A LEGACY IN ACTION

NAVIGATING THE FUTURE

AITKEN SPENCE PLC | ANNUAL REPORT 2024 - 2025

In honour of the late Deshamanya D.H.S. Jayawardena, we remember a pioneering entrepreneur, whose legacy of transformation and dynamism continues to inspire us all. As Chairman of Aitken Spence PLC, Mr. Jayawardena's unwavering dedication, business acumen, and bold leadership guided the company to new heights, leaving an indelible mark on Sri Lanka's corporate sector. His remarkable ability to remain agile and lead amidst an ever-evolving business landscape, to create lasting value, has shaped not only our organisation but the future of Sri Lanka's business environment. We remain deeply grateful for his innovative contributions and the enduring impact of his work, which will continue to inspire future generations. His legacy of excellence, resilience, and transformation is a beacon for us all as we strive to carry forward his extraordinary vision in the years ahead.

A Legacy of Transformation

Mr. Jayawardena joined Aitken Spence PLC's Board on April 1, 2000, and became Chairman on April 25, 2003, where his leadership and strategic direction transformed the company into one of Sri Lanka's most successful, diversified blue-chip corporations.

A visionary armed with remarkable business acumen, Mr. Jayawardena's influence extended beyond Aitken Spence. As founder Chairman and Managing Director of the Stassen Group of Companies, he served as Chairman of multiple organisations, including Melstacorp PLC, Distilleries Company of Sri Lanka PLC (DCSL), Lanka Milk Foods (C.W.E.) PLC, Browns Beach Hotels PLC, Balangoda Plantations PLC and Madulsima Plantations PLC. He held directorial positions in numerous public and private companies, including Hatton National Bank PLC.

His leadership extended to public sector institutions, serving as Chairman of Ceylon Petroleum Corporation and SriLankan Airlines. Mr. Jayawardena also contributed to national recovery efforts as a member of the Apex Task Force to Rebuild the Nation (TAFREN) after the 2004 tsunami.

In recognition of his invaluable services to Sri Lanka, Mr. Jayawardena was awarded the prestigious title "Deshamanya" in 2005. He also served as the Honorary Consul General of Denmark in Sri Lanka and was knighted by Queen Margrethe II of Denmark, in 2010, as a Knight of the Order of Dannebrog for his outstanding and exemplary contributions to Denmark, and for fostering bilateral ties between Sri Lanka and Denmark.

In 2019, Mr. Jayawardena was ranked No. 1 in LMD's 100 longest serving chairmen and in the same year was also recognised in LMD's 100 Club A- List of 2019 as the 'Seasoned Tycoon'. He was also named the Most Admired Leader in Business Accomplishments by ICCSL and CIMA Sri Lanka.

Beyond his business achievements, he was known for his entrepreneurial spirit, decisive leadership and a reputation for revitalising loss-making enterprises. Mr. Jayawardena's fearless approach and farsighted outlook were a source of inspiration, not just for business leaders, but for the entire corporate landscape of Sri Lanka. His impact remains deeply felt as he positioned the country on the global business map and uplifted countless communities with his groundbreaking ventures.

A Legacy in Action:

Navigating the Future

At Aitken Spence PLC, our legacy of transformation has long served as the impetus of our journey. Over the years, we have remained resolutely committed to evolving with the times, by responding to challenges and seizing new opportunities to ensure sustainable growth and lasting value, shaping a company built to last.

We draw strength from a rich history of reinvention, underpinned by values of collaboration, innovation, and foresight: values that have guided us through change, grounded us in challenges, and allowed us to thrive with integrity.

Our resilience lies not in resistance to change, but in the readiness with which we embrace it. Across every area of influence, we remain agile and future-focused, not for the sake of growth alone, but to preserve our ability to serve, contribute, and lead - no matter the circumstances.

As we navigate an increasingly complex and unpredictable world, we are steered by a quiet confidence borne of our legacy. Our foundation is strong, our purpose is clear, and our path forward is lit by the knowledge that the same legacy that sustained us through the past will carry us into the future - unshaken.

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6 MANAGEMENT DISCUSSION AND ANALYSIS

7 FINANCIAL STATEMENTS

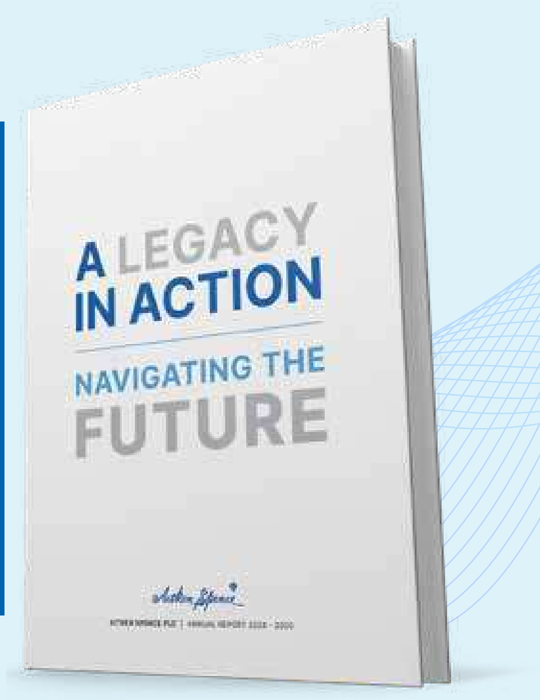
8 SUPPLEMENTARY INFORMATION

About this Report

(GRI 2-2, 2-3)

This is the 43rd Annual Report of Aitken Spence PLC following the listing of the Company in 1983 and the 14th Annual Integrated report, setting out the performance of the Group for the financial year ending 31st March 2025. The Group comprises the holding company and 91 subsidiaries and 30 equity accounted investees across 12 countries.

We have provided a balanced review of the financial, environmental, social and governance aspects of the Group in a concise, comprehensive and transparent manner. This report builds on the Annual Integrated Report for the financial year 2023/24, continuing our quest for excellence in corporate reporting with integrity, accountability and transparency.



SCOPE & BOUNDARY

This report covers the financial and non-financial performance of Aitken Spence PLC and its subsidiaries, joint ventures and associates located in Sri Lanka and 11 other countries, collectively referred to as the Group. These entities are administratively arranged into 4 sectors and 17 segments as set out on page 9. Financial and non-financial reporting boundaries are aligned and extend to the operating environment and external stakeholders. The report sets out how we create, preserve or erode value through our business activities.

REPORTING BOUNDARY & SCOPE

Aitken Spence

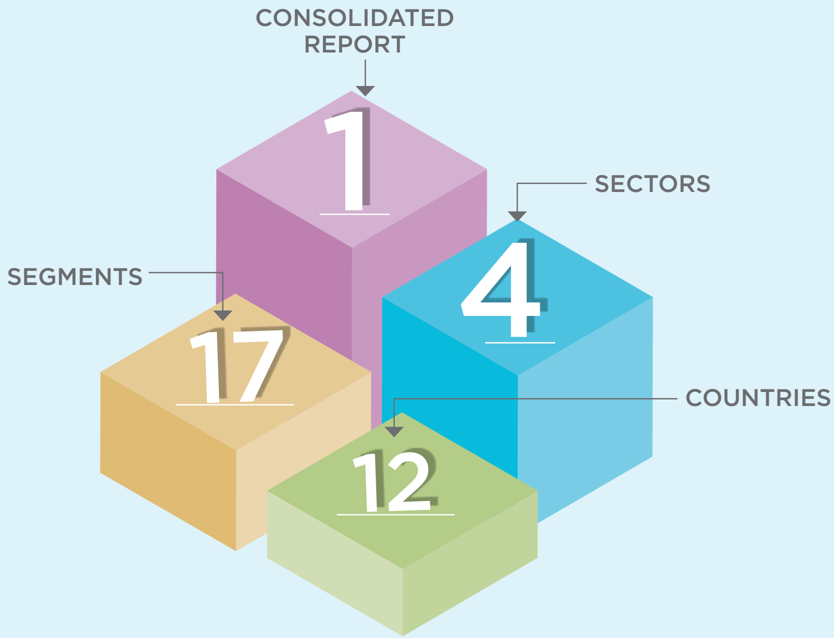
95 Companies in Sri Lanka

24 Companies Overseas

External Stakeholders & Operating Environment

THE NON-FINANCIAL INFORMATION SET OUT IN THIS REPORT

Data has been collected from locations across all our operating countries and aggregated in a tiered format that aligns with the structure of our financial statements



About this Report

REGULATORY FRAMEWORKS

The regulatory and voluntarily adopted standards and reporting frameworks are set out below.

Regulatory Requirements

- Companies Act No.7 of 2007
- Colombo Stock Exchange Continued Listing Rules including Section 9 of the Listing Rule on Corporate Governance
- Sri Lanka Accounting & Audit Standards Act No.15 of 1995
- Sri Lanka Accounting Standards
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto
- Inland Revenue Act No. 24 of 2017 and the amendments thereto
- Foreign Exchange Act No. 12 of 2017 and the amendments thereto

Voluntarily Adopted Frameworks & Standards

- <IR> Framework issued by the International Integrated Reporting Council
- GRI Standards 2021
- GRI Sector Standard: Agriculture Sector (GRI 13)
- UN Global Compact
- Women's Empowerment Principles
- Communicating Sustainability issued by the Colombo Stock Exchange
- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)
- Guidelines for Presentation of Annual Reports 2022 issued by CA Sri Lanka
- Gender Reporting Framework issued by CA Sri Lanka
- 06 SASB Standards

We continue to evolve our integrated report, embracing new standards and thinking to support corporate longevity with sustainable and resilient business models. Our holistic approach drives awareness of the Group's relevance to and its impacts on the economy, people and the planet. It supports our goal of efficient resource allocation to our strategic priorities that have been determined considering our relevance, interdependencies and impacts.

Integrated Reporting and Thinking → Efficient & Productive Capital Allocation → Organisation resilience and Financial Stability → Sustained value creation → Integrated Reporting and Thinking

Reporting Principles & Key Concepts

- Impacts
- Materiality
- Strategic focus and future orientation
- Connectivity of Information
- Stakeholder relationships
- Conciseness
- Alignment of financial and non-financial reporting boundaries
- Reliability & Completeness
- Consistency & Comparability

NAVIGATING OUR REPORT

The Capitals

- Financial Capital
- Human Capital
- Intellectual Capital
- Natural Capital
- Social & Relationship Capital
- Manufactured Capital

Stakeholders

- Customers
- Employees
- Business Partners
- Government & Regulators
- Communities
- Investors

Objectives

- Sustainable Profit Growth
- Geographical Expansion
- Diversify into New Business Segments
- Reduce Resource Footprint and Achieve Net-Zero Emission Status
- Employer of Choice

About this Report

The Group has commenced its journey to implement SLFRS S1 and S2 and you will find evidence of this claim throughout the report. Although there are many points of compliance, we have refrained from stating that we are compliant with these two standards which are mandatory for sustainability reporting from the financial year 2025/2026. This decision was made in line with our corporate values and basic reporting principles enumerated above.

SASB Standards used in the report

- Hotels & Lodging Standard

- Road Transportation Standard
- Air Freight & Logistics Standard

- Agricultural Products Standard
- Apparel, Accessories & Footwear Standard
- Electric Utilities & Power Generators Standard

Restatements & Comparability of Information (GRI 2-4)

There were no restatements of financial information during the year, and the financial data presented remains comparable across the current and prior reporting periods. However, in line with the GHG Protocol and the principle of operational control, the boundary for non-financial reporting was reviewed and revised. As a result, the Group's on-site management operations in Fiji have been included within the reporting boundary, reflecting our operational control over those activities. The port operations in Fiji, over which the Group does not have operational control, remain excluded. Additionally, the Sustainable Energy Authority of Sri Lanka published revised grid emission factors in the latter part of 2021. Accordingly, indirect emissions (Scope 2) from purchased electricity in Sri Lankan operations have been recalculated to reflect these updated factors. To ensure year-on-year comparability, the non-financial data from 2022 has been restated based on these revisions. Emission factors used are sourced from IPCC (Intergovernmental Panel on Climate Change) and DEFRA (Department for Environment, Food & Rural Affairs) databases, both recognised globally for their scientific credibility and relevance to environmental reporting.

*Note: The IPCC and DEFRA databases are considered the most credible sources for obtaining emission factors, due to their comprehensive, scientifically validated data and global acceptance in environmental research and policymaking.

External Assurance (GRI 2-5)

Assurance on financial statements have been provided by Messrs. KPMG, Chartered Accountants.

Assurance on non-financial disclosures, aligned with the GRI Universal Standards (2021), the Integrated Reporting Framework and six industry standards of the Sustainability Accounting Standards Board (SASB), was conducted by Messrs. Ernst & Young, Chartered Accountants.

STATEMENT BY THE BOARD

The Board acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value over the short, medium and long term. The acknowledgment of the Board's responsibility for the Annual Report and its content are given in the Annual Report of the Board of Directors on pages 159 to 164.

The report was approved by the Board of Directors on 12th June 2025.

FORWARD LOOKING STATEMENTS

This report includes forward looking statements based on external and internal information available at present to facilitate assessment of the Group's prospects. These statements involve a high degree of uncertainty due to the significant volatility and unpredictability in both the global and local economic outlook. The outcomes and impacts of some of these statements relate to future events which are beyond our control but can have a significant impact in the Group's ability to create value. Readers are advised to make their own judgements using the latest information available at the time of assessment due to the elevated levels of uncertainty in forward looking statements. All forward looking statements are provided without recourse or any liability whatsoever to the Board or other preparers of the Annual Report due to the reasons enumerated above.

FEEDBACK & INQUIRIES

(GRI 2-3)

A feedback form is provided on page 523 and at **aitkenspence.com/feedback**. We would appreciate your feedback on the Annual Report using this form, which can be mailed to the Company Secretaries with 'Annual Report 2025 Feedback' marked on the top left-hand corner of the envelope, emailed to the address given below, or submitted directly via the aforementioned link. The form can also be accessed via the QR code provided below.

These responses will be perused by the Management of the Company. We value your feedback and will use the same in improving the Annual Report.

Please contact the following person for inquiries regarding the Annual Report:

Email : comsec@aitkenspence.lk
Facsimile :+94 11 244 5406
Mail : No 315, Vauxhall Street,
Colombo 2, Sri Lanka

Our Sustainability Journey

2002/03

Aitken Spence became an early signatory to the United Nations Global Compact (UNGC), demonstrating long-term commitment to the UNGC's Ten Principles in the areas of human rights, labour, environment, and anti-corruption.

2005/06

Developed the Group's initial sustainability strategy, anchored on three focus areas, with Executive Director Dr. Rohan Fernando appointed to lead the sustainability agenda for Aitken Spence PLC, making Aitken Spence one of the first companies to have a Main Board Director lead the organisation's sustainability agenda.

2006/07

Formed the Group's cross-functional Sustainability Team, comprising representatives from all business segments.

2007/08

The Group's sustainability priorities were assessed and incorporated into an integrated sustainability policy highlighting 15 policy commitments and an implementation framework to guide the business segments to roll out action for environmental and social impact control.

Disclosure of non-financial performance of the Group strengthened with the adoption of the Global Reporting Initiative (GRI) framework for the first time to enhance transparency in non-financial disclosures.

2010/11

Commenced measurement and reporting of Scope 1 and Scope 2 greenhouse gas (GHG) emissions.

Became one of the first companies globally to sign the Women's Empowerment Principles (WEPs), reinforcing the Group's commitment to gender equality and women's advancement.

2011/12

Integrated human rights at the workplace and information security into the Group's integrated sustainability policy and implementation framework.

2012/13

The Group was recognised as the Best Corporate Citizen in Sri Lanka for 2012 by the Ceylon Chamber of Commerce for excellence in sustainability and corporate citizenship.

Adopted guidelines of the International Integrated Reporting Council (IIRC) to improve the Group's narrative and value creation story.

2015/16

Aligned the Group's business objectives and sustainability targets with seven Sustainable Development Goals (SDGs), selected based on material impacts and opportunities for positive contribution.

2018/19

Aitken Spence was awarded Best Corporate Citizen in Sri Lanka for the third consecutive year (fourth overall win) and was recognised for the eighth time among the country's Top 3 Best Corporate Citizens.

Reviewed and updated the integrated sustainability policy to include 21 policy commitments aligned with material sustainability topics.

Educated Managing Directors and Division Heads on climate change and disaster risk reduction (DRR) and established the Group's core DRR team.

2020/21

Participated in the UNGC's Target Gender Equality Programme, with Executive Director (current Group Chairperson) Ms. Stasshani Jayawardena serving as the Company's ambassador for the programme.

Joined the UNGC's Climate Ambition Accelerator Programme.

Appointed as the Head of the Working Group on Business & Human Rights at the UNGC Sri Lanka Local Network.

2021/22

Became an early adopter of the GRI Universal Standards (2021).

First Sri Lankan conglomerate to publicly commit to the Science Based Targets initiative (SBTi) and the Business Ambition for 1.5°C.

Celebrated 20 years as a UN Global Compact signatory.

Recognised among the Top 100 Companies in Sustainability 2022 globally, the only Sri Lankan company featured in this independent international assessment.

2023/24

Participated in COP28 as a private sector delegate and conducted a panel discussion at the Sri Lanka Pavilion on the role of business in development.

Formed the Group's Sustainability Council, chaired by Executive Director Dr. Rohan Fernando.

Integrated the SASB Standards into the Group's sustainability reporting framework.

The way forward in sustainability for Aitken Spence PLC introduced to the Group in the 'Spence IMPACT' strategy.

2024/25

In recognition of sustained excellence in corporate citizenship, Aitken Spence entered the Hall of Fame as the Best Corporate Citizen of 2024.

Aitken Spence conducted a Disaster Risk Reduction Day where the Group's disaster vulnerability maps were launched to the public as a service.

The Board approved the Group's near-term targets towards a net-zero pathway. These targets are currently under review for validation by the SBTi.

Aitken Spence PLC becomes the first conglomerate from Sri Lanka to join the GRI Community as a member.

About Us

SHAPING THE FUTURE AN ENDURING LEGACY

Founded in 1868 in the southern port city of Galle by Scottish merchants Thomas Clark and Patrick Gordon Spence, Aitken Spence PLC has grown for over more than 150 years into one of Sri Lanka's most respected and diversified conglomerates. Evolving from a trading and shipping agency, today, the Group operates in four sectors across twelve countries in Asia, Oceania, and Africa. Aitken Spence PLC is listed on the Colombo Stock Exchange, reflecting its strong commitment to good governance, transparency, and the creation of sustainable long-term value to stakeholders.

OUR PURPOSE

Inspire to Create Great Futures for All.

OUR VISION

To achieve excellence in all our activities, establish high growth business in Sri Lanka and across new frontiers and become a globally competitive market leader in the region.

OUR VALUES

- Reliable
- Honest & Transparent
- Warm & Friendly
- Genuine
- Inspire Confidence

OUR GOALS

At Aitken Spence, we strive to

- contribute to society through economic growth and the creation of wealth;
- achieve geographical/ industrial expansion and diversification; and
- accomplish sustainable growth ensuring environmental and social governance.

About Us

AITKEN SPENCE AT A GLANCE

Our operations are segregated into

(GRI 2-6)

4 Sectors

17 Business segments

Aitken Spence PLC is the holding company of a portfolio of 121 companies, including 91 subsidiaries and 30 joint ventures and associates. These businesses are strategically organised into four key sectors: Tourism, Maritime & Freight Logistics, Strategic Investments and Services sector. The detailed Group structure is given on pages 30 to 33.

Aitken Spence continues to play a pivotal role in supporting economic progress across the regions it operates in, contributing to national and regional development through infrastructure investments, job creation, skills development, and capacity building. Its integrated approach to growth fosters connectivity between local businesses and international markets, helping to strengthen global value chains. Sustainability remains central to Aitken Spence's corporate ethos.

The Group was the first large-scale Sri Lankan conglomerate to commit to the Science Based Targets initiative (SBTi) and has submitted its near-term emissions reduction targets for validation, aligned with its ambition to achieve net-zero emissions by 2030. Further, Aitken Spence has been a signatory of the United Nations Global Compact (UNGC) for over two decades, demonstrating long-term adherence to the Compact's Ten Principles on human rights, labour, environment, and anti-corruption.

These commitments are deeply embedded in its business strategies and operations. Through innovation, ethical governance, and a long-standing dedication to sustainability, Aitken Spence PLC continues to shape industries and empower communities across its global footprint.

Tourism

- Hotels
- Destination Management
- Airline GSA

Maritime & Freight Logistics

- Maritime & Port Services
- Airline GSA (Cargo)
- Freight Forwarding & Courier
- Education
- Integrated Container Services

Strategic Investments

- Power Generation
- Printing & Packaging
- Apparel Manufacture
- Plantations

Services

- Insurance
- Money Transfer
- Property Management
- Elevators
- BPO Services

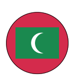
About Us

LOCATIONS OF OPERATIONS (GRI 2-6)

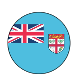
Operating in **12** Countries

1 Sri Lanka

2 Maldives

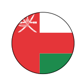


3 Fiji Islands

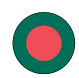


4 India

5 Oman



6 Bangladesh



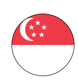
7 British Virgin Islands

8 Myanmar

9 Cambodia

10 Mozambique

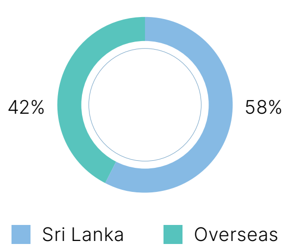
11 Singapore

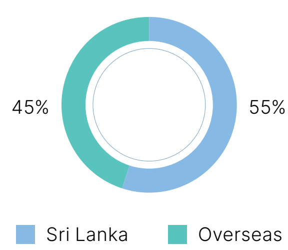


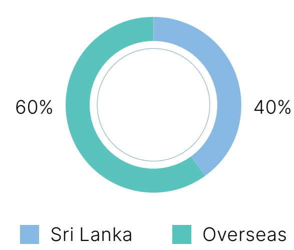
12 United Arab Emirates

GEOGRAPHICAL ANALYSIS

Asset Distribution	Revenue by Geography	Profit from Operations by Geography







About Us

GROUP HIGHLIGHTS

Throughout its journey, Aitken Spence has been a pioneer across multiple industries. Early milestones include establishing Sri Lanka's first star-class beach resort, Neptune Hotel in Beruwela (now, Heritance Ayurveda) followed by the country's first five-star beach resort, Triton Hotel (now, Heritance Ahungalla) in 1981. In 1993, Aitken Spence became the first Sri Lankan resort operator to venture overseas with the acquisition of Bathala Island Resort in the Maldives. The Group continued its trailblazing legacy by creating Sri Lanka's first themed hotel, The Tea Factory in Nuwara Eliya (now, Heritance Tea Factory), in 1996.

Aitken Spence was also among the first to expand port management operations internationally, becoming the first Sri Lankan company to form a public-private partnership for overseas port operations. In the energy sector, the Group transcended its traditional corporate identity to emerge as a catalyst for change by developing Sri Lanka's first and only waste-to-energy power plant. This initiative not only reshaped the physical environment but also transformed lives, reflecting the spirit of optimism, resilience, and innovation that defines the Aitken Spence legacy that echoes the Group's purpose,"Inspire to Create Great Futures for All".

Our story is one of constant transformation, shaped by a proud legacy of innovation, collaboration, and strategic foresight. Rather than resisting change, Aitken Spence embraces it with agility and integrity, enabling the Group to remain relevant, create meaningful impact, and stay ahead of emerging challenges across all sectors.

As we navigate an increasingly complex and dynamic global landscape, Aitken Spence draws strength from its enduring legacy and a culture of continuous transformation. Anchored by a strong foundation and a clear vision for the future, we are committed to advancing sustainably, creating lasting value for all stakeholders, and building on a legacy that is resilient, future-ready, and inspired by the possibilities of tomorrow.

Revenue
Rs 95.1 Bn

EBITDA
Rs 25.4 Bn

Profit Before Tax
Rs 10.8 Bn

Cash generated from operating activities
Rs 23.6 Bn

Total Assets
Rs 202.0 Bn

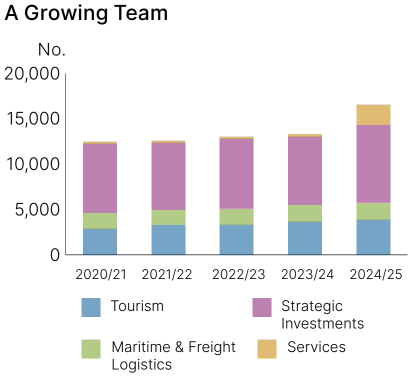
Market Capitalisation
Rs 51.9 Bn

Employees
16,513

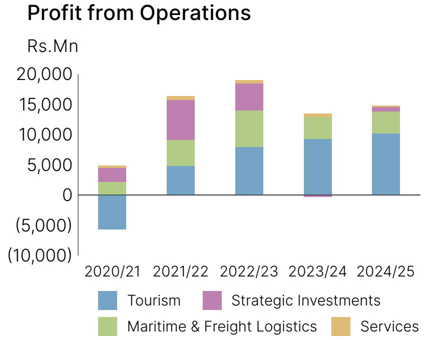
Females in employment
41.6%

Facilitation of foreign currency to Sri Lanka
Rs 163.1 Bn

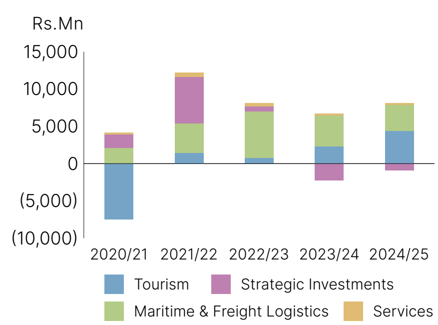
A Growing Team



Profit from Operations

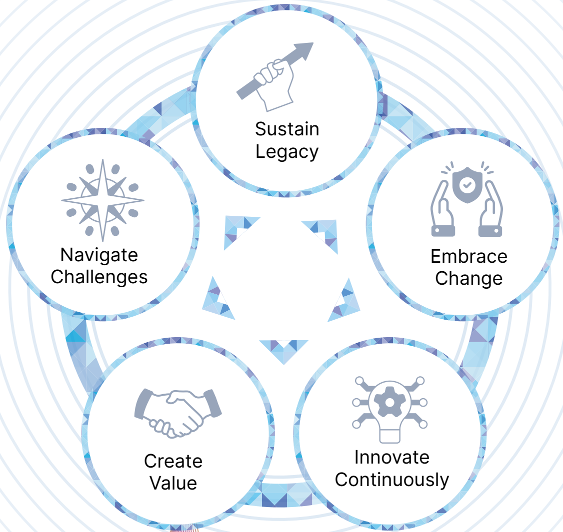


Profit after Tax

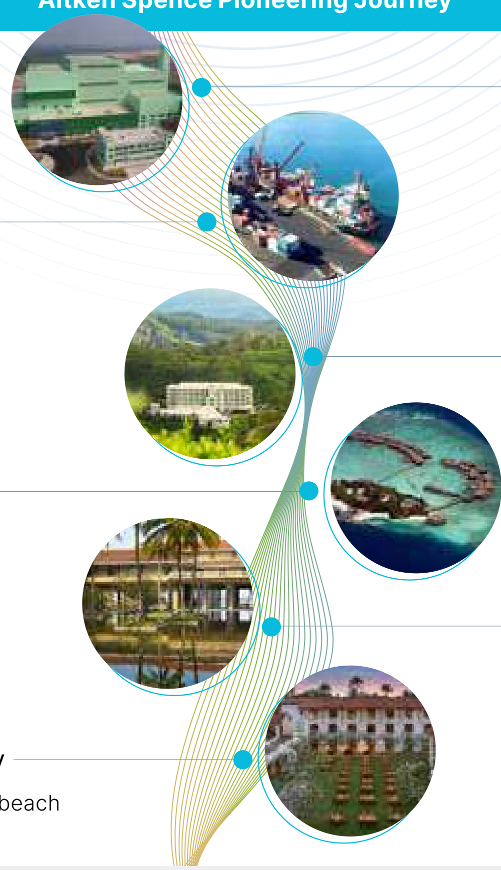


About Us (GRI 2-6)

Aitken Spence legacy and transformation



Aitken Spence Pioneering Journey



Waste-to-Energy Power Plant

Developing Sri Lanka's first waste-to-energy power plant

International Port Management

Expanding port management operations internationally

Created Experiential Hospitality

Developing Sri Lanka's first themed hotel, The Tea Factory

Overseas Expansion

Venturing into the Maldives with the acquisition of Bathala Island Resort

First Five-Star Resort

Launching Sri Lanka's first five-star beach resort, Triton Hotel

Setting the Standard in Coastal Luxury

Establishing Sri Lanka's first star-class beach resort, Neptune Hotel

Our commitment to sustainability and corporate responsibility continues to be recognised. In 2024, Aitken Spence was inducted into the prestigious Hall of Fame at the Best Corporate Citizen Sustainability Awards (BCCSA) conducted by the Ceylon Chamber of Commerce and received the distinguished Grand Slam Award for winning the overall title five times. We are proud to be the only Sri Lankan company ranked among the Top 10 Corporate Citizens for 19 consecutive years, a testament to our enduring focus on environmental stewardship, social responsibility, and stakeholder value creation.

About Us

VALUE SHARED WITH OUR STAKEHOLDERS

Rs 13.6 Bn
Paid in direct and indirect taxes

Rs 17.3 Bn
Employee benefits

Rs 78.9 Mn
Training and development

Rs 7.3 Bn
Interest payments

Rs 1.7 Bn
Dividend paid to our equity shareholders of the Group

Rs 281.4 Mn
Funds channelled to strengthen communities

At the core of Aitken Spence's enduring success is its people. We nurture a workplace culture that celebrates respect, diversity, and personal development, ensuring our teams are empowered to thrive. Beyond business operations, the Group is deeply committed to uplifting communities through educational programmes, capacity-building initiatives, and support for local entrepreneurship, proving that business success and social progress go hand in hand.

	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Sector contribution to Group Revenue	57.7%	25.9%	13.4%	3.1%
Sector contribution to Group EBITDA	63.9%	22.7%	11.1%	2.3%
Profit before Tax	Rs 6.0 Bn	Rs 4.6 Bn	Rs (36.0) Mn	Rs 326.9 Mn
Total Assets	Rs 108.3 Bn	Rs 30.0 Bn	Rs 66.0 Bn	Rs 7.9 Bn
Sector contribution to Group Employees	23.4%	11.6%	51.6%	13.4%
Management systems for ESG, OHS and quality	74	27	91	8

Financial Information

	2024/2025	2023/2024	YoY%
Income Statement			
Group revenue (including associates) (Rs.Mn)	112,802	109,018	3
Group revenue (Rs.Mn)	95,095	97,486	(2)
Profit from operations (Rs.Mn)	14,779	13,226	12
Share of profit from equity accounted investees (Rs.Mn)	1,577	1,318	20
Profit before tax (Rs.Mn)	10,826	6,725	61
Income tax expense (Rs.Mn)	3,647	2,273	60
Profit after tax (Rs.Mn)	7,179	4,452	61
Profit attributable to equity holders of the company (Rs.Mn)	5,331	2,928	82
Statement of Financial Position			
Non-Current assets (Rs.Mn)	129,493	133,669	(3)
Current assets (Rs.Mn)	71,612	67,418	6
Total assets (Rs.Mn)	202,027	201,257	0
Total equity (Rs.Mn)	89,889	85,720	5
Non-Current liabilities (Rs.Mn)	53,260	58,959	(10)
Current liabilities (Rs.Mn)	58,878	56,578	4
Key Ratios			
ROE (%)	7.06	3.95	79
ROCE (%)	14.34	12.18	18
Interest cover (times covered)	2.82	1.73	63
Current ratio (times covered)	1.22	1.19	2
Debt equity ratio	0.38	0.45	(16)
Economic			
Value Added by the Group (Rs. Mn)	44,379	41,055	8
Foreign Exchange facilitated to the country (Rs. Mn)	163,091	130,955	25
Taxes paid to Government (Rs. Mn)	13,594	12,245	11
Direct employment generated	16,513	13,281	24

EBITDA

Rs. **25.4** Bn

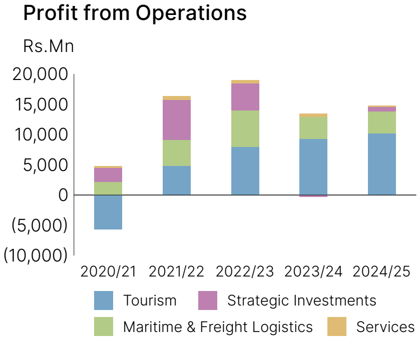
TOTAL EQUITY

Rs. **89.9** Bn

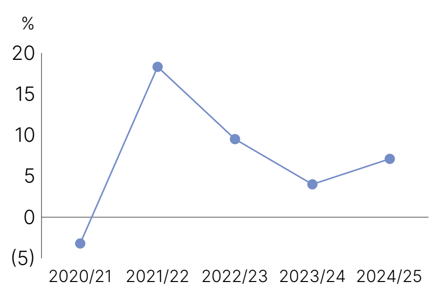
Financial Information

	2024/2025	2023/2024	YoY%
Market capitalisation as at 31st March (Rs.Bn)	51.87	52.88	(2)
Market price as at 31st March (Rs.)	127.75	130.25	(2)
Earnings per share (Rs.)	13.13	7.21	82
Price Earnings Ratio (times)	9.73	18.06	(46)
Dividends per share (Rs.)	4.00	4.25	(6)
Dividend payout ratio (%)	30.46	58.93	(48)
Net asset value per share (Rs.)	190.23	181.86	5
Price to Book Ratio (times)	0.67	0.72	(7)
Tourism Sector			
Total pax handled by destination management	228,078	234,976	(3)
Guest nights in owned hotels	1,179,355	1,064,058	11
Room inventory owned and managed	2,676	2,639	1
Maritime & Freight Logistics Sector			
Total warehouse space (Sq. Ft)	471,250	470,074	0
Youth capacity building at CINEC campus (No. of students)	22,000	22,975	(4)
Strategic Investments Sector			
Power generated (MWh)	123,826	175,436	(29)
Apparel produced Pieces ('000)	3,681	3,614	2
Tea produced (Kgs '000)	4,177	4,248	(2)
Import substitution with palm oil production (Kgs '000)	24,554	23,617	4
Services Sector			
Number of inward remittance transactions	1,140,015	918,387	24
Commercial office space (Sq. Ft)	200,074	195,784	2

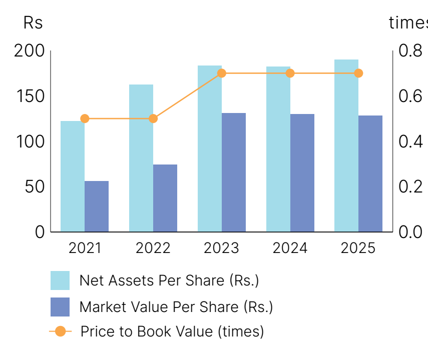
Profit from Operations



Return on Equity



Net Assets per Share, Market Value per Share & Price to Book Value
(as at 31st March)



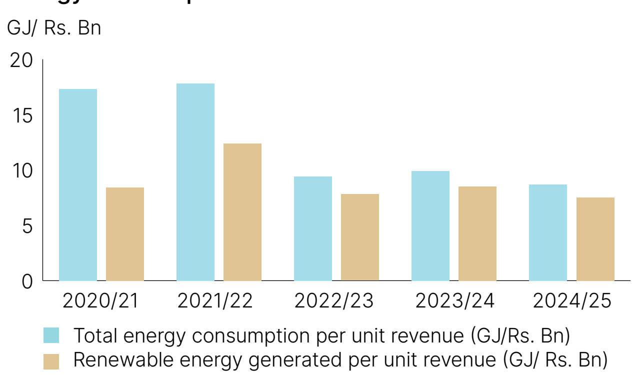
Consolidated ESG Performance

ENVIRONMENTAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 302-1, and 302-3.

ENERGY	2024/2025					2023/2024*
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Total energy consumption (GJ)	772,347	476,050	51,926	239,315	5,056	901,543
Non-renewable sources						
Petrol	5,201	1,847	726	2,170	458	5,041
Diesel	379,057	324,332	44,370	9,765	590	358,158
Furnace Oil	-	-	-	-	-	134,385
LPG	25,128	24,793	-	335	-	22,422
Kerosene	2	-	-	2	-	2
Total energy consumed from non-renewable sources	409,388	350,972	45,096	12,272	1,048	520,007
Renewable sources						
Biomass/fuel wood	152,463	11,312	-	141,151	-	231,528
Briquettes	877	-	-	877	-	667
Hydropower	977	-	-	977	-	877
Solar energy	2,032	2,032	-	-	-	1,852
Wind energy	6,251	6,251	-	-	-	6,082
Municipal solid waste	52,774	-	-	52,774	-	477
Total energy consumed from renewable sources	215,375	19,596	-	195,780	-	241,483
Total indirect energy consumption within the organisation	147,583	105,482	6,830	31,263	4,009	140,053
Energy consumption per unit revenue (Rs. Mn)	9	7	5	22	3	10
Energy produced (GJ)	998,780	340,931	390	657,459	-	1,353,714
Total energy produced from renewable sources (GJ)	665,508	19,596	390	645,523	-	775,947
Total energy produced from non-renewable sources (GJ)	333,272	321,335	-	11,937	-	577,767

Energy Consumption



*Note: The data for the 2023/24 period has been revised and restated to reflect updates in the classification and reporting boundary of renewable and non-renewable energy sources, in accordance with the GHG Protocol guidelines.

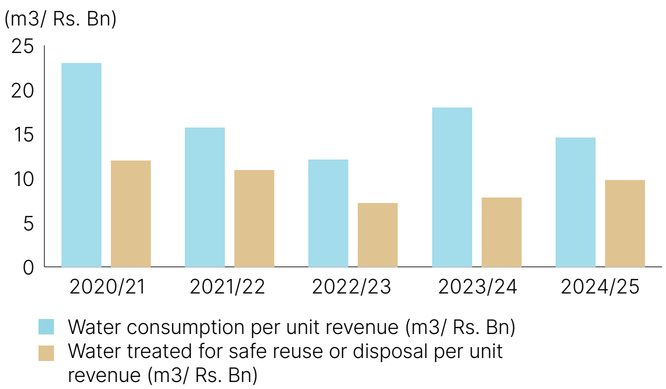
A substantial proportion of our environmental impact is due to our energy consumption from fossil fuels, resulting in emissions and the depletion of non-renewable resources. Therefore, it is imperative to monitor the sources of energy used by each business sector through the diverse management systems maintained across the Group. This enables us to formulate strategies effectively to control our impacts and plan the transition to renewable energy sources.

Consolidated ESG Performance

In this section, information pertaining to the following GRI disclosures is provided: GRI 303-3, 303-4 and 303-5.

WATER	2024/2025					2023/2024*
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Volume of water withdrawn (m3)	1,300,376	1,018,327	33,062	236,354	12,632	1,643,568
Water treated for reuse or safe disposal (m3)	868,394	839,882	6,360	22,030	122	709,553
Water recycled and re-used/ disposed (%)	67	82	19	9	1	43
Water sources significantly affected by withdrawal of water	None	None	None	None	None	None
Water withdrawn from areas in water distress	None	None	None	None	None	None

Water Consumption



Water usage is identified as a material topic for the Group, particularly within the Tourism and Strategic Investments sectors, given the potential for adverse impacts. To mitigate this, all wastewater generated in these sectors is treated for either reuse or environmentally safe disposal. Ensuring zero adverse impact on surrounding water bodies from both withdrawal and discharge remains a key priority. Ongoing monitoring of water use enables us to identify opportunities to optimise consumption and enhance efficiency across our operations.

Consolidated ESG Performance

ENVIRONMENTAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 306-1, 306-3, 306-4, 306-5.

WASTE	2024/2025					2023/2024*
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Tonnes	27,227	2,078	5	25,131	13	41,146
Solid waste - hazardous	3,165	36	3	3,125	2	6,672
Solid waste - non-hazardous	24,062	2,042	3	22,006	11	34,475
Units	760	138	568	54	-	10,862
Solid waste - hazardous	172	118	-	54	-	866
Solid waste - non-hazardous	588	20	568	-	-	9,996
Total amount of effluents safely disposed (Litres)	58,108	8,626	10,802	38,680	-	31,595
Waste oil, ETP/ STP sludge - hazardous	36,300	-	-	36,300	-	19,800
Waste oil, ETP/ STP sludge - non-hazardous	21,808	8,626	10,802	2,380	-	11,795
Total number and volume of significant spills	None	None	None	None	None	None
Total amount of waste converted to renewable energy	178,859	N/A	N/A	178,859	N/A	220,616

Waste generation is a material topic for the Group due to its potential environmental impacts. To address this, we adopt the 7Rs framework: Reject, Reduce, Reuse, Reclaim, Repair, Replace, and Recycle: across our operations to ensure responsible waste management. This structured approach is supported by specific guidelines that promote environmentally sound practices, with the overarching goals of achieving zero waste to landfill and ensuring that our operations do not negatively impact surrounding ecosystems.

Ensuring zero adverse impacts on natural ecosystems and water bodies from operational effluents is crucial for the Group, particularly within the Tourism and Strategic Investments sectors due to the nature and scale of the industries we operate in. To address this imperative, the Group maintains management systems that include controlling the input materials, adoption of advanced wastewater treatment protocols, and ensuring the responsible management of effluents through safe disposal or efficient recycling for reuse.

Consolidated ESG Performance

In this section, information pertaining to the following GRI disclosures is provided: GRI 305-1, 305-2, 305-3, 305-5, 305-6, 305-7.

	2024/2025					2023/2024*
EMISSIONS	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Total direct and indirect emissions (Scope 1, 2 & 3) (tCO2e)	84,834	58,500	5,344	17,758	3,232	89,385
Scope 1 emissions	37,150	27,607	3,440	5,909	194	61,932
Scope 2 emissions	18,357	13,347	818	3,715	476	17,450
Scope 3 emissions	29,328	17,545	1,086	8,135	2,562	10,003
Reduction of GHG emissions/ emissions offset (tCO2e)	208,915	3,753	77	205,078	7	237,620
Total in sustainability processes at Group Level(Rs. Mn)	82	11	20	40	3	90
Investments in sustainability processes	74	11	20	40	3	82
Investments in sustainability processes at Group Level	9	N/A	N/A	N/A	N/A	8

Aitken Spence Group adopts a science-based approach to identify and control emissions across our operations: Our most significant emissions stem from energy consumption, with stationary and mobile combustion in Scope 1 being the highest, followed by Scope 2 emissions from purchased energy, and Scope 3 emissions from employee commuting and within the supply chain (ISO category 3 emissions) respectively. Therefore, we integrate energy management with specific emission reduction strategies, prioritising energy and resource efficiency while investing in renewable energy solutions. Additionally, our commitment extends to reducing fossil fuel usage through efficiency enhancements or electrification initiatives. With increased operations, the energy consumption increased resulting in an increase in the emissions.

The Group's commitment towards investment in developing its sustainability processes include investments to enhance the Group's capacity of renewable energy, and resource utilisation efficiency while developing the infrastructure for greater resilience and sustainability. These expenditures also cover management systems for impact control, audit expenses, licensing and permitting fees, and subscriptions to global benchmarks for sustainability.

*Note: The data for the 2023/24 period has been revised and restated to reflect updates in emission factors and a realignment of boundaries in accordance with the GHG Protocol guidelines. Please refer to the Natural Capital section of this report for details on the estimations, assumptions, and emission factors used in these calculations. Scope 3 emissions have been included in the statement starting from this reporting year.

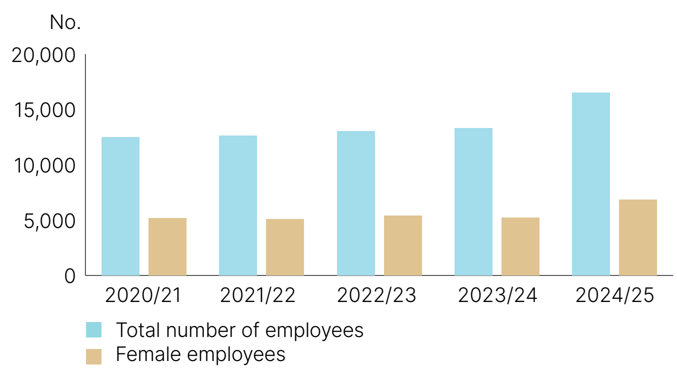
Consolidated ESG Performance

SOCIAL PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 404-1

PEOPLE AND EMPLOYEES	2024/2025					2023/2024*
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
Total Employees (No.)	16,513	3,868	1,908	8,528	2,209	13,281
Permanent employees	11,171	1,746	927	8,275	223	9,905
Contract employees	5,342	2,122	981	253	1,986	3,376
Female Representation (%)	42%	15%	19%	60%	36%	39%
Percentage of female managers in the managerial workforce (%)	21	19	24	19	26	18
Training & Development						
Avg. training hours per employee	17	46	5	10	2	14
Rs. Mn	79	42	9	24	4	18
Workplace Injuries (No.)	348	103	47	197	1	340
Lost Working Days	1,177	157	338	667	15	555
Entities certified for health and safety (No.)	46	9	4	32	1	38
Attrition Rate (%)	34	36	27	32	52	22
Average tenure of service (Years)	7	6	7	8	4	9
Customers, Suppliers and Society						
Brand stewardship (No.)	23	7	4	7	5	23
Funds channelled for community development initiatives (Rs. Mn)	281.4	2	3	276	0	202.5

Employees and Female Representation

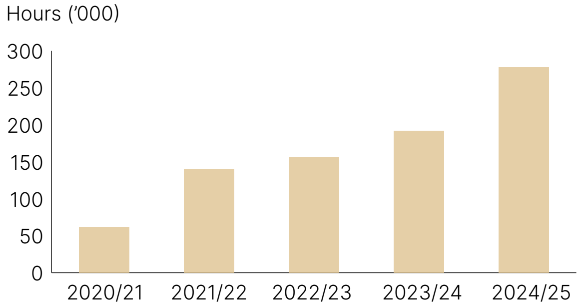


The total number of employees and female representation within the Group increased during the financial year 2024/25, primarily driven by growth in the Services sector. This increase was largely due to the new joint venture, Port City BPO. Additionally, the expansion of the apparel segment within the Strategic Investments sector reflects the Group's commitment to both organic and inorganic business ambitions.

The representation of female managers in the Group's managerial workforce increased by 3% this year, rising from 18% to 21%. This growth reflects the Group's focused Diversity, Equity, and Inclusion (DE&I) agenda, particularly through initiatives such as Spence Women @ Work.

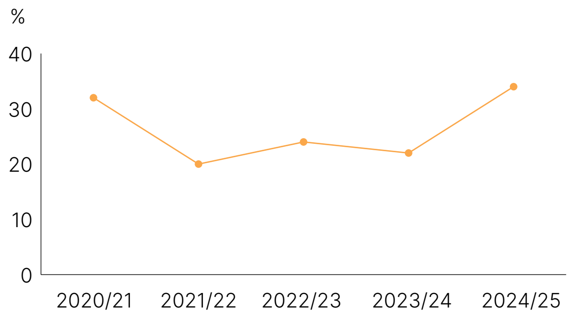
Consolidated ESG Performance

Training Hours



In line with the Group's talent agenda, investment in training increased by Rs. 61 million and average training hours per employee grew by 3 hours. The average training hours per employee in the Services sector skewed negatively due to the inclusion of Port City BPO where talent agenda is still being established.

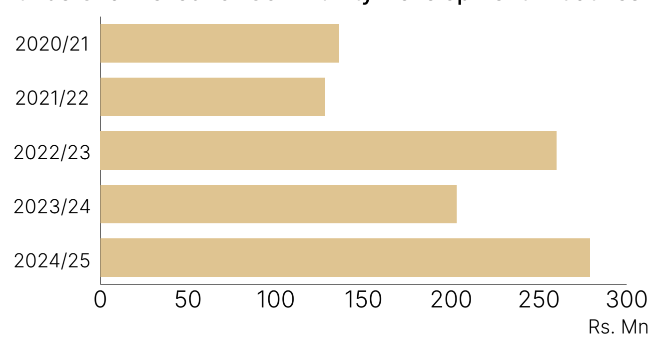
Attrition Rate



The Group's attrition rate has increased by 12%, mainly due to the inclusion of highly dynamic BPO operations in the Services sector along with industry volatility in the apparel and plantation segments within the Strategic Investments sector.

The average tenure of service decreased by 2 years, mainly due to the influx of fresh talent with the Port City BPO joining the Services sector and the apparel segment expansion in the Strategic Investments sector.

Funds Channelled for Community Development Initiatives



The Group is committed to creating sustainable value for local communities through targeted strategic initiatives such as local sourcing, employment generation, and extending economic opportunities to developing areas. We define 'local' as communities located within a 35–45 km radius of our operations situated outside urban, developed centres, as well as the immediate communities surrounding our international operations. In addition to these structured efforts, our businesses proactively support areas in need of development interventions, urgent relief, and essential services. This approach ensures that resources are directed towards impactful, community-driven development priorities.

Consolidated ESG Performance

GOVERNANCE PERFORMANCE

In this section, information pertaining to the following GRI disclosures is provided: GRI 205-3, 206-1, 406-1, 411-1, 416-2, 417-2, 417-3, 418-1, 419-1

	2024/2025					2023/2024*
	Total	Tourism	Maritime & Freight Logistics	Strategic Investments	Services	Total
No. of Companies	121	41	33	32	15	121
Sri Lanka	95	27	25	30	13	95
Overseas	24	13	8	2	1	26
Offshore	2	1	None	None	2	None
No. of Subsidiaries	91	37	22	20	12	92
No. of Joint Venture/ Associates	30	4	11	12	3	29
% of shares held by Twenty Largest Shareholders	91.0%	-	-	-	-	91.4%
Legal action on anti-corruption, anti-competitive behaviour and non-compliance with laws/ regulations	None	None	None	None	None	None
Total number and nature of confirmed incidents of corruption and action taken	None	None	None	None	None	None
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None	None	None	None	None	None
Total number of incidents of reported discrimination and corrective action taken	None	None	None	None	None	None
Incidents of violations involving rights of indigenous peoples	None	None	None	None	None	None
Incidents of non-compliance on health and safety impacts of products and services	None	None	None	None	None	None
Total incidents of non-compliance with regulations and/or voluntary codes on product and service information and labelling	None	None	None	None	None	None
Total incidents of non-compliance with regulations and/or voluntary codes on marketing communications	None	None	None	None	None	None
Total substantiated complaints received on breaches of customer privacy	None	None	None	None	None	None
Non-compliance with laws and regulations or reported incidents of financial and in-kind political contributions	None	None	None	None	None	None
Total number of grievances filed through formal grievance mechanisms (No.)	1	-	-	1	-	3

The total number of companies in the Aitken Spence Group remained at 121 in 2024/2025. Although the total number of companies in Aitken Spence remained unchanged, there have been changes in the sectors due to incorporation of new companies, liquidations, alienation, and reclassifications. The number of companies remained within the respective sectors as at the end of the reporting period are as shown above in the table.

As signatories to the UN Global Compact (UNGC), aligned with the "Respect and Remedy" pillars of the United Nations Guiding Principles on Business and Human Rights, Aitken Spence is committed to ensuring that all employees are aware of their rights and have equal access to remedial mechanisms in case of any violations of rights.

Our Environmental and Socioeconomic Impact (GRI 3-3, 201-1, 201-3)

VALUE CREATION AND DISTRIBUTION

The Group has played a pivotal role in strengthening Sri Lanka's economy through its extensive range of operations, generating Rs. 44.4 billion in value during the year under review. This marks an 8.1% increase in value creation compared to the previous year. The enhanced contributions from the Group's equity-accounted investees and reduced foreign exchange losses, complemented by a decline in operational expenses were instrumental in this growth.

The Group's operations reflect its unwavering commitment to the upliftment of its employees. 39% of the value created was allocated to employee benefits, up from 37% the previous year, underscoring the Group's dedication to its workforce. This investment in employees not only enhances their livelihoods but also fosters a motivated and productive workforce, which is crucial for the Group's sustained success.

Furthermore, the Group's contributions extend to the broader economy, with 11% of the value created being allocated to the governments. Lenders of capital received 20% of the value generated, a significant reduction from the previous year, primarily due to lower borrowing costs, reflecting prudent financial management and the overall decline seen in interest rates.

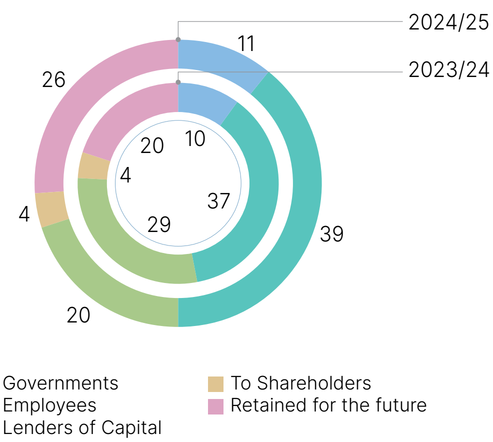
Dividends to equity shareholders accounted for 4% of the total value created, while the Group retained 26% for future growth and expansion. This strategic retention of value ensures that the Group remains well-positioned to seize new opportunities and drive long-term growth, benefiting all stakeholders.

The Group's steadfast commitment to growth and development is evident in its balanced approach to value distribution, ensuring that employees, the government, lenders, shareholders, and future growth initiatives are all adequately supported. This holistic approach underscores the Group's dedication to fostering a sustainable and prosperous future for all its stakeholders.

	2024/25 Rs. Mn	2023/24 Rs. Mn
Revenue	95,095	97,486
Purchase of goods and services	(54,461)	(58,786)
	40,634	38,700
Other operating income	(362)	(2,307)
Interest income	1,920	2,909
Share of profits of equity-accounted investees before tax	2,187	1,752
Total value added by the Group	44,379	41,055
Distributed as follows		
To governments	4,994	4,160
To employees	17,296	15,264
To lenders of capital	8,858	11,847
To shareholders	1,725	1,624
Retained for the future	11,506	8,160
	44,379	41,055

Distribution of Group Value Added

%



Our Environmental and Socioeconomic Impact

IMPACTS ON ECO SYSTEMS

Our biggest environmental impacts arise from energy consumption, emissions, water consumption, and solid waste generation, particularly in sectors like power generation and hospitality. Recognising our responsibility, we are committed to reducing our ecological footprint through sustainable practices, innovation, and continuous improvement.

Tourism

Our hotels across Sri Lanka, the Maldives, India, and Oman are nestled in pristine rural settings, alongside select urban properties, often bordering biodiverse regions. Committed to environmental stewardship, we ensure sustainable operations that harmonise with nature.

Additionally, our dedicated destination management team curates immersive experiences in delicate ecosystems and culturally significant sites. Every aspect of our business, from hotels to guided tours, upholds a strict zero impact policy, preserving the natural and cultural heritage of the destinations we call home.

Maritime & Freight Logistics

The Sector delivers valuable services that connect businesses with global markets. In Sri Lanka, our operations do not directly interact with sensitive ecosystems, yet our teams actively minimise environmental impacts through robust management systems. Furthermore, our overseas port management operations are committed to reducing the effects of effluents on marine ecosystems.

Strategic Investments

Our plantations and apparel manufacturing segments operate in rural communities, situated within or near biodiversity-rich ecosystems. We maintain a strict zero-adverse-impact policy to protect these vital areas.

Additionally, our waste-to-energy power plant significantly reduces environmental harm by diverting solid waste from landfills and natural ecosystems.

Services

None of our operations are located in biodiversity-sensitive areas.

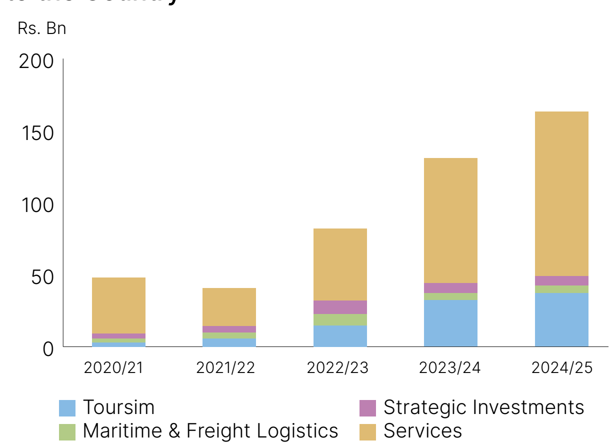
FACILITATING FOREIGN EXCHANGE INFLOWS

Aitken Spence, as a prominent player in business activities crucial for economic development and the facilitation of foreign currency to the island, has consistently been a significant contributor to these areas. Historically, Aitken Spence, through its direct and indirect activities, has played a pivotal role in facilitating substantial foreign currency inflows to the country. During the year, the Group's operations facilitated the equivalent of Rs. 163.1 billion in foreign currency inflows to the nation.

The Services sector remained the highest contributor to this facilitation through its activities in the money transfer segment, which processed over 1.1 million transactions during the year, recording a 24.2% year-on-year increase in transactions processed. The sector's inflows were further augmented by the Group's investment in BPO operations, which cater to clients from five countries in the Asian region.

The contribution of the Tourism sector to the facilitation of foreign currency inflows to the country increased by 14.9%, driven by heightened activity in the Sri Lankan hotels segment. The Maritime and Freight Logistics sector recorded a 5.7% increase in its contribution to foreign currency generation, while the Strategic Investment sector witnessed a 5.3% decline in its facilitation of foreign currency generation. The decline in volume recorded by the apparel manufacturing segment was the primary reason for this drop, owing to a restructuring of operations undertaken by the segment.

Facilitation of Foreign Currency Generation to the Country



Our Environmental and Socioeconomic Impact

OUR COMMITMENT THROUGH TAXES

Aitken Spence Group continues to play a pivotal role in supporting economic development and social progress across the countries in which it operates. With operations spanning 12 jurisdictions, the Group makes a meaningful contribution to GDP growth, social stability, and the improvement of living standards through the creation of economic value, the generation of employment, and the payment of taxes.

The Group maintains a consistent record of compliance with tax obligations, contributing both direct and indirect taxes across its diverse operations. Direct taxes, including corporate income tax and employee related contributions such as PAYE/APIT, form a vital source of revenue for governments to fund essential public services, ranging from infrastructure development to education and healthcare.

Indirect taxes, including Value Added Tax (VAT), import duties, turnover-based levies, and other applicable taxes, are systematically remitted across all operational geographies as part of routine business activities. These payments ensure the smooth functioning of regulatory systems and help sustain broader socio-economic frameworks.

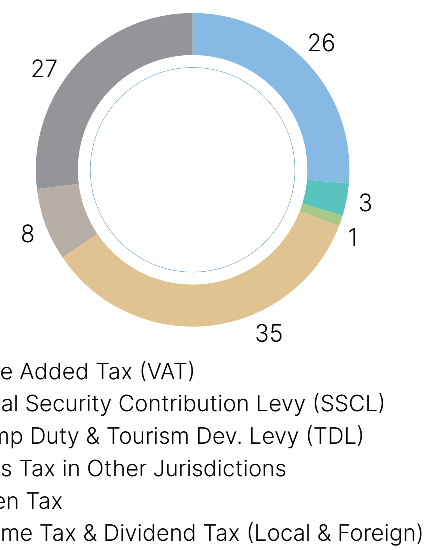
Operating across key sectors, Tourism, Maritime and Freight Logistics, Strategic Investments, and Services, Aitken Spence drives economic activity, fosters job creation, and supports capacity building in both emerging and developed markets. The Group's enduring commitment to fiscal responsibility and good governance underpins its contribution to national and regional development agendas.

Aitken Spence's responsible tax practices and value creation highlight its role as a corporate entity committed to inclusive and sustainable growth in every market it serves.

Type of Tax	2024/25 Rs. Mn	2023/24 Rs. Mn
Value Added Tax (VAT)	3,583	2,556
Social Security Contribution Levy (SSCL)	467	466
Stamp Duty & Tourism Dev. Levy (TDL)	177	140
Sales Tax in Other Jurisdictions	4,690	5,204
Green Tax	1,051	1,218
Income Tax & Dividend Tax (Local & Foreign)	3,627	3,879
Total Taxes Paid to Governments	**13,595**	**13,463**

Taxes Paid to Governments

%



Awards and Accolades Financial Year 2024 – 2025

GROUP

Aitken Spence won the Grand Slam Award as the Best Corporate Citizen of 2024

Aitken Spence PLC emerged as the overall winner and received the prestigious Grand Slam Award for winning the award 5 times at the Best Corporate Citizen Sustainability Awards (BCCSA) 2024 organised by the Ceylon Chamber of Commerce. Aitken Spence is the only corporate in Sri Lanka to be ranked among the Top 10 Corporate Citizens for an unmatched 19 consecutive years.

Aitken Spence emerged as the Sector Winner in the Diversified Sector in LMD's Most Awarded Companies 2024

Aitken Spence PLC emerged as the sector winner in the 'Diversified' category winning a total of 28 awards at the Group level and in the overall list among the top 20 Most Awarded by LMD. 'Most Awarded' by LMD is the fifth annual edition of the nation's most revered corporations which is the cumulative awards won by business establishments for the calendar year 2024.

Aitken Spence PLC won the Best Employer Brand Award and the Organisational Award for Workplace and People Development

At the Global Best Employer Brand Awards organised by the World HRD Congress, Aitken Spence PLC was recognised as a Best Employer Brand and was presented an organisational award for Workplace & People Development. This sets a high benchmark for nurturing talent and fostering exceptional workplace cultures.

Aitken Spence was recognised at the TAGS Awards by CA Sri Lanka

The annual report under the theme 'The Power to Inspire' won the 'Silver' award under the Diversified Holdings (Group Turnover Up to 100 Bn) at the 59th TAGS Awards 2024 (Transparency, Accountability, Governance, and Sustainability) organised by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The Group received certificates recognitions for corporate governance disclosure - non-financial services, sustainability reporting and integrated reporting.

Awards and Accolades Financial Year 2024 – 2025

SECTOR AWARDS

Tourism

Destination Management

Aitken Spence Travels won 3 awards at the Sri Lanka Tourism Awards 2024.

Hotels

Aitken Spence Hotels won 7 awards at the Sri Lanka Tourism Awards 2024.

Maritime and Freight Logistics

Integrated Container Services

Aitken Spence Logistics won 5 major category awards at the National Logistics Awards (NLA) 2024 organised by Sri Lanka Logistics and Freight Forwarders Association (SLFFA).

Freight Forwarding & Courier

Freight forwarding segment won the Gold Award in the "Freight Forwarders - Large Category" at the National Logistics Awards (NLA) organised by Sri Lanka Logistics and Freight Forwarders Association (SLFFA).

DBS Logistics Ltd won Bronze in the Extra-Large Category of the Logistics Services sector at the National Chamber of Exporters Awards.

Hapag-Lloyd Lanka, was recognised as the "Best Customer Service Provider" in the Europe and Mediterranean sectors at the Institute of Chartered Shipbrokers (ICS) Awards 2023.

Strategic Investments

Power Generation

The Waste-to-Energy power plant was featured as an 'Impact Story' in the UNGC "Forward faster now Asia & Oceania" conference. One of the two companies in Sri Lanka and in the region to have received this recognition.

Plantations

Elpitiya Plantations PLC emerged as the 2nd Runner-Up in the category of companies with revenue below 15 billion rupees at the Best Corporate Citizen Sustainability Award 2024. They received recognition for the project "Grow to Grow," which focuses on cultivating bamboo as a renewable source of biomass.

Printing & Packaging

Aitken Spence Printing won the Platinum Award and multiple other awards at the Lanka Star Awards 2024, including being named the overall winner and the most outstanding printing and packaging company.

Apparel Manufacture

The apparel segment won 2 awards at the Best Management Practices Award, organised by the Institute of Chartered Professional Managers of Sri Lanka (CPM Sri Lanka).

Our History

1868

In the southern port city of Galle, Thomas Clark and Patrick Gordon Spence ventured into a partnership as merchants and commission agents under the name of Clark & Spence.

1873

The partnership changed its name to Aitken Spence & Company, after the two brothers Edward and S.R. Aitken joins Thomas Clark and Patrick Gordon Spence.

1876

Lloyds of London appointed Aitken Spence & Co., as the agents for Ceylon - a position which the Company holds to this date.

1952

The last Chairman of the founding families, P.W.G. Spence retires in 1952. The Company is further strengthened and registered as a Private Limited Liability Company.

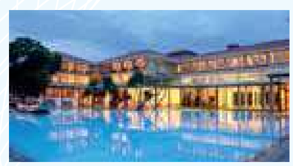
1974

The first resort hotel of Aitken Spence, Neptune Hotel was designed by the renowned architect Geoffrey Bawa. Neptune now is re-branded as Heritance Ayurveda.

1977

The Company, which is an IATA agent, moved into inbound and outbound travel, and Aitken Spence Travels Ltd was incorporated.

1981



Commenced operations of Triton Hotel. The first beach resort, in Ahungalla, later to be re-branded as Heritance Ahungalla.

1983

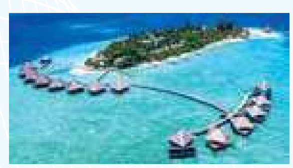
The Company shares were quoted for the first time in the Colombo Stock Exchange with an issued share capital of Rs. 51 million.

1985

Printing business which was successfully carried out as a division of Aitken Spence & Co. was separated and Aitken Spence Printing (Pvt) Ltd was incorporated.

Ace Containers (Pvt) Ltd, was incorporated, taking over the inland container terminal at Mattakkuliya.

1993



Entrance into the Maldivian tourism sector with the acquisition of Bathala Island resort in Maldives establishes Aitken Spence as the pioneer in this field.

1994

Commenced commercial operations of Heritance Kandalama, the world's first LEED certified hotel, and becomes the first Asian hotel to receive the prestigious Green Globe 21 certification.

1996

The first theme hotel in Sri Lanka, The Tea Factory, commences operations. The hotel received the Building Conservation award by the Royal Institute of Chartered Surveyors London.

Our History

2002

Welcoming the Government's decision to invite the private sector for generation of power, the Group's first 20 MW thermal power plant was completed in Matara.

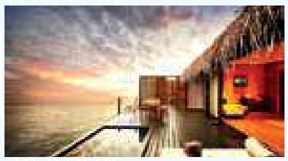
Aitken Spence becomes a signatory to the UN Global Compact, among the first companies in Sri Lanka.

2007

Aitken Spence obtained the management of four hotel properties in Oman, becoming the first Sri Lankan hospitality company to enter the Middle East. During that same year the Group becomes the first Sri Lankan company to venture into Port Efficiency Management outside Sri Lanka.

2008

The Group opened Adaaran Prestige Vadoo the fifth luxury villa in close proximity to the Male atoll.



Aitken Spence Corporate office is relocated to Aitken Spence Tower II with the completion of the construction of an aesthic office complex.

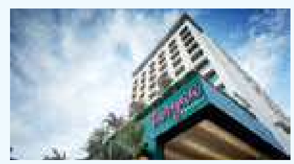
2012

Aitken Spence Printing relocated to a state-of-the-art printing facility which is the first LEED certified printing facility in Sri Lanka.

2013

Aitken Spence Maritime sector expanded its global presence by venturing in to port management business in the Fiji Islands. Becomes the first international port management company to operate in the Fiji Islands.

2015

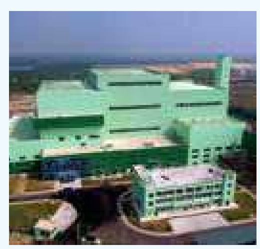


Launched the 140 room Turyaa Chennai as the first property owned in India by the Aitken Spence Group.

2018/19

Commenced construction of Heritance Aarah, the first Heritance property, and the first LEED certified building, in the Maldives. Commenced construction of the first ever waste to energy power project in the country with a capacity of 10 MW of energy to the national grid.

2020

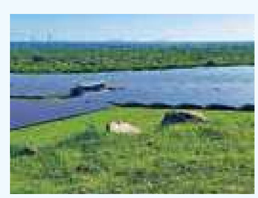


2020 witnessed one of the worst pandemics of modern history, COVID-19. The Group overcame unprecedented challenges to start operations of the first waste to energy power plant in the country. Tourism sector kept afloat while the other sector performance stood as a testimony to the Group's diversification strategy.

2021

Demonstrating the Group's commitment to its sustainability strategy, the Company acquired three hydro power projects with a generating capacity of 6.6 MWh at a cost of Rs 900 million.

2022

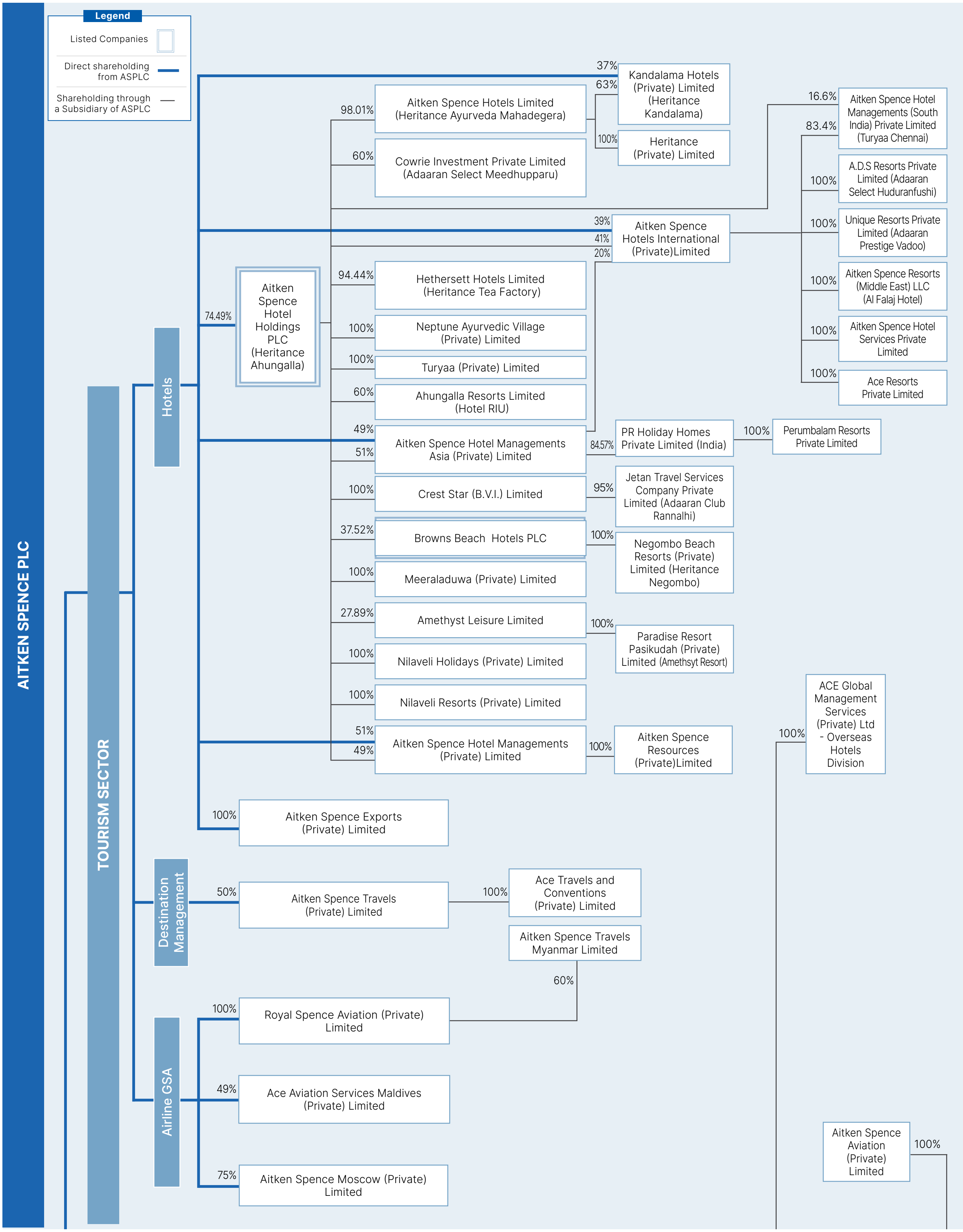


Amidst one of the most challenging years in Sri Lankan history, the Group persevered with its commitment to renewable power generation by investing Rs. 1.4 billion in a ground mounted solar power project in Hambantota. Furthermore, Aitken Spence & Singapore Airlines celebrated their 50-year partnership as the longest-standing GSA for Singapore Airlines globally.

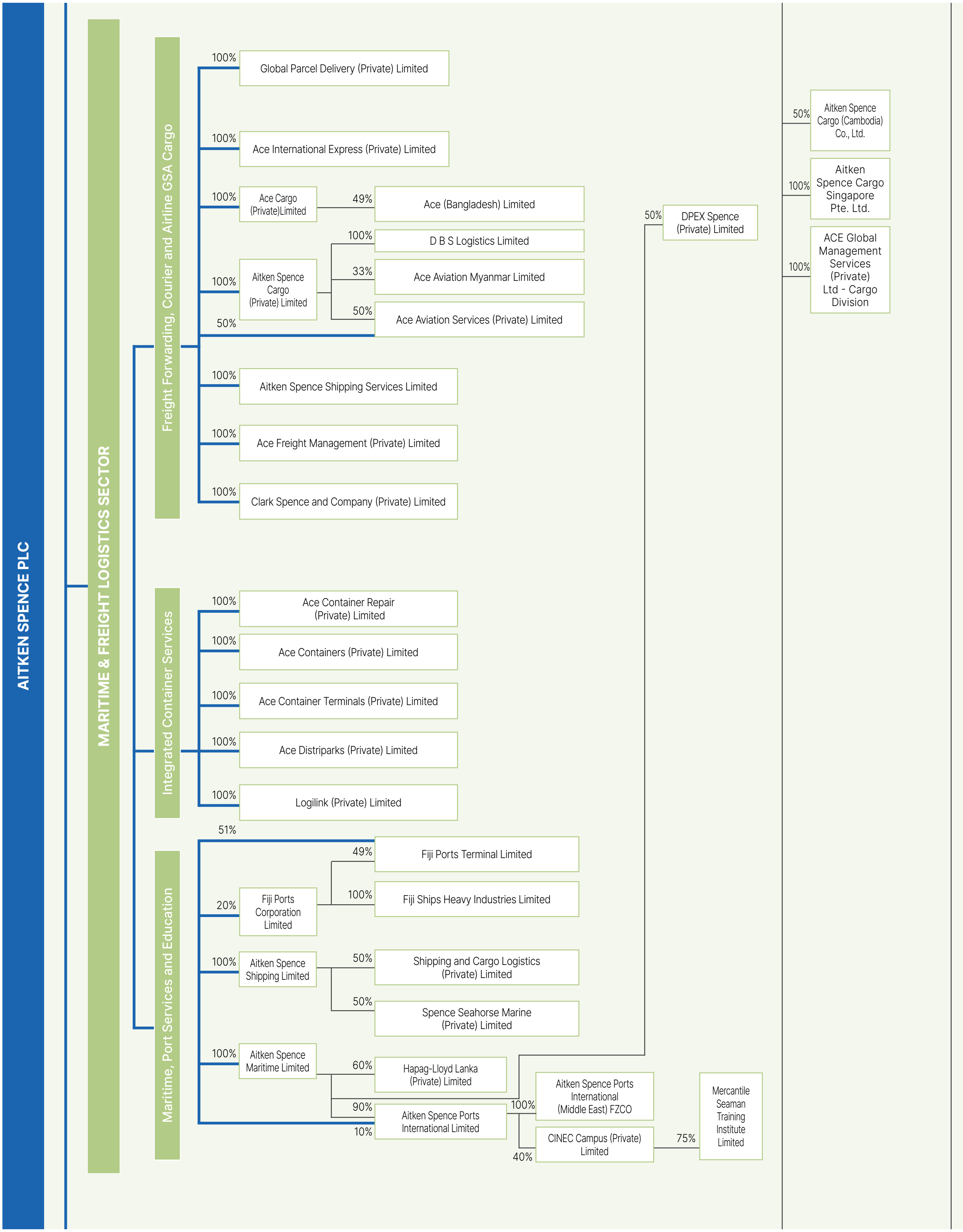
2023

The Group strategically enhanced its portfolio by acquiring two significant apparel manufacturing facilities in the Koggala Export Processing Zone, substantially strengthening its Apparel segment. In parallel, it advanced its Logistics segment with the strategic establishment of a new 100,000 sq. ft. Container Freight Station in Mabole, Wattala, optimising its operational footprint and logistics capabilities.

