	4,592,112	2,504,510
	<b>11,806,640</b>	<b>10,560,642</b>

# Notes to the Financial Statements

## 24.2 Actuarial Assumptions

	2025	2024
Discount Rate	10.00%	12.00%
Salary Increment	9.00%	10.00%
Mortality-A67/70 Mortality Table Issued by the Institute of Actuaries London		
Retirement Age	55 years.	55 years.
Disability rate	Simple disability rate	

### Staff Turnover

The staff turnover rate used in the valuation are  
 Category 01: 12% up to age 54 and thereafter zero  
 Category 02: 9% up to age 54 and thereafter zero

An actuarial valuation of the gratuity was carried out as at 31 March 2025 by Actuarial and Management Consultants (Pvt) Limited, a firm of professional actuaries. The valuation method used by the actuaries is the Projected Unit Credit Method", recommended by LKAS 19 Employee Benefits.

## 24.3 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 employment benefit liability measures.

The sensitivity of the Comprehensive Income Statement and the Statement of Financial Position is the effect of the assumed changes in discount rate & salary increment rate on the profit or loss & employment benefit obligation for the year.

	Sensitivity Effect on Comprehensive Income Statement Increase / (Reduction) in results for the year	Sensitivity effect on employee benefit Obligation increase / (Reduction) in the Liability
<b>31 March 2025</b>		
Increase/ (Decrease) in Discount Rate		
+1%	1,881,924	(1,881,924)
-1%	2,064,114	(2,064,114)
Increase/ (Decrease) in Salary Increment Rate		
+1%	(2,258,466)	2,258,466
-1%	(2,092,097)	2,092,097
<b>31 March 2024</b>		
Increase/ (Decrease) in Discount Rate		
+1%	1,614,066	(1,614,066)
-1%	1,768,327	(1,768,327)
Increase/ (Decrease) in Salary Increment Rate		
+1%	(1,956,427)	1,956,427
-1%	(1,812,315)	1,812,315

**24.4 Maturity Profile**

	2025	2024
Weighted Average Duration of defined benefit obligation	5.1 Years	5.20 Years
<b>Distribution of defined benefit obligation over the future working life time</b>		
Less than or equal 01 year	10,209,897	8,699,415
Over 01 year and less than or equal 02 years	6,972,999	6,604,644
Over 02 year and less than or equal 05 years	9,894,517	6,939,600
Over 05 years and less than or equal 10 years	10,064,826	9,958,893
Over 10 years	5,008,130	3,907,812
<b>Total</b>	<b>42,150,369</b>	<b>36,110,364</b>

**25. LEASE LIABILITIES****25.1 Movement of Lease Liabilities**

Year ended 31 March 2025	2025 Rs.	2024 Rs.
Balance as at the beginning of the year	3,580,460	4,906,881
Payment of lease liabilities	(1,800,000)	(1,800,000)
Derecognition of operating lease liability	-	(592,740)
Interest expense	932,128	1,066,319
<b>Balance as at 31.03.2025</b>	<b>2,712,588</b>	<b>3,580,460</b>
<b>Current Portion of Lease Liabilities</b>		
2025/26 FY Lease payments	1,800,000	1,800,000
2025/26 FY Lease interest	(775,943)	(932,128)
	1,024,057	867,872
<b>Non Current Portion of Lease Liabilities</b>	<b>1,688,531</b>	<b>2,712,588</b>

\*\* The Company use 18.29% as Incremental Borrowing Rate

**25.2 The Following are the Amount Recognized in Profit or Loss**

	2025 Rs.	2024 Rs.
Depreciation expenses of right of use assets	859,705	657,979
Interest expense on lease liability	932,128	1,066,319
<b>Total Amount Recognized in Profit and Loss</b>	<b>1,791,833</b>	<b>1,724,298</b>

# Notes to the Financial Statements

## 25.3 Following is the Maturity Lease Liability for Future Periods with Interest Cost

	1-12 Months Rs.	2 to 5 Years Rs.	more than 5 years Rs.	Total Rs.
Lease Liability	1,800,000	7,200,000	-	9,000,000

## 26. COMMITMENTS AND CONTINGENCIES

### 26.1 Commitments

#### 26.1.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the reporting date.

#### 26.1.2 Financial Commitments

There are no financial commitments as at the reporting date.

### 26.2 Contingencies

Contingent Liabilities

There are no significant contingencies as at 31 March 2025.

## 27. ASSETS PLEDGED

A total of 3,237,332 shares of Royal Palm Beach Hotels PLC, (Associate Company) amounting to Rs. 32,373,320 have been pledged against the facilities obtained by Commercial Bank of Ceylon PLC.

## 28. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

The following tables provides the significant amount of transactions, which have been entered into with related parties for the relevant financial year.

## 28.1 Transactions with Associate Company -Recurring transactions

Tangerine Hotels PLC holds 28.41% Share holding of Royal Palms Beach Hotels PLC.