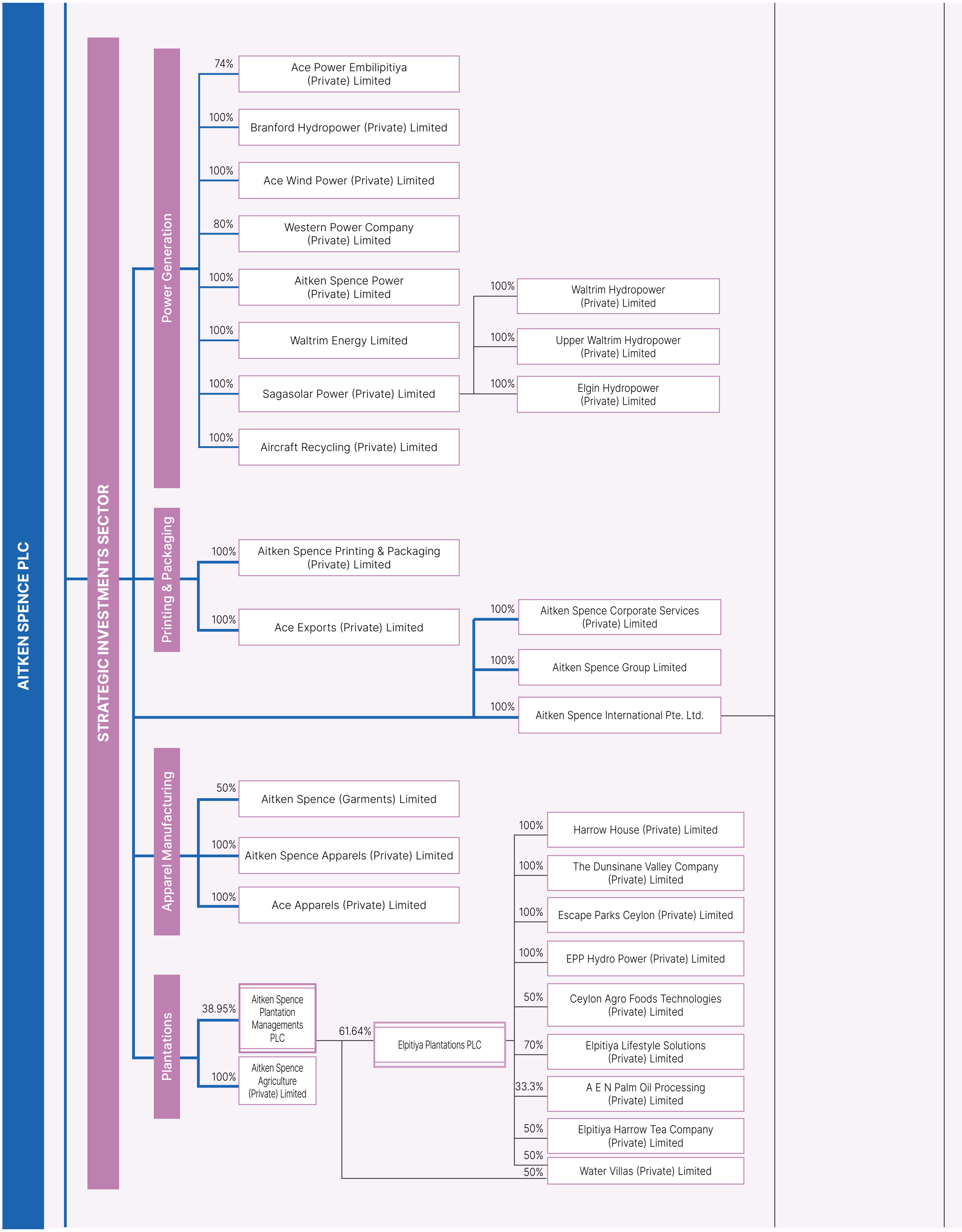
Group Structure



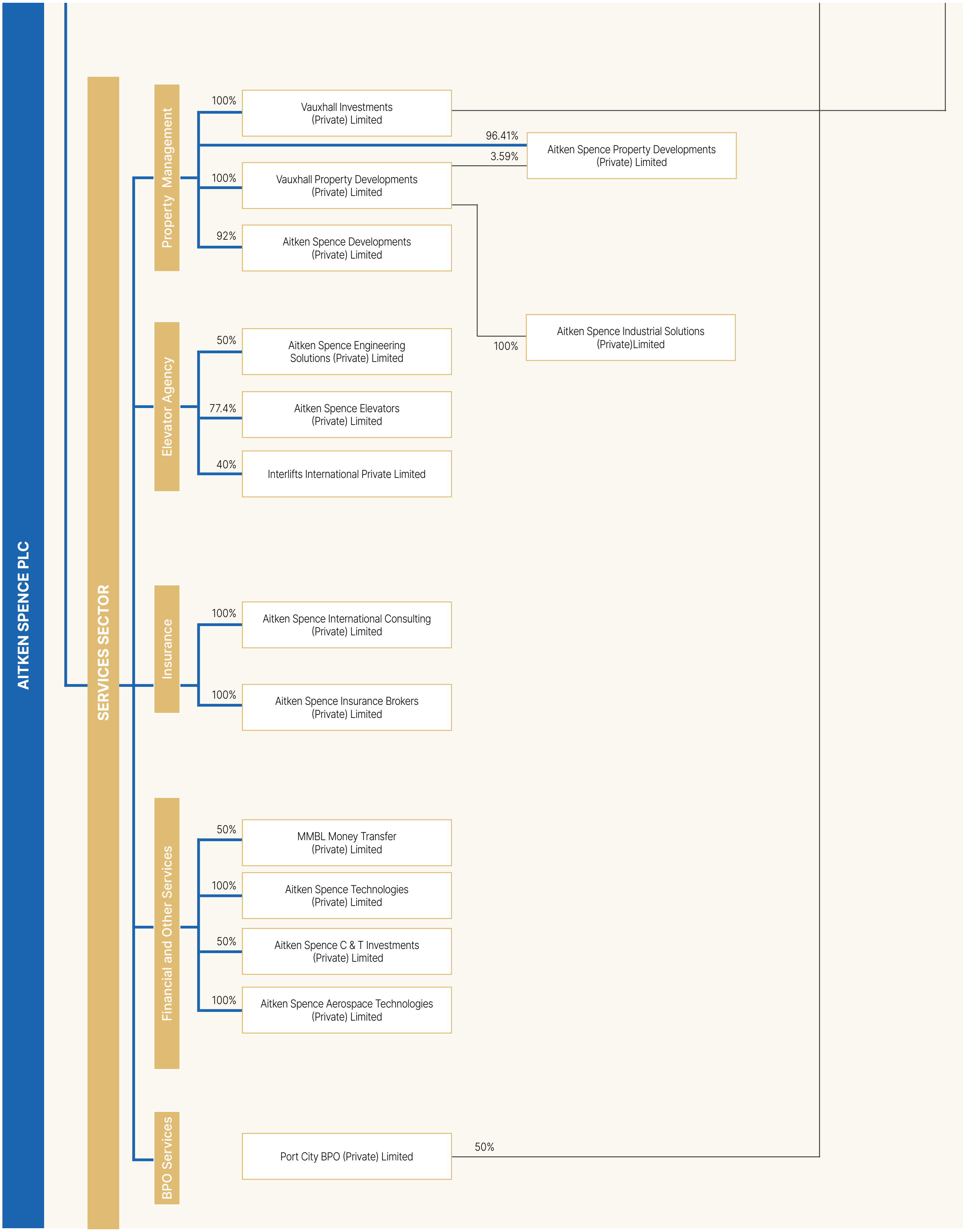
Group Structure



Group Structure



Group Structure



Our Year at a Glance

TOURISM

Hotels

Aitken Spence Hotels celebrated 50 years in September 2024:
A story of sustainability, innovation & success.

Airline GSA

Successfully moved into new business segments

Destination Management

Expansion into Bangladesh, establishing operations as both a TMC and DMC.

MARITIME AND FREIGHT LOGISTICS

Maritime & Port Services

Aitken Spence Shipping welcomed AidaStella on her maiden call to Sri Lanka.

Freight Forwarding & Courier

Embarked on the digitalisation of transactions, customer feedback, tracking, and operational processes.

Airline GSA (Cargo)

Management of the Cargo GSA for Qatar Airways Cargo in the Maldives.

Education

Expanded the CINEC Campus's operations in the Northern region with its investments in Jaffna.

Integrated Container Services

Aitken Spence Logistics invested towards a greener future with cutting-edge electric material handling solutions.

Our Year at a Glance

STRATEGIC INVESTMENTS

Power Generation

Aitken Spence Power celebrated 25 years in July 2024

Apparel Manufacture

Aitken Spence Apparels segment had a soft launch of the manufacturing plants in the Koggala Export Processing Zone.

Printing & Packaging

Aitken Spence Printing won the Platinum Award and multiple awards at the Lanka Star Awards 2024 as well as the overall winner and the most outstanding printing & packaging company.

Plantations

Embarked on a strategy to redefine its vision, mission, and values to better align with its evolving business model.

SERVICES

Insurance

Marine Surveying Training - Insurance

Money Transfer

MMBL opened a new branch in Jaffna in January 2025

Elevators

Successful completion of elevator projects for several high-rise buildings.

Property Management

Aitken Spence Property Development is working towards an Integrated Management System that comprises of three ISO standards covering; Energy, Environment and Occupational health & safety management.

Operating Environment

While Aitken Spence PLC is head quartered in Sri Lanka, the Group's operations are spread across the globe from East Africa to the South Pacific, reflecting the scale and diversity of its global footprint. Over 40% of the Group's consolidated revenue is derived from overseas operations, and as a result, its financial performance and strategic direction are influenced by a complex interplay of external factors across multiple jurisdictions. During the year under review, Sri Lanka's gradual macroeconomic recovery, driven by improved fiscal discipline, easing inflation, and enhanced foreign exchange liquidity, contributed positively to our domestic operations. However, this was tempered by a volatile global operating environment marked by heightened geopolitical tensions, protectionist trade measures, inflationary pressures, and persistent supply chain vulnerabilities.

To ensure transparency and contextual relevance in our reporting, we have adopted a broader approach which takes account of the developments in the global geopolitical environment and international financial markets. A PESTEL analysis has been conducted for our key markets, capturing political, economic, social, technological, environmental, and legal factors that shape the risk and opportunity landscape for our operations. This approach enables stakeholders to gain a more holistic understanding of the macro-level conditions influencing business performance across the Group and reinforces the importance of geographic diversification as a strategic strength.

GLOBAL DEVELOPMENTS

Geopolitical Tensions

In 2024, global geopolitical tensions intensified with the continuation of the war in Ukraine, crisis in the Red Sea and escalating tensions between China and USA. These developments significantly disrupted global markets and supply chains, leading to heightened economic uncertainty and volatility across the globe. Recent developments, including the steep reciprocal tariffs imposed by the US have further heightened uncertainties, threatening to significantly disrupt global trade dynamics.

Pick up in Global Trade

Global trade recorded an improvement in 2024, fuelled mainly by expansion in the trade in services. Goods trade also experienced growth, but at a slower pace. While most regions experienced growth, trade growth in developing countries generally outpaced that of developed countries. Recent disruptions including the imposition of trade tariffs by the US, have the potential to exert significant downward pressure on global trade volumes.

Fluctuating Oil Prices

In 2024, Brent crude oil prices experienced a fluctuating trend, starting at elevated levels due to geopolitical tensions, but eventually moderating due to a slowdown in global economic growth and increased oil production from non-OPEC+ members.

Recovery of the Global Tourism Industry

Global international tourist arrivals recovered almost to pre-pandemic levels with a growth of 11% over 2023 and reached 1.4 billion arrivals in 2024. Most destinations surpassed their pre-pandemic visitor numbers, with international tourism spending also continuing its robust upward trend.

Global Economy 2024

Global Growth

Global Growth in 2024 remained below the historical (2000-19) average of 3.7%

	2023	2024
World	3.3%	3.3%
Advanced Economies	1.7%	1.7%
Emerging Market and Developing Economies	4.4%	4.2%

IMF World Economic Outlook Update

Global Headline Inflation

5.7%

Operating Environment

OPERATING CONTEXT – SRI LANKA

The following PESTEL analysis discusses key developments in the Sri Lankan operating environment and its impact on the Group.

(+) Positive impact (−) Negative impact

Sri Lanka

	Key Developments	Impact on Group
P Political	• Sri Lanka's political landscape underwent a significant shift pursuant to elections with the new government securing a two-thirds majority in the Parliament. • This has resulted in much needed political stability being achieved in the country. • The new government has committed to staying on course for the remainder of the IMF programme period resulting in broad policy continuity.	(+) The new administration's commitment to policy consistency by continuing with IMF measures albeit with minor adjustments, offers a stable environment for long-term planning and informed decision-making for Aitken Spence. (+) The current administration's focus on attracting FDI by removing key bottlenecks supports Aitken Spence's growth, by strengthening the country's foreign exchange position and creating a more conducive environment to attract foreign partners. (−) The already bloated public sector and the expected recruitment of more employees to the government may further strain state revenue, potentially leading to higher future taxes if IMF revenue targets are unmet. This will increase tax expenditure for the Group.
E Economic	• Sri Lanka has demonstrated broad-based growth across key sectors, with significant progress toward economic recovery driven primarily by the improved foreign exchange earnings through remittances, favourable supply conditions, and growth in the tourism sector. • Key macroeconomic indicators showed improvement compared to the levels of recent years. Inflationary pressures significantly eased, and the country experienced temporary deflation after several years. With the stabilization of the exchange rate, a reduction in inflation allowed for further easing of monetary policy, supporting credit expansion and economic activity. • Sri Lanka concluded the external debt restructuring process during the financial year.	(+) Operating across four key sectors, Aitken Spence has benefited from improved economic conditions, with steady GDP growth and a more stable outlook, reducing uncertainty and supporting smooth operations. (+) The increase in tourist arrivals to the country has positively impacted the Tourism sector of the Group, resulting in higher revenue. (−) Although, stable exchange rates have helped the Group with better forecasting for its operations, as the majority of its revenue is received or denominated in foreign currency, the recent appreciation of the Rupee vis-a-vis the USD has impacted the financial performance reported in Sri Lankan rupees.
S Social	• As the country's political situation has stabilized, the social conditions of the public have begun to gradually recover. • Despite the country following a growth trajectory with IMF reforms, income levels have not recovered to pre-economic crisis levels, impacting consumer purchasing power. • Sri Lanka, like many other nations, is undergoing a demographic shift with an aging population, which could influence demand across various sectors.	(−) In South Asia, Sri Lanka is experiencing the most rapid aging population, and by 2042, almost one in every four individuals is expected to be elderly. In this context, the Group may face labour shortages, which could impact its ability to meet its labour requirements in the future. (−) Skilled labour migration continues to hamper the Group's HR flows, as the departure of highly trained individuals could disrupt workflows that require specialised training and long-term experience.

Operating Environment

Sri Lanka

Key Developments	Impact on Group
T Technological	
• Data analytics and artificial intelligence (AI) are revolutionising the way businesses operate and make decisions. These technologies enable companies to harness vast amounts of data, uncovering valuable insights that drive strategic initiatives and enhance operational efficiency. • AI-powered analytics tools are transforming industries by automating complex processes, predicting trends, and personalising customer experiences. • As businesses increasingly rely on data-driven strategies, the integration of AI and advanced analytics is becoming essential for maintaining a competitive edge. Furthermore, these innovations are fostering a culture of continuous improvement and agility, allowing companies to swiftly adapt to changing market dynamics and consumer preferences.	(+) We have started using AI-powered solutions for internal processes such as HR which has significantly increased efficiencies. (+) We use BI tools to monitor the internal KPIs of most of our companies. (+) We are optimising core business processes to mitigate labour shortages by transitioning to mechanisation and drone technology to enhance efficiency and reduce reliance on manual labour. (+) We are upgrading our operational platform with state-of-the-art technology to adapt to market dynamics, improve operational efficiencies, and enhance staff productivity. (+) We have conducted a comprehensive assessment of our supplier base, strategically reducing dependency on single suppliers and onboarding multiple suppliers to mitigate risks and enhance operational flexibility.
E Environment	
• As climate change and extreme weather events become increasingly prominent, it is imperative for the corporate sector to respond proactively by embedding sustainability into core operations. • Over the past few decades, there has been growing recognition that economic development and environmental stewardship are deeply interconnected, with each reinforcing the other in achieving long-term sustainability.	(+) Our sustainability approach has been redefined to foster shared value creation, integrating local communities into our operations, uplifting livelihoods, and fostering entrepreneurship and women's empowerment . (+) Adoption of the IFRS S1 and S2 standards enables all sectors within the Group to recognise sustainable and climate risks and opportunities in a systematic way, and to develop mitigation and adaptation plans. (+) The divesture of the thermal power plant, will enable the Group to realise their net-zero targets.
L Legal	
• The legal and regulatory landscape in the country has undergone significant transformation, largely driven by governance reforms initiated in alignment with IMF requirements. • The Government has launched an anti-corruption campaign, taking key steps to enhance transparency and strengthen accountability across institutions. • The Government has recognised critical gaps in existing laws and regulations that contribute to uncertainty and is expected to implement necessary reforms to address them, an encouraging development for the overall business climate.	(+) With new revenue administration measures particularly targeting leakages at various government departments, a more level playing field among competitors is likely to emerge, enhancing fairness and transparency in the business environment. (+) The proposed enactment of the public procurement law, aimed at creating competitive tenders, will provide additional opportunities for the Group. (+) The amendments to the Banking Act, aligned with international best practices, has further strengthened the legal framework of the country's banking system.

Operating Environment

PESTEL ANALYSIS OF KEY OPERATING COUNTRIES

With over 40% of Group revenue stemming from overseas operations or businesses linked to international markets, developments in our key customer and operating regions significantly influence overall performance. The following PESTEL analysis offers a high-level analysis of the external environment across our core markets.

Maldives

Key Developments	Impact on Group
P Political	
• Maldives experienced a significant shift in its political landscape in 2024 with a new administration. • The new administration's focus on reducing foreign military presence and enhancing infrastructure, is expected to positively impact business confidence.	(+) The shift in political leanings may alter regional dynamics but is balanced by the government's strong focus on tourism and infrastructure development, which supports resort growth. Port and logistics operations are likely to benefit from increased infrastructure investment and a more business-focused regulatory approach.
E Economic	
• The Maldivian economy is projected to grow by approximately 5% in 2025, driven largely by strong tourism activity. The completion of the airport terminal expansion meanwhile is expected to ease supply-side constraints and support sustained medium-term growth. However, widening macroeconomic imbalances and persistent downside risks remain key concerns. • Under the reciprocal tariffs proposed by USA, the Maldives will fall into the general category with a 10% rate, posing no additional impact on its exports. However, rising US-China trade tensions and potential retaliatory actions could increase the cost of living in China, potentially reducing outbound travel and negatively affecting Chinese tourist arrivals to the Maldives.	(+) Strong tourism-driven GDP growth supports higher resort occupancy and revenue, though reduced Chinese arrivals could impact market diversity. Expansion of airport and cargo handling capacity is expected to ease supply chain constraints and improve efficiency in logistics operations.

Operating Environment

Maldives

Key Developments	Impact on Group
S Social	
The expanding working-age population in the Maldives is helping to alleviate labour shortages across the hospitality and logistics sectors. Nevertheless, addressing skills gaps and maintaining service standards will require continued investment in training and culturally attuned workforce practices to support operational effectiveness and positive community engagement.	(+) The growing working-age population eases labour shortages in both hospitality and logistics, allowing for improved staffing and operational stability. Continued training and skills development will be key to maintaining service quality and technical competence.
T Technological	
• The government's emphasis on enhancing airports and other infrastructure creates opportunities for technological innovation in the Maldives logistics and transportation industries. • Luxury resorts are adopting smart technology to elevate guest experience, offering advanced automation and personalised services. These advancements require Aitken Spence to stay ahead in the innovation landscape.	(+)(−) The adoption of smart technologies in luxury resorts raises expectations for innovation, requiring Aitken Spence to enhance digital guest experiences.
E Environment	
The Maldives is one of the most climate-vulnerable nations in the world, with over 80% of its landmass lying less than one metre above sea level. Rising sea levels, driven by global warming, pose a direct threat to the country's infrastructure, freshwater resources, and habitability. For businesses, particularly in coastal sectors such as tourism and logistics, this environmental risk translates into potential property damage, service disruptions, and escalating insurance and operational costs.	(−) Rising sea levels and increasing climate risks could potentially pose long-term threats to resort assets and coastal infrastructure, necessitating investments in resilience and sustainability. Maritime logistics operations must also adapt to environmental pressures, including stricter coastal regulations and physical risk mitigation.
L Legal	
The Maldives has strengthened its legal framework to support sustainable development, fiscal stability, and investor confidence. Key reforms include stricter environmental and workplace regulations, increased tourism-related taxes, and enhanced compliance requirements for foreign investment and financial reporting. While these measures raise operational standards and costs, they aim to create a more resilient, transparent, and investment-friendly business environment.	(+) Legal reforms in the Maldives require Aitken Spence Group to enhance compliance across environmental, tax, and labour regulations. This entails investing in sustainable infrastructure, revising cost structures, and aligning HR practices with new legal standards. A proactive, Group-wide response is essential to mitigate risks and sustain competitiveness in the market.

Operating Environment

Fiji Islands

	Key Developments	Impact on Group
P	**Political**	
	Fiji has maintained political stability in recent years, with the government actively encouraging infrastructure development, regional trade integration, and foreign investment. Port reforms and regional connectivity strategies (e.g. Pacific trade corridors) support the logistics sector. However, any shifts in political leadership or external geopolitical tensions in the Pacific could affect long-term consistency of policy.	⊕ Government support and policy direction are favourable for maritime logistics. Nonetheless, political change or Pacific-wide tensions may pose medium-term uncertainties.
E	**Economic**	
	Fiji's economy relies heavily on imports, tourism, and re-export activities, making maritime logistics a critical sector. While economic recovery is underway post-COVID, inflation, fuel price volatility, and currency pressures affect freight handling costs and profitability.	⊕⊖ Freight volumes are recovering, driven by trade and tourism, but cost-side pressures and weak currency present operational and financial risks.
S	**Social**	
	Fiji's central location in the South Pacific and multicultural population position it as a hub for regional movement of goods and people. Public expectations for service quality and supply chain reliability are increasing. However, there are constraints in terms of logistics workforce skills and capacity in remote islands.	⊖ Location and demand dynamics support sector growth, but human capital limitations and service expectation gaps need attention.
T	**Technological**	
	Digital adoption in port operations and customs processes is progressing, with initiatives to modernise the Fiji Ports Terminal Limited (FPTL). However, investment in logistics tech infrastructure, such as cargo tracking, automation, and data systems remains limited compared to regional hubs.	⊕⊖ Improvements are underway, but technological gaps in port handling and supply chain visibility may limit sector efficiency.
E	**Environment**	
	Fiji faces high exposure to climate-related events including cyclones, rising sea levels, and flooding, which directly affect maritime infrastructure and port operations. Increased emphasis on low-carbon shipping and sustainable transport provides long-term opportunities for green logistics solutions.	⊕⊖ Climate risks disrupt operations and demand adaptive infrastructure. ESG initiatives offer differentiation if proactively addressed.
L	**Legal**	
	Fiji is strengthening its port and maritime regulations, aligning with international safety and customs standards. While this improves sector credibility, regulatory enforcement can be inconsistent, and delays in licensing or inspections remain common.	⊕⊖ Regulatory alignment is positive, but practical inefficiencies and inconsistent enforcement can disrupt operations and increase compliance costs.

Operating Environment

Oman

	Key Developments	Impact on Group
P Political		
	Oman remains politically stable under its current leadership, with a long-term Vision 2040 plan that prioritises diversifying in to tourism and private sector participation. Visa facilitation and tourism-friendly regulatory policies enhance inbound arrivals. However, regional geopolitical risks in the Middle East must be closely monitored.	(+) Aitken Spence benefits from national support for tourism, though regional tensions may create perception-based risks for international travellers.
E Economic		
	Oman's efforts to diversify away from oil dependency have led to increased investment in tourism infrastructure, with growing demand for quality urban hotels and cultural experiences. Currency stability and moderate inflation support pricing predictability. Yet, government fiscal consolidation has affected domestic spending and public tourism subsidies.	(+)(−) Economic diversification supports hotel demand, though fiscal tightening may impact local consumer tourism.
S Social		
	A growing young population and rising interest in cultural heritage tourism are creating new market segments. Oman's safe, clean, and culturally rich environment is attractive for family and high-end travellers. However, conservative social norms require sensitive guest engagement and service design.	(+) Social trends support Aitken Spence's positioning in urban and cultural tourism, but cultural alignment is essential to guest experience.
T Technological		
	Oman is advancing digital infrastructure with smart tourism platforms, e-visa systems, and digital marketing support for hotels. There is room for further tech integration in hospitality operations, including CRM and property management systems.	(+) National digitalisation aligns with Aitken Spence's service model. Continued tech investment can enhance competitiveness.
E Environment		
	Oman's arid climate and water scarcity are long-standing operational considerations. There is increasing regulatory focus on sustainable building practices, energy efficiency, and waste management in hospitality. Hotels that comply proactively will be better positioned.	(+)(−) Environmental risks such as high utility usage require active management, but sustainability initiatives create reputational advantage.
L Legal		
	Oman has streamlined tourism regulations, licensing processes, and investment facilitation measures to attract foreign operators. Labour laws require adherence to Omanisation policies, affecting workforce planning.	(+)(−) Aitken Spence benefits from investor-friendly reforms, but localisation requirements must be managed to ensure operational continuity.

Operating Environment

Bangladesh

	Key Developments	Impact on Group
P Political		
	Bangladesh's government has prioritised port modernisation, trade facilitation, and regional connectivity under its long-term development plans. These initiatives align well with Aitken Spence's Maritime & Logistics sector, which benefits from improvements in port infrastructure and streamlined customs procedures. However, periodic political unrest and localised protests common around elections or policy changes can delay freight movement and pose security concerns.	(+)(−) Despite the risks associated with the political climate, opportunities are present. Supportive infrastructure and trade policies aid logistics operations, but periodic unrest may cause operational delays and security concerns.
E Economic		
	Bangladesh has maintained steady economic growth, driven by industrial exports and growing trade volumes. The rising need for efficient logistics services supports demand for Aitken Spence's freight forwarding and warehouse related services. Currency depreciation and inflationary pressures have led to increased operating costs, while rising interest rates may affect local investment feasibility for new tourism ventures.	(+) Economic growth and rising trade volumes enhance demand for logistics services. However, inflation, FX volatility, and borrowing costs affect profitability that could have an impact when evaluating profitability of new investments.
S Social		
	A young and expanding workforce supports recruitment in logistics and tourism services. Bangladesh's growing middle class and increasing interest in domestic and inbound tourism create potential for destination management.	(+) Workforce availability and rising tourism interest are supportive. Still, training and service quality gaps must be addressed to maintain standards and brand reputation.
T Technological		
	The digitalisation of port systems, customs clearance, and tracking technologies are progressing in Bangladesh improving efficiencies in freight logistics. However, technological integration remains uneven across public and private sector players, which can result in delays and inconsistent data access.	(+)(−) Advancements in digital systems support logistics modernisation. Although, integration issues and uneven tech readiness slow full operational efficiency.
E Environment		
	Freight logistics companies face growing pressure to reduce emissions and comply with environmental regulations. Aitken Spence's global sustainability standards can offer a competitive edge in this regard. The tourism segment also benefits from Bangladesh's natural attractions, but poor waste management, environmental degradation, and lack of infrastructure in key destinations are concerns.	(+)(−) Sustainability commitments position the Group well with ESG-conscious stakeholders, but local environmental issues especially in tourism sites require mitigation and infrastructure development.
L Legal		
	Ongoing reforms in trade facilitation, port regulation, and investment laws aim to align Bangladesh with global standards. For Aitken Spence, this creates an improved operating environment for logistics.	(−) Legal and regulatory reforms improve logistics operating environment but practical challenges in enforcement and challenges within tourism regulations introduce delays and complexities.

Operating Environment

India

	Key Developments	Impact on Group
Political		
	India's stable political environment and tourism-friendly policies have supported the recovery of domestic and regional travel. Bilateral relations with Sri Lanka and the Maldives remain cordial, facilitating trade and tourism. However, policy shifts can affect regional connectivity and perceptions.	(+) Political stability and bilateral cooperation support hotel operations and regional tourism. However, any some geopolitical shifts may negatively impact travel sentiment.
Economic		
	India's growing middle class, rising disposable incomes, and increasing outbound tourism are key drivers for both Turyaa Chennai's domestic business, and outbound flows to Sri Lanka and the Maldives. However, inflationary pressures and high operational costs (e.g. utilities, labour) in India impact hotel profitability.	(+)(−) Rising affluence boosts tourism and hotel demand, though cost-side pressures in India require careful margin management.
Social		
	Increased health consciousness, preference for experiential travel, and a surge in wellness and spiritual tourism trends benefit Turyaa Chennai's value proposition. Moreover, cultural ties and short-haul flight connectivity support tourism flows to Sri Lanka and the Maldives. However, changing guest expectations require constant service innovation.	(+) Evolving travel preferences align with wellness and coastal destinations. Chennai's location serves as a convenient regional travel hub.
Technological		
	Digital adoption in India's hospitality sector is rapidly increasing, with contactless services, AI-driven bookings, and data analytics being integrated across hotel chains. Turyaa Chennai is positioned to benefit from this trend. However, maintaining pace with technology upgrades is critical to stay competitive.	(+) Strong tech infrastructure supports customer experience. Ongoing investment in digital upgrades remains essential.
Environment		
	Urban environmental challenges in Chennai such as air and water pollution, heatwaves, and coastal erosion can impact guest experience and operating costs. On the other hand, there is growing demand for eco-conscious travel, and hotels with sustainability credentials have a competitive edge.	(+)(−) Environmental risks affect operations, but sustainability initiatives can enhance brand value and attract responsible travellers.
Legal		
	The Indian hospitality sector is governed by multiple local and national regulations, including health and safety, taxation, liquor licensing, and labour laws. Recent reforms aim to improve ease of doing business. However, frequent changes in regulatory requirements, particularly in Tamil Nadu, can pose operational challenges.	(+)(−) While regulatory reforms are in progress, complex compliance requirements at state level may result in additional administrative burdens for hotel operations.

A HERITAGE OF STRENGTH DRIVING SUCCESS

Reflecting on a year of transformation, resilience, and strategic foresight in a dynamic landscape, we're relying on our inherent strengths to steer us into new horizons and achieve our goals.

Chairperson's Message

(GRI 2-22)

On behalf of every Spensonian, I pay tribute to our late Chairman, Deshamanya D.H.S. Jayawardena, whose sagacity and visionary leadership were instrumental in transforming Aitken Spence into the diversified conglomerate it is today. Renowned for his legendary work ethic and business acumen, he led the Group with foresight and calculated risk-taking over the span of 22 years. From my earliest childhood, I was honoured to shadow this business icon on his many site inspections, team discussions, and business negotiations, which marked his journey as an entrepreneur. He guided Aitken Spence's transformation from a company primarily based in Sri Lanka and Maldives to a multinational enterprise with operations in twelve countries, spanning from East Africa, Asia, Middle East to the South Pacific. He was a believer in harnessing the transformative power of technology to drive higher productivity and efficiency. He was an early champion of sustainability, setting in place the framework to integrate environmental and social responsibility into our corporate strategy. With businesses across multiple sectors, he actively contributed to shaping Sri Lanka's economic development through infrastructure investments in key growth sectors. He leaves behind an enduring legacy of integrity, accountability and a commitment to the pursuit of excellence that will guide Aitken Spence for generations to come.

I step into the role of Chairperson with a profound respect for the 156-year legacy of the Group. I am humbled and honoured by the trust placed in me by the Nominations and Governance Committee, the Shareholders and the Board of Directors, to be a part of something truly unique - a company with an ethos of making diamonds from the rough. I step into this role with a clear purpose, armed with the many nuggets of wisdom imparted over the years by the late Chairman and the Group Leadership. I have every confidence in the exceptional capabilities of our multi-generational, multicultural team of Spensonians, ably guided by the Group Supervisory Board and the Management Council. My career within the Group, which began as an intern, led to my decade long tenure as an Executive Director, Joint Deputy Chairperson and Joint Managing Director, facilitating a seamless transition into my current position as Executive Chairperson of Aitken Spence PLC.

PERFORMANCE

I am pleased to announce that our Company reported a strong earnings growth of 61.3%, delivering a profit after tax of Rs. 7.2 billion. Profit before tax of Rs. 10.8 billion represented a year-on-year growth of 61.0%, supported by improved operating profits and reduced finance costs. Economic recovery in Sri Lanka, along with low inflation, favourable interest rates and the appreciation of the Sri Lankan Rupee against the U.S. Dollar provided a stable operating environment for business growth. The renewed vibrancy of the Sri Lankan tourism sector was a key contributor to improved operating profits as occupancy and room rates increased as a result of higher visitor arrivals. Export and import volumes also recorded healthy growth, albeit from a low base, as global and local demand improved as consumer and investor confidence stabilised.

Revenue for the year amounted to Rs. 95.1 billion, marking a marginal decline of 2.5% compared to the previous year. This decline was largely attributed to the reduced contribution from the power segment, following the cessation of operations at the thermal power plant. Furthermore, the apparel manufacturing segment underperformed, while the appreciation of the Sri Lankan Rupee adversely affected USD-linked revenues in the Tourism and Maritime and Freight Logistics sectors.

Critically, the Group's financial position demonstrated strengthened liquidity and a lower debt profile, enhancing its ability to withstand potential external shocks. The combination of reduced debt levels and lower interest rates enabled the Group to secure new borrowings in both USD and LKR on more favourable terms.

The Tourism sector was the highest contributor to both Group revenue and profit before tax, buoyed by strong growth in tourist arrivals, enabling the sector to record 59.5% growth in profit before tax for the year. The primary driver of profit

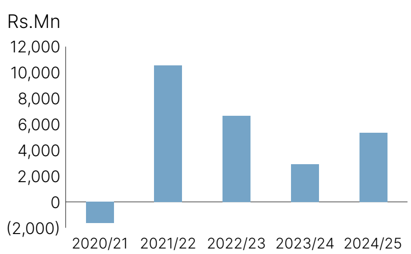
Chairperson's Message

growth was the strong performance of the Group's Sri Lankan hotels and destination management segment. Occupancy was particularly strong at the Group's beachfront properties in the southern region, a reflection of Sri Lanka's renewed appeal as a sought-after destination. The Sri Lankan hotel segment also benefited from lower interest rates and reduced operating costs, contributing to enhanced profitability. The Group's Tourism sector recorded a profit after tax growth of 92.3%, in line with the overall increase in tourist arrivals to Sri Lanka.

"OUR PEOPLE ARE THE FOUNDATION OF OUR SUCCESS. WHEN WE EMPOWER THEM TO LEAD THEMSELVES, WE UNLOCK THEIR POTENTIAL TO DRIVE LASTING, MEANINGFUL GROWTH THAT REFLECTS OUR VALUES, SERVES OUR COMMUNITIES, AND SHAPES A MORE SUSTAINABLE FUTURE."

The Sector achieved profitability growth by aligning with global sustainability trends and enhancing value-added experiences for high-end travellers. Strategic focus was placed on luxury and wellness offerings that integrated cultural and community-based elements, appealing to premium market segments. Operational expansion into new international markets was supported by robust destination management capabilities, which enabled efficient handling of large passenger volumes. Strategic airline partnerships further stimulated inbound demand and improved connectivity. Hospitality providers increased occupancy and revenue by offering immersive and experiential services tailored to evolving traveller preferences. The meetings, incentives, conferences, and exhibitions (MICE) segment rebounded through the successful hosting of high-profile corporate events. Brand elevation efforts included hosting influential industry gatherings and promoting domestic travel through curated packages, reinforcing the destination's appeal and resilience.

Net Profit Attributable



The Maritime and Freight Logistics sector also continued to demonstrate its strategic importance, ranking as the second-highest contributor to Group profit before tax. Although the sector recorded a marginal decline of profit before tax of 7.2%, this was primarily due to increased interest costs associated with the financing of the newly integrated container warehouse, and a subdued performance in the freight and ship agency businesses. However, the strong contribution from our diversified regional presence, particularly in freight and GSA operations, helped mitigate these impacts, underscoring the sector's resilience.

Effective planning and service delivery enabled Qatar Airways Cargo to maximise capacity utilisation between Sri Lanka and Maldives, achieving a dominant market share in Sri Lankan export cargo. The Bangladesh segment recorded strong growth due to rising demand and efficient operations. The sector adapted to global disruptions by optimising capacity and collaborating with port authorities. Investments in digital technologies improved operational efficiency and customer service.

The Strategic Investments sector also recorded several positive developments during the year. This diverse segment comprises the printing and packaging, power generation, plantations and apparel segments.

The printing and packaging segment delivered a strong year-on-year performance, driven by increased demand from the recovering local FMCG sector. The performance driven culture of this segment was strengthened with process reengineering, improved marketing capabilities and strategic hiring of industry experts in core areas.

The power generation segment also contributed positively, supported by improved collections and the reversal of provisions made previously for long-outstanding receivables from the Ceylon Electricity Board. Additionally, the settlement of short-term working capital facilities helped reduce interest expenses and further strengthened the balance sheet. After the expiration of the power purchase agreement of Ace Power Embilipitiya (Pvt) Ltd, the company continued to operate the 100 MW Embilipitiya thermal power plant solely at the request of the Ceylon Electricity Board (CEB), to help address the country's power shortages, particularly during the period from 2016 to 2021. The Group has now decided to dispose of the power plant and will focus on investing in renewable energy in the future.

The plantations segment delivered a resilient performance despite ongoing challenges, including rising wage pressures and escalating input costs. This positive outcome was largely driven

Chairperson's Message

by the strong performance of the key crops and the berry initiatives. Notably, the berry project continued to exceed expectations, contributing significantly to profitability through enhanced yields, quality improvements, and growing market demand. The segment's ability to sustain performance amidst cost pressures reflects the success of its strategic diversification into niche markets and non-traditional products as well as productivity-enhancement efforts.

However, the gains from power generation, printing and packaging and plantations were offset by the significant underperformance of the apparel manufacturing segment, which is currently undergoing a strategic transition in its product portfolio. Initial costs associated with this transition, coupled with shifts in customer profiles and product mix that impact factory efficiency, weighed heavily on segment profitability. The appreciation of the Sri Lankan Rupee against the US Dollar, together with elevated capital expenditure, also contributed to increased interest expenses for the segment. It has reduced dependency on the US market and a single customer by expanding into India, EU and UK markets with multiple new clients.

The Services sector recorded a decline in profitability compared to the previous year, despite steady contributions from property development, insurance, and the commencement of operations at Port City BPO (Private) Ltd., which generated nearly 2,000 employment opportunities. Port City BPO, operating under the Colombo Port City Economic Commission, delivered a positive first-year performance within a supportive regulatory environment. However, the sector's overall performance was adversely affected by cost overruns in the elevator segment and exchange rate volatility, particularly the upward appreciation of the Sri Lankan rupee against the US dollar, which led to a loss in the money transfer business and weighed on the sector's profitability.

VALUE TO SHAREHOLDERS

I am pleased to report that the Group delivered a strong performance during the year, reflecting both improved profitability and strengthened financial fundamentals. Earnings per share increased to Rs. 13.13 from Rs. 7.21, while return on equity rose to 7.06% from 3.95%, indicating improved profitability and greater value delivered to shareholders.

Total equity attributable to shareholders increased by 4.6% to Rs. 77.2 billion, reinforcing the Group's capital base and capacity for long-term value creation. A continued focus on cost discipline and capital efficiency saw the Group's debt-to-equity ratio improve from 0.45 to 0.38, signaling a more robust and sustainable financial position.

We generated strong operating cash flows of Rs. 13.2 billion, supporting our investment priorities and dividend commitments. The Group also concluded the year with a significantly improved cash position, enhancing our financial flexibility going forward.

Looking ahead, we remain committed to driving sustainable value for our shareholders by building on our financial strength, deepening operational excellence, and investing responsibly in future growth.

In recognition of this performance, the Board has recommended a dividend of Rs. 4.00 per share.

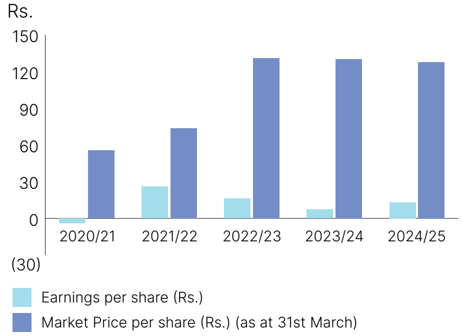
LEADERSHIP, GOVERNANCE AND RISK MANAGEMENT

Aitken Spence PLC and listed Group companies effected the changes necessary to comply with Listing Rule 9 of the Colombo Stock Exchange which came into effect during the year. This included changes to the composition of the Boards, Board Committees, Terms of Reference and Revision and transparent publishing of policies. The Group Supervisory Board, comprised of the executive directors and corporate management of the Company, has played a key role in carrying out the detailed reviews and ensuring that we delivered on strategic priorities and goals, assisting the Board with the discharge of their oversight responsibilities.

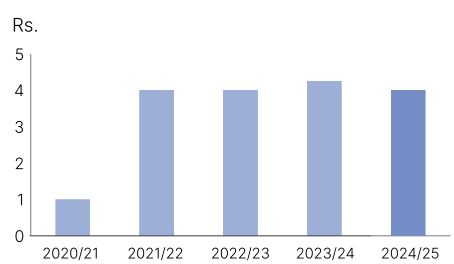
The balance of the Board was preserved with the appointment of Mr. M.R. Mihular, formerly Independent Non-Executive Director, to the post of Senior Independent Director, upon my appointment as the Chairperson of the Group. We also welcome to the Board Mr. P. Englisch, Mr. C.J. Sevilla and Dr. R. A Fernando as independent non-executive Directors, and we welcome back Mr. C.H. Gomez as a Non-Independent Non-Executive Director. Their valuable skills and experience in international finance and financial markets enhance the diversity and depth of expertise on the Board.

The Group strengthened oversight of risk management during the year to build a more risk aware culture within the Group and will continue to enhance the scope, capabilities and processes for risk management to navigate an increasingly volatile business landscape. The enduring success of the Group has been founded upon seizing opportunities for growth, transitioning from prudent risk taking to delivering value to multiple stakeholders across 12 different countries.

Earnings per Share vs Market Price per Share

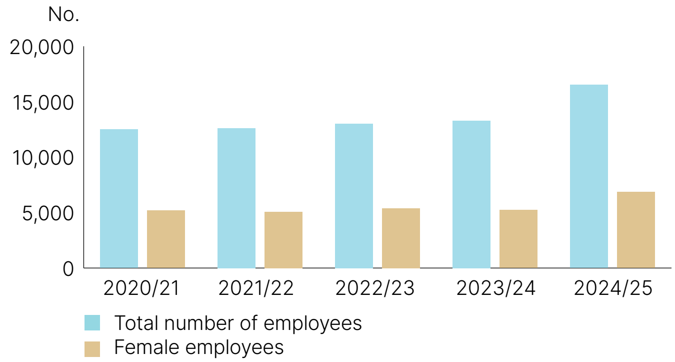


Dividends Per Share



Chairperson's Message

Employees and Female Representation



PURSUIT OF EXCELLENCE

Aitken Spence PLC entered the Hall of Fame at the Best Corporate Citizen Sustainability Awards, organised by the Ceylon Chamber of Commerce. We are honoured to be the overall winner for 2024, while also securing the Grand Slam Award for sustained excellence in sustainable business practices. Aitken Spence is the only Sri Lankan company ranked among the Top 10 Corporate Citizens for 19 consecutive years, demonstrating our commitment to environmental stewardship, social responsibility, and stakeholder value. Our operations were acknowledged by LMD Magazine, with the Group receiving 28 awards, placing Aitken Spence among Sri Lanka's Top 20 Most Awarded Companies. Internationally, we received recognition at the Global Best Employer Brand Awards by the World HRD Congress as a Best Employer Brand and for Workplace and People Development. These accolades validate our focus on sustainable development, operational excellence, and people-centric values, enhancing our reputation and stakeholder trust.

FROM TRADITION TO TRANSFORMATION: A CULTURE THAT EVOLVES

At the heart of our success lies our people, the driving force behind our progress and resilience. The Group harnesses the strengths of five generations, creating an inclusive, collaborative culture committed to excellence and innovation. This synergy blends experience with fresh perspectives, fostering a workplace where everyone feels valued and empowered. We invest in building a robust talent pipeline through succession planning, mentoring, and talent retention strategies. Our human resources agenda supports continuous learning, digital enablement, and employee engagement. Enhancing the employee experience remains a priority, with initiatives to listen, respond, and act on feedback. This culture of improvement and shared purpose enables our people to shape the Group's future, sustaining our legacy while moving forward with confidence.

DRIVING LONG-TERM VALUE THROUGH RESPONSIBLE GROWTH

The Aitken Spence Group is a signatory to the United Nations Global Compact (UNGC) and the Women's Empowerment Principles for over 20 years and reaffirms its commitment to upholding these principles. Together with the seven relevant Sustainable Development Goals, these principles underpin the Group's sustainability agenda and are integrated across our operations through a strong policy framework which influences our culture and business practices, shaping sustainable value creation processes.

I am pleased to confirm that the Board has reviewed and committed to the Science Based Targets initiative (SBTi), aiming for net-zero emissions by 2030. Our near-term targets, submitted to SBTi for validation, include the strategic phase-out of commercial thermal power generation and targeted reductions in transport emissions by 2030. The Group has decided to divest its 100 MW thermal power plant in Embilipitiya and will continue to expand its renewable energy portfolio.

Recognising the heightened risks posed by global geopolitical and economic uncertainties, the Group is actively advancing its supply chain resilience strategy. Key initiatives include reducing reliance on single-source suppliers and ensuring ESG principles are fully integrated across the supply chain, enabling the Group to adapt swiftly to disruptions and capitalise on emerging opportunities.

We also introduced strategic initiatives under our Disaster Risk Reduction and Business Continuity Management (DRR/BCM), as climate resilience becomes a key consideration on global risk maps. The Group's disaster impact map was compiled and shared publicly, as a service to assist organisations in assessing sustainability and climate-related risks, aligned with global reporting advancements.

The Group also continues to build awareness of the need for sustainable innovation, strategic collaboration and sharing of best practices, both internally and externally, to minimise our environmental footprint, and prioritise inclusive growth, human rights, and community empowerment. As acknowledged leaders in sustainability, we are committed to upholding our legacy of Responsible Stewardship, inspiring meaningful and transformative action and delivering change throughout our value chain.

OUTLOOK 2025

As of late May 2025, Sri Lanka, along with many other emerging economies, continues to feel the ripple effects of the United States' announcement of sweeping reciprocal tariffs on 2nd of April. While global markets have shown partial recovery, heightened volatility and uncertainty persist, posing risks to trade-dependent economies like Sri Lanka. Possible retaliatory measures by major trading partners further intensified concerns of a prolonged trade war, which could disrupt global supply chains and weaken demand in key export markets. For Sri Lanka, these developments raise the potential for reduced export earnings, foreign investment flows, and increased pressure on macroeconomic stability.

Chairperson's Message

Sri Lanka made significant progress in 2023 and 2024, recording a GDP growth of 5% in 2024, surpassing expectations. GDP growth is forecast at 3.5% for 2025 and 3.1% for 2026. However, we operate in an interconnected world and are relatively more vulnerable to shocks due to high dependency on imports and exports for the smooth functioning of the economy. Reciprocal tariffs imposed on Sri Lanka, among the highest, if continued could lead to a significant negative impact on the country's exports earnings. We support the government's efforts to positively and productively engage with the US to mitigate the impact on Sri Lanka through successful negotiations.

The Group is proactively assessing new investment opportunities and regional partnerships to expand our operations to new countries and new sectors. We are actively exploring a number of prospects in the Maritime and Freight Logistics sector in Bangladesh and in Sri Lanka. All potential investments will be subject to rigorous review and reassessment, in light of the evolving global and local dynamics prior to any resource commitment.

This year, we rebuilt resilience and strengthened our liquidity position placing us on a solid footing to navigate future uncertainties with greater confidence. The global landscape continues to shift with deepening geopolitical changes, and a period of stabilisation is essential to enable a more informed assessment of the country's outlook and a recalibration of the Group's medium and long-term strategic direction.

As we move forward, our focus remains on identifying opportunities that align with our strategic priorities and long-term sustainability goals. In particular, the commitments we have made towards achieving net zero emissions have opened new avenues for innovation, collaboration, and low-carbon transformation. We are actively exploring opportunities both locally and internationally that enable us to reduce emissions while enhancing our competitive advantage and long-term value creation. Sustainability is not just a compliance requirement; it is central to how we define future growth. We remain agile and vigilant, ready to act decisively when the right opportunities emerge.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to mark the extraordinary contributions of Mr. Bhathiya Bulumulla, a member of our Management Council, who joined Elpitiya Plantations PLC more than 25 years ago. His tragic passing earlier this year has resonated throughout the Group, but his exemplary service, innate sense of fair play, and relentless optimism leaves behind a fitting testimony that will shape and inspire our Group for years to come.

I am deeply honoured by the confidence placed in me to carry on the 156-year legacy of this prestigious conglomerate, which has shaped our country's economy. I look forward to leading the Aitken Spence Group, where I have had such an enriching and stimulating experience from the moment I stepped into the company as an intern. Joined by a diversely talented leadership team, with a combined experience of 570 years, we will foster creativity, innovation and service excellence in all we undertake. I look forward to implementing a long-term vision of transformation and sustainability to the unique tapestry of incredible entrepreneurial opportunities before us.

I wish to thank Mr. M. A. N. S. Perera for his contributions during his tenure on our board. I wish to extend my deep gratitude to an exceptional leader, Dr. Parakrama Dissanayake, Deputy Chairman and Managing Director; to Dr. Rohan Fernando and Ms. Nilanthi Sivapragasam (Members of the Group Supervisory Board), as well as the Members of Management Council, whose rich and diverse experience steered the Group through to deliver a profitable year. It is a testament to the continued support and effectiveness in implementing relevant strategies of the Group. I am also immensely grateful for the sound counsel, valuable insights and guidance imparted by the late Chairman, Deshamanya D. H. S. Jayawardena and the Members of the Board during the financial year under review.

My wholehearted gratitude to every Spensonian for your dedicated commitment, clearly evident in the resilient growth and profits delivered, as once again we weathered the challenges and hurdles of the year.

Thank you to our strategic business partners, principals, joint venture partners, bankers, suppliers and stakeholders for your continued support and unwavering confidence in us. We are extraordinarily privileged to have you by our side and your guidance has been invaluable.

Lastly, I must convey my deep appreciation to our shareholders and loyal customers. Your faith, loyalty, and trust in us have been the heart and soul of our success. Our stakeholders are the foundation upon which this Group is built, and I am excited to continue this journey with you, pushing the boundaries of excellence in our quest for creativity, innovation and service excellence.

Ms. D.S.T Jayawardena
Executive Chairperson

6th June 2025

Deputy Chairman and Managing Director's Message

(GRI 2-22)

Aitken Spence PLC delivered a robust performance, recording a 61.0% year-on-year growth in earnings and achieving a profit before tax of Rs. 10.8 billion for the year ended 31st March 2025. This outstanding result reflects the enduring spirit of our people, the agility of our strategic execution, and the strength of our long-standing partnerships. The return to political and economic stability in Sri Lanka supported a rebound in underlying demand, while the prevailing low interest rate environment eased funding costs. Our diversified presence across sectors and geographies continued to reinforce the Group's resilience, enabling us to pursue growth opportunities with confidence despite persistent global and local uncertainties.

SHAPING OUR FUTURE

Blessed with the capacity to dream bigger and the resources to make them a reality, the Aitken Spence Group continues to seek opportunities where our expertise can create value at scale by modernising existing industries or by finding solutions to support sustainable growth. Principles of social and environmental sustainability are core to our growth strategy as we seek to navigate a just transition to a low carbon economy. Additionally, careful oversight and deliberation by the Board has been the key to the selection and successful implementation of identified strategies while balancing the risks of many greenfield ventures over the years and we continue to rely on this critical strength to see us through the next decade as well.

The Tourism sector continued to strengthen its market presence by developing new source markets and expanding its management portfolio in line with its asset-light strategy. A significant milestone during the year was the addition of the Rainforest Ecolodge a distinctive property offering a unique experiential stay rooted in sustainability and biodiversity. This addition reflects the Group's commitment to diversifying its tourism offerings while minimising capital intensity, enabling greater flexibility and scalability in operations. By focusing on nature-based, eco-conscious experiences, the sector aims to capture emerging travel trends and attract environmentally conscious travellers from both traditional and new markets.

The Maritime & Freight Logistics sector continued to be a strategic core contributor, with a presence in nine countries. Despite the appreciation of the Sri Lankan Rupee (LKR) against the US Dollar (USD) during the year, which impacted income from foreign currency-denominated operations, our strategic overseas expansion efforts delivered strong results, significantly boosting Group profitability, diversifying revenue streams, and strengthening resilience to domestic market fluctuations. We remain focused on expanding our presence in marine operations through targeted investments in port services, marine logistics, and associated infrastructure. These initiatives support our long-term goal of establishing a robust regional footprint in integrated maritime and freight solutions, underpinned by our proven expertise and growing operational capabilities.

Port City BPO (Pvt) Ltd, our joint venture with Iris Technology Ventures Sdn Bhd of Malaysia, achieved a significant milestone in its first full year of operations by creating nearly 2,000 employment opportunities and delivering a profitable performance. The venture is expected to expand further in the coming year. By catering to specialised client requirements across five countries, it also contributed to the country's foreign exchange inflows. This initiative has not only enhanced the Group's growth trajectory but also supported the broader objective of strengthening national economic resilience.

Elpitiya Plantations PLC, an equity-accounted investee under the Strategic Investments sector, has embarked on a new phase of innovation through its investment in a technology-driven agricultural solutions provider. This initiative is set to play a pivotal role in transforming the country's agriculture sector through sustainable innovation. The adoption of AI-powered imaging and drone-enabled targeted fertiliser application supports sustainable farming practices while enhancing resource efficiency and reducing labour intensity. The power generation segment also saw the operations and maintenance of its waste to energy plant being taken over by the Group resulting in considerable cost savings and operational efficiencies.

On sustainability, the Board approved the Group's near-term targets towards achieving net zero by 2030, from a 2019/2020 base year, which have now been submitted to the Science Based Target initiative (SBTi) for validation. I commend the Group's Sustainability Team

Deputy Chairman and Managing Director’s Message

that has put this in place, working on developing pathways to net zero with the leadership of each segment and sector as well as getting the commitment from the Group Supervisory Board and the Board of Directors of Aitken Spence PLC. It is noteworthy that the Group’s energy per unit of revenue reduced by 12.0% from 2023/2024 reflecting on the collective efforts to improve energy efficiency towards reducing emissions. The Group's concerted efforts to improve resource efficiency also resulted in a 18.7% decline in the water consumption per unit of revenue from 2023/2024.

GLOBAL HEADWINDS

Despite a challenging backdrop of economic and geopolitical disruptions, global growth reached 3.3% in 2024, marginally improving on the 3.2% recorded in 2023. Emerging and developing economies, led by India at 6.5%, outpaced advanced economies, which grew by 1.8%. However, global growth forecasts for 2025 and 2026 have been revised downwards to 2.8% and 3.0% respectively, following the introduction of reciprocal tariffs by the USA.

Trade volumes, which grew by 3.8% in 2024, are expected to moderate to 1.7% in 2025 before recovering to 2.5% in 2026. While oil prices declined significantly, offering some relief, rising non-fuel commodity prices, driven by climate-related disruptions to agriculture added inflationary pressure.

Encouragingly, trade tensions between the USA and China have eased through bilateral negotiations, and a recent ceasefire between India and Pakistan offers hope for improved regional stability. Nonetheless, persistent geopolitical tensions in South Asia continue to pose risks to investor confidence, regional trade, and supply chains.

It is important to note that the impacts of global climate change continue to intensify with increased frequency and intensity of extreme weather events as well as chronic impacts like global warming which has impacted harvests this year. The Aitken Spence Group continues to lead the way in sustainability, establishing sustainable practices across all sectors and steering towards a just transition balancing needs of people and environment with technology adoption.

POSITIVE PROGRESS

Sri Lanka witnessed encouraging macroeconomic progress in 2024, marked by a decline in inflation, which turned negative in September and broad-based growth across agriculture, industry, and services. The easing of inflation enabled a more accommodative monetary policy stance, resulting in a reduction in interest rates.

Improved foreign currency liquidity, supported by increased tourist arrivals, higher inward remittances, the disbursement of the IMF’s third tranche, and a 7.2% growth in exports, contributed to greater economic stability. A sovereign credit rating upgrade towards the end of the year boosted investor sentiment, with gross official reserves improving from USD 4.4 billion in 2023 to USD 6.1 billion in 2024.

While the recovery in imports widened the trade deficit, export earnings showed notable gains, particularly in petroleum products, which exceeded USD 1.0 billion for the first time. The Central Bank’s shift to a single policy rate framework based on the overnight policy rate enhanced monetary policy transparency and better aligned Sri Lanka with international practices, further supporting efforts to attract foreign investment.

The announcement of reciprocal tariffs by the USA triggered negative reactions across financial markets, with potential spillover effects for emerging economies including Sri Lanka. In response, Government authorities expressed their readiness to engage in dialogue with the United States to ensure fair trade practices. Against this backdrop of global trade uncertainty, Sri Lanka is actively seeking to diversify its export markets and is considering a Free Trade Agreement with China as part of its long-term trade strategy.

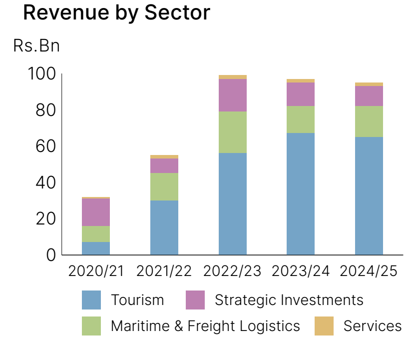
GATHERING MOMENTUM

Group Performance

The Aitken Spence Group recorded a commendable performance, delivering 61.0% growth in profit before tax and 61.3% growth in profit after tax while recording net asset growth of 4.6%. The Group’s balance sheet position improved during the year, with the debt-to-equity ratio strengthening from 0.45 times to 0.38 times. This improvement was primarily driven by the settlement of long-term borrowings. Additionally, the receipt of significant outstanding payments from the Ceylon Electricity Board (CEB) enhanced cash flows and facilitated a reduction in short-term borrowings, further reinforcing the Group’s overall liquidity position.

The Group’s revenue declined marginally by 2.5% to Rs. 95.1 billion during the year. This reduction was primarily attributable to the non-operational status of the thermal power plant, which had contributed significantly in the previous year. In addition, the apparel manufacturing segment recorded lower revenue due to subdued demand and operational constraints. The appreciation of the Sri Lankan Rupee further impacted USD denominated revenue streams, particularly affecting the revenue recorded by the destination management segment, maritime and freight logistics sector and overseas operations. The combined effect of these factors led to a broad-based decline in revenue across several key business segments.

Revenue by Sector



Deputy Chairman and Managing Director's Message

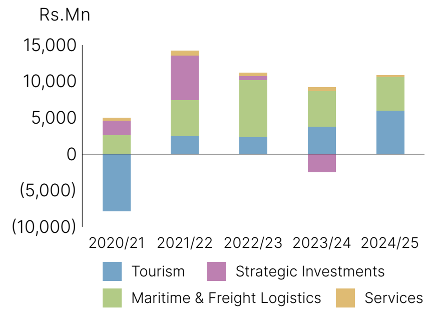
Although the year-on-year appreciation of the Rupee vis-a-vis the USD at the close of the year is a mere 1.3% the quarterly movements of the Rupee to USD had a significantly higher volatility. These fluctuations adversely impacted revenue, resulting in lower Rupee-denominated income and reduced conversion value of earnings from overseas operations. Despite flat revenue performance, the Group's operating profit increased by 11.7% year-on-year to Rs. 14.8 billion. This improvement was partly due to the exchange rate impact, which reduced USD-denominated costs, partially offsetting the effect it had on revenue. Additionally, effective cost management and lower foreign currency translation losses contributed to the growth in operating profit.

Finance income and finance expenses declined by 34.0% and 30.6% respectively, leading to a 29.3% reduction in net finance costs, which stood at Rs. 5.5 billion. This was primarily driven by the gradual decline in interest rates over the year.

The Group also recorded a 19.7% increase in the share of profit from equity-accounted investees, reaching Rs. 1.6 billion. These gains contributed to a rise in profit before tax, which reached Rs. 10.8 billion. Reflecting the improved profitability, tax expenses rose by 60.5% to Rs. 3.6 billion, resulting in a profit after tax of Rs. 7.2 billion. Consequently, earnings per share increased from Rs. 7.21 to Rs. 13.13, underscoring the Group's ability to navigate multiple challenges through agile decision-making and the benefit of certain favourable external conditions.

The highest contributor to profit before tax was the Tourism sector followed by the Maritime & Freight Logistics sector which accounted for 54.9% and 42.1% respectively. In the previous year, these two sectors contributed 40.7% and 53.6% respectively.

Profit before Taxation by Sector



A STRONG FINANCIAL POSITION

The Group's financial position remains strong with total assets amounting to Rs. 202.0 billion of which Rs.98.0 billion or 48.5% represented by property, plant and equipment. Total assets are primarily funded by Rs. 89.9 billion in equity and Rs. 65.4 billion in long term and short-term interest-bearing borrowings, which account for 32.4% of the total funding. Total Group bank borrowings declined by Rs. 2.1 billion, driven by scheduled loan repayments and the appreciation of the Sri Lankan Rupee, which positively impacted the value of dollar-denominated debt. The Group's equity position improved on account of increased retained earnings. The working capital cycle shortened, supported by faster collections particularly from the Ceylon Electricity Board (CEB) resulting in improved receivables management. While long-term foreign currency borrowings remained unchanged, there was a marginal increase in short-term foreign exchange borrowings within the hotels and apparels segments.

SECTOR PERFORMANCE

Tourism sector

The Tourism sector performance was boosted by strong growth in the Sri Lankan sector which enabled it to record an increase of 59.5% in profit before tax which amounted to Rs. 6.0 billion for the year under review. Sri Lankan hotels recorded higher occupancy and room rates coupled with lower interest rates which supported profitability. The destination management segment also recorded profit growth despite a marginal decrease in the passengers handled as cruise tourism moderated due to the Red Sea conflicts. The improved performance of the overseas hotels segment in USD terms translated into only a marginal gain in Sri Lanka Rupee terms, due to the appreciation of the Sri Lanka Rupee against the USD. Our hotels in the Maldives recorded a modest increase in occupancy levels during the year. However, heightened competitive pressures necessitated a slight reduction in average room rates to sustain market share. Hotels in India and Oman saw improvement in occupancy and average room rate though Turyaa Chennai recorded a decline in profitability with Al Falaj Oman continuing to report losses. Energy consumption per unit of revenue increased by 9.6%, while water consumption per unit of revenue improved significantly, recording a 28.5% reduction.

Maritime & Freight Logistics sector

The Maritime & Freight Logistics sector recorded profit before tax of Rs. 4.6 billion which was 7.2% below the amount recorded in the previous year as this sector was also adversely affected by the appreciation of the Sri Lanka Rupee and the drop in margin in certain segments due to stiff competition. The sector generally being a net finance income generator was adversely impacted due to lower interest rates deriving a reduced finance income while the finance cost witnessed a 61.5% increase owing to the funding obtained for the new warehouse complex constructed at Mabole.

The freight forwarding segment saw an improvement in revenue but due to the pressure on margins owing to competition and the increase in costs resulted in a decrease in profits. However, the freight forwarding operations carried out in Bangladesh saw a significant improvement in profitability due to volume growth. The ship agency business was also impacted by space restrictions out of Colombo due to principals giving space preference to more lucrative routes.

Deputy Chairman and Managing Director's Message

The overseas port management operations maintained its performance level during the year though the contribution to the Group was at a lower level due to the appreciation of the Sri Lanka Rupee. The integrated container segment recorded a significantly higher operational profit with its increased operational capacity with the commencement of commercial operation of its state-of-the-art warehouse facility at Mabole. However, the high interest cost on this investment resulted in lower profit before tax of the segment and the overall increase of finance cost of the sector. The CINEC campus continues to grow its offering and was ranked amongst the best education institutions in the country, in the audit of the non-state universities by the Ministry of Higher Education.

Profits from CINEC grew year-on-year with the introduction of new contemporary courses. The sector recorded an impressive 15.5% reduction in energy consumption per unit of revenue, along with a 14.6% reduction in water consumption per unit of revenue.

Strategic Investments sector

The Strategic Investments sector reported a loss of Rs. 36.0 million for the year, a marked improvement over the previous year's Rs. 2.5 billion loss. This positive change was driven by the power generation segment, which managed to write back Rs. 1.4 billion in provisions due to the settlement of long outstanding dues by CEB and the normalisation of payment cycles. The printing and packaging segment also contributed significantly, recording an impressive growth in profit before tax with a 40.3% increase in impressions and a 5.4% reduction in its direct material cost to revenue, coupled with lower interest rates.

However, the overall performance was weighed down by the apparel segment, which continued to face challenges. The segment's losses offset the gains made by the rest of the sector. Performance in apparel was significantly impacted by ongoing restructuring efforts, which, while necessary, affected near-term results. These initiatives are designed to strengthen the segment's customer value proposition and enhance its long-term competitiveness.

The waste-to-energy power plant recorded improved profitability during the year, with the operation and maintenance (O&M) of the plant being taken over by the company from its foreign O&M contractor. Profitability was also boosted by the normalisation of the cash cycle and reduced market interest rates, which combined to reduce overall interest costs.

The plantations segment faced challenges due to a wage increase during the year, leading to higher costs of production and an increase in retirement benefit provisions. The Net Sales Average (NSA) for tea performed relatively well in 2024 but moderated in 2025 with buyer patterns slowing down due to world uncertainties. The wage increase had a significant impact on Oil Palm operations, with the increase in cost of production being at a much higher rate than the increase in NSA the plantation has been able to secure.

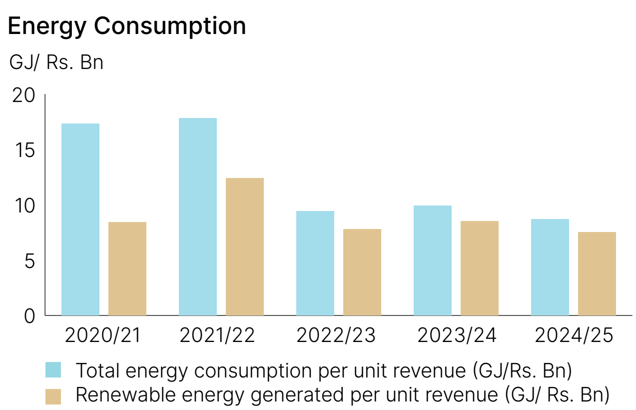
Despite these challenges, there is hope for the future. The berry cultivation activity has recorded the highest-ever profits during the year since the commencement of this project. The positive contributions from the printing and packaging and power segments, along with the ongoing restructuring efforts in the apparel segment, are designed to strengthen the sector's customer value proposition and enhance its long term competitiveness. The sector showed an impressive 26.7% reduction in energy consumption per unit of revenue, although water consumption per unit of revenue increased twofold.

Services sector

The insurance segment performed well during the year with an increase noted in the volume of business and the values of sums insured. The performance of the elevators segment was adversely affected during the year due to significant costs incurred on one of its key projects, which had not been anticipated. The profitability of the money transfer segment was also adversely impacted due to the lower gain recorded on foreign exchange. The Group's latest investment in BPO operations returned healthy profits for the year reflecting the potential of this venture. The declines in the performance of the elevators segment and the money transfer segment resulted in an overall 37.5% decline in the profit before tax of the sector. Energy consumption per unit of revenue rose by 14.0%, accompanied by a near twofold increase in water consumption across the sector.

EMPLOYEES

Employees have been key to nurturing the legacy bequeathed by previous generations of Spensonians, upholding values and traditions that differentiate the Aitken Spence Group. The Group



Deputy Chairman and Managing Director's Message

continues to focus on the importance of ensuring that employee value propositions are reviewed and aligned to the Group's long-term goals as we progress on the transformation journey. Accordingly, the Group's succession plan was updated to ensure leadership continuity. The Group also focused on development of senior leadership through the Aitken Spence School of Management. New resource pools were introduced to meet the growing needs of the Group. Efforts are underway to ensure that the employee experience is enhanced through transparent practices and digital transformation of routine processes. We continue to recognise exceptional contributions at the Global Best Employer Brand Awards, strengthening the Group's aspiration to be an Employer of Choice.

GOVERNANCE

Aitken Spence demonstrates a strong commitment to ethical conduct and sustainability. The Group enforces a zero-tolerance policy towards bribery and corruption, ensuring ethical behaviour across the value chain. Members of the Group Supervisory Board and Management Council, along with key personnel, have participated in training programmes led by experts on anti-bribery and anti-corruption measures. As one of the first signatories to the UN Global Compact from Sri Lanka, the Group continues to uphold its ten principles encompassing human rights, labour standards, environmental stewardship, and anti-corruption for over two decades. Recognised among the Top Ten Corporate Citizens of Sri Lanka for 19 consecutive years, Aitken Spence earned the title of 'Best Corporate Citizen 2024' and entered the Hall of Fame with the Grand Slam award for winning the title five times, at the honours awarded annually by the Ceylon Chamber of Commerce.

As part of the way forward in sustainability, key teams have carried out gap assessments and undergone training to comply with IFRS S1 and S2 mandated for implementation in Sri Lanka, reflecting the Group's dedication to aligning with global standards and enhancing the quality of sustainability and climate-related disclosures. Additionally, the establishment of a Sustainability Council underscores the commitment to improving governance and driving sustainability efforts.

BRANDING & CORPORATE COMMUNICATION

Our continued focus on strategic branding and transparent corporate communication has been instrumental in strengthening our market presence across the 12 geographies we serve. With over 50,000 customers, the trust placed in us reflects our unwavering commitment to integrity and long-term stakeholder engagement. This year, every company within our Group achieved positive Net Promoter Scores (NPS), a clear indication of strong customer loyalty and satisfaction.

We also made significant strides in expanding our digital media presence, enabling us to connect more effectively with stakeholders, particularly the younger generations and reinforce the values that define us. As we continue to explore new geographies and business segments, we remain committed to innovation, relevance, and excellence in everything we do.

SUPPLY CHAIN MANAGEMENT

In light of increasing global geopolitical and economic uncertainties, the Group is proactively strengthening its supply chain resilience strategy drawing on decades of operational expertise and a deep understanding of the regions in which we operate. Our initiatives are designed to enhance efficiency, sustainability, and adaptability across the entire supply chain, ensuring continuity and value creation even in the face of disruption.

With a robust network of over 14,000 suppliers across our operating geographies, our supply chain remains a critical enabler of the Group's strategic ambitions, including market expansion, geographic diversification, and our commitment to Net Zero Emissions. Building resilience and embedding sustainability across our supply chain are top priorities, supported by continuous process improvements and greater transparency. In recognition of our ongoing efforts, Aitken Spence was proud to receive the Supplier Relations Category Award at the Best Corporate Citizen Sustainability Awards 2024 for the second consecutive year a testament to our collaborative, responsible, and future-focused supplier engagement practices.

FUTURE OUTLOOK

Transformation of our business operations.

As part of our ongoing commitment to long-term value creation, we have accelerated our Group-wide transformation journey with a sharp focus on driving strategic agility, operational excellence, and future-readiness. Over the past year, we initiated a structured transformation framework that engages all business segments to align with our Group's vision.

A Transformation Steering Committee was established to provide oversight and hold the business segments accountable for progress, ensuring momentum and consistency across the Group. Through targeted diagnostics, capacity building, and data-driven planning, we are reimagining how we operate to enhance productivity, foster innovation, and unlock synergies across the organisation. Alongside process and performance improvements, we are also placing emphasis on the behavioural and cultural shifts required to embed a transformation mindset across all levels. These efforts are supported by strong governance mechanisms and cross-functional collaboration, ensuring that our transformation agenda is deeply rooted in the culture of Aitken Spence. As we move forward, we remain focused on leveraging these initiatives to build a more resilient, responsive, and forward-looking enterprise. Furthermore, we continue to explore investments in renewable energy and further expand the Maritime & Freight Logistics sector in Bangladesh.

Deputy Chairman and Managing Director's Message

TRIBUTE TO DESHAMANYA D.H.S. JAYAWARDENA

It is with deep sadness that we record the passing of our Chairman, Deshamanya D.H.S. Jayawardena during the year under review. He led the Board with wisdom, foresight, and unwavering dedication, leaving a lasting legacy within the organisation. His visionary leadership was pivotal in defining the Group's strategic direction, fostering long-term growth, and upholding the highest standards of governance. A true entrepreneur and an inspiring leader, it was both an honour and privilege to work alongside him and benefit from his guidance and perspective. On behalf of the Board, Management, and Spensonians, heartfelt condolences are extended to his family. His legacy will continue to inspire and guide the organisation in the years ahead.

ACKNOWLEDGEMENTS

I extend a warm welcome to Ms. Stasshani Jayawardena, our new Chairperson, who is no stranger to the Group, having served as Joint Deputy Chairperson, Joint Managing Director, and Executive Director during my tenure. I also welcome the four new Directors Mr. M. R. Mihular, Dr. R. A. Fernando, Mr. Peter Englisch and Mr. C. J. Sevilla who bring diverse expertise and insights to the Board.

We honour the memory of Mr. Bhathiya Bulumulla, Joint Managing Director and Chief Executive Officer of Elpitiya Plantations PLC, and who was also an integral part of the Management Council of Aitken Spence PLC. His steadfast leadership, humility, and quiet strength left a profound and lasting legacy within the Group. He will be deeply missed and warmly remembered by all who had the privilege of working with him.

I wish to thank every Spensonian for their contribution to the team effort that is enumerated in this report. I convey my appreciation of the support extended by our business partners, the patronage of our customers and the confidence of our shareholders. Special mention must be made of the valuable contributions made by the Board, the Group Supervisory Board and the Management Council in steering the Group through to deliver profitable and resilient growth. I look forward to the support of all stakeholders as we look to drive sustainable growth in the year ahead.

Dr. Parakrama Dissanayake
Deputy Chairman and Managing Director

6th June 2025
Colombo

A PHILOSOPHY OF PURPOSE

ADVANCING OPPORTUNITY

Guided by our core purpose, we align strategy with sustainability and shared value to attain long-term growth and meaningful stakeholder engagement – seeking to advance into a future of endless possibilities.

Stakeholder Engagement (GRI 2-29)

OUR APPROACH

Aitken Spence PLC recognises that meaningful stakeholder engagement is fundamental to sustainable value creation. We adopt a structured and transparent approach to identify, engage, and respond to stakeholders' evolving needs, ensuring that our business strategies align with their expectations and contribute to long-term shared value.

Identifying and Prioritising Stakeholders;

Stakeholder engagement encompasses two key aspects:

1 Responding to stakeholder concerns

2 Proactive engagement to identify material topics (priorities for action)

While both are essential, they serve distinct purposes. Responding to concerns ensures transparency and accountability, while proactive engagement helps shape strategic decisions based on well-founded insights.

We remain committed to addressing stakeholder concerns; however, we also recognise the need for selective engagement - focusing on stakeholders whose perspectives are credible, materially relevant, and aligned with our strategic priorities. To ensure meaningful and effective engagement, we continuously assess our stakeholders based on;

- topic expertise,
- influence on the organisation,
- potential impacts,
- urgency and proximity.

For example, we prioritise communities directly connected to our operations or significantly impacted by our decisions, ensuring we address our greatest areas of responsibility and impact first. Similarly, for environmental concerns, we prioritise scientifically and operationally credible feedback, ensuring that our actions are data-driven and science-based rather than opinion-driven or reactionary. This allows us to maintain a fact-based, transparent, and constructive dialogue while ensuring that our sustainability strategies remain evidence-driven and impactful.

Read more about our operational activities:

- Tourism Sector Review
- Maritime & Freight Logistics Sector Review
- Strategic Investments Sector Review
- Services Sector Review
- The Group's Integrated Sustainability Policy
  English | Sinhala | Tamil
- Access our Shareholder Feedback Form

INTEGRATING STAKEHOLDER INSIGHTS INTO STRATEGY

Insights gathered from stakeholder engagement inform our Spence IMPACT Strategy, ensuring alignment with our business priorities and global sustainability frameworks. Accordingly, in our overall materiality assessment process, stakeholder feedback counts for 20% of the weight. However, if the concern is addressing or highlighting a major concern, or if the stakeholder is a crucial stakeholder like a regulator, the concerns raised automatically become material for us to address.

Our stakeholder engagement process ensures that feedback, insights, and ideas strengthen our operations, strategies, and relationships. Engagement is customised for key stakeholder groups as mentioned earlier, ensuring meaningful dialogue, continuous monitoring, and ongoing feedback. We analyse feedback for trends, strengths, weaknesses, and opportunities, integrating key insights into management decisions. To maintain transparency and accountability, we share company policies, strategies, and performance updates, reinforcing our commitment to continuous improvement and responsible business practices.

Guidance on stakeholder engagement is shared with our segmental sustainability teams through policy commitment F and its implementation guideline (please see the full policy statement in our Integrated Sustainability Policy). During the year, the guidelines were revised to align with current needs and a review of these action points was conducted for all main representatives of the Group's sustainability team.

Stakeholder Engagement

Methods of Engagement to Gather Feedback

Gather Feedback

Inspections and Audits
Routine engagement to review performance

Discussions and Meetings
Engage stakeholders through direct dialogue

Written Communication
Communication through emails, feedback forms etc.

Engagement Events
Engage with stakeholders via trainings, conferences, forums etc.

Digital Platforms
Company website, social media etc. to connect with stakeholders

Surveys
Collect targeted feedback

Publications
Inform stakeholders via annual/quarterly reports, articles, features etc.

Identify feedback to be studied

Our benchmarks for stakeholder engagement

Identify and address legitimate concerns
Responding appropriately to the valid concerns of stakeholders

Transparency in engagements
Maintaining openness throughout our stakeholder interactions

Constructive engagement
Actively listening to concerns and suggestions with a receptive attitude

Integrate valid concerns, trends, ideas into strategy

Stakeholder Engagement

	Investors & shareholders/ Banks & other financial institutions	Employees	Customers
Reasons for engagement	Aims to promote transparency, convey financial performance, align with growth objectives, facilitate capital access, and address financial risks, strengthening trust in governance, long-term value generation, and dedication to sustainable business practices	Ensure employee wellbeing, job satisfaction, motivation, productivity and strengthen talent retention, and skill development aligned with the company's key objectives	Enhance customer centric innovation, strengthen brand trust and royalty and drive sustainable growth and market leadership
Key points of contact	Chairperson, Deputy Chairman, Managing Directors, CEOs, Chief Financial Officer, and other senior key personnel of the Group	Managing Directors and the Senior Management team, HR Partners, Chief Human Resource Officer, Group HR team, and HR coordinators across the business segments	Sales and customer relationship teams, operation teams and communications teams
Frequency of engagement	• AGMs/ Extraordinary General Meetings • Quarterly financial statements • As required • Routine reviews	• Daily or on requirement (through employee engagement surveys etc.) • Routine performance evaluations • Specific or routine engagement events	• Daily • As required or routine reviews as planned by the segments
Our commitment	• Deliver returns commensurate with the investment and transparently update stakeholders on progress and challenges	• Ensure a safe and inspiring work environment that supports growth, fair remuneration and talent development	• Work towards innovating our processes to provide best-in-class products and services to customers
Material concerns	• Sustainability of earnings/ returns, timely payments • Specific KPIs (share price, dividends, interest rates and taxes paid etc.) • Compliance with global benchmarks for ESG • Enhance the depth of assurance services for operational due diligence	• Remuneration and job security • A safe and inclusive workplace • Well-being and work-life balance • Skills development and career progression	• Quality and best value for price paid • Fast delivery, reliable service • Sustainable products and services, and unique and personalised experiences
Value delivered in 2024-2025	• Rs. 7.3 billion paid as interest • 2.82 Interest cover • 0.38 Debt to equity ratio • Award winning strategy in place to ensure business sustainability • Submission of near-term targets to the Science Based Targets initiative (SBTi) for validation as the first conglomerate in Sri Lanka to sign commitment	• Rs. 17.3 billion incurred as employee benefits • Over 90 management systems and processes maintained for occupational health & safety (OHS) • Job security • Work from home and health benefits • Rs. 78.9 million invested in training and skills development	• Net Promoter Score (NPS) of 54% across all sectors • Total 86 management systems certified for product/ service responsibility and quality

Stakeholder Engagement

(GRI 207-3)

	Local communities, environmental and social lobbyists	Governments, regulators and policymakers	Suppliers and business partners
Reasons for engagement	Foster inclusive and sustainable development, strengthen social license to operate and enhance resilience and shared value creation	Proactive risk management, ensuring compliance, collaboration for inclusive development and strengthening public private partnerships	Ensuring responsible and sustainable supply chains, building trust and mutually beneficial long-standing business relationships
Key points of contact	Community Relations Managers, environmental management representatives (EMRs), heads of departments (HODs), relevant team leaders	Board of Directors, Company Secretary and the Senior Management and relevant team members.	Managing Directors and the Senior Management team, procurement teams of the respective segments.
Frequency of engagement	• On requirement • Community events • As planned by the segments to gather and review feedback	• As required • Routine reviews as planned by the segments	• Daily and as required • Routine reviews/ due diligence processes as planned by the segments
Our commitment	Collaborate with the industry to ensure economic development, social sustainability and environmental protection.	Maintain governance structures for compliance with legal/ regulatory requirements.	Support mutual growth with reliable and sustainable supply chains.
Material concerns	• Compliance and ESG, • Community Engagement • Support for community development • Responsible and sustainable business practices	• Compliance with legal and regulatory frameworks • Corporate citizenship and social responsibility • Long-term value creation • Collaboration with industry bodies	• Financial stability • Transparent performance updates • Long term business relationships • Strong networks, referrals for opportunities
Value delivered in 2024-2025	• Rs. 281.4 million funds channelled for communities • Rs. 82.2 million invested towards sustainability related processes and controls • Award winning sustainability strategy maintained, guided by a sustainability policy availed in English, Sinhala and Tamil to enable community awareness and participation	• Input and feedback provided on specific targets being planned for Sri Lanka's nationally determined contributions (NDCs) • Direct employment created • Zero tolerance for unethical behaviour • Indirect and direct taxes paid of Rs. 13.6 billion • Rs 163.1 billion facilitation of foreign exchange generation to Sri Lanka	• Strong financial position • Publishing quarterly financial statements • Timely payment of all dues to ensure financial health of our suppliers • 14,000+ suppliers • 30 Joint venture and equity partners

Aitken Spence's Alignment to Global Development Needs

HOW DOES AITKEN SPENCE ALIGN WITH SDGS?

With our presence in diverse industries and geographies, Aitken Spence strives to take a proactive approach to managing environmental and social impacts throughout its value chain. Grounded in the philosophy to **'Build Better Before',** our priority is to embed strategic efforts towards sustainability into business processes from the outset, while efforts to **'Build Back Better'** drives continuous improvements to mitigate key impacts. Our approach to sustainability begins with understanding our impacts and identifying opportunities to create lasting value, which are then integrated into our strategies. The SDGs and their targets serve as a valuable framework that guides and informs this process.

To align with the SDGs, we tried to get a deeper understanding of how each goal translates into meaningful action. For example, contributing to ending poverty and hunger in Sri Lanka and the countries we operate in is a priority for us. While SDG 1 addresses poverty, its core objective towards that goal is to ensure equal access to economic resources, essential services, new technologies, and social protection, fostering a basic standard of living and shared prosperity for all. Similarly, SDG 2 focuses on ensuring universal access to safe, nutritious, and sufficient food by promoting sustainable agriculture, improving nutrition, and working towards food security.

Meaningful private sector contributions to the SDGs should focus on creating long-term, sustainable solutions. In this context, SDGs 4, 8, and 9 act as key enablers of SDGs 1 and 2 by advancing equal access to opportunities, fostering inclusive economic growth, promoting employment, and supporting resilient infrastructure development.

Enhancing employability through relevant education, on-the-job skills development, fair wages, and strong labour standards enables companies to contribute meaningfully to SDG 1 by supporting economic access and a basic standard of living. Similarly, strengthening the purchasing power of low-income communities through inclusive economic development, resilient supply chains, sustainable agriculture, and innovation advances SDG 2's goals on food security and nutrition.

This is the basis of our approach to aligning with seven key SDGs ensuring our contributions are impactful, action-oriented, and rooted in real outcomes rather than surface-level alignment.

The **Sustainable Development Goals (SDGs)** are 17 global goals set by the UN to address global challenges like climate action, social equity, and economic growth by 2030. To contribute meaningfully, companies should **assess their environmental and social footprint, priorities SDGs most relevant to their impacts, and implement targeted strategies to mitigate risks and enhance positive contributions.** By embedding the SDGs into decision-making, businesses can create **sustainable value while driving measurable progress** toward global development goals.

Learn more about the SDGs and our alignment with local and global development priorities;

- The Sustainability Development Goals
- The Group's Integrated Sustainability Policy
  English | Sinhala | Tamil
- The UN Global Compact (UNGC)
- Aitken Spence PLC on UNGC
- The Women's Empowerment Principles

Aitken Spence's Alignment to Global Development Needs

Our alignment with SDGs;

	SDG targets we directly align with;		SDGs we indirectly contribute towards;
1		1	No poverty
2		2	End hunger
3		3	Good health & wellbeing
4	Quality education 4.3, 4.4, 4.6, 4.7	4	
5	Gender equality 5.1, 5.5, 5B	5	
6	Clean water & sanitation 6.3, 6.4	6	
7		7	Clean energy
8	Economic growth 8.4, 8.5, 8.8, 8.9, 8.10	8	
9	Industry, innovation & infrastructure 9.1, 9.4	9	
10		10	Reduced inequalities
11		11	Sustainable cities
12	Responsible consumption 12.2, 12.5, 12.6, 12.8, 12.b	12	
13		13	Climate action
14		14	Life below water
15	Life on land 15.2, 15.5	15	
16		16	Peace, justice & strong institutions
17		17	Partnerships for the goals

Quality Education

Targets of the SDGs we align with:

4.3 Ensure equal access to affordable, quality tertiary and vocational education for all by 2030.

4.4 Substantially increase youth and adult access to skills for decent jobs and entrepreneurship by 2030.

4.6 Ensure all youth and a significant number of adults achieve literacy and numeracy by 2030.

4.7 Ensure all learners gain the knowledge and skills to support sustainable development by 2030.

Most relevant commitments in the integrated sustainability policy

Commitment B
Alignment with SDGs & Local/ Global Development Priorities

Commitment D
Environmental Impact Control using the Precautionary Principle

Commitment O
Workforce strength, diversity and inclusion

How we contributed

- All new recruits educated about sustainable development at the Group's orientation programme 'Roots to Excellence'.
- Over 60% of the jobs created in Sri Lanka are outside Colombo and Gampaha districts.
- 90 local students graduated from the hotel schools in Ahungalla and Kandalama in 2025
- 42.75% of the female workforce in the apparel segment graduated from the P.A.C.E (Personal Advancement & Career Enhancement) programme of Gap facilitated by the segment, strengthened with the 'Gurukulaya Training Center' in 2024-2025.
- Partnership between Aitken Spence Elevators and CINEC Campus to provide elevator technician skills development had 45 youth qualifying in 2024-2025.
- 22,000 registrations at the CINEC campus for higher education in diverse fields.

Indirect contribution to other SDGs;

Advancing these education-related targets not only equips individuals with the skills and knowledge needed for sustainable development but also plays a pivotal role in reducing poverty (SDG 1), improving food security and livelihoods (SDG 2), and promoting gender equality and women's empowerment (SDG 5).

Aitken Spence's Alignment to Global Development Needs

Gender Equality

Targets of the SDGs we align with:

5.1 End all forms of discrimination against women and girls everywhere.

5.5 Ensure women's full participation and equal leadership opportunities in all areas of decision-making.

5.b Promote women's empowerment through greater access to digital and communication technologies.

Most relevant commitments in the integrated sustainability policy

Commitment B
Alignment with SDGs & Local/ Global Development Priorities

Commitment O
Workforce strength, diversity and inclusion

Commitment P
Human rights and workplace ethics

How we contributed

- 42% of the workforce and 21% of the Senior Management are women.
- 46% of the new recruits were women.
- Special support extended to pregnant women and women with young children in the apparels and plantations segments to support financial independence. (Please refer to the Review for more details)

Please refer to the following section for more information;

Strategic Investments Sector: Page 210-247

Indirect contribution to other SDGs;

Promoting gender equality and women's empowerment supports poverty reduction (SDG 1), improves access to economic resources and food security (SDG 2), drives inclusive growth (SDG 8), reduces inequalities (SDG 10), and enhances institutional diversity and innovation (SDGs 9 & 16), aligning with Aitken Spence's commitment to sustainable and equitable development.

Clean Water & Sanitation

Targets of the SDGs we align with:

6.3 Improve water quality by reducing pollution, treating wastewater, and increasing safe reuse by 2030.

6.4 Increase water-use efficiency and ensure sustainable freshwater supply to address water scarcity by 2030.

Most relevant commitments in the integrated sustainability policy

Commitment D
Environmental Impact Control using the Precautionary Principle

Commitment E
Disaster Risk Reduction & Business Continuity

Commitment T
Net Positive Impact on Biodiversity & Wildlife

How we contributed

Water footprint controlled and managed;

- 4.4% of our water consumption sourced from harvested rainwater
- 868,394m^3 wastewater and effluents from hospitality and manufacturing operations treated for safe reuse or disposal
- Zero adverse impacts on natural water systems from the withdrawal and consumption of water for our operations
- 58,108 litres of effluents were safely disposed to ensure zero adverse impacts on natural ecosystems

Indirect contribution to other SDGs;

Improving water quality and efficiency not only supports ecosystem health (SDG 15) and clean energy systems (SDG 7), but also strengthens community wellbeing (SDG 3), food security (SDG 2), and climate resilience (SDG 13).

Aitken Spence's Alignment to Global Development Needs

Decent Work & Economic Growth

Targets of the SDGs we align with:

8.4 Improve resource efficiency and decouple economic growth from environmental degradation by 2030.

8.5 Achieve full, productive employment and equal pay for all, including youth and persons with disabilities, by 2030.

8.8 Protect labour rights and ensure safe, secure working environments for all, including migrant and vulnerable workers.

8.9 Promote sustainable tourism that generates jobs and supports local culture and products by 2030.

8.10 Expand access to financial services by strengthening domestic financial institutions.

Most relevant commitments in the integrated sustainability policy

Commitment D
Environmental Impact Control using the Precautionary Principle

Commitment E
Disaster Risk Reduction & Business Continuity

Commitment M
Local Community Development & Value Creation

Commitment N
Occupational health & safety

Commitment O
Workforce strength, diversity and inclusion

Commitment P
Human rights and workplace ethics

How we contributed

- Zero adverse impacts on natural ecosystems from our operations.
- 109 management systems maintained for environmental impact control with 48 being certified aligned with global standards
- 16,513 jobs sustained
- 175 differently abled persons employed
- 91 management systems maintained for OHS with 46 certified aligned with global best practices
- Zero reported incidents of discrimination
- 1,708 new recruitments in the Tourism Sector
- Local employment prioritised;
  - **Plantations segment:** over 90% of the workforce and over 60% of the management
  - **Hotels segment:** Over 30% of the current workforce
  - **Apparels segment:** Over 75% of the workforce
- All local workers receive above minimum wage with consistent efforts made to add to the employee value proposition
- Over 3,000 access points for migrant workers to remit money

Please refer to the following sections for more information;

Sector Reviews: Page 166-275

Human Capital Report: Page 285-302

Natural Capital Report: Page 325-339

Indirect contribution to other SDGs;

Advancing these decent work and economic growth targets supports poverty reduction (SDG 1), gender equality (SDG 5), reduced inequalities (SDG 10), and responsible consumption (SDG 12), while also contributing to stronger institutions (SDG 16) and resilient communities (SDG 11).

Aitken Spence's Alignment to Global Development Needs

Industry, Innovation & Infrastructure

Targets of the SDGs we align with:

9.1 Develop sustainable, resilient infrastructure with equitable access to support economic growth and well-being.

9.4 Upgrade infrastructure and industries by 2030 to improve efficiency and adopt clean, sustainable technologies.

Most relevant commitments in the integrated sustainability policy

Commitment D
Environmental Impact Control

Commitment E
Disaster Risk Reduction

Commitment K
Innovation & sustainable solutions

Commitment M
Local Development

How we contributed

- Portfolio of investments in solar, wind, hydro and waste to energy projects to strengthen the country's renewable energy infrastructure
  - 32.85MW renewable energy infrastructure
- 04 LEED certified properties in our portfolio
- Vulnerability assessments conducted to strengthen Disaster Risk Reduction/ Business Continuity Management (DRR/ BCM)
  - Maps developed to observe our locations against areas found vulnerable to flooding, landslides and earthquakes
  - Drills conducted at Aitken Spence Towers for Earthquakes and nighttime fires.

Indirect contribution to other SDGs;

Building sustainable infrastructure and upgrading industries supports climate action (SDG 13), promotes sustainable cities (SDG 11), enhances resource efficiency (SDG 12), and contributes to decent work and economic growth (SDG 8), while also helping reduce poverty (SDG 1) through inclusive development.

Aitken Spence's Alignment to Global Development Needs

Responsible Consumption & Production Life on Land

Targets of the SDGs we align with:

12.2 Achieve sustainable management and efficient use of natural resources.

12.5 Substantially reduce waste through prevention, recycling, and reuse.

12.6 Encourage adoption of sustainable practices and report performance.

12.8 Ensure everyone has the knowledge/ awareness to live sustainably.

12.b Develop tools to monitor sustainable tourism's impact and promote local jobs/ culture.

15.2 Promote sustainable forest management, halt deforestation, and increase global reforestation.

15.5 Take urgent action to protect natural habitats, halt biodiversity loss, and prevent species extinction.

Most relevant commitments in the integrated sustainability policy

Commitment D
Environmental Impact Control

Commitment G
Ethical and accountable supply chain control

Commitment J
Operational efficiency & risk management

Commitment K
Innovation & sustainable solutions

Commitment T
Net positive impact on biodiversity & wildlife

How we contributed

- Wetland ecosystems in Colombo District protected by repurposing municipal solid waste to generate electricity
  - 178,859 MT of residual municipal solid waste kept away from landfills and converted to renewable energy.
  - This is equivalent to the weight of over 32,520 average adult elephants
  - The emissions reduced amount to 114,052 tCO_2e
- 27,227 MT and 760 nos. solid waste responsibly repurposed or disposed
- 208,915 tCO_2e emissions reduced/ offset
- Rs. 82.2 million invested in sustainability related processes
- 27.9% of total energy consumed sourced from renewable sources
- Protected areas and areas of high bio-diversity value mapped against our locations to sensitise all stakeholders
  - Over 8,100ha of green cover maintained
  - Zero ecosystems damaged from our operations
  - 390 suppliers screened during the year on ESG
  - Supplier code of conduct and supplier due diligence guidelines translated to Sinhala and Tamil to communicate the Group's priorities
  - Mapping of supply chains streamlined to identify vulnerabilities

Indirect contribution to other SDGs;

Promoting sustainable production, responsible business practices, and environmental awareness strengthens climate action (SDG 13), protects ecosystems (SDGs 6, 14, and 15), supports innovation and infrastructure (SDG 9), and enhances inclusive economic growth and livelihoods (SDGs 1, 8, and 11).

Protecting forests and biodiversity enhances climate resilience (SDG 13), safeguards water resources (SDG 6), supports sustainable livelihoods (SDG 1), strengthens food security (SDG 2), and promotes sustainable consumption and production (SDG 12).

Determining Materiality

OUR APPROACH (GRI 3-1)

At Aitken Spence PLC, materiality is at the core of our sustainability and corporate strategy, ensuring that we address the most significant environmental, social, and governance (ESG) impacts while aligning with our business objectives.

Read more on this process on our website;
Determining Materiality

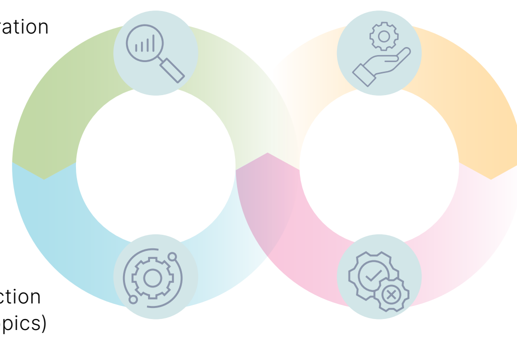
DEFINING MATERIALITY – UNDERSTANDING THE OPERATING CONTEXT:

Materiality refers to the relevance or significance of a topic to an organisation. Material topics of an organisation reflect the company's priorities for action.

Identifying material topics for an organisation like Aitken Spence is not a stand-alone task. Aitken Spence identifies material topics through a comprehensive assessment that is integrated throughout the operational process lifecycle as shown below. This process involves desk research, feedback from internal teams, insights from inspections and reviews and ongoing stakeholder input gathered throughout this process lifecycle.

1 ANALYSE
Study the operation to identify impacts

2 PRIORITIES
Determine priorities for action (i.e. material topics)



3 IMPLEMENT
Implement action to control adverse impacts and/ or add value

4 EVALUATE
Monitor performance and evaluate outcomes against objectives/ targets

For Aitken Spence, a topic is considered 'material' or significant enough to take action if they meet one or a reasonable combination of all of the following criteria;

1	Environmental, social or economic impacts	2	Risk
3	Compliance	4	Stakeholder needs

The scale, frequency, or a combination of both results in **significant environmental, social, or economic impacts**	Topic presents a **significant risk** to the organisation, the environment or our stakeholders	The topic addresses **compliance with laws, regulations, or voluntary standards.**	The topic addresses a valid **concern raised by a key stakeholder**
High IMPACT	**High RISK**	**COMPLIANCE requirement**	**STAKEHOLDER need**

1 2 3 4

A topic that raises moderate concerns across all categories, while not being significant in any single category, may still be considered material due to its overall relevance.

Determining Materiality

There are two aspects to materiality;

1	Impact Materiality	2	Financial Materiality
	Information on the company's impact on the economy, environment and people for the benefit of multiple stakeholders such as investors, employees, customers, suppliers and local communities.		Information on economic value creation at the level of the reporting company for the benefit of investors (shareholders)

The Group's sustainability strategy was formed on the foundation of impact materiality: this is why the future focus of the strategy is also presented as **'Spence IMPACT'** reflecting that our primary focus is impact control and sustainable value creation for all stakeholders. Accordingly, some examples of identified potential and actual concerns are presented below;

Examples of actual and potential impacts	Examples of risks	Examples of compliance requirements	Examples of stakeholder needs highlighted
• Financial impacts of transitioning to low-carbon strategies • Pollution and climate change from emissions generated by the Group's energy consumption • Potential impacts on labour standards as well as human rights like harassment or discrimination	• Risks to people, property, data, equipment, inventory and business activities from climate change related risks as well as man-made hazards • Potential increase in risks from policy changes • Data security and privacy risks from technological developments	• Regulatory compliance and obligations related to permits, licenses, and operational approvals • Communication on Progress (CoP) on the ten principles of the UN Global Compact • Alignment with the new SLFRS S1 and S2 standards	• Risks from the storage of fly-ash and bottom-ash till safe disposal need to be managed • Depth of internal reviews and assurance services for operational due diligence needs to be improved • Alignment with global benchmarks such as SBTi, Travelife, FSC etc.

Our material topics as per the GRI Standard remain unchanged;
(GRI 3-2)

	High significance	Medium significance	Low significance
Governance	• Financial governance (GRI 201, 415) • Anti-corruption (GRI 205) • Anti-competitive behaviour (GRI 206) • Compliance & ESG	• Innovation	• Market presence (GRI 202)
Economic Performance	• Direct economic value created & distributed (GRI 201) • Taxes (GRI 207)	• Indirect economic value created (GRI 203)	
Environmental impact control	• Energy consumption (GRI 302) • Emission control (GRI 305) • Effluent control (GRI 303) • Water consumption (GRI 303) • Solid waste management (GRI 306)	• Supplier environmental assessment (GRI 308) • Biodiversity (GRI 304)	• Materials (GRI 301)
Social impact control	• OHS & employee welfare (GRI 403, 401) • Human rights & labour standards (GRI 402, 406, 407, 408, 409, 410, 411) • Learning & development for employees (GRI 404) • Product responsibility, information security & customer satisfaction (GRI 416, 417, 418)	• Supplier social assessment (GRI 414) • Diversity, Equity and inclusivity (GRI 405) • Local purchasing and employment (GRI 204) • Local community development (GRI 413)	

Determining Materiality

FUTURE FOCUS

With the new developments in reporting, we are working to enhance our sustainability reporting by incorporating both financial and impact materiality, providing investors and stakeholders with deeper insights into resource trade-offs and their broader implications. Towards this, we have commenced a detailed assessment to identify the Group's climate-related risks and opportunities (CRROs), aligned with the IFRS guidelines and supported by the Group's vulnerability assessments conducted for disaster risk-reduction and business continuity management strategies. Concurrently, preliminary work is underway to identify sustainability-related risks and opportunities (SRROs), which includes strengthening internal processes and readiness for comprehensive risk identification through our sustainability reporting framework. A broad list of the key risks identified in the current context can be summarised as listed below and we hope to expand on these in 2025-2026 as we complete our assessments.

Key risks related to climate change

- Risks from extreme weather events
- Transition risks from climate related policies
- Heat stress to employees and other stakeholders (from rising temperature levels)
- Impacts of ecosystem damage on businesses and communities
- Impacts from rising sea levels

Key risks to the sustainability of the organisation

- Shortage of skills
- Financial and economic instability and asset/ investment risks
- Statutory and regulatory pressure
- Operational challenges
- Occupational health and safety

The Aitken Spence approach to implement action for sustainability

As a diversified holdings company, implementing sustainability is challenging because each industry and country we operate in has different priorities. There is no one-size-fits-all approach. Therefore, we began by identifying priorities for each segment and determined the material issues for the Group. This helped us define our goals and objectives and identify the right strategies to create sustainable value.

To achieve this, we conducted desk research, engaged with our subsidiaries, and gathered feedback from key stakeholders to identify sustainability priorities that apply across our businesses. Based on these insights, we developed our Integrated Sustainability Policy, outlining our commitments for each material topic. We then designed an implementation framework that captures the diversity across our business segments while ensuring the flexibility needed for each to take meaningful action within its unique context.

Learn about our sustainability commitments;

The Group's integrated sustainability policy

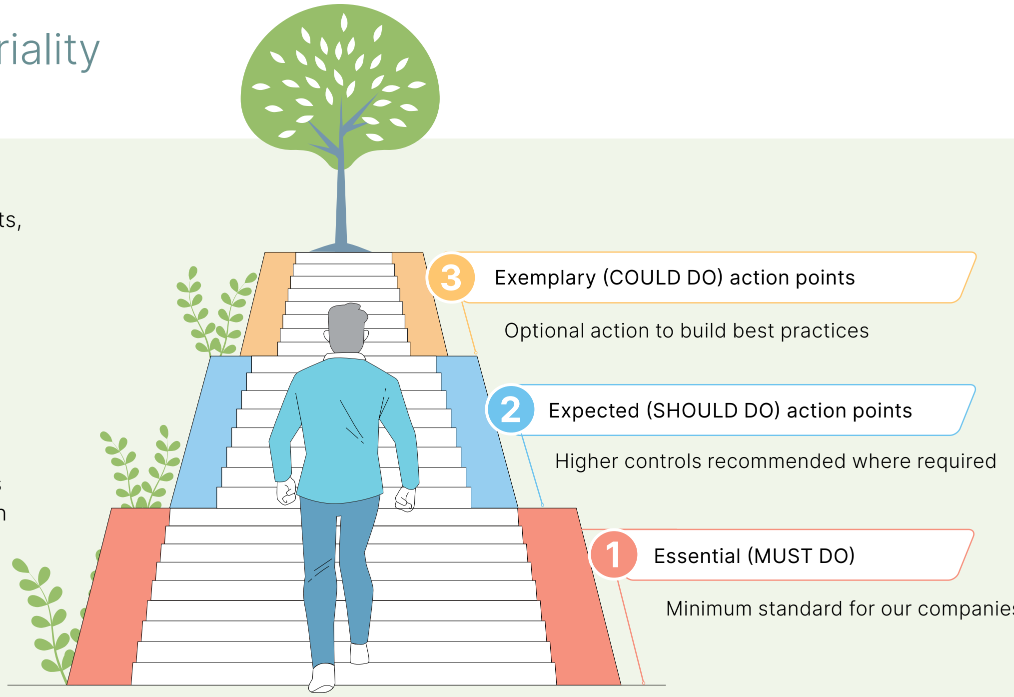
English | Sinhala | Tamil

A summary of the commitments outlined in our Integrated Sustainability Policy

- A Maintain best practices in legal and regulatory compliance
- B Endorse local and global development priorities
- C Ethical business conduct
- D Commit to prevent adverse environmental impacts
- E Climate change risk and disaster risk reduction (DRR)
- F Stakeholder engagement
- G Encourage supply chain sustainability
- H Incorporate ESG in strategic decision-making processes
- J Process control for risk management
- K Promote innovation in internal processes, products & services
- L Enhance quality of products and services and value delivered to customers
- M Support local communities through partnerships, local employment, local purchasing and other strategic interventions.
- N Ensure safe workplaces for employees (OHS)
- O Policies & strategies to harness a strong and motivated workforce
- P Uphold the UN Guiding Principles on Business & Human Rights and protect internationally proclaimed human rights
- Q Public disclosure of performance
- R Ensure information security of the organisation
- S Policies & strategies for responsible communication
- T Ensure 'Net Positive Impact' on biodiversity, wildlife and sensitive ecosystems
- U Uphold annual performance review and future planning

Determining Materiality

The Group's integrated sustainability policy commitments, as summarised above, that align with our priorities to ensure sustainable and responsible business operations. The Group also has an implementation framework for this policy which specifies action points for each of these commitments. These action points guide our business segments to plan required action to establish controls and create sustainable value according to the following structure;



1 Essential/ Must Do:

These are foundational level actions applicable across all business segments for each policy commitment. For instance, every segment must have a system or SOP to identify environmental impacts and implement corrective and preventive measures suited to their scale and nature. Each segment must have SOPs to identify and control OHS risks. These actions are meant to ensures alignment with the Group's minimum benchmarks on key priorities or material topics.

2 Expected/ Should Do:

These action points guide our team beyond foundational requirements, clarifying expectations for business segments with greater potential for environmental and social impacts—where basic systems alone are insufficient. For example, industries such as hotels, travel, logistics, printing & packaging, apparel manufacturing, power generation, and elevators require stricter controls and more robust management systems due to their impact levels. These action points address the differences in the business segments and give us the flexibility to use one policy and implementation framework and apply it across the Group.

3 Exemplary/ Could Do:

These action points refer to guidelines given to our business segments on recommended action to create strategic differentiation in a way that is still relevant to their material topics and aims to create sustainable value to key stakeholders. For instance, obtaining system certifications, initiating special projects, or applying for awards can be considered optional activities after establishing a solid foundation to manage and control impacts.

Total management systems and processes maintained at different levels of control or compliance	Total management systems certified
200	86

Our Strategy

OUR PURPOSE DRIVEN STRATEGY

As a diversified conglomerate, our strategy is long term in nature and remains unchanged from the previous year. It is necessarily articulated in broad terms to remain relevant across 17 business segments and is our blueprint for the next phase of our growth.

OUR GOALS

At Aitken Spence, we strive to

- contribute to society through economic growth and the creation of wealth;
- achieve geographical/ industrial expansion and diversification; and
- accomplish sustainable growth ensuring environmental and social governance.

OUR PURPOSE

Inspire to create great futures for all

OUR VISION

To achieve excellence in all our activities, establish high growth business in Sri Lanka and across new frontiers and become a globally competitive market leader in the region

OUR VALUES

- Reliable
- Honest and Transparent
- Warm and Friendly
- Genuine
- Inspire Confidence

OUR OBJECTIVES

Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments

Expand Aitken Spence reach to new geographies

Venture into new business segments

Reduce the resource footprint and achieve net-zero emissions by 2030

Employer of choice status

Our Strategy

Our strategy is directly linked to our objectives which are set out below

AITKEN SPENCE OBJECTIVES

Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments

Expand Aitken Spence reach to new geographies and venture into new business segments

Achieve Employer of Choice status

Reduce the resource footprint and achieve net zero emissions by 2030

TRANSFORMATION STRATEGY

STRATEGIES

- Leverage emerging technologies, smart systems, and automation to optimise business processes, improve efficiency, and enhance decision-making capabilities for a competitive edge
- Embedding local and global environmental, social, and governance (ESG) benchmarks into business models and day-to-day operations while ensuring regulatory adherence to drive long- term sustainability and transform business models through the Spence IMPACT strategy
- Strengthening customer relationships and service excellence through personalised engagement
- Enhancing productivity and streamlining processes
- Managing and optimising cost structures
- Strengthening the Group's capital structure by managing the debt-to- equity ratio to enhance readiness for future strategic investments

- Expanding business reach through data-driven decision-making, strategic investments, and adaptive market positioning
- Leveraging automation, data analytics, and digital tools to improve efficiency and decision-making
- Focus on market research and product development (R&D)
- Forming alliances with industry leaders, suppliers, and technology partners to foster innovation and market expansion
- Enhancing offerings through product innovation and differentiation
- Develop a sustainability-focused product portfolio to meet evolving customer needs
- Strengthen customer engagement to clearly communicate value proposition
- Strengthen joint venture partnerships and explore new opportunities with overseas joint venture partners

- Enhancing bench strength of leadership pipeline for critical positions and strengthen leadership capabilities
- Establishing an objective based talent management eco-system
- Attract best-in-class talent using a powerful Employee Value Proposition (EVP)
- Enabling Performance Management (PM) practices to support organisational transformation
- Nurturing a transformation and value-centric organisational culture
- Focused talent retention for critical mass
- Enhancing employee engagement and experience throughout the employee lifecycle (bottom-up & top down approaches)
- Commitment to Diversity, Equity & Inclusion (DE&I)
- Developing competencies to drive innovation and digitalisation

Manage the consumption of energy to reduce emissions from the 2019/2020 baseline;

- Discontinued commercial thermal energy generation for the national grid from 2025
- Reduce transport related emissions by 20% by 2030
- Replace 12% of the energy needs in the hotels segment with renewables

Manage potential adverse impacts from the withdrawal of water

- Ensure zero adverse impacts on water bodies from the withdrawal of freshwater

Control potential adverse impacts from the use of resources

- Use the 7R Principle to monitor and manage resource consumption patterns

Manage adverse impacts from land use and interaction with natural ecosystems and biodiversity

- Build Better Before and prevent adverse impacts from the onset
- Use available platforms to create awareness and educate key stakeholders

Our Strategy

KPI

Segment-Level Activity and Performance Indicators

11.7% EBIT

61.0% Profit after Tax

228,078
Passengers handled by destination management

1,179,355
Guest nights in owned hotels

2,676
Room inventory (owned and managed)

22,000
Students at CINEC Campus

142,269(MWh)
Power generated

3,681('000 pieces)
Apparel produced

4,177 ('000 kg)
Tea produced:

1,140,015
Inward remittance transactions

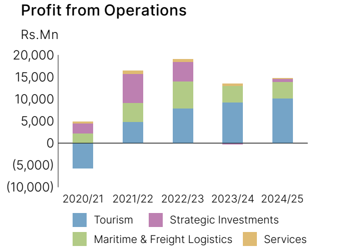
- Geographical expansion in Sri Lanka as well as regionally
- Organic and inorganic growth
- New processes implemented
- New products and services introduced
- Technological enhancements introduced over the last three years

- Increase female representation in the Group to 50% by 2030
- Ensure availability of internal successors for 70% of critical roles
- Achieve an employee engagement/organisational health score of 85 by 2030
- Executive retention rate improved to 83%, reflecting enhanced focus on talent engagement and stability in key roles
- Total training hours increased by 45% to 278,034, underscoring our sustained investment in employee development and capability building

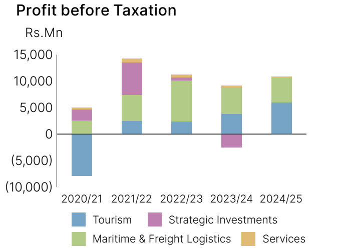
- Emission reductions achieved against the FY2020 baseline – **85%** milestone achieved
- The Group's energy consumption per unit revenue declined **12%** reflecting the collective efforts of the Group
- The Group reduced **208,915 tCO2e** emissions through renewable energy generation, emission reductions achieved, and emissions offset through other means
- The Group's water consumption per unit revenue declined by **18.7%** across the Group although some key sectors saw an increase in the consumption of water per unit revenue

RESULT

Profit from Operations



Profit before Taxation



55%
Revenue generated from Overseas

60%
Profits from operations generated from overseas

Launched over **42** new products and services during the year

Investing in People:
Rs. 78.9 Mn
Committed to leadership and capability growth

3%
Increased in female representation from
39% to **42%**
advancing our DE&I commitment.

85.6% reduction from the 2019/2020 base year

Zero waterbodies or ecosystems adversely impacted by the Group's water consumption or discharge of wastewater or effluents

178,859MT
of residual municipal solid waste repurposed to create renewable energy reducing
114,052tCO2e
emissions from landfills

Our Strategy

OUTLOOK AND WAY FORWARD

Global Outlook 2025

	World Output	World Trade	Oil Prices	Non-Oil Commodities	Consumer Prices
2024	3.3%	3.8%	(1.8%)	3.7%	5.7%
2025	2.8%	1.7%	(15.5%)	4.4%	4.3%
2026	3.0%	2.5%	(6.8%)	0.7%	3.6%

International Monetary Fund. 2025. World Economic Outlook: A Critical Juncture amid Policy Shifts. Washington, DC. April.

Sri Lanka

A pro-growth budget with relief measures for the vulnerable was presented by the government in February 2025 which has been well received. While fiscal policy remains tight, monetary policy continues to be fairly accommodating, maintaining interest rates at low levels as inflation has been lower than target levels although it is expected to move up to mid single digits during the year. GDG growth for 2025 is forecast at 3.1% by the World Bank for 2025.

Deepen Technological Integration

- Scale up investment in smart systems, automation, and AI-driven platforms to optimise operational efficiency
- Expand the use of predictive analytics and real-time data to support agile decision making across business lines
- Strengthen resilience through proactive disaster risk reduction and business continuity management (DRR/BCM) strategies to identify and manage sustainability and climate-related risks and opportunities, driving sustainable business transformation
- Focus on Personalisation and Service Excellence
- Strengthen CRM systems and customer insights across sectors to deliver customised services and superior experience
- Enhance training programmes to embed a culture of service excellence and continuous improvement

- Maritime & Freight Logistics sector to expand capacity and geographic reach of freight and port-related services
- Power Generation segment to diversify its energy mix further by exploring scalable renewable solutions beyond current operations and in overseas
- Drive Market-Specific Growth Initiatives Tourism: Utilise digital marketing and strategic partnerships to tap into high-growth source markets and boost year-round occupancy
- Strengthen alliances with industry leaders, suppliers, and technology partners to foster innovation and market expansion
- R&D accelerator programme to be launched
- A structured New Business Scorecard was developed and introduced to SBUs to evaluate and guide potential ventures, ensuring alignment with the Group's strategic objectives

- Strengthen value-centricity through culture transformation
- Introduce an Employee Assistance Programme (EAP) to ensure mental wellbeing of Spensonians
- Establish quarterly recognition based on demonstration of Aitken Spence values
- Launch a culture assessment in support of organisational transformation
- Adopt an evidence-based HR approach by leveraging predictive analytics
- Conduct a group-wide Organisational Health Survey (OHS) to assess and improve organisation's overall performance, culture and long- term sustainability
- Enable Performance Management (PM) practices to support organisational transformation
- Continued with focused talent retention for critical mass
- Continued with enhance employee engagement and experience throughout the employee lifecycle

- Process control for energy efficiency to reduce emissions
- Strategies to reduce emissions from transport
- Emphasis on process control and positive behaviours to reduce waste and improve resource efficiency
- Focus will shift to supply chains and materials to cut emissions from purchases and transport
- To support our net zero goals, we will measure carbon capture from new green cover and explore additional nature-based projects

Our Value Creation Model (GRI 2-6)

The Capitals

Financial Capital

Strong **financial position, investment capability, and access to capital;**
- **Long-term investments:** Over Rs. 50 billion invested over the past decade
- **Access to capital:** Strong credit rating and diversified funding partnerships
- **Cash flow resilience:** Consistent positive operating cash flows

Manufactured Capital

Strategic investments in infrastructure that support national development priorities;
- **Sustainable architecture:** Introduced LEED architecture to tourism
- **Supporting Sri Lanka's development plans:** Investing in key infrastructure required for a circular economy

Human Capital

Our employees are the heart of the organisation, and our biggest inspiration;
- **Strong workforce:** 16,000+ employees across 17 business segments and 12 geographies
- **Focus on learning & development:** 275,000+ training hours delivered
- **Diversity & inclusion:** 42% female representation in the workforce
- **Strategic job creation:** 66.1% of the jobs in Sri Lanka are outside Colombo and Gampaha districts

Intellectual Capital

The value of our brand is differentiated by the quality we deliver;
- **Pioneer in progress:** 25 strategic brands driving differentiation and customer loyalty
- **Benchmarked to global standards:** 200 management systems maintained aligned with local and global best practices and benchmarks

Social and Relationship Capital

The Group integrates inclusive growth, sustainability, and ethical practices to build strong stakeholder relationships and long-term value
- **Community engagement:** Supports development, capacity building, and supplier partnerships to foster trust and generate shared value
- **Stakeholder responsiveness:** Maintains a proactive framework to address concerns and align with development goals, reinforcing its reputation as a responsible and respected corporate citizen

Natural Capital

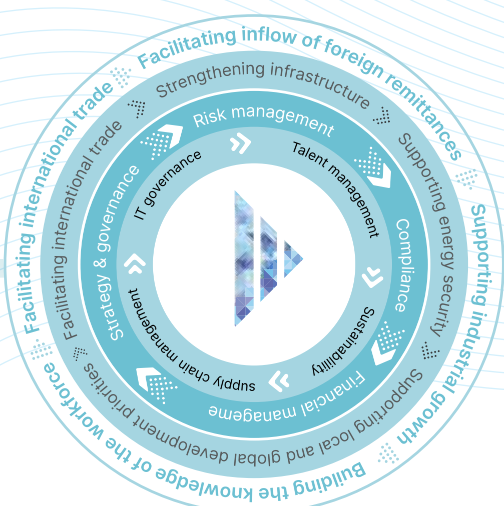
Committed to 'Build Better Before' to enhance resilience and long-term impact control;
- **Green cover preserved:** Over 8,100ha and counting
- **Benchmarked to global standards:** Sustainable agriculture, infrastructure, process control and ecosystem conservation
- **Growing renewable energy portfolio:** Significant investments to support Sri Lanka's NDCs and infrastructure needs for a circular economy

Read more

- Our purpose, vision, values and goals on page **72**
- Management discussion & analysis on page **166**
- Financial capital report on page **277**
- Human capital report on page **285**
- Intellectual capital report on page **303**
- Manufactured capital report on page **309**
- Social & relationship capital report on page**315**
- Natural capital report on page **325**

- Follow our social media to view more content about our interventions.

Value Creating Processes and Business Activities



BUSINESS ACTIVITIES CREATING OUTPUTS AND OUTCOMES

Tourism
- Hotels
- Destination Management
- Airline GSA

Maritime & Freight Logistics
- Maritime & Port Services
- Freight Forwarding & Courier
- Integrated Container Services
- Airline GSA (Cargo)
- Education

Strategic Investments
- Apparel Manufacture
- Printing & Packaging
- Power Generation
- Plantations

Services
- Insurance
- Money Transfer
- Property Management
- BPO Services
- Elevators

The Value We Create: The Outputs and Outcomes

Outputs	Purpose of the Sector
• Guest nights • Tour pax • Flights handled	Strengthening the tourism offering, particularly in Sri Lanka, with sustainable architecture, a skilled and experienced workforce and value-added services.
• TEUs handled • Liner representation • Courier services provided • Tertiary/ vocational education	One of the largest integrated logistics service providers in the country, the sector invests in infrastructure and services to facilitate seamless trade and connectivity to global markets for local entrepreneurs.
• Apparels manufactured • Printing impressions • Tea, rubber, palm oil and minor commercial crops • Energy generated	Showing the strength in our diversity, this sector strengthens national infrastructure and sustainable development through energy, plantations, and innovative business ventures.
• Elevators maintained • Inwards remittance transactions • Insurance brokerage services and claims settlements • Commercial office space client services	The sector connects Sri Lankan businesses with global names and enhances business resilience through cutting-edge technology, financial services, and business process solutions.

Read more about how we create value;

Tourism Sector Review

Maritime & Freight Logistics Sector Review

Strategic Investments Sector Review

Services Sector Review

Capital Trade-Offs

In line with the Integrated Reporting (<IR>) Framework, capital trade-offs refer to the choices an organisation makes that result in the increase, decrease, or transformation of one type of capital in order to enhance another. These trade-offs are an inherent part of value creation over time.

To achieve the outcomes presented in this report, the Group has made several strategic decisions involving such trade-offs. The instances noted below reflect the use, allocation, or planned commitment of capital—whether financial, manufactured, human, social and relationship, intellectual, or natural. While the outcomes section outlines the capitals enhanced through these efforts, the following points illustrate the capitals utilised or re-prioritised to enable those outcomes.

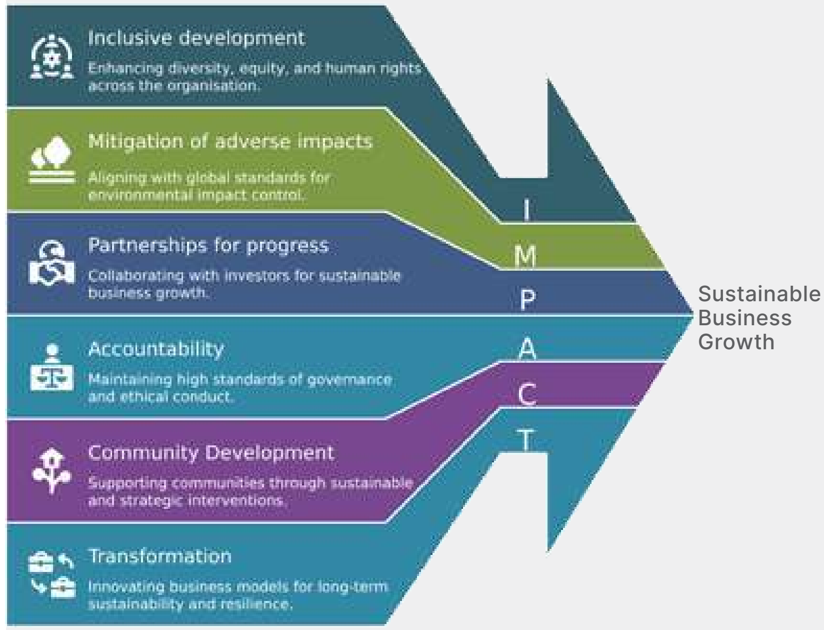
Outcomes				Tradeoff to Create Value	
Financial Capital	**Rs. 44.4 Bn** Value created	**Rs. 163.1 Bn** Foreign exchange inflows facilitated	**Rs. 13.6 Bn** Direct & indirect taxes paid	**Rs. 3.3 Bn** Total investment in capital expenditure	**Rs. 33.9 Bn** Long term debt
Manufactured Capital	**Rs. 202.0 Bn** Total assets	**Rs. 169.7 Mn** IT hardware added to the portfolio	**32.9 MW** Renewable energy infrastructure	**Rs. 429.2 Mn** Investments in refurbishments to leisure infrastructure	**Rs. 537.4 Mn** Invested in Strategic Investment sector
Human Capital	**42%** Female representation	**2,670** New jobs	**278,034** Training hours	**Rs. 78.9 Mn** Investment in training and skills development	**Rs. 17.3 Bn** Value created to employees
Intellectual Capital	**86** Certifications	**3** New business ventures	**42** New products/ services	**Executive hours of 600+** Spensonians committed to maintain 200 management systems	**Rs. 576.7 Mn** Invested in digital infrastructure
Social and Relationship Capital	**Over 50%** Business partnerships exceed 10 years	**66%** Jobs in Sri Lanka are outside Colombo and Gampaha districts	**Over 50,000** Customers	**Rs. 281.4 Mn** Invested in community development interventions	**Rs. 64.0 Bn** Payments made to suppliers
Natural Capital	**8,109 ha** Green cover maintained	**178,859MT** of municipal solid waste diverted from landfill per year	**Zero** Waterbodies adversely affected	**Committed to SBTi** to make changes to our business models and reduce emissions	

The Spence IMPACT: Our Sustainability Vision in a Nutshell

Aitken Spence is a diversified conglomerate operating across more than 16 industries in over 12 countries. Given the scale of our businesses, the diverse geographies we serve, and the complexity of our operating environment, we have defined clear strategic and operational priorities, as outlined in the 'Determining Materiality' section of this report. To drive meaningful action, we have adopted an integrated sustainability policy framework that guides each business segment in implementing initiatives to ensure long-term business sustainability through effective impact control.

Our approach to ensure business sustainability is fundamentally impact-driven, with policy commitments aligned to the SDGs as detailed in the 'Alignment with the SDGs' section. This vision is best captured as Spence IMPACT: a concise representation of our priorities, and integration into Group-wide sustainability action.

THE SPENCE IMPACT STRATEGY FOR SUSTAINABILITY



Area of focus	Targets	Current position
I **Inclusive development** Priority: Enhance diversity, equity, inclusion across the organisation and protect internationally proclaimed human rights across all operations.	1. Maintain adherence with the UN Guiding Principles on Business and Human Rights 2. Increase the percentage of women in leadership positions to 30% by 2030. 3. Achieve 45% female participation in the workforce by 2030	1. Achieved and maintained 2. Female representation of 21% in management positions 3. Female representation of 42% in the workforce
M **Mitigation of adverse impacts:** Priority: Align with global standards for environmental impact control and climate change mitigation.	4. Achieve 'Net Zero', i.e. zero net emissions across the Group by 2030 5. Maintain 'Net Positive Impact' on biodiversity and sensitive ecosystems 6. Increase resource efficiency year on year 7. Treat and safely repurpose or dispose 100% of effluents and wastewater 8. Use the 7Rs to repurpose or recycle 100% of the solid waste generated	4. 86% from the FY2020 baseline 5. Achieved and maintained 6. Efforts ongoing 7. Achieved and maintained 8. Efforts ongoing
P **Partnerships for progress:** Priority: Foster collaborations and partnerships with like minded investors who can advance the Group's ambitions for sustainable business growth.		Please refer to the Social & Relationship Capital section of this report
A **Accountability:** Priority: Maintain highest standards of governance, transparency, and ethical conduct across all investments and business relations.		Ongoing
C **Community:** Priority: Identify community needs and provide sustainable support through targeted interventions including (not limited to) local employment, purchasing,		Ongoing
T **Transformation:** Priority: Drive innovation through new business opportunities and adapt existing business models for long-term sustainability and resilience against sustainability related risks and risks from climate change.	1. Develop pool funds for emergency response and business resilience 2. Invest in research and development of risk mitigation strategies and sustainable business opportunities.	9. Efforts ongoing 10. Efforts ongoing

A CULTURE OF LEADERSHIP

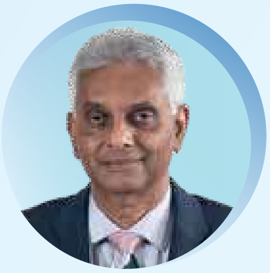
PIONEERING PROGRESS

Our diverse and visionary leadership team embodies a culture of excellence across multifaceted disciplines—empowering innovation, inclusivity, and accountability at every level.

Board of Directors (GRI 2-9)

Ms. D.S.T. Jayawardena
Chairperson

Dr. M.P. Dissanayake
Deputy Chairman and
Managing Director



Dr. R.M. Fernando
Executive Director

Mr. J.M.S. Brito
Non-Independent,
Non-Executive Director

Mr. R.N. Asirwatham
Non-Independent,
Non-Executive Director

Mr. N.J. de Silva Deva Aditya
Non-Independent,
Non-Executive Director

Mr. C.R. Jansz
Non-Independent,
Non-Executive Director

Mr. C.H. Gomez
Non-Independent,
Non-Executive Director

Mr. M.R. Mihular
Senior Independent
Non-Executive Director

Dr. R.A. Fernando
Independent,
Non-Executive Director

Mr. P. Englisch
Independent,
Non-Executive Director

Mr. C.J. Sevilla
Independent,
Non-Executive Director

Board of Directors

Ms. D.S.T. Jayawardena
Chairperson

Appointed in December 2013

Qualifications and Areas of Expertise

Ms. Jayawardena is a graduate of St. James' & Lucie Clayton College and Keele University in the United Kingdom, Emeritus Institute of Management, Singapore – and an Associate Alumni of University of Cambridge (Judge Business School), United Kingdom.

Experience

Ms. Stasshani Jayawardena marks several milestones for the Group as the first female Chairperson in its 156-year history with her appointment as Executive Chairperson in February 2025; and the youngest and first female board member of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC in December 2013.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and leads strategic business units across the Group. She leads several key strategic teams as the Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., Deputy Chairperson of Lanka Milk Foods (CWE) PLC., as a member on the Board of Directors of Stassen Group, Melstacorp PLC and Distilleries Company of Sri Lanka PLC.

Ms. Jayawardena was the youngest intern to work under US Senator Hilary Rodham Clinton and the Former US President Bill Clinton in 2003; and was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019. She is also a member of the PwC NextGen Advisory Council since the year 2020.

Ms. Stasshani Jayawardena was appointed to the Executive Board of The Hotel Association of Sri Lanka (THASL) and represents THASL at the Ceylon Chamber of Commerce Committee since 2019. She is an Executive Committee Member at the International Chamber of Commerce in Sri Lanka since 2020 and a Steering Committee Member of the Ceylon Chamber of Commerce Tourism. She served as the Chairperson of the Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group for the financial year 2020/21. She was appointed to the Board of Directors of the Colombo International Arbitration Centre, Sri Lanka in January 2025.

Ms. Jayawardena represents the Company as the Ambassador from Aitken Spence PLC at the Target Gender Equality initiative of the UN Global Compact since 2020.

In recognition of her work and commitment to inspire, she was recognised at Top 50 Professional & Career Women Awards in Sri Lanka with a Gold award in the Hotel & Hospitality Sector in 2017, and in 2020 by Sri Lankan business magazine, Echelon, listing her among the most innovative and influential young leaders who have succeeded in business and shaping the future of Sri Lanka.

Ms. Jayawardena became the award recipient of the Expatriate Contribution Award – Gold category by Women in Management Maldives. The Professional and Career Women Awards Maldives 2022 presented this award to Ms. Jayawardena for her exceptional contributions and achievements in the field of Hotel & Hospitality.

Ms. Jayawardena was an award recipient at the Global CEO Leadership Excellence Awards 2024. The Global CEO Awards ceremony honoured 50 top-tier CEOs and their teams who met the challenges successfully in turbulent times.

Board of Directors

Dr. M .P. Dissanayake
Deputy Chairman and Managing Director

Appointed in March 2019

Qualifications and Areas of Expertise

Dr. Dissanayake is an Alumni of the University of Sri Jayawardenepura, NORAD, JICA, Business Alumni of the University of Oxford (UK). He has qualified as a Chartered Shipbroker (FICS) UK, Chartered Fellow (Logistics/Transport) FCILT UK and Fellow of Chartered Institute of Marketing UK. He has also pursued Executive Management Education at Harvard Business School USA and University of Cambridge UK. He is a Professor in Maritime Studies (visiting) at Shanghai Maritime University.

Experience

Dr. Parakrama Dissanayake is the Deputy Chairman and Managing Director of Aitken Spence PLC, appointed with effect from 15th March 2019. Prior to this appointment he was Secretary to the Cabinet Ministry of Ports, Shipping and Southern Development.

He was appointed as the first non-British International President of the Institute of Chartered Shipbrokers U.K. founded in 1911 and Royal Charter conferred in 1920.

Dr. Dissanayake has also held positions in the past that include, Chairman – Sri Lanka Ports Authority (two stints), Chairman – Chartered Institute of Logistics and Transport (Sri Lanka), Board Director Urban Development Authority and Board Director of Ceylon Shipping Corporation.

During the period June 2004 to May 2017, he served as a Director of Aitken Spence PLC and the Chairman & CEO of its Maritime & Freight Logistics sector.

He was inducted as a “Legend of Logistics” by the Prime Minister of Sri Lanka at the National Logistics Awards Ceremony.

He is also the Chairman of Elpitiya Plantations PLC, Aitken Spence Plantation Managements PLC, Co-Chairman/ Professor CINEC Campus, Hon. Consul of Fiji Islands and served as a Professor in Maritime Studies (visiting) at Dalian Maritime University.

Dr. R.M.Fernando
Executive Director

Appointed in April 2005

Qualifications and Areas of Expertise

Dr. R. M. Fernando holds a PhD and an MBA from the University of Colombo. He is also a Chartered Marketer and a Fellow of the Chartered Institute of Marketing (CIM UK).

Experience

Dr. Fernando joined Aitken Spence Plantation Management PLC in May 1994 and has been the Managing Director of Aitken Spence Plantation Managements PLC and Elpitiya Plantations PLC since August 1997. He has extensive experience in the plantation industry, both in the public and private sectors; corporate management, corporate strategy. He has also played a key role in the plantation privatisation programme. He was the Chairman of the United Nations Global Compact Network, Sri Lanka, a former President of the Chartered Institute of Marketing Sri Lanka Chapter and a past Chairman of the Planters Association of Ceylon.

Dr. Fernando is currently the President of the Palm Oil Industry Association which comprises of growers, processors and refiners in the palm oil industry and he also serves on the committee of the Asian Palm Oil Alliance (APOA).

Dr. Fernando was appointed as a member of the UNICEF Sri Lanka Business Council in 2023. He was also appointed under the Co-Chairmanship of Advisor to the President and Chairman of National Science Foundation, as a Member of the Expert Cluster on ‘Perennial Crops’ to achieve food security and nutrition in the country.

Dr. Fernando was appointed to the Board of Aitken Spence PLC on the 1st of April 2005 and is currently the Head of the Plantations segment, Corporate Strategy and Sustainability for the Aitken Spence Group.

Board of Directors

Mr. J.M.S. Brito
Non-Independent, Non-Executive Director

Appointed in April 2000

Qualifications and Areas of Expertise

Mr. J.M.S. Brito holds an L.L.B. degree from the University of London, an MBA from the London City Business School and is a Fellow of the Institute of Chartered Accountants of both Sri Lanka, and England and Wales.

Experience

Mr. J. M. S. Brito is an acclaimed senior professional in both the private and the public sector industries in Sri Lanka.

He is a former Chairman of DFCC Bank, the Employers' Federation of Ceylon, Sri Lankan Airlines and has also served on the Board of the Sri Lanka Insurance Corporation.

Mr. Brito joined the Board of Aitken Spence PLC in April 2000, with a multi- discipline academic background and a wealth of experience from a career counting over 40 years that includes experience working with several international organisations. He was then appointed as the Managing Director of Aitken Spence PLC, in December 2001 and Deputy Chairman in April 2003 which position he held until his retirement on 15th March 2019. After retirement, Mr. Brito continues to be a Non-Executive Director of Aitken Spence Hotel Holdings PLC and Browns Beach Hotels PLC.

Mr. R.N. Asirwatham
Non-Independent, Non-Executive Director

Appointed in September 2009

Qualifications and Areas of Expertise

Mr. R.N. Asirwatham is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka.

Experience

Mr. Asirwatham was appointed to the Board of Aitken Spence PLC, in September 2009 and served as the Chairman of the Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and the Nomination and Governance Committee.

He was the Senior Partner and Country Head of KPMG from 2001 to 2008. Further, he was the Chairman of the Steering Committee for the Sustainable Tourism Project funded by the World Bank for the Ministry of Tourism and was also a member of the Presidential Commission on Taxation, appointed by His Excellency the President of Sri Lanka. He is a member of the Board of Trustees of the Lakshman Kadirgamar Institute of Strategic Studies.

He also serves on the Boards of Dilmah Ceylon Tea Company PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC and several other companies.

On the 3rd of October 2023 he was conferred the Lifetime Achievement Award 2023 by the Council of The Institute of Chartered Accountants of Sri Lanka in recognition and honour of his outstanding contribution to the accounting profession and society.

Board of Directors

Mr. N.J. de Silva Deva Aditya
Non-Independent, Non-Executive Director

Appointed in September 2006

Qualifications and Areas of Expertise

Mr. N. J. de Silva Deva Aditya is a Fellow of the Royal Society of Arts FRSA established 1754, a Research Fellow of Loughbourough University of Technology, a Graduate of the Royal Aeronautical Society, and a Member Institution of Mechanical Engineers. He also holds a Bachelor of Technology (Honours) from the University of Loughborough and is a Professor at the Beijing University.

Experience

The Honourable N. J. de Silva Deva Aditya (Nirj Deva) who is a Fellow of the Royal Society of Arts, Deputy Lieutenant for the Lord Lieutenantancy of Greater London representing HM King Charles III, Presidential Envoy of Sri Lanka to the EU and the Commonwealth of 56 Nations and Senior Advisor to the President of Sri Lanka, former Member of Parliament in the British House of Commons, and a Member of the European Parliament, joined the Board of Directors of Aitken Spence in September 2006.

He was the first Post War Asian-born Conservative Member of the British House of Commons and served in Government as the Parliamentary Private Secretary to the Scottish Office after which he was elected as the first Asian-born British Member of the European Parliament representing over 8 million British people in Berkshire, Hampshire, Buckinghamshire, Oxfordshire, Surrey, Sussex and Kent for 20 years.

He was the Vice President of the International Development Committee for 15 years, overseeing the annual Euro 25 billion European Budget. He was the Chairman of the EU Korean Peninsula Delegation working towards a lasting peace with North Korea, Chairman of the EU China, EU Bangladesh, EU Indonesia, EU Myanmar and EU India Friendship Groups in the EU Parliament and was nominated by his political group ECR to be the President of the European Parliament and was the Chairman of the EU Delegation to the UN General Assembly. He is now the President of the Commonwealth Union; the largest cyber community encompassing the Commonwealth.

For his Tsunami Relief work he was made MEP of the Year by the European, a Chevalier of the Catholic Church, Vishwa Keerthi Sri Lanka Abhimani by the Buddhist Clergy of Sri Lanka, and Gaurav Bharat by India. He is the Publisher of the http://www.commonwealthunion.com the global media platform, the first Commonwealth wide news and TV media reaching out to 2.6 billion people and seen regularly by 18 million. He was appointed Presidential Envoy and Senior Advisor in August 2022.

Mr. C.R. Jansz
Non-Independent Non-Executive Director

Appointed in February 2023

Qualifications and Areas of Expertise

Mr. C.R. Jansz holds a Diploma in Banking and Finance from the London Metropolitan University, UK. He is a Chevening Scholar and an UN-ESCAP Certified Training Manager on Maritime Transport for Shippers.

Experience

Mr. Jansz is the Chairman of Lanka Milk Foods Group, Melsta Hospitals Ragama (Pvt) Ltd and the Deputy Chairman of Melstacorp Group. He is also the Director of Stassen Group and Distilleries Company of Sri Lanka Group.

He has been the Chairman of DFCC Bank and the Sri Lanka Shippers Council.

Mr. Jansz specialises in the movement and finance of international trade.

Board of Directors

Mr. C.H. Gomez
Non-Independent, Non-Executive Director

Appointed in April 2025

Qualifications and Areas of Expertise

Mr. C H Gomez holds a Financial Planning Certificate from the Chartered Insurance Institute.

Experience

Mr. C.H. Gomez is a former Banker with over 40 years of experience in the finance industry. He has worked for major financial institutions including Barclays Bank PLC, Lloyds TSB Bank PLC and SG Hambros. He brings to the Company a wealth of experience in regard to international financial markets, financial services regulations, compliance and controls and it was through his intervention that major investors were brought into Aitken Spence PLC and to other business sectors in Sri Lanka. Mr. Gomez is a Director as well as a part owner of regulated financial services companies based in Gibraltar. He also serves on the Boards of foreign companies which have investments worldwide.

Mr. Gomez was appointed to the Board of Aitken Spence PLC, in 2002 and to the Board of Aitken Spence Hotel Holdings PLC, in 2010 and resigned from his position as a Director from these companies in 2024 in compliance with the Listing Rules of the Colombo Stock Exchange.

Mr. Gomez was subsequently appointed as a Non- Independent Non Executive Director to the Board of Aitken Spence PLC and Aitken Spence Hotel Holdings PLC in April 2025.

Mr. M.R.Mihular
Senior Independent, Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Mr. M.R. Mihular is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) – UK.

Experience

Mr. Mihular served as the Managing Partner of KPMG Sri Lanka & Maldives from 1st April 2012 to 31st March 2022 and was the Chairman of KPMG's Middle East & South Asia (MESA) Regional Cluster during the period 1st October 2018 to 30th September 2021. Mr. Mihular previously served a term as the Chief Operating Officer of the MESA regional office. He also served on KPMG's Europe Middle East & Africa (EMA) Board and on the Global Council of KPMG International.

Mr. Mihular is a Past President of the Institute of Chartered Accountants of Sri Lanka. He also served as the Chairman of the CIMA Sri Lanka Board. Mr. Mihular has completed International Executive Education programmes at INSEAD, France, Harvard Business School and the London Business School, UK.

Mr. Mihular served as a Board Member of the International Accounting Standards Committee (IASC) from 1996 to 2000. Subsequently he served on the IASC's Standing Interpretations Committee and as a Member of the IFRS Advisory Council of the International Accounting Standards Board. He also served as a member of the International Ethics Standards Board for Accountants (IESBA) from 2012 to 2018.

Mr. Mihular presently serves as Chairman of Watawala Plantations PLC and Bairaha Farms PLC, and as an Independent Non-Executive Director of Sunshine Holdings PLC, Melstacorp PLC, Balangoda Plantations PLC, Madulsima Plantations PLC, Sunshine Teas (Pvt) Ltd, Lonach Dairy (Pvt) Ltd, Agility Innovation (Pvt) Ltd, DAMRO Holdings Ltd and LTL Holdings Ltd. He also serves as a Member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

Board of Directors

Dr. R.A.Fernando
Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Dr. R.A. Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable Business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo.

He received a Doctor of Business Administration Degree from the European Business School in 2016.

Experience

He completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He is a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023. In April 2020, he created the '21st Century Board Leadership Model-MasterClass'© for the Institute of Directors of Luxembourg.

In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal point 2007 and set up the UNGC Sri Lanka Network.

He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Melstacorp PLC, Distilleries Company of Sri Lanka PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, UN Global Compact and Ceylon Graphene Technologies Ltd.

In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy Summit.

Mr. P. Englisch
Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Mr. P. Englisch holds a Master's Degree in Economics and multiple certifications such as Certified Public Accountant (WP), US-CPA, and Certified Family Business and Family Wealth Advisor (CFBA / CFWA).

Experience

Mr. P. Englisch is a seasoned executive with over three decades of experience in the fields of family business advisory, assurance, and tax services. Mr. Englisch has established himself as a thought leader and trusted advisor in the industry.

Throughout his career, he has held significant leadership roles at prestigious firms like EY and PwC, where he led global initiatives and established centres of excellence for family businesses. He has also contributed to academia as an Executive in Residence at IMD Business School and founded his own consulting firm, Peter Englisch Consulting GmbH & Co. KG.

Mr. Englisch's expertise spans across supporting family-owned businesses with succession planning, NextGen development, governance, and growth strategies. He is also well-versed in advising High Net Worth Individuals and Family Offices on long-term investment strategies, impact investing, and philanthropy.

Recognised for his contributions, Mr. Englisch has been inducted into the Family Business "Hall of Fame" and named one of the Top 10 Global Family Enterprise Advisors by Family Capital Magazine. He is a regular speaker at international conferences and has co-founded the Center for Family Business at the University of St. Gallen.

Board of Directors

Mr. C.J.Sevilla

Independent Non-Executive Director

Appointed in December 2024

Qualifications and Areas of Expertise

Mr. C.J. Sevilla holds a BA Hons in Politics and History of Ideas from Kingston University, London, a Professional Certificate of Competence in Gibraltar Taxation and is an Association of Accounting Technicians qualified Accountant.

Experience

Mr. Sevilla is a Director at FORM-A-CO (GIBRALTAR) LIMITED and FORM-A-TRUST (GIBRALTAR) LIMITED. He has a background in finance and accounting and has over 20 years of experience working in different roles within finance. Under his present role he oversees all company financial activities.

He also provides a range of services to clients specifically focused on accounting services and tax work. Additionally, Mr. Sevilla is a Regulated Individual regulated by the Gibraltar Financial Services Commission (GFSC).

Group Supervisory Board

Ms. D.S.T. Jayawardena

Dr. M.P. Dissanayake

Dr. R.M. Fernando

Ms. N. Sivapragasam

Ms. D.S.T. Jayawardena

See Board of Directors Profile

Dr. M.P. Dissanayake

See Board of Directors Profile

Dr. R.M. Fernando

See Board of Directors Profile

Ms. N. Sivapragasam

Ms. Nilanthi Sivapragasam joined the Aitken Spence Group as an Accountant after completing her articles at Ernst & Young, Colombo.

She now holds the position of Chief Financial Officer of the Group. She is also the Managing Director of Aitken Spence Corporate Services (Private) Limited, the Joint Managing Director of CINEC Campus (Private) Limited, and a Director of several subsidiaries and joint venture companies in the Group both local and overseas.

She is a Fellow Member of both CA Sri Lanka and the Chartered Institute of Management Accountants of UK.

She is currently a Board Member of the UNGC Network Sri Lanka and a Member of the Taxation Steering Committee of the Ceylon Chamber of Commerce.

She was a member of the Statutory Accounting and Auditing Standards Committees of CA Sri Lanka and a member of the Financial Reporting Standards Implementation and Interpretation Committee and also chaired the Financial Reporting Faculty.

She served on the Board of CIMA Sri Lanka Division from 1997-1999 and 2010-2012. She also served as a Board Member of the Sri Lanka Accounting and Auditing Standards Monitoring Board from 2009 - 2019 and was a Council Member of the Sri Lanka Institute of Directors from 2011 - 2017.

She was previously a Director of Women and Media Collective, a non-governmental organisation involved in the empowerment of women.

Management Council

Ms. D.S.T. Jayawardena

Dr. M.P. Dissanayake

Dr. R.M. Fernando

Ms. N. Sivapragasam

Mr. C.M.S. Jayawickrama

Mr. L. Wickremarachchi

Mr. N.A.N. Jayasundera

Mr. I.S. Cuttilan

Mr. A.J. Gunawardena

Mr. J.E. Brohier

Mr. V.P. Kudaliyanage

Mr. D.R.C. Hindurangala

Mr. L.N.D. Silva

Mr. S.N. Muttiah

Mr. K.L.L. Perera

Management Council

Ms. D.S.T. Jayawardena

See Board of Directors Profile

Dr. M.P. Dissanayake

See Board of Directors Profile

Dr. R.M. Fernando

See Board of Directors Profile

Ms. N. Sivapragasam

See Group Supervisory Board Profile

Mr. C.M.S. Jayawickrama

Mr. Susith Jayawickrama has had a career spanning over three decades with Aitken Spence and is the Managing Director of Aitken Spence Hotel Managements (Private) Limited, which manages all hotels of the Group.

Mr. Jayawickrama serves on the Aitken Spence Group Management Council and on the Boards of most hotel companies in the Group including that of Aitken Spence Hotel Holdings PLC. He is a Fellow Member of the Chartered Institute of Management Accountants UK. He has more than three decades of experience in senior management positions in the Group's hotel sector and the tourism industry in Sri Lanka and overseas.

Mr. Jayawickrama is a past Vice President of the Tourist Hotels Association of Sri Lanka (THASL).

Mr. L. Wickremarachchi

Mr. Leel Wickremarachchi joined Aitken Spence in February 2013 as the Deputy Chairman/Managing Director of its power segment. He also functions as CEO/ Managing Director of Western Power Company (Pvt) Ltd., a subsidiary of Aitken Spence PLC, which owns and operates the country's first waste to energy power plant with an installed capacity of 10 MW.

Mr. Wickremarachchi has held senior positions in both public and private sector organisations. Immediately before joining Aitken Spence PLC, Mr. Wickremarachchi worked as a consultant to the Government of Liberia, in West Africa, under a USAID funded project, in the renewable energy sector. He was Director General of the Public Enterprises Reform Commission (PERC) from 2004 to 2006. He also did a consultancy assignment in 2004 for the Ministry of Privatisation of the Government of Pakistan, funded by Asian Development Bank, in establishing a Public-Private Infrastructure Financing Facility for Pakistan. He had also worked at USAID/ Sri Lanka, from 1992 to 1998, managing its project on establishing a market for private sector infrastructure in Sri Lanka, which resulted in the Government of Sri Lanka approving the private sector to invest in thermal power projects, as Independent Power Producers (IPPs). Later he functioned as CEO of Private Sector Infrastructure Development Company (PSIDC), subordinated debt financing company for private sector financed infrastructure, owned by the Government of Sri Lanka and funded by the World Bank and KfW of Germany.

Mr. Wickremarachchi holds an MSc in Engineering from the People's Friendship University of Moscow, Russia and has obtained his MBA from the Post Graduate Institute of Management of the University of Sri Jayewardenepura. He has attended many Executive Development Programmes including the programmes conducted by the JFK School of Government of Harvard University, USA, on "Infrastructure in a Market Economy" and the National University of Singapore on "General Management".

Mr. N.A.N. Jayasundera

Mr. Nalin Jayasundera has had a career spanning 4 decades with Aitken Spence, joining initially in 1983 and then re-joining the company in 1990. Having successfully played different roles within the Tourism Sector he took over the leadership of Aitken Spence Travels (Private) Limited (ASTL) as the Managing Director in 2013. ASTL, a joint venture with TUI AG, is the leading destination management company in Sri Lanka.

With over 40 years of experience in the Tourism sector he possesses a wide knowledge of the travel industry. Mr. Jayasundera has played an important role in developing the Tourism Sector by venturing into many new markets, developing new products and seeking new opportunities that have come up with new global trends. His best accolade in the recent years is leading his team to grow the Aitken Spence Travels business by reviving the tourism sector to handle 228,000 pax, which is the best ever in the history of the company and is also the highest pax count handled by any Destination Management Company in Sri Lanka. In addition to its presence in the Maldives, Aitken Spence Travels has expanded its business to Myanmar.

Mr. Jayasundera is currently the President of the Sri Lanka Association of Inbound Tour Operators (SLAITO) and he has held the position of Secretary in the past. He is a member of SLID and SKAL International. He was a member of the Sri Lanka Tourism Advisory Council, a Board Member of the Sri Lanka Conventions Bureau and currently serves as a Board Member of the Sri Lanka Tourism Promotion Bureau and is a member of the Committee for strengthening the Administrative Structure of the Tourism Sector to Boost the Tourism Industry of Sri Lanka.

Management Council

Mr. I.S. Cuttilan

Mr. Iqram Cuttilan joined Aitken Spence Shipping Limited In 1983. He was appointed as a Director of the company in 2000, as Chief Operating Officer in 2014 and as the Managing Director/CEO of the maritime segment in 2017.

He currently overlooks the Maritime, Freight and Insurance segments of the Group.

He was involved in setting up the port management activities in Africa and Fiji and serves as a Director of Fiji Ports Terminal Limited and Fiji Ports Corporation Limited. He is a Director of the CINEC Campus (Private) Limited.

Mr. Cuttilan served as Chairman of the Ceylon Association of Shipping Agents (CASA) between 2019 to 2021. Prior to this, he held the positions of Treasurer and Vice Chairman of CASA.

He served as a member of the Advisory Committee on Logistics of the Sri Lanka Export Development Board between 2015 to 2021. He serves as a member of the Maritime & Logistics Committee of the European Chamber of Commerce of Sri Lanka (ECCSL) and the German Chamber (AHK). He is a Past President of the Sri Lanka Malaysia Business Council of the Ceylon Chamber of Commerce and a Past President of the Sri Lanka Indonesia Friendship Association (SLIFA). He currently serves as a Vice Patron of the Mercantile Hockey Association.

He holds a Diploma in Marketing from CIM (UK), Diploma in Business Management (SLBDC) and is a Chartered Member of CILT (UK). He is also a member of the Alumni of the National University of Singapore and the Open University of Sri Lanka.

Mr. A.J. Gunawardena

Mr. Janaka Gunawardena joined the Aitken Spence Group in 2016, bringing with him over 33 years of diverse management experience across multiple sectors including integrated logistics, supply chain management, fast-moving consumer goods (FMCG), and real estate.

Commencing his professional journey at Unilever Sri Lanka, Mr. Gunawardena has gained substantial cross-functional and global leadership experience. Prior to joining Aitken Spence, Mr. Gunawardena held several key senior positions, including Director at Mack International Freight (Pvt) Ltd (formerly the local agent for D B Schenker), Chief Executive Officer at Trans-Ware Logistics both subsidiaries of the John Keells Group as well as Country Manager at DHL Nepal. He also served as General Manager at AICT, GAC Pakistan the country's largest dry port and as Head of Logistics at GAC in Abu Dhabi and Kuwait.

At Aitken Spence, Mr. Gunawardena currently leads the Group's integrated container services segment, driving strategic growth and operational excellence.

He holds a MBA from the University of Western Sydney, Australia, and is a Chartered Member of The Chartered Institute of Logistics and Transport (CILT).

Mr. J.E. Brohier

Mr. Jerome Brohier heads the agency representation and overseas operations segment within the Maritime & Freight Logistics Sector. He joined Aitken Spence Cargo in the year 2000 as the Manager of the express segment. He has over 35 years of experience in the express/ logistics industry, a majority of which is at Aitken Spence Cargo. He was promoted as a Director of the express segment in 2006 and also functioned as the Country Manager of TNT International Express in Sri Lanka and the Maldives from 2008. In 2011 he took over as the Vice President of the freight and courier segment. In 2022, he was promoted to Managing Director – Agency Representation and Overseas Operations with responsibility for freight, express and cargo aviation agencies in Sri Lanka, Bangladesh, Myanmar, Maldives and Cambodia.

Mr. Brohier holds an MBA from the Australian Institute of Business (AIB), Adelaide, is an alumni of NUS- Stanford Graduate School of Business, Singapore and a member of the Association of Business Executives (ABE), UK. He is an Ex-Co member of the Sri Lanka – Singapore Business Council, a past president of the Sri Lanka Association of Air Express Companies and a former committee member of the Ceylon Chamber of Commerce.

Mr. V.P. Kudaliyanage

Mr. Vasantha Kudaliyanage, an accomplished multifaceted leader in the aviation industry with comprehensive in-depth experience & knowledge of the aviation business, is the Managing Director of the General Sales Agency for Singapore Airlines.

Mr. Kudaliyanage's professionalism and systematic approach continues to ensure excellent service delivery for project completion. His outstanding services have been recognised by SIA, our longest GSA of 55 years and he was awarded, 2010 – CEO Award and many regional awards.

Joining Aitken Spence, he counts for 37 years of service, marked by exemplary loyalty, dedication and reliability. His flexibility and adaptability in managing diverse services and delivering results while professionalism and systematic approach continues to ensure excellent service delivery. With the current position, a rapid overall growth was shown, with increased productivity at Aitken Spence Aviation, winning the GRIT award for Sales & Cargo in 2022 and CEO Excellence Award in 2023 followed by Regional VP Excellence Award 2023 for Airport Operations.

Management Council

Mr. D.R.C. Hindurangala

Mr. Chaminda Hindurangala has been with Aitken Spence Group for over 24 years, joining initially in 1996 and then re-joining in 2018. Having successfully played significant roles within the power generation segment and the maritime segment, where he was head of operations of the port management business in Africa.