Nature of Transaction	Terms of Transactions	Amount	
		2025 Rs.	2024 Rs.
As at 1 April 2024		(2,998,504)	(13,365,711)
Staff quarters rent	Market terms	3,681,600	4,508,400
Sewerage treatment plant rent	Market terms	4,160,586	4,922,346
Bottle water	Market terms	410,002	5,994
Laundry Chargers	Market terms	(32,694,148)	(30,258,703)
Reimbursements of expenses		2,528,857	509,103
Fund transfers for settlements		22,543,144	30,680,067
As at 1 April 2025		(2,368,463)	(2,998,504)

## 28.2 Transactions with Key Management Personnel

The Key Management Personnel (KMPs) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Key Management Personnel of the Company are Board of Directors of the Company and personnel holding designation General Manager and above. Transactions with Key Management Personnel and transaction with the close family members (CFMs) of the KMPs, if any, also have been taken into consideration in the following disclosure.

### 28.2.a) Key Management Personnel Compensation

	2025 Rs.	2024 Rs.
Short-term post employment benefits	8,393,000	6,618,750

# Notes to the Financial Statements

## 28.3 Transaction with Other Related Parties -Recurring Transactions

Transactions with entities that are significantly influenced by Key Management Personnel of the Company:

Some Key Management Personnel of the Company and their members of the families collectively have control directly or indirectly in certain entities with which the Company entered into the transactions, summarized as follows:

The Company carries out transactions with KMPs & their close family members in the ordinary course of its business on an arms length basis at commercial rates.

Nature of Transaction	Nature of Transaction	Relationship	Terms of Transactions	Amount		Balance as at	
				2025 Rs.	2024 Rs.	2025 Rs.	2024 Rs.
Security Ceylon (Pvt) Ltd	Security Services	Other Related Company	As per Agreement	(25,802,165)	(22,005,332)	-	-
	Staff Meals		Market terms	3,624,002	3,459,421	-	-
	Fund transfers for settlements			22,183,416	18,315,578	-	-
	Amounts payable to Security Ceylon (Pvt) Ltd			-	-	(1,637,101)	(1,642,354)
Nilaveli Beach Hotel(Pvt) Ltd	Reimbursement expenses	Other Related Company	Reimbursement cost	1,762,515	1,496,160	-	-
	Fund transfers for settlements			(1,743,042)	(1,457,591)	-	-
	Amounts receivable from Nilaveli Beach Hotel (Pvt) Ltd			-	-	172,061	152,588
Tangerine Tours (Pvt) Ltd	Marketing Fee	Other Related Company	As per Agreement	(49,299,555)	(43,621,784)	-	-
	Tour Operation		As per Agreement	71,299,334	211,529,930	-	-
	Reimbursement expenses			(12,433,303)	(10,285,136)	-	-
	Fund transfers for settlements			(114,550,028)	(81,350,257)	-	-
	Amounts receivable from Tangerine Tours ( Pvt) Ltd			-	-	28,804,380	133,787,932
Mercantile Investments & Finance PLC	Fixed Deposit Investments/ (withdrawal) (net)	Other Related Company	Market terms	(34,654,556)	(254,079,110)	40,000,000	74,654,556
	Interest income on Fixed deposits		Market terms	4,237,330	51,597,999	-	-
	Head office Rent		As per agreement	(2,177,100)	(2,135,588)	-	-
	Repairs and Service to the motor vehicle		Market Terms	(2,108,053)	(2,276,199)	-	-
	Reimbursement expenses			(1,614,683)	(1,044,217)	-	-
	Fund transfers for settlements			5,778,886	5,538,517	-	-
Amounts payable to Mercantile Investment & Finance PLC			-	-	(120,950)	-	
The Nuwara Eliya Hotels PLC	Reimbursement expenses	Other Related Company	Reimbursement cost	434,047	345,718	-	-
	Fund transfers for settlements			(499,889)	(294,112)	-	-
	Amounts receivable from Nuwara Eliya Hotels PLC			-	-	1,361	67,203
Tangerine Vacations (Pvt) Limited	Tour Operation	Other Related Company	Market terms	174,107	15,544,457	-	-
	Fund transfers for settlements			(2,532,502)	(15,263,901)	-	-
	Amounts receivable from Vacations(Pvt)Limited			-	-	-	2,358,395

There were no non-recurrent transactions carried out with related parties during the year where the aggregate value of transaction exceeds 10% of equity or 5% of total assets which ever is lower.

## 29. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial instruments of the Company comprise of financial assets and financial liabilities. 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 information presented herein represents the determination of fair values as at the reporting date.

### 29.1 Financial Instruments Carried at Fair Value

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

### 29.2 Carrying Amounts and Fair Values of Financial Instruments

Financial instruments of the Company comprise of financial assets and financial liabilities. 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 information presented herein represents the determination of fair values as at the reporting date.

Fair values of financial assets and financial liabilities, together with the carrying amounts in the statement of financial position, are as follows:

<b>31 March 2025</b>	<b>Amortized Cost Rs.</b>	<b>Total carrying amount Rs.</b>	<b>Fair value Rs.</b>
<b>Financial Assets</b>			
<b>Current Assets</b>			
Trade & other receivables	165,762,199	165,762,199	165,762,199
Cash and short-term deposits	432,108,738	432,108,738	432,108,738
Amounts due from related parties	173,423	173,423	173,423
	<b>598,044,360</b>	<b>598,044,360</b>	<b>598,044,360</b>
<b>Financial Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	134,846,027	134,846,027	134,846,027
Amounts due to related parties	11,034,600	11,034,600	11,034,600
Bank overdrafts / Short term loan	101,761,999	101,761,999	101,761,999
	<b>247,642,626</b>	<b>247,642,626</b>	<b>247,642,626</b>
<b>Non-current Liability</b>			
Interest - Bearing Loans and Borrowings	10,000,000	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