He took over the leadership of the elevators segment in 2018. Aitken Spence Elevators (Private) Limited is a joint venture with OTIS Company (Singapore), and the agents for OTIS in Sri Lanka and the Maldives. OTIS is the leading elevator brand in the world.

In 2022 he was also given the leadership of MMBL Money Transfer (Pvt) Ltd, a joint venture with MMBL Pathfinder Group. MMBL Money Transfer (Pvt) Ltd is the largest representative for Western Union, RIA & MoneyGram in Sri Lanka

He is well experienced in business development and business process re-engineering to improve processes and increase efficiency. He is also a Director of Aitken Spence Ports International Limited and CINEC Campus.

He is a Fellow of the Institute of Chartered Accountants (CA) Sri Lanka, and has completed CPA Australia, completed a Diploma in Marketing from CIM (UK), and holds an MBA from the University of Wales (UK) and is a Certified Lean Six Sigma Black Belt.

Mr. L.N.D. Silva

Mr. Deshantha Silva joined the Aitken Spence Group on 1st July 2021 and counts over 27 years of diverse management experience across multiple industries in manufacturing and service sectors. He serves Aitken Spence Group Management Council by heading the printing & packaging segment as Director/Chief Executive Officer. His manufacturing industry exposure includes apparel, furniture and printing & packaging industries.

He formerly held Chief Executive Officer positions at Finco Trading (Private) Limited, The Lanka Hospitals Corporation PLC and at ACME Printing & Packaging PLC. He also held the position of Director / Chief Operating Officer at Alpha Industries (Private) whilst serving Finco Group of Companies for 15 years.

Mr. Silva is a qualified engineer, having graduated from University of Moratuwa and holds a Master of Business Administration with an Overall Merit Pass from University of Colombo. He completed his qualifications in accountancy in 1995 and got his membership from CIMA in 2001. With the completion of the Diploma in Marketing at CIM in 1999, he got his membership at CIM in 2002. Currently, Mr. Silva is an Associate Member of the Chartered Institute of Management Accountants (CIMA) in UK, an Associate Member of the Chartered Institute of Marketing (CIM) in UK and an Associate of the Institution of Engineering & Technology (IET) in UK. He is also a Lifetime Fellow Member of the Institute of Chartered Professional Managers in Sri Lanka (CPM) and a Fellow Member of the Institute of Certified Management Accountants (CMA) in Sri Lanka, the Institute of Public Accountants (IPA) in Australia and a Chartered Global Management Accountant.

He was a director of the Association of Laminated Flexible Packaging Manufacturers (ALFPM) for many years and is currently a member of the Council of Management and the Governing Body of the Sri Lanka Institute of Packaging (SLIP) and an EXCO member of Sri Lanka Association of Printers (SLAP).

Mr. S.N. Muttiah

Mr. Suresh Muttiah, prior to joining Aitken Spence PLC was attached to John Keells Group for a period of 10 years, where he held positions of General Manager – Human Resources at Union Assurance PLC and Vice President Human Resources of the group's retail sector, where he played a key leadership role in implementing many business transformation HR strategies.

Suresh also worked at Dialog Axiata PLC for a period of 5 years and Carsons Cumberbatch group for 7 years holding key HR leadership positions. Overall, Suresh counts 25 years in the field of Human Resources of which 21 years in leadership positions.

In recognition of his significant contributions in the field of HR, Suresh was recognised with the 'Outstanding HR Leadership of The Year Award' in 2016, 'Most Influential HR Leaders' in 2019, '501 Fabulous Global HR Leaders of the World' 2020 and 'Top Most HR Leaders Award, Sri Lanka' 2024 by World HRD Congress. Suresh was also recognised as the prestigious Alumnus of Year award by University of Southern Queensland – Australia in 2017. As the Chairperson of the HR sub-committee of Insurance Association of Sri Lanka (IASL) and the President of the University of Southern Queensland Alumni – Sri Lankan Chapter and as a member of the Executive Committee of the Association of HR Professionals, Sri Lanka, Suresh was instrumental in executing many pioneering initiatives.

Suresh holds an MBA and Post Graduate Diploma in Business Administration from the University of Southern Queensland–Australia, Chartered Qualification in HRM (CQHRM) from Institute of Personnel Management SL. Suresh is a member of CIPD (UK), IPMA HR (USA), AHRP (SL) and MCIPM (SL).

Management Council

Mr. K.L.L. Perera

Mr. Lushan Perera joined the apparel industry in 1999 at LM Apparels (Brandix Casual Wear) in Sri Lanka as a Merchandiser for 2 years before moving to Next Sourcing Ltd, Sri Lanka (Part of Next PLC UK), where he worked as a Merchandiser Controller, gaining 5 years of experience.

Between 2005 -2008, he was attached to Melbourne Washing Plant Pvt Ltd., of EAM Maliban Group, Sri Lanka as the Business Development and Customer Relationship Manager liaising with many global retailers and local manufacturing groups.

Subsequently, in 2008, Mr. Perera relocated to Bangladesh and assumed the position of Head Merchandiser at Regency Garments Ltd. His exceptional performance led to a promotion in 2014, when he was appointed as the General Manager Merchandising/Country Manager at FR Apparel Trading, a Dubai-based company that is a member of the Hirdaramani Group. Throughout his nine-year tenure with the company, he achieved remarkable revenue growth.

In 2016, Lushan assumed the role of Chief Executive Officer/Director at Progress Apparels Bangladesh Ltd, where he was a founding member. During his tenure, he successfully led the company to achieve an accumulative sales turnover exceeding USD 60 million within a span of 3 years. He continued to oversee all operations in this capacity until 2021.

In May 2022, Lushan assumed the position of Head of the Aitken Spence Apparel segment, to successfully navigate the organisation through the challenging economic downturn that Sri Lanka was experiencing at that time.

He is a member of the Chartered Institute of Marketing UK and holds certifications as a Management Accountant and Global Business Analyst from ICMA Australia. Additionally, he pursued business studies at the National University of Singapore and obtained a Master's degree in Business Administration from Royal Roads University in Canada. Certificate, case studies of world’s leading companies from Harvard Business School 2019 and obtained various Industrial studies & certifications from Textile Universities in Sri Lanka.

Senior Management Committee

Tourism Sector *In alphabetical order*

Ms. D.R. Alexander
Vice President -
Hotels Segment

Mr. A.R.C.C. Athapattu
Assistant Vice President -
Hotels Segment

Mr. D.J. De Crusz
Vice President -
Hotels Segment

Ms. L.M. Diaz
Assistant Vice President -
Hotels Segment

Mr. C.C.S. Dissanayake
Assistant Vice President -
Maldivian Hotels Segment

Mr. S.M.A.L. Gunasekare
Assistant Vice President -
Maldivian Hotels Segment

Mr. M.D.B.J. Gunatilake
Vice President / Chief Operating Officer -
Maldivian Hotels Segment

Mr. A.S. Hapugoda
Vice President -
Destination Management Segment

Mr. M.T. Hapuarachchi
Assistant Vice President -
Destination Management Segment

Mr. R.J. Hassim
Assistant Vice President -
Hotels Segment

Mr. R. Kohler
Vice President -
Hotels Segment

Mr. M.K.P. Mahagedera
Assistant Vice President -
Destination Management Segment

Senior Management Committee

Tourism Sector *In alphabetical order*

Mr. M. Mahdy

Assistant Vice President - Maldivian Hotels Segment

Ms. N. Mohamed

Assistant Vice President - Overseas Hotels Segment

Ms. N.M. Pelpola

Assistant Vice President - Hotels Segment

Mr. P.G.S. Pereira

Vice President - Hotels Segment

Mr. T.A.E.S. Ranasinghe

Assistant Vice President - Sri Lankan Hotels Segment

Mr. R.S. Ratnayake

Vice President / Chief Operating Officer - Destination Management Segment

Mr. W.M.S. Ratnayake

Vice President / Chief Operating Officer - Hotels Segment

Mr. S.N. de Silva

Vice President / Chief Executive Officer - Oman Hotels Segment

Mr. L.B. Sumanasinghe

Assistant Vice President - Destination Management Segment

Mr. D.L. Warawita

Vice President - Destination Management Segment

Mr. K.S. Wijenayake

Assistant Vice President - Destination Management Segment

Mr. B.G.D.L.P. Wijerathne

Assistant Vice President - Sri Lankan Hotels Segment

Senior Management Committee

Maritime & Freight Logistics Sector

In alphabetical order

Mr. C.A.S. Anthony

Vice President / Chief Operating Officer- Integrated Container Segment

Mr. M.S. Balasooriya

Vice President - Freight Segment

Mr. H. Dela Bandara

Vice President / Chief Operating Officer of Maritime Sector

Mr. M.A.M. Isfahan

Vice President - Maritime & Freight Logistics Sector

Mr. N.J.D.S. Jayawardena

Assistant Vice President - Freight Segment

Mr. C.J. Jirasinha

Assistant Vice President - Freight Segment

Mr. B.C. Mack

Assistant Vice President - Maritime Segment

Mr. M. L. A. Martis

Assistant Vice President - Maritime Segment

Mr. R.W.M.P.S. Rodrigo

Assistant Vice President - Cargo GSA Segment

Mr. G.R. Seilman

Assistant Vice President - Freight Segment

Mr. T.S. Weerasuriya

Assistant Vice President - Freight Segment

Mr. L.I. Witanachchi

Vice President - Maritime Sector

Senior Management Committee

Strategic Investments Sector *In alphabetical order*

Mr. P.S. Dissanayake

Assistant Vice President / Chief Operating Officer - Plantations - Engineering, Project Management & Business Strategies

Mr. J.R. Ekanayake

Assistant Vice President - Power Generation Segment

Mr. T.M.S. Fonseka

Vice President - Corporate Services

Mr. G.C. Galmangoda Guruge

Assistant Vice President / Chief Operating Officer Woven Cluster - Apparel Manufacturing Segment

Mr. A.G. Geethkumara

Chief Executive Officer - Plantations

Ms. W.K.D.M. Jayalath

Assistant Vice President - Corporate Services

Mr. R.W. Jayamaha

Assistant Vice President / Chief Operating Officer Knit Cluster - Apparel Manufacturing Segment

Ms. R.I.D. Katipearachchi

Vice President / Chief Operating Officer - Corporate Services

Ms. R.D. Nicholas

Vice President - Corporate Services

Senior Management Committee

Mr. J.A.R. Nissanka

Assistant Vice President / Chief Operating Officer - Plantations - Finance & IT

Mr. N.L.T. Perera

Vice President - Corporate Services

Mr. B.Y. Poopalapillai

Vice President - Corporate Services

Mr. V.S. Premawardhana

Vice President - Corporate Services

Ms. Y. M. Randeni

Assistant Vice President - Corporate Services

Mr. E.J.M. Robinson

Assistant Vice President - Corporate Services

Mr. D.D.M.A. Saparamadu

Assistant Vice President - Corporate Services

Ms. W.A.D.L. Silva

Vice President - Corporate Services

Mr. J. R. VanDort

Assistant Vice President - Corporate Services

AN INSTITUTION OF TRUST

EMPOWERING THE FUTURE

Built on a longstanding commitment to transparency and strategic oversight, we ensure our governance frameworks are continuously evolving to meet emerging risks and global standards.

Corporate Governance

CHAIRPERSON'S STATEMENT ON GOVERNANCE

Dear Stakeholders,

As I transitioned into the role of Chairperson, the depth and readiness of the organisation's governance framework rewarded my confidence in a smooth commencement of responsibilities. Fit-for-purpose structures, a comprehensive framework of policies, and established processes work in harmony to ensure business continuity. Additionally, our plans had been discussed, approved, and the wheels set in motion to drive the planned strategic changes, in line with the long-term vision of the Group. Arguably, this smooth transition in the Executive Chairperson's role is the strongest testimony to the effectiveness of Aitken Spence PLC's corporate governance framework.

This year, we welcomed four new directors to the Board; Mr. M. R. Mihular, Dr. R. A. Fernando, Mr. Peter Englisch, and Mr. C. J. Sevilla. Board balance was strengthened by these appointments as they all serve in the capacity of Independent Directors. Accordingly, the Board comprises 12 directors, of whom 3 are executive, 5 are non- executive, and 4 are independent, non-executive directors. Furthermore, Mr. M. R. Mihular was appointed as the Senior Independent Director, balancing a potential concentration of power within the Board. The Group's ability to attract professionals of such calibre is a key strength, as they are well known for their integrity and exercise of independent judgement, as well as their foresight and financial acumen.

The Group-aligned structures and processes are, in addition, prepared for mandatory compliance with IFRS Sustainability Standards in the year already commenced. As an early champion of sustainability, the Group has articulated governance structures, strategies and processes for making our business models more sustainable. We have adopted a data driven approach to drive our sustainability agenda, as the availability of non-financial information has supported better decision making. The availability of comprehensive data to create a solid base line, along with other necessary information, has enabled us to move forward with confidence in setting Science Based Targets for the Group to reach net zero by 2030. The Board has approved the plan for reducing emissions, put forward by the Sustainability Team, and has submitted it to the Science Based Targets Initiative (SBTi) for validation. This marks a key milestone in the Group's sustainability journey, as it joins a global pool of sustainability champions who have publicly committed to achieving their targets and will be monitored by SBTi in the years ahead.

The Group's digital transformation continues to gather momentum, providing deeper insights and delivering efficiencies in processing, resource use, and scalability. Accordingly, we have strengthened the Group's IT governance, as we stepped up investments in IT. This includes strengthening our cybersecurity to ensure data privacy, in readiness for the enactment of the Personal Data Protection Act, which is expected to come into force in 2025.

Risk Management continues to underpin organisational resilience, becoming more analytical and sharpening its future-targeted orientation, looking beyond the present and the short term to the medium and long term.

In my years as an Executive Director, I have been able to observe and appreciate the Aitken Spence Group's culture, which is the thread that links the generations of Spensonians together. A strong understanding of ethics and values, combined with a manifest commitment to regulations and standards of conduct, prevail throughout the organisation, supported and reinforced by trusted leaders in every sector.

As Sri Lankans, we are well aware of the need for strong corporate governance and pro-growth policies, which support shared prosperity. As we continue to consolidate the country's economic recovery, the Board of Aitken Spence is as committed to upholding high standards of corporate governance as it is to driving strategic growth and building resilience. This has been our formula for sustainable success and will continue to be the line in the sand for the Group.

Ms. D. S. T. Jayawardena
Executive Chairperson

12th June 2025
Colombo

Corporate Governance

HIGHLIGHTS 2024/2025

Shareholders

- The 72nd Annual General Meeting was held on 06th August 2024.
- Payment of Rs. 1.73 billion as a First and Final Dividend for the financial year ended 31st March 2024.
- An Extraordinary General Meeting was held on 19th December 2024 for the amendment to the Articles of Association.

Leadership Appointments to the Board

- Pursuant to the untimely demise of Deshamanya D.H.S. Jayawardena, Ms. D.S.T. Jayawardena was appointed as the Executive Chairperson of the Board w.e.f. 06th February 2025.
- Mr. M.R. Mihular was appointed as the Senior Independent Director w.e.f. 06th February 2025 in compliance with Rule 9.6.3 of the Listing Rules.

Changes to the Board

- Resignation of Mr. M.A.N.S. Perera, Non-Executive Director w.e.f. 25th November 2024.
- Resignation of Mr. C.H. Gomez, Independent Non-Executive Director w.e.f. 30th December 2024.
- Appointment of Mr. M.R. Mihular, Independent Non-Executive Director w.e.f. 02nd December 2024.
- Appointment of Dr. R.A. Fernando and Messrs. P. Englisch and C.J. Sevilla as Independent Non-Executive Directors w.e.f. 30th December 2024.
- Messrs. J.M.S. Brito, R.N. Asirwatham and N.J. de S. Deva Aditya were redesignated as Non-Independent Non-Executive Directors w.e.f. 01st January 2025.
- Appointment of Mr. C. H. Gomez as a Non-Independent Non-Executive Director w.e.f. 01st April 2025.

Changes to the Subcommittees

- The 4 Board Subcommittees were reconstituted following the appointments of the new Directors and in compliance with the Listing Rules w.e.f. 30th December 2024.
- Appointment of Mr. C.R. Jansz as a Member of the Nominations and Governance Committee and Remuneration Committee w.e.f. 28th March 2025.

Governance Framework

- Alignment of structures and processes for adoption of SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures of Sustainability Disclosure Standards.

Corporate Governance

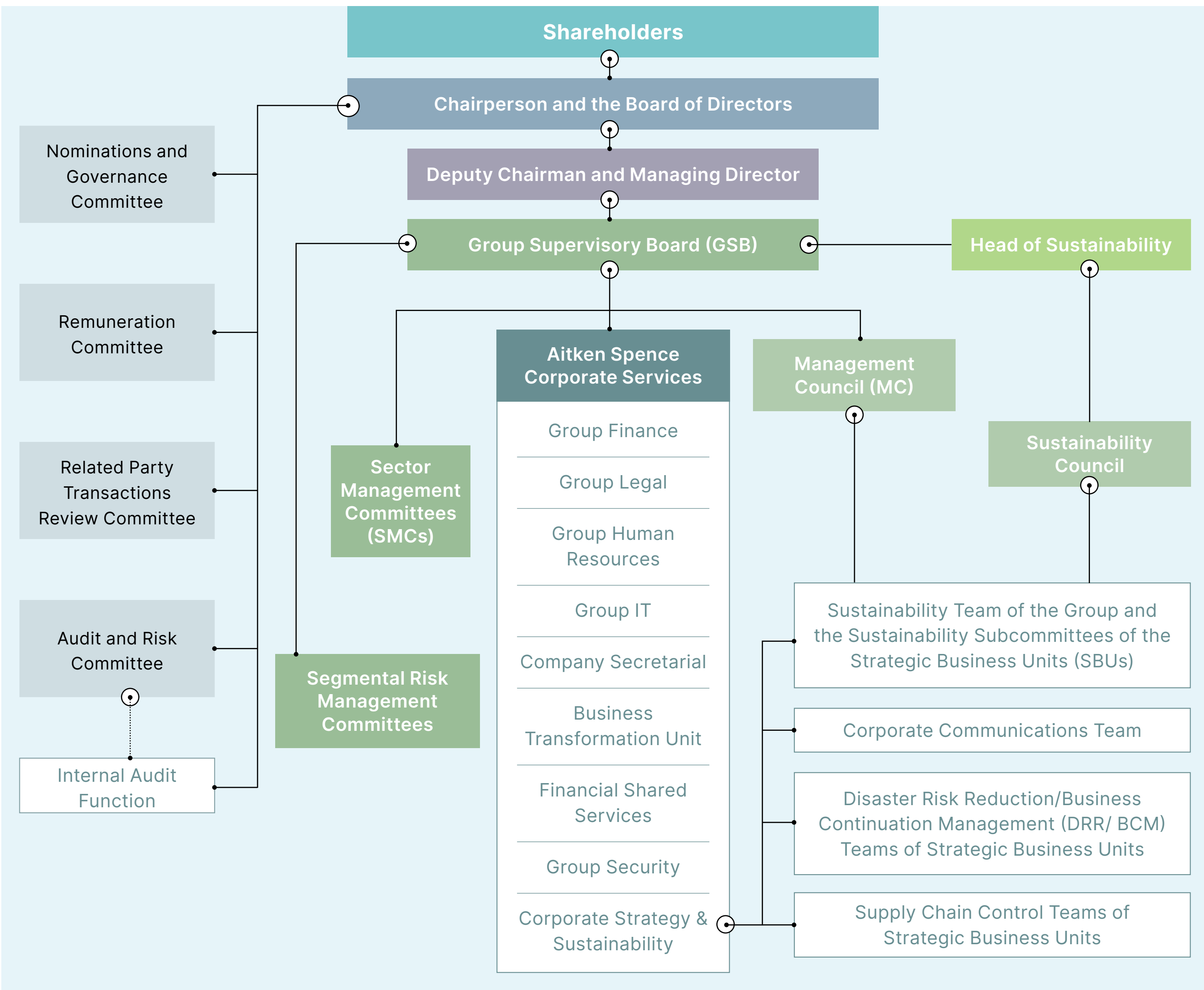
GOVERNANCE FRAMEWORK (GRI 3-3)

Corporate governance is crucial for ensuring transparency, accountability and ethical conduct within an organisation. It establishes a framework for decision-making, helping to align the interests of stakeholders including shareholders, management and employees. Strong governance practices reduce the risk of fraud, improve business performance and enhance trust with investors, customers and the public. Effective corporate governance is essential for long-term sustainability and fostering resilience in a constantly changing business environment.

Governance Structure (GRI 2-9)

The Aitken Spence Group is focused on the continuous improvement of our risk management processes and broadening the scope of our governance and reporting systems. This commitment to enhancing our risk management processes and expanding the scope of our governance and reporting systems reinforces Aitken Spence Group's commitment to maintaining a strong foundation of trust, accountability and performance. Over the past 156 years, we have consistently adapted to the evolving business landscape, ensuring that our operations remain resilient, efficient and aligned with the highest standards of corporate governance. By continually refining our practices, we not only safeguard our long-term success but also build on our rich legacy of sustainable growth, positioning ourselves for continued progress and innovation in the years to come.

The Governance structure of the Group is set out below:



Corporate Governance

OUR APPROACH TO GOVERNANCE

Legal and Compliance Framework (GRI 2-23, 2-27)

The Aitken Spence Group complies with all mandatory legal requirements and adheres to voluntary best practices and upholds its own internal compliance standards to ensure a comprehensive approach to governance. There were no significant fines for non-compliance with laws and regulations during the year.

A synopsis of such compliance adopted by the Company for better governance is given below:

MANDATORY COMPLIANCE

- Companies Act No. 7 of 2007 and the amendments thereto
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 (SLFRs/ LKASs)
- Listing Rules of the Colombo Stock Exchange (CSE)

Refer Table 3 of the Corporate Governance Report for the Statement of Compliance with Section 9 of the Listing Rules

- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto
- Inland Revenue Act No. 24 of 2017 and the amendments thereto
- Foreign Exchange Act No. 12 of 2017 and the amendments thereto
- The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and the amendments thereto
- Industrial laws
- Personal Data Protection Act. No. 9 of 2022
- Anti-Corruption Act, No. 9 of 2023
- Port City Commission Act No. 11 of 2021

VOLUNTARY ADHERENCE

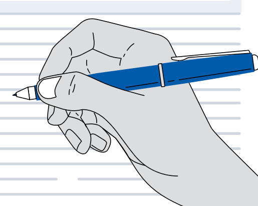
- Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants 2023

Scan this QR Code to see Company's compliance levels with the Code of Best Practice on Corporate Governance 2023.

- Codes of regulatory authorities, professional institutions and Trade Associations
- United Nations Global Compact (UNGC)
- Global Reporting Initiative's (GRI) Universal Standards 2021
- SLFRS Sustainability Disclosure Standards S1 and S2
- Integrated Reporting Framework
- Women's Empowerment Principles
- Social and Environmental Certification Requirements
- UN Guiding Principles on Business and Human Rights

INTERNAL FRAMEWORK

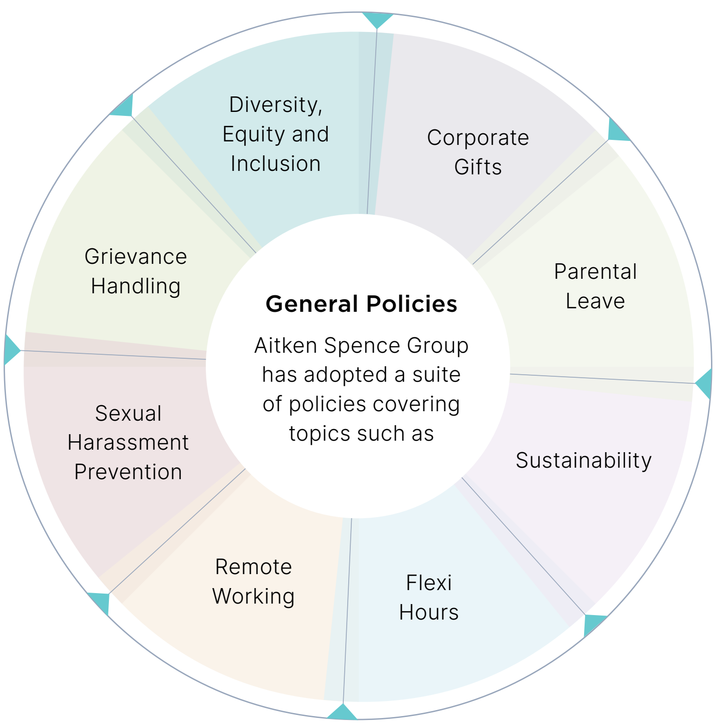
- Articles of Association
- Group Code of Ethics and Professional Conduct
- Board approved Terms of Reference of Board and Board Subcommittee
- Board approved policy frameworks for governance, risk, compliance and operational areas



Corporate Governance

GOVERNANCE POLICIES OF AITKEN SPENCE GROUP (GRI 2-23, 2-24)

The Board has endorsed a comprehensive policy framework and codes to ensure adherence to both regulatory mandates and voluntary standards. The policies are reviewed periodically as required and updated, amended, altered and/or removed as deemed appropriate. All policies are approved by the Board and are available on the intranet for information of all employees. This is further reinforced at all levels through training and structured communication.



Read more on the above policies adopted by the Group in the Human Capital report on pages 285 to 302 of this Annual Report

Group Anti-Bribery and Anti-Corruption Policy (GRI 205-1, 205-2, 205-3)

Introduced in 2022/23, the Group's Anti-Bribery and Anti-Corruption Policy articulates key principles aimed at eradicating bribery and corruption. With an unwavering commitment, the Company stands firm against all forms of bribery and corruption, recognising them as significant threats to its integrity and reputation.

During the reporting period, there were no incidents of corruption reported.

Scan the QR code to read our Anti -Bribery and Anti-Corruption policy published on our website www.aitkenspence.com

Aitken Spence Group operates in accordance with ethical guidelines and maintains a culture of integrity throughout its operations. The Group does not condone any form of bribery and/or corruption. The Group practices a zero-tolerance approach towards bribery and corruption in all its transactions. Further, the Group expects all employees, stakeholders and other third parties providing services to or on behalf of the Aitken Spence Group to refrain from engaging in any form of corruption.

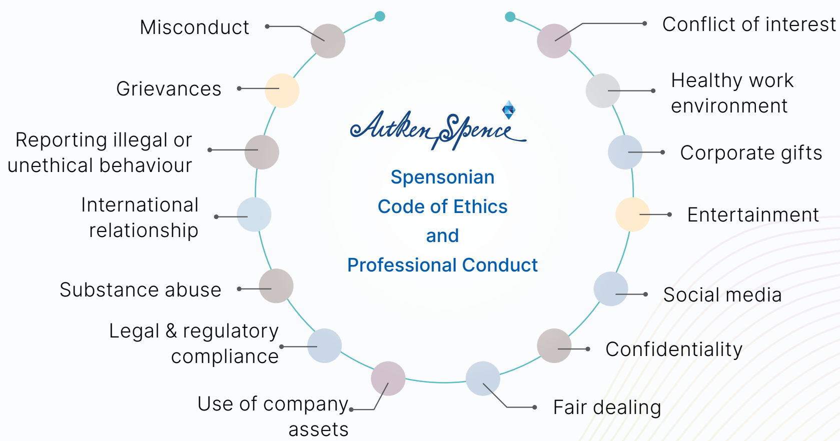
Aitken Spence PLC
Group Anti-Bribery and Anti-Corruption Policy

Corporate Governance

Group Code of Ethics and Professional Conduct (GRI 205-2)

The Group prioritises integrity, professionalism and respect for stakeholders' rights. All employees and Directors adhere to the Group Code of Ethics and Professional Conduct, which upholds corporate values and a reputation for integrity and fair dealing.

The Code is accessible on the intranet and reinforced through training and communication. Employees are given access to review it on the online learning platform "TARTAN." The Board is unaware of any significant violations of the Code by Directors or employees.



Governance Policies

The following policies were formulated in compliance with Rule 9.2.1 of the Listing Rules of the Colombo Stock Exchange:

- Policy on the matters relating to the Board of Directors.
- Policy on Board Committees.
- Policy on Corporate Governance, Nominations and Re-election.
- Policy on Remuneration.
- Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in listed securities.
- Policy in Risk Management and internal controls.
- Policy on Relations with Shareholders and Investors.
- Policy on Corporate Disclosures
- Policy on Control and Management of Company Assets and Shareholder Investments.

The above policies are subject to periodic review by the Board of Directors.

Sustainability Policy

The Board has implemented a comprehensive Integrated Sustainability Policy designed to cultivate a meaningful understanding and effective management of the organisation's environmental, social and governance (ESG) impacts. This policy is supported by a structured implementation framework and is overseen by an Executive Director. The Executive Director provides regular updates to the Group Supervisory Board (GSB), ensuring that progress aligns with the Group's sustainability objectives and goals.

For more details, please refer 'Managing Our Impacts' on pages 121 to 123 of this Annual Report.

Group Whistleblowing Policy (GRI 2-26)

The Group has put in place a Whistleblowing Policy to report, investigate and address any concerns in employee behaviour that are illegal in the workplace. This policy encourages employees to promptly report any suspected illegal activities, assuring confidentiality and investigation by an independent custodian appointed by the Management. It ensures that whistleblowers are treated with utmost confidentiality and fosters two-way communication for necessary follow-up on raised concerns.

Scan the QR code to read our Whistleblowing Policy published on our website www.aitkenspence.com

Corporate Governance

IT GOVERNANCE AND CYBERSECURITY (GRI 418)

The Group's ongoing commitment to strengthening IT and cybersecurity governance is essential in maintaining trust with our stakeholders, ensuring operational continuity and protecting our reputation. As we move forward, we remain dedicated to creating a secure digital environment that supports innovation and growth while safeguarding the interests of our customers, employees and partners.

Strengthening IT and Cybersecurity Governance at Aitken Spence

In today's increasingly digital landscape, robust IT and cybersecurity governance are paramount for safeguarding organisational integrity and fostering stakeholder confidence. Aitken Spence recognises the significance of addressing these challenges head-on and has implemented comprehensive strategies to enhance our governance framework.

Risk Management Strategies

Aitken Spence adopts a proactive risk management approach, prioritising the identification and mitigation of potential cybersecurity threats. We have integrated risk assessments into our project planning processes, ensuring that cybersecurity considerations are embedded from the outset. By employing advanced risk analysis tools and frameworks, we effectively evaluate vulnerabilities and develop tailored strategies to safeguard our digital assets.

Employee Training and Awareness

Recognising that human behaviour is often the weakest link in cybersecurity, we have initiated comprehensive training programs aimed at enhancing employee awareness and responsiveness to cyber threats. Regular workshops, simulations and communications ensure that our staff remain informed about the latest security protocols, phishing schemes, and best practices. This commitment to fostering a culture of security awareness significantly strengthens our overall defenses.

Governance Framework Enhancement

To fortify our IT and cybersecurity governance, we have established a dedicated governance committee comprising cross-functional leaders. This committee is tasked with setting clear policies, standards and procedures that align with industry best practices and regulatory requirements. Regular audits and assessments are conducted to ensure compliance and identify areas for improvement, thus enabling us to adapt to the evolving threat landscape.

IT governance framework

ISMS Steering Committee
↓
Group Supervisory Board
↓
Board

Investment in Advanced Technologies

Aitken Spence is committed to leveraging cutting-edge technology to bolster our cybersecurity initiatives. We have invested in sophisticated security information and event management (SIEM) systems, intrusion detection systems (IDS) and endpoint protection solutions. These technologies not only enhance our ability to detect and respond to threats in real time but also improve our overall incident response capabilities.

Continuous Improvement and Adaptation

In alignment with our strategic objectives, we are dedicated to continuously reviewing and refining our IT and cybersecurity governance processes. This includes staying abreast of the latest industry trends, regulatory changes and threat intelligence. By fostering a culture of continuous improvement, Aitken Spence aims to not only protect our information assets but also to enhance our resilience against future challenges.

For more details, please refer Intellectual Capital on pages 303 to 308 of this Annual Report.

Corporate Governance

THE BOARD

The Directors who held office as at the end of the year are given below and their profiles are set out on pages 80 to 87:

Board of Directors	DoA to the Board	Directorship Status	Board Sub-Committee Membership			
			AC	RPTRC	RC	NGC
Ms. D.S.T. Jayawardena Chairperson (Appointed as the Chairperson w.e.f 06th February 2025)	01/12/2013	ED	BI	BI	BI	BI
Dr. M.P. Dissanayake Deputy Chairman & Managing Director	15/03/2019	ED	BI	BI	BI	BI
Dr. R.M. Fernando	01/04/2005	ED	-	-	-	-
Mr. J.M.S. Brito (Redesignated as a Non-Independent Non-Executive Director w.e.f. 01st January 2025)	01/04/2000	NED	M	M	M	M
Mr. R.N. Asirwatham (Redesignated as a Non-Independent Non-Executive Director w.e.f. 01st January 2025)	01/09/2009	NED	M	M	-	-
Mr. N.J. de S. Deva Aditya (Redesignated as a Non-Independent Non-Executive Director w.e.f. 01st January 2025)	15/09/2006	NED	-	-	-	-
Mr. C.R. Jansz	14/02/2023	NED	-	-	M	M
Mr. M.R. Mihular	02/12/2024	INED/SID	C	C	-	-
Dr. R.A. Fernando	30/12/2024	INED	M	M	M	M
Mr. P. Englisch	30/12/2024	INED	M	M	C	C
Mr. C.J.Sevilla	30/12/2024	INED	M	M	M	M
Mr. C.H. Gomez (Resigned w.e.f. 30th December 2024 and appointed w.e.f. 01st April 2025)	01/04/2025	NED	-	-	-	-
Deshamanya D.H.S. Jayawardena (Demised on 03rd February 2025)		-	-	-	-	-
Mr. M.A.N.S. Perera (Resigned w.e.f. 25th November 2024)		-	-	-	-	-

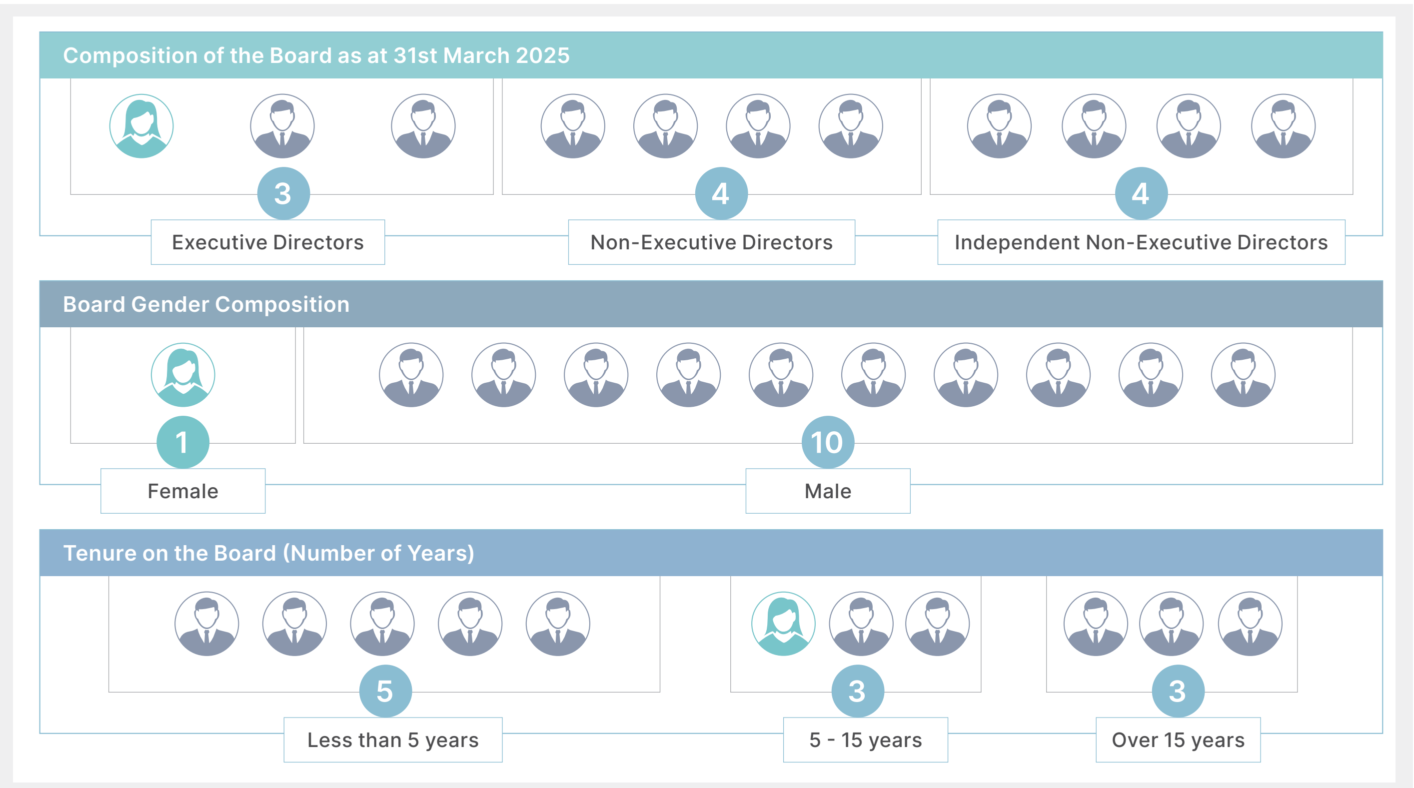
DoA - Date of Appointment **ED** - Executive Director **SID** - Senior Independent Director
NED - Non-Independent Non-Executive Director **INED** - Independent Non-Executive Director
AC - Audit and Risk Committee **RPTRC** - Related Party Transactions Review Committee
RC - Remuneration Committee **NGC** - Nominations and Governance Committee
C - Chairman M - Member BI - By Invitation

Corporate Governance

BOARD COMPOSITION AND TENURE ON BOARD (GRI 2-9, 405-1)

Our Board is collectively responsible for the oversight and success of our business and is comprised of 3 Executive Directors, 4 Non-Executive Directors and 4 Independent Non-Executive Directors as at 31st March 2025. Subsequently Mr. C.H. Gomez was appointed as a Non-Executive Director with effect from 1st April 2025.

The Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by the Institute of Chartered Accountants of Sri Lanka.



BOARD OF DIRECTORS' INDUSTRY BACKGROUND AND EXPERTISE

The size and composition of the Board are shaped by the needs of our varied and complex business environments. A balanced combination of skills, expertise and experience ensures that the Board is fully capable of driving the Group's strategy and fostering value creation.

Corporate Governance

Disclosure in terms of Rule 9.10.4(e) of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange: Companies in which the Directors of Aitken Spence PLC serve as directors (excluding Directorships held in Group Companies).

Ms. D.S.T. Jayawardena

Executive Chairperson
Aiken Spence Hotel Holdings PLC
Browns Beach Hotels PLC

Deputy Chairperson
Lanka Milk Foods (CWE) PLC
Lanka Dairies Limited
Ambewela Products (Private) Limited
Ambewela Livestock Company Limited
Pattipola Livestock Company Limited
United Dairies Lanka (Private) Limited

Non-Independent Non-Executive Director
Melstacorp PLC
Distilleries Company of Sri Lanka PLC

Director
Stassen Exports (Pvt) Ltd
Stassen Natural Foods (Pvt) Ltd
Stassen Foods (Pvt) Ltd
Milford Exports (Ceylon) (Pvt) Ltd
CBD Exports (Pvt) Ltd
Ceylon Garden Coir (Pvt) Ltd
DCSL Breweries Lanka Limited
DCSL Group Marketing (Private) Limited

Dr. M.P. Dissanayake

Chairman
Elpitiya Plantations PLC
Aitken Spence Plantation Managements PLC

Managing Director
Aitken Spence Hotel Holdings PLC

Executive Director
Browns Beach Hotels PLC

Member
Colombo Ports City Economic Commission

Dr. R.M. Fernando

Managing Director
Elpitiya Plantations PLC
Aitken Spence Plantation Managements PLC

Mr. J.M.S. Brito

Non-Executive Director
Aitken Spence Hotel Holdings PLC
Browns Beach Hotels PLC

Mr. R.N. Asirwatham

Non-Executive Director
Aitken Spence Hotel Holdings PLC
Browns Beach Hotels PLC
Dilmah Ceylon Tea Company PLC

Director
Renuka Hotels (Pvt) Ltd
Mercantile Merchant Bank Ltd
Yaal Hotels (Pvt) Ltd

Mr. N.J. de S. Deva Aditya

Non-Executive Director
Aitken Spence Hotel Holdings PLC
Melstacorp PLC
Browns Beach Hotels PLC
Distilleries Company of Sri Lanka PLC
The Kingsbury PLC

Director
Commonwealth Union Holdings Ltd

Corporate Governance

Disclosure in terms of Rule 9.10.4(e) of the Listing Rules on Corporate Governance issued by the Colombo Stock Exchange: Companies in which the Directors of Aitken Spence PLC serve as directors (excluding Directorships held in Group Companies). (Contd.)

Mr. C.R. Jansz

Chairman

Lanka Milk Foods (CWE) PLC
Ambewela Livestock Company Ltd
Ambewela Products (Pvt) Ltd
Lanka Dairies (Private) Limited
Pattipola Livestock Company Ltd
United Dairies Lanka (Pvt) Ltd

Deputy Chairman

Melstacorp PLC

Executive Director

Distilleries Company of Sri Lanka PLC
Lanka Power Projects (Pvt) Ltd

Non-Executive Director

Balangoda Plantations PLC
Madulsima Plantations PLC

Director

Stassen Exports (Pvt) Ltd
Stassen Natural Foods (Pvt) Ltd
Stassen Foods (Pvt) Ltd
Milford Exports (Ceylon) (Pvt) Ltd
CBD Exports (Pvt) Ltd
Ceylon Garden Coir (Pvt) Ltd
Indo Lanka Exports (Pvt) Ltd

Mr. M. R. Mihular

Chairman

Watawala Plantations PLC
Bairaha Farms PLC

Independent Non-Executive Director

Aitken Spence Hotel Holdings PLC
Browns Beach Hotels PLC
Melstacorp PLC
Balangoda Plantations PLC
Madulsima Plantations PLC
Sunshine Holdings PLC

Director

Sunshine Teas (Pvt) Ltd
Lonach Dairy (Pvt) Ltd
Agility Innovation (Pvt) Ltd
DAMRO Holdings Ltd
LTL Holdings Ltd

Dr. R.A. Fernando

Non-Executive Director

Aitken Spence Hotel Holdings PLC
Browns Beach Hotels PLC
Elpitiya Plantations PLC
Melstacorp PLC
Distilleries Company of Sri Lanka
Balangoda Plantations PLC
Madulsima Plantations PLC
Dilmah Ceylon Tea Company PLC

Honorary Independent Director

Ceylon Graphene Technologies Ltd
Ceylon Asset Management Ltd
Global Strategic Corporate Sustainability Pvt Ltd.

Mr. P. Englisch

Non-Executive Director

Aitken Spence Hotel Holdings PLC
Browns Beach Hotels PLC
Milsped, Belgrade
Stockmeier Holding SE

Mr. C.J. Sevilla

Executive Director

Form-A-Co (Gibraltar) Limited
Form-A-Trust (Gibraltar) Limited

Mr. C.H.Gomez

Non-Executive Director

Aitken Spence Hotel Holdings PLC

Director

Brinsa Projects &Technical Resources Limited
CR 1000 Limited
F A C Subnom (No.1) Limited
F A C Subnom (No.2) Limited
Form-A-Co (Gibraltar) Limited
Form-A-Trust (Gibraltar) Limited
J C L Marine Consultants Limited
The West Wing Limited

Corporate Governance

BUSINESS ENGAGEMENT

Governance

- The Board was further strengthened through the appointment of four new Independent Non-Executive Directors.
- Performance was monitored through key performance indicators (KPIs) and accountability was ensured at all levels of the organisation.
- Policies to enhance governance were formulated by the Board as detailed on page 104.
- Continuous review and introduction of new systems and processes into the Group governance structures.
- Transparent reporting to stakeholders is ensured through press releases and announcements issued to the Colombo Stock Exchange.

Stakeholder Relations and Communications

- The Board ensured effective communication with its stakeholders through regular reporting, shareholder meetings and public announcements, providing stakeholders with updates on performance, strategic decisions and key developments in the business.
- On sustainability related risks and challenges, the Group's main points of contact for diverse stakeholders are the members of the segmental sustainability subcommittees tackling diverse areas of focus. The Head of Sustainability, a Board Director, chairs the Group's monthly Sustainability Team meetings so that these representatives have direct access to a Board Director to voice their challenges, raise any issues highlighted by diverse stakeholders and seek support. This has been a practice maintained in the Group for over 20 years.

Strategic Direction and Oversight

- As part of its responsibility in executing the Group's strategy, the Board identified risks and opportunities, while assessing the resilience of its business model in responding to these changing dynamics. The diverse areas of expertise and deep industry knowledge of the Board provides direction on the execution of these strategies.
- The three Executive Directors also serve as members of the Group Supervisory Board, where they offered guidance on the implementation of the goals and strategies established by the Board.
- The Management Council, consisting of Senior Management from the four sectors, held regular meetings to evaluate the progress of strategic goals.

Financial Oversight

- The Board monitored performance of the Group's operations through quarterly and annual financial reviews.
- Sectoral performance was reviewed during meetings of the Group Supervisory Board and the Management Council.
- The recommendations made by both External and Internal auditors on improvements to be made to the processes were implemented.

Risk Management

- To better reflect its broadened responsibility, the Audit Committee was renamed the Audit and Risk Committee. This update highlights the Committee's expanded responsibilities in monitoring both financial integrity and the overall risk management strategies.
- The Risk Management team of the Group was further strengthened during the year.
- Current and potential risks were evaluated and identified considering the changes taking place in the internal and external environment.
- Segmental Risk Management Committees were assigned to oversee and manage specific risks, ensuring clear accountability at a segmental level.
- Risk monitoring through the Group Supervisory Board provides continuous oversight and regularly reviews of the overall risk environment.

Corporate Governance

BUSINESS ENGAGEMENT (CONTD.)

Compliance, Legal, and Ethical Oversight

- The Board ensured the organisation's adherence to all applicable laws, regulations and industry standards, while ensuring that all companies within the Group operated with transparency and integrity to minimise the risk of unethical or illegal behaviour.

Sustainability and Business Transformation

- Aitken Spence was one of the first companies to integrate sustainability into its highest level of governance by appointing a Board Director as the Head of Sustainability to lead sustainability initiatives and represent related concerns across all levels of governance since 2005/2006. More recently, the Group formed a Sustainability Council led by the Head of Sustainability to further integrate sustainability into its business models and drive strategic advancement. The Chairperson of the Board and a Non-Executive Director were also nominated as members of the Sustainability Council.
- The Group's consistent efforts spanning more than 2 decades to integrate sustainability within the business models and operations resulted in the Group being recognised as the Best Corporate Citizen of Sri Lanka for 2024 and entering the Hall of Fame of Best Corporate Citizens for having won the title 5 times. Aitken Spence remains the only company in the country to have been ranked among the top ten corporate citizens for 19 consecutive years.
- The Board approved 'near-term' targets proposed by the Group towards achieving net-zero. These targets have now been submitted to the Science Based Targets initiative (SBTi) for validation.
- Two sectors within the Group have established their own Sustainability Councils which reviews sector specific issues that are then brought to the attention of the Group Supervisory Board for their attention /action.
- As an indicator to reflect the transformation of selected manual processes to automated systems, the Group aims to reduce paper consumption by 30% by the end of 2025.

For more details, please refer 'Managing Our Impacts' on pages 121 to 123 of this Annual Report.

KEY RESPONSIBILITIES OF THE BOARD (GRI 2-12)

- Providing directions and guidance to the Group in formulating and implementing the corporate strategy for value creation in short, medium and long terms and monitoring the implemented strategies ensuring sustainability and impact control.
- Making decisions on Board appointments and evaluating Board performance and ensuring succession planning and the continued ability of the Company to operate without any disruption.
- Overseeing Company's financial performance and adopting appropriate accounting policies.
- Ensuring that the Company adheres to best practices in corporate governance including ethical business practices and compliance with rules, regulations and internal policies of the Group including concerns on ethics, bribery and corruption.
- Establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks
- Ensuring that business operations are conducted with adherence to environmental, social and governance (ESG) considerations.
- Building and improving stakeholder relationships.
- Reviewing and approving major investments, acquisitions, disposals and capital expenditure whilst considering their impacts on society and the environment.

ROLE OF COMPANY SECRETARIES

- Ensuring the conduct of Board and General Meetings are in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Meetings, General Meetings and of the Subcommittee Meetings.
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.
- Monitoring and ensuring compliance with regulatory requirements and keeping the Board informed of any developments in these areas.
- Monitoring and ensuring compliance with regulatory requirements and keeping the Board informed of any developments in these areas.

Corporate Governance

SEGREGATION OF KEY ROLES (GRI 2-11)

Role of the Chairperson

Consequent to the demise of Deshamanya D.H.S. Jayawardena who served as Chairman of the Board, Ms. D.S.T. Jayawardena was appointed to the office of Executive Chairperson of the Company with effect from 06th February 2025 and leads the Group in an Executive capacity. The Chairperson is primarily responsible for:

- Leading the Board, preserving good corporate governance and ensuring that the Board works effectively.
- Setting the Board's annual work plan and the agendas.
- Ensuring that the Board is in control of the affairs of the Company.
- Ensuring effective participation of all Board members during Board meetings and ensuring efficient conduct of Board Meetings.
- Building and maintaining stakeholder trust and confidence.

Role of the Deputy Chairman/Managing Director

Dr. M. P. Dissanayake has served as the Deputy Chairman and Managing Director of the Company since 2019 and oversees the following:

- Implementing strategy and driving performance.
- Ensuring succession planning of the corporate management team and assessing their performance.
- Developing the Company/Group strategy for consideration and approval by the Board in line with guidance provided by the Board.
- Developing and recommending to the Board, budgets supporting the Company/Group long-term strategy.
- Setting the Board agenda in consultation with the Chairperson and assisted by the Company Secretaries.
- Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- Establishing an organisational structure for the Company which is appropriate for the execution of strategy.
- Ensuring a culture that is based on the Company's values.
- Ensuring that the Company operates within the approved risk appetite.

Role of the Senior Independent Director

Pursuant to the appointment of Ms. D. S. T. Jayawardena as the Executive Chairperson of the Company, Mr. M. R. Mihular was appointed as Senior Independent Director in compliance with Rule 9.6.3 (a) of the listing rules.
The key responsibilities of the Senior Independent Director include:

- Exercising independent judgement on Board related matters.
- To ensure that Non-Executive Directors convene at least annually, without the presence of Executive Directors, to deliberate on governance matters and address any concerns related to the Company and its operations and to communicate the outcomes from these discussions to the Chairperson.
- Appraising the Chairperson's performance.

COMPANY SECRETARIES

Aitken Spence Corporate Services (Private) Limited acts as the Company Secretaries and guides the Board in discharging its duties and responsibilities, promoting best practices in Corporate Governance. All Directors have access to the advice and services of the Secretaries as necessary.

The Secretaries maintain minutes of Board Meetings, which are open for inspection by any Director. Appointment and removal of the Company Secretaries is a matter for the Board as a whole.

Corporate Governance

EFFECTIVE PROCESSES

Strong governance processes are essential for overseeing operations and promoting a culture that supports sustainable value creation, all within a structured framework that ensures compliance. Highlighted below are the key processes that form the foundation of our governance framework:

Appointment, Re-election and Resignation of Directors (GRI 2-10)

The Nominations and Governance Committee helps the Board evaluate its structure and composition, recommending candidates for Board appointments. The Board reviews these recommendations and suggests candidates for appointment or re-election to the shareholders at the Annual General Meeting. The Committee carefully assesses the suitability of Directors for appointments vis-à-vis the requirements set out in the Listing Rules of the Colombo Stock Exchange and conducts annual evaluations of their continued service on the Board.

All new Board appointments are promptly announced to the Colombo Stock Exchange and these announcements include details of the Director's expertise, key appointments, shareholdings, other directorships or committee memberships and their independence status.

Directors are required to submit their resignations in writing, which are then promptly communicated to the Colombo Stock Exchange upon the Board's acceptance, along with details of any shareholding in the Group.

Fit and Proper Assessment Criteria

Annual declarations were obtained from the Directors in terms of Rule 9.7.4 of the listing rules, confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. All Directors have satisfied the set criteria.

Induction & Director Learning (GRI 2-17)

Newly appointed Directors undergo a formal and customised induction program coordinated by the Deputy Chairman and Managing Director. They are introduced to the Group's values and culture, operating model, policies, governance framework, the Group's Code of Ethics and Professional Conduct and its operational strategies. Directors are also given the opportunity to hold one-on-one meetings with the management of each subsidiary and, where applicable, visit sites, factories or hotels.

The Board is regularly updated with presentations on the latest developments in corporate governance and the operating environment. Directors are encouraged to participate in seminars and webinars to broaden their knowledge and enhance their effectiveness. Additionally, they pursue personal training and professional growth through seminars, workshops, conferences and staying informed on regulatory updates.

Changes in the Board during the year 2024/2025

Cessations and Resignations

- Demise of Deshamanya D.H.S. Jayawardena on 3rd February 2025.
- Resignation of Mr. M.A.N.S. Perera w.e.f. 25th November 2024.
- Resignation of Mr. C.H. Gomez w.e.f 30th December 2024.

Appointments

- Appointment of Mr. M.R. Mihular w.e.f. 02nd December 2024.
- Appointment of Dr. R.A. Fernando and Messrs. P. Englisch and C.J. Sevilla w.e.f. 30th December 2024.
- Appointment of Mr. C.H. Gomez w.e.f. 01st April 2025.

Corporate Governance

Effective Board Meetings

The Deputy Chairman and Managing Director together with the Company Secretaries, propose the agenda for the Board Meeting, which is then reviewed and approved by the Chairperson, who leads the meetings. Board papers are provided to Directors one week in advance to allow adequate time for review and clarification of the topics to be discussed. The Chairperson ensures that all Board members are well-informed on the matters at hand and Senior Management is available to provide clarification as required.

Board of Directors	Board Meetings			Total Meetings Attended
	05.09.2024	21.11.2024	28.03.2025	
Ms. D.S.T. Jayawardena Chairperson	✓	✓	✓	3/3
Dr. M.P. Dissanayake Deputy Chairman & Managing Director	✓	✓	✓	3/3
Dr. R.M. Fernando	✓	✓	✓	3/3
Mr. J.M.S. Brito	✓	✓	✓	3/3
Mr. R.N. Asirwatham	✓	✓	✓	3/3
Mr. N.J. de S. Deva Aditya	✓	✓	✓	3/3
Mr. C.R. Jansz	✓	EX	✓	2/3
Mr. M.R. Mihular (Appointed w.e.f. 02nd December 2024)	N/A	N/A	✓	1/1
Dr. R.A. Fernando (Appointed w.e.f 30th December 2024)	N/A	N/A	✓	1/1
Mr. P. Englisch (Appointed w.e.f 30th December 2024)	N/A	N/A	✓	1/1
Mr. C.J. Sevilla (Appointed w.e.f 30th December 2024)	N/A	N/A	✓	1/1
Mr. C.H. Gomez (Resigned w.e.f. 30th December 2024 and appointed w.e.f 01st April 2025)	✓	✓	N/A	2/2
Deshamanya D.H.S. Jayawardena (Demised on 03rd February 2025)	EX	✓	N/A	1/2
Mr. M.A.N.S. Perera (Resigned w.e.f. 25th November 2024)	✓	✓	N/A	2/2

Ex - Excused

N/A - Not applicable, meeting was held prior to the appointment or after the resignation/cessation

Corporate Governance

Board Subcommittees (GRI 2-9)

The Board has assigned specific responsibilities that require more focused attention to the four Subcommittees. This structure allows the Board to dedicate adequate time to matters reserved for its decision-making, particularly in executing strategy and addressing forward-looking issues, while ensuring that delegated matters receive thorough attention. Committee Chairmen are accountable for the effective operation of their respective Committees and provide regular reports to the Board on their activities.

	Nominations and Governance Committee	Remuneration Committee	Audit and Risk Committee	Related Party Transactions Review Committee
	Refer Nominations and Governance Committee Report on page 148	Refer Remuneration Committee Report on page 150	Refer Audit and Risk Committee Report on page 152	Refer Related Party Transactions Review Committee Report on page 155
Composition	• 3 Independent Non-Executive Directors, including the Chairman • 2 Non-Executive Directors	• 3 Independent Non-Executive Directors, including the Chairman • 2 Non-Executive Directors	• 4 Independent Non-Executive Directors, including the Chairman • 2 Non-Executive Directors	• 4 Independent Non-Executive Directors, including the Chairman • 2 Non-Executive Directors
Area of Focus	• Evaluate and recommend the appointment/ re-appointment /election/ re-election of Directors to the Board . • Evaluate and recommend suitable internal and external candidates to higher levels of management. • Succession planning. • Effectiveness of the Board and its Subcommittees.	• Determine the remuneration policy of the Directors and the Management Council. • Determine the overall individual remuneration packages which include compensation on termination of employment. • Evaluate the performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and Senior Management of the Strategic Business Units	• Risk management and internal control. • Financial reporting and financial control. • Internal audit. • External audit including assessing the independence of the external auditor. • Compliance with legal and regulatory requirements.	• Review all proposed Related Party Transactions and the post quarter confirmations in accordance with the requirements of the Listing Rules. • Recommend appropriate action for compliance in respect of proposed Related Party Transactions or post quarter confirmations as applicable. • Annual Review of thresholds of transactions falling under the ambit of Section 9.14.8 of the Listing Rules based on the available Audited Financial Statements. • Set out criteria to determine Key Management Personnel.

Corporate Governance

Executive Committees (GRI 2-9)

The Board has set up five tiers of Executive Committees with oversight responsibility enabling efficient discharge of the executive functions of the Board.

Group Supervisory Board (GSB)

- Dr. M.P. Dissanayake
- Ms. D.S.T. Jayawardena
- Dr. R.M. Fernando
- Ms. N. Sivapragasam

Formulates and oversees the execution of strategies within the policy framework set out by the Board of Directors

Management Council (MC)

- Managing Directors and Chief Executive Officers of the sectors

Executes strategies at operational level

Sector Management Committees (SMCs)

- Group Supervisory Board
- Sectoral Managing Director/Chief Financial Officer of the sector
- Senior Sectoral Management Team
- Selected Members from the Cross Functional Senior Management Team

Monitors and reviews operations at sector level

Sustainability Council

- Dr. R.M. Fernando
- Ms. D.S.T. Jayawardena
- Ms. N. Sivapragasam
- Dr. R.A. Fernando
- Managing Directors and Chief Executive Officers of the sectors
- Selected Members of the cross functional senior management team of Aitken Spence Corporate Services (Private) Limited

Oversees sustainability strategies, performance and stakeholder engagement, ensuring compliance and promoting best practices within the Group

Transformation Steering Committee

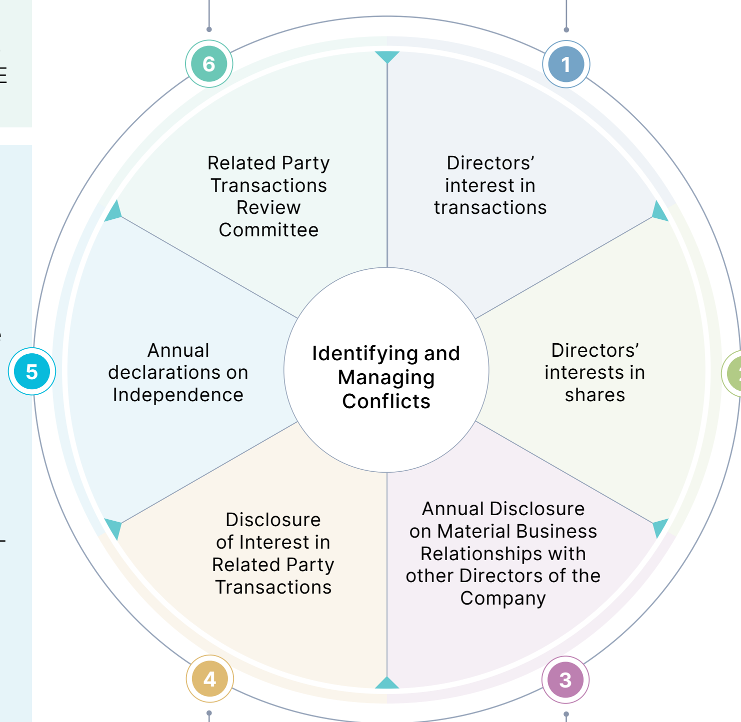
- Dr. R.M. Fernando
- Ms. D.S.T. Jayawardena
- Ms. N. Sivapragasam
- Mr. Suresh Muttiah
- Mr. Mihiran Fonseka
- Mr. Ranmore VanDort
- Ms. Keshini De Silva

Monitors and reviews the Group transformation strategy, provides direction and implements necessary action

Corporate Governance

Identifying and Managing Conflicts of Interest. (GRI 2-15)

The Group has processes in place to identify and manage conflicts of interest which are listed below:



Directors' interest in transactions

All Directors of the Company and its subsidiaries must make annual disclosures as required by Section 192(2) of the Companies Act. Note 40 of the Financial Statements includes details of their interests in related party transactions.

Directors' interests in shares

Directors of the Company and its subsidiaries who have a relevant interest in shares have disclosed their holdings and any transactions to their Boards, as per Section 200 of the Companies Act. These interests and transactions have also been reported to the CSE in line with Rule 7.8 of the Listing Rules, and recorded in the Company's Interests Register, in compliance with the Companies Act.

Annual Disclosure on Material Business Relationships with other Directors of the Company

In accordance with Rule 9.10.4(c) of the CSE Listing Rules, declarations were obtained from the Directors to identify any material business relationships they or their close family members may have with other Directors of the Company.

Disclosure of Interest in Related Party Transactions

Quarterly declarations are obtained from Key Management Personnel (including the Board, Directors, Vice Presidents, and Assistant Vice Presidents of subsidiaries) to identify and confirm Related Party Transactions, ensuring compliance with CSE Listing Rule disclosure requirements.

Annual declarations on Independence

In accordance with the corporate governance principles of the CSE Listing Rules and Schedule C of the Code of Best Practice on Corporate Governance 2023, Independent Directors submit signed annual declarations confirming their independence or non-independence, based on the criteria outlined in Rule 9.8.3 of the CSE Listing Rules.

Related Party Transactions Review Committee

The Board has formed a Related Party Transactions Review Committee, consisting of four Independent Non-Executive Directors and two Non-Executive Directors, who meet quarterly to review Related Party Transactions in accordance with the CSE Listing Rules.

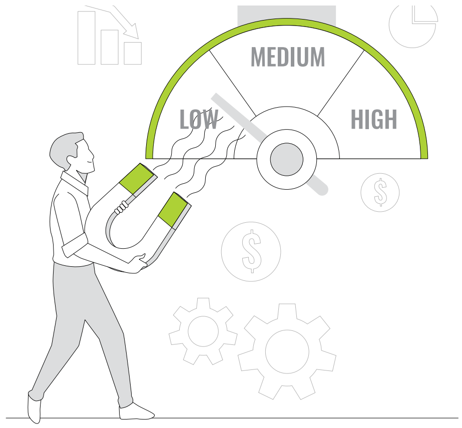
Corporate Governance

Risk Management

The Board is responsible for setting in place a system to identify, assess, measure, monitor and manage the principal risks of the Group and determining the level of risk it is willing to accept in relation to its strategic goals.

The Group implemented a centralised risk management process using a Segment-Wise Risk Register, which is updated on a quarterly basis by the business segments to enable the preparation of a merging Segment-Wise Risk Register for the Group. This was further strengthened with training and obtaining additional information to support the Group's journey in adopting the IFRS Sustainability Standards. This further ensures that business segments have a holistic approach in identifying and assessing risks from a continuously updated risk universe. A common taxonomy and classification is followed facilitating consolidation.

Additionally, central support services, such as HR and IT assess the specialised risks for the Group, thereby ensuring that the risks capture issues related to subsidiaries as well, through regular meetings with Business Segment heads. The Group Internal Audit-Risk Unit division reviews the risk management processes and moderates the same prior to reporting on Group risks to the Board.



Further details are provided in the Risk Management Report on page 137.

PERFORMANCE OVERSIGHT

Performance is reviewed periodically by the GSB and the Board who consider performance vis-à-vis strategy, agreed budgets and targets encompassing both financial and non-financial performance. They receive sufficient explanation for over and under performance and deliberate on the need for strengthening resources allocated for the pursuit of critical strategic objectives.

Each subsidiary is managed by a group of Directors and CEOs, which make up the Management Council who report to the Deputy Chairman and Managing Director. Sectoral Management Committee meetings are held quarterly with the participation of the senior management team of the subsidiary, including the senior management team of the corporate office who discuss in depth, the operational environment, risks, threats and strategy and the performance related issues. These meetings are headed by the Deputy Chairman and Managing Director or another Board Director.

Internal Controls, Accountability and Audit

Standard Operating Procedures (SOPs) are formulated by subsidiary companies and are reviewed by Internal Audit. All employees are required to follow these SOPs and any deviations are reported with corrective action agreed upon by the Management. Serious deviations trigger deeper investigations and root cause analysis, potentially leading to disciplinary action. Internal Audit Reports, which include audit findings, risk assessments and management responses, are reviewed by the Audit and Risk Committee, which may recommend additional measures to strengthen controls if deemed necessary.

The Audit and Risk Committee assists the Board in fulfilling its responsibilities regarding financial reporting, audit oversight and risk management. The Committee reviews performance, internal audit reports and risk management reports regularly. Additionally, it assesses the adequacy of internal controls.

Further details are provided in the Audit and Risk Committee Report on page 152.

Resource Allocation

Any new investment/project is discussed with the Group Supervisory Board and evaluation is jointly carried out by the respective subsidiary as well as the Corporate Services team, who then present their observations on same to the GSB. Environmental and social impacts, and implications of long-term outcomes are also analysed in addition to the financial evaluation. If approved, these are then presented to the Board of Directors for final deliberation.

Legal & Regulatory Compliance

All Head of Finance of the SBU's are required to sign off on adherence to compliance with the SLFRS and tax regulations on a quarterly basis. Operational compliance is monitored by the Sector Management Committee who keep the Board informed on matters of concern identified. Additionally, Internal Audit also reviews compliance with regulatory and legal requirements and submit reports to the Audit and Risk Committee which convenes on a regular basis to discuss these reports. Any significant issues are further escalated to the Board of Directors. The Audit and Risk Committee signs off on an Internal Audit Plan for the year and may request for additional reviews as and when required.

Corporate Governance

Evaluation of Performance of the Board (GRI 2-18)

Performance of the Deputy Chairman and Managing Director and other Executive Directors are assessed at the end of each financial year against financial and non-financial objectives set out in consultation with the Board at the commencement of every financial year. The evaluation is carried out by the Chairperson, against the backdrop of the operating environment. Remuneration is revised based on performance. Areas identified for improvement are communicated to the respective Director, including training needs, and skills and knowledge gaps.

Director Remuneration (GRI 2-19, 2-20)

The Remuneration Committee is responsible for making recommendations to the Board regarding the remuneration of the Executive Directors and Key Management Personnel (KMPs). The compensation for Directors and KMPs is aligned with objectives for sustainable value creation that are consistent with the Group's strategy. It is determined based on well-defined performance goals that are appropriately challenging and benchmarked against the industry standards.

The Board as a whole determines the remuneration of the Non-Executive Directors (NEDs). NEDs are remunerated based on their attendance at Board and/or Committee meetings. Remuneration for NEDs reflects the time commitment and responsibilities of their role, taking into consideration market practices. They do not receive any performance related incentive payments. Professional advice is sought by the Board and Remuneration Committee in discharging their responsibilities.

Further details are provided in the Remuneration Committee Report on page 150.

Employee Remuneration

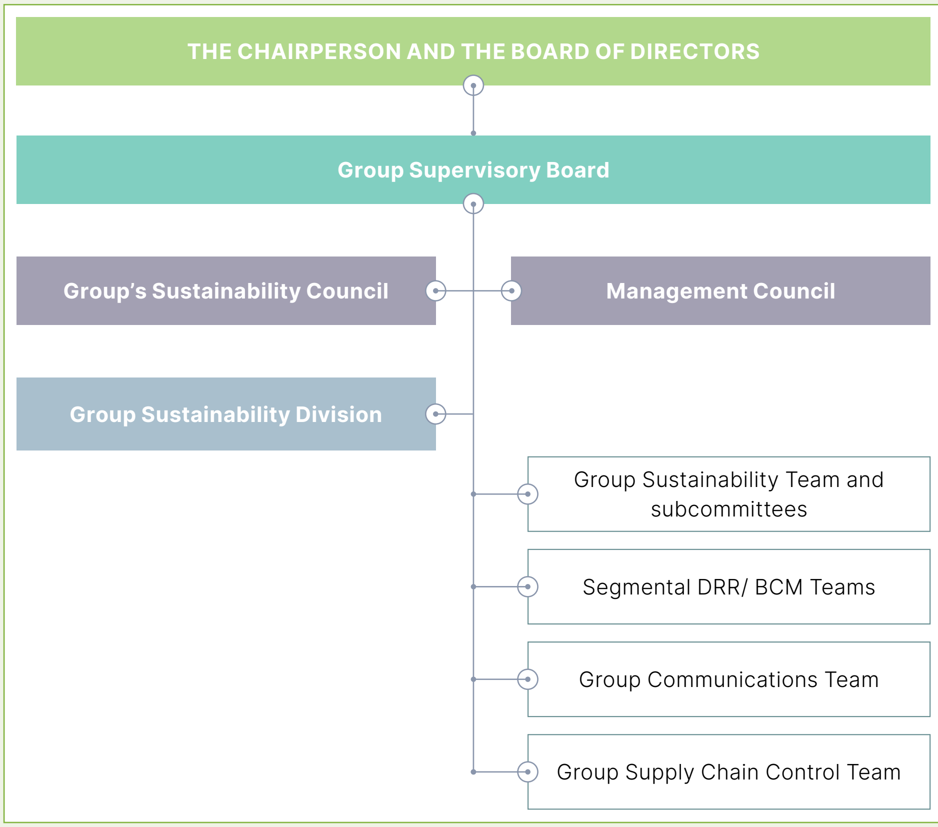
Aitken Spence's remuneration policy is designed to incentivise employees in creating long-term value for the Group and aligning their interests with the Group's strategic direction. This policy ensures effective utilisation of Group resources and a continued focus on sustainability, growth and long-term value. The Group has established policies to ensure that remuneration and benefits are fair, transparent, competitive and cost-effective while also aligning with the Group's business goals. The implementation of this policy is overseen by the Group Chief Human Resource Officer.

A total reward philosophy is maintained within the Group, encompassing both monetary and non-monetary rewards. In order to position the Group as an employer of choice, new rewards have been introduced to provide staff with a unique value proposition.

Further details are provided in the Human Capital Report on page 285

Corporate Governance

MANAGING OUR IMPACTS (GRI 2-9, 2-13)



Integrated Sustainability Policy

Scan this QR code to read our Integrated Sustainability Policy published on the Aitken Spence website: www.aitkenspence.com/sustainability

Role of the Board in Managing Impacts (GRI 2-12)

- Ms. D.S.T. Jayawardena, Chairperson of the Board, was appointed as a Nominee Member of the Sustainability Council.
- Sector-wise sustainability councils were set up by the Tourism sector and Services sector as well as the plantations segment.
- The process to identify impacts and prioritise the most significant impacts is explained in the 'Determining Materiality' section of this Annual Report. The Board provides policy direction, guidance on required action to ensure governance and impact control and approval for targets and necessary resource allocation.
- The Group has put in place a comprehensive policy framework and governance structure to ensure economic, social and environmental sustainability. All 17 segments of the Group have separate sustainability teams (sustainability subcommittees) that report to their respective Managing Directors and have the independence to enhance the benchmarks and recommended action points (essential/ expected/ exemplary) set across the Group. Over 600 team members across the Group handle diverse responsibilities, maintaining more than 180 diverse processes and management systems for ESG and impact control. The main representative of each subcommittee forms the Group's Sustainability Team which convenes once a month to discuss performance, pertinent issues and the way forward in sustainability. Where necessary, the Group's Sustainability Division holds one-to-one meetings directly with the segmental subcommittees and their Managing Directors. Input from these subcommittees plays a crucial role in the Group's sustainability strategy as they represent operational concerns of their respective industries and are also the main points of contact for relevant key stakeholders at segment level.
- This process is led by the Board with the Head of Sustainability directly overseeing the policy direction and implementation of the Group's sustainability strategy. To facilitate direct access to the Board, the Group's monthly Sustainability Team meetings are chaired by the Head of Sustainability, a Board Director. It is important to note that this practice has been maintained by the Group for over 20 years. Key decisions on impacts identified as significant and/or requiring significant resource allocation/ changes to business models are reviewed at GSB level and are escalated to Board level where necessary.

Corporate Governance

Communication of Critical Concerns (GRI 2-16)

- The reporting hierarchy for sustainability related decision-making in the Group is outlined in the 'About Us' section of this Annual Report. The Sustainability Subcommittees within the Group implement required action and coordinate internal reviews periodically to ensure sustainability practices are effective to achieve their priorities. The results of these inspections as well as routine impact assessments and stakeholder concerns are reviewed by the management at least once a year to assess overall progress.
- Accordingly, critical concerns are raised by each team to their Managing Directors (MDs) and through the MDs to the GSB and the Board of Directors if required.
- As explained above, the Group's Sustainability Team meets monthly, convened by the Head of Sustainability of Aitken Spence PLC, an Executive Director of the Group. The team discusses progress and raises any issues/concerns directly to the Head of Sustainability, who in turn reports same to the GSB and to the Board of Directors for their information/direction on course of action to be pursued.

Role of the Highest Governance Body in Sustainability Reporting (GRI 2-14)

- The Board approves all policies and initiatives undertaken by the Group pertaining to economic, social and environmental sustainability. The implementation and execution of same is overseen by the Group's Head of Sustainability, an Executive Director.
- Sectoral Management Committees, the GSB and the Board receive regular reports on material matters and these form key inputs in driving performance management, strategy formulation and resource allocation. During the year under review, a Sustainability Council was appointed to review performance and provide guidance to the Group's companies on necessary action.

Mitigating our Impacts and Embedding Policy Commitments (GRI 2-13)

- The Company has established an Integrated Sustainability Policy that encompasses 20 policy commitments. All segments specified in our reporting boundary adhere to the Group's Sustainability Policy, which provides guidance on necessary action to ensure sustainability. To ensure the realisation of these commitments, each statement is reinforced by a corresponding action plan. These action plans are designed into a framework to provide flexibility to the Company's diverse segments, which may have distinct priorities.
- To ensure due diligence, the Group conducts annual reviews where the business segments are assessed on action points and benchmarks deemed as 'essential' as the minimum standard in the Group well as higher controls 'expected' for specific segments where higher impact controls are considered as a requirement. The segments are also advised to take 'exemplary' actions that are pertinent to their significant impacts or potential to create sustainable long-term value.

Our Commitment to Global Benchmarks and the Sustainable Development Goals

The Group assesses both local and global development priorities to shape our strategic focus on business sustainability. As a signatory to the UN Global Compact (UNGC) since 2002 and the Women's Empowerment Principles since 2011, Aitken Spence is committed to the directives set forth in the Ten Principles of the UNGC and the WEPs. Additionally, the segmental teams adhere to industry-specific voluntary standards that further guide their operations.

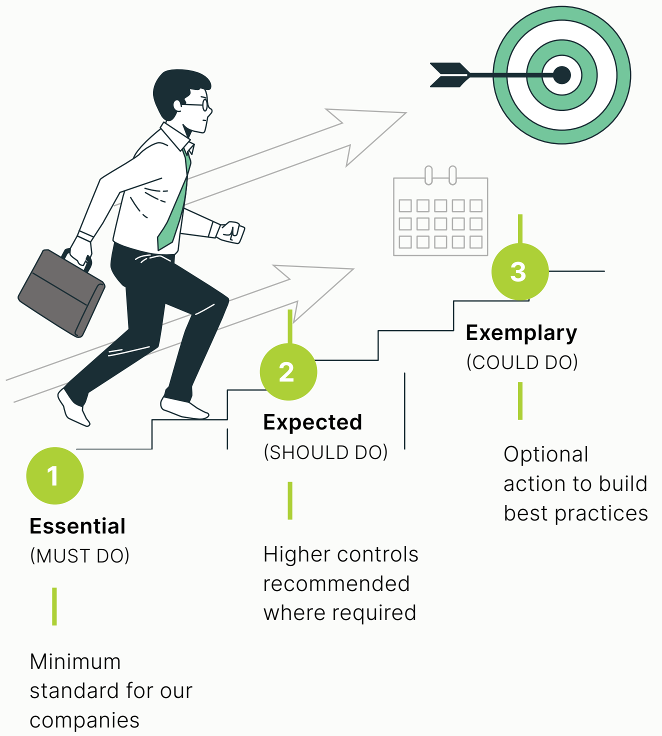
The Group has strategically aligned our efforts with seven specific Sustainable Development Goals (SDGs) where the targets within the goals directly relate to the Group's identified material issues to guide our actions. Each business segment further tailors their activities to align with those SDGs that are most pertinent to their particular operational contexts, ensuring a cohesive and targeted approach to sustainability across the Group.

For more details, please refer pages 62 to 67 of this Annual Report.

Corporate Governance

The Action Plan to Implement the Policy Commitments

The implementation framework of Aitken Spence's integrated sustainability policy



Total management systems maintained at different levels of control or compliance

200

Total management systems certified

86

These policy commitments aimed at promoting social and environmental governance and sustainability are also met through the implementation of other policies, procedures and best practices that fall within different operational structures of the Group. For instance, human resources governance structures fulfil the policy commitment 'O' to nurture a motivated and dedicated workforce (Please refer to the 'Decoding our Integrated Approach to Sustainability' for a more detailed overview). Each segment also has its own unique strategies in place that are designed to meet the needs of these policies. Management systems aligned to global benchmarks and best practices play a crucial role in these strategies as it facilitates a systemic approach to identify and manage environmental and social impacts.

This demonstrates the interconnectedness of policies and practices within the Group and how they work together to achieve common objectives. The Group's overall priorities for social, environmental and economic sustainability are captured through the Spence IMPACT strategy which is explained on page 78.

Over the past year, the Group established a Sustainability Council to oversee the strategic direction and performance of sustainability initiatives. This decision was driven by the need for more consistent interventions at the senior management level to address identified gaps and strengthen the Spence IMPACT strategy, ensuring a more strategic and integrated approach.

109 Management systems and structured processes established for environmental impact control out of which 48 systems are certified

119 Management systems established for social impact control out of which

46 are certified for Occupational Health & Safety (OHS) and

53 are certified for quality/ product safety.

Corporate Governance

Shareholder Communications

Shareholder communications are handled by the Company Secretarial Division, with the Annual General Meeting (AGM) serving as the primary platform for same. However, Shareholders can also ask questions, provide feedback, or make suggestions to the Board through the Company Secretaries. The Group has also provided a 'Shareholder Feedback Form' on the Group's Annual Report as well as the Group's website (www.aitkenspence.com/feedback) to provide any feedback directly to the Company. Any significant issues or concerns raised by shareholders are forwarded to the Board, along with the Management's views. The Company Secretaries respond to shareholder inquiries on behalf of the Management. Additionally, Shareholders have the opportunity to address the Board directly during the AGMs.

The Board approves the quarterly Financial Statements for dissemination to Shareholders through the CSE in a timely manner. All other price sensitive information such as major acquisitions or disposals and share transaction dealings are also promptly notified to the CSE.

Engagement Mechanism	Frequency of Engagement					
	Annually	Quarterly	Periodically	Regularly	24 Hours 7 days	As and when Required
General meetings	✓					
Annual Report	✓					
Interim Financial Statements		✓				
Disclosures and announcements to the CSE			✓			✓
Corporate website					✓	
General correspondence				✓		
CSR projects				✓		

Corporate Governance

COMPLIANCE WITH THE COMPANIES ACT NO. 7 OF 2007

(Table 1)

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries and the classes of business in which the Company has an interest	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer Financial Statements and Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (c)	Auditors Report on Financial Statements of the Company and the Group	Refer Financial Statements of this Annual Report	Compliant
168 (1) (d)	Change of accounting policies during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (h)	Directorate of the Company and the Group as at the end of accounting period along with the changes occurred during the accounting period	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer Annual Report of the Board of Directors of this Annual Report	Compliant
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer Annual Report of the Board of Directors of this Annual Report	Compliant

Corporate Governance

COMPLIANCE WITH THE CONTINUING LISTING REQUIREMENTS - SECTION 7.6 ON THE CONTENT OF ANNUAL REPORT ISSUED BY THE COLOMBO STOCK EXCHANGE

(Table 2)

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
7.6 i)	Names of Directors of the entity	Refer Corporate Information of this Annual Report	Compliant
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer Annual Report of the Board of Directors and the Group Directorate of this Annual Report	Compliant
7.6 iii)	20 largest holders of voting and non-voting shares and the percentage of shares	Refer Investor Information of this Annual Report	Compliant
7.6 iv)	The float adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer Investor Information of this Annual Report	Compliant
7.6 v)	Directors and CEO's holding in shares of the entity at the beginning and end of reporting year	Refer Investor Information of this Annual Report	Compliant
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer Risk Management of this Annual Report	Compliant
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer Human Capital of this Annual Report	Compliant
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer Note 15.3 and 16.3 to the Financial Statements of this Annual Report	Compliant
7.6 ix)	Number of shares representing the stated capital	Refer Investor Information of this Annual Report	Compliant
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer Investor Information of this Annual Report	Compliant
7.6 xi)	Ratios and market price information	Refer Investor Information of this Annual Report	Compliant
7.6 xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Refer Note 15 and 16 to the Financial Statements of this Annual Report	Compliant
7.6 xiii)	Funds, (if any) raised either through a public issue, rights issue and private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As at date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer Corporate Governance Report of this Annual Report	Compliant
7.6 xvi)	Related Party Transactions	Refer Note 40 to the Financial Statements and the declaration of the Board of Directors embodied in the Annual Report of the Board of Directors of this Annual Report	Compliant

Corporate Governance

COMPLIANCE WITH SECTION 9 OF THE LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE

(Table 3)

CSE Rule	Requirement	Status of Compliance	How We Comply
9.1	**Corporate Governance Rules**		
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Compliant	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below. Also refer 'Chairperson's Statement on Governance' in the Corporate Governance Report of this Annual Report.
9.2	**Policies**		
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	Compliant	The Company has formulated the policies referred to in a, b, c, d, e, f, g, h, i, j, k and l and the said polices are periodically reviewed by the Board.
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	N/A	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to website ii Any changes to policies adopted	Compliant	Refer 'How We Comply' under Rule 9.2.1 above.
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	Compliant	Refer 'How We Comply' under Rule 9.2.1 above.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.3	**Board Committees**		
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit and Risk Committee (d) Related Party Transactions Review Committee	Compliant	The Company has in place a Nominations and Governance Committee, Remuneration Committee, Audit and Risk Committee and a Related Party Transactions Review Committee.
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	Compliant	Refer 'How We Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Compliant	The Chairperson of the Board does not serve as the Chairman of any Board Subcommittees.
9.4	**Principles of democracy in shareholder dealings**		
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	Compliant	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	Compliant	Refer "How We Comply" under Rule 9.2.1 above.
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	Compliant	Refer "How We Comply" under Rule 9.2.1 above.
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-compliant reasons for the same with proposed remedial action	Compliant	Refer "How We Comply" under Rule 9.2.1 above.
9.6	**Chairperson and CEO**		
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a Senior Independent Director is appointed by such Entity in terms of Rule 9.6.3 below	Compliant	Since the Chairperson is an Executive Director, a Senior Independent Director has been appointed in compliance with Rule 9.6.3.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	N/A	N/A
9.6.3	Senior Independent Director	Compliant	Mr. M. R. Mihular was appointed as the Senior Independent Director of the Board with effect from 06th February 2025 since the Chairperson is an Executive Director.
9.6.4	Rationale for appointing Senior Independent Director	Compliant	Refer Report of the Senior Independent Director.
9.7	**Fitness of Directors and CEOs**		
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules	Compliant	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Compliant	Declarations obtained from the Directors in terms of Rule 9.7.4 are presented to the Nominations and Governance Committee for determination prior to recommending the Director for appointment/ re-election.
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if she or he does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	Compliant	Refer 'How We Comply' under Rule 9.7.1 above.
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Compliant	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2025.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	Compliant	Refer the 'Annual Report of the Board of Directors' of this Annual Report. N/A
9.8	**Board Composition**		
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	Compliant	As of the date of the publication of this Annual Report, the Company consists of 12 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE.
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	Compliant	The Board consists of 4 Independent Directors as at the date of publication of this Annual Report.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Compliant	All the Independent Directors of the Company fulfil the criteria for determining independence under Section 9.8.3 of the Listing Rules.
9.8.5	(a) Each Independent Director to submit a signed and dated declaration annually of his or her “independence” or “non-independence” against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein (b) Make an annual determination as to the “independence” or “non-independence” of each Independent Director based on the Directors’ declaration and other information available to it and shall set out the names of Directors determined to be ‘independent’ in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	Compliant	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE Refer ‘Board Composition’ in the Corporate Governance Report of this Annual Report.
9.9	**Alternate Directors**		
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	N/A However, the Articles of Association of the Company were amended to incorporate the requirements set out under Rule 9.9 of the Listing Rules.
9.10	**Disclosures Relating to Directors**		
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships it’s Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	Compliant	Refer “How We Comply” under Rule 9.2.1 above.
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	Compliant	Refer ‘Appointment, Re-election and Resignation of Directors’ in the Corporate Governance Report of this Annual Report.
9.10.3	Listed Company shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors and Board Committees referred to in Rule 9.3 of the Listing Rules containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	Compliant	Changes to the Board and Board Sub Committees are promptly notified to the Colombo Stock Exchange.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members has any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	Compliant	a), b) and d)- refer 'Board profiles' of this Annual Report c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect will be included in the 'Annual Report of the Board of Directors' of this Annual Report e), f), g) and h) - refer in the Corporate Governance Report of this Annual Report i) – Refer report of the Senior Independent Director.
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	Compliant	The Company has a Nominations and Governance Committee that conforms with the requirements set out in Section 9.11.
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	Compliant	Refer "How We Comply" under Rule 9.2.1 above.
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	Refer "How We Comply" under Rule 9.2.1 above.
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	Compliant	Refer 'Composition of the Committee' in the Nominations and Governance Committee Report.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.11.5	The functions of the Nominations and Governance Committee	Compliant	Refer 'Nomination and Governance Committee Report' of this Annual Report.
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once in 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to appointment and reappointment of Directors	Compliant	Refer 'Nomination and Governance Committee Report' of this Annual Report.
	(g) Details of directors re-appointed • Board Committees served • Date of first appointment • Date of last re-appointment • Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years • Any relationships – close family member, more than 10% shareholding (h) Performance of periodic evaluation of Board (i) Process adopted to inform Independent Directors of major issues. (j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement (k) Annual update for all Directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules, if non- compliant reasons and remedial actions		
9.12	**Remuneration Committee**		
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	Compliant	The Company has a Remuneration Committee that conforms with the requirements set out in Section 9.12.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Compliant	Refer 'Director Remuneration' in the Corporate Governance Report of this Annual Report and the 'Remuneration Committee Report' of this Annual Report.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	Compliant	Refer 'How We Comply' under Rule 9.2.1 above.
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	Compliant	Refer 'Remuneration Committee Report' of this Annual Report.
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company (2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Compliant	Refer 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report.
9.12.7	The functions of the Remuneration Committee	Compliant	Refer 'Remuneration Committee Report' of this Annual Report.
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	Compliant	Refer 'Remuneration Committee Report' of this Annual Report. Refer Note 9 to the Financial Statements of this Annual Report.
9.13	**Audit Committee**		
9.13.1	Where a Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	Compliant	The Audit and Risk Committee of the Company also performs the risk functions and accordingly was renamed as the Audit and Risk Committee.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Compliant	The Audit and Risk Committee has a written terms of reference clearly defining its scope, authority and duties.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be Independent Directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market.	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.13.3 (Contd.)	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.13.4	The functions of the Audit Committee	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	Compliant	Refer 'Audit and Risk Committee Report' of this Annual Report.
9.14	**Related Party Transactions Review Committee**		
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	Compliant	The Company has a Related Party Transactions Review Committee that conforms with the requirements set out in Section 9.14.1.
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.3	The functions of the Related Party Transactions Review Committee	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.4 (Contd.)	3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	N/A	There were no Related Party Transactions during the year which required shareholder approval. The Company would comply with this Rule should a need arise.
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	N/A	There were no Related Party Transactions during the year which required an immediate Market Announcement. The Company would comply with this Rule should a need arise.
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	Compliant	Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/ income (in the specified format)	Compliant	Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.

Corporate Governance

CSE Rule	Requirement	Status of Compliance	How We Comply
9.14.8 (3)	Related Party Transactions Review Committee Report • Names of the Directors comprising the Committee • Statement that committee has reviewed RPTs and communicated comments/observations to the Board • Policies and procedures adopted by the Committee	Compliant	Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	Compliant	Refer 'Annual Report of the Board of Directors' of this Annual Report.
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	N/A	The Company has not acquired or disposed of any assets from/to Related Parties. The Company would comply with this Rule should a need arise.
9.17	**Additional Disclosures**		
9.17	Additional disclosures by Board of Directors Declaration on following • All material interests in contracts and have refrained from voting on matters in which they were materially interested • Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations an explanation on why it is unable to do so; • Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; • Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	Compliant	Refer 'Annual Report of the Board of Director' of this Annual Report.

Risk Management

At Aitken Spence, we believe that the future is shaped by the decisions we make today. Through our philosophy of *build better before,* we adopt a proactive approach to risk management by anticipating challenges and building a stronger, more resilient foundation for the future. By addressing risks head-on before they can impact our operations, we ensure not only the sustainability of our business but also the continued success of our long-term goals. By leveraging knowledge and robust risk management culture, we safeguard business continuity while creating long-term value. We position ourselves to shape a future for sustainable growth and success, by executing timely and well-informed strategic decisions.

THE RISK LANDSCAPE

The old adage “forewarned is forearmed” has stood the test of time and its core message remains relevant as geoeconomic and geopolitical disruptions converge with climate change and advances in artificial intelligence to shape the foreseeable future, elevating potential downside risks while also creating new opportunities for growth.

Global View	Country View
The global economic landscape is undergoing structural shifts driven by intensifying uncertainties and evolving geopolitical dynamics. The recent enactment of trade tariffs has amplified concerns over the trajectory of international trade and its implications for economic stability. Simultaneously, a spectrum of near and long-term risks continues to redefine the complexity of cross-border operations and strategic decision-making. These global shifts carry material implications for the Aitken Spence Group, as outlined in the key insights below.	Sri Lanka experienced a year of positive growth in 2024 with low to negative inflation, low interest rates, and an appreciating currency. The improvement in the sovereign rating and growth in gross official reserves to approximately USD 6.5 billion as at March 2025, reflect the progress made in building the country’s economic resilience. However, vulnerabilities still remain, stemming from the proposed tariffs and a substantial USD denominated debt and international sovereign bond repayment which falls due in the next couple of years. If CBSL is unable to build up its reserves the country may face challenges in servicing its debt obligation leading to possible default and another round of debt restructuring.
Growth	
Global growth is projected to slow down to 2.3% in 2025, as uncertainty dampens growth expectations, with *United Nations Conference on Trade and Development (UNCTAD)* warning that this marks a decline below the 2.5% threshold typically associated with a recessionary phase.	Sri Lanka is expected to maintain its growth momentum in the medium-term supported by economic and political stability and positive investor sentiments. The industrial sector is expected to grow with the removal of import restrictions improving the availability of inputs and benefiting the construction sector while the growth in tourism improves the services sector.
Tariffs and trade flows	
Global trade momentum seen in late 2024 and early 2025 is expected to decline if new tariffs take effect. Trade policy uncertainty is at record levels, impacting business confidence, supply chain stability and risk management. Diminishing merchant trade would result in reduced container volumes and freight rates. South-South trade, now about one-third of global trade, is growing rapidly and offers strong regional integration opportunities.	The USA is Sri Lanka’s single largest export market. Any disruptions in this corridor will have far-reaching consequences in terms of export revenue and employment. Imposition of high tariffs will raise the cost of Sri Lankan products especially apparels making it more expensive. This will have detrimental impact on the apparels industry since buyers will be prompted to shift to regional competitors like India and Bangladesh whose tariffs are relatively lower. Thus, the reduction of this trade volume will have a knock-on effect on the logistics industry which will impact the profitability of freight forwarders, maritime agents, transporters and warehouse operators.

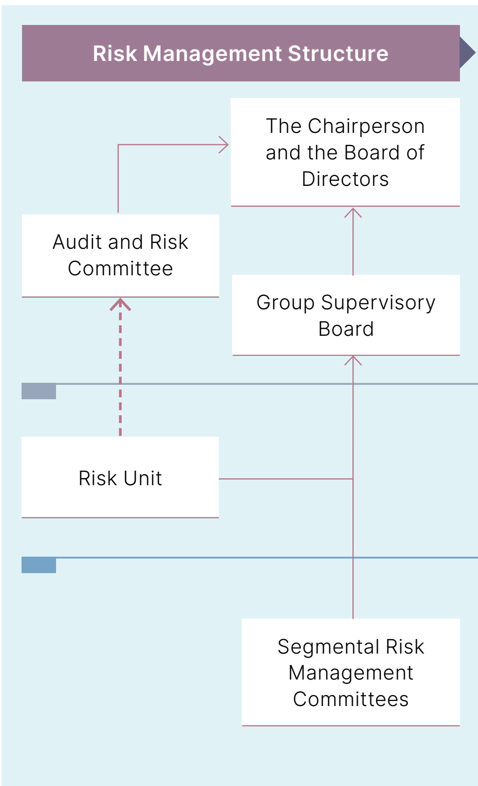
Risk Management

Global View	Country View
Inflation, exchange rate and interest rate	
Global headline inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to central bank targets in advanced economies.	• Inflation is expected to increase to around 5% during the year in line with CBSL targets supported by appropriate policy measures. • The potential reduction in export revenue induced by tariffs will exert pressure on the local currency while making it difficult to maintain the growth momentum of the USD reserves. • Domestic interest rates are expected to remain stable. Yields on government securities are expected to remain stable supported by accommodative monetary policy, improved fiscal performance and reduced risk premia post sovereign rating improvement.
Energy	
Global oil prices are expected to follow a declining trend, as the expected increase in global oil production overtakes global oil demand. Further, the shifts in US policy regarding both the war in Gaza and Ukraine may influence price dynamics.	Energy prices are subjected to high volatility in the near term with weakening global demand and increased supply from oil producing countries.
Climate change and extreme weather events	
Ranking second in the global risk report 2025 among short-term risks and first among long-term risks, it is becoming increasingly critical with significant losses of lives, livelihoods, crops and infrastructure damages that can devastate communities and economic wellbeing.	Sri Lanka remains vulnerable to this threat with impacts felt on fisheries, agriculture and energy sectors.
Inequality and social polarisation	
This pair of risks ranks seventh and eighth in the global risk report 2025 and needs to be monitored carefully as they can lead to both domestic and geostrategic instability.	The government budget introduced a variety of social welfare measures to support the vulnerable population and increased the private sector minimum wage.

Risk Management

RISK GOVERNANCE FRAMEWORK

The Group has a well-established risk management structure which is aligned to the three lines of defence approach, as set out below.



3 Lines of Defence Approach

The Chairperson and the Board of Directors are responsible for risk management of the Group. Risk is reviewed at each Board meeting and appropriate responses are formulated and resources allocated as necessary. The Board is assisted by the Audit and Risk Committee and the Group Supervisory Board, who meet more frequently to review the risks. The main objective of monitoring risk exposure is to secure the stability of the Group and manage risks and returns within the Group's risk appetite while pursuing corporate goals.

The risk unit is responsible for collating and aggregating risk registers while providing technical guidance for segments to ensure accurate and timely identification, assessment and management of risks.

Each segment is responsible for identification, measurement, monitoring, management and reporting of risks to their respective Boards and to the Group Supervisory Board. Consideration of the business climate, competition, stakeholder concerns and the segment's business goals form part of this process.

APPROACH TO RISK MANAGEMENT

Our risk management approach encompasses identification, analysis, evaluation, mitigation and monitoring of the geopolitical, strategic, operational, finance and environmental risks to achieve our key business objectives.

To achieve this, the Group fosters a culture of risk awareness to facilitate identification and mitigation of risks across the organisation. Segmental risk management committees play a pivotal role by ensuring the respective segment's risk management practices align with the Group's risk management policy.

The Board provides the level of acceptable risk appetite for the Group on an annual basis. It also monitors the Group's risk profile while ensuring consistency with the risk appetite. The risk appetite levels are set for the Group as well as for its segments.

Highlights of the year:

- In line with the Colombo Stock Exchange listing rules, the Audit and Risk Committee (formally known as the Audit Committee) was inducted with the responsibility of Group risk management.
- A Group risk management policy was reformulated stipulating broad guidelines on risk management practices.
- Segmental risk management committees comprising cross functional members were formed, with a view to further integrate Group wide risk management efforts.
- The frequency of reviewing and aggregating segmental risk registers was increased from annually to quarterly.
- The risk unit was strengthened to ensure robust compliance with the risk management framework.

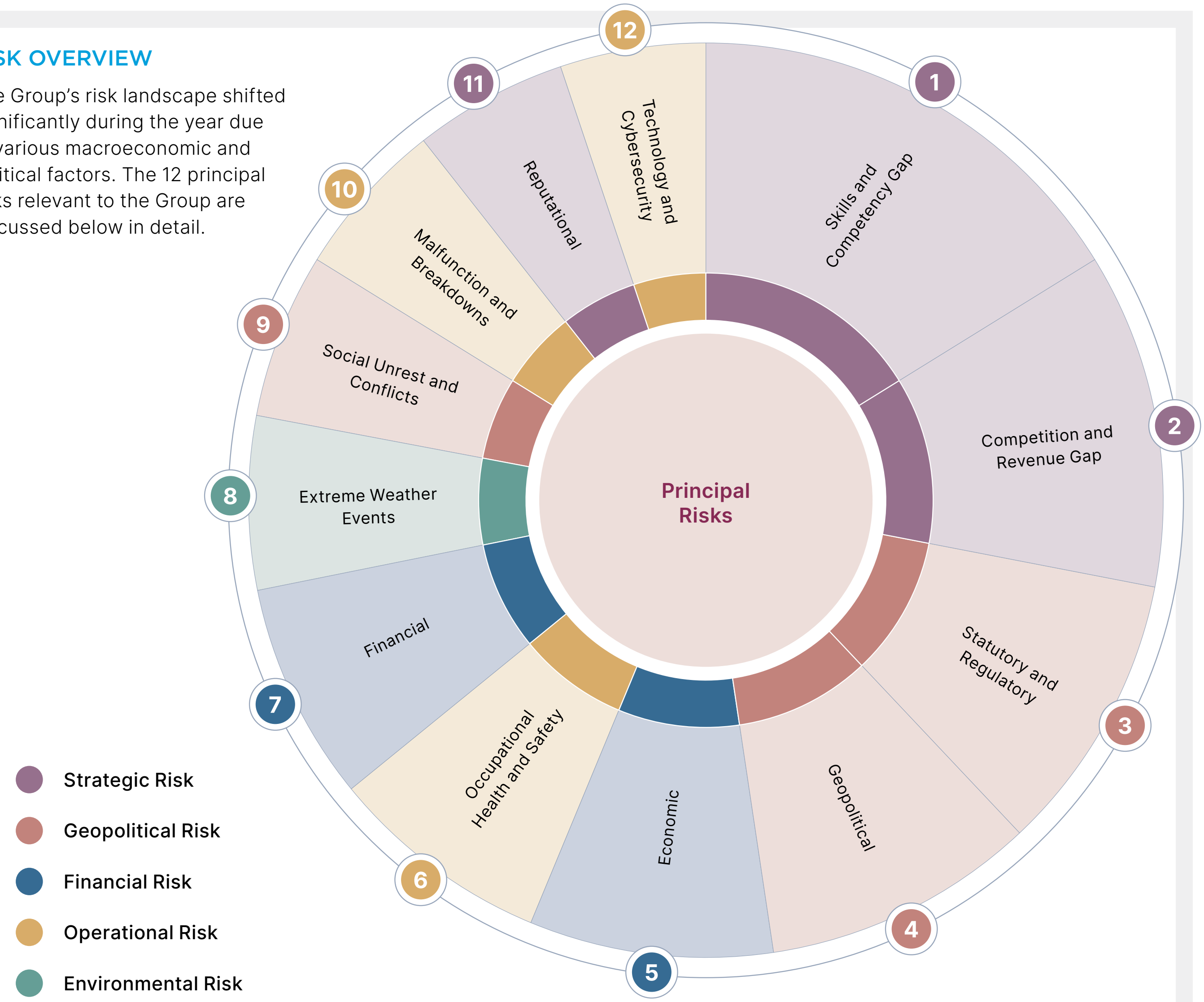
Way forward:

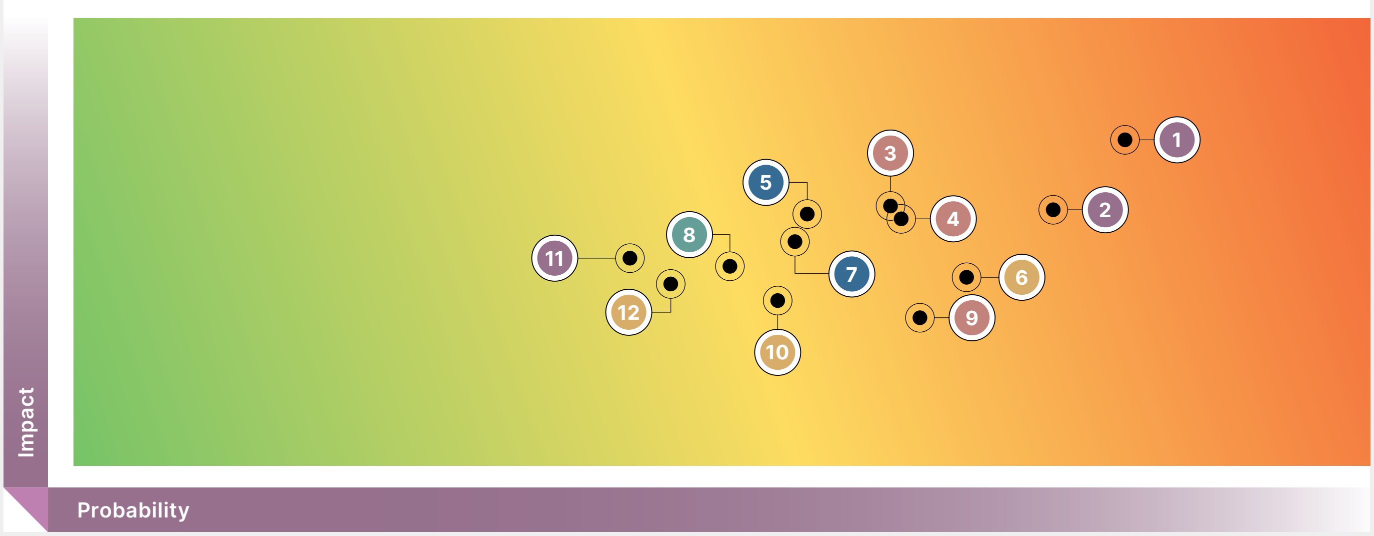
- To facilitate real-time risk monitoring and reporting, several software solutions are being analysed by the risk unit. Real-time risk monitoring and reporting will boost the management's capabilities to formulate prompt risk responses.
- Plans are already in motion to enhance organisational risk awareness by conducting targeted training sessions and workshops on risk management. This initiative will aim to build a strong risk culture and improve staff understanding of the Group's risk framework.

Risk Management

RISK OVERVIEW

The Group's risk landscape shifted significantly during the year due to various macroeconomic and political factors. The 12 principal risks relevant to the Group are discussed below in detail.





Risk Management

Principal Risk	Risk Rating and Mitigation Plan		Capitals
1 Skills and Competency Gap	2024/25	2023/24	
The harsh economic conditions which manifested after the pandemic motivated skill migration causing a talent drain. Further, rapid changes in employee expectations were also noted. The above impacted on the Group's ability to maintain a capable and motivated workforce. **Employee attrition rate** 34.4%	• Regularly refine HR policies to align with industry and global best practices. • Develop succession planning, cross-training and career growth initiatives to maintain a robust talent pipeline. • Regularly ensuring the credibility of existing grievance mechanisms. • Collaborate with educational institutions for skill development. • Implement employee recognition and industry engagement. • Strengthening employer branding and foster diversity.		
2 Competition and Revenue Gap	2024/25	2023/24	
The Group faced increasing competitive pressure in all the markets it operates. Factors such as price wars, subdued demand and new low-cost entrants challenged the Group's market share and profitability.	• Close monitoring of strategy implementation by the Group Supervisory Board. • The Group strives to achieve geographical and sectoral diversity by leveraging its resources, skills and strategic partnerships. • Optimised product and service offers to meet evolving customer demands. • Robust systems are in place to adapt swiftly to market changes while maintaining competitive advantage.		
3 Statutory and Regulatory	2024/25	2023/24	
Government policies such as taxation, tariffs and foreign investment regulations are key as to how the Group conducts business. Thus, changes in policy direction play a key role in shaping outcomes. Industry-specific legislation changes in multiple segments may necessitate operational modifications, thus frequent legislative changes not only increase the risk and also increase the cost of compliance.	• Designate specialised compliance officers for each business segment. • Standardise, implement and strict adherence of compliance frameworks across all segments. • Leverage innovative legal tech infrastructure and real-time regulatory monitoring tools to ensure timely and effective compliance to swiftly keep up with rapid regulatory changes. • Establish and maintain a comprehensive tax governance framework.		

Risk Management

Principal Risk	Risk Rating and Mitigation Plan	Capitals
4 Geopolitical	2024/25 · 2023/24	
The present geopolitical tension has dampened the global growth forecast. Armed conflicts and rising trade wars could result in rapid inflation, supply chain disruptions and alteration of market dynamics.	• The risk unit continuously monitors geopolitical dynamics in domestic and global operating environments, while swiftly identifying early warning signs and escalating the same to the Group Supervisory Board. • Engage in comprehensive scenario analysis and develop robust crisis response strategies. • Forge strategic alliances with reputable local partners and stakeholders.	
5 Economic	2024/25 · 2023/24	
Geopolitical rifts resulting from tariffs and retaliatory tariffs between global superpowers will invariably strain the already fragile global economy. This in turn increases the recessionary risk in developed economies, which will have a knock-on effect on the regions in which the Group operates. This can have far-reaching consequences in multiple sectors impacting the Group's overall performance. Global GDP growth (calendar year 2024): 3.3% Sri Lanka GDP growth (calendar year 2024): 5.0%	• Continuously adapt business strategies to align with shifting economic landscapes. • Evaluate and engage high potential overseas opportunities to reduce reliance on domestic economic conditions.	
6 Occupational Health and Safety	2024/25 · 2023/24	
Risk of possible mishap to the health and safety of employees, customers and other stakeholders of Aitken Spence. Number of injuries: 348 Number of deaths: 1	• Majority of the Group is ISO 45001: 2018 Occupational Health and Safety Management System certified so that the health and safety of all stakeholders of the Group is not compromised. • Comprehensive safety manuals are in place which offer guidelines regarding minimising the risk of on-site accidents and occupational injuries. The guidelines include mandatory wearing of protective gear for all on-site jobs at any given time. • Provide ongoing and rigorous employee training and promote safety awareness. • Establish robust emergency preparedness and incident response procedures.	

Risk Management

Principal Risk	Risk Rating and Mitigation Plan	Capitals
7 Financial	2024/25 2023/24	
The broad geographical presence of the Group exposes it to exchange rate risk. Unusual exchange rate fluctuations may impact on the Group negatively. **Annual appreciation of LKR against the USD** 1.37% The Group's debt obligations linked to variable interest rates expose it to an interest rate risk if market conditions prompt the interest rate to move up. **Interest rate spread (weekly AWPLR)** Min : 8.3% Max : 10.6% Spread : 230 basis points Segments need to extend a considerable amount of credit to generate healthy volumes of business, which in turn exposes the Group to default risk. Defaults can adversely impact cash flow and exert pressure on the bottom line. **Percentage of trade debtors over 90 days** 7.0% Factors such as sustained capital expenditures and delays in customer settlements may expose the Group to liquidity risk. Debt to equity ratio: 0.38 Quick asset ratio: 1.14	• Close monitoring of forex markets by Group Treasury to identify key factors affecting exchange rate fluctuations and identifying possible future trends. • Use of hedging mechanisms (forward contracts, etc.) to minimise the impact. • A currency flow matching strategy is practiced where possible. • Maintaining forex assets to hedge the translation losses on forex liabilities and vice-versa. • Close monitoring of interest rates continuously to identify possible future trends. • The Group maintains strong relationships with lenders which enable sourcing of funds at optimum interest rates and through negotiations attempts to borrow at the least possible cost. • Borrowing long-term at or near the bottom of an interest rate cycle. • Performing interest rate arbitrage where possible to increase returns while minimising interest expenses. • The Group Treasury continuously monitors market interest rates and timely measures are taken to maximise the return on financial investments and minimise the cost of borrowing. • Enforce strict credit policies and conduct regular reviews on credit control mechanisms. • Avoid over exposure of credit to a single customer. • Constant monitoring of forecasted cash flows to ensure liquidity. • Foster strong relationships with banking partners to ensure flexible financing options and loan restructuring options. • Strengthen receivables collection efforts while working with suppliers to secure extended or flexible payment terms.	

Risk Management

Principal Risk	Risk Rating and Mitigation Plan		Capitals
8 Extreme Weather Events	2024/25	2023/24	
The Group faces risks from extreme weather events including heavy rainfall, floods, droughts, storms and other natural disasters which could disrupt operations, damage infrastructure, hinder supply chain and impact employee commute. The altered weather patterns may cause crop damage which will result in low harvest in the plantation segment, while the renewable energy plants may experience a decline in generation. **River water level and flood warnings issued** 570 **Landslide warning issued** 118	• Integrate sustainable practices and enhance operational efficiency. • Set clear emission reduction targets aligned with net-zero goals. • Implement disaster risk reduction and business continuity management frameworks. • Drive business transformation to strengthen long-term climate resilience.		
9 Social Unrest and Conflicts	2024/25	2023/24	
Such events could critically hinder the recovering tourism industry in Sri Lanka and Maldives. Further, a seemingly normal protest could escalate into violence quickly resulting in loss to property and personnel. Maritime piracy around popular trade routes in Southeast Asia and Africa have resulted in supply chain disruptions and increased shipping rates.	• Strengthen on-site security culture and implement emergency procedures to protect personnel and assets. • Develop comprehensive crisis management plans to enhance operational readiness. • Property, lives and businesses are insured against losses due to social unrest and conflicts.		
10 Malfunction and Breakdowns	2024/25	2023/24	
Majority of the Group's businesses rely on heavy machinery, equipment, fleet of vehicles and systems. Malfunctions and breakdowns can lead to disruptions in business processes, increased downtime and additional costs for repairs or replacements.	• Implement proactive maintenance plans to minimise downtime. • Implement backup systems and redundancy measures to minimise the impact of sudden breakdowns. • Comprehensive training is provided to employees on machine operation and handling.		

Risk Management

Principal Risk	Risk Rating and Mitigation Plan		Capitals
11 Reputational	2024/25	2023/24	
The Group interacts with millions of customers and stakeholders annually across various industries, which brings inherent reputational risks. If not properly addressed, certain incidents may significantly impact stakeholder trust and brand value. Furthermore, the widespread use of social media allows individuals to rapidly share their experiences both positive and negative, amplifying their influence on the Group's reputation.	• Implement stringent quality control, ethical sourcing and sustainability initiatives. • All media communications are channelled through the corporate communication unit to ensure consistency. • Align with international best practice through certifications on quality, environment and social management.		
12 Technology and Cybersecurity	2024/25	2023/24	
Several of the Group's business operations can be adversely affected by cyber incidents via targeted attack from a hacker, collateral damage as a result of non-targeted attack, insider attack and accidental cyber incidents or any combination of these. System crashes, poor data backup practices, difficulties in integrating ERPs etc. could lead to reputation loss, disruptions, data leakages and business continuity issues. **Total vulnerabilities detected and treated** 31	• Security Operation Center (SOC) has been established, and Security Information and Event Management (SIEM) is implemented to create visibility and prevention. • A Cyber Emergency Response Team (CERT) consisting of trained cybersecurity professionals responsible for managing and responding to cyber security incidents. • Vulnerability Assessments and Penetration Testing (VAPT) are conducted regularly for the protection of threats surface. • Comply with governing data protection laws and internal IT governance policies.		

CONNECTIVITY WITHIN THE ANNUAL REPORT

The following sections of this report are connected to the annual report, as set out below:

- Corporate Governance - Refer to the corporate governance section on page 100, which provides context for the company's approach to risk governances.
- Capital reports - These set out how the risks were managed and for each risk, the report provides references to the relevant capitals for more detailed information.
- Natural Capital report - Refer to the natural capital section on page 325, which provides a detailed overview of climate-related risks and opportunities and their implications for the Group's sustainability and long-term value creation.
- Operating environment - Refer to this section on page 36, which outlines the risk environment that prevailed during the year by providing an overview of the external macroeconomic factors influencing the Group's operations.
- Sector reviews - These set out the risks and opportunities identified by each segment, along with their strategic objectives, providing a clear linkage between segment-level insights.
- Determining Materiality - Materiality was considered as set out on page 68, when compiling the segment-wise risks and mapping them to the Group's principal risks.
- Awards and Accolades – Refer to page 26 for recognitions received at the Group level during the financial year 2024/25.

Risk Management

OPPORTUNITIES

The Group's presence across diverse sectors and regions, investments in infrastructure and abundance of intellectual, human, and social capital provides significant headroom and capacity to seize high potential business opportunities that will shape the future.
The opportunities that the Group can explore are set out below:

Opportunity	Group Strategy	Sectors
Strengthening regional presence • The Maritime and Freight Logistics sector will seek opportunities for geographical diversification within Asia and further enhance its dominance with transshipment business. • Destination management will continue its current strategy of developing the regional markets. • Forging new partnerships for growth.		
Transition to clean and renewable energy • Investments in renewable energy power plants. • All segments are shifting to EV solutions for machinery such as forklifts etc. • All sectors seeking to increase capacity in clean energy solutions.		
Rapid evolution of digital technologies • Ongoing organisation-wide digital transformation drives productivity and deeper insights into revenue management.		
Rapid evolution of biotechnology • Investments in research and innovation in the plantation segment taking into consideration the extreme weather patterns to sustain biodiversity and ecosystems.		
Changing consumer trends • Hotel segment to differentiate properties to cater to changing tourism trends. • Introducing revolutionary solutions for money transfer services.		
Building future talent pools • Strengthening the country's tertiary education and vocational training through the education segment of Maritime and Freight Logistics sector. • Expansion of internship and management trainee program. • Providing opportunities for youth through the Aitken Spence hotel schools.		

Report of the Senior Independent Director

In compliance with Rule 9. 6. 3 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of the Company designated me as the Senior Independent Director (SID) of the Company with effect from 06th February 2025, following the appointment of Ms. D.S.T. Jayawardena as the Executive Chairperson of the Company.

The Board has a strong representation of Independent Directors that helps to maintain objectivity of the Board which is vital for sound corporate governance. The objective of the appointment of a Senior Independent Director is to ensure the greater independent element in proceedings of the Board and in all deliberations by the Board either at Board meetings or in resolutions circulated amongst the Board.

The SID provides guidance to the Chairperson on matters of governance of the Company and the role of the SID also provides emphasis to transparency on matters relating to governance and calls for a review of the effectiveness of the Board. The SID makes himself available to any Director or any employee to have confidential discussions on the affairs of the Company should the need arise.

The change in the office of Chairman, which necessitated my appointment as SID took place towards the tail end of the financial year due to which the meetings with the Non-Executive Directors without the presence of the Executive Directors could not be held before the end of the financial year. However, steps will be taken to ensure that such deliberations and meetings are held with the Non-Executive Directors during the current financial year.

However, it should be noted that even though the Non-Executive Directors did not have separate meetings as envisaged by Rule 9.6.3 (b) I have witnessed that the Non -Executive Directors who form three fourths (3/4) majority of the Board of Directors have been effecting a positive influence on all deliberations and decision making.

M R Mihular
Senior Independent Director

Colombo
12th June 2025

Nominations and Governance Committee Report (GRI 2-10)

The Nominations Committee of the Company was renamed as the Nominations and Governance Committee and reconstituted in compliance with Rule 9.11.1 of the Listing Rules of the Colombo Stock Exchange.

COMPOSITION OF THE COMMITTEE

Independent Non-Executive Director — Non-Executive Director

Composition effective up to 29.12.2024	Composition from 30.12.2024 to 28.03.2025	Current Composition effective from 28.03.2025
Mr. R.N. Asirwatham - Chairman*	Mr. P. Englisch - Chairman*	Mr. P. Englisch - Chairman
Mr. J.M.S. Brito	Dr. R.A. Fernando *	Dr. R.A. Fernando
Deshamanya D.H.S.Jayawardena	Mr. C.J. Sevilla*	Mr. C.J. Sevilla
	Mr. J.M.S. Brito	Mr. J.M.S. Brito
	Deshamanya D.H.S. Jayawardena**	Mr. C.R. Jansz*
*Ceased to be a Member of the Committee on 29.12.2024	* Appointed to the Committee w.e.f. 30.12.2024 **Ceased to be a Member of the Committee on 03.02.2025	*Appointed to the Committee w.e.f. 28.03.2025

COMMITTEE MEETINGS

The Committee had deliberations online and has transacted business through Circular Resolutions.

RESPONSIBILITIES OF THE COMMITTEE

- The Terms of Reference of the Committee sets out the authority, composition, scope and responsibilities of the Committee taking into consideration the Corporate Governance requirements set out in the Listing Rules of the Colombo Stock Exchange.
- Evaluation of the quality and composition of the Boards of Aitken Spence PLC and the subsidiary companies.
- Ensuring that the Boards of Aitken Spence PLC and its Group companies are well balanced and diversified in terms of effectiveness and composition. Suitable candidates are identified as Directors whilst ensuring that Boards consist of Directors with vast knowledge, experience, competency and entrepreneurial skills to advance the effectiveness of the Boards. The Committee periodically reviews the structure, size and composition of the Boards of the Group Companies.
- Evaluation of the performance of the Board, its committees and individual Directors to ensure that their responsibilities are satisfactorily discharged.
- Review the Policy for the appointment, re-appointment, re-election and election of Directors to the Boards of the Group Companies, as well as their succession planning and suggesting amendments where necessary.

KEY FUNCTIONS OF THE COMMITTEE

The Committee reviews and makes recommendations that are fair, free from any bias and not influenced by personal or business relationships, thereby enabling the Company to make sound and measured judgments in order to attract the best talent to the Group. During the financial year 2024/2025 the Committee performed the following functions:

- Ensured the diversity and effectiveness of the Board of Aitken Spence PLC and the Boards of its Group companies as well as the Key Management Personnel (KMPs).
- Reviewed and recommended necessary appointments to the Boards of the Group companies whenever necessary.
- Evaluated and recommended suitable internal and external candidates to higher levels of management.

Nominations and Governance Committee Report

- Evaluated the eligibility of the Directors who have offered themselves for re-appointment 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 made necessary recommendations to the Board.
- Evaluated the combination of varied skills, knowledge and experience of the Directors of the Company and of the Group companies.
- Ascertained that the competencies of Directors are adequate to meet the required strategic demands of the Group.
- Ensured that any significant issues concerning the Company were communicated to the Independent Directors and special board meetings convened as and when necessary to discuss important or critical matters with the Board.
- Updated existing Directors and newly appointed Directors on Corporate Governance, Listing Rules, securities market regulation and other applicable laws and regulations.
- Ensured that the Corporate Governance requirements stipulated under the Listing Rules of the Colombo Stock Exchange have been met.

INDEPENDENCE OF DIRECTORS

The Committee evaluated the independence of the current Board of Directors based on the declarations submitted by the respective Directors in accordance with the requirements of the revised Listing Rules of the Colombo Stock Exchange. The Committee determined that four out of twelve Directors were Independent as per the criteria set out on the Listing Rules of the Colombo Stock Exchange.

RE-APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Articles of Association of the Company require that One Third (1/3) of all the directors except the Chairman, Chief Executive, Managing or Joint Managing Director, retire by rotation and being eligible submit themselves for re-election at the AGM.

Mr. R.N. Asirwatham, Mr. J.M.S. Brito, Mr. N.J. de S. Deva Aditya, Dr. R.M. Fernando and Mr. C.R. Jansz who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment. The said Directors were last re-appointed at the Annual General Meeting held on 06th August 2024.

Mr. M.R. Mihular - appointed on 2nd December 2024, Dr. R.A. Fernando and Messrs P. Englisch, C.J. Sevilla - appointed on 30th December 2024 and Mr. C.H. Gomez – appointed on 1st April 2025 retire in terms of Article 90 of the Articles of Association and have offered themselves for re-election at the forthcoming Annual General Meeting.

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

Having given due consideration to each Director's performance, the Committee recommends that the said Directors are eligible for re-appointment and re-election as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own re-appointments.

For further information on the aforementioned Directors please refer the Annual Report of the Board of Directors on pages 159 to 164 and the Corporate Governance report on pages 100 to 136.

P. Englisch
Chairman
Nominations and Governance Committee

Colombo
12th June 2025

Remuneration Committee Report (GRI 2-19, 2-20)

COMPOSITION OF THE COMMITTEE

Independent Non-Executive Director — Non-Executive Director —

Composition effective up to 29.12.2024	Composition from 30.12.2024 to 28.03.2025	Current Composition effective from 28.03.2025
Mr. R.N. Asirwatham - Chairman*	Mr. P. Englisch - Chairman*	Mr. P. Englisch - Chairman
Mr. J.M.S. Brito	Dr. R.A. Fernando *	Dr. R.A. Fernando
Mr. C.H. Gomez*	Mr. C.J. Sevilla*	Mr. C.J. Sevilla
Mr. C.R. Jansz*	Deshamanya D.H.S. Jayawardena**	Mr. J.M.S. Brito
	Mr. J.M.S. Brito	Mr. C.R. Jansz*
*Ceased to be Members of the Committee on 29.12.2024	* Appointed as Members of the Committee on 30.12.2024 **Ceased to be a Member of the Committee on 03.02.2025	*Appointed as a Member of the Committee on 28.03.2025

The Committee's composition complies with the requirements of Section 9.12.6 of the Listing Rules of the Colombo Stock Exchange.

INDEPENDENCE OF THE COMMITTEE

The Committee is composed of three Independent Non-Executive Directors and two Non-Independent Non-Executive Director as at the end of the financial year 2024/2025. They are independent of management and are completely free from any business, personal or other relationships that may interfere with the exercise of their independent, unbiased judgement. The members of the Committee refrain from taking part in determining their own remuneration.

REMUNERATION COMMITTEE MEETING ATTENDANCE

The Committee met twice during the year under review. Ms. D.S.T. Jayawardena, Chairperson together with Dr. M.P. Dissanayake, Deputy Chairman and Managing Director and Mr. S.N. Muttiah, Group Chief Human Resource Officer attended the meeting by invitation.

Remuneration Committee Members	Remuneration Committee Members Meetings			Total Meetings Attended
	1st Meeting		2nd Meeting	
	29.08.2024	03.09.2024	27.12.2024	
Mr. R.N. Asirwatham	✓	✓	✓	2/2
Mr. J.M.S. Brito	✓	✓	✓	2/2
Mr. C.H. Gomez	✓	EX	✓	2/2
Mr. C.R. Jansz	✓	✓	✓	2/2
Deshamanya D.H.S Jayawardena	✓	✓	EX	1/2
Mr. P. Englisch	N/A			
Dr. R.A. Fernando	N/A			
Mr. C.J. Sevilla	N/A			

N/A — N/A - Not applicable, meeting was held prior to the appointment or after the resignation/cessation. EX — Excused AB — Absent

Remuneration Committee Report

THE REMUNERATION POLICY

The Group follows a formal and transparent procedure to ascertain the remuneration packages for individual Directors, Key Management Personnel (KMPs) and the Executives. The Committee recognises the importance of formulating remuneration packages that effectively motivate, attract and retain the Directors, KMPs and Executives of the Company, taking into account the employment conditions of the Group Companies and the relevant industries.

The Group remuneration policy which was reviewed by the Committee remained unchanged during the year under review.

Key Responsibilities of the Committee

- Determine remuneration policy for Directors, Key Management Personnel and Executives.
- Decide individual remuneration packages, including termination compensation.
- Evaluate performance of Managing Directors, Executive Directors and Executives.
- Review Committee's Terms of Reference regularly to ensure industry best practices.

Functions of the Committee

The Committee’s decisions were determined based on the following principles and policies:

Remuneration Policy

- Evaluated the Group Remuneration Policy against the current market trends and industrial norms.
- Reviewed and ensured the implementation of the Group Remuneration Policy.
- Reviewed the policy of the remuneration package of the Directors and the Key Management Personnel.
- Reviewed the specific application of the Group Remuneration Policy to the Chairperson, Deputy Chairman and Managing Director and Executive Directors and general application of the Group Remuneration Policy to the Key Management Personnel below the Directorate of the Company.

Performance Based Remuneration

- Evaluated the performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and Executives of the Strategic Business Units.
- Reviewed, monitored and evaluated performance of Key Management Personnel as well as their management development and succession planning.

Performance Incentives

- Evaluated the achievements as well as unaccomplished targets and results which are considered to determine performance-based incentives.

Remuneration of Executive Directors

- Evaluated the performance of the Executive Directors.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2024/2025 has been disclosed under Note 9 on page 389 of the Annual Report.

R.N. Asirwatham
Chairman up to 29th December 2024
Remuneration Committee

P. Englisch
Chairman after 30th December 2024
Remuneration Committee

Colombo
12th June 2025

Audit and Risk Committee Report

ROLE OF THE AUDIT AND RISK COMMITTEE

The primary responsibility of the Audit and Risk Committee is to support the Board in independently overseeing the accuracy and integrity of financial statements, internal control systems, compliance with Group policies as well as legal and regulatory requirements, adherence to the risk management policy and make recommendations on the risk mitigation and the risk appetite to the Board.

COMPOSITION OF THE COMMITTEE

Independent Non-Executive Director — Non-Executive Director —

Composition from 01.04.2024 to 29.12.2024	Current Composition effective from 30.12.2024
Mr. R.N. Asirwatham - Chairman	Mr. M.R. Mihular - Chairman*
Mr. J.M.S. Brito	Dr. R.A. Fernando *
Mr. C.H. Gomez*	Mr. P.Englisch*
Mr. N.J. de S. Deva Aditya*	Mr. C.J. Sevilla*
	Mr. R.N. Asirwatham
	Mr. J.M.S. Brito
*Ceased to be Members w.e.f. 29.12.2024	*Appointed as Members w.e.f. 30.12.2024

The Committee is composed of six Non-Executive Directors of whom four are Independent Non-Executive Directors. An Independent Non-Executive Director who is a fellow of the Institute of Chartered Accountants of Sri Lanka is appointed as the Chairman of the Committee.

The profiles of the members are given on pages 80 to 87 of this Report.

Mr. D.D.M.A. Saparamadu – Chief Internal Auditor of Aitken Spence PLC acts as the Secretary of the Committee.

COMMITTEE MEETINGS

The Audit and Risk Committee functioned throughout the financial year and held ten meetings in semi virtual mode.
Ms. D.S.T. Jayawardena, Chairman, Dr. M.P. Dissanayake, Deputy Chairman and Managing Director, and Ms. N. Sivapragasam, Chief Financial Officer attended the meetings by invitation. Additionally, senior officers of the Group, as well as the partner from Messrs. KPMG, Chartered Accountants, responsible for the Group's external audit, attended the meetings when necessary. The attendance at the Audit and Risk Committee meetings during the year under review is as follows:

Audit and Risk Committee Members	Audit and Risk Committee Meetings										Total Meetings Attended
	21.05.2024	11.06.2024	27.06.2024	06.08.2024	04.09.2024	27.09.2024	08.11.2024	20.11.2024	19.12.2024	26.03.2025	
Mr. R.N. Asirwatham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10
Mr. J.M.S. Brito	✓	✓	✓	✓	✓	AB	✓	✓	✓	✓	9/10
Mr. C.H. Gomez	✓	EX	✓	✓	✓	AB	EX	✓	✓	N/A	6/9
Mr. N.J. de S. Deva Aditya	✓	✓	✓	✓	✓	✓	EX	✓	✓	N/A	7/8
Mr. M.R. Mihular					N/A						1/1
Dr. R.A. Fernando					N/A						1/1
Mr. P. Englisch					N/A						1/1
Mr. C.J. Sevilla					N/A						1/1

N/A – N/A - Not applicable, meeting was held prior to the appointment or after the resignation/cessation. EX – Excused AB – Absent

Audit and Risk Committee Report

KEY RESPONSIBILITIES OF THE COMMITTEE

- Assisting the Board in carrying out its overall independent oversight functions in relation to the accuracy and integrity of the financial statements, internal control systems and compliance with Group policies, legal and regulatory requirements with a view to safeguard the interests of shareholders and other stakeholders. The scope of functions and responsibilities is adequately outlined in the Terms of Reference of the Committee, which have been approved by the Board and are regularly reviewed and updated.
- Ensuring the effectiveness of the internal controls systems, financial reporting, risk management, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance processes within the Group.
- Exercising its independent oversight on internal and external assurance functions and ensuring both internal and external auditor's independence, objectivity and the effectiveness of the audit process.
- Reviewing the internal audit reports and maintaining healthy relationships with the sector senior management to ensure that precautionary measures are taken to mitigate the risk that could arise due to reported control weaknesses, procedure violations, frauds and errors.

Examining all matters relating to the Group's adopted accounting principles and policies and reviewing all material financial, operational and compliance controls.

ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

Risk Management and Internal Control

- Monitored the Group's risk management and internal control processes through detailed discussions with the Chief Internal Auditor, Executive Directors and Sector Senior Management.
- Assisted the Board in evaluating the adequacy, robustness and effectiveness of the Group's management of risk, in terms of identifying, managing and mitigating principal risks and emerging risks, in line with the risk management policy.
- Ensured that the Group adheres to and complies with all relevant laws, rules and regulations of the country, international laws and codes of ethics and standards of conduct required by regulatory authorities, professional bodies and trade associations.

Financial Reporting and Financial Control

- Reviewed the Group's quarterly and annual financial statements, focusing on the following aspects:
  - Adequacy of disclosures.
  - Uniformity and appropriateness of the accounting policies adopted.
  - Major judgemental areas to ensure compliance with the Companies Act No. 7 of 2007.
  - Adherence to applicable Sri Lanka Accounting Standards and other Accounting Standards of jurisdictions in which each subsidiary operates.
  - Compliance with the Listing Rules of the Colombo Stock Exchange.
  - Compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.
  - Meeting requirements of other regulatory bodies applicable to the Group.
- Discussed with the management any future accounting developments likely to affect the financial statements.
- Reviewed the budgets and strategic plans of the Group to ensure that all forward-looking statements in the annual report accurately reflect the Group's position.
- Reviewed the integrity of the Group's published financial information and all significant financial judgements and estimates made by the management.

External Audit

- Reviewed and monitored the relationship with the External Auditors including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner and engagement for non-audit services.
- Assessed the effectiveness and the progress of the External Auditors and the audit process.
- Discussed the audited financial statements with External Auditors and ensured that they were in conformity with the Sri Lanka Accounting Standards and other regulatory requirements.
- Reviewed and discussed the management letter and instructed the management to take appropriate follow up action on matters highlighted therein.

Internal Audit

- Reviewed and approved the annual audit plan after considering its depth and coverage.
- Reviewed the operation and effectiveness of the Group Internal Audit function in terms of its independence, effectiveness, competency and resource adequacy.
- Continued to ensure the coordination between Group Internal Audit department and External Auditors.
- Reviewed and discussed the audit reports submitted by the internal audit department with the management responses on financial and operational audits, information security and risk assessments carried out in line with approved annual audit plan.

Reporting

- The Chairman of the Audit and Risk Committee reports to the Board at each meeting on the activities of the Committee. Minutes of the Audit and Risk Committee meetings are also tabled at the Board meetings.
- The annual report incorporates the Audit and Risk Committee report.
- The Chairman of the Audit and Risk Committee attends the Annual General Meeting.
- The Committee has obtained

Audit and Risk Committee Report

assurances from the Deputy Chairman/ Managing Director, Chief Financial Officer and other senior management personnel that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit and Risk Committee remains steadfast in its commitment to ensure that the Group adheres to the highest ethical standards in business dealings. In this regard, the Group has a Code of Ethics & Professional Conduct, robust policies such as the Whistleblowing Policy and an Anti-Bribery & Anti-Corruption Policy which mandates all staff members to be ethical, transparent and accountable and resort to whistleblowing if they suspect any wrongdoings or other improprieties.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. KPMG, CHARTERED ACCOUNTANTS

The Committee perused transactions with the External Auditors and ensured that there was no significant material transaction between the External Auditors and the companies in the Group. Furthermore, the Committee was reassured that the External Auditors do not hold any shares in the Group. The Committee also obtained written assurance from the External Auditors, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Committee having considered that there were no significant material transactions between the External Auditors and the Group companies, that there were no shares held by the External Auditors, the confirmation received from the External Auditors and the periodic rotation of the Audit Partner, noted that KPMG, Chartered Accountants are independent and are eligible for re-appointment as the External Auditors of the Group. The Committee further confirms that even though the External Auditor has been engaged from the inception of the Company , the Audit Partner overseeing the audit of the Company has been engaged for a period less than one year.

Having noted the above, the Committee recommends to the Board that Messrs. KPMG, Chartered Accountants be re-appointed as the External Auditors of the Group for the current financial year, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking ahead to the financial year 2025/2026, the Committee's key priorities will include overseeing of the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group, continuing to monitor the impacts of climate change and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes.

M.R. Mihular
Chairman
Audit and Risk Committee

Colombo
12th June 2025

Related Party Transactions Review Committee Report (GRI 2-15)

ROLE OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The role of the Related Party Transactions Review Committee is to advise the Board in relation to transactions with related parties as defined by Sri Lanka Accounting Standard - LKAS 24 and Listing Rules of the Colombo Stock Exchange. The Committee adheres to Rule 9.14 of the updated Listing Rules of the Colombo Stock Exchange, ensuring that the Company considers the interests of shareholders collectively when entering into Related Party Transactions.

COMPOSITION OF THE COMMITTEE

Independent Non-Executive Director — Non-Executive Director —

Composition from 01.04.2024 to 29.12.2024	Current Composition effective from 30.12.2024
Mr. R.N. Asirwatham - Chairman	Mr. M.R. Mihular - Chairman*
Mr. J.M.S. Brito	Dr. R.A. Fernando *
Mr. C.H. Gomez*	Mr. P.Englisch*
Mr. N.J. de S. Deva Aditya*	Mr. C.J. Sevilla*
	Mr. R.N. Asirwatham
	Mr. J.M.S. Brito
*Ceased to be Members of the Committee on 29.12.2024	*Appointed to the Committee w.e.f. 30.12.2025

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE MEETING ATTENDANCE

Related Party Transactions Review Committee Members	Related Party Transactions Review Committee Members				Total Meetings Attended
	27.06.2024	04.09.2024	19.12.2024	26.03.2025	
Mr. R.N. Asirwatham	✓	✓	✓	✓	4/4
Mr. J.M.S. Brito	✓	✓	✓	✓	4/4
Mr. C.H. Gomez	✓	✓	✓	N/A	3/4
Mr. N.J. de S. Deva Aditya	EX	✓	✓	N/A	2/4
Mr. M.R. Mihular	N/A			✓	1/1
Dr. R.A. Fernando	N/A			✓	1/1
Mr. P. Englisch	N/A			✓	1/1
Mr. C.J. Sevilla	N/A			✓	1/1

N/A — N/A - Not applicable, meeting was held prior to the appointment or after the resignation/cessation. EX — Excused AB — Absent

HIGHLIGHTS DURING THE FINANCIAL YEAR 2024/2025

- Obtained quarterly disclosures from the Key Management Personnel and the Group related companies in relation to proposed related party transactions and post quarter confirmations and the Committee reviewed all such disclosures at its quarterly meetings.
- Communicated Committee's activities to the Board by tabling the minutes of the Committee meetings, at the Board meetings.
- Fixed the thresholds at the first meeting of the financial year for Related Party Transactions which require either shareholders' approval or immediate market disclosures, as the case may be for the financial year 2025/2026 based on the Audited Financial Statements of the previous financial year.

Related Party Transactions Review Committee Report

RESPONSIBILITIES OF THE COMMITTEE

The Committee's key focus is to review all proposed Related Party Transactions prior to entering into or completion of the transaction according to the procedures laid down by Rule 9.14 of the Listing Rules of the Colombo Stock Exchange. The responsibilities of the Committee are as follows:

- Evaluate any proposed Related Party Transactions on a quarterly basis and recommend to the management and the Board, the appropriate course of action to be taken in order to be compliant with the regulations of the Listing Rules of the Colombo Stock Exchange,
- Review any post quarter confirmations on Related Party Transactions,
- Review the threshold for Related Party Transactions which require either shareholders' approval or immediate market disclosures, as the case may be,
- Review the criteria of Key Management Personnel,
- Regularly report to the Board on the Committee's activities.

KEY MANAGEMENT PERSONNEL

The Board of Directors of the Company, Directors, Vice Presidents and Assistant Vice Presidents of Subsidiary companies are construed as the Key Management Personnel of Aitken Spence to establish greater transparency and governance. Declarations from Key Management Personnel and from the Group companies are obtained quarterly for the purpose of identifying Related Party Transactions and to determine Related Party Transactions which ensures the compliance with the disclosure requirements of the Listing Rules.

KEY FUNCTIONS PERFORMED

Policies and Procedures:

- Quarterly disclosures were obtained from the Key Management Personnel of any proposed Related Party Transactions and confirmations of any post-quarter transactions. All such disclosures are tabled at each Related Party Transactions Review Committee meeting,
- Quarterly disclosures were obtained from all Group companies of any proposed Related Party Transactions and confirmations of any post-quarter transactions and all disclosures are tabled at each Related Party Transactions Review Committee Meeting,
- Non-recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries,
- Recurrent Related Party Transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Group Company Secretaries.

- Review of Related Party Transactions:
  - Reviewed all proposed Related Party Transactions as well as post quarter confirmations,
  - Activities of the Committee were communicated to the Board by tabling the minutes of the Related Party Transactions Review Committee Meetings,
  - Reviewed thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure based on the Financial Statements for the year ended 31st March 2025.
  - Confirmed that there were no occurrence of events to be disclosed in terms of Section 9.14.7(1) and 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming the compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.

M.R. Mihular
Chairman
Related Party Transactions Review Committee

Colombo
12th June 2025

The Board of Directors' Statement on Internal Controls

The Board of Directors present this Statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.

RESPONSIBILITY

The Board acknowledges the responsibility for the adequacy and effectiveness of the Group's system of Internal Controls, which is designed to provide assurance on the maintenance of proper accounting records and the reliability of financial information generated and safeguarding of the assets of the Group.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Group. This process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The Board is of the view that the systems of internal control over financial reporting in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following four sub-committees ensuring the effectiveness of Group's daily operations and to ensure that these daily operations are within the corporate objectives, strategies and annual budget ratified by the Board.

- Audit and Risk Committee
- Nominations and Governance Committee
- Remuneration Committee
- Related Party Transactions Review Committee

These committees are chaired by Independent Non-Executive Directors and have the authority to examine particular issues and report back to the Board with their recommendations.

INTERNAL AUDIT

The internal audit department of the Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance.

Audits are carried out on all strategic business units (SBUs), the frequency of which are determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of SBUs. The annual audit plan is reviewed and approved by the Audit and Risk Committee and the findings of the audits are submitted to the Audit and Risk Committee for review at their periodic meetings.

POLICIES, PROCEDURES AND BUDGETS

Policies and procedures to ensure the compliance with internal controls and relevant laws and regulations are set out in operations manuals, which are updated from time to time.

Annual budgets are approved by the respective Boards and the subsidiaries' performance are assessed against the budgets and explanations are provided for significant variances periodically to the respective Boards.

WHISTLE BLOWING POLICY

The Group encourages a whistle-blowing policy which enables employees to bring irregularities in financial reporting, internal controls or other matters within the Group to the notice of the higher management.

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any.

The prevalence and effectiveness of this policy is monitored by the Audit and Risk Committee from time to time.

The Group Code of Ethics & Professional Conduct

The Group Code of Ethics and Professional Conduct which includes a strong set of corporate values and conduct, is circulated to Directors and all employees. The Board ensures that Directors and all employees strictly comply with the code in exercising their duties, communications, role modelling and in any other circumstance, so as to uphold the Group's integrity and image. Strict disciplinary actions are initiated for any violation of the Group code of ethics and professional conduct.

CYBER SECURITY

The Board has taken necessary precautions to minimise the risk of a security breach. During the year under review, necessary steps have been rolled out to curtail the exposure to cyber-attacks by reducing the threat surface and any potentially exploitable vulnerabilities.

GOING CONCERN

The statement of going concern is set out in the annual report of the Board Directors on page 159.

RISK MANAGEMENT

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Group.

An overview of the Group's risk management framework is set out on pages 137.

ANNUAL REPORT

The Board is responsible for the preparation of the annual report and confirm that the quarterly reports, annual financial statements and the annual review of operations of the Group and its equity accounted investees that are incorporated in this annual report have been prepared and presented in a reliable manner based on a balanced and comprehensive assessment of the financial performance of the Group.

CONFIRMATION

Based on the above processes, the Board of Aitken Spence PLC confirms that the financial reporting system of the Group has been designed to provide reasonable assurance regarding the reliability of

The Board of Directors' Statement on Internal Controls

financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and all relevant regulatory requirements.

Moreover, the Board has conducted an evaluation of Group's internal controls encompassing financial, operational and compliance controls, risk management and have obtained a reasonable assurance of their effectiveness and proper adherence.

Ms. D.S.T. Jayawardena
Executive Chairperson

Dr. M.P. Dissanayake
Deputy Chairman and
Managing Director

Mr. M.R.Mihular
Chairman
Audit and Risk Committee

Colombo
12th June 2025

Annual Report of the Board of Directors

1. GENERAL

The Board of Directors of Aitken Spence PLC has pleasure in presenting to the Shareholders the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2025. The details set out herein provide the pertinent information as required under Section 168 of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

2. PRINCIPAL BUSINESS ACTIVITIES AND THE GROUP STRUCTURE

Aitken Spence PLC is the holding company that directly or indirectly owns investments in companies which form the Aitken Spence Group. In addition to the above, the Company provides management and related services to the Group companies. During the year, there were no significant changes in the principal activities of the Company and the Group, other than the investment in a new business operation; BPO services.

The activities of the Group are categorised into four main sectors namely Tourism, Maritime & Freight Logistics, Strategic Investments and Services. Companies within each sector and their principal activities are described on pages 501 to 512 of this Annual Report.

3. REVIEW OF OPERATIONS

A review of operational and financial performance, strategy of the Group, and the future outlook of the Company and the Group are described in greater detail in the Chairperson's Message, Deputy Chairman and Managing Director's Message and the Management Discussion and Analysis of this Annual Report.

These reports together with the Audited Financial Statements of the Company and the Group reflect the respective state of affairs of the Company and the Group.

4. ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs). The Board of Directors wish to confirm that there were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 359 to 367 and under the respective notes to the Financial Statements given on pages 368 and 480 of this Report.

5. SYNOPSIS OF THE INCOME STATEMENT OF THE COMPANY AND THE GROUP

5.1. Group Performance

For the year ended 31st March	2025 Rs. '000	2024 Rs. '000
Net profit before tax	10,826,315	6,724,600
Provision for taxation including deferred tax	(3,647,189)	(2,272,850)
Net profit after tax	7,179,126	4,451,750
Other comprehensive loss (net of tax)	(153,252)	(2,264,215)
Total comprehensive income for the year	7,025,874	2,187,535
Total comprehensive income attributable to the minority shareholders	(2,033,776)	(1,364,383)
Total comprehensive income attributable to equity shareholders	4,992,098	823,152
Transactions directly recognised in the equity statement	131,091	232,592
Balance brought forward from the previous year	71,700,981	72,269,221
Amount available for appropriations	76,824,170	73,324,965
Final Dividend	(1,725,483)	(1,623,984)
Total reserves and earnings	75,098,687	71,700,981
Stated Capital	2,135,140	2,135,140
Balance attributable to equity holders of the Company at the end of the period	77,233,827	73,836,121

Annual Report of the Board of Directors

5.2. Revenue and Profits

Revenue generated by the Company during the year amounted to Rs. 1,579.2 million (2023/2024 – Rs. 1,265.6 million). The Group revenue was Rs. 95,094.8 million. (2023/2024 – Rs. 97,486.3 million). An analysis of Group revenue based on business and geographical segments and on revenue stream are disclosed in Notes 6 and 7 to the Financial Statements. The profit after tax of the Company was Rs. 1,646.5 million (2023/2024 – loss Rs. 43.9 million). The Group reported a profit after tax of Rs. 7,179.1,million. (2023/2024 – Rs. 4,451.8 million The Group's profit attributable to the equity shareholders of the parent company for the year was Rs. 5,330.9 million (2023/2024 – Rs. 2,928.2 million). The segmental profits are disclosed in Note 6 to the Financial Statements.

5.3. Donations

During the year donations amounting to Rs. 300,000.00 (2023/2024 – Rs. 50,000.00) were made by the Company, while the donations made by the other Group entities during the year amounted to Rs. 2.1 million (2023/2024 – Rs. 2.1 million).

5.4. Taxation

A detailed statement of the income tax rates applicable to the individual companies in the Group and a reconciliation of the accounting profits with the taxable profits are provided in Note 12 to the Financial Statements. It is the policy of the Group to provide for deferred taxation on all known timing differences on the liability method. The deferred tax balances of the Group are given in Notes 22 and 32 to the Financial Statements. The deferred tax of the Company and the Group are calculated based on the tax rates that are specified in the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the tax rates specified in the foreign jurisdictions in which the Company and the Group operate.

5.5. Dividends

The Directors recommended a First and Final dividend payment of Rs. 4.00 per share for the year ended 31st March 2025. The Directors are satisfied that the Company would meet the solvency test requirement under Section 56 (2) of the Companies Act No. 7 of 2007 immediately after the payment of the First and Final dividend.

6. SYNOPSIS OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND THE GROUP

6.1. Stated Capital and Reserves

As at 31st March 2025, the Company had issued 405,996,045 ordinary shares and the stated capital of the Company was Rs. 2.1 billion. The Company's retained earnings and reserves as at 31st March 2025 were Rs. 24.1 billion (2023/2024 - Rs. 24.2 billion) whereas the total Group's retained earnings and reserves as at 31st March 2025 were Rs. 75.1 billion (2023/2024 - Rs. 71.7 billion). The movement in these reserves is shown in the statement of changes in equity – Company and Consolidated on pages 364 and 362 respectively.

6.2. Property, Plant and Equipment, Investment Property, Intangible Assets, Biological Assets and Right-of-Use Assets

The details of property, plant and equipment, investment properties, intangible assets, biological assets and right of used assets of the Company and the Group where applicable, are given in Notes 15 to 19 to the Financial Statements on pages 399 to 411.

Information in respect of extent, location, valuation of land and building held by the Company and Group are detailed in Note 15.3 and Note 16.3 to the Financial Statements.

6.3. Contingent Liabilities

The details of contingent liabilities are disclosed in Note 39.1 to the Financial Statements.

7. EVENTS OCCURRING AFTER THE REPORTING DATE

No post balance sheet events of material significance that require adjustments to the Financial Statements have arisen other than that is disclosed in Note 43 to the Financial Statements.

8. GOING CONCERN

The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and the Group is further described in Note 2.10 under Basis of preparation.

9. INFORMATION ON THE BOARD OF DIRECTORS AND THE BOARD OF SUB COMMITTEES

9.1. Board of Directors

The names of the Directors who held office during the Financial Year 2024/2025 are given below. The brief profiles of the Board of Directors are given on pages 80 to 87 of this Annual Report.

Executive Directors

- Ms. D.S.T. Jayawardena - Chairperson (Appointed as the Chairperson w.e.f. 06th February 2025)
- Dr. M.P. Dissanayake - Deputy Chairman and Managing Director
- Dr. R.M. Fernando

Non-Independent Non-Executive Directors

- Deshamanya D.H.S. Jayawardena (Deceased on 03rd February 2025)
- Mr. J.M.S. Brito
- Mr. N.J. de S. Deva Aditya
- Mr. R.N. Asirwatham
- Mr. C.R. Jansz
- Mr. M.A.N.S. Perera (Resigned w.e.f. 25th November 2024)
- Mr. C.H. Gomez (Resigned w.e.f. 30th December 2024 and appointed w.e.f. 01st April 2025)

Independent Non-Executive Directors

- Mr. M.R. Mihular (Appointed w.e.f. 02nd December 2024)

Annual Report of the Board of Directors

- Dr. R.A.Fernando (Appointed w.e.f. 30th December 2024)
- Mr. P. Englisch (Appointed w.e.f. 30th December 2024)
- Mr. C.J. Sevilla (Appointed w.e.f. 30th December 2024)

All of the above Directors held office during the entire year, with the exceptions of Deshamanya D.H.S. Jayawardena, Mr. M.R. Mihular, Dr. R.A. Fernando, Mr. P. Englisch, Mr. C.J. Sevilla and Mr. C.H. Gomez.

With profound sadness, the Board reports the demise of Deshamanya D.H.S. Jayawardena on 03rd February 2025. Deshamanya D.H.S Jayawardena served as a main Board Director of Aitken Spence PLC since 2000 and as its Chairman since 2003. He also served as a Member of the Nominations and Governance Committee and the Remuneration Committee prior to his untimely demise on 3rd February 2025.

Mr. M.A.N.S. Perera and Mr. C.H. Gomez who served as Directors resigned from the Board with effect from 25th November 2024 and 30th December 2024, respectively. However, Mr. C.H. Gomez was appointed as a Non-Independent Non-Executive Director on 01st April 2025.

The basis on which Directors are classified as Independent Non-Executive Directors is discussed on page 108 of the Corporate Governance Report. All the Directors have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the year under review and as at the date of such confirmation.

9.2 Board Subcommittees

The following Directors served as members of the Audit and Risk Committee, the Related Party Transactions Review Committee, the Remuneration Committee and the Nominations and Governance Committee.

Committee	Composition from 01.04.2024 to 29.12.2024	Composition from 30.12.2024 to 28.03.2025	Composition from 29.03.2025
Audit and Risk Committee	Mr. R.N. Asirwatham - Chairman Mr. J.M.S. Brito Mr. C.H. Gomez Mr. N.J.de S. Deva Aditya	Mr. M. R. Mihular - Chairman Dr. R. A. Fernando Mr. P. Englisch Mr. C.J. Sevilla Mr. R.N. Asirwatham Mr. J.M.S. Brito	Mr. M.R. Mihular - Chairman Dr. R.A. Fernando Mr. P. Englisch Mr. C.J. Sevilla Mr. R.N. Asirwatham Mr. J.M.S. Brito
Remuneration Committee	Mr. R.N. Asirwatham - Chairman Mr. J.M.S. Brito Mr. C.H. Gomez Mr. C.R. Jansz	Mr. P. Englisch - Chairman Dr. R.A. Fernando Mr. C.J. Sevilla Deshamanya D.H.S. Jayawardena* Mr. J.M.S. Brito	Mr. P. Englisch - Chairman Dr. R.A. Fernando Mr. C.J. Sevilla Mr. J.M.S. Brito Mr. C.R. Jansz
Nomination and Governance Committee	Mr. R.N. Asirwatham - Chairman Deshamanya D.H.S.Jayawardena Mr. J.M.S. Brito	Mr. P. Englisch - Chairman Dr. R.A. Fernando Mr. C.J. Sevilla Mr. J.M.S. Brito Deshamanya D.H.S. Jayawardena*	Mr. P. Englisch - Chairman Dr. R.A. Fernando Mr. C.J. Sevilla Mr. J.M.S. Brito Mr. C.R. Jansz
Related Party Transactions Review Committee	Mr. R.N. Asirwatham - Chairman Mr. J.M.S. Brito Mr. C.H. Gomez Mr. N.J.de S. Deva Aditya	Mr. M.R. Mihular - Chairman Dr. R.A. Fernando Mr. P. Englisch Mr. C.J. Sevilla Mr. R.N. Asirwatham Mr. J.M.S. Brito	Mr. M.R. Mihular - Chairman Dr. R.A. Fernando Mr. P. Englisch Mr. C.J. Sevilla Mr. R.N. Asirwatham Mr. J.M.S. Brito

*Deshamanya D.H.S. Jayawardena ceased to be a Member of the Committee from 03.02.2025.

Annual Report of the Board of Directors

9.3 Recommendation for Re-Appointment and Re-election

Upon the recommendation of the Nominations and Governance Committee, the Board resolved to recommend that Mr. R.N. Asirwatham, Mr. J.M.S. Brito, Mr. N.J. de S. Deva Aditya, Dr. R.M. Fernando and Mr. C.R. Jansz who are over 70 years of age and vacate office in terms of Section 210(2) of the Companies Act, be re-appointed as Directors in terms of Section 211 of the Companies Act No. 7 of 2007, specially declaring that the age limit stipulated in Section 210 of the Companies Act shall not apply to the said Directors. Resolutions to this effect will be proposed at the forthcoming Annual General Meeting.

Dr. R.A. Fernando and Messrs. Mr. M.R. Mihular, P. Englisch, C.J. Sevilla and C.H. Gomez retire in terms of Article 90 of the Articles of Association and offer themselves for election at the forthcoming Annual General Meeting and the Board, upon the recommendation of the Nominations and Governance Committee, has resolved to recommend their re-election at the forthcoming Annual General Meeting.

9.4 Directors' Shareholding

The Directors' shareholdings are provided in the Investor Information section on page 345 of this Annual Report.

9.5 Interest Register

An Interest Register is maintained by the Company as per the Companies Act No. 7 of 2007. Any interest in transactions disclosed to the Board by a Director in accordance with Sections 192 and 200 of the Companies Act No. 7 of 2007 are duly recorded in the Interest Register.

9.6 Directors' Remuneration

The Directors' remuneration and fees in respect of the Company and the Group for the Financial Year ended 31st March 2025 are disclosed in Note 9 to the Financial Statements.

9.7 Related Party Transactions

Related Party Transactions of the Group are disclosed in Note 40 to the Financial Statements. These are Recurrent and Non-Recurrent Related Party Transactions, which required disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard - LKAS 24 – Related Party Disclosures. However, there were no Recurrent Related Party Transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2024.