## Notes to the Financial Statements

31 March 2024	Amortized Cost Rs.	Total carrying amount Rs.	Fair value Rs.
<b>Financial Assets</b>			
<b>Current Assets</b>			
Trade & other receivables	282,846,110	282,846,110	282,846,110
Cash and short-term deposits	294,246,384	294,246,384	294,246,384
Amounts due from related parties	219,791	219,791	219,791
	<b>577,312,285</b>	<b>577,312,285</b>	<b>577,312,285</b>
<b>Financial Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	123,600,769	123,600,769	123,600,769
Amounts due to related parties	11,142,951	11,142,951	11,142,951
Bank overdrafts / Short term loan	67,654,482	67,654,482	67,654,482
	<b>202,398,202</b>	<b>202,398,202</b>	<b>202,398,202</b>
<b>Non-current Liability</b>			
Interest - Bearing Loans and Borrowings	-	-	-
	-	-	-

**29.3 Financial Instruments not Carried at Fair Value/ Current**

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	2025		2024	
	Carrying Value Rs.	Fair Value Rs.	Carrying Value Rs.	Fair Value Rs.
<b>Financial Assets</b>				
Trade and other receivables	165,762,199	165,762,199	282,846,110	282,846,110
Amounts due from related parties	173,423	173,423	219,791	219,791
Short-term deposits	133,138,492	133,138,492	115,825,640	115,825,640
Cash at bank and cash in hand	298,970,247	298,970,247	178,420,744	178,420,744
	<b>598,044,361</b>	<b>598,044,361</b>	<b>577,312,286</b>	<b>577,312,285</b>
<b>Financial Liability</b>				
Trade and other payables	65,678,938	65,678,938	71,219,112	71,219,112
Amounts due to related parties	11,034,600	11,034,600	11,142,952	11,142,952
	<b>76,713,538</b>	<b>76,713,538</b>	<b>82,362,064</b>	<b>82,362,064</b>

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:

For financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to trade and other receivables, Amounts due from / to related parties cash and cash equivalents, other financial assets amount due from related parties, other payables and short term deposits amount due to related parties.

#### 29.4 Determination of Fair Value and Fair Value Hierarchy

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

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

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

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

#### 29.5 Financial Instruments not Carried at Fair Value /Non Current

The fair value of financial liabilities does not significantly vary from the value based on the amortized cost methodology.

	Level	2025		2024	
		Value Rs.	Value Rs.	Value Rs.	Value Rs.
<b>Financial Liabilities</b>					
Interest-bearing loans and borrowings	Level 2	111,761,999	111,761,999	67,654,482	67,654,482
		<b>111,761,999</b>	<b>111,761,999</b>	<b>67,654,482</b>	<b>67,654,482</b>

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:

For financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to trade and other receivables, cash and cash equivalents, other financial assets amount due from related parties, other payables and short term deposits amount due to related parties.

#### 29.6 Non Financial Assets Disclosed at Fair value

	Method	Date of valuation	Level	Value	Unobservable Inputs	Price range per perch/Sq.Ft
**						
<b>2025</b>						
Free hold land	Market Approach	31.03.2025	03	1,568,100,000	Estimated price per perch	700,000 - 900,000
Buildings	Depreciated Replacement cost Method	31.03.2025	03	1,164,353,750	Estimated price per sq.ft	3500 -15,000
<b>2024</b>						
Free hold land	Market Approach	31.03.2022	03	1,248,375,000	Estimated price per perch	575,000 - 715,000
Buildings	Depreciated Replacement cost Method	31.03.2022	03	1,113,625,000	Estimated price per sq.ft	650 -13,000

\*\* Fair value measurement sensitivity to unobservable inputs - positive impact to the fair value

Valuation was carried out by professionally qualified independent value in compliance with Sri Lanka Accounting Standard - SLFRS 13 (Fair Value Measurement).

# Notes to the Financial Statements

## 30. RISK MANAGEMENT

### 30.1 Introduction

The Company has exposure to the following risks from its use of 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.

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.

### 30.2 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

	Note	2025 Rs.	2024 Rs.
Cash and cash equivalents	18	298,970,247	178,420,744
Trade and other receivables	15	165,762,199	282,846,110
Other financial assets	17.2	133,138,492	115,825,640
Amounts Due from Related Parties	17.3	173,423	219,791
		<b>598,044,361</b>	<b>577,312,285</b>

### Expected Credit Loss Assessment

The company adopted Expected Credit Loss (ECL) approach to impairment of its financial assets. This enables better credit risk reporting of financial instruments by carrying reasonably quantified default risk adjusted value of assets in the balance sheet and minimizing the timing difference in recognition of future default loss.

ECL measurement approach that is best suited for each class of asset is determined based on underlying risk characteristics of the asset. Subsequent to selection between general and simplified approaches to measurement, the company assesses financial assets using data that is determined to be predictive of default risk, including but not limited to external ratings, historical payment patterns, audited financial statements and cash flow projections.