There were no Non-Recurrent Related Party Transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements as at 31st March 2024, which required additional disclosures in the Annual Report under Rule 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

The Group companies and their Key Management Personnel have disclosed on a quarterly basis, the proposed Related Party Transactions (if any) falling under the ambit of Rule 9.14.8(1) and (2) of the Listing Rules of the Colombo Stock Exchange. The disclosures so made were tabled at the quarterly meetings of the Related Party Transactions Review Committee, in compliance with the requirements of the above mentioned rule.

The Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2025.

9.8 Subsidiary Board of Directors

The names of Directors of the subsidiaries and joint venture companies who held office as at 31st March 2025 and Directors who ceased to hold office during the accounting period are indicated on pages 501 to 512 of this Annual Report.

10. HUMAN RESOURCES

The human resources strategies applied and practiced by the Group in the regions in which the Group operates has translated into the creation of a dynamic and competent human resource team. The strategies adopted in motivating and retaining the Group's employees are discussed in "Human Capital" on pages 285 to 302 of this Annual Report.

11. GOVERNANCE

The Directors declare that:

- the Group has not intentionally engaged in any activity which contravenes national and international laws. The Group rigidly adheres to relevant national and international rules, regulations, and codes of Professional Institutes and Associations, Industrial Associations, Chambers of Commerce and other regulatory bodies.
- the Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 125 to 136 of the Corporate Governance Report of this Annual Report.
- the Group applies high standards to protect and nurture the environment in which it operates and ensures strict adherence to all environmental laws and practices. The Group's efforts to conserve non-renewable resources, as well as its environmental objectives and key initiatives, are described in the Natural Capital on pages 325 to 344.
- the Company has no restrictions with regard to shareholders carrying out appropriate analysis or obtaining independent advice regarding their investment in the Company and has made all endeavours to ensure the equitable treatment of shareholders.

Annual Report of the Board of Directors

- they have declared all material interests in contracts involving the Company and the Group and refrained from voting on matters in which they were materially interested.
- none of the Directors or Close Family Members of the Directors have any material business relationships with other Directors of the Company.
- they have conducted an evaluation of the Group's Internal Controls encompassing financial, operational, and compliance controls, as well as risk management and have obtained a reasonable assurance of their effectiveness and proper adherence.
- they have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

12. RISK MANAGEMENT

The Directors have established and adhered to a comprehensive risk management framework at both Strategic Business Units and Group levels to ensure the achievement of their corporate objectives. The categories of risks faced by the Group are identified, the significance they pose are evaluated and mitigating strategies are adopted by the Group. The Board of Directors reviews the risk management process through the Audit and Risk Committee. The Risk Management Report of the Group is on pages 137 to 146 of this Report.

13. INTERNAL CONTROLS

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company and the Group are safeguarded and appropriate systems are in place to minimise and detect fraud, errors and other irregularities. The system ensures that the Group adopts procedures which result in financial and operational effectiveness and efficiency.

The Board of Directors' Statement on Internal Controls on pages 157 to 158, the Statement of Directors' Responsibilities on page 354 and the Audit and Risk Committee Report set out on pages 152 and 154 of this Report provide further information in respect of the above.

14. STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory financial obligations to the Government and to the employees have been either duly paid or adequately provided in the Financial Statements. A confirmation of same is included in the Statement of Directors' Responsibilities on page 354 of this Annual Report.

15. INTEGRATED ANNUAL REPORT

The Board of Directors acknowledges its responsibility to ensure the integrity of the Annual Report and to ensure that it provides a balanced view of its performance addressing all material issues that may have an impact on the Group's capacity to create value. The Board is of the opinion that the Integrated Annual Report of Aitken Spence PLC for the Financial Year ended 31st March 2025 is presented in accordance with the GRI Universal Standards for Sustainability Reporting and the Guidelines set out in the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework.

16. CORPORATE SUSTAINABILITY

The Board of Directors provides oversight and support for the Group's integrated sustainability strategy and framework, driven by a dedicated network across the organisation. During the year, the Board approved the Group's near-term net-zero targets for 2030, based on a 2019/20 baseline, which have been submitted to the Science Based Targets initiative (SBTi) for validation.

The Group's achievements in Key Performance Indicators, along with the awards and accolades received during the year, underscore its ongoing commitment to aligning with global standards across multiple areas influencing growth. Comprehensive insights into the Group's sustainability initiatives can be found in the executive reviews and the management discussion and analysis.

17. SHAREHOLDER INFORMATION

There were 4,636 shareholders as at 31st March 2025. The distribution schedule of the number of shareholders and their shareholdings are detailed on pages 348 to 349 of this Annual Report. The names of the twenty largest shareholders together with their shareholdings as at 31st March 2025 are given on page 349 of this Annual Report. The percentage of the shares held by the public as at 31st March 2025 was 47.5% which was in the hands of 8 public shareholders.

Information relating to earnings per share and the net assets per share for the Company and Group, the dividend per share and the closing price per share are given on pages 347 and 346 of this Annual Report.

18. AUDITORS

The independent Auditors' Report on the Financial Statements is given on pages 355 to 358 of the Annual Report. The retiring Auditors Messrs. KPMG, Chartered Accountants have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors and to authorise the Board to determine their remuneration will be proposed at the Annual General Meeting of the Company.

The audit fees payable for the year to the Company Auditors Messrs. KPMG, Chartered Accountants was Rs. 2.3 million (2023/2024 – Rs. 2.1 million). In addition to the above Rs. 4.3 million (2023/2024 – Rs. 4.0 million) was payable by the Company for permitted non-audit related services. Messrs. KPMG, Chartered Accountants, the Auditors of the Company are also the Auditors of certain subsidiaries, joint ventures and associate companies of the Group. The details of the subsidiaries, joint ventures and associate companies audited by them are included on pages 501 to 512 of this Annual Report.

Annual Report of the Board of Directors

The amount payable by the Group to Messrs. KPMG, Chartered Accountants as audit fees was Rs. 32.1 million (2023/2024 – Rs.30.1 million) while a further sum of Rs. 16.0 million (2023/2024 – Rs. 16.7 million) was payable for permitted non-audit related services. In addition to the above Rs. 16.0 million (2023/2024 – Rs. 16.1 million) was payable to other auditors for carrying out audits of the subsidiaries conducted by them. The amount payable to such other auditors for permitted non- audit related services was Rs. 26.5 million (2023/2024 – Rs. 17.7 million). As far as the Directors are aware,the Auditors have no other relationship with the Company or any of its subsidiaries, joint ventures and equity accounted investees that would have an impact on their independence.

19. ANNUAL GENERAL MEETING.

The Seventy Third (73rd) Annual General Meeting of the Company will be held at No. 315, Vauxhall Street, Colombo 02 on Friday, 04th July 2025 at 10.00 a.m., as a virtual meeting using a digital platform. A Notice of Meeting of the 73rd Annual General Meeting is available on page 518.

By order of the Board of Directors,

Ms. D.S.T. Jayawardena
Executive Chairperson

Dr. M.P. Dissanayake
Deputy Chairman and
Managing Director

Aitken Spence Corporate Services (Private) Limited
Company Secretaries

12th June 2025
Colombo

A TRADITION OF INSIGHT

ILLUMINATING PERFORMANCE

Our deep-rooted expertise and forward-looking perspective provide a strong foundation for strategic decision-making, shaped by a clear view of evolving dynamics, enduring insights and a well-honed ability to adapt to change.

Tourism Sector

Aitken Spence Group has a broad presence across the tourism sector value chain, maintaining leadership positions in destination management, resorts and hotels. It has strong presence in airline representation and outbound travel, making the Group a significant player in Sri Lanka's tourism sector. The portfolio is geographically diversified across six countries with hotel operations in four countries. The sector experienced strong growth during the year buoyed by the resurgence of tourist arrivals in Sri Lanka. Strong relationships with key global partners underpin the growth achieved by the sector which has been an early champion of sustainable tourism.

Contribution to Group

57.7%
of Group Revenue

54.9%
of Profit Before Tax

23.4%
of Employees

51.0%
of Total Assets

69.0%
of Scope 1 & 2 Emissions

78.3%
of Water Consumption

SECTOR OVERVIEW

Hotels

The hotels segment owns, operates and manages a portfolio of ten properties in Sri Lanka, five in the Maldives, one in India and three in Oman. With a total of 2,676 keys, the segment is one of the leading resort operators in Sri Lanka and the Maldives.

Destination Management

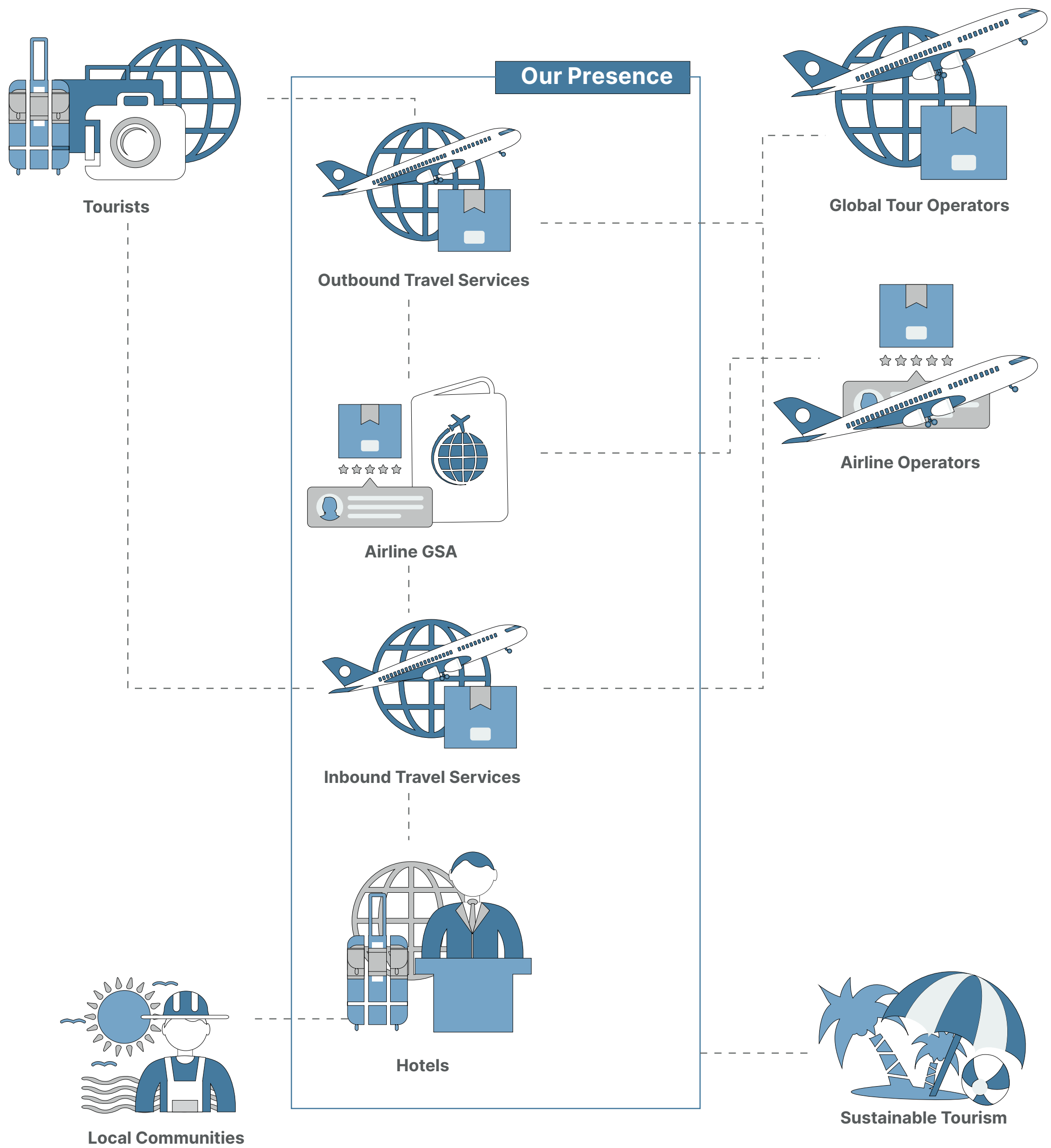
The destination management segment has an expanding geographical presence across four countries. Aitken Spence Travels (Pvt) Ltd is the largest destination management company in Sri Lanka.

Airline GSA

As the longest standing general sales agency for Singapore Airlines, the segment occupies a niche in the tourism value chain. This is supplemented by the agencies for SriLankan Airlines, Qatar Airways and Cathay Pacific in the Maldives.

Tourism Sector

Our Presence along the Value Chain (GRI 2-6)



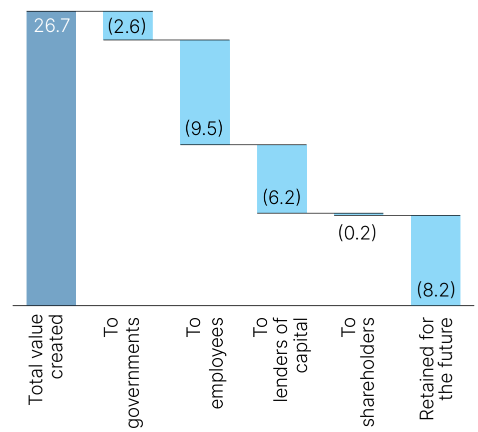
Tourism Sector

VALUE CREATION HIGHLIGHTS

The Tourism sector has significantly contributed to the economy, generating a substantial value of Rs. 26.7 billion. This value creation underscores the sector's pivotal role in economic development and job creation. Of the total value generated, Rs. 2.6 billion, or 9.8%, was allocated to the government in the form of taxes paid. Employees received Rs. 9.5 billion, accounting for 35.6% of the value, which emphasises the sector's role in providing livelihoods and supporting household incomes. Debt servicing and minorities accounted for Rs. 6.2 billion, representing 23.0% of the value, reflecting the sector's reliance on financial investments and its ability to meet obligations to lenders. Rs. 8.3 billion, or 30.9%, was retained for future use, ensuring the sector's sustainability and capacity for future growth. Overall, the Tourism sector's value distribution illustrates its multifaceted impact on the economy, benefiting various stakeholders and fostering economic resilience.

Distribution of Value Created

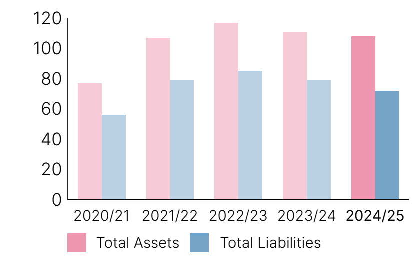
Rs.Bn



Financial

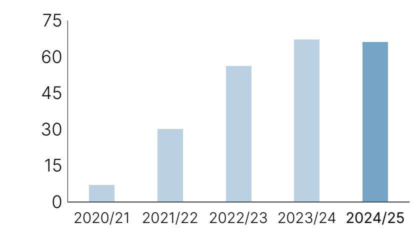
Stability

Rs.Bn



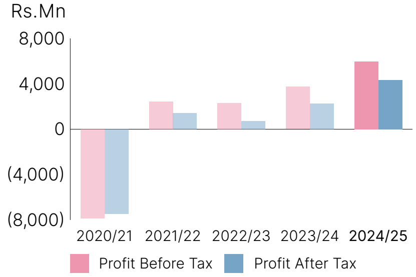
Revenue

Rs.Bn



Profitability

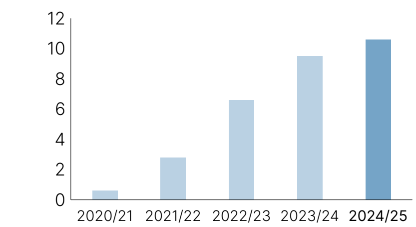
Rs.Mn



Social

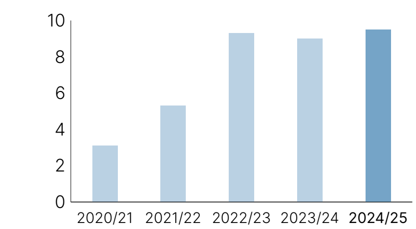
Taxes Paid to Government

Rs.Bn



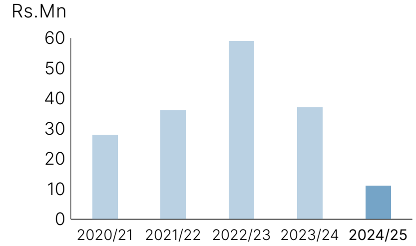
Employee Benefits Paid

Rs.Bn



Total Investment in Sustainability Driven Processes

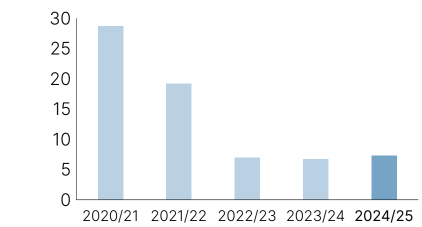
Rs.Mn



Environment

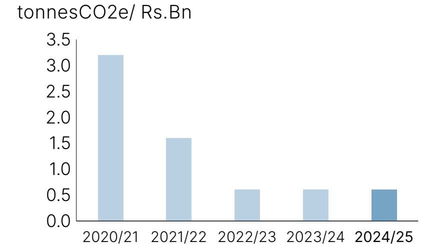
Energy Consumption per Unit Revenue

GJ/Rs.Bn



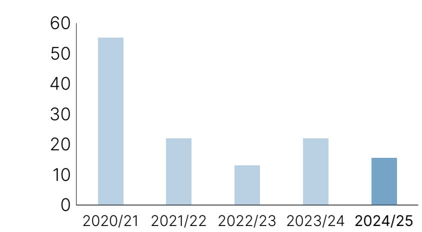
Emissions per Unit Revenue

tonnesCO2e/ Rs.Bn



Water Consumption per Unit Revenue

m3/ Rs.Bn



Tourism Sector

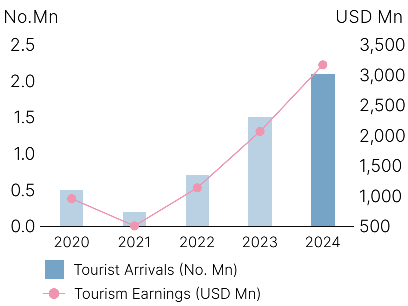
OPERATING CONTEXT

Sri Lanka

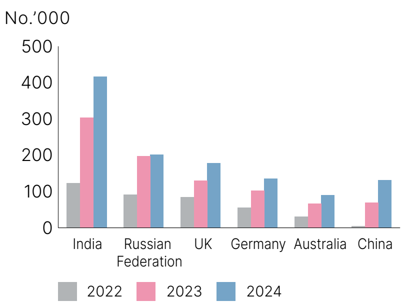
Tourist Arrivals in Sri Lanka increased by

38.1% in 2024

Tourist Arrivals vs Tourism Earnings



Key Source Markets

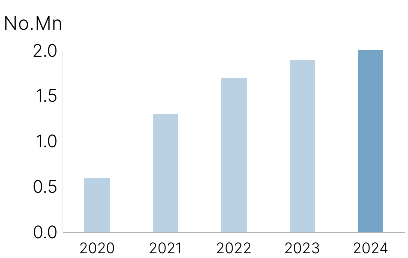


Maldives

Tourist arrivals in Maldives increased by

8.9% in 2024

Tourist Arrivals in Maldives



Sri Lanka

Visitor arrivals surged by 38.1% to 2.05 million in 2024 as political and economic stability of the country resulted in achieving a commendable growth. Earnings from tourism also increased by 53.2% to USD 3,168.6 million, as a result of higher room rates and tourism related activities. Airline connectivity improved during the year with key airlines increasing the number of scheduled flights as demand increased.

Blessed with a rich natural heritage of beautiful beaches, wildlife and cool climes in the hill country, Sri Lanka has a rich offering for every visitor to the country. A culture developed over 2,500 years also captures the attention of the curious traveller while the spirituality and healing arts pave the way to capitalise on wellness tourism trends. The interest shown in Sri Lanka has been encouraging and we witnessed interest from traditional source markets as well as new markets as the country continued to climb up the ranks of 'must visit' destinations.

The appreciation of the Sri Lankan Rupee by 10% in 2024 posed challenges to the top line although the trend reversed during the first three months of 2025 with a depreciation of 2% by 31st March 2025. The migration of skilled professionals remains an industry-wide issue which increases costs and operational risks, and adversely affect the quality of services provided, increasing time to ramp up and increasing operational risks. Competition is also intensifying as more international operators enter the market signalling the interest in the destination.

Maldives

The Maldives recorded 8.9% growth in tourist arrivals which reached 2.04 million in 2024 despite political and economic challenges faced by the country. The Maldives is one of the world's most climate-vulnerable nations, with rising sea levels posing a severe long-term threat while increased frequency of extreme weather events have increased costs. The airport tax and green tax were increased. Additionally, the Tourism Goods & Service Tax (TGST) was increased from 12% to 16% making the islands a more expensive destination for travellers. The Maldivian government introduced the mandatory foreign currency conversion rule in October 2024 to prevent depletion of foreign reserves in the country, posing severe challenges in meeting foreign currency denominated obligations. Rising inflation also has contributed to the increase in operating costs marking 2024 one of the most challenging years for the tourism industry in the Maldives.

India

India has had robust growth in tourist arrivals as the country continues its stable growth trajectory, counting over 9 million tourists in recent years excluding non-resident Indians. The domestic tourism in the country is also a major generator of room nights to hotels.

Oman

Oman tourism continues to be impacted by the conflicts in the Middle East. Increased competition from new hotels and apartments continues to exert pressure on rates. Costs moved up due to increased taxes on alcoholic beverages and increased energy costs. The Omanisation policy has also driven up payroll costs, posing significant challenges.

Tourism Sector

S

Strategic Geographic Footprint

Presence across diverse destinations: coastal, cultural, and urban: enables access to a wide range of traveller segments.

Strong International Partnerships

Long-standing collaborations with global tour operators and airlines ensure consistent market visibility and volume generation.

Sustainability Leadership

Pioneering efforts in eco-tourism, renewable energy, and alignment with global movements such as the UN Global Compact, Women's Empowerment Principles and Science Based Targets initiative position operators as responsible industry leaders.

W

Fluctuating Experience Undermining Customer Loyalty

The diversity in the properties may result in a variability in guest experience, upkeep, and service quality thus leading to a weaker customer loyalty and brand trust.

Exposure to High Costs from Import Dependence

Over dependence on imports in providing key product and service offering in both Sri Lanka and Maldives contribute to elevated costs and reduced pricing flexibility.

O

Growth in Experiential and Niche Segments

Increasing demand for wellness travel, eco-luxury, digital nomad experiences, and sports tourism opens up high-value avenues.

Digital Transformation

Embracing AI, Customer Relationship Management (CRM) systems, and marketing automation can improve personalisation, customer retention, and operational agility.

Expanding Source Markets

Untapped potential in South Asia, Southeast Asia, and the Middle East presents growth opportunities beyond traditional markets.

T

Geopolitical and Economic Volatility

Instability in key source markets and currency fluctuations can significantly affect inbound tourism and profitability.

Disruptive Competition

The rise of Online Travel Agents, direct booking channels, and branded service apartments is intensifying pressure on traditional models.

Environmental Risks

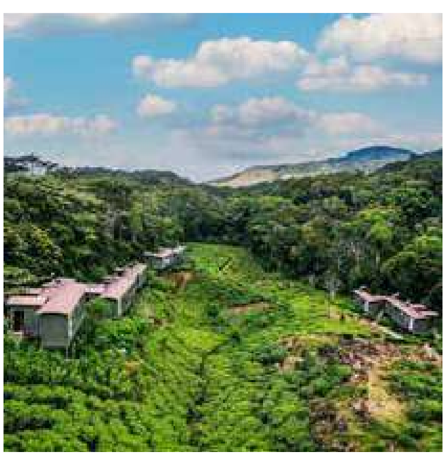
Climate change, extreme weather, and rising sea levels pose growing threats to infrastructure, sustainability, and long-term viability.

Tourism Sector

DRIVING STRATEGY

Short term | Medium Term | Long Term

Strategic Objectives	Key Developments During the year
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Aitken Spence Travels (Pvt) Ltd continues to be the market leader in Sri Lanka accounting for 18% of arrivals
	Positioning of the Group to cater to luxury and eco luxury wellness tourism, adventure tourism and other travel trends was initiated
	Digitalisation across all segments driving insights and operational efficiencies
Expand Aitken Spence reach to new geographies and venture into new business segments	Destination management segment expanded operations in Bangladesh, opened a branch office in Jaffna and established a presence in Myanmar
	Hotels segment expanded the portfolio of managed properties with the addition of Rainforest Eco Lodge
	Strengthened partnerships for growth across all segments
Achieve Employer of Choice status	Flexible and hybrid working option were implemented to attract and retain skilled employees
	Reviewed compensation and benefits to retain key talent
	Invested in training and development
	Recognition of employee achievements
Reduce the resource footprint and achieve net-zero emissions by 2030	Roof top solar PV installations at selected properties
	Improvements made to energy intensive processes and infrastructure
	74 management systems and 21 environmental certifications were maintained by the hotels and destination management segments affirming adherence to international best practices for environmental goals



Tourism Sector

PERFORMANCE

The Tourism sector revenue decreased by 2.3% to Rs. 65.9 billion, accounting for 57.7% of the Group's revenue. Despite the improved performance of the Sri Lankan tourism segment, the negative impact of the appreciation of the Sri Lankan Rupee during the year, and the marginal decline in the number of inbound tourists handled by the destination management segment, impacted the revenue attributable to the sector. The key driver underpinning performance of the sector was the resurgence in tourist arrivals in Sri Lanka which supported growth across all three segments as the entire value chain regained its vibrancy to near pre-pandemic levels. The destination management segment retained its market leadership, accounting for 18% of tourist arrivals in Sri Lanka with increased numbers from traditional markets contributing to boost moderate growth of non-traditional markets. Hotels segment recorded increased occupancy across its properties in Sri Lanka, Maldives and India reflecting the recovery of this sector to near pre-pandemic levels in the region. The airline GSA segment benefited from increased frequency of flights and increased exports.

Operating profits of the sector recorded a growth of 10.0% to Rs. 10.1 billion despite significant challenges in the Maldives sector and in building talent pools across all segments and geographies. In the Maldives increased taxes and inflation eroded margins while the mandatory conversion of foreign exchange posed challenges in meeting dollar denominated obligations. Profit before tax improved from Rs.3.7 billion in the financial year 2023/24 to Rs. 6.0 billion in the financial year 2024/25. Improvement in profit before tax was favourably impacted by the decline in both the Sri Lankan Rupee and the USD interest rates.

Digitalisation played a critical role in driving service and process efficiencies as well as enhancing productivity of teams as they adapted to the use of digital tools. Human capital posed challenges across the sector as lean years had seen skilled talent migrate to other sectors and overseas, making it difficult to ramp up operations. All segments focused on building strong employer brands to attract and retain talent. Training and development intensified to ensure that high standards were maintained, particularly in the hotels segment, pursuing its goal of moving into luxury and eco luxury tourism and other niche travel trends. Trusted business partnerships with principals play a key role in driving performance of this business. Our unwavering commitment to these partnerships is demonstrated by their longevity, with collaborations with esteemed principals like TUI and Singapore Airlines spanning decades.

The sector actively drives local economic development by extending its value chain to create direct and indirect employment, foster entrepreneurship, and build capacity among local stakeholders. Through training and engagement, it empowers local suppliers and service providers to meet industry standards while championing environmental stewardship, placing communities at the heart of sustainable tourism.

The sector plays a key role in meeting the Group's net-zero targets and made good progress during the year. Four properties commissioned roof top solar installations as the hotels segment moved towards the target of obtaining 12% of its energy requirements from renewable sources. This was supplemented with energy efficient systems and equipment across the sector. The destination management segment continues its conservation activities through engaging and educating communities that include the local supply chain. The sector is acutely aware of the impact of climate change as increasing extreme weather events and changes in weather patterns result in increased costs and diminishes its value proposition. Accordingly, the disaster risk reduction and business continuity management (DRR/BCM) teams actively work to identify potential vulnerabilities to natural as well as man-made disasters to ensure proactive emergency preparedness and business continuity mechanisms. Caring for the natural environment is wired into the DNA of the sector which continues to respect nature's bounty around the properties which is a unique selling proposition of its portfolio.

Rs 65.9 Bn
Revenue

Rs 6.0 Bn
Profit Before Tax

Rs 108.3 Bn
Total Assets

Rs 63.3 Bn
in Property Plant & Equipment

Rs 72.2 Bn
Total Liabilities

Rs 313.0 Mn
Dividends Paid to Equity Partners

Tourism Sector

SECTOR INTEGRATED PERFORMANCE

Tourism sector > Statement of Financial and ESG Performance (GRI 201-1; 203-1; 302-1; 303-3; 303-4; 305-1; 305-2; 306-5)

	2024/2025	2023/2024	YoY(%)
Revenue (Rs. Mn)	65,882	67,410	(2)
EBITDA (Rs. Mn)	16,260	15,520	5
Profit before tax (Rs. Mn)	5,967	3,742	59
Profit after tax (Rs. Mn)	4,334	2,253	92
Total assets (Rs. Mn)	108,339	110,952	(2)
Total liabilities (Rs. Mn)	72,217	78,761	(8)
Total direct tax paid (Rs. Mn)	1,326	730	82
Total indirect tax paid (Rs. Mn)	9,255	8,784	5
SDGs towards which the sector's performance contributes: 4, 5 and 8			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 8.5, 8.6, 8.9			
Number of employees	3,868	3,678	5
Employee female representation	15%	14%	7
Employee benefits paid (Rs. Mn)	9,513	8,976	6
Training hours per employee	46	26	77
SDGs towards which the sector's performance contributes: 4, 5, 8 and 12			
Targets: 4.3, 4.4, 4.7, 5B, 8.6, 8.9, 12.2, 12.6, 12.b			
Investment in training (Rs. '000)	41,921	3,208	1207
Brand stewardship	7	7	0
Number of certifications	21	21	0
SDGs towards which the sector's performance contributes: 8, 9 and 12			
Targets: 8.9, 9.1, 12.6, 12.8, 12.b			
Number of airline GSA relationship	6	6	0
Number of joint venture/equity partnerships	7	7	0
Number of suppliers screened on ESG within the year	261	37	605
Total funds channelled for community development (Rs. Mn)	2	2	0
SDGs towards which the sector's performance contributes: 8, 9, 12 and 14			
(*Note - Data for 2023/24 has been restated as the reporting boundary has been revised)			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 14.1, 14.2			
Total energy consumption (GJ)	476,050	445,605*	7
Total energy consumed from renewable sources (GJ)	19,596	22,415	(13)
Scope 1 emissions (tCO2e)	27,607	25,567*	8
Scope 2 emissions (tCO2e)	13,347	12,698*	5
Emissions reduced or offset (tCO2e)	3,753	3,845	(2)
Total water withdrawn (m3)	1,018,327	1,460,264	(30)
Total volume of water treated for reuse or safe disposal (m3)	839,882	675,690	24
Total amount of solid waste kept away from landfills			
(Tonnes)	2,078	2,438	(15)
(Units)	138	10,785	
(Litres, waste oil)	8,626	5,775	49
Total investment in sustainability driven processes (Rs. Mn)	11	37	(72)
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	63,282	66,463	(5)
Investment in manufactured capital (Rs. Mn)	1,700	1,880	(10)
Number of keys owned and managed	2,676	2,639	1

Tourism Sector

WAY FORWARD

Global tourism industry was forecast to grow between 3% to 5% in 2025 prior to the announcement of reciprocal tariffs by the USA. As the escalation in geoeconomics threats resulted in a downward revision of global growth, there is uncertainty about its impact on the global tourism market. However, there is no doubt that this is a risk factor that needs monitoring to understand the potential impact as the scenarios for each country and region can differ widely, with some benefiting while others being negatively impacted. Geopolitical risks also pose challenges as it disrupts air traffic routes, increasing costs of air travel while dampening traveller sentiments.

In the short term, the sector is expected to remain agile and respond effectively to potential threats with destination management segment playing a key role in driving growth across the value chain by developing new markets, expanding traditional markets and catering to emerging travel trends including the demand for customised experiences. The hotels segment will invest in differentiating some of the properties to cater to travel trends, transforming its value proposition to suit customer segments and also re-position premium properties to move into the luxury and eco luxury tourism segments. The Maldives sector is expected to expand with the opening of the new international airport which will drive improved connectivity, easing bottlenecks in the tourism infrastructure of the country. Airline GSA operations will continue to focus on driving growth through improved capacity, efficiencies and partnerships with principals and local business partners.

In the medium to long term, the sector aspires to grow its geographical presence with an asset light approach, leveraging its expertise and reputation for building trusted partnerships. The destination management segment will play a critical role as it develops its geographical presence in Asia.

Sustainability will be a cornerstone of the sector's offering as it seeks to reduce the emissions of the sector. The hotels segment will add new solar installations in Sri Lanka and the Maldives, increasing the share of renewable energy and reducing emissions. The sector will also focus on digitalisation with safeguards for data security to engage customers and drive efficiencies in processes. As a people-centric business, building talent pipelines will be a key focus through employer branding, compensation and benefits and training and development.

Overall, the short, medium and long term prospects improved in 2024/25 and while downside risks remain, the upside potential is likely to support the growth of this exciting industry.

For a comprehensive overview of each business unit's outlook and plans, please refer to the respective segmental reviews.

Tourism Sector

HOTELS

Aitken Spence Hotels is a regional leader in sustainable, innovative, and guest-centric hospitality, with a presence across **Sri Lanka, the Maldives, Oman, and India.** The Group's hospitality arm is recognised for its commitment to sustainability, including the preservation of biodiversity-rich areas and supporting the Group's ambitious goal of achieving **net-zero emissions by 2030.**

Across all locations, the hotels offer authentic cultural, wellness, and eco-tourism experiences that cater to evolving global travel trends. A Group-wide digital transformation is underway, incorporating **technology driven guest engagement** and enhanced online platforms to deliver a seamless and future-ready experience.

In Sri Lanka, where the Group has a significant presence, the hospitality segment plays a vital role in the national economy by earning foreign exchange and providing both direct and indirect employment in this people-centric industry. Local communities benefit from training and job opportunities within a globally mobile sector.

Through its international operations, Aitken Spence Hotels contributes to **economic resilience**, environmental sustainability, and social empowerment, consistently driving innovation and positive impact in alignment with the Group's broader purpose.

Sri Lanka Sector

Owned and managed or managed properties

Heritance Kandalama
152 rooms

Heritance Ahungalla
152 rooms

Heritance Ayurveda
64 rooms

Heritance Tea Factory
50 rooms

Turyaa Kalutara
199 rooms

RIU Ahungalla
501 rooms

Sentido Heritance Negombo
139 rooms

Amethyst Resort
38 rooms

Earl's Regency
116 rooms

Rainforest Ecolodge
20 rooms

Overseas Sector

Maldives Owned and managed

Heritance Aarah
150 villas

Adaaran Select Meedhupparu
238 villas

Adaaran Prestige Vadoo
50 villas

Adaaran Select Hudhuran Fushi
202 villas

Adaaran Club Rannalhi
122 villas

India Owned and managed

Turyaa Chennai
140 rooms

Oman

Owned and managed or managed

Al Falaj Hotel
150 rooms

Desert Nights Resort
88 rooms

Best Western Sur
105 rooms

Tourism Sector

OUR COMMITMENT TO EXCELLENCE

Certifications

- **Green Globe Certification:** All five companies in the Maldives successfully achieved Green Globe certification in June 2024 with high scores in their first audit
- **ISO 22000 Certification:** The longstanding ISO 22000 certification was successfully renewed last year, reaffirming that the food production standards at each of our properties align with the globally recognised ISO 22000 food safety certification
- **LEED Certification:** Heritance Aarah is the first LEED certified property in the Maldives (Leadership in Environment and Energy Design)

Awards and Accolades

- Highest number of awards with seven prestigious wins at the Sri Lanka Tourism Awards 2024
- Top 5 in LMD's Most Awarded - Hall of Fame, in the hospitality sector category
- Set a new benchmark with highest regional awards at the South Asian Travel Awards (SATA) 2024
- Heritance Aarah named Most Outstanding Culinary Organisation at Food & Hospitality Asia Maldives (FHAM) 2024
- Adaaran Resorts triumphed with multiple awards at FHAM 2024
- The annual report of Aitken Spence Hotel Holdings PLC won the 'Gold' award in the Hotel Sector category, securing the awards for the fifth consecutive year

Highlights - 2024/2025

- Focus on experiential tourism by offering authentic cultural, wellness, and eco-tourism experiences, catering to emerging global travel trends
- Rainforest Ecolodge was added to the portfolio of managed resort properties
- Increased occupancy rates in Sri Lankan portfolio as tourist arrivals surged driving profit before tax growth of over 100%

Tourism Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	• Revenue and profit growth • Market share growth through experiential tourism • Expansion of luxury and eco-luxury market share • Financial sustainability and ESG leadership
	Medium Term	• Portfolio expansion and service enhancement • Sustainable growth and profitability • Leverage AI and big data analytics for personalised guest experiences and dynamic pricing models
	Long Term	• Market leadership and consistent profit growth • Expansion of luxury and eco-luxury market share • Financial sustainability and ESG leadership
Expand the Aitken Spence reach into new geographies	Short term	• Geographic expansion by developing properties in portfolio and through strategic alliances • Increase visibility in international markets
	Medium Term	• Expand presence in key markets. • Increase revenue from international operations
	Long Term	• Achieve profitability and market leadership in new markets • Expand portfolio while strengthening business resilience
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	• Increase renewable energy share to 6% • Energy efficiency measures to reduce consumption • Employee and guest engagement on sustainability
	Medium Term	• Scale renewable energy to 9% of total consumption • Advanced energy optimisation strategies using technology driven predictive energy management for real time demand control • Green certifications and industry recognition across all properties (owned and managed)
	Long Term	• Achieve 12% renewable energy transition milestone • Waste-to energy and carbon capture and removal initiatives • Full integration of technology and smart systems for resource efficient operations
Achieve Employer of Choice status	Short term	• Strengthening career growth and talent development • Fostering diversity, equity and inclusion • Competitive benefits and work-life balance
	Medium Term	• Leadership development and succession planning • Generational integration and enhancing employee experience • Expanding talent attraction and employer branding
	Long Term	• Future-proofing the workforce and technology integration • Maintaining employer of choice status

Tourism Sector

PERFORMANCE

The hotels segment recorded a revenue growth of 3.4% and a profit after tax growth of 94.7% for the year ended 31st March 2025, with positive contributions from Sri Lanka, the Maldives, and India. Despite prevailing challenges in the operating environment, operations in Sri Lanka and the Maldives continued to focus on leisure and MICE (Meetings, Incentives, Conferences, and Exhibitions) travel, while the India operation concentrated on business and MICE travellers. In Oman, the segment diversified into industrial catering to enhance revenue streams. During the year, a digital transformation journey was initiated, beginning with the implementation of Opera Cloud, to streamline operations and improve efficiency. The segment also reaffirmed its leadership in sustainable hospitality, renewing its commitment to environmental and social impact control and sustainable value creation.

Sri Lanka

Capitalising on the recovery in international arrivals and a broadly favourable tourism outlook, the Sri Lankan hotel portfolio delivered strong growth in occupancy, revenue, and profitability, as the destination re-established its presence on the global tourism map. Improved performance was driven by heightened demand from key source markets and a relatively stable macroeconomic environment, despite pressure from exchange rate fluctuations and rising operating costs. The segment's focus on experiential tourism, particularly at its premium properties, resulted in curated offerings that aligned with evolving travel trends, boosting yields and enhancing guest engagement.

Property-level assessments are currently underway to ensure sustained competitiveness. Although Russian charter arrivals declined due to Ruble depreciation and growing competition from alternative destinations, this was largely offset by stronger arrivals from India, China, and Europe.

Talent shortages, particularly in specialised roles, remained a significant operational challenge. In response, the segment expanded grassroots training programmes through its hotel schools at Heritance Kandalama and Heritance Ahungalla, aimed at long-term talent development and attracting youth to hospitality careers.

The Maldives

Operations in the Maldives remained steady despite increased complexity in the operating environment and flat year-on-year growth. The destination continues to experience intense competition, with approximately 1,000 additional rooms in the four- to five-star category expected to be added in 2025/26, potentially putting pressure on room rates and sector-wide revenue optimisation.

While official forecasts point to strong growth in tourist arrivals, internal projections remain conservative, anticipating moderate growth in the coming year. The segment maintained stable performance through strong brand positioning, consistent service quality, and personalised guest experiences.

Macroeconomic developments in the Maldives also presented operational challenges, including constrained foreign exchange liquidity and new regulations mandating partial conversion of revenue into local currency. These are being addressed through robust financial controls and active engagement with local banking institutions.

Proposed fiscal changes, such as increased tourism-related levies including TGST, green tax, and airport charges, are expected to increase operating costs. Nevertheless, these measures align with the government's broader infrastructure and public revenue strategies.

Moving forward, the focus will remain on enhancing operational agility, improving guest retention, and driving cost efficiencies to maintain competitiveness in a shifting market landscape.

India and Oman

The hotel operation in India continued to deliver commendable performance during the year, though profitability saw a marginal decline due to elevated operating expenses. Situated in the heart of Chennai's IT corridor, the property maintained high occupancy levels by catering to the business traveller segment. Despite stiff competition from leading international brands, the hotel succeeded in differentiating itself through attentive service and a distinct culinary offering.

As the Indian economy continues to grow, the property is well-positioned for future performance. With its tenth anniversary in May 2025, a phased refurbishment plan is being considered to further elevate the guest experience and cater to the evolving expectations of corporate clients.

In Oman, the hotel reported a loss for the year. However, it posted a notable improvement over the previous period, reflecting positive momentum. This progress was underpinned by stronger-than-expected occupancy rates and stable average room rates. Revenue diversification efforts proved successful, with the segment securing a significant food and beverage catering contract, thereby expanding its service portfolio. Additionally, the provision of accommodation for a high-profile sporting event helped reinforce the hotel's positioning as a reliable partner for large-scale engagements. These developments collectively mark continued progress toward long-term profitability and underline the segment's dedication to operational excellence.

Rs 46.3 Bn
Revenue

Rs 63.0 Bn
Property Plant & Equipment

Rs 4.9 Bn
Profit Before Tax

Rs 59.0 Bn
Total Liabilities

Rs 95.6 Bn
Total Assets

Tourism Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	The segment's financial position improved driven by increased profitability as occupancy rates improved in the Sri Lankan sector coupled with low interest rates.	63.2% Profit before tax growth	8
Manufactured Capital	A portfolio of 19 properties in 4 countries drive our growth.	Rs 1.6 Bn Investment in property plant and equipment	9, 12
Human Capital	Strengthening the 'Heritance Rise' management trainee programme and recruiting for the two hotel schools in Sri Lanka. Motivating employees through work-life balance initiatives.	Rs 37.4 Mn Investment in training and skills development 90 Graduates from the Aitken Spence Institute of Hotel Management	4, 5, 8
Intellectual Capital	Implementing Opera Cloud, technology powered energy efficiency systems and readiness for dynamic pricing models as well as other digital infrastructure enhancements.	Enhanced customers insights, margins and energy savings	9
Social and Relationship Capital	Strong partnerships enhance our ability to increase occupancy and extend our portfolio with management contracts for third party properties. Rainforest Eco Lodge was added to the portfolio.	Livelihood Support: Reached 3,500+ beneficiaries through skills training, employment, and SME partnerships Education: Provided scholarships and digital literacy to 350+ students across key locations Local Sourcing: Sourced from 75+ local suppliers	4, 8
Natural Capital	Championing sustainable tourism with investments in climate resilient infrastructure, and community led interventions.	9.1% Energy consumption from renewable sources 211 acres of forest cover maintained in its pristine condition Planted 5,000+ trees and conducted beach clean-ups with employee and community engagement	6, 9, 12, 15, 14

Tourism Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, the hotel segment continuously monitors and addresses a range of business and sustainability risks that could impact operational continuity, service delivery, and long-term performance. These risks stem from evolving geopolitical landscapes, macroeconomic volatility, environmental challenges, and internal operational dynamics. The following outlines the principal risks identified during the year and the mitigation strategies implemented to address them.

Risk — Mitigation Strategy

Financial risk

Risk	Mitigation Strategy
The hotel segment is exposed to a range of financial risks, including challenges in sourcing capital in certain foreign jurisdictions, loan servicing constraints, inflationary cost pressures, and exchange rate volatility. These factors can adversely impact cash flows and margins.	The segment is engaging with regional and international financial institutions to secure funding for critical refurbishments and is pursuing the restructuring of existing loan facilities to ease repayment terms. Supply chain diversification and enhanced resource efficiency measures are being implemented to reduce exposure to inflationary pressures. Exchange rate movements are monitored regularly, enabling responsive financial planning and risk management.

Climate related risk (GRI 201-2)

Risk	Mitigation Strategy
Hotel operations face increasing risks from rising sea levels, extreme weather events, and water scarcity, which threaten coastal infrastructure, disrupt services, and strain resources. Additionally, energy security challenges, heat stress on employees, and tightening decarbonisation policies heighten operational and financial exposure across all regions.	As a pioneer in sustainable hospitality, the segment has invested in LEED-certified architecture, with three certified properties, and enforces stringent energy and environmental management systems across all owned and managed hotels. It is also exploring investments in renewable energy to reduce dependence on fossil fuels. These efforts are supported by dedicated disaster risk reduction teams that assess climate vulnerabilities and lead site-specific adaptation planning.

Operational risk

Risk	Mitigation Strategy
Operational risks include potential lapses in health and safety compliance, inconsistent implementation of standard operating procedures (SOPs), cyber security vulnerabilities, and concentrated reliance on specific customer or supplier groups. These risks have the potential to affect service continuity, customer satisfaction, and data integrity.	The segment has adopted comprehensive hygiene and safety protocols across all properties and conducts periodic audits and training sessions to ensure consistent SOP compliance. Investments are being made in cyber security infrastructure, supported by awareness programmes to strengthen digital resilience. Simultaneously, efforts are underway to broaden the segment's supplier and customer base to reduce dependency risk.

Geopolitical and regulatory risk

Risk	Mitigation Strategy
Geopolitical developments including conflicts in the Middle East and Eastern Europe have affected travel patterns and contributed to market volatility. Simultaneously, evolving labour regulations and talent mobility restrictions in certain geographies have increased operational complexity and compliance-related costs.	To mitigate these risks, the segment is expanding its market reach by targeting emerging source markets and niche travel segments such as diplomatic missions and sports tourism. Customer loyalty and value-added service enhancements are also being prioritised to strengthen market resilience. On the regulatory front, human resource processes have been reinforced, including the deployment of experienced local HR professionals to ensure compliance and address workforce challenges proactively.

Tourism Sector

OUTLOOK

Emerging Opportunities

- **Brand Repositioning & Differentiation:** Strengthening unique eco-luxury properties and products and experiential positioning to stand out in the market and leveraging the Geoffrey Bawa-designed properties to enhance brand appeal.
- **Strategic International Partnerships:** Expanding collaborations with global tour operators and media to boost international brand visibility and strengthening partnerships in India, the Middle East, and Southeast Asia to increase international market share.
- **Expansion into New Markets:** Expanding market share into niche segments such as eco-tourism, wellness retreats, and digital nomad accommodations.
- **Enhancing the Website User Experience through Optimised Search:** Improved website navigation and search functionality now allow guests to find properties, offers, and experiences more quickly and intuitively, enhancing the overall booking journey.
- **Sustainability as a Competitive Advantage:** Achieving sustainability certifications such as Green Globe, Travelife, or LEED for all properties and moving towards net-zero goals and deepening value proposition for sustainable tourism.

Potential Challenges

- **Government Policies:** Changes in government policy such as visa processing changes, taxation and entry fees, and economic conditions in the country can impact tourist sentiments.
- **Geoeconomic Threats:** Escalation of geoeconomic threats can subdue economic prospects, dampening tourist sentiments and impacting exchange rates.
- **Customer Privacy & Data Security:** Cyber threats remain elevated and the segment continues to monitor potential threats and activity to protect its information assets and customer data.
- **Human Resource Challenges:** Migration of skilled professionals in the industry to other sectors or countries, resulted in a paucity of talent which can result in declines in service quality, inefficiencies, and increased training and recruitment costs. The segment focuses on building talent pipelines through Heritance Rise and other recruitment initiatives as well as strengthening the two hotel schools within the Group.

Tourism Sector

OUTLOOK (Contd.)

Way Forward

Hotels segment is poised for long-term growth, supported by a diversified portfolio, deep market expertise, and a reputation for excellence across its regions of operation. While ongoing geopolitical tensions and global uncertainties including conflicts in key regions, continue to affect parts of the tourism landscape, the overall outlook for international travel in 2025 remains broadly positive. Resilient traveller demand, the return of key source markets, and improved connectivity are expected to drive continued momentum, particularly in Asia-Pacific, the Americas, and Europe.

In Sri Lanka, strategic priorities include upgrading the existing portfolio to address deferred refurbishments and repositioning properties to cater to high-value segments. These enhancements aim to improve yields and elevate guest experiences. Efforts are also underway to increase direct bookings through digital channels, supported by enhancements to brand identity and online platforms.

In the Maldives, where competition from luxury resorts is intensifying, the focus will be on delivering highly personalised and immersive experiences. Technology driven services, curated dining, and next-generation entertainment offerings will be key differentiators. Expanding into high-potential markets such as the Americas, Asia-Pacific, and Central and Eastern Europe will support long-term diversification and growth.

In India, opportunities will be pursued through strategic partnerships with luxury residences to introduce branded food and beverage outlets, including Turyaa extensions. Infrastructure developments in Chennai are expected to support growth in wellness, dining, and MICE-related travel.

In Oman, the Group will continue to align with national tourism strategies, focusing on service excellence, particularly in food and beverage, while improving cost efficiency and market reach. New infrastructure, regulatory changes, and regional travel reforms such as the proposed GCC unified visa present opportunities for growth.

Digital transformation will remain central to the Group's strategy, with investments in technology and data analytics enhancing forecasting, customer personalisation, and operational efficiency. Upgrades to the Group's website and digital channels will support a shift towards B2C engagement and dynamic pricing.

Sustainability continues to be a cornerstone of the Group's strategy. Key initiatives include the installation of solar panels at multiple properties, increased energy efficiency, and biodiversity conservation efforts within and around hotel environments. Guest engagement in responsible tourism remains a priority.

The Group also remains deeply rooted in the communities it operates in, promoting inclusive development through youth employment, local sourcing, and support for SMEs and micro-entrepreneurs.

With a proven track record, iconic properties, and long-standing partnerships, the segment is well-positioned to deliver sustainable growth, enhance stakeholder value, and meet the evolving expectations of global travellers in a complex and dynamic landscape.

Tourism Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Hotels & Lodging Sustainability Accounting Standard (Version 2023-12)

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ)	SV-HL-130a.1	466,804
	Percentage grid electricity		Percentage (%)		22%
	Percentage renewable				4%
2. Water Management	Total water withdrawn; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	SV-HL-140a.1	1,009,234
	Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				Sri Lanka, Oman and India - 100% (619,334m3) Maldives - An estimated 60% of the surface water withdrawn (389,540) is released back into the ocean. As this quantity is estimated, we consider all water withdrawn is consumed.
3. Ecological Impacts	Number of lodging facilities located in or near areas of protected conservation status or endangered species habitat	Quantitative	Number	SV-HL-160a.1	None of the owned properties Please refer to the Natural Capital report for details (Page 327)
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	N/A	SV-HL-160a.2	Please refer to the Natural Capital report for details (Page 327)
4. Labour Practices	(1) Voluntary turnover rate for lodging facility employees	Quantitative	Rate	SV-HL-310a.1	39
	(2) Involuntary turnover rate for lodging facility employees				0
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations	Quantitative	Presentation currency	SV-HL-310a.2	None
	(1) Average hourly wage	Quantitative	Presentation currency	SV-HL-310a.3	Not reported due to reasons of confidentiality

Tourism Sector

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Labour Practices	(2) Percentage of lodging facility employees earning minimum wage, by region		Percentage (%)		100% of employees earned above the local stipulated minimum wage in regions of operation
	Description of policies and programmes to prevent worker harassment	Discussion and Analysis	N/A	SV-HL-310a.4	Please refer to the Human Capital report for details
5. Climate Change Adaptation	Number of lodging facilities located in 100- year flood zones	Quantitative	Number	SV-HL-450a.1	2

Activity Metric	Category	Unit of measure	Code	Disclosure
Number of available room-nights	Quantitative	Number	SV-HL-000.A	845,340
Average occupancy rate	Quantitative	Rate	SV-HL-000.B	72%
Total area of lodging facilities	Quantitative	Square metres (m^2)	SV-HL-000.C	316,423
Number of lodging facilities and the percentage that are: Managed	Quantitative	Number, Percentage (%)	SV-HL-000.D	18, of which 94% are managed
Number of lodging facilities and the percentage that are: Owned and leased				0
Number of lodging facilities and the percentage that are: Franchised				0

Tourism Sector

DESTINATION MANAGEMENT

Aitken Spence Travels (Pvt) Ltd is the leading destination management company in Sri Lanka with a market share of over 18% of tourist arrivals to the country. The segment is committed to promoting sustainable tourism that supports preservation of the country's natural and cultural heritage while providing memorable travel experiences. The segment's value chain connects local communities to the global tourism industry, creating opportunities for growth.

As the only Travelife certified DMC, the company advocates responsible tourism by conserving resources and reducing carbon footprints, preserving Sri Lanka's heritage for future generations. The company also invests in employees with training and leadership development to cultivate future tourism professionals.

Sri Lanka Sector

- Colombo
- Mattala
- Jaffna
- Bandaranaike International Airport
- Ahungalla

Overseas Sector

- Maldives
- Myanmar

OUR COMMITMENT TO EXCELLENCE

Certifications

- Aitken Spence Travels (Pvt) Ltd was successfully recertified as Sri Lanka's only Travelife-certified destination management company, underscoring commitment to sustainable tourism.
- Aitken Spence Travels (Pvt) Ltd maintains status as the only DMC in Sri Lanka certified under ISO 45001 for occupational health and safety.
- Aitken Spence Travels (Pvt) Ltd is also ISO 14001 certified for environmental impact control and ISO 9001 certified for quality management.

Awards and Accolades

- Aitken Spence Travels (Pvt) Ltd won three prestigious awards at the Sri Lanka Tourism Awards titled Sri Lanka's Best in Tourism:
  - Best Large-Scale Tour Operator – Recognising market leadership, operational excellence, and outstanding service.
  - Best MICE Operator – Showcasing expertise in managing high-profile global events.
  - Best Cruise Operator – Acknowledging the ability to efficiently handle large-scale cruise operations benefiting both the industry and local communities.
- AHK (Auslandshandelskammern – German Chambers of Commerce Abroad) Sustainability Award Winner – Honoured for excellence in responsible tourism and impactful environmental and social initiatives.

Highlights - 2024/2025

- Strengthened presence in new and emerging source markets, driving incremental business to Sri Lanka.
- Pioneering growth in cruise tourism with expanded operations to multi-port, multi-day, and overland tours, spreading economic benefits across multiple regions.

Tourism Sector

STRATEGIC OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	• Optimise pricing and margins • Strengthen core markets (UK, Germany, France, Russia, Italy, India, Middle East) • Enhance digital marketing and direct sales • Improve operational efficiency and Customer Relationship Management (CRM) integration
	Medium Term	• Target Ultra High Net Worth Individuals (UHNWIs) and premium travellers • Expand charter operations from new markets • Develop strategic partnerships with hotels, airlines, and tourism boards • Increase MICE and luxury travel, diversify revenue streams
	Long Term	• Achieve market leadership in premium travel • Implement AI-driven analytics and sustainability initiatives • Strengthen global brand presence through marketing and expos
Expand the Aitken Spence reach into new geographies	Short term	• Explore expansion in Bangladesh, Cambodia, and Myanmar • Strengthen UAE presence via Dnata/Emirates partnerships • Leverage Jaffna's connectivity with India
	Medium Term	• Expand presence in key markets • Secure aviation GSA opportunities • Develop joint ventures with regional operators • Increase cruise stopovers and shore excursions
	Long Term	• Position Sri Lanka as a multi-country tour hub • Expand international holiday offerings
Venture into five new business segments by 2030	Short term	• Launch visa services and enhance luxury travel • Expand MICE tourism and experiential travel • Develop digital travel solutions
	Medium Term	• Enter airline GSA and charter operations • Develop regional DMC networks • Introduce travel subscription models • Expand cruise handling and sustainable tourism
	Long Term	• Invest in travel tech and hospitality ventures • Create ultra-luxury concierge services • Strengthen wellness tourism • Develop a regional travel hub model

Tourism Sector

Short term ◐ Medium Term ◎ Long Term ○

Strategic Objectives	Term	Time Bound Strategies
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	• Optimising vehicle movements to minimise fuel consumption using GPS tracking and AI-powered route planning • Partnering with eco-certified hotels and resorts to promote energy and water efficiency in accommodations
	Medium Term	• Introducing fleet incentives for hybrid and electric vehicles, encouraging transport providers to transition to low-emission alternatives. • Establishing exclusive partnerships with sustainable suppliers committed to eco-friendly practices • Implementing zero single-use plastic policies in tours • Encouraging responsible waste management across all operations
	Long Term	• Reduce at least 20% of transport emissions through a combination of EV adoption and optimised route planning • Investing in charging stations at key tourist locations to facilitate seamless EV travel • Launching tree-planting programmes, reforestation projects, and blue carbon initiatives to offset residual emissions • Collaborating with airlines investing in sustainable aviation fuel (SAF) to promote low-carbon travel
Achieve Employer of Choice status	Short term	• Creating a positive workplace culture • Enhance the scope and coverage of training to promote career mobility • Focus on employee well-being with options for hybrid work models, counselling, wellness initiatives etc.
	Medium Term	• Strengthen employer branding through awards and accolades • Establish fast track leadership and mentoring programmes to develop employees with high potential • Talent attraction and recruitment • Strengthen performance management and motivation and address toxic workplace behaviours through coaching
	Long Term	• Build a future ready workforce equipped with digital tools including AI • Benchmark industry best practice • Offer geographical mobility for top performance • Secure employee commitment to Group ESG goals including net-zero goals

Tourism Sector

PERFORMANCE

The destination management segment recorded a revenue decline of 15.1% during the year, primarily due to the appreciation of the Sri Lankan Rupee against the US Dollar, which impacted earnings conversion, and a decline in inbound tourist arrivals. Nevertheless, the destination management segment delivered a 36.8% increase in profitability compared to the previous year.

Aitken Spence Travels (Pvt) Ltd. (ASTL) continued to lead Sri Lanka's destination management industry, maintaining its position as the market leader for over 20 consecutive years in terms of passenger volumes. The company handled 218,946 inbound passengers during the financial year 2024/25, reflecting a 2.3% decline compared to 2023/24. This decrease was primarily due to cruise cancellations stemming from unrest in the Red Sea region, which disrupted scheduled calls.

The segment established its presence in Bangladesh and Myanmar a few years ago, operating as both a travel management company and a destination management company. These markets offer strong long-term potential; however, as a relatively new player, the Group continues to focus on strengthening brand presence and building market share. Tangible results are expected to materialise progressively over the medium term.

ASTL is deeply committed to connecting communities to tourism value chains, supporting SMEs and micro entrepreneurs as well as preserving the country's cultural heritage. Additionally, ASTL engages in community development projects which are financed by a dedicated sustainability fund. Over 1,000 direct and indirect beneficiaries have been positively impacted through educational, training, and community development programmes with positive outcomes such as improved learning conditions, enhanced career prospects, and greater financial independence for female entrepreneurs.

As the only Travelife certified destination management company in Sri Lanka, ASTL is committed to achieving net-zero emissions across the Group by 2030. Short-term strategies for achieving this target include optimising vehicle movements, utilising GPS tracking and AI-powered route planning, and partnering with eco-certified hotels. Medium-term strategies involve introducing fleet incentives for hybrid and electric vehicles, establishing partnerships with sustainable suppliers, and implementing zero single-use plastic policies. Long-term strategies focus on reducing at least 20% of local transport related emissions, investing in charging stations to support decarbonisation infrastructure in the country, launching tree-planting programmes, and collaborating with airlines investing in sustainable aviation fuel.

Overall, ASTL's financial, social, and environmental performance reflects its commitment to sustainable growth, community empowerment, and environmental stewardship. It will continue to focus on high-margin segments, expansion into emerging markets, and investment in digital transformation, retaining and enhancing its leadership position as the country looks forward to another year of strong growth in tourism.

(15.1%)
Revenue Decline

(15.6%)
Total Assets Decline

36.8%
Profit Before Tax Growth

15.1%
Increase in Employees

Tourism Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Focus on developing new markets, curating travel experiences, optimising pricing and margins supported the top line while efficiencies achieved through economies of scale and digitalisation supported earnings growth.	Improved earnings growth despite a subdued top line	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure
Manufactured Capital	Investment in infrastructure to be ready for the digital transformation taking place in the segment.	Rs 76.7 Mn Investment in property plant and equipment	9 Industry, Innovation and Infrastructure
Human Capital	Focus on team building, developing talent pipelines, employee wellness and attracting top talent through employer branding.	Rs 3.6 Mn Investment in training and skills development	4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth
Intellectual Capital	Upgraded CRM system, readiness for AI driven customer insights and chatbots for 24/7 support, dynamic and predictive analytics and improved digital booking channels.	Enhanced connectivity, processes and insights into business drivers	9 Industry, Innovation and Infrastructure
Social and Relationship Capital	Strong partnerships in source markets and local communities support access to markets and ability to create enhanced experiences.	Stronger relationships that support mutual growth A percentage of revenue committed towards community development interventions	4 Quality Education; 5 Gender Equality; 8 Decent Work and Economic Growth; 15 Life on Land
Natural Capital	Championing sustainable tourism through engagement, education and community led preservation of nature.	Rs 2.6 Mn Investment in sustainability related processes	4 Quality Education; 8 Decent Work and Economic Growth; 12 Responsible Consumption and Production; 15 Life on Land

Tourism Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place:

Risk — Mitigation Strategy

Geopolitical risk

Risk	Mitigation Strategy
Policy instability, conflicts, or regulatory changes in key markets can disrupt travel demand and business continuity.	Expand into multiple geographic markets to reduce dependence on any single region, and maintain agile operational plans that can adapt to regulatory or political shifts.

Climate risk (GRI 201-2)

Risk	Mitigation Strategy
The segment faces increasing risks from extreme weather events that disrupt flights, itineraries, and access to key destinations. Changes in seasonal weather patterns could affect client experiences and operational planning, while ecosystem degradation threatens the natural and cultural assets that underpin Sri Lanka's tourism appeal.	The segment is conducting vulnerability assessments to guide disaster risk reduction and resilience planning across operations. It is also engaging and educating suppliers on ecosystem conservation and managing climate risks, strengthening seasonal forecasting and contingency planning, and diversifying excursions and target markets to reduce climate exposure. Nature-positive travel experiences are promoted to strengthen ecosystem and community resilience.

Financial risk – exchange rate volatility

Risk	Mitigation Strategy
Fluctuations in exchange rates, particularly in credit-based or international transactions, can negatively affect revenue and profitability.	Continuously monitor forex trends using predictive tools, implement dynamic pricing models, and adopt hedging or local currency settlements where feasible.

OUTLOOK

Emerging Opportunities

- New market expansions - Growing demand in Bangladesh provides a new dimension for growth while strengthening ASTL's presence in South Asia.
- Branch expansion – The new Jaffna branch enables ASTL to leverage the increased air connectivity between India and Jaffna International Airport and the planned ferry in the future
- Diversification into emerging travel segments - To cater to evolving traveller expectations, ASTL has expanded its product portfolio to offer specialised travel experiences ranging from wellness tourism to adventure-focused experiences
- Integration of local communities into tourism - Deeper integration of local communities into its travel products, fosters authentic experiences while creating economic opportunities for people in local communities. It also engages with local communities for development initiatives.

Tourism Sector

Potential Challenges

- Geopolitical risks - Political instability in key source markets, such as the unrest in the Middle East, Russia-Ukraine war and Indo-Pakistan conflict, poses potential threats to travel patterns and tourist arrivals. ASTL continues to diversify its source markets by targeting emerging regions, strengthening partnerships with tour operators and airlines, and enhanced destination marketing efforts to reposition Sri Lanka as a preferred choice despite external uncertainties.
- Technological risks - Rapid advancements in AI and automation require continuous adaptation to maintain a competitive edge.
- Regulatory risks - Changes in government policies and visa regulations create uncertainty in the tourism sector. ASTL engages in national-level dialogue with government authorities and industry stakeholders to advocate for tourism friendly policies and destination promotion as a country.
- Climate risks - Climate change poses significant threats to the tourism sector, including extreme weather events, loss of biodiversity, and environmental degradation. The segment has implemented sustainability strategies engaging the workforce aimed at achieving net-zero emissions, net positive impacts on natural ecosystems and reduced resource footprint by 2030.
- Human resource challenges – Migration of skilled professionals in the industry to other sectors or countries, resulted in a paucity of talent which can result in declines in service quality, inefficiencies, and increased training and recruitment costs. ASTL focuses on employee retention through competitive compensation packages, continuous professional development programs, and clear career advancement pathways.

Way Forward

The destination management segment remains well-positioned to navigate a rapidly evolving global travel landscape, supported by its strong market presence, commitment to innovation, and focus on sustainable tourism. As a leader in Sri Lanka's travel industry, the business is actively aligning with emerging trends, unlocking new market opportunities, and strengthening operational resilience through digital transformation and strategic expansion.

The segment has expanded into Bangladesh, Cambodia, and Myanmar, entering these markets to develop leisure, corporate, and outbound travel services. In Bangladesh, efforts are focused on building outbound and business travel services; in Cambodia, the segment is actively developing inbound leisure offerings and new charter routes; while in Myanmar, it is working to establish inbound travel and regional connectivity. At the same time, growing interest from international cruise operators in Sri Lanka is opening up opportunities to expand port-based tourism. The resurgence of corporate and MICE travel is also presenting growth potential in high-value segments such as business events and incentive travel.

To capitalise on these opportunities, the segment is deepening partnerships with charter operators, strengthening its foothold in emerging markets, and delivering tailored, high-margin travel experiences. Concurrently, it remains responsive to risks arising from geopolitical instability, rising costs, shifting visa and tax policies, and talent shortages across the industry. In response, the segment is pursuing a diversified market strategy, cost optimisation, and enhanced employee engagement and training.

Technology is a key driver of the segment's future growth. The adoption of AI-driven tools, dynamic pricing, and predictive analytics is transforming how services are delivered, and decisions are made. CRM upgrades are helping strengthen client and agent relationships, while sustainable technologies such as carbon tracking tools and energy-efficient systems are advancing the company's net-zero 2030 objectives.

Our destination management segment, a trailblazer in sustainable tourism, continues to shape industry practices by collaborating with stakeholders to embed environmental and social responsibility into the tourism value chain. In support of the Group's net-zero Strategy, the segment is advancing efforts to reduce transport-related emissions by 20% by 2030. With a holistic approach, it works closely with local communities to safeguard and enrich the sustainability-driven tourism value proposition, ensuring long-term resilience and shared benefit.

The global environment remains fluid, with heightened geopolitical tensions and economic uncertainty influencing travel trends and consumer confidence. Trade disruptions, policy shifts, and inflationary pressures are affecting global mobility and business sentiment. Within this context, Sri Lanka's tourism rebound and renewed focus on attracting international visitors provide a timely growth opportunity for the segment.

Looking ahead, the destination management segment will continue to build its presence in key markets, accelerate its digital journey, and foster responsible tourism. With a strong foundation and forward-looking strategy, the segment is well-positioned to sustain its leadership in Sri Lanka and drive long-term regional growth.

Tourism Sector

AIRLINE (GSA)

The Group's Airline General Sales Agency (GSA) segment plays a vital role in representing and managing operations of leading international airlines in Sri Lanka and the Maldives, across both passenger and cargo operations. This segment upholds global standards and is recognised for its service excellence and operational reliability.

Aitken Spence Aviation (Pvt) Ltd continues its longstanding partnership with Singapore Airlines (SIA), supporting daily flight operations and aircraft upgrades, which reflect the ongoing strength of the collaboration. The company remains instrumental in maintaining high service standards and ensuring operational efficiency.

Royal Spence Aviation (Pvt) Ltd represents Jazeera Airways in Sri Lanka, managing passenger sales and operational coordination for flights between Kuwait and Colombo. The airline operates several flights weekly, serving a mix of business and leisure travellers and contributing to regional connectivity.

Sri Lanka Sector

General Sales Agency (GSA) for Singapore Airlines

GSA for Jazeera Airways

Overseas Sector

GSA for SriLankan Airlines in the Maldives

OUR COMMITMENT TO EXCELLENCE

Highlights - 2024/2025

- Singapore Airlines was the first airline to roll out the New Distribution Capability (NDC) system to all its business partners.
- The growth of e-commerce and online shopping has driven increased demand for air cargo, positively impacting Singapore Airlines' cargo operations managed by Aitken Spence Aviation (Pvt) Ltd.

Tourism Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	• Exercise rate differentiation on flights to propel overall load factor • Efficient cargo planning and better capacity maximisation and improved load factor stability
	Medium Term	• Expansion of transshipment loads
	Long Term	• Strengthening partnerships • Growth in existing markets
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	• Aligned with Group policies to improve resource efficiency
	Medium Term	• Explore electric vehicle options to reduce transport emissions from employee commuting
	Long Term	• Explore opportunities to contribute to the Group's net-zero targets
Achieve Employer of Choice status	Short term	• Strengthening digital marketing presence • Offer hybrid and flexi work options to identified employees
	Medium Term	• Continuously upskilling talent and clear career progression paths • Review reward and recognition schemes
	Long Term	• Continuous training and development to strengthen the workforce

PERFORMANCE

Revenue grew by 12.4% compared to the previous year. Although operational performance in the segment was weaker, profit before tax rose by 16.5%, supported by the revaluation of financial assets in accordance with financial instrument accounting standards.

Aitken Spence Aviation (Pvt) Ltd achieved significant milestones and demonstrated strong performance in various areas by successfully meeting its principal's targets, resulting in enhanced frequency and advancement during the financial year 2024/25. The cargo segment recorded a growth of 42% in tonnage performance compared to the previous financial year. Additionally, the company exceeded the Singapore Airlines (SIA) set cargo flown revenue target by 30%. The segment recorded a decrease in profit before tax due to increased competition and cargo rate reductions. In order to align with market behaviour and intensifying competition the company also introduced new initiatives, such as moving into new customer segments and promoting air/air transshipments. Overall, the segment has demonstrated resilience and adaptability in the face of challenges, achieving significant growth and setting the stage for continued success in the coming years.

DIGITALISATION

New distribution capability introduced by the principal was rolled out by the station for local adoption. SIA was the first airline to promote this offering actively. Understanding our partners' behaviour and hyper service extended by the team was pivotal in becoming the front runner in this initiative locally among all airlines.

The iCargo system is an integrated smart platform designed to streamline and optimise various air cargo operations. It includes reservations, pricing, sales, invoicing, and billing under one unified system, making it highly efficient. This platform offers alternate solutions and optimal pricing strategies, promoting sales and revenue growth.

12.4%
Revenue Growth

16.5%
Profit Before Tax Growth

(23.7%)
Total Assets Decline

4.4%
Increase in Employees

Tourism Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, the segment continuously monitors and addresses a range of business and sustainability risks that could impact operational continuity, service delivery, and long-term performance. These risks stem from evolving geopolitical landscapes, macroeconomic volatility, environmental challenges, and internal operational dynamics.
The following outlines the principal risks identified during the year and the mitigation strategies implemented to address them:

Risk — Mitigation Strategy

	Financial risk	Climate risk (GRI 201-2)	Operational risk
Risk	Exposure to exchange rate fluctuations and scarcity of foreign currency can significantly affect cash flows and financial stability in international operations.	The segment is exposed to increasing weather-related flight disruptions and turbulence, which affect scheduling, customer experience, and demand. In addition, the rising risk of climate-induced epidemics or pandemics poses threats to air travel recovery, passenger confidence, and operational continuity.	The loss of skilled and experienced personnel poses a risk to operational continuity and service quality, particularly in specialised airline representation roles.
Mitigation Strategy	The segment has implemented a strategy to collect receivables in foreign currency wherever feasible, reducing reliance on local currencies and minimising the impact of exchange rate volatility.	The segment is enhancing crisis preparedness through disaster risk reduction and business continuity management (DRR/ BCM) strategies such as scenario planning and customer communication protocols and working closely with airline partners to ensure real-time travel updates and avail rebooking options to passengers.	To retain key talent, the segment actively recognises staff contributions and offers competitive, industry-aligned remuneration packages, ensuring employee engagement and stability.

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Focus on developing new markets segments, increasing value addition, cost optimisation and prudent financial management	Improved earnings growth despite a subdued top line	8 DECENT WORK AND ECONOMIC GROWTH
Human Capital	Focus on employee offering, work from home options and flexible working hours	Rs 0.9 Mn Investment in training and skills development	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Training in new distribution capability and iCargo system	Enhanced connectivity, processes and insights into business drivers	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social and Relationship Capital	Business partner development supporting mutual growth in earnings	Stronger relationships that support mutual growth	8 DECENT WORK AND ECONOMIC GROWTH
Natural Capital	Resource efficiency and shifting to paperless office	Digitalisation and integrated smart platforms used to improve resource efficiency	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Tourism Sector

OUTLOOK

Emerging Opportunities

- Growing Demand for Tourism: The increasing interest in tourism provides an opportunity to boost passenger loads and revenue.
- Improving Corporate Travel: As corporate travel continues to grow, there is potential to enhance business travel services and partnerships.
- Partnerships and Alliances: Forming strategic partnerships and alliances can help expand market reach and improve service offerings.

Potential Challenges

- Airport Infrastructure: Monopoly by ground handler on certain services, inefficiency and lack of manpower in ground handling resulting in slot clearance concerns by the airlines. Additionally, upgrades to infrastructure have been delayed.
- Geopolitics and Geoeconomics: High levels of uncertainty and growing unemployment may subdue growth of tourism.
- Extreme Weather: Climate-related challenges will continue to impact volumes, pricing, margins and lead time.
- Employee Turnover: Intense competition for skilled and experienced staff have increased the difficulty of retaining key employees.

Way Forward

The future outlook for the segment appears promising, with additional flight frequencies expected to boost revenue and passenger numbers. The air cargo market in Sri Lanka is anticipated to grow gradually with the recovery of the economy. Prospects for global tourism and trade were forecast be encouraging in 2025. However, some changes are expected with the escalation of tensions in geoeconomics as indicated by the moderation in trade volumes.

Maritime and Freight Logistics Sector

Aitken Spence is a key player in the Maritime and Freight Logistics sector, maintaining a strong presence across multiple segments, including integrated container services, port management, shipping liner agency services, airline cargo GSA, freight forwarding, and education. The sector continues to deliver efficient, integrated logistics solutions that strengthen supply chain resilience and facilitate trade, reinforcing its position as a strategic logistics services provider across its key operating regions.

Contribution to Group

25.9%
of Group Revenue

42.1%
of Profit Before Tax

11.6%
of Employees

14.1%
of Total Assets

7.7%
of Scope 1 & 2 Emissions

2.5%
of Water Consumption

SECTOR OVERVIEW

Freight Forwarding and Courier

With operations in Sri Lanka, Myanmar, Bangladesh, and Cambodia, Freight forwarding and courier segment covers a wide spectrum of activities, including air and sea freight forwarding, express courier services, and customs house agency services, while also representing several international networks.

Integrated Container Services

Integrated container services segment is a premier integrated logistics provider in Sri Lanka, offering a comprehensive range of services, including inland container terminal services, container freight station (CFS) operations, warehousing, 3PL and 4PL solutions, mobile storage solutions, distribution services, export processing zone operations and handling of diverse cargo types from containerised to heavy and over-dimensional cargo (ODC).

Maritime and Port Services

The port and agency liner representation of Aitken Spence combines a range of specialised services in the maritime segment. These include port management, port efficiency enhancement, and cargo handling services in Fiji and Mozambique, as well as shipping agency services in Sri Lanka through global partnerships.

Airline GSA (Cargo)

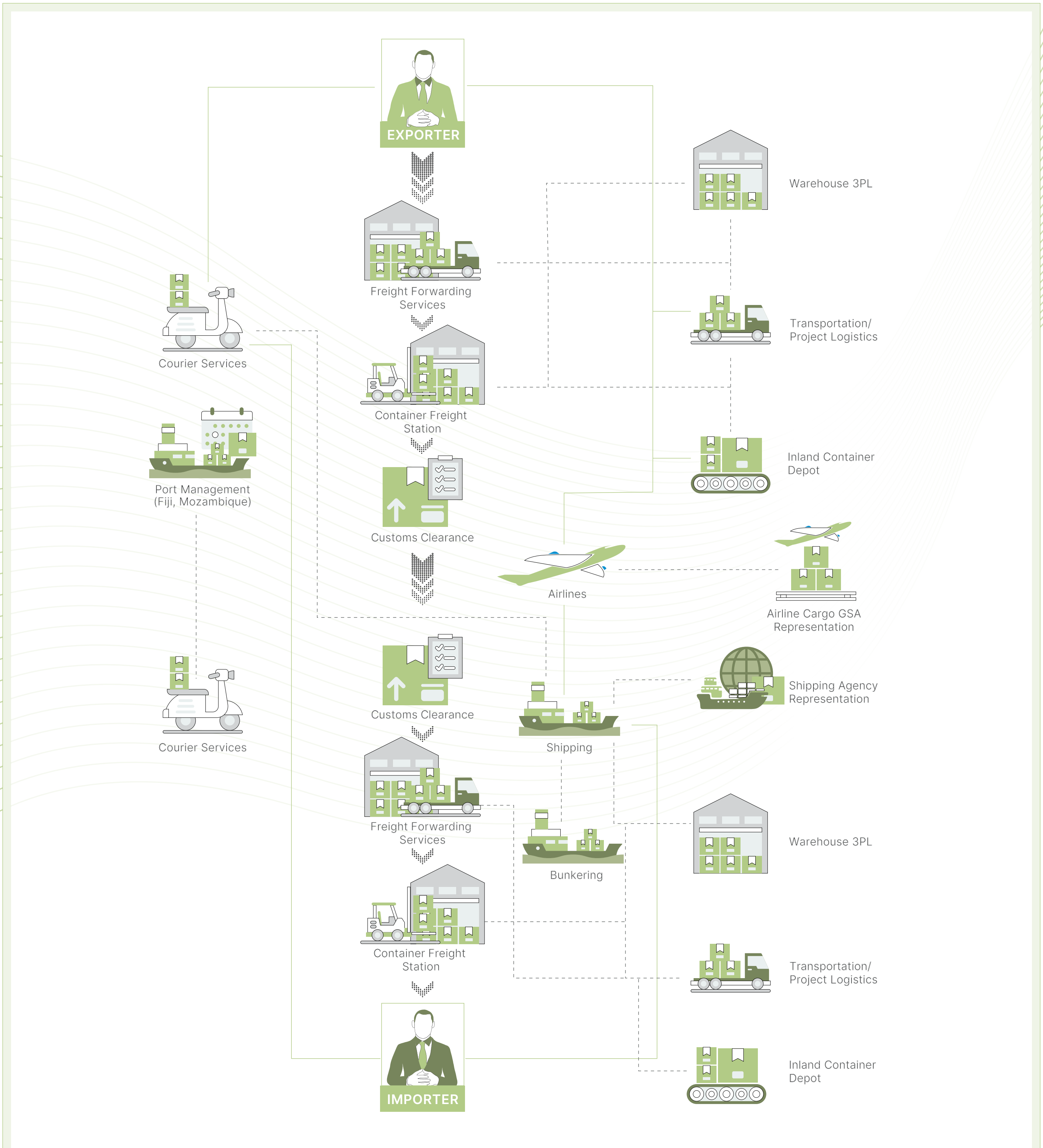
The segment serves as the General Sales Agent (GSA) for Qatar Airways Cargo in Sri Lanka, and represents Pattaya Airways and Gulf Air Cargo operations in both Cambodia and Myanmar.

Education

CINEC Campus: A higher education institute offering a wide portfolio of undergraduate, postgraduate, and doctoral degree programmes across diverse fields such as maritime studies, management, engineering, aviation, health sciences, and hospitality. In addition, the campus provides vocational training across a wide range of disciplines.

Maritime and Freight Logistics Sector

Our Presence along the Value Chain (GRI 2-6)



Maritime and Freight Logistics Sector

COMMITMENT TO EXCELLENCE

Our steadfast commitment to operational excellence continues to garner industry wide recognition.

Recognition received during the year

Aitken Spence Cargo (Pvt) Ltd received several awards during the year including ;

- First place under 'Shipping & Shipping Related Services Sector' at the National Business Excellence Awards (NBEA) 2024, awarded by the National Chamber of Commerce Sri Lanka (NCCSL).
- Gold Award in the 'Freight Forwarders - Large Category' at the National Logistics Awards 2024 organised by the Sri Lanka Logistics & Freight Forwarders Association (SLFFA).

Integrated container services segment received five prestigious awards at the National Logistics Awards (NLA) 2024 conducted by Sri Lanka Logistics and Freight Forwarders Association (SLFFA).

- Gold award in Warehousing & Distribution (Large Sub-Sector)
- Gold award in Transport
- Gold award in Project Logistics
- Gold award for Best Application Presentation (Appreciation Award)
- Silver award in Container Depot category

Hapag Lloyd Lanka (Pvt) Ltd. received several awards during the year including ;

- Best Customer Service Provider in the Europe / Mediterranean trade at the ICS Annual Awards ceremony for the 4th consecutive year.
- Silver Award under the Mainline segment at the National Logistics Awards 2024 organised by SLAFFA.
- Recognised as the 4th highest volume contributor to the Port of Colombo at the Port of Colombo Awards ceremony 2024.

Integrated container services segment was honoured with the Excellence in Collaboration and Service Award at the Huawei South Asia Supplier Convention.

DBS Logistics Limited won the Bronze award in the Extra Large category of Logistics Service sector at the National Chamber of Exporters of Sri Lanka (NCE) Annual Export Awards 2024.

CINEC Campus won the Best Exporter Award in the Education Services Category at the 26th Presidential Export Awards 2023/24 held in February 2025.

Certifications

ISO 14001: 2015 certified environmental management systems

- Ace Aviation Services (Pvt) Ltd
- Ace Cargo (Pvt) Ltd
- Aitken Spence Cargo (Pvt) Ltd
- Logilink (Pvt) Ltd
- Hapag-Lloyd Lanka (Pvt) Ltd

ISO 9001: 2015 certified quality management systems

- Ace Aviation Services (Pvt) Ltd
- Ace Cargo (Pvt) Ltd
- Aitken Spence Cargo (Pvt) Ltd
- Ace Distriparks (Pvt) Ltd
- Hapag-Lloyd Lanka (Pvt) Ltd
- Fiji Ports Terminal Ltd

ISO 45001:2018 certified for occupational health & safety

- Logilink (Pvt) Ltd
- Ace Distriparks (Pvt) Ltd
- Hapag-Lloyd Lanka (Pvt) Ltd
- Ace Containers (Pvt) Ltd

C-TPAT (Customs-Trade Partnership Against Terrorism) certification for all CFS operations

C-TPAT certified companies are;

- Ace Containers (Pvt) Ltd
- Ace Distriparks (Pvt) Ltd
- Logilink (Pvt) Ltd

Maritime and Freight Logistics Sector

VALUE CREATION HIGHLIGHTS

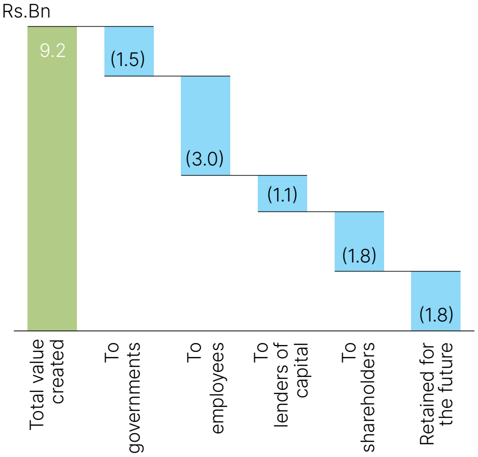
Maritime and Freight Logistics sector, through its facilitation of trade and commerce both in Sri Lanka and in the countries it operates in generated a value of Rs. 9.2 billion. Indicating its service orientation of the sector operations, the largest portion of the value created was distributed amongst its employees amounting to the Rs. 3.0 billion which was 32.6% of the value created. Governments received Rs. 1.5 billion while the lenders of capital received 11.5% of value created which amounted to Rs. 1.1 billion.

Shareholders received 19.5%, or Rs. 1.8 billion, reflecting the sector's profitability and attractiveness to investors. Additionally, 20.1%, or Rs. 1.9 billion, was retained for future use, ensuring the sector's sustainability and capacity for continued growth.

This allocation of value highlights the sector's diverse contributions to the economy, supporting a range of stakeholders and promoting economic stability.

Distribution of Value Created

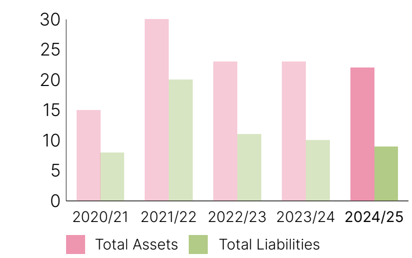
Rs.Bn



Financial

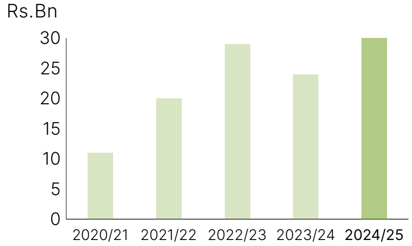
Stability

Rs.Bn



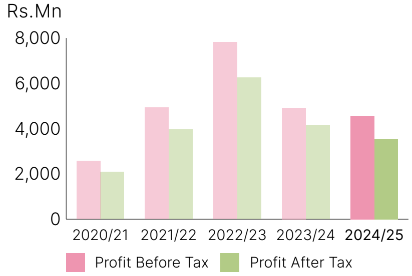
Revenue

Rs.Bn



Profitability

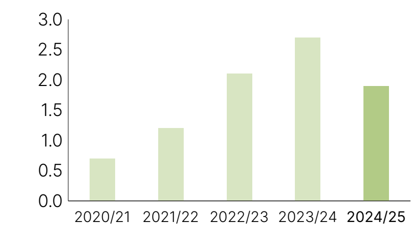
Rs.Mn



Social

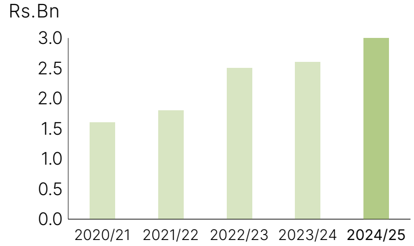
Taxes Paid to Government

Rs.Bn



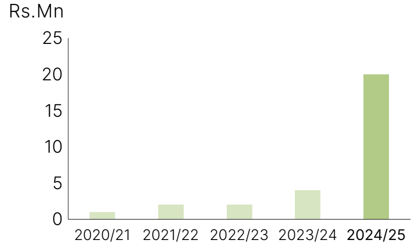
Employee Benefits Paid

Rs.Bn



Total Investment in Sustainability Driven Processes

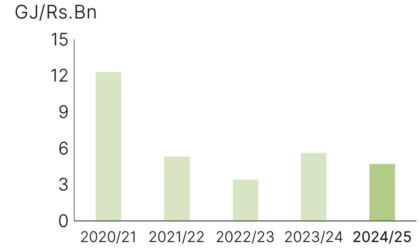
Rs.Mn



Environment

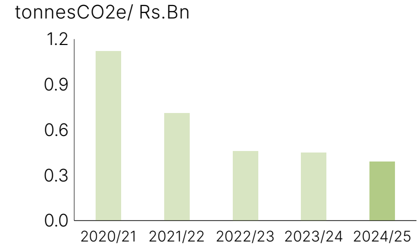
Energy Consumption per Unit Revenue

GJ/Rs.Bn



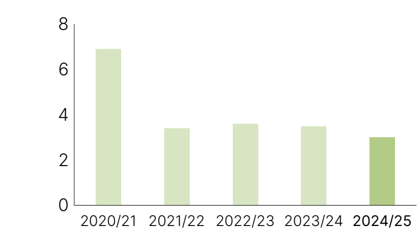
Emissions per Unit Revenue

tonnesCO2e/ Rs.Bn



Water Consumption per Unit Revenue

m3/ Rs.Bn



Maritime and Freight Logistics Sector

OPERATING CONTEXT

Global trade

Global merchandise trade grew by

2% in 2024

2023	2024	2025 (Q1)
1.2% ▼ (YoY)	2% ▲ (YoY)	1% ▲ (YoY)

Most regions experienced growth, except Europe and Central Asia.

Sri Lanka trade volumes

Imports

12.1% (YoY)

Exports

7.2% (YoY)

Export and Import Volume Index

Global freight rates

In 2024, global freight rates saw a significant downward fluctuation. The rate still remained elevated compared to pre-pandemic levels

Industry drivers in 2024

- Gradually improving Sri Lankan economy
- Geopolitical developments including war in Ukraine, Red Sea crisis and US trade policies
- Congestion in the Port of Colombo
- Advances in technology and the growth of e-commerce

Source: WTO, UNCTAD, CBSL

S

- Aitken Spence is a key player in the Maritime and Freight Logistics sector in Sri Lanka
- Integrated logistics solutions with a strong presence along the value chain
- Financial stability and strong asset base ensuring resilience in volatile markets
- In depth industry knowledge and expertise
- Long standing relationships with stakeholders and principals
- Early adoption of Group level RPA initiatives

W

- Ageing assets requiring continuous reinvestment and modernisation
- Over-reliance on a few key partners
- Pricing limitations against competition

O

- Opportunities for regional expansion through partnerships.
- Potential involvement in government logistics projects, including port operations and free trade zones.
- Upcoming infrastructure developments increasing demand for logistics services.
- Growth in 4PL logistics services, catering to complex supply chain demands.
- Growing opportunities in the e-commerce supply chain.
- Opportunities for Group synergies and cross-selling.
- Increasing demand for greening the supply chain.

T

- Increasing levels of competition.
- Inconsistency in government policy.
- Rapid changes in the global macroeconomic and political environment.
- Supply chain disruptions due to geopolitical developments, including US trade policies.
- High levels of labour migration.
- Risks to the supply chain due to climate change-related physical and transitional risks.

Maritime and Freight Logistics Sector

STRATEGIC OBJECTIVES

Short term — Medium Term — Long Term

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Enhance operational efficiency by upgrading digital systems and elevate customer engagement through the implementation of advanced customer relationship management tools.
	Leverage automation, artificial intelligence, and digital tools to optimise operations and customer experience.
	Invest in infrastructure upgrades and asset modernisation to support long-term growth.
Expand the Aitken Spence reach into new geographies	Explore partnerships and joint ventures to expand presence in new regions.
	Establish segment-specific hubs to streamline international trade and supply chain operations.
	Strengthen strategic alliances to introduce regional logistics solutions and enhance market reach
Venture into five new business segments by 2030	Develop integrated logistics solutions to support end-to-end supply chain management.
	Shift business focus towards expanding international logistics and supply chain services.
	Promote sustainable service offerings by educating stakeholders on green logistics and environmentally responsible practices
Reduce the resource footprint and achieve net-zero emissions by 2030	Reduce transport emissions through transitioning to low carbon options and route optimisation
	Incorporate sustainable architecture, energy-efficient equipment, climate control systems, and renewable energy sources in warehouse facilities.
	Collaborate with partners committed to sustainable practices to promote environmental responsibility throughout the supply chain.
Achieve Employer of Choice status	Implement change management strategies to foster a culture of adaptability and innovation Enhance employee engagement by promoting cross-functional collaboration, structured training programmes and leadership commitment
	Invest in AI and digital platforms to improve workplace efficiency and streamlined processes. Encourage innovation and new business thinking among employees.
	Drive cultural transformation to create a more agile and forward-thinking workforce.

Maritime and Freight Logistics Sector

DRIVING STRATEGY

Key strategic action taken during the year to achieve our strategic objectives are discussed below.

Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments.

Capacity and efficiency enhancement

We continued to drive digitalisation and process automation while strategically expanding capacity in high growth segments.

- A key milestone during the year was the inauguration of a 100,000 sq. ft. container freight station (CFS) by Integrated container services segment. The state-of-the-art facility, located in Malabe, will be exclusively used by a leading shipping line for export consolidation.
- Increased 3PL capacity through investment in a fixed racking system.
- The liner agency representation segment implemented a customer relationship management (CRM) system to streamline interactions and improve responsiveness.
- Robotic Process Automation (RPA) technology was adopted in both liner operations and the Container Freight Station (CFS) segment.
- Integration of Microsoft Power Apps streamlined functions across the CFS and depot, enabling real-time data tracking and more informed decision-making.
- A new cargo track-and-trace system was introduced in the cargo agency representation and overseas operations segment, enhancing visibility and real-time monitoring across the supply chain.

Expand the Aitken Spence reach into new geographies.

Geographical expansion

We continued to expand our geographical footprint and diversify our markets in line with the Group strategy of exploring new markets.

- Aitken Spence secured the cargo GSA for Gulf Air and Pattaya Airways in Cambodia and Myanmar. The cargo GSA for Qatar Airways Cargo in the Maldives is managed by Aitken Spence, enabling the launch of sea-to-air and air-to-air cargo solutions via Malé for Colombo-based clients. A new branch office was also established in Thailand, further strengthening its presence in South-East Asia.
- CINEC enhanced its facilities in Jaffna, further strengthening its geographical footprint within the country.
- Integrated container services segment entered into a long-term agreement with a leading shipping line to handle their export consolidation and 3PL operations, reinforcing its position as a trusted logistics partner.

Venture into five new business segments by 2030.

Service enhancements and value additions were introduced across segments.

- In the logistics segment, we broadened our service portfolio by introducing storage solutions for non-verified cargo and modular container conversions customised to industry requirements. We also launched a range of value-added services, including scanning, sticker pasting, label tagging, and quality control (QC) inspections, while expanding 3PL services to support the apparel industry. Strengthening our commitment to global standards, we obtained C-TPAT certification for all CFS operations. Service efficiency was further enhanced through the implementation of network integration management for a leading telecom provider and the adoption of the Nestainer storage system to optimise capacity and inventory handling. The segment also diversified into fuel distribution operations in partnership with the public sector.
- Showcasing its capability to deliver innovative logistics solutions, Integrated container services segment played a key role in constructing the U.S. government-funded 'Ship-in-a-Box' maritime training simulator for the Sri Lanka Coast Guard.
- The freight logistics segment expanded its Aircraft on Ground (AOG) operations during the year, ensuring rapid response times and minimised downtime for urgent shipments. Notably, it became the only company in Sri Lanka to be fully validated under the WCA International Network Time Critical Accreditation, reinforcing its leadership in time-sensitive logistics. To further enhance the customer experience, a seamless CRM module was implemented, enabling real-time updates and improved client interaction at every stage of the shipment process.
- The sector strengthened its cargo agency representation and overseas operations by developing customised SOPs and service protocols for key clients. Tailored pricing models were introduced, offering bundled logistics solutions with value-added and personalised services. DBS Logistics Ltd also expanded its scope to include cargo inspection and secure transport for a global customer.

Maritime and Freight Logistics Sector

Reduce the resource footprint and achieve net-zero emissions by 2030.

Environmental sustainability

Significant steps were also taken towards minimising emissions across the operation through ongoing investments in solar energy and energy efficient technology.

- Integrated container services segment introduced electric-powered material handling equipment (MHE) at its new CFS facility, including electric forklifts, reach trucks, and power pallet trucks.
- Efforts to reduce emissions continued with the installation of 150 solar panels on reefer containers, generating 88.65 kWh of electricity.
- Rooftop capacity in the integrated logistics segment is utilised for solar energy generating 108MWh of energy during the year.

Achieve Employer of Choice status.

Enhancing our employee value proposition

The sector continued to enhance its employee value proposition through targeted engagement activities, ongoing career and talent development opportunities, and competitive compensation packages to attract and retain skilled professionals.

PERFORMANCE

The Maritime & Freight Logistics sector recorded revenue of Rs. 29.6 billion, reflecting a growth of 25.2% over the previous year. The cargo agency representation and overseas operations segment delivered a strong performance, with profit before tax increasing by nearly 75%, primarily driven by robust overseas freight forwarding activities. Strategic capacity optimisation in Sri Lanka and the Maldives enabled Qatar Airways Cargo to retain its market share amidst challenging conditions. However, operations in Myanmar were adversely affected by political instability and foreign exchange limitations, resulting in a decline in export volumes and profitability. Risks in Myanmar continue to be proactively managed.

Integrated container services segment recorded operational profit growth of 93.4%, supported by strong performances across inland container terminal, container freight station (CFS), warehousing (3PL), transport, mobile storage solutions, and zonal operations. Further strengthening the Sector's operational footprint, a state-of-the-art BOI and customs-approved warehouse was commissioned in partnership with a leading shipping line.

The education segment posted a commendable performance, with revenue increasing by 12.6% and profitability improving by 23%, supported by the expansion of course offerings and the development of new facilities at the campus.

The shipping liner agency representation and port management segments remained resilient, successfully navigating global challenges including geopolitical tensions, regional port congestion, and evolving trade policies. Transshipment volumes in Fiji recorded growth despite capacity constraints, and the bunkering business also delivered improved results.

The freight segment achieved a 13.5% year-on-year revenue growth. However, operational profit declined by 61.2%, mainly due to compressed margins resulting from lower freight rates offered by carriers. A strong performance in ocean freight operations partially offset the subdued performance in other categories.

Despite these operational achievements, overall sector profitability was impacted by the substantial appreciation of the Rupee, elevated operating costs, and higher finance expenses linked to the expansion of CFS operations. As a result, profit before tax declined to Rs. 4.6 billion from Rs.4.9 billion in the previous year, representing a decrease of 7.2%.

Rs 29.6 Bn
Revenue

Rs 4.6 Bn
Profit Before Tax

Rs 29.9 Bn
Total Assets

Rs 9.2 Bn
Property Plant & Equipment

Rs 9.1 Bn
Total Liabilities

Rs 808.2 Mn
Dividends Paid to Equity Partners

Maritime and Freight Logistics Sector

SECTOR INTEGRATED PERFORMANCE

Maritime and Freight Logistics Sector

Statement of Financial and ESG Performance
(GRI 201-1; 203-1; 302-1; 303-3; 303-4; 305-1; 305-2; 306-5)

	2024/2025	2023/2024	YoY(%)
Revenue (Rs. Mn)	29,619	23,648	25
EBITDA (Rs. Mn)	5,785	5,951	(3)
Profit before tax (Rs. Mn)	4,568	4,921	(7)
Profit after tax (Rs. Mn)	3,528	4,157	(15)
Total assets (Rs. Mn)	22,197	22,588	(2)
Total liabilities (Rs. Mn)	9,161	10,064	(9)
Total direct tax paid (Rs. Mn)	1,390	2,164	(36)
Total indirect tax paid (Rs. Mn)	531	550	(3)
SDGs towards which the sector's performance contributes: 4 and 5			
Targets: 4.3, 4.4, 4.7, 5.1, 5B			
Number of employees	1,908	1,810	5
Employee female representation	19%	18%	6
Employee benefits paid (Rs. Mn)	3,017	2,622	15
Training hours per employee	5	4	25
SDGs towards which the sector's performance contributes: 4, 5 and 12			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 12.b			
Investment in training (Rs. '000)	9,202	3,332	176
Number of student registrations at CINEC	22,000	22,975	(4)
Brand stewardship	4	4	0
Number of certifications	17	17	0
Number of joint venture/equity partnerships	12	10	20
Number of suppliers screened on ESG within the year	90	-	-
SDGs towards which the sector's performance contributes: 8, 9, 12 and 14			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 14.1, 14.2			
(*Note - Data for 2023/24 has been restated as the reporting boundary has been revised)			
Total energy consumption (GJ)	51,926	51,439*	1
Renewable energy generated (GJ)	390	398	(2)
Scope 1 emissions (tCO2e)	3,440	3,435*	0
Scope 2 emissions (tCO2e)	818	697*	17
Emissions reduced or offset (tCO2e)	77	78	(2)
Total water withdrawn (m3)	33,062	32,426	2
Total volume of water treated for reuse or safe disposal (m3)	6,360	6,336	0
Total amount of solid waste kept away from landfills			
(Tonnes)	5	66	(92)
(Units)	568	-	>100
Total amount of effluents safely disposed (Litres)	10,802	-	>100
Total investment in sustainability driven processes (Rs. Mn)	20	4	370
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	9,207	8,982	3
Warehouse space (sqft)	471,250	470,074	0
Yard capacity (TEUs)	6,500	6,500	0
Transportation fleet	112	112	0
Investment in manufactured capital (Rs. Mn)	784	2,053	(62)
Depreciation	829	784	6

Maritime and Freight Logistics Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDGs Impacted
Financial Capital	Sustained focus on volume growth and cost rationalisation	25.2% Revenue growth	8
Manufactured Capital	Capacity expansion including 100,000 sqft Container Freight Station (CFS) and 7,000 CBM fixed racking system. Electric forklifts and equipment for container freight station operations	Rs 783.6 Mn Investment in property plant and equipment	8, 9
Human Capital	Targeted training and development programs to address persisting shortages of skilled personnel in the industry due to migration.	98 New recruits Rs 9.2 Mn Investment in training and skills development	4, 5, 8
Intellectual Capital	Rs. 21.2 million invested in IT systems and Robotic Process Automation	Optimisation of workflows and greater operational efficiency	8, 9
Social and Relationship Capital	Continued to strengthen partnerships with business partners and principles	12 Strategic business partnerships	8, 9
Natural Capital	11 management systems maintained for environmental impact control with 6 systems maintaining certification	389.9 GJ Renewable energy generated	8, 9
	Rs. 47.7 Mn invested in energy efficient equipment and vehicles	13.7% Reduction in emissions per unit revenue (tCO2e/Rs. Bn)	

Maritime and Freight Logistics Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Exchange rate risk

Risk: Fluctuations in exchange rates can increase the cost of goods and services, create cash flow volatility, and adversely affect the Group's financial performance and operational stability.

Mitigation Strategy: Collect receivables in foreign currency, match inflows and outflows, and hedge exposures where necessary.

Geographical risk

Risk: Political instability in domestic and global markets affecting cargo volumes.

Mitigation Strategy: Collaborate closely with shipping lines, monitor regional and global developments, and maintain strong partnerships with all stakeholders.

Talent attraction and retention risk

Risk: Difficulty in attracting and retaining skilled personnel, impacting service quality and operational efficiency.

Mitigation Strategy: Benchmark remuneration against industry standards, implement flexible increment and promotion policies, and invest in training and development programmes.

Infrastructure and technology risk

Risk: Ageing equipment and cyber threats could cause operational disruptions and impact service continuity.

Mitigation Strategy: Implement preventive maintenance and timely replacements, enhance cybersecurity measures, maintain regular system backups, and establish disaster recovery sites.

Climate related risk (GRI 201-2)

Risk: Exposure to physical climate risks could cause operational delays, infrastructure damage, and supply chain disruptions resulting from extreme weather events and natural disasters.

Mitigation Strategy: Strengthen disaster risk reduction and business continuity (DRR/BCM) strategies in coordination with the Group and key stakeholders to improve climate resilience and ensure operational continuity.

EMERGING OPPORTUNITIES

- The growing emphasis on sustainability and green logistics presents significant opportunities for the Maritime & Freight Logistics sector. Increasing regulatory requirements, customer expectations, and corporate commitments to reduce carbon footprints are driving demand for environmentally responsible supply chain solutions. This includes a rising need for energy-efficient transportation, eco-friendly warehousing, carbon-neutral freight services, and customised, flexible logistics models tailored to sustainability goals.
- The integrated container services segment is expected to see sustained growth, particularly in warehousing and third-party logistics (3PL) services, driven by increasing trade, e-commerce expansion, and the growing need for supply chain optimisation.
- Demand for temperature-controlled storage solutions is rising, particularly to support sectors such as pharmaceuticals, food and beverage, and perishables.
- New markets and trade lanes may emerge as a result of the ongoing trade war, with countries seeking alternative partners beyond their traditional trading relationships.
- Rapid digital transformation and automation of logistics operations are creating opportunities for improved efficiency, real-time visibility, and more agile supply chain management.

Maritime and Freight Logistics Sector

POTENTIAL CHALLENGES

- Impact of the 'reciprocal tariff scheme' imposed by the USA on global trade volumes and structures.
- Ongoing congestion at the Port of Colombo, combined with delays in capacity expansion, poses a significant threat as shipping lines may divert cargo to alternative ports, including Indian ports.
- Disruptions to traditional shipping routes and impacts on freight rates due to ongoing conflicts in the Red Sea region and Ukraine.
- Labour shortages due to high levels of migration.
- Impact of a potential increase in oil prices on freight rates.
- Heightened risks to global shipping and logistics operations arising from political tensions between the USA and China, including threats of sanctions against Chinese shipping lines. Potential consequences include reduced shipping capacity, higher freight rates, disruption of trade lanes, and increased regulatory compliance requirements.

WAY FORWARD

The global freight, airline, and logistics industry is undergoing a dynamic period of change, shaped by evolving trade patterns, technological advancement, and the increasing demand for resilient supply chains. Structural shifts, such as the expansion of e-commerce, greater regional trade integration, and the emergence of new export-import lanes, are unlocking significant opportunities for growth and diversification.

The warehousing, cold storage, and third-party logistics (3PL) sectors are experiencing sustained demand, driven by the need for supply chain efficiency and specialised storage solutions. This momentum is expected to continue as businesses seek agile, reliable logistics partners to navigate an increasingly interconnected global market.

CINEC Campus is advancing its growth strategy by expanding affiliations with leading international universities, broadening its academic portfolio, and pursuing geographic expansion in Asia and Africa to meet rising industry needs.

Technology remains a key enabler of transformation across the sector. Investments in process automation, IoT, and predictive analytics are enhancing operational visibility, resilience, and customer experience, while supporting the sector's ongoing digitalisation journey.

Looking ahead, the industry is poised to benefit from strategic infrastructure investments, fleet expansion, and the realignment of global shipping alliances.

Our focus will be on expanding capacity in growth areas such as Container Freight Stations (CFS), cold room storage, and storage depots, while accelerating investments in digitalisation and automation to enhance service quality and operational excellence.

Sustainability remains central to our future strategy, with continued investments in renewable energy and the adoption of energy-efficient technologies and vehicles. We are committed to building a low-carbon, future-ready logistics platform, while actively exploring new markets and strategic partnerships to create value for all stakeholders in a rapidly evolving global trade environment.

Maritime and Freight Logistics Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Road Transportation Sustainability Accounting Standard (Version 2023-12)

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-RO-110a.1	3,440
	(Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis		TR-RO-110a.2	Please refer to the Strategic Objectives section (Page 201) in the segment review presented earlier.
	(1) Total fuel consumed	Quantitative	Gigajoules (GJ)	TR-RO-110a.3	45,096
	(2) Percentage of natural gas fuel consumed		Percentage (%)		0
	(3) Percentage renewable fuel consumed				0
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-RO-120a.1	Negligible
3. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) - (a) Direct employees	Quantitative	Rate	TR-RO-320a.1	47 (Cannot separate the into contract and direct employees)
	(1) Total recordable incident rate (TRIR) - (b) Contract employees				
	(2) Fatality rate - (a) Direct employees				0
	(2) Fatality rate - (b) Contract employees				0
	(1) Voluntary turnover rate for all employees	Quantitative		TR-RO-320a.2	27.17
	(2) Involuntary turnover rate for all employees				0
	Description of approach to managing short-term and long-term driver health risks	Discussion and Analysis	N/A	TR-RO-320a.3	Please refer to the Human Capital report on page 394-395.
6. Accident & Safety Management	No. of Road accidents and incidents	Quantitative	Number	TR-RO-540a.1	12
	(1) Aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic metres (m^3)	TR-RO-540a.3	0
	(2) Number of spills and releases to the environment				0

Activity Metrics	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres	Quantitative	RTK	TR-RO-000.A	Not reported
Load factor	Quantitative	Number	TR-RO-000.B	Not reported
1) Number of employees 2) Number of truck drivers			TR-RO-000.C	1) 1,908 2) Prime mover drivers - 88 Other drivers - 66 Helpers - 105

Maritime and Freight Logistics Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Air Freight & Logistics Sustainability Accounting Standard (Version 2023-12)

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t)	TR-AF-110a.1	123
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets			TR-AF-110a.2	Please refer to the Strategic Objectives section (Page 201) in the segment review presented earlier.
	(1) Fuel consumed by Road transport, percentage - (a) Natural Gas (b) Renewable	Quantitative	Gigajoules (GJ) Percentage (%)	TR-AF-110a.3	(a) 1,656 (b) 0
	(2) Fuel consumed by Air transport, percentage - (a) alternative, (b) sustainable				Not within our reporting boundary.
2. Air Quality	Air emissions - (1) NOx (excluding N2O,)(2) SOx, (3) particulate matter (PM10)	Quantitative	Metric tonnes (t)	TR-AF-120a.1	Negligible
3. Labour Practices	Percentage of drivers classified as independent contractors	Quantitative	Percentage (%)	TR-AF-310a.1	0
	Total amount of monetary losses as a result of legal proceedings associated with labour law violations		Presentation currency	TR-AF-310a.2	0
4. Workforce Conditions, Health & Safety	(1) Total recordable incident rate (TRIR) (a) Direct employees (b) Contract employees	Quantitative	Rate	TR-AF-320a.1	(a) 0 (b) 0
	(2) Fatality rate (a) Direct employees (b) Contract employees				(a) 0 (b) 0
5. Supply Chain Management	Total greenhouse gas (GHG) footprint across transport modes	Quantitative	Metric tons (t) CO2-e per ton kilometre	TR-AF-430a.2	Not monitored, scope 3 emissions can be quantified at 244tCO2e.
	Discussion of policies and strategies to identify, assess and manage business disruption risks associated with contract carrier safety	Discussion and Analysis	N/A	TR-AF-430a.3	Please refer the Social & Relationship Capital report on page 320-321
6. Accident & Safety Management	Description of implementation and outcomes of a Safety Management System	Discussion and Analysis	N/A	TR-AF-540a.1	Please refer to the Human Capital report on page 394-395.
	Number of aviation accidents	Quantitative	Number	TR-AF-540a.2	Out of boundary.
	Number of road accidents and incidents	Quantitative	Number	TR-AF-540a.3	12

Activity Metric	Category	Unit of measure	Code	Disclosure
Revenue tonne-kilometres (RTK) for: (1) road transport, (2) air transport	Quantitative	RTK	TR-AF-000.A	Not reported
Load factor for: (1) road transport, (2) air transport	Quantitative	Number	TR-AF-000.B	Not reported
1) Number of employees 2) Number of truck drivers	Quantitative		TR-AF-000.C	1) 416 2) Prime mover drivers - 0 Other drivers - 7 Helpers - 4

Strategic Investments Sector

Over the years, Aitken Spence Group has strategically expanded its footprint across economically significant sectors to strengthen and diversify its portfolio. The Strategic Investments sector comprises four key segments—power generation, apparel manufacturing, printing and packaging, and plantations, each contributing meaningfully to Sri Lanka's economic development.

Amid gradually improving economic conditions in the country, the Strategic Investments sector recorded revenue of Rs. 15.3 billion and reported a loss before tax of Rs. 36.0 million, reflecting a substantial improvement from the loss before tax of Rs. 2.5 billion in the previous year.

Contribution to Group

13.4%
of Group Revenue

11.1%
of Group EBITDA

51.6%
of Employees

31.1%
of Assets

15.9%
of Scope 1 & 2 Emissions

18.2%
of Water Consumption

SECTOR OVERVIEW

Power Generation

A pioneer in the field of private sector led energy projects, the Group operates wind, solar, hydro and waste to energy plants, generating over 117.7 GWh of energy to the national grid.

Apparel Manufacture

Operating since 1977, we are one of the first apparel manufacturing businesses established in the country. We currently operate three companies engaged in manufacturing apparel for fashion brands.

Printing and Packaging

Comprising Aitken Spence Printing & Packaging (Pvt) Ltd. and Ace Exports (Pvt) Ltd., is recognised for high-quality, sustainable printing solutions across a diverse portfolio that includes packaging, publications, tags, labels and seasonal items.

Plantations

Elpitiya Plantations PLC comprise of 13 estates and 17 factories in the low mid and up country regions. The Company producers top grade tea, rubber, coconut, cinnamon and oil palm crops as its core business while also having a well diversified non core crop base.

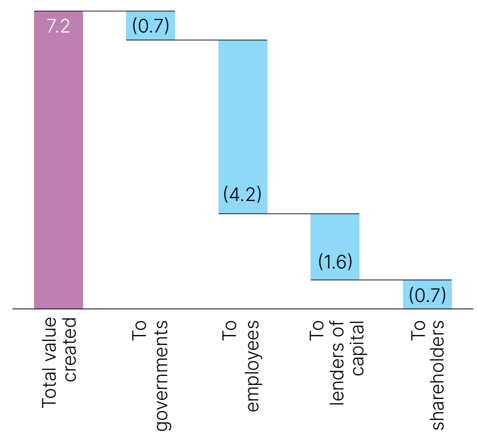
Strategic Investments Sector

VALUE CREATION HIGHLIGHTS

The Strategic Investment sector, a key player in various critical areas of the economy, generated Rs. 7.2 billion in value over the past year. Employees were the primary beneficiaries, receiving Rs. 4.2 billion, which constitutes 57.7% of the total value, highlighting the sector's commitment to workforce support. The government received Rs. 702 million, accounting for 9.7% of the value, through taxes while the value attributable to lenders of capital was Rs. 1.6 billion, representing 22.3% of the value reflecting the capital intensive nature of some of the key investments in the sector. Despite losses in the apparel manufacturing segment affecting the retained value, the sector successfully fulfilled all obligations to its stakeholders through value generated during the year.

Distribution of Value Created

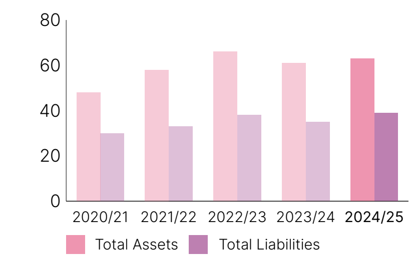
Rs.Bn



Financial

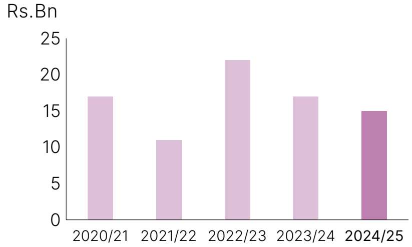
Stability

Rs.Bn



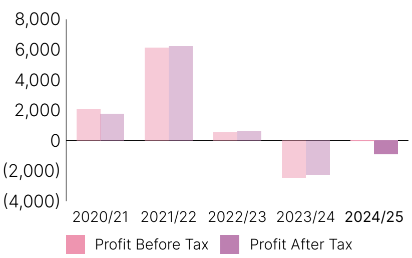
Revenue

Rs.Bn



Profitability

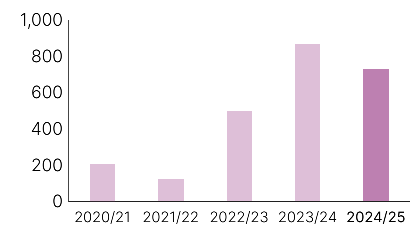
Rs.Mn



Social

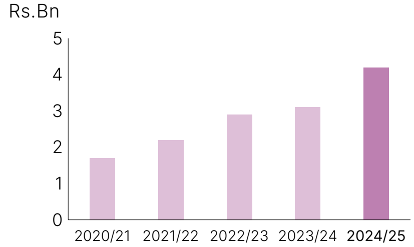
Taxes Paid to Government

Rs.Mn



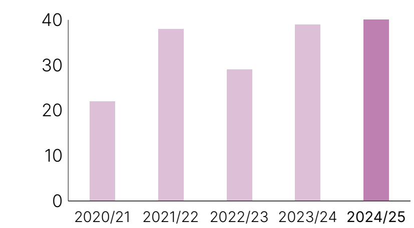
Employee Benefits Paid

Rs.Bn



Total Investment in Sustainability Driven Processes

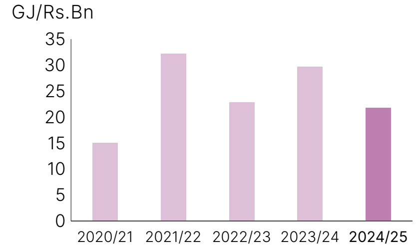
Rs.Mn



Environment

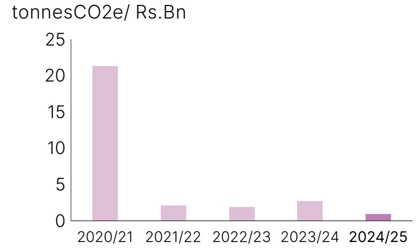
Energy Consumption per Unit Revenue

GJ/Rs.Bn



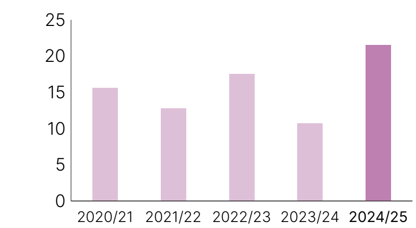
Emissions per Unit Revenue

tonnesCO2e/ Rs.Bn



Water Consumption per Unit Revenue

m3/ Rs.Bn



Strategic Investments Sector

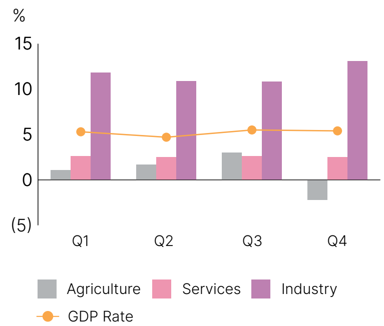
SRI LANKAN ECONOMY

Economic Growth

The Sri Lankan Economy Grew by

5% in 2024

GDP Growth by sector

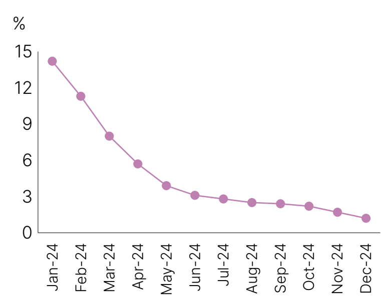


Inflation

The annual average CCPI based headline inflation in 2024 decelerated to

1.2% from 14.2% recorded at the beginning of 2024.

Headline Inflation (CCPI)



Exchange Rate Movement

the Sri Lankan Rupee appreciated for the second consecutive year in 2024, reflecting improved stability in the external sector

Overall, the Sri Lanka rupee ended the year at Rs. 292.58 per USD, recording an annual appreciation of 9.7%

SECTORAL PERFORMANCE

Power Sector

During the year, the contribution of hydro, fuel, coal, and Non-Conventional Renewable Energy (NCRE) sources amounted to 32.3%, 13.9%, 32.6%, and 21.2%, respectively, to the countries overall electricity generation. The Ceylon Electricity Board (CEB) meanwhile remained profitable in 2024, resulting in normalisation of payments to independent power producers.

Printing and Packaging Sector

The printing and packaging industry benefited from the gradually improving domestic economic environment. Increasing retail demand in the country as well as growth in export volumes supported an increase in the demand during the year. The printing and packaging industry is undergoing significant transformation, driven by growing sustainability demands, rapid technological advancements, and evolving consumer expectations. A clear shift is taking place toward the use of eco-friendly packaging materials, prompted by heightened environmental awareness and tightening regulatory frameworks. In response, companies are adopting biodegradable, compostable, and recycled materials in their packaging solutions. As environmental concerns and regulations continue to shape industry dynamics, paper-based alternatives are emerging as a key growth area, offering viable replacements for traditional plastic packaging.

Plantation Sector

The plantation sector demonstrated a modest yet positive performance in 2024, with agricultural activities growing by 1.2% compared to 2.6% in 2023. Agricultural exports recorded an increase in earnings, with notable contributions from tea, coconut-related products, and spices. The tea sector, in particular, saw a strong rebound, driven by a combination of higher export volumes and improved prices, underscoring the continued global demand for Sri Lankan tea. This performance reflects the resilience of the plantation sector amidst broader economic challenges.

Apparel Sector

In 2024, Sri Lanka's apparel sector faced a challenging environment shaped by global economic volatility, Trade disruptions, and internal cost pressures. Subdued global demand, appreciation of the Sri Lankan Rupee, coupled with rising energy and wage costs, continued to impact competitiveness, especially against regional players like Bangladesh and Vietnam. Despite these challenges, the sector showed resilience with earnings growing by 5.6% in 2024 compared to the 19% decline during the previous year.

Strategic Investments Sector

DRIVING STRATEGY

The strategies for each of the four segments, analysed into short, medium, and long-term objectives, are detailed in the relevant segmental reports. At a sector level, the strategic initiatives demonstrate a firm commitment to diversification, operational excellence, and sustainability. Emphasis has been placed on product innovation, strategic partnerships, and market expansion to drive growth and strengthen market presence. Investments in advanced manufacturing technologies and operational improvements have been made to enhance efficiency and productivity. Additionally, efforts to enter new markets and diversify product offerings have been pursued to ensure resilience in changing market environments. Concurrently, the sector has maintained a strong focus on sustainability, reinforcing governance practices, pursuing environmental certifications, and undertaking targeted environmental initiatives to support responsible and sustainable operations.

Strategic Objectives	Key Developments During the year
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	• Launch of a new range of iced tea under the Harrow Ceylon Choice brand by Elpitiya Plantations PLC • Implementation of an ERP system across all estates in the plantations segment • Commenced operations of the knit manufacturing units in the Koggala EPZ • Invested in advanced laminating and window patching technology, strengthening production capacity to meet growing demand in the printing and packaging segment
Expand Aitken Spence reach to new geographies	• Forayed into direct exports and also to diversify into flexible packaging • Acquired several key customers in new markets in the apparel segment as part of our diversification strategy • The apparel manufacturing segment, which was previously limited to serving a single client with woven products, has diversified into knitwear, broadening its product portfolio and attracting a wider customer base
Venture into five new business segments by 2030	The sector launched leadership development programmes across segments and Group level to strengthen management skills, develop future leaders, and support continuous learning and capacity building
Reduce the resource footprint and achieve net-zero emissions by 2030	• Strengthened sustainability governance framework in the plantation segment • Received carbon neutral certification for all apparel production facilities for the year 2024/25 • Ace Apparels is the first garment manufacturer in Sri Lanka to be certified under the revised OEKO-TEX Organic Cotton standard. This internationally recognised certification confirms that the company's products are made from organically grown cotton and meet rigorous global standards for environmental and social responsibility

Strategic Investments Sector

PERFORMANCE

In the financial year 2024/25, the Strategic Investments sector contributed 13.4% to the Group's total revenue, recording Rs. 15.3 billion. The printing and packaging segment experienced notable growth; however, this was overshadowed by revenue declines in the power generation, and apparel segments. Consequently, the sector's overall revenue contracted by 11.0%, primarily due to the non-operation of the thermal power plant and a significant downturn in the apparel business.

Despite these challenges, the combined performance of the plantations, printing and packaging, and power generation segments showed an improvement in profit before tax compared to the previous year. This led to a reduction in the sector's overall loss by 98.5%. Nevertheless, persistent losses in the apparel segment resulted in a reported loss before tax of Rs. 36.0 million.

The printing and packaging segment demonstrated a strong recovery, supported by a resurgence in local economic activity, increased export volumes, and a steady revival in domestic retail demand, resulting in a notable 14.1% growth in revenue. The power generation segment also delivered improved results, aided by higher hydro power generation and the gradual regularisation of long-outstanding payments from the Ceylon Electricity Board. In the plantation segment, favourable weather conditions and improved net sale averages (NSAs) for key crops such as tea contributed to a solid performance, reflected in an 6.8% revenue growth. Conversely, the Strategic Investments sector was adversely affected by the subdued performance of the apparel manufacturing segment, which recorded a 12.4% decline in revenue and reported a substantial loss for the year. Nevertheless, with transformative steps underway to broaden the product and customer base, the segment is expected to contribute meaningfully to overall sector performance in the year ahead.

The Strategic Investments sector continued to advance steadily across the Group's strategic priorities. Focused efforts on cost optimisation, productivity improvements, and product diversification were implemented across all segments to consolidate market positions in their respective industries.

Capital expenditure for the year totalled Rs. 805.8 million, with a significant share directed towards property, plant, and equipment, primarily within the apparel segment. Investments in both the printing and packaging and apparel segments led to notable enhancements in production capacity. Concurrently, the apparel segment prioritised market development initiatives, targeting expansion into new regions such as the EU, UK, and India. The sector also actively explored international opportunities in renewable energy, including solar, wind, and waste-to-energy projects.

Talent development remained a core focus, with sustained investments in training programmes aimed at strengthening the leadership pipeline and reinforcing the sector's ambition to be recognised as an employer of choice.

The Strategic Investments sector at Aitken Spence employs the highest number of individuals from non-urban and economically underdeveloped areas, particularly through its plantations and apparel segments. The sector continues to play a vital role in advancing local economic development by creating stable employment, promoting gender inclusion, and supporting skills development in rural communities. These efforts directly align with SDGs 5, 8, and 9 by empowering women, fostering decent work and economic growth, and enabling infrastructure and innovation at the grassroots level. In doing so, the sector contributes meaningfully to SDGs 1 and 2 by enhancing livelihoods and improving food security in vulnerable regions. During the year, the sector invested Rs. 275.9 million towards community development efforts.

Having completed the original power purchase agreement in April 2015, Ace Power Embilipitiya (Pvt) Ltd operated the 100 MW thermal power plant at the sole request of Ceylon Electricity Board to address power shortages in the country initially from 2016 to 2021, and thereafter on two occasions in 2022 and 2023 for very short periods. Going forward, the Group has decided to divest the residual assets instead of relocating the plant overseas, in keeping with the Group policy of reaching net-zero emissions by 2030. Progress was also made toward the Group's 2030 net-zero emissions target, with cross-sector investments aimed at improving energy efficiency and emissions management.

Strategic Investments Sector

SECTOR INTEGRATED PERFORMANCE

Strategic Investment Sector | Statement of Financial and ESG Performance (GRI 201-1; 203-1; 302-1; 303-3; 303-4; 305-1; 305-2; 306-5)

	2024/2025	2023/2024	YoY(%)
Revenue (Rs. Mn)	15,272	17,158	(11)
EBITDA (Rs. Mn)	2,833	2,269	25
Profit before tax (Rs. Mn)	(36)	(2,460)	(99)
Profit after tax (Rs. Mn)	(921)	(2,259)	(59)
Total assets (Rs. Mn)	63,109	60,952	4
Total liabilities (Rs. Mn)	38,749	34,616	12
Total direct tax paid (Rs. Mn)	280	292	(4)
Total indirect tax paid (Rs. Mn)	447	572	(22)
SDGs towards which the sector's performance contributes: 4 and 5			
Targets: 4.3, 4.4, 4.7, 5.1, 5B			
Number of employees	8,528	7,538	13
Employee female representation	60%	58%	3
Employee benefits paid (Rs. Mn)	4,157	3,130	33
Training hours per employee	10	11	(9)
SDGs towards which the sector's performance contributes: 4, 8 and 12			
Targets: 4.3, 4.4, 4.7, 8.4, 8.8, 12.2, 12.6, 12.8			
Investment in training (Rs. '000)	23,562	10,124	133
Brand stewardship	7	7	0
Number of management systems	91	80	14
Number of certified management systems	45	37	22
SDGs towards which the sector's performance contributes: 4, 8, 9 and 12			
Targets: 4.3, 4.4, 4.6, 8.5, 8.6, 9.1, 12.8			
Number of joint venture/equity partnerships	8	6	33
Number of suppliers screened on ESG within the year	32	444	(93)
Total funds channelled for community development (Rs. Mn)	276	200	38
SDGs towards which the sector's performance contributes: 6, 7, 8, 9, 12 and 15			
Targets: 6.3, 6.4, 7.2, 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b, 15.2, 15.5			
(*Note: Some data for 2023/24 has been restated to reflect revisions to grid emission factors and the incorporation of several necessary corrections)			
Total energy consumption (GJ)	239,315	399,769*	(40)
Total energy consumed from non-renewable sources and indirect energy (GJ)	43,535	180,700*	(76)
Total energy consumed from renewable sources (GJ)	195,780	219,068*	(11)
Total energy generated from renewable sources (GJ)	645,523	753,134	(14)
Scope 1 emissions (tCO2e)	5,909	32,726*	(82)
Scope 2 emissions (tCO2e)	3,715	3,634*	2
Emissions reduced or offset (tCO2e)	205,078	233,689*	(12)
Total water withdrawn (m3)	236,354	143,880	64
Total volume of water treated for reuse or safe disposal (m3)	22,030	27,405	(20)
Total amount of solid waste kept away from landfills			
(Tonnes)	25,131	37,753	(33)
(Units)	54	73	(26)
(Litres, waste oil)	38,680	25,820	50
Total investment in sustainability driven processes (Rs. Mn)	40	39	3
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	22,386	22,400	0
Investment in manufactured capital (Rs. Mn)	806	1,513	(47)

Strategic Investments Sector

Way Forward

The Strategic Investments sector is undergoing a focused transformation to build long-term resilience and sustainable growth across its diverse portfolio. Amid global trade headwinds and shifting regulatory landscapes, the apparel segment is pivoting from volume-based manufacturing to value-driven solutions, accelerating its entry into new markets and moving up the value chain through design-led production, automation, and sustainability compliance particularly in anticipation of stricter EU regulations. These shifts are critical to maintaining competitiveness and securing future demand.

In the power generation segment, the Group has decisively transitioned out of thermal power, marking a strategic shift to a 100% renewable energy portfolio. Future growth will be anchored in solar, wind, and waste-to-energy initiatives, complemented by investments in energy storage, carbon offsetting, and clean technology reinforcing the Group's net-zero commitment and leadership in green energy.

The printing and packaging segment is strengthening its operational agility to navigate demand fluctuations linked to external trade disruptions, particularly from export-reliant sectors. As the economy recovers, the segment will continue to enhance productivity while exploring high-growth adjacencies and market diversification strategies to reduce dependency on traditional sectors.

The plantations segment, led by Elpitiya Plantations PLC, is charting a bold path towards sustainability and innovation. Leveraging precision agriculture and digital technologies, the segment aims to boost efficiency and environmental performance. Strategic diversification into FMCG, regenerative tourism, and high-value exports will increase non-plantation revenue to 40%, supported by robust R&D in high-potential products such as tissue-cultured plants, organic cinnamon, and agarwood.

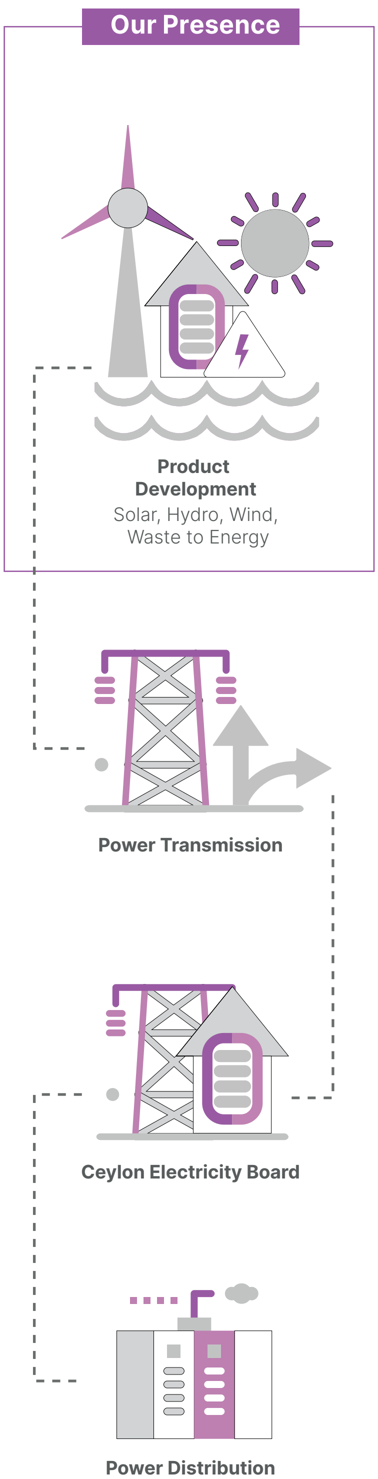
Together, these strategic pivots position the sector to navigate uncertainty, unlock new revenue streams, and deliver inclusive, climate-resilient value aligned with SDGs 5, 8, and 9—contributing meaningfully to poverty reduction and food security under SDGs 1 and 2.

For a comprehensive overview of each business unit's outlook and plans, please refer to the respective segmental reviews.

Strategic Investments Sector

POWER GENERATION

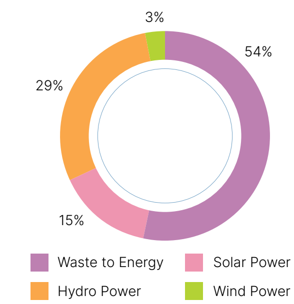
Our Presence along the Power Generation Value Chain (GRI 2-6)



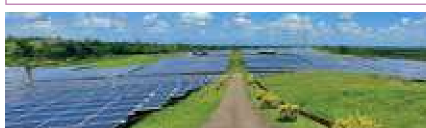
OUR CONTRIBUTION TO SRI LANKA'S ENERGY GENERATION LANDSCAPE

We remain committed to advancing Sri Lanka's low-carbon economy by expanding our renewable energy portfolio. We own and operate the nation's first and only waste-to-energy power plant among other significant investments in renewable energy. Our operations contribute meaningfully to sustainable energy generation and responsible waste management, in line with our purpose of inspiring greater futures for all.

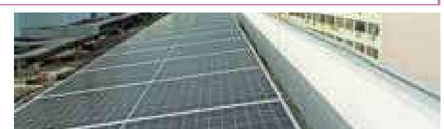
Total Power Generation by Method



Solar Power

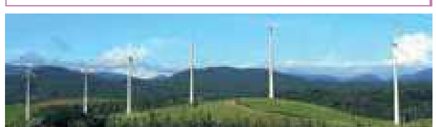


Sagasolar Power (Pvt) Ltd.
Capacity : 10 MW
Location : Hambantota



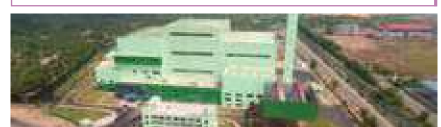
Aitken Spence Power (Pvt) Ltd.
Capacity : 0.75 MW - Roof top solar
Location : Mawaramandiya

Wind Power



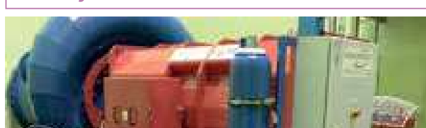
Ace Wind Power (Pvt) Ltd.
Capacity : 3 MW
Location : Ambewela

Waste to Energy

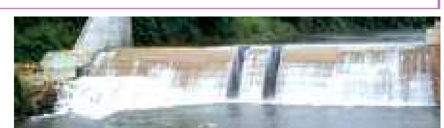


Western Power Company (Pvt) Ltd.
Capacity : 10 MW
Location : Kerawalapitiya

Hydro Power



Branford Hydropower (Pvt) Ltd.
Capacity : 2.5 MW
Location : Matale



Waltrim Energy Limited
Capacity : 6.6 MW
Location : Lindula

Thermal Power

Ace Power Embilipitiya (Pvt) Ltd.
Capacity : 100 MW
Location : Embilipitiya

The Group has taken a strategic decision to divest the power plant and will actively channel future investments towards expanding its renewable energy portfolio.

Strategic Investments Sector

OUR COMMITMENT TO EXCELLENCE

Awards and Accolades

The waste-to-energy power plant was featured as an 'Impact Story' at the UN Global Compact's "Forward Faster Now: Asia & Oceania" conference—one of only two case studies from Sri Lanka and among a select few from the entire region to receive this recognition.

Highlights - 2024/2025

- Aitken Spence's subsidiary, Western Power Company (Pvt) Ltd (WPC), successfully took over the operation and maintenance of Sri Lanka's first and only waste-to-energy power plant from the overseas operations and maintenance contractor.
- Registered and obtained approval under the Sri Lanka Sustainable Energy Authority for the importation of solar panels, marking a key step in advancing renewable energy initiatives.
- Generated 645,523 GJ of green energy for the national grid through a combined 22.1 MW renewable energy portfolio.
- Facilitated the disposal of 178,859 metric tons of municipal solid waste for the Colombo Municipal Council and others through the operation of the waste-to-energy plant.

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	Digitalisation of procurement to streamline operations
	Medium Term	Continued focus on Increasing operational efficiency, renewable energy capacity expansion, and cost optimisation
	Long Term	Leverage expertise in waste to energy projects to undertake engineering, procurement and construction (EPC) contracts in the segment
Expand the Aitken Spence reach into new geographies	Short term	Focus on expanding into South Asia and Southeast Asia
	Medium Term	Explore partnerships to enter into new markets
	Long Term	Leverage expertise to expand into international markets
Venture into five new business segments by 2030	Short term	Exploring new markets and technologies
	Medium Term	Develop new renewable energy solutions by investing in technologies like energy storage and carbon offset solutions
	Long Term	Explore next-generation renewables such as green hydrogen and floating solar farms
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	Focus on assessing current emissions, improving energy efficiency, and increasing renewable energy use
	Medium Term	Develop new renewable energy solutions by investing in technologies like energy storage and carbon offset solutions
	Long Term	Invest in green technologies, implementing energy management systems, and collaborating with stakeholders to lower emissions across our operations.
Achieve Employer of Choice status	Short term	Ongoing training initiatives to cultivate a culture of innovation and accelerate the transition to renewable energy sources
	Medium Term	Enhance leadership continuity through a strategic and structured employee succession planning framework.
	Long Term	Foster a positive and empowering work culture

Strategic Investments Sector

PERFORMANCE

The segment recorded a growth in profit before tax during the financial year, supported by operational efficiencies and improved financial management. A notable increase in hydropower generation, driven by favourable rainfall patterns, significantly contributed to overall performance. The settlement of previously delayed interest payments and a sharp decline in borrowing rates further strengthened margins. Timely settlements by the Ceylon Electricity Board enhanced cash flows and supported working capital management.

In addition, the segment took over operations and maintenance (O&M) responsibilities of the waste-to-energy power plant, resulting in a significant reduction in O&M-related expenses. These cost efficiencies were strategically directed towards reducing short-term borrowings, thereby lowering finance costs and improving the overall financial position. Operational discipline, cost containment measures, and improved asset utilisation all contributed to the year's improved performance.

(35.3%)
Revenue Decline

(14.6%)
Total Assets Decline

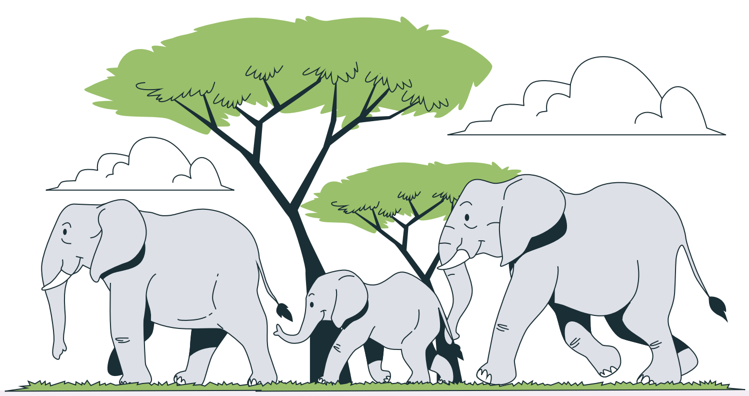
27.9%
EBIT Growth

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	The takeover of O&M responsibilities for the waste-to-energy plant led to significant cost savings, thereby enhancing the segment's profitability.	27.9% EBIT growth 22.0% Reduction in borrowings	8 Decent Work and Economic Growth
Manufactured Capital	Ongoing investments in plant maintenance	Rs. 147.3 Mn Investment in property plant and equipment	9 Industry, Innovation and Infrastructure
Human Capital	Continued focus on strengthening the employee value proposition through ongoing development programmes and work–life balance initiatives.	14.1% Increase in employees Rs. 1.5 Mn Investment in training and skills development	8 Decent Work and Economic Growth
Intellectual Capital	The seamless transfer of technology following the assumption of O&M responsibilities from the overseas contractor enhanced the segment's intellectual capital, equipping the team with specialised expertise.	Reduced reliance on foreign and third-party engineering support	9 Industry, Innovation and Infrastructure

Strategic Investments Sector

	Value Drivers	Value Transformation	SDG's Impacted
Social and Relationship Capital	• Employment creation for skilled youth in Sri Lanka in emerging technologies • Improving local infrastructure and livelihoods enabling community-based tourism and roadside enterprises near power plant sites.	Over 250 youths empowered through technical training Industrial placements for young engineers, many from local communities, supporting education and skill development Rs. 1.2 Bn Payment made to suppliers Rs. 235.5 Mn Payments made in taxes	
Natural Capital	• The power generation segment contributes significantly to the country's development goals and nationally determined contributions (NDCs), while also supporting the Aitken Spence Group's ambitious target of achieving net-zero emissions by 2030. • The waste-to-energy power plant further supports environmental protection by diverting residual municipal solid waste away from landfills, thereby helping to preserve sensitive wetland ecosystems.	117.7 Gwh Renewable energy generated 178,859 Metric Tonnes Municipal waste converted to electricity	



The waste-to-energy plant has diverted municipal solid waste equivalent to the weight of 32,520 adult elephants from landfills, converting it into clean, sustainable energy.

Strategic Investments Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place:

Risk — Mitigation Strategy

Cash flow risk

Delays in payments from the Ceylon Electricity Board, impacting liquidity.

Engage with relevant authorities to secure timely payments.

Equipment failure risk

Reduction or interruption in electricity generation due to defective or damaged equipment.

Implement condition monitoring, maintain critical spare parts, and identify key suppliers to minimise downtime.

Statutory and regulatory risk

Unpredictable changes in legislation or policy affecting operations.

Closely monitor regulatory developments and prepare alternative operational responses to ensure compliance.

Climate related risk (GRI 201-2)

Exposure to extreme weather events may damage critical infrastructure, while climate-related policy shifts and regulatory changes pose transition risks.

Strengthen energy infrastructure to enhance climate resilience and diversify energy projects across new technologies and geographies.

OUTLOOK

Emerging Opportunities

- Significant potential to expand solar, wind, and hydropower projects both locally and internationally, driven by the global transition towards sustainable energy.
- As energy storage technologies mature, greater opportunities will emerge to integrate storage solutions into renewable energy systems, enhancing grid reliability.
- Strong potential for public–private partnerships to support the development of large-scale infrastructure projects within the country.

Potential Challenges

- Changes in government policies and regulations may pose challenges, particularly where tariffs or subsidies impact profitability.
- With increasing participation in the renewable energy market, maintaining competitive pricing remains a key challenge.
- Balancing large-scale energy projects with environmental considerations, particularly in ecologically sensitive areas, continues to require careful planning.

Way Forward

Following the successful completion of the original power purchase agreement (PPA) in April 2015, Ace Power Embilipitiya (Pvt) Ltd continued to support the national grid by operating its 100 MW thermal power plant at the request of the Ceylon Electricity Board, initially from 2016 to 2021 and subsequently on two occasions in 2022 and 2023 to address urgent power shortages. Having successfully fulfilled its role, the Group has taken the strategic decision to dispose of the remaining assets of the company.

This marks an important milestone in the Group's transition towards a more sustainable energy portfolio and underscores its commitment to achieving net-zero emissions by 2030. At present, all of the Group's power plants operate within the renewable and sustainable energy sectors, reflecting its continued focus on building a greener future.

As the segment consolidates its leadership in renewable energy space, it will continue to strengthen and expand its portfolio across solar, wind, and waste-to-energy projects, both locally and internationally. In parallel, the Group remains focused on diversifying into new business areas by investing in energy storage solutions, carbon offset initiatives, and other emerging clean technologies, further enhancing its contribution to a low-carbon, sustainable future.

Strategic Investments Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Electric Utilities & Power Generators Sustainability Accounting Standard (Version 2023-12)

Topic	Metric	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions & Energy Resource Planning	(1) Gross global Scope 1 emissions	Quantitative	Metric tonnes (t) CO2- e, Percentage (%)	IF-EU-110a.1	127
	(2) Percentage covered under emissions limiting regulations				Stack emissions apply only to Ace Power Embilipitiya (Pvt) Ltd and Western Power Company (Pvt) Ltd
	(3) Percentage covered under emissions reporting regulations				No regulations stipulated at present
	Greenhouse gas (GHG) emissions associated with power deliveries		Metric tonnes (t) CO2-e	IF-EU-110a.2	49 (transmission and distribution losses)
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	IF-EU-110a.3	Please refer to the Strategic Objectives and Outlook sections in the segment review presented earlier on page 218 and 221.
2. Air Quality	(1) NOx (excluding N2O), (2) SOx, (3) Particulate matter (PM10), (4) Lead (Pb), (5) Mercury (Hg); percentage of each in or near areas of dense population	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-120a.1	Not disclosed due to reasons of confidentiality. Metrics such as NOx, SOx and PPM levels are regularly tested and are within stipulations regulated by the CEA.
3. Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m^3), Percentage (%)	IF-EU-140a.1	(1) 14,885 (2) Total water withdrawn is consumed (3) None
	Number of incidents of non-compliance associated with water quality permits, standards and regulations		Number	IF-EU-140a.2	None
	Description of water management risks; discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	IF-EU-140a.3	Please refer Natural Capital report on page 324.
4. Coal Ash Management	(1) Amount of coal combustion products (CCPs) generated, (2) Percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	IF-EU-150a.1	None Coal is not used to generate energy.
	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	Discussion and Analysis	N/A	IF-EU-150a.3	
5. Energy Affordability	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	Quantitative	Rate	IF-EU-240a.1	All energy generated is sold to the national grid.
	(1) Number of residential customer electric disconnections for non-payment (2) percentage reconnected within 30 days		Number Percentage (%)	IF-EU-240a.3	
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Discussion and Analysis	N/A	IF-EU-240a.4	

Strategic Investments Sector

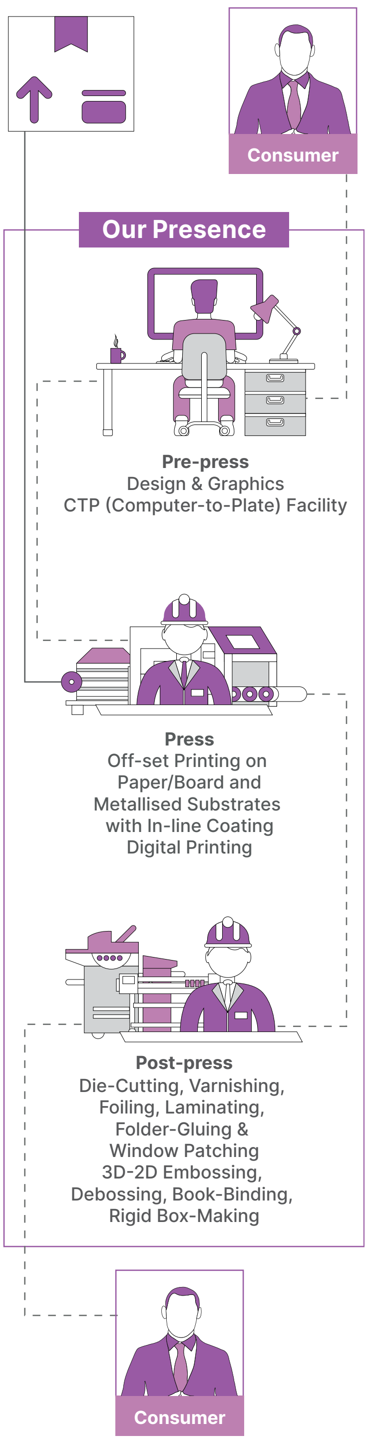
Topic	Metric	Category	Unit of measure	Code	Disclosure
6. Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) for -(a) direct employees, (b) contract employees	Quantitative	Rate	IF-EU-320a.1	(1) 0 (2) 0 (3,a) 0 (3,b) 0
7.End-Use Efficiency & Demand	Percentage of electric load served by smart grid technology	Quantitative	Percentage (%) by megawatt hours (MWh)	IF-EU-420a.2	None
	Customer electricity savings from efficiency measures, by market		Megawatt hours (MWh)	IF-EU-420a.3	All energy generated is sold to the national grid.
8. Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by results of most recent independent safety review	Quantitative	Number	IF-EU-540a.1	None
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	N/A	IF-EU-540a.2	Nuclear sources are not used to generate energy.
9. Grid Resiliency	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	None
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), (3) Customer Average Interruption Duration Index (CAIDI) inclusive of major event days		Minutes, Number	IF-EU-550a.2	The standard is not in use in Sri Lanka

Activity Metric	Category	Units of measure	Code	Disclosure
Number of customers served: (1) Residential	Quantitative	Number	IF-EU-000.A	0
Number of customers served: (2) Commercial				1
Number of customers served: (3) Industrial				0
Total electricity delivered to: (1) Residential	Quantitative	Megawatt hours (MWh)	IF-EU-000.B	0
Total electricity delivered to: (2) Commercial				118,469
Total electricity delivered to: (3) Industrial				0
Total electricity delivered to: (4) All other retail customers				0
Total electricity delivered to: (5) Wholesale customers				0
Length of transmission and distribution lines	Quantitative	Kilometres (km)	IF-EU-000.C	Not within our operational boundary
Total electricity generated, percentage by major energy source, percentage in regulated markets		Megawatt hours (MWh), Percentage (%)	IF-EU-000.D	Renewable energy sources: 133,831MWh (100% of the electricity generated) Non-renewable energy sources - 0
Total wholesale electricity purchased		Megawatt hours (MWh)	IF-EU-000.E	1,307

Strategic Investments Sector

PRINTING & PACKAGING

Our Presence along the Printing & Packaging Value Chain (GRI 2-6)



DRIVING INNOVATION IN PRINTING AND PACKAGING SOLUTIONS

The packaging industry is undergoing a significant shift driven by environmental and regulatory pressures, prompting a move away from plastic-based solutions. Leveraging our strengths in paper and board-based packaging—along with our deep expertise and economies of scale—we are well-positioned to capitalise on this transition and capture emerging opportunities.

Offset printing and packaging

Export printing and packaging solutions

South Asia's first LEED (Gold) certified, carbon-neutral printing complex with a capacity of approximately 60 million impressions per annum and one of the leading printing and packaging solutions providers for both local and export markets. Location : Mawaramandiya, Sri Lanka

OUR COMMITMENT TO EXCELLENCE

Awards

- Winner of the prestigious Lanka Star 2024 Platinum Trophy awarded by Sri Lanka Institute of Packaging (SLIP) with 4 Gold, 7 Silver, and 16 Bronze awards.
- Winner of the 'Bronze' award in the digital printing category at the Asian Packaging Excellence Awards (APEA) held in Vietnam.
- Winner of the 'Bronze' award in the digital printing category at the Asian Print Awards (APA) in Jakarta, Indonesia.
- The company was recognised with two accolades at the Asia Star 2024 Awards, organised by the Asian Packaging Federation (APF), for its achievements in packaging excellence. Since national winners are honoured at the Asia Star Awards, recipients of the Asia Star are recognised as "the Best of the Best" across Asia.

Certifications

- Integrated management system certified for ISO 14001: 2015 (environmental impact control), ISO 9001:2015 (quality management) and ISO 45001:2018 (OHS)
- Forest Stewardship Council Chain of Custody Certification
- Compliant with Sedex Members Ethical Trade Audit (SMETA – 4 Pillar)

Highlights - 2024/2025

- Achieved an over 100% growth in profit before tax, recording the segment's highest-ever profitability.
- Installed a state-of-the-art laminating machine, enabling in-house lamination and eliminating the need to import pre-laminated metallised boards, resulting in significant cost savings.
- Introduced a window patching machine to automate the window pasting process, significantly enhancing production efficiency and ensuring consistent product quality.
- Constructed an in-house sewerage treatment plant to eliminate reliance on external service providers, with an expected payback period of under three years enhancing sustainability and cost effectiveness.

Strategic Investments Sector

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Leveraging opportunities in both local and direct export markets while focusing to enhance operational and cost efficiencies
	Pursue strategic acquisitions or partnerships in high-potential growth areas to enable cross-selling synergies and expand product and service offerings.
	Diversify into premium and high-growth segments such as flexible packaging, corrugated packaging, label and tag printing either through strategic partnerships, mergers, and acquisitions or through direct investment to reinforce market leadership and competitive advantage.
Expand the Aitken Spence reach into new geographies	Explore direct export opportunities via targeted partnerships in key international markets to expand the global footprint.
	Establish a global presence through digital platforms and industry specific strategic partnerships.
	Sustain and grow global presence through digital marketing initiatives and market expansion strategies.
Venture into five new business segments by 2030	Introduce eco-friendly printing solutions to meet sustainability demands of customers
	Diversify into new printing and related segments aligned with market trends.
	Continue to explore opportunities for diversification and broader market expansion.
Achieve net zero emissions across the Group and a reduction in the resource footprint by 2030	Improve operational efficiencies to reduce emissions and resource usage.
	Invest in advanced technologies to enhance energy efficiency and ensure environmental compliance.
	Achieve reductions in emissions and environmental impact across entire value chain.
Achieve 'Employer of Choice' status	Key leadership successors hired for critical factory operations and maintenance roles.
	Ongoing collaboration with industry experts for employee reskilling and upskilling.
	Strengthening workplace culture through employee recognition programmes.

PERFORMANCE

The Printing & Packaging segment delivered a strong performance, recording revenue growth of 14.1% and a year-on-year increase in profit before tax (PBT) of over 100% . The gradual recovery of the local economy contributed to improved sales performance in the segment, particularly within the Fast-Moving Consumer Goods (FMCG) sector. Demand strengthened across key product categories such as tea, beverages, and tobacco, reflecting a resurgence in consumer confidence and increased activity among FMCG manufacturers and distributors. As a result, business volumes, measured by the number of impressions, rose by an impressive 40.3%.

As part of its sustained focus on cost management, the segment successfully negotiated improved pricing terms with several key material suppliers during the year.

Strategic Investments Sector

The resulting positive impact on gross profit margins also supported the improved financial performance. Process improvements such as the implementation of lean projects to enhance efficiency and minimise waste, along with the increased use of business intelligence (BI) tools for monitoring and optimisation led to notable gains in product quality, waste reduction, and overall process and cost efficiency.

Several key investments were made during the year, including a state-of-the-art laminating machine and a window patching machine, significantly enhancing production capabilities and strengthening competitiveness in growth segments. The segment also continued to prioritise high-growth areas while exploring new business segments and markets, aiming to expand its product offerings and capture emerging opportunities.

In line with its commitment to minimising environmental impact, the segment invested in a sewerage treatment plant at the Mawaramandiya facility. This initiative not only ensures the responsible and safe disposal of effluents and waste but also results in significant cost savings.