The company re-evaluated its approach to measurement of ECL in the light of the economic recession, as the consequent unexpected deterioration in credit quality of loan portfolios (Financial institutions), will have a significant impact on the ECL measurement. The company considered all reasonable and supportable information available without undue cost or effort at the reporting date as well as practical expedients made available. Economic Factor Adjustment (EFA) updated to reflect the impact of economic recession was incorporated in measuring ECL while information used for Probability of Default (PD) and Loss Given Default (LGD) were used without modification due to insufficiency of updated information relating to borrowers repayment ability, resource constraints and various government relief measures as a result of the outbreak.

The company also assessed its financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties.

### (c) The Ageing of the Trade Receivable as at the Reporting Date

	Gross Receivable	
	2025 Rs.	2024 Rs.
Not past due 0- 60 days	125,187,503	170,094,822
Past due 61-90 days	35,874,009	94,123,516
Past due 90-120 days	1,738,225	6,454,699
Past due 120-180 days	2,330,617	10,663,470
More than 180 days	99,687	2,070,702
<b>Total</b>	<b>165,230,041</b>	<b>283,407,209</b>

	2025	2024
	Rs.	Rs.
<b>Movement in the Impairment Allowance*</b>		
Balances at 01 April	(1,515,240)	(1,376,290)
Impairment recognized	120,450	(138,950)
<b>Balances at 31 March</b>	<b>(1,394,790)</b>	<b>(1,515,240)</b>

# Notes to the Financial Statements

## 30.3 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 table below summaries the maturity profile of company's financial liabilities based on contractual undiscounted payments.

	Contractual Maturities of Financial Liabilities				
	Total	Up to 3 Months	3-12 Months	1 - 5 Years	More than 5 Years
	Rs.	Rs.	Rs.	Rs.	Rs.
<b>31 March 2025</b>					
Trade and other payables	134,846,027	134,846,027	-	-	-
Bank overdraft	89,761,999	89,761,999	-	-	-
Amounts Due to Related Parties	11,034,600	11,034,600	-	-	-
	<b>235,642,626</b>	<b>235,642,626</b>	-	-	-
<b>31 March 2024</b>					
Trade and other payables	123,600,769	123,600,769	-	-	-
Bank overdraft	67,654,482	67,654,482	-	-	-
Amounts Due to Related Parties	11,142,952	11,142,952	-	-	-
	<b>202,398,203</b>	<b>202,398,203</b>	-	-	-

### (c) Undrawn committed borrowing facilities

There are no undrawn borrowing facilities available to the Company as at the reporting date.

## 30.4 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, and receivables 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 and Euro. The Company Finance team closely monitors the exchange rate movement, for necessary action.

The Sri Lankan Rupee is depreciating against the US Dollar in March 2025 on the back of economic turmoil in global, regional and local markets resulting from the economic recession. The Company exposed to foreign currency denominated payments with local currency revenues are adversely impacted to undue fluctuations in exchange rates.

If market rate appreciate or depreciate by 20% the effect of the same to the exchange gain/(loss) would be:

	<b>Sensitivity Effect on Comprehensive Income increase/ (decrease) in Results for the Year</b>	
	<b>20%</b>	<b>-20%</b>
Euro (€)	27,470,546	(27,470,546)
Dollar (\$)	59,688,868	(59,688,868)
	<b>87,159,413</b>	<b>(87,159,413)</b>

### (c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing portfolio consist with fixed rate borrowings thus company does not have an interest rate risk as at the reporting date.

## 31. CAPITAL MANAGEMENT

The company's capital structure comprising share capital, reserves and retained earnings, as disclosed in the statement of changes in equity. The Board's intention is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's objective for managing its capital is to ensure that company will be able to continue as a going concern while maximizing the return to shareholders, as well as sustaining the future development of its business. In order to maintain or adjust the capital structure, the Company may alter the total amount of dividends paid to shareholders, issue new shares, and draw down additional debt.

## 32. GOING CONCERN

The Management, after making necessary inquiries and reviews including reviews of the hotel budgets for the ensuing year. Capital expenditure requirements, future prospects along with 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. In determining the basis of preparing the financial statements for the year ended 31 March 2025, based on available information, the management has assessed the existing and anticipated effects of current economic situation on the Company.

## 33. EVENTS OCCURRING AFTER THE REPORTING DATE

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

# Investor Information

## Tangerine Beach Hotels PLC 2025

No.of Members	Shareholding	%	
1 - 1000	1320	164,976	0.82%
1001 - 10000	193	616,999	3.08%
10001 - 100000	53	1,600,689	8.00%
100001 - 1000000	17	4,860,970	24.30%
> 1000000	12,756,366	63.78%	63.78%
	<b>1587</b>	<b>20,000,000</b>	<b>100.00%</b>

Category	Shareholding	%
Resident	19,956,990	99.78%
Non Resident	43,010	0.22%
	<b>20,000,000</b>	<b>100.00%</b>

Category	Shareholding	%
Individuals	5,632,531	28.16%
Corporate	14,367,469	71.84%
	<b>20,000,000</b>	<b>100.00%</b>

	2025	2024
Market Value Per Share as at 31st March	86.5	58.9
Highest Market Value Per Share During the Year	87.9	60
Lowest Market Value Per Share During the Year	50.8	50.1

20 Largest Shareholders	2025		2024	
Nilaveli Beach Hotels (Pvt) Limited	6,147,018	30.74%	6,147,018	30.74%
Mercantile Investments and Finance PLC	3,899,644	19.50%	3,899,644	19.50%
Employees Providend Fund	1,629,471	8.15%	1,629,471	8.15%
N Vaitilingam & Co. Ltd	1,080,233	5.40%	1,080,233	5.40%
T J Ondaatjie	582,220	2.91%	582,220	2.91%
A M Ondaatjie	569,982	2.85%	569,982	2.85%
G G Ondaatjie	538,028	2.69%	538,028	2.69%
N J H M Cooray	433,770	2.17%	433,770	2.17%
Tangerine Tours (Pvt) Ltd	405,478	2.03%	405,478	2.03%
Blue Oceanic Beach Hotels (Pvt) Ltd	295,172	1.48%	295,172	1.48%
Jet Travels (Private) Ltd	267,032	1.34%	267,032	1.34%
C A Ondaatjie	259,854	1.30%	259,854	1.30%
M Keerthiratne	255,898	1.28%	255,898	1.28%
N T M S Cooray	246,072	1.23%	246,072	1.23%
Ceylon Galvanising Industries Ltd	234,000	1.17%	234,000	1.17%
N H V Perera	202,236	1.01%	202,236	1.01%
U Surendra	165,450	0.83%	165,450	0.83%
K M N Perera	152,756	0.76%	152,756	0.76%
H A A de Silva	150,530	0.75%	150,530	0.75%
Mercantile Fortunes (Pvt) Ltd	117,384	0.59%	-	-
R.J.G.De Mel	-	-	102,492	0.51%

# Value Added Statement

<b>For the Financial Year Ended 31st March</b>	<b>2025</b>	<b>2024</b>
Revenue	1,058,425	964,685
Less		
Cost of Sales	(708,026)	(910,427)
	350,399	54,258
Adjustment for		
Other Income	7,526	(688)
<b>Total Value Added</b>	<b>357,925</b>	<b>53,570</b>
<b>Distribution Of Value Added as Follows</b>		
To employee as Remuneration	171,772	149,579
<b>To Providers of Capital</b>		
Dividends to shareholders		0
<b>Total Tax to Government</b>	<b>33,980</b>	<b>28,485</b>
<b>To Expansion and Growth</b>		
Retained With Business		
as Depreciation	77,011	73,908
as reserves	75,162	(198,402)
	<b>357,925</b>	<b>53,570</b>
Value Added Per Revenue	0.34	0.06
Value Added per Employment	0.48	2.79
Value Added Per Ordinary Share	17.90	2.68

## Decade at a Glance

Year Ended 31st March	2025 Rs'000	2024 Rs'000	2023 Rs '000	2022 Rs '000
<b>Trading Results</b>				
Turnover net of Turnover Tax	1,058,425	964,685	569,189	321,332
Operating profit/(Loss) before interest exp. and other income	(49,493)	(19,768)	(171,024)	(132,435)
Profit/(Loss) before Taxation	63,370	73,967	(119,435)	(94,935)
Taxation Provision	2,954	3,452	(81,326)	(5,975)
Profit after taxation on ordinary activities	66,324	77,419	(200,761)	(100,910)
<b>Capital &amp; Reserves</b>				
Stated Capital/Share Capital	244,800	244,800	244,800	244,800
Revaluation Reserve	1,672,923	1,435,238	1,426,398	1,718,775
Fair Value Reserve	618	77	32	32
Revenue Reserve	1,020,055	957,357	882,416	1,080,818
Capital Reserves of Associate company	412,543	343,520	341,457	412,798
Total Equity	3,350,939	2,980,992	2,895,103	3,457,223
<b>Assets Employed</b>				
Current Assets	667,569	642,229	560,060	587,976
Current Liabilities	(248,666)	(203,266)	(188,658)	(109,793)
Net Current Assets	418,903	438,963	371,402	478,183
Property, Plant, & Equipment	2,916,392	2,449,411	2,535,433	2,529,792
Intangible assets	501	787	273	606
Long Term Investements	836,363	762,650	713,232	814,396
Right of use assets	1,970	2,830	4,282	5,353
Non- Current Liabilities	(823,190)	(723,649)	(729,519)	(371,107)
	<b>3,350,939</b>	<b>2,980,992</b>	<b>2,895,103</b>	<b>3,457,223</b>
<b>Ratio &amp; Statistics</b>				
Gearing Ratio (Times)	0.003	0	0	0.002
Current ratio (Times)	(3)	(3)	(3)	5
Earnings per Share	3	3.87	(10)	(5)
Net assets per Share	168	149	145	173
Interest Cover (Times)	22.21	17	(55)	(51)
Return on Shareholder's Funds(%)	1.98	3	(7)	(3)
Return on Total Assets(%)	1	2	(5)	(3)
Price Earning Ratio	21.11	15.22	(5.48)	(8.74)
Dividends per Share	0	0	0	0
Dividend cover (Times)	0	0	0	0
Dividend Yeild ( %)	0	0	0	0
Dividend Pay- out Ratio	0	0	0	0

2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
133,462	591,289	710,257	669,997	631,272	596,826
(213,194)	(14,416)	91,087	92,048	79,622	55,006
(199,953)	71,088	178,085	165,162	131,180	124,360
(9,504)	(12,892)	(36,009)	(40,188)	(25,512)	(20,497)
(209,457)	58,196	142,076	124,974	105,668	103,863
244,800	244,800	244,800	244,800	244,800	244,800
1,533,896	1,550,621	1,566,408	1,355,990	1,506,126	1,505,773
1,182,113	1,369,014	1,301,574	1,171,462	1,057,997	963,057
311,644	316,349	321,126	273,532	293,821	293,380
3,272,453	3,480,784	3,433,908	3,045,784	3,102,744	3,007,010
601,683	753,150	701,478	573,465	460,025	380,506
(91,668)	(115,390)	(112,747)	(112,328)	(101,211)	(106,584)
510,015	637,760	588,731	461,137	358,814	273,922
2,379,729	2,426,186	2,443,737	2,209,578	2,193,329	2,192,953
1,007	761	1,217	1,757	1,868	3,121
719,134	755,331	747,608	678,423	685,980	672,733
10,706	1,383				
(348,137)	(340,637)	(347,385)	(305,110)	(137,247)	(135,719)
3,272,453	3,480,784	3,433,908	3,045,785	3,102,744	3,007,010
0.003	0	0	0.00004	0.005	0.007
7	7	6.22	5.11	4.55	3.57
(10)	3	7.10	6.25	5.28	5.19
164	174	171.70	152.29	155.14	150.35
(257)	196	8,514	600.26	224.35	109.54
(6)	2	4.14	4.10	3.41	3.45
(5.64)	1.48	3.65	3.61	3.16	3.20
(3.83)	12.06	5.72	7.25	11.26	12.84
0	1	0.50	0.50	0.50	0.50
0	3	14.21	12.50	10.57	10.39
0	0.03	0.01	0.01	0.01	0.01
0	0.344	0.07	0.08	0.09	0.10

## Real Estate Portfolio

Company & Location	Building in (sq.F.t)		No of Building	Freehold property Land in Acers		Net Book value	
	2024/2025	2023/2024		2024/2025	2023/2024	Rs'000	Rs'000
Tangerine Beach Hotels Plc. St.Abrew's Road, Nagashandiya Waskaduwa, Kaluthara North	194,655	195,540	15	11.08	11.08	2,732,453	2,362,137
<b>Total</b>	<b>194,655</b>	<b>195,540</b>	<b>15</b>	<b>11.08</b>	<b>11.08</b>	<b>2,732,453</b>	<b>2,362,137</b>

# Supplimentary Notice to Shareholders

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## **TANGERINE BEACH HOTELS PLC 45TH ANNUAL GENERAL MEETING**

Dear Shareholder,

The Board of Directors of the Company, having taken into consideration the guidelines issued by Colombo Stock Exchange ("CSE") on holding virtual shareholder meetings through audio/visual means, have decided to hold the Annual General Meeting ("AGM") of the Company as a virtual meeting through audio/visual means using an online platform on 30th September 2025 as per the Notice of Meeting of the AGM.

Please note the following procedure to be adopted in terms of same.

1. Notice of Meeting, Form of Proxy and Form of Registration are enclosed herewith.
2. The AGM will be held in compliance with the principals set out in the Guidelines issued by CSE for hosting of virtual Annual General Meeting.
3. Only the key officials who are essential for the administration of the formalities of the meeting will be physically present at the venue. All registered shareholders/proxy holders are requested to participate via online meeting platform.
4. Shareholders who wish to participate in AGM through audio visual means should forward the duly perfected Registration Form (Annexure 1) to Mercantile Investments and Finance PLC, Secretaries, 236, Galle Road, Colombo 3 or by email to [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk) at least 48 hours before the time fixed for the meeting.
5. Adequate arrangements will be made for Shareholders who wish to participate in the AGM via the online meeting platform with log in information being forwarded to shareholders in advance of the meeting upon verification of registration details. Only Shareholders or their duly appointed proxyholders are requested to log in to the virtual meeting platform. It is recommended that Shareholders/Proxy Holders join the AGM at least 15 minutes before the start of the AGM. The digital Platform will be active 30 minutes before the start of the AGM. The Company will not be responsible or liable for misuse and/or unauthorized use of the login information.
6. Shareholders will be given the opportunity to raise any questions or comments on the matters listed on the Agenda for the meeting or forward the questions in advance to the email [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk)
7. Voting on items listed on the Agenda will be registered using an online platform. Shareholders/Proxyholders will be briefed on the procedure for voting prior to the commencement of the AGM.

In the event the Company is required to take any further action in relation to the Meeting; and/or other communications, guidelines, directives or orders issued by the Government of Sri Lanka, Notice of such action shall be given by way of an announcement to the Colombo Stock Exchange and/or publication on the Company website [www.tangerinehotels.com](http://www.tangerinehotels.com)

The Board wishes to thank the Shareholders of the Company for their corporation and support to ensure a smooth and uninterrupted process at the Annual General Meeting of the Company and look forward to their virtual attendance.

BY ORDER OF THE BOARD  
**TANGERINE BEACH HOTELS PLC  
MERCANTILE INVESTMENTS AND FINANCE PLC**

Secretaries

27th August 2025  
Colombo

# Notice of Meeting

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NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of Tangerine Beach Hotels PLC, will be held as a virtual meeting on 30th September 2025 at 11.45 a.m. assembled at 236, Galle Road, Colombo 3 to transact the following business.

1. To receive and adopt the Report of the Directors and the Statement of Accounts for the year ended 31st March 2025 with the Report of the Auditors therein.
2. To re-elect Mr. T J Ondaatjie who retires in terms of Article 88(i) of the Articles of Association of the Company.
3. To elect Mrs. C A Ondaatjie in terms of Section 211 of the Companies Act No.07 of 2007. The Company has received special notice of intention to pass the following resolution as an ordinary resolution.  
“Resolved that the age limit of 70 years referred to in Sections 210 of the Companies Act No.07 of 2007 shall not be applicable Mrs. Christabel Angela Ondaatjie who is 84 years of age and whose appointment as a Director of the Company be and is hereby approved and who is elected a Director of the Company notwithstanding the provisions of the said Section 210 of the Companies Act.”
4. To re-elect Ms. P T K Navaratne in terms of Article 95 of the Articles of Association as a Director of the Company.
5. To re-elect Mr. G K Sudath Kumar in terms of Article 95 of the Articles of Association as a Director of the Company.
6. To re-elect Ms. A Nanayakkara in terms of Article 95 of the Articles of Association as a Director of the Company.
7. To re-appoint Messrs. Ernst & Young who are deemed to be re-appointed as Auditors of the Company in terms of Section 158 of the Companies Act No.7 of 2007 and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine payments for charitable and other purposes for year 2025/26

BY ORDER OF THE BOARD

**TANGERINE BEACH HOTELS PLC**

Mercantile Investments and Finance PLC

*Secretaries*

27th August 2025

Colombo

Note: Any member entitled to attend and vote at the Meeting is entitled to appoint a Proxy (whether member or not) to attend and vote instead of him. A Form of Proxy is enclosed with the Report of this purpose and Shareholders who are unable to attend the Meeting in person are requested to kindly complete and return such Form of Proxy in due time, in accordance with the instructions noted on the Form of Proxy.

For information on how to participate by virtual means in the above meeting please refer the supplementary notice to shareholders.

# Form of Request

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**FORM OF REQUEST  
FOR A PRINTED COPY OF THE ANNUAL REPORT 2024/25 OF TANGERINE BEACH HOTELS PLC**

I would like to receive the printed version of the Annual Report 2024/25 of Tangerine Beach Hotels PLC

SHAREHOLDERS DETAILS	
Full name of Shareholder	
Shareholder's NIC/Passport/ Company Registration No.	
Contact Number	
Signature	Date

Notes:

- 1) Please complete the Form of Request by filling in legibly the required information /Date and signing in the space provided.
- 2) In the event the shareholder is a Company, the Form of Request should be signed under its Common Seal or by a duly authorised officer of the Company in accordance with its Article of Association.
- 3) Please forward the completed Form of Request to the Secretaries in one of the following methods-

By post / Delivered by Hand- Secretaries

Tangerine Beach Hotels PLC  
236, Galle Road, Colombo 03

By email - [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk)

# Registration Form

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**TANGERINE BEACH HOTELS PLC  
45TH ANNUAL GENERAL MEETING**

To: Mercantile Investments and Finance PLC  
Secretaries  
Tangerine Beach Hotels PLC  
236, Galle Road,  
Colombo 3

Full Name of Shareholder .....

Address of Shareholder .....

Shareholder's NIC No/Passport No/Co. Reg No .....

Membership No/ CDS Account No ..... No. of Shares held .....

Shareholder's Contact Nos. Residence ..... Mobile .....

Shareholder's e-mail address ..... (Please type clearly, mandatory)

If Proxy is appointed

Full Name of Proxy .....

Proxy Holder's NIC No/Passport No. ....

Telephone No. Residence ..... Mobile .....

E-mail Address ..... (Please type clearly, mandatory)

.....  
Shareholder's Signature/Date

.....  
1st Joint holder's Signature/date

.....  
2nd Joint holder's Signature/date

Notes: Instructions as to completion are noted on the reverse hereof.

## INSTRUCTIONS AS TO COMPLETION

- Shareholders are advised to complete the form legibly in order to facilitate their participation through the online platform
- The "Web Link" for participation at the AGM through the online platform will be forwarded to the Shareholder's above noted email address.
- In the case of a Company/Corporation, the registration form must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
- If the registration form is signed by an Attorney, the relative Power of Attorney should also accompany the proxy form for registration, if such Power of Attorney has not already been registered with the Company.
- The completed registration form should be deposited at the Secretaries office at No.236, Galle Road, Colombo 3 or emailed to [mercantile@mi.com.lk](mailto:mercantile@mi.com.lk) 48 hours before the time appointed for the meeting.





# Form of Request

I/We .....  
of ..... being a member/members of  
TANGERINE BEACH HOTELS PLC, do hereby appoint; ..... of  
..... or failing him/her

- |                                     |                |
|-------------------------------------|----------------|
| Angeline Myrese Ondaatjie           | or failing her |
| Gerard George Ondaatjie             | or failing him |
| Christabel Angela Ondaatjie         | or failing her |
| Travice John Ondaatjie              | or failing him |
| Nawagamuwage Hasantha Viraj Perera  | or failing him |
| Lakal Hemendra Jayasinghe           | or failing him |
| Prasanna Senani Rajiv Casie Chitty  | or failing him |
| Punyakanthi Tikiri Kumari Navaratne | or failing her |
| Getawa Kandage Sudath Kumar         | or failing him |
| Aroshi Nanayakkara                  |                |

as my/our proxy to represent me/us and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to held on 30th September 2025 at 11.45 a.m.as a virtual meeting assembled at 236, Galle Road, Colombo 3 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

		For	Against	Withhold
1)	To receive and adopt the Report of Directors and the Statement of Accounts for the year ended 31st March 2025, with the Report of the Auditors there on.			
2)	To re-elect Mr. T J Ondaatjie retiring in terms of Article 88(i) of the Articles of Association of the Company.			
3)	To elect Mrs. C A Ondaatjie retiring in terms of Section 211 of the Companies Act No.07 of 2007			
4)	To re-elect Ms. P T K Navaratne in terms of Article 95 of the Articles of Association of the Company			
5)	To re-elect Mr. G K Sudath Kumar in terms of Article 95 of the Articles of Association of the Company			
6)	To re-elect Ms. A Nanayakkara in terms of Article 95 of the Articles of Association of the Company			
7)	To re-appoint Messrs. Ernst & Young who are deemed to be re-appointed as Auditors of the Company in terms of Section 158 of the Companies Act No.7 of 2007 and to authorize the Directors to determine their remuneration.			
8)	To authorize the Directors to determine payments for charitable and other purposes for the year 2025/26			

As witness my/our hand this .....day of .....2025

.....  
Signature of Shareholder/s

Note: Please delete the inappropriate words.  
(Instructions as to completion are noted on the reverse hereof)

**INSTRUCTIONS AS TO COMPLETION**

1. Kindly perfect the Form of Proxy, after filling legibly your full name and address and by signing in the space provided and please fill in the date of signature.
2. If the Proxy Form is signed by an Attorney, the relative Power of Attorney should also accompany the proxy form for registration, if such Power of Attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.
4. The completed form of proxy should be deposited at the Registered Office of the Company at No.236, Galle Road, Colombo 3, 48 hours before the time appointed for the meeting.

# Corporate Information

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## Name of the Company

Tangerine Beach Hotels PLC.

## Status & Legal Form

Public quoted company with limited liability  
Incorporated in Sri Lanka on 21st May 1980

## Company Registration No.

PQ 162

## Tax Payer Identification Number

104065600

## VAT Registration Number

104065600 7000

## Communication Registered Office

236, Galle Road, Colombo 03, Sri Lanka  
P.O. Box 195, Colombo  
Tel : 2343720-7  
Fax : 2391193, 2448279  
Website : www.tangerinehotels.com

## Hotel

Tangerine Beach Hotel, St.Abrew's Road,  
Nagashandiya,Waskaduwa.  
Tel : 034-2237295, 2237982, 2237983, 2237640  
Fax : 034-2237794  
E-mail : reservations@tangerine.lk

## Secretaries

Mercantile Investments & Finance PLC

## Remuneration Committee

N.H.V.Perera - *Chairman*  
P.S.R.Casie Chitty  
G K S Kumar

## Audit Committee

G K S Kumar - *Chairman*  
N.H.V.Perera  
P.T.K Navaratne

## Related party Committee

G K S Kumar- *Chairman*  
N H V Perera  
P T K Navaratne

## Nomination & Governance Committee

P .T. K. Navaratne- *Chairperson*  
G .K. .S. Kumar  
A .M. Ondaatjie

## External Auditors

Ernst & Young  
Chartered Accountants

## Internal Auditors

Deloitte  
Chartered Accountants

## Bankers

Hatton National Bank PLC  
Commercial Bank of Ceylon PLC

## Board of Directors

A.M. Ondaatjie - Chairperson  
G.G.Ondaatjie  
T.J. Ondaatjie  
C.A.Ondaatjie  
N.H.V.Perera  
L.H. .Jayasinghe  
P.S.R.Casie Chitty  
G K S Kumar  
P.T.K Navaratne

## Corporate Management

Lakal H.Jayasinghe	Director / General Manager
Arju Vijayarajah	Resident Manager <i>up to 25.10.2024</i>
Gihan Liyanage	Assistant General Manager
M.I. Shahabdeen	Chief Financial Officer
Manil Galagoda	Group Consultant for Engineer
Ravi Fernando	Group Accountant <i>up to 03.02.2025</i>
Nelson Mayadunnage	Financial Controller
Hareez Jameel	Senior Accountant

## Management Team

Lakal H.Jayasinghe	Director/General Manager
Arju Vijayarajah	Resident Manager <i>up to 25.10.2024</i>
Gihan Liyanage	Assistant General Manager
Nelson Mayadunnage	Financial Controller
Menaka Fernando	Chief Accountant
Hareez Jameel	Senior Accountant
B.S.S.,Bangsajayah	Food & Beverage Manager
Praboth Jayaweera	Credit Manager
Palitha Fonseka	Cost Controller
Chaturanga Hettiarachchi	Front Office Manager
Kalpitha Dias	Housekeeper
S.Lalith Kumara	Maintenance Manager
Chandana Wijeratna	Executive Chef
Gayan Liyanage	Human Resources Manager
Sudath Baladeva	Purchasing Manager
Jayantha Fernando	Cluster Chief Engineer <i>w.e.f 15.2.205</i>
Chathura Rangana	Engineer - Quality Assurance & Quality surveying

Concept & Designed by





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