14.1%	32.1%	6.0%
Revenue Growth	EBIT Growth	Total Assets Growth

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Targeted negotiations for better input material pricing allowed the segment to improve margins, even as cost-conscious customers demanded lower prices. This positively impacted bottom line performance during the year.	14.1% Revenue growth +100% Profit before tax growth 38.1% Reduction in debt	8 DECENT WORK AND ECONOMIC GROWTH
Manufactured Capital	Improved production capabilities with the investment in state of the art window patching and laminating machines.	Rs 82.2 Mn Investment in property plant and equipment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Human Capital	Strengthened core areas including marketing and operations by bringing in industry experts and through targeted training initiatives in areas such as lean management.	Rs 1.6 Mn Investment in training and skills development	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Ongoing process re-engineering, supported by training and development initiatives, has enhanced both product and process quality. Additionally, the use of BI tools has provided deeper insights for continuous improvement.	Achieved reduction in waste through improved processes and quality controls Recorded a reduction in customer rejections, reflecting higher product reliability and adherence to specifications	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Natural Capital	Invested in a sewerage treatment plant with a capacity of 5000 m³ per annum.	Rs 17.8Mn Invested in sustainability related process improvements	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12

Strategic Investments Sector

	Value Drivers	Value Transformation	SDG's Impacted
Social and Relationship Capital	**Strengthening Supply Chain Resilience** The segment continues to expand and diversify its supplier base, with a growing emphasis on local sourcing to reduce reliance on imported raw materials and mitigate the impact of global supply chain disruptions. **Fostering Community Relationships** It also maintains strong, positive relationships with surrounding communities, recognising their role in supporting long-term sustainability and operational continuity.	Over 200 kg of paper provided to the divisional hospital for patient care Rs 1.6 Bn Payment made to suppliers Rs 125.0 Mn Payments made in taxes	8 DECENT WORK AND ECONOMIC GROWTH

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Supply chain risk

Risk: Heavy reliance on imported raw materials, particularly paper and board, exposes the business to supply disruptions and material shortages.

Mitigation Strategy: The segment is actively exploring alternative materials and sourcing strategies to reduce dependence on current suppliers and ensure continuity of supply.

Malfunction and breakdowns risk

Risk: Unexpected breakdowns or technical issues with machinery can lead to production delays and affect overall efficiency.

Mitigation Strategy: A structured preventive maintenance system has been implemented to ensure early detection of faults and reduce the risk of unplanned downtime.

Competition and revenue gap risk

Risk: Intense competition within the printing industry makes it increasingly challenging to attract and retain customers, impacting market share and profitability.

Mitigation Strategy: The segment has implemented cost-effective operational models, competitive pricing strategies, and superior customer service, supported by a dedicated customer relationship management (CRM) system.

Skills and competency gap risk

Risk: A shortage of skilled labour, particularly machine operators, combined with extended recruitment lead times, may reduce operational efficiency and machinery utilisation.

Mitigation Strategy: The segment partners with vocational institutions such as VTA and NAITA to recruit trainees and maintain a ready talent pool to fill vacancies as they arise.

Climate related risk (GRI 201-2)

Risk: Extreme weather events, such as storms, wind, and lightning, could disrupt raw material supply chains, damage infrastructure, and pose safety risks to employees at the factory.

Mitigation Strategy: Strengthen disaster risk reduction and business continuity (DRR/BCM) strategies in coordination with the Group and key stakeholders, while enhancing supply chain diversification to improve climate resilience and maintain operational continuity.

Strategic Investments Sector

OUTLOOK

Emerging Opportunities

- Shift towards sustainable packaging with biodegradable, compostable, and recycled materials
- Growth in e-commerce is expected to present new opportunities for innovation in packaging industry

Potential Challenges

- Impact of US reciprocal taxes on trade volumes
- Global trade tensions and resulting fluctuations in logistics and freight rates
- Geopolitical tensions, including the Middle East conflict and disruptions in the Red Sea, impacting global supply chains

Way Forward

With economic conditions in the country showing strong signs of recovery, we are optimistic about our prospects for the forthcoming year.

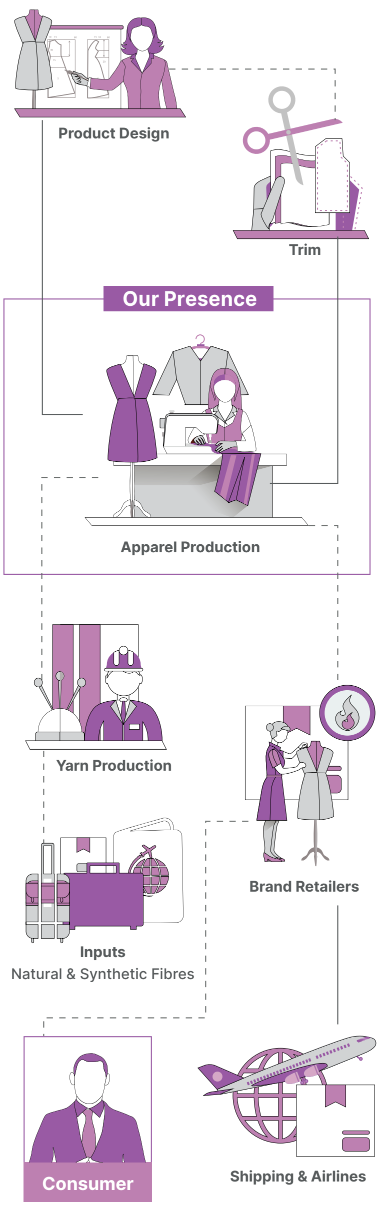
As we continue to drive operational and cost efficiencies by optimising our existing capacity, we will also actively seek to diversify our business into high-growth areas while exploring new business segments and markets.

However, the recent imposition of a 44% reciprocal tariff by the United States on exports from Sri Lanka—part of a broader escalation in global trade tensions—has introduced significant uncertainty. A 90-day grace period has been granted, during which the tariff has been temporarily reduced to 10%. Key export industries such as apparel and tea are likely to be adversely affected, which in turn could impact the printing and packaging industry due to reduced demand from these sectors. Navigating this evolving external environment will require adaptability, market diversification, and continued investment in value-added solutions.

Strategic Investments Sector

APPAREL MANUFACTURE

Our Presence along the Apparel Value Chain (GRI 2-6)



TOWARDS SUSTAINABLE MANUFACTURING IN FASHION

Driven by our commitment to a cleaner planet and a more environmentally conscious future in fashion we continue to explore the use of natural materials and sustainable design principles. This shift reflects our dedication to responsible innovation and highlights our role in shaping a more sustainable and ethically driven industry.

Woven Cluster - Mathugama

Production Capacity

25.6 Mn produced minutes

Koggala - Export Processing Zone

Production Capacity

45.9 Mn produced minutes

Knit Cluster Koggala EPZ

Production Capacity

1.9 Mn produced minutes

Strategic Investments Sector

OUR COMMITMENT TO EXCELLENCE

Certifications

- Compliance+ certification for Aitken Spence Garments Ltd
- ISO 9001: 2015 certified quality management system – Aitken Spence Garments Ltd
- Sedex registered supplier- Aitken Spence Garments Ltd
- Gold certificate of compliance: Worldwide Responsible Accredited Production (WRAP)- Aitken Spence Garments Ltd
- GMP (Good Manufacturing Practices) certification
- Global Organic Textile Standard (GOTS - Version 5.0) – Aitken Spence Garments Ltd
- Higg Index compliance achieved by Ace Apparels (Private) Limited, Aitken Spence Garments Ltd
- OEKO-TEX® ORGANIC COTTON certification

Awards and Accolades

- Aitken Spence Garments Ltd won the prestigious Top 20 CPM Best Management Practices Award
- Ace Apparels (Pvt) Ltd won the prestigious Top 20 CPM Best Management Practices Award
- Aitken Spence Garments Ltd won Sri Lanka's Best Employer Branding Awards for 2024

Highlights - 2024/2025

- Commenced operations at one of two newly acquired knit manufacturing facilities in the Koggala EPZ, marking a strategic move to diversify the product portfolio within the apparel segment.
- All production facilities were certified as carbon neutral for the year 2024/25.
- Ace Apparels (Pvt) Ltd became the first garment manufacturer in Sri Lanka to be certified under the revised OEKO-TEX Organic Cotton standard for our products during Hohenstein Global Sustainability Conference held in Colombo.


Certificate
OEKO-TEX ORGANIC COTTON
ACE Apparel (Pvt) Ltd. Unit 2

Strategic Investments Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	Focus on cost optimisation strategies
	Medium term	Transformation from contract manufacturing to direct manufacturing
	Long term	Expand our value-added services through design and innovation
Expand the Aitken Spence reach into new geographies	Short term	Continue to expand presence in existing markets through new brand acquisition
	Medium term	Expand into new markets such as Middle East, Latin America, Canada and Australasia
	Long term	Mitigate risks by diversifying market exposure to ensure no single segment accounts for more than 25%–30% of overall business activity
Venture into five new business segments by 2030	Short term	Strengthen presence in the knit business
	Medium term	Initiate backward integration by exploring joint venture partnerships with fabric suppliers in the region
	Long term	Expand into active wear, lingerie and seam seal operations
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	Conduct energy audits to identify areas for improvement
	Medium term	Establish initiatives to minimise the waste Purchase renewable energy credits (RECs) to offset emissions from purchased energy Drive innovation for sustainable solutions
	Long term	Invest in verified carbon capture and removal projects to neutralise remaining emissions Transition to electric vehicles for transport among production facilities and partner with low-carbon, sustainable raw material suppliers and buyers and reduce emissions from the purchase and transfer of goods
Achieve Employer of Choice status	Short term	Strengthen the value proposition for employees and Identify future leaders for training and development
	Medium term	Establish frameworks to bring together cross functional teams to accelerate innovation
	Long term	Invest in continuous learning through training, upskilling, digital literacy, and leadership development programmes

Strategic Investments Sector

PERFORMANCE

Industry-wide headwinds that adversely impacted apparel volumes during the year, coupled with the segment's high dependence on a single key customer, resulted in a decline in revenue for the financial year 2024/25. As part of its strategic efforts to maintain long-term competitiveness amid continued volume and revenue pressures, the business has initiated an operational transformation project focused on expanding its customer base and progressively transitioning towards direct manufacturing. In line with this transformation, essential investments were made in plant infrastructure and strategic marketing initiatives during the year. While these efforts are expected to deliver significant long-term benefits, they had a short-term impact on profitability.

Having acquired two new knit manufacturing units in Koggala during the financial year 2023/24, the company commenced operations at one of the facilities in the current financial year, thereby enhancing its value proposition by offering a one-stop shop solution to customers. These strategic investments also contributed to the expansion of both the product portfolio and customer base. During the financial year 2024/25, the product range expanded to include a broader selection of men's and women's apparel.

The segment was previously heavily reliant on a single market the USA and primarily dependent on one customer, which contributed over 80% of revenue. Recognising the inherent risk associated with this concentration, the business strategically diversified its customer base by expanding into the Indian, EU, and UK markets. As a result of these efforts, exposure to the US market has been reduced by approximately 50%.

Sustainable Manufacturing

Our partnership with an Australian slow fashion label, highlights our commitment to proactively addressing the fashion industry's impact on people and the planet.

We work closely with the brand from design to delivery to create sustainable fashion. Key elements of the sustainable production process include only using eco-friendly, biodegradable fabrics such as banana fibre, hemp, organic cotton, and linen. These natural materials not only reduce our environmental impact but also promote responsible fashion by using fewer resources, minimising chemical use, and supporting ethical production. By choosing sustainable textiles, The segment stands for a cleaner planet and a more conscious future in fashion.

Strategic Investments Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Our strategic focus is centred on reducing dependence on a single customer by expanding both our product offerings and client base. In parallel, we are actively pursuing cost optimisation strategies aimed at narrowing the gap in negative margins, ensuring long-term financial sustainability and improved profitability.	Reducing dependency on a single customer Reposition the business for long-term financial sustainability	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Manufactured Capital	Investments to expand production capabilities and improve efficiencies.	Rs. 509.1 Mn Investment in property plant and equipment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Human Capital	Ongoing focus on skills development through extensive trainings and leadership development.	Rs 1.6 Mn Investment in training and skills development	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Strategic focus on strengthening design capabilities with the use of technology.	Investment in R&D including 3D design technology	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Social and Relationship Capital	Empowering surrounding communities by providing employment opportunities, entrepreneurship opportunities and targeted community development initiatives.	Rs 0.9 Mn Investment in community development initiatives	4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH
Natural Capital	Making the shift to be a low-carbon manufacturer through targeted investments and process improvements. Carbon emissions offset for all production facilities till net-zero pathways are in place.	Rs. 1.1 Mn Invested in sustainability related process improvements 18 Certified management systems maintained for environmental and social governance	6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Strategic Investments Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place:

Risk — Mitigation Strategy

Geopolitical risk

Risk: Operational challenges and the potential loss of buyers due to changing geopolitical and statutory regulations.

Mitigation Strategy: Maintain regular updates with stakeholders and ensure full compliance with buyer-specific requirements and international standards to retain trust and business continuity.

Infrastructure and technology risk

Risk: Gaps in operational systems and technology infrastructure may affect efficiency, visibility, and the ability to meet performance expectations.

Mitigation Strategy: Invest in appropriate digital tools and process improvements to strengthen operational capabilities. Ongoing training and regular reviews will help ensure systems remain effective and relevant.

Operational risk (Buyer/Supplier/Product dependency)

Risk: High dependency on specific buyers, suppliers, or product lines could result in loss of orders and significant financial impact.

Mitigation Strategy: Broaden the buyer and supplier base by onboarding new partners and reducing dependency on a limited few.

Climate related risk (GRI 201-2)

Risk: While the facilities in Mathugama and Koggala are in relatively flood-safe areas, increased regional flooding may disrupt employee access to factories, affecting attendance and operations, while rising temperatures increase risks of heat stress and reduce productivity. Transition risks also remain due to pressure from global buyers, especially from the EU, to decarbonise supply chains.

Mitigation Strategy: Strengthen DRR strategies and implement workforce resilience measures such as transport support and flexible scheduling during extreme weather events. Upgrade ventilation and comfort in work areas and accelerate the adoption of low-emission technologies to align with global sustainability standards and buyer expectations.

Strategic Investments Sector

OUTLOOK

Emerging Opportunities

- Increasing demand for low-carbon supply chains enables factories to attract sustainability-focused buyers and reduce long-term costs through energy and resource efficiency
- Flood safe location of the Mathugama factory and positioning of the Koggala factory in the BOI zone offers climate resilience and infrastructure stability, enabling the factories to attract buyers and invest in low-carbon, future-ready operations

Potential Challenges

- Potential impact of the reciprocal tariff scheme imposed by the USA on Sri Lankan exports including apparels
- Skill migration continues to heavily impact the apparel industry
- Ongoing price reductions demanded by customers have steadily eroded margins, increasing pressure on the company, especially as Sri Lanka is no longer positioned as a low-cost labour supplier

Way Forward

The apparel segment in Sri Lanka is currently navigating a complex and challenging operating environment, driven by a combination of external and structural pressures. A key concern is the proposed implementation of US tariffs, which is expected to significantly impact export performance—particularly as over 50% of the segment's apparel exports are directed to the US market. This development could lead to a decline in order volumes and reduced visibility into future demand.

Concurrently, rising raw material costs and the high proportion of labour in total costs continue to exert downward pressure on margins. These challenges are further compounded by economic slowdowns in major export markets such as the US and EU, which have heightened price sensitivity due to reduced consumer spending on branded apparel. Collectively, these factors highlight the urgent need for a transformation in the segment's operating model.

In response, the segment is accelerating its strategic diversification efforts by expanding its market presence in the EU, UK, and India. In addition, the segment is repositioning itself along the value chain—from a traditional cut-and-sew operation towards design-led manufacturing and market-oriented solutions. This shift is aimed at strengthening customer engagement, increasing value addition, and differentiating the product offering.

To address cost pressures and margin compression, the segment is placing increased emphasis on automation, operational efficiency, and process optimisation. These initiatives are critical to enhancing productivity, improving cost competitiveness, and building a more resilient business amid evolving global trade dynamics.

Furthermore, the segment is being reshaped by a wave of new environmental and sustainability regulations—particularly within the EU—resulting in more stringent audit, certification, and compliance requirements. Anticipating these developments, the segment is proactively strengthening its sustainability agenda, with a focus on achieving the Group's net-zero emissions target by 2030 and securing globally recognised certifications to safeguard market access and maintain long-term competitiveness.

Strategic Investments Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Apparel, Accessories & Footwear Sustainability Accounting Standard (Version 2023-12)

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	Discussion and Analysis	N/A	CG-AA-250a.1	The company's scope does not include restricted substances
	Discussion of processes to assess and manage risks or hazards associated with chemicals in products			CG-AA-250a.2	Management approach to ensure occupational health and safety is discussed in the Human Capital report on page 394-395.
2. Environmental Impacts in the Supply Chain	(1) Percentage of Tier 1 supplier facilities in compliance with wastewater discharge permits or contractual agreements	Quantitative	Percentage (%)	CG-AA-430a.1	100%
	(2) Percentage of supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements				90%
	(1) Percentage of Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module			CG-AA-430a.2	100%
	(2) Percentage of supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module				95%
3. Labour Conditions in the Supply Chain	(1) Percentage of Tier 1 supplier facilities that have been audited to a labour code of conduct	Quantitative	Percentage (%)	CG-AA-430b.1	100%
	(2) Percentage of supplier facilities beyond Tier 1 that have been audited to a labour code of conduct				85% of the suppliers have been assessed aligned to the labour code of conduct of which over 75% have also been audited for SMETA or Social & Labour Convergence Programme (SLCP).
	(3) Percentage of total audits conducted by a third-party auditor		Rate		Audits are not required as the customers carry out required due diligence audits on the selected suppliers.
	(1) Priority non-conformance rate	Quantitative		CG-AA-430b.2	No major non-compliances reported. In the industry, major non-compliances would result in an immediate discontinuation of service.

Strategic Investments Sector

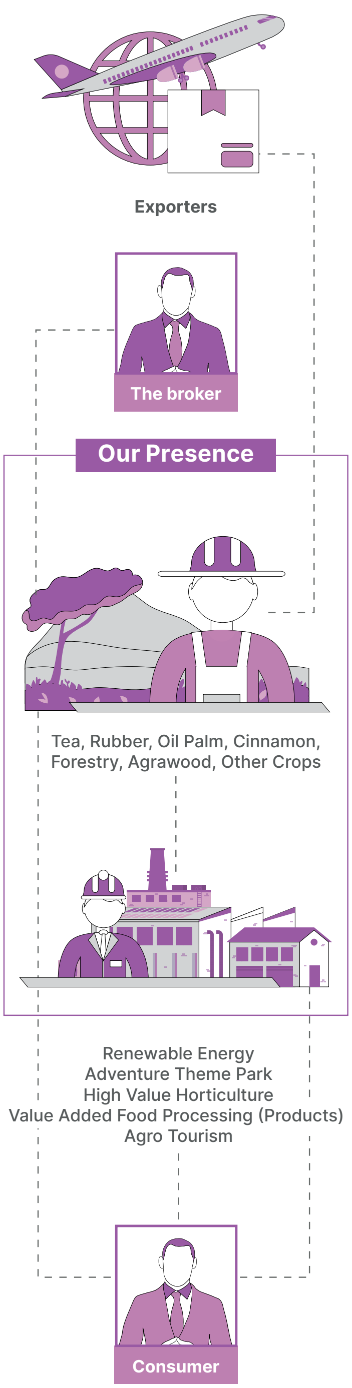
Topic	Metrics	Category	Unit of measure	Code	Disclosure
	(2) Associated corrective action rate for suppliers' labour code of conduct audits				No major non-compliances reported. In the industry, major non-compliances would result in an immediate discontinuation of service.
	(1) Description of the greatest labour risk	Discussion and Analysis	N/A	CG-AA-430b.3	Please refer the Risk Report on page 137-146 and the Business and Sustainability Risks and Mitigation Strategies section of the segment review above on page 231 and 235.
	(2) Description of the greatest environmental, health and safety risks in the supply chain				
4. Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material	Discussion and Analysis	N/A	CG-AA-440a.3	Fabrics - Cotton, Linen, Polyester
	(2) Environmental or social factor(s) most likely to threaten sourcing				Please refer the Risk Report on page 137-146 and the Business and Sustainability Risks and Mitigation Strategies section of the segment review above on page 231 and 235.
	(3) Discussion on business risks or opportunities associated with environmental or social factors				
	(4) Management strategy for addressing business risks and opportunities				
	(1) Amount of priority raw materials purchased, by material	Quantitative	Metric tonnes (t)	CG-AA-440a.4	Total fabrics purchased - 764
	(2) Amount of each priority raw material that is certified to a third-party environmental or social standard, by standard				0 However, it should be noted that Ace Apparels (Private) Limited is certified within the OEKO-TEX® Organic Cotton New regulations 2025 while Aitken Spence Garments Ltd. is certified within the Global Organic Textile Standard (GOTS) - Version 6.0.

Activity Metric	Category	Unit of measure	Code	Disclosure
(1) Number of: Tier 1 suppliers	Quantitative	Number	CG-AA-000.A	23 (including fabric suppliers)
(2) Number of: Suppliers beyond Tier 1				51

Strategic Investments Sector

ASSOCIATES - PLANTATIONS

Our Presence along the Plantation Sector Value Chain (GRI 2-6)



LEADING THE WAY IN PLANTATION SUSTAINABILITY

As a leading plantation company in the country, Elpitiya Plantations PLC (EPP) is committed to driving innovation and stakeholder empowerment in the plantations sector by integrating advanced technology into plantation management.

Tea

The Group cultivates 1,775 hectares of high, low and medium- grown teas across all 10 estates.

Estates

- Dunsinane
- Sheen
- Fernlands
- Talgaswella
- Meddecombra
- New peacock
- Nayapana
- Lelwala
- Ketandola
- Devitura

Rubber

Rubber is cultivated 612 hectares across 7 estates.

Estates

- Talgaswella
- Lelwala
- Ketandola
- Devitura
- Bentota
- Elpitiya
- Gulugahakanda

Oil Palm

Commenced sustainable oil palm cultivation in 2014 as part of the Group's diversification strategy and has cultivated 1,677 hectares since then.

Estates

- Talgaswella
- Lelwala
- Ketandola
- Devitura
- Bentota
- Elpitiya
- Gulugahakanda

Retail

Harrow House, located on Vauxhall Street, retails an exclusive selection of products from its own brands, including Tropifrut beverages, 'BerryMuch' fresh berries and jams, and the premium 'Harrow Ceylon Choice' range of teas, spices, bee's honey, treacle, and other similar products.

Other

Reflecting its bold diversification initiatives, the segment has interests across a diverse range of sectors, including renewable energy generation, commercial forestry, cinnamon and berry cultivation, and value-added products.

Estates

- 950 hectares – Commercial forestry
- 167 hectares – Cinnamon cultivation
- 113 hectares – Coffee cultivation
- 40 hectares – Tropical fruit cultivation
- 26 hectares – Berry cultivation
- 6.03 GWh – Renewable energy generation capacity

Strategic Investments Sector

OUR COMMITMENT TO EXCELLENCE

Certifications

- 7 Forestry Stewardship Council certified estates
- 6 Rainforest Alliance certified estates
- 7 ISO 22000/HACCP certified factories for food safety
- Sri Lanka organic agriculture production and processing (SLS 1324:2018) obtained for Elpitiya Plantations PLC

Awards and Accolades

Elpitiya Plantations PLC secured two accolades at the Best Corporate Citizen Sustainability Awards 2024: Second Runner-Up in the below-Rs. 15 billion revenue category, and a Project Award for its 'Grow to Grow' initiative, which promotes bamboo cultivation as a renewable biomass source.

Additionally, Elpitiya Plantations PLC received the Bronze Award in the Plantations sector for its Annual Report at the TAGS Awards 2024, organised by CA Sri Lanka.

Elpitiya Plantations received Plantation Human Development Trust (PHDT) and the International Labour Organisation (ILO) recognition for the innovative umbrella hat designed by Bentota estate to protect workers from adverse weather conditions.

Highlights - 2024/2025

- Launch of a new range of iced tea under the Harrow Ceylon Choice brand.
- Deployment of an ERP system across all estates to standardise and streamline financial reporting.
- Strengthened sustainability governance framework with the formation of a Board sub-committee to overlook the responsibilities of the Sustainability Review committee (Sustainability Review Board Sub-Committee).
- Bentota Estate introduced a lightweight, hands-free umbrella hat to protect workers from sun and rain, improving comfort, safety, and productivity.

Strategic Investments Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Optimise costs, improve operational efficiency (Short term)
	Address labour shortages and productivity gaps through mechanisation and advanced technologies (Medium Term)
	Increase the non-plantation business revenue to 40% of the total business revenue (Long Term)
Expand the Aitken Spence reach into new geographies	Conduct market studies, establish partnerships, and initiate pilot project for market expansion (Short term)
	Explore projects particularly in the South Pacific Region (Medium Term)
	Pursue aggressive expansion, build brand presence, and loyalty (Long Term)
Venture into five new business segments by 2030	Foster innovation through research collaborations to develop advanced solutions for the agricultural sector (Short term)
	Expand presence in high-value sectors such as renewable energy, value-added processing, and commercial forestry (Medium Term)
	Explore opportunities in regenerative, conservation-focused tourism (Long Term)
Reduce the resource footprint and achieve net-zero emissions by 2030	Conduct a carbon footprint assessment, enhance energy efficiency, adopt renewable energy, reduce dependence on inorganic fertiliser and improve waste management (Short term)
	Expand renewable energy use, optimise water and fertiliser management, reduce transportation emissions, and certify relevant systems (Medium Term)
	Achieve full renewable energy transition, implement large-scale carbon offset programs, establish a circular economy, and attain net-zero emissions (Long Term)
Achieve Employer of Choice status	Enhance employee well-being benefits, invest in training, and promote employee engagement to drive innovation (Short term)
	Strengthen leadership continuity through structured employee succession planning (Medium Term)
	Develop employer brand and foster an innovation driven culture (Long Term)

PERFORMANCE

The plantation segment recorded a 6.8% growth in revenue, supported by improved Net Sale Averages (NSA) across key crops. However, the wage hike introduced for the plantation sector in September 2024 led to increased production costs, while also raising retirement benefit provisions for the year—placing additional pressure on profitability. Despite these challenges, the company delivered a resilient performance, recording a profit before tax of Rs. 1.9 billion for the year.

Elpitiya Plantations PLC (EPP) continues to maintain a strong balance sheet, consistently reinvesting profits into replantation and modernisation to support long-term growth. Ongoing investments in technology and modern agricultural practices have enabled the company to improve crop volumes, productivity, and sustainability. During the year, EPP successfully implemented an ERP system across all its estates, integrating advanced digital solutions into its plantation management systems and enhancing operational efficiency.

Diversification of the agricultural portfolio remains a priority, with several pilot projects launched during the year to evaluate the feasibility and profitability of alternative crops and agribusiness ventures. The commercial cultivation of berries—one of the company's key crop diversification initiatives—continued to yield strong results, with profits nearly doubling compared to the previous year. As part of its broader diversification strategy, EPP is also moving up the value chain by expanding its portfolio of value-added products. This year, the company launched a new range of iced teas under the Harrow Ceylon Choice brand, catering to emerging consumer demand for convenient, ready-to-drink beverages. EPP also pursued overseas opportunities in the pre-prepared fruit and private label tea segments.

The segment strengthened its renewable energy efforts with the successful commissioning of two rooftop solar projects, collectively increasing its total generation capacity of solar to 2.32 GWh. Parallel progress was made across key sustainability initiatives, including improvements in water, waste, and fertiliser management, all of which recorded notable gains during the year.

Strategic Investments Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	EPP's diversification and market expansion strategy has supported strong top-line performance. In parallel, its emphasis on digitisation and operational efficiency has enabled effective cost management and enhanced profitability.	6.8% Revenue growth	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Manufactured Capital	EPP continues to invest in estate modernisation as well as digitisation such as the ERP system implemented during the year.	Rs 252.3 Mn Investment in property, plant and equipment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Human Capital	EPP remains committed to developing a strong leadership pipeline and equipping employees with essential industry skills. Key training programmes in 2024 included a leadership programme carried out for the first time and a specialised marketing programme to enhance sales and marketing expertise.	Rs 13.8 Mn Investment in training and skills development	8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Following the acquisition of Ceylon Agro Food Technologies (Pvt) Ltd (CAFT) last year, the company launched several research and development initiatives aimed at advancing the agriculture sector through agro-technological solutions. This has significantly strengthened EPP's R&D capabilities.	EPP is leading the way in science based sustainable solutions the agriculture sector.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Strategic Investments Sector

	Value Drivers	Value Transformation	SDG's Impacted
Social and Relationship Capital	During the year, EPP conducted a comprehensive survey covering over 1,800 plantation workers across its estates, providing valuable insights to strengthen its employee value proposition. These findings are now informing targeted initiatives focused on improving worker retention and supporting the social development of estate communities.	**Rs 274.1 Mn** Investment in community development initiatives **Rs 43.0 Mn** Distributed as profit share to employees **Rs 3.8 Bn** Payment made to suppliers **Rs 233.4 Mn** Payments made in taxes	
Natural Capital	EPP adopts integrated sustainable agricultural practices across its operation, aligning with global standards that emphasise eco-friendly and responsible agriculture. The company continues to focus on key sustainability factors such as land, water, and energy, ensuring alignment with the Sustainable Development Goals (SDGs).	**6.03 GWh** Renewable energy generated **52,051 m³** Litres of rainwater harvested **Over 8,000 ha** Green-cover maintained to protect habitats, fauna and flora	

Strategic Investments Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Technology risk

Risk: Reluctance to adopt new technologies may limit improvements in efficiency, productivity, and long-term competitiveness.

Mitigation Strategy: The Group promotes a culture of digital adoption through continuous awareness and capacity-building initiatives. A phased implementation plan, monitored with Board-level oversight, ensures the smooth integration of technological advancements.

Trade union risk

Risk: A highly unionised workforce may give rise to industrial action, increased wage pressures, and disruptions to operations.

Mitigation Strategy: The company maintains proactive engagement with unions through a robust industrial relations strategy, while continuing to invest in community development and employee well-being to strengthen mutual trust and collaboration.

Talent attraction & retention risk

Risk: Migration of skilled labour presents challenges in maintaining a stable and productive workforce, potentially affecting operational performance.

Mitigation Strategy: A structured employee retention framework is in place, complemented by a strengthened employer branding strategy, to attract, retain, and motivate talent across operations.

Climate related risk (GRI 201-2)

Risk: Irregular precipitation and extreme weather events could reduce crop yields and pose safety and wellbeing risks to employees.

Mitigation Strategy: Strengthen disaster risk reduction and business continuity (DRR/ BCM) strategies, promote crop diversification, and develop inclusive response mechanisms involving employees at all levels.

OUTLOOK

Emerging Opportunities

- The company's geographically diverse estate portfolio offers significant potential for diversification into areas such as mini-hydropower and eco-tourism.
- The growing shift in consumer preferences towards health-conscious products presents opportunities to move up the value chain into segments such as healthy beverages and high-value horticulture.
- The company holds a first-mover advantage in adopting modern technologies, such as artificial intelligence and automation in plantation management, which are expected to reshape the sector in the future.

Potential Challenges

- Inconsistent government policies and frequent regulatory changes pose operational uncertainties.
- Rising input costs including raw materials, labour, and energy could adversely affect profitability and competitiveness.
- Geopolitical and economic volatility, including currency fluctuations and evolving trade policies, may impact export market performance.
- Climate change, resulting in extreme weather patterns such as erratic rainfall and rising temperatures, threatens crop yields, productivity, and overall profitability.

Way Forward

EPP envisions a future driven by sustainability, innovation, and strategic diversification, which will solidify its leadership position in the plantation industry.

By leveraging data-driven insights and emerging technologies—such as AI and precision agriculture—it aims to enhance operational efficiency, optimise resource utilisation, and drive sustainable growth. To strengthen business resilience, the company plans to expand non-plantation revenue to 40% of total revenue by diversifying into FMCG, regenerative tourism, high-value horticulture, and overseas retail operations. Strategic investments in R&D and IT infrastructure meanwhile will accelerate product innovation, focusing on tissue-cultured plants, tropical fruits, organic cinnamon for export, and a fully integrated value chain for agarwood.

Strategic Investments Sector

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

Agricultural Products Sustainability Accounting Standard (Version 2023-12)

Topic	Metrics	Category	Unit of measure	Code	Disclosure
1. Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions	Quantitative	Metric tons (t)	FB-AG-110a.1	5,464
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-AG-110a.2	The company's strategies and targets are discussed in the Sector Review and Natural Capital section of the report. More details can also be found in the Elpitiya Plantations PLC annual report of 2024/2025.
	(1) Fleet fuel consumed, (2) Percentage renewable	Quantitative	Gigajoules (GJ) Percentage (%)	FB-AG-110a.3	(1) Energy consumed; - Petrol: 2,085 GJ - Diesel: 6,335 GJ (2) 0%
2. Energy Management	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-AG-130a.1	(1) 163,548 (2) 7% (3) 87%
3. Water Management	(1) Total water withdrawn	Quantitative	Thousand cubic metres (m³), Percentage (%)	FB-AG-140a.1	81,101
	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress				No water withdrawn from regions in high or extremely high-water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-AG-140a.2	Please refer to the Natural Capital report (GRI 3-3)
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	None
4. Food Safety	(1) Global Food Safety Initiative (GFSI) audit - non-conformance rates	Quantitative	Rate	FB-AG-250a.1	Our operations are ISO 22000/ HACCP certified. No non-conformities identified.
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (a) major				
	(2) Global Food Safety Initiative (GFSI) audit - associated corrective action rates for (b) minor non-conformances				

Strategic Investments Sector

Topic	Metrics	Category	Unit of measure	Code	Disclosure
4. Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	%	FB-AG-250a.2	Currently, our suppliers are mostly small-scale farmers who do not have any certifications. However, the segment aligns with the Group's requirements to screen suppliers for ESG related due diligence. More details about this can be perused in the Social & Relationship Capital on page 320 - 321.
	(1) Number of recalls issued	Quantitative	Number MT	FB-AG-250a.3	0
	(2) Total amount of food product recalled				0
5. Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	FB-AG-320a.1	121
	(2) Fatality rate				0
	(3) Near miss frequency rate (NMFR) for - (a) direct employees				2.8
	(3) Near miss frequency rate (NMFR) for - (b) seasonal and migrant employees				0
6. Environmental & Social Impacts of Ingredient Supply Chain	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, (2) Percentages by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	(1) 0 (2) While due diligence procedures and verification processes are followed by these institutions to ensure compliance and ESG, currently there is no certification applied to them. The GAP (Good Agricultural Practices) certification from the Department of Export Agriculture is currently being introduced to these networks.
	(1) Suppliers' social and environmental responsibility audit - non-conformance rate	Quantitative	Rate	FB-AG-430a.2	Zero non - compliances
	(2) Suppliers' social and environmental responsibility audit - associated corrective action rate (a) major non-conformances				Zero non - compliances or non - conformities

Strategic Investments Sector

Topic	Metrics	Category	Unit of measure	Code	Disclosure
6. Environmental & Social Impacts of Ingredient Supply Chain	(3) Suppliers' social and environmental responsibility audit - associated corrective action rate (b) minor non-conformances	Quantitative	Rate	FB-AG-430a.2	In the plantations segment, aligned with their management systems for ESG, 60 suppliers were screened during the year on environmental and social impacts. The company regularly visits suppliers and conducted awareness building sessions to ensure expected standards are maintained.
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	N/A	FB-AG-430a.3	Please refer the Risk Report on page 137-146 and the Business and Sustainability Risks and Mitigation Strategies section of the segment review above on page 243.
7. GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	N/A	FB-AG-430b.1	Our operations do not handle GMOs.
8. Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	Percentage	FB-AG-440a.1	The company has comprehensive strategies to identify and mitigate sustainability and climate change related risks. For example, the rainwater harvesting strategies and soil carbon improvement strategies were developed in response to identified risks. Please refer to the Risk Report and the Sustainability Strategy review of the Elpitiya Plantations PLC annual report of 2024/2025 for more details
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	(%) by cost	FB-AG-440a.2	None

Strategic Investments Sector

Activity Metric	Category	Unit of measure	Code	Disclosure
Production by principal crop - Tea	Quantitative	Metric tonnes(t)	FB-AG-000.A	4,176.8
Production by principal crop - Rubber				239.5
Production by principal crop - Palm oil				24,553.5
Number of processing facilities		Number	FB-AG-000.B	8 factories
Total land area under active production		Hectares	FB-AG-000.C	8,838.02 ha utilised in different scopes in the production process where 5,973.84 ha is used for cultivation. Biodiversity surveys have been conducted across the entire land area to ensure net positive impact from our operations on the ecosystems we work within.
Cost of agricultural products sourced externally		Rs. Mn	FB-AG-000.D	1,273

Services Sector

The Services sector comprises a diverse and strategically significant portfolio, including money transfer, insurance, elevator agency, business process outsourcing (BPO), and property management. This sector continues to deliver specialised services in high-growth areas, supported by strong partnerships with global principals. During the year, operations expanded with the addition of BPO services to the existing portfolio.

MMBL Money Transfer (Pvt) Ltd a joint venture with Mercantile Merchant Bank and the agent for Western Union, MoneyGram, and Ria facilitates global remittance services. The insurance segment offers customised risk solutions in collaboration with international insurers, while the elevator agency, representing OTIS, delivers safe and reliable vertical transportation systems. The property management division ensures the optimal value and upkeep of real estate assets, and the BPO operations enhance efficiency across client processes. Despite a 61.5% increase in revenue, operational challenges in MMBL Money Transfer (Pvt) Ltd and the elevator segment contributed to a 37.5% decline in profit before tax, which closed at Rs. 326.9 million.

Contribution to Group

3.1%
of Group Revenue

3.0%
of Profit Before Tax

13.4%
of Employees

3.7%
of Total Assets

0.5%
of Scope 1 & 2 Emissions

1.0%
of Water Consumption

SECTOR OVERVIEW

Insurance

This segment provides highly specialised services in surveys for marine cargo insurance as well as claims processing for globally renowned insurers. Additionally, it also provides insurance brokerage and consultancy services for corporates and other clients.

Principals

- Lloyds of London
- W.K.Webster

Elevators

The elevator agency segment has 3 decades of experience in supplying people mobility solutions for high rise buildings. A strong reputation supported by a global leader in elevators and escalators reinforces its leadership in the country's construction sector

Principals

- Otis

Money Transfer

The segment plays a vital role in ensuring remittances reach migrant workers' families in a timely manner. Representing three of the largest money transfer franchises. The segment is a leading player in inward money transfer which is of national importance to the economy.

Principals

- Western Union
- MoneyGram
- Ria

Property Management

Manages Aitken Spence Towers, a premier commercial complex in Colombo's central business district. The two towers offer over 200,000 square feet of premium office space and serve as the corporate headquarters for Aitken Spence PLC and several of its subsidiaries.

BPO Services

Licensed as an authorised person to operate BPO services within the Port City, this segment employed almost 2,000 by the close of the year. Serving the requirements of nine corporate clients, the segment is poised for rapid growth as it onboards more clients and employees, contributing to the country's socioeconomic progress.

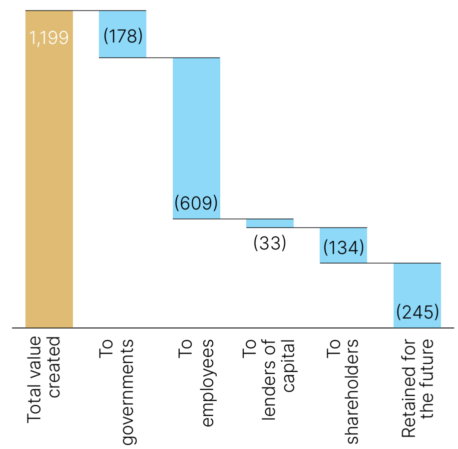
Services Sector

VALUE CREATION HIGHLIGHTS

The Services sector generated a total value of Rs. 1.2 billion from its activities during the year. This value was distributed among various stakeholders, with employees receiving Rs. 609 million, which constitutes 50.8% of the value created. Governments were allocated Rs. 178 million, representing 14.8% of the total value. Lenders of capital and minority interests received Rs. 33 million, accounting for 2.7% of the value created. 11.2% of the value created was allocated to shareholders, which amounted to Rs. 134 million. The remaining Rs. 245 million, amounting to 20.5% of the value created, was retained within the business. This distribution highlights the employee centricity of the segment and the fulfilment of the obligations to governments and shareholders, while maintaining sufficient reserves for future growth and stability.

Distribution of Value Created

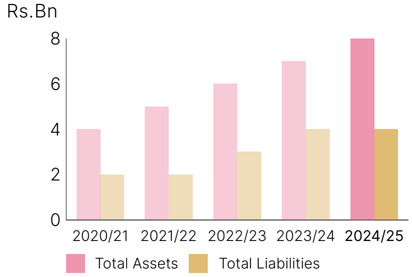
Rs.Mn



Financial

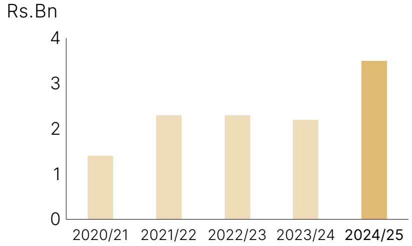
Stability

Rs.Bn



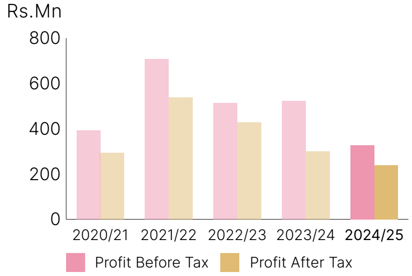
Revenue

Rs.Bn



Profitability

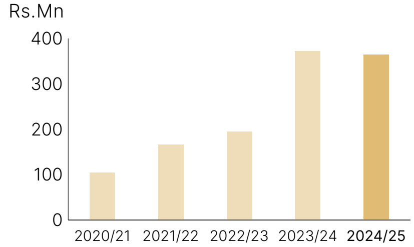
Rs.Mn



Social

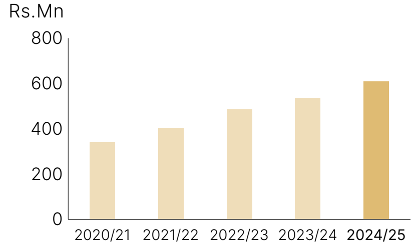
Taxes Paid to Government

Rs.Mn



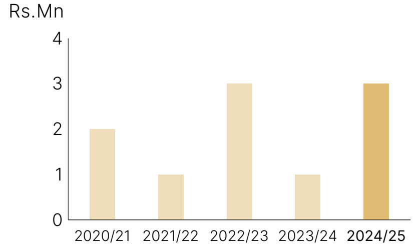
Employee Benefits Paid

Rs.Mn



Total Investment in Sustainability Driven Processes

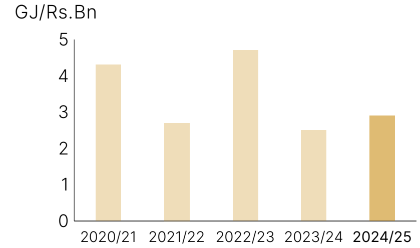
Rs.Mn



Environment

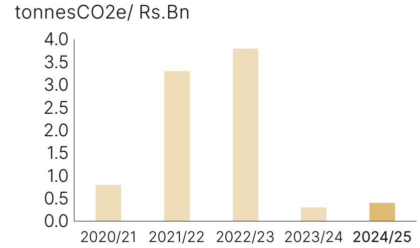
Energy Consumption per Unit Revenue

GJ/Rs.Bn



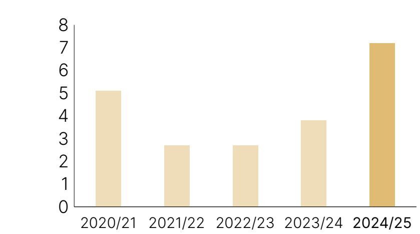
Emissions per Unit Revenue

tonnesCO2e/ Rs.Bn



Water Consumption per Unit Revenue

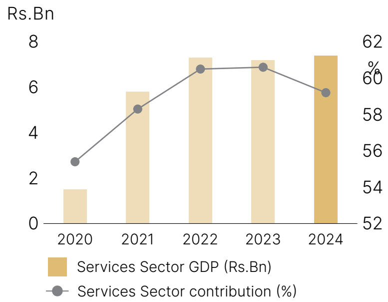
m3/ Rs.Bn



Services Sector

OPERATING CONTEXT

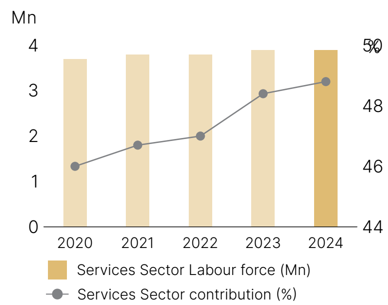
Services Sector Contribution to GDP



The services sector remained resilient throughout the pandemic and crisis years, recording growth year-on-year. It accounted for nearly 60% of the economy in 2023, with the contribution moderating as the industrial sector recorded healthy growth in 2024.

Employment in the Services Sector

Services Sector Contribution to Employment



Employment in the services sector increased year-on-year until 2024, powering the growth of the sector.

S

- Strategic partnerships with reputable business partners
- Leading in respective segments
- AP License for BPO
- Access to client networks

W

- Economic stress in the country makes it difficult to retain skilled and trained employees who want to migrate
- Over-reliance on a few key partners
- Geographic limitations with some service partners
- Pricing limitations against competition
- Services sector is dependent on activity in other industrial sectors to drive growth

O

- Opportunities for regional expansion through partnerships
- Expansion of client networks
- An educated talent pool

T

- Increasing levels of competition
- Inconsistency in government policy
- Rapid changes in the global macro-economic and political environment
- Volatility in underlying demand drivers
- Supply chain disruptions due to geopolitical risks
- High levels of labour migration

Services Sector

STRATEGIC OBJECTIVES

Strategic Objectives	Key Developments During the year
Achieve year on year sustainable profit growth, with an overall growth in market share in all business segments	• Maintained leadership across money transfer and elevators segments • Digitalisation across all segments driving insights and operational efficiencies
Venture into five new business segments by 2030	• Commenced the Port City BPO project and recruited nearly 2,000 employees
Achieve Employer of Choice status	• Digitalised processes to recruit specialised talents for BPO operations • Investing in employer branding to attract critical talent • Flexi times and hybrid working options to attract and retain skilled employees • Review compensation and benefits to retain key talent
Reduce the resource footprint and achieve net-zero emissions by 2030	• Environmental impact control and energy management systems strengthened • Digitalisation efforts continued across all segments to improve resource efficiency

Services Sector

PERFORMANCE

The Services sector recorded a notable improvement in performance during the year, underpinned by the commencement of operations at Port City BPO (Pvt) Ltd in April 2024. This new addition significantly strengthened the sector's revenue base, driving a 61.5% increase in total revenue to Rs. 3.4 billion. BPO operations accounted for the largest share of this growth, with the sector contributing 3.1% to overall Group revenue. All four business segments recorded revenue growth, supported by a recovery in underlying economic activity.

While top-line performance was strong, operating profit declined by 63.5% to Rs. 224.4 million, largely due to losses reported by the elevator and money transfer segments. Profit before tax fell by 37.5% to Rs. 326.9 million. However, this was partially offset by the positive contribution of the new BPO operations and a 6.5% reduction in finance costs. Profit after tax stood at Rs. 237.7 million, reflecting a 20.8% decline compared to the previous year.

The insurance, property, and BPO segments contributed positively to profitability, with BPO services recording a profit in their first year of operations. These profitable segments helped cushion the impact of losses from the elevator and money transfer businesses, underscoring the benefits of the sector's resilient and asset-light diversification strategy.

The elevator segment reported a loss due to cost overruns on projects completed during the period, many of which were affected by pandemic-related delays and disruptions. The money transfer business also incurred a loss, primarily due to exchange rate volatility and the continuous appreciation of the Sri Lankan rupee, which compressed margins despite a strong increase in remittance volumes.

Operationally, the sector saw a significant increase in headcount, with nearly 2,000 new employees added following the launch of BPO operations. Digitalisation efforts continue across all segments, driving improved productivity and operational efficiency.

Way Forward

The Services sector is poised for continued growth, underpinned by the strong performance of the newly launched BPO operations and the emerging recovery across other business segments. The expansion into the BPO segment has placed the sector on a new growth trajectory, with operations expected to accelerate in the year ahead. Over 1,000 employees are set to be added to the headcount in 2025, alongside the onboarding of new clients. Plans are underway to relocate BPO operations to Port City in the medium term, while expanding the client portfolio across diverse geographies, initiatives that are expected to create significant employment opportunities locally.

The insurance segment is set to diversify its offering with entry into the life insurance space, while continuing to expand its client base. Investments in strengthening technical capabilities through the recruitment of qualified professionals are expected to support long-term growth. In the elevator segment, prospects are likely to improve with renewed momentum in the construction sector. Plans to extend services into adjacent areas such as third-party maintenance will further enhance the utilisation of specialised expertise and operational capacity.

The money transfer segment is also expected to stabilise, supported by the onboarding of a new strategic partner and a more stable exchange rate environment. Growth in remittance volumes and value is anticipated, leveraging the strength of an islandwide distribution ecosystem.

The elevator segment continues to make a meaningful contribution to employment and livelihoods, reinforcing the country's socio-economic development agenda. Notably, the collaboration with CINEC campus supports the upskilling of youth in elevator installation and maintenance, offering global career pathways in a highly specialised field.

While the increased scale of BPO operations will result in higher energy consumption, energy intensity ratios are expected to decline due to improved efficiencies and economies of scale across the sector.

For further details on the strategic direction and outlook of each business unit, please refer to the respective segmental reviews.

Services Sector

SECTOR INTEGRATED PERFORMANCE

Service Sector Statement of Financial and ESG Performance (GRI 201-1; 203-1; 302-1; 303-3; 303-4; 305-1; 305-2; 306-5)

	2024/2025	2023/2024	YoY(%)
Revenue (Rs. Mn)	3,498	2,166	61
EBITDA (Rs. Mn)	573	784	27
Profit before tax (Rs. Mn)	327	523	(99)
Profit after tax (Rs. Mn)	238	300	(59)
Total assets (Rs. Mn)	7,658	6,885	4
Total liabilities (Rs. Mn)	4,438	3,765	12
Total direct tax paid (Rs. Mn)	147	172	(4)
Total indirect tax paid (Rs. Mn)	217	200	(22)
SDGs towards which the sector's performance contributes: 4 and 5			
Targets: 4.3, 4.4, 4.7, 5.1, 5B			
Number of employees	2209	255	766
Employee female representation	36%	18%	100
Employee benefits paid (Rs. Mn)	609	537	13
Training hours per employee	2	30	(93)
SDGs towards which the sector's performance contributes: 4, 5 and 12			
Targets: 4.3, 4.4, 4.7, 5.1, 5B, 12.b			
Investment in training (Rs. '000)	4,304	1,906	126
Brand stewardship	5	5	0
Number of certifications	3	3	0
SDGs towards which the sector's performance contributes: 8 and 12			
Targets: 8.5, 8.8, 8.10, 12.b			
Number of joint venture/ equity partnerships	4	4	0
Number of suppliers screened on ESG within the year	7	78	91
SDGs towards which the sector's performance contributes: 8, 9 and 12			
Targets: 8.4, 9.4, 12.2, 12.5, 12.6, 12.8, 12.b			
(*Note: Emission data for 2023/24 has been restated as the grid emission factors were updated with the most recent emission factors availed by the Sustainable Energy Authority)			
Total energy consumption (GJ)	5,056	4,731	7
Scope 1 emissions (tCO2e)	194	203	(5)
Scope 2 emissions (tCO2e)	476	421	13
Emissions reduced or offset (tCO2e)	7	7	(7)
Total water withdrawn (m3)	12,632	6,998	80
Total amount of solid waste kept away from landfills			
(Tonnes)	13	7	75
(Units)	-	4	(100)
Total investment in sustainability driven processes (Rs. Mn)	3	1	184
SDGs towards which the sector's performance contributes: 9			
Targets: 9.1, 9.4			
Property plant and equipment (Rs. Mn)	3,141	3,185	(1)
Investment in manufactured capital (Rs. Mn)	30	25	21

Services Sector

INSURANCE

The insurance segment comprises of Aitken Spence Insurance Brokers (ASIB) (Pvt) Ltd and Aitken Spence International Consulting (ASIC) (Pvt) Ltd.

ASIC represents several globally esteemed firms, including Lloyd's of London, with whom we have maintained a distinguished partnership spanning 149 years, since 1876. Other partners include, W.K. Webster, Tokio Marine, MSIG Group, Dolphin Marine, W.E. Cox, EC3 Marine Ltd., and the People's Insurance Company of China. Additionally, it serves as the local agent for notable insurers such as Tata AIG, IFFCO-Tokio, and Sompo Japan. ASIB is involved in providing insurance and risk management services for the Group companies as well as other clients. The main focus has been on general insurance.

The segment is expanding its customer base by leveraging the considerable expertise it has to offer with a differentiated value proposition with the objective of becoming a leading player in the industry.

Sri Lanka

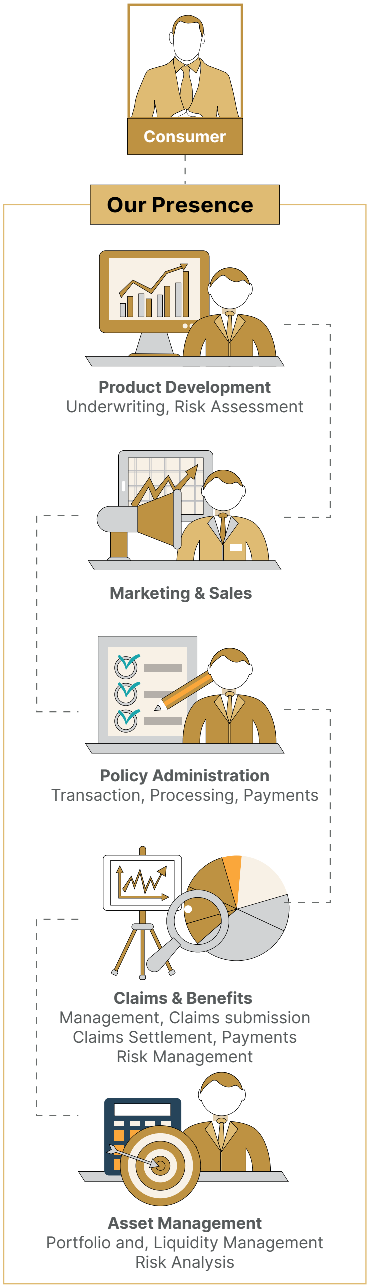
Colombo

OUR COMMITMENT TO EXCELLENCE

Highlights - 2024/2025

- 4.2% top line growth
- Ground work done for expanding into third party business and risk profiling, and risk assessment services
- Initiated the Risk Management Academy

Our Presence along the Value Chain (GRI 2-6)



Services Sector

STRATEGIC OBJECTIVES

Strategic Objectives	Key Developments During the year
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	• Increase market penetration through acquiring more third party clients into the portfolio • Expanding product portfolio to include life insurance • Expand risk management services including risk profiling and risk assessment services • Pursue partnerships for reinsurance
Venture into five new business segments by 2030	• Setting up a Risk Management Academy • Providing actuarial services
Achieve Employer of Choice status	• Providing training and mentoring • Supporting career enhancement and professional development
Reduce the resource footprint and achieve net-zero emissions by 2030	• Reduction of electricity, water, and paper usage • Pooling of transportation in carrying out surveys • Desktop review surveys (non-physical inspections)

PERFORMANCE

The segment recorded a year-on-year revenue growth of 4.2% and a decline of profit before tax of 2.8%. A key contributor to this growth in revenue was ASIB, which benefited from the consolidation of operations and the strategic evaluation of insurance covers, resulting in increased premium income. Premiums under management reached Rs. 1.6 billion, reflecting improved financial capacity and stronger client relationships.

In contrast, ASIC experienced a marginal decline in revenue, primarily due to the reduction in World Food Programme surveys, lower volumes of general cargo inspections, and a drop in claims handling income following the vehicle import ban. The company has continued to invest significantly in staff development, including supporting employees in completing professional examinations accredited by Lloyd's of London.

4.2% Revenue Growth

0.2% Total Assets Growth

(2.8%) Profit Decline

6.7% Increase in Employees

Services Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Steady positive returns to shareholders	4.2 % Revenue growth	8 DECENT WORK AND ECONOMIC GROWTH
Human Capital	This was the main area of focus, building expertise and skills at all levels to drive growth and service excellence.	Upskilling of the talent pool of the segment	4 QUALITY EDUCATION; 8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Processes refined over a century of experience	Improved efficiencies	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social and Relationship Capital	Growth in partnerships and customer base	Stronger relationships that support mutual growth	8 DECENT WORK AND ECONOMIC GROWTH
	Collaborative partnerships with religious and charitable institutions	Fostered a culture of empathy and volunteerism through direct employee participation in CSR initiatives	
	Employee involvement in community upliftment	Rs. 350,000 Allocated for community development interventions in the first phase, reinforcing long-term social impact commitments	
	Investment in community development initiatives		

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, the insurance segment continuously monitors and addresses a range of business and sustainability risks that could impact financial performance, client servicing, and long-term stability. These risks arise from shifting geopolitical conditions, macroeconomic volatility, environmental events, regulatory developments, and internal operational challenges. The following outlines the principal risks identified during the year and the mitigation strategies implemented to manage them effectively.

Risk — Mitigation Strategy

Credit default risk

Risk: This financial risk arises from the potential failure to recover outstanding debts from customers, which can disrupt cash flows, increase borrowing costs, and hinder business growth and expansion. Delayed or defaulted payments reduce financial predictability and strain operational liquidity.

Mitigation Strategy: The segment has secured credit insurance to protect high-risk receivables and has strengthened internal credit control procedures to minimise exposure.

Macro-economic and geopolitical risk

Risk: The insurance industry in Sri Lanka is significantly affected by ongoing macroeconomic and geopolitical instability. These challenges have led to reduced demand for insurance products, increased claim frequencies, investment losses, and higher reinsurance costs.

Mitigation Strategy: The segment is actively negotiating with insurance and reinsurance partners to secure more favourable terms, exploring alternative risk transfer mechanisms, and diversifying product offerings to target more resilient customer segments.

System and technology risk

Risk: Technological disruption is an increasing operational risk, especially with the rise of digital aggregators and price comparison platforms. These developments pose threats to traditional business models and customer retention.

Mitigation Strategy: To counter these threats, the segment has launched user-friendly digital platforms and mobile applications, while investing in staff training and system upgrades to support digital adoption and enhance service delivery.

Services Sector

OUTLOOK

Emerging Opportunities

- **Negotiating with strategic partners:** Ongoing discussions with strategic partners to expand the portfolio and find alternative risk transfer mechanisms
- **Introducing innovative products:** We are working with strategic partners to introduce innovative products for risk transfer to the market
- **Expanding customer base:** Increasing marketing efforts to broad-base the customer portfolio outside the Group
- **Leveraging knowledge & expertise:** Commencing a Risk Management Academy and an Actuarial Academy in Sri Lanka, filling a lacuna in the industry
- Data protection and privacy are emerging as both an opportunity and challenge, driving the need for stronger compliance while offering a chance to build greater trust and competitive advantage

Potential Challenges

- **New entrants to the market:** Increased interest by aspiring corporates to enter the insurance business despite industry regulations providing barriers to entry
- **Digitalisation:** Insurance operators are moving into omni channel distribution, using mobile apps and online platforms to market and engage customers
- **Geopolitical & geo-economic instability:** Escalation of geopolitical and geoeconomic threats are expected to reduce trade flows, moderating

Way Forward

The segment will continue to pursue its strategy of expanding the client base beyond the Group through a range of targeted marketing initiatives while making use of its expertise in risk management and advisory services. The increased frequency of extreme weather events, increased digitalisation, demand for health insurance, and an ageing population are potential growth areas for the insurance business. The segment continues to focus on capacity building for its own staff and others and is commencing a Risk Management Academy with plans to follow up with an Actuarial Academy.

The growth in the use of AI, autonomous vehicles and vessels, blockchain technology in claims processing, and data analytics signify the industry's evolving landscape. Capitalising on these trends will enable the insurance segment to enhance its market share in the future.

Services Sector

PROPERTY MANAGEMENT

The property management segment owns and operates Aitken Spence Towers, that also accommodates the Group's head office and contains offices of a majority of the business segments of the Group. Conveniently located in the heart of Colombo's central business district, the development comprises two towers offering more than 200,000 square feet of premium commercial space. The premises provide ample parking facilities and are situated within close proximity to key government offices, financial institutions, and other essential services.

A select portion of the space is leased to reputable third-party tenants outside the Group, reflecting consistent demand for premium office accommodation in prime commercial locations. The segment continues to receive a stable rental income stream from the high occupancy rates, reflecting the Group's effective asset management strategy and its ability to create value through optimised utilisation of property assets.

Sri Lanka

Colombo

OUR COMMITMENT TO EXCELLENCE

Highlights - 2024/2025

- Aligned property maintenance initiatives with ISO standards, incorporating environmental impact control, energy management and occupational health and safety into an integrated management system
- Launched a fully automated car gate barrier system to enhance vehicle entry and exit efficiency, reduce congestion, and improve on-site security

Services Sector

STRATEGIC OBJECTIVES

Short term Medium Term Long Term

Strategic Objectives	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	• Enhance tenant retention through improved facility management aligned to global benchmarks (ISO 14001 for environmental impact control, ISO 50001 for energy management and ISO 45001 for occupational health and safety) and digital engagement • Increase occupancy through flexible leasing options
	• Upgrade building infrastructure to attract premium tenants • Strengthen value-added services such as automated billing and real-time maintenance tracking • Strengthen emergency response procedures, disaster risk reduction mechanisms and business continuity management strategies at Aitken Spence Towers
	• Maintain ISO-certified operational excellence through environmental and social governance • Explore opportunities for investment in renewable energy generation and innovative carbon capture/ removal technologies • Position the company as the preferred property management provider in the commercial sector • Modernise through investment in new technologies
Reduce the resource footprint and achieve net-zero emissions by 2030	• Establish baseline energy, water, and waste metrics across Aitken Spence Towers • Complete ISO 14001 and ISO 50001 compliance across operations and certify benchmarks
	• Achieve 100% energy efficiency for common areas and facility operations • Reach net-zero operational emissions

PERFORMANCE

During 2024/25, the commercial property management segment delivered strong financial and operational results. Net revenue increased by approximately 49.0% driven by full occupancy at Aitken Spence Towers I and II, reflecting improved tenant retention and space utilisation. Repair and maintenance costs were reduced by around 24.9% due to preventive maintenance initiatives and process efficiencies. Despite a modest decline of 4.6% in net financial income, overall profitability strengthened, with profit before tax rising by approximately 39.1% supported by cost savings and higher occupancy. The segment remains focused on operational efficiency, tenant satisfaction, and sustainability, in line with the Group's commitment to stable growth and long-term value creation.

We aim to enhance sustainability in property maintenance by adopting energy-efficient practices and promoting waste segregation and recycling across our buildings.

Looking ahead, as part of our commitment to continuous improvement, we are in the process of implementing an integrated management system aligned with ISO 14001 (environmental management), ISO 50001 (energy management), and ISO 45001 (occupational health and safety) standards.

49.0%	39.1%	(1.2%)
Revenue Growth	Profit Before Tax Growth	Total Assets Decline

Services Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Increased occupancy rates leading to higher recurring rental income	Strengthened profitability and cash flow through improved revenue generation and cost management	8 Decent Work and Economic Growth
	Reduced operational expenditure through cost-efficient maintenance practices	Enhanced financial stability and return on assets through optimised space utilisation and expense discipline	
Manufactured Capital	Consistent upkeep and proactive maintenance of Aitken Spence Towers I and II	Rs. 1.7 Mn Investment in property plant and equipment	9 Industry, Innovation and Infrastructure
	Visual and functional appeal maintained at premium standards to meet the expectations of high-value tenants	Sustained asset value and extended lifecycle of infrastructure through proactive care	
Human Capital	Strengthened employee value proposition	Rs 0.2 Mn Investment in training and skills development	8 Decent Work and Economic Growth
Intellectual Capital	Implementation of preventive maintenance systems and operational process efficiencies	Institutionalisation of efficient maintenance protocols leading to lower downtime and cost savings	9 Industry, Innovation and Infrastructure
	Strategic tenant management practices contributing to higher retention rates	Improved property management knowledge and systemisation, supporting scalable and sustainable operations	
Social and Relationship Capital	Strengthened local economic ties by prioritising nearby suppliers and SMEs	Occupational health and safety system revised, guided by the National Cleaner Production Centre	8 Decent Work and Economic Growth
	Promoted ethical and inclusive practices via regular compliance and support mechanisms	Night-time and earthquake drill conducted at Aitken Spence Towers to strengthen emergency preparedness	
		Supported local economic development by facilitating greater visibility and exposure for customer engagement to SMEs	
Natural Capital	Adoption of energy-efficient practices in property maintenance	Rs. 2.0 Mn Invested in sustainability driven process improvements.	8 Decent Work and Economic Growth
	Promotion of waste segregation and recycling within buildings	Reduced environmental footprint and operational costs through sustainable maintenance practices and structured management systems for environmental impact control and energy management	
	Focus on enhancing tenant experience through smart infrastructure	Enhanced tenant satisfaction and retention through modern, responsive facility service	

Services Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Operational risks

Risk: Rising operational costs due to inflation and increased utility tariffs have significantly reduced overall profitability.

Mitigation Strategy: Implemented energy-efficient systems and automated building controls to lower utility consumption and reduce maintenance expenses.

Security risk

Risk: Unexpected attacks or security threats, including terrorism, could undermine tenant confidence and created safety concerns within the premises.

Mitigation Strategy: Enhanced security measures through biometric access control systems, with plans in place to install under-vehicle scanners to further strengthen site protection.

Market risk

Risk: Declining tenant demand as a result of remote and hybrid work trends has led to reduced occupancy levels.

Mitigation Strategy: Introduced flexible leasing models and repurposed vacant spaces into co-working areas and shared office environments to better meet evolving tenant needs.

Climate risk (GRI 201-2)

Risk: The property management segment faces growing climate-related risks, including heat stress to employees, increased repair costs from potential extreme weather events, and possible occupancy disruptions due to climate-induced health crises. Additionally, emerging regulations or voluntary commitments on energy efficiency may lead to significant retrofitting and compliance costs.

Mitigation Strategy: The segment is enhancing resilience through infrastructure risk assessments, business continuity planning, and operational upgrades to improve energy efficiency and climate adaptability. Ongoing policy monitoring and tenant engagement support long-term service continuity and regulatory readiness.

OUTLOOK

Emerging Opportunities

- Economic growth – Increase in demand for commercial space
- Energy efficiency technologies – Adopt smart and energy efficient technologies to reduce energy consumption
- Waste management – Explore opportunities for responsible disposal of waste and to create circularity of waste

Potential Challenges

- Demand stagnation – As new constructions are completed the demand for older spaces may stagnate
- Talent availability – Retaining skilled talent is challenging due to global opportunities for skilled technicians and competitor action to attract trained technicians

Way Forward

The commercial property sector is undergoing a transformative shift driven by evolving workplace preferences and technological advancements. The growing adoption of hybrid work models is expected to increase demand for flexible and adaptable office configurations, creating opportunities for the segment to reposition traditional spaces into co-working zones and shared use facilities.

Simultaneously, rising environmental consciousness and regulatory pressures present a compelling case for continued investment in energy-efficient upgrades and smart building technologies. Implementing digital access systems, automated facilities management tools, and data-driven energy monitoring will be central to improving operational efficiency and tenant satisfaction.

However, the outlook is not without its challenges. A potential reduction in long-term office space requirements and heightened security concerns may affect conventional leasing models. Proactive adaptation through space optimisation, enhanced safety protocols, and digital transformation will be essential to mitigate these risks.

Looking ahead, the integration of smart technologies and automation will play a pivotal role in redefining tenant experiences, boosting building performance, and maintain competitiveness in an evolving market landscape.

Services Sector

ELEVATORS

As the sole agent for OTIS-branded vertical transportation systems in Sri Lanka and the Maldives, the elevators segment operates within a niche market, catering to a discerning clientele that prioritises quality and safety. The systems supplied by the segment have become integral to many of Colombo's most iconic developments, with our strong commitment to service excellence ensuring a superior customer experience.

In recent years, the segment has introduced several innovations to enhance its core offerings. These include the installation of mobile projectors within elevators and the successful deployment of an advanced Internet of Things (IoT) system that facilitates real-time online monitoring. This technology significantly reduces response times for urgent maintenance services, thereby improving operational reliability and customer satisfaction.

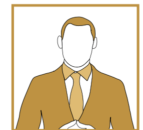
Sri Lanka

Colombo

Overseas

Maldives

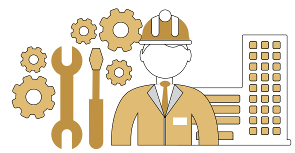
Our Presence along the Value Chain (GRI 2-6)



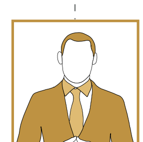
Consumer

Our Presence

Distribution, Installation & Maintenance



Certifications
ISO 9001 certified for quality
ISO 14001 certified for environmental sustainability
ISO 45001 certified for OHS
EM 1 Certification



Consumer

OUR COMMITMENT TO EXCELLENCE

Certifications

- ISO 14001: 2015 Certified for environmental impact control
- ISO 9001: 2015 Certified for quality control
- ISO 45001:2018 Certified for occupational health & safety
- EM1 Certification from CIDA

Highlights - 2024/2025

- Pioneered technological innovation with the launch of "Glidevision Pro" to introduce elevator-based digital advertising.
- Deploying Otis ONE™ IoT-based predictive maintenance optimising real-time elevator monitoring and thereby reducing downtime.
- Achieved record-breaking equipment sales in the Maldives, marking a significant commercial milestone.
- Successfully completed and handed over three major projects – ITC Hotel Tower, Trizen Towers, and 606 The Address – reinforcing the segment's project delivery capabilities.

Services Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	Focus on optimising operational efficiency and reducing costs
	Medium Term	Invest in research and development to enhance product offerings and differentiate from competitors
	Long Term	Expand market presence through strategic partnerships and acquisitions
Expand the Aitken Spence reach into new geographies	Short term	Conduct market research to identify potential new markets
	Medium Term	Established partnerships with local companies in target markets
	Long Term	Set up local offices or branches in new geographies to strengthen presence
Venture into five new business segments by 2030	Short term	Introduced a new AI driven digital advertising projector for elevators
	Medium Term, Long Term	Implement diversification strategy, monitor performance, and make necessary adjustments
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	Improve and expand energy-efficient practices in operations and facilities
	Medium Term	Explore opportunities to invest in low carbon options to reduce transport related emissions
	Long Term	Implement sustainable waste management practices and promote recycling
Achieve Employer of Choice status	Short term	Enhance employee engagement through training and development programs
	Medium Term	Implement performance management systems to recognise and reward employees
	Long Term	Create a positive work culture and employer brand to attract and retain top talent

Services Sector

PERFORMANCE

The elevators segment continued to uphold its strong reputation for safety and service excellence, working closely with its principal to deliver enhanced value to customers. During the year under review, the segment achieved its highest-ever equipment sales in the Maldives, underscoring the market's growing potential. It also successfully completed and handed over several major installations, including the iconic ITC Hotel Tower, the prestigious Trizen Towers, and the landmark 606 The Address project.

Several new initiatives were introduced to grow market share and improve operational efficiency. These included the launch of Glidevision Pro, an elevator-based digital advertising solution that opened up new income streams. Comprehensive modernisation packages were rolled out to upgrade ageing elevator systems, enhancing both safety and visual appeal. Maintenance services were expanded to include non-OTIS elevators, broadening the customer base and market footprint.

The segment also made notable progress in innovation and international collaboration. The deployment of Otis ONE™, an IoT-enabled predictive maintenance platform, improved real-time elevator monitoring and significantly reduced downtime. Strategic partnerships were strengthened, including collaborations with a Dubai-based architectural firm, resulting in new consultancy assignments across the Middle East.

Talent development remained a priority, with continued collaboration with CINEC campus to deliver NVQ Level 3 vocational training to two batches annually, supporting the creation of a skilled local workforce for elevator operations.

Despite these advancements, the segment reported a loss for the year, primarily due to a substantial cost overrun on a large hotel project. Delayed for several years due to the pandemic, the project required extensive material replacement upon resumption, leading to unplanned expenses. Broader industry challenges also impacted performance, including delayed payments from public sector clients, limited access to capital, and cost escalations associated with imported equipment during the economic crisis. Although interest rates have begun to ease, interest costs remained elevated due to increased borrowing to manage cash flow shortfalls.

Restricted capital availability limited the segment's ability to initiate new large-scale projects, while extended project timelines further strained financial performance. Nonetheless, the operational improvements, strategic initiatives, and resilience demonstrated this year are expected to position the segment for a stronger and more sustainable performance in the years ahead. Project management will remain a key success factor as the segment navigates the post-pandemic recovery phase.

A Collaborative Partnership

The elevator segment's partnership with CINEC campus has entered its third year, continuing to train and certify elevator technicians for globally mobile careers. In collaboration with its principal, OTIS, the segment supported the construction of an elevator tower at the CINEC campus. This facility has proven invaluable, offering aspiring technicians a realistic, hands-on environment to develop and refine their practical skills. During the year, 45 new students qualified for the programme.

Services Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Financial capital deployed to fund operations and sustain segment activities	The segment recorded losses during the year	8 DECENT WORK AND ECONOMIC GROWTH
Human Capital	Strengthened talent development through: • Institutional partnerships with recognised vocational training providers • Structured training programmes aligned to industry standards • Focus on building long-term technical capacity • Enhancing workforce resilience to meet future operational demands	Rs. 1.7 Mn Investment in training and development	8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	• Innovation through Glidevision Pro and smart technologies. • Advanced technical expertise in modernisation and multi-brand servicing. • Upskilled workforce with IoT and predictive maintenance capabilities. • Strategic consultancy and international partnerships.	Improved monitoring and services	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social and Relationship Capital	• **Community Engagement**: Directly engaging communities to identify and address priority needs. • **Partnerships:** Collaborating with trusted organisations to extend reach and impact. • **Sustainable Support:** Focusing on health, education, and infrastructure for long-term benefits.	Built trust and reputation through consistent, meaningful community support Improved quality of life for over 1,000 individuals via targeted health, education, and nutrition initiatives Empowered beneficiaries emotionally, fostering resilience and confidence	8 DECENT WORK AND ECONOMIC GROWTH
Natural Capital	Focus on energy efficient practices	Environmental due diligence standard operating procedures (SOPs) maintained	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Services Sector

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Cash flow risk

Risk: Delays in customer payments can hinder operational continuity and project execution, particularly in capital-intensive engagements.

Mitigation Strategy: Enforce phased billing structures or advance payments, automate invoicing, intensify collection efforts, and diversify the customer base to reduce concentration risk.

Exchange rate risk

Risk: Exposure to foreign currency volatility, especially on USD-denominated imports, can elevate procurement costs and erode margins.

Mitigation Strategy: Utilise forward contracts to hedge exposure, secure fixed-price agreements with key suppliers, and factor forex risks into pricing strategies.

Competitor risk

Risk: Intense competition from both local and international elevator brands threatens customer retention, pricing flexibility, and market share.

Mitigation Strategy: Differentiate through Otis's global brand strength, superior service, and value-added offerings such as predictive maintenance and extended warranties, while maintaining competitive pricing.

Skills and competency gap risk

Risk: Difficulty in attracting and retaining skilled personnel due to industry competition and migration may affect service delivery and operational capacity.

Mitigation Strategy: Invest in upskilling and internal promotions, strengthen employer branding, and partner with technical institutions to build a steady pipeline of talent.

Climate risk (GRI 201-2)

Risk: The elevator segment faces increasing exposure to climate-related transition risks, including rising energy efficiency requirements and evolving policy expectations. Physical risks such as extreme weather events can disrupt operations, impact supply chains, and increase maintenance needs. In addition, rising temperatures elevate safety risks for users and technicians due to heat stress.

Mitigation Strategy: The segment is addressing these risks through proactive vulnerability assessments using the Group's disaster risk reduction and business continuity management (DRR/ BCM) frameworks, engagement with suppliers, improvements in energy-efficient technologies, and enhanced maintenance protocols. The systems are also being strengthened to ensure service reliability and to safeguard employees under adverse climate conditions.

Emerging Opportunities

- Construction sector growth: The construction sector is projected to expand in the coming year, driven by rising demand in both residential and commercial development.
- Digitalisation: Support significant cost efficiencies as well as improved service levels
- Maintaining elevators: Servicing and maintaining elevators of others brands is a new service introduced during the year which is expected to grow stable revenue sources
- Introducing innovative products: Installation of value extensions to elevators and vertical transportation systems will create new sources of revenue

Potential Challenges

- Project delays: As projects are based on fixed contract prices and penalties for delays, project management and on time delivery is critical. However, multiple challenges can delay installations resulting in losses on projects
- Spare part availability: Unavailability of spare parts and long lead times create disruptions to service, negatively impacting customer satisfaction
- Talent availability: With increasing global demand and growing interest from industry competitors, attracting and retaining skilled technicians remains a challenge.

Way Forward

The segment has streamlined its operations and has proved its ability to be agile and innovative in seeking complementary revenue streams. The construction sector is expected to grow in 2025, driving growth of this segment. Additionally, the new services introduced are likely to gain traction while digitalisation will support remote monitoring of elevators to identify potential issues. The segment is looking to turnaround its performance with improved project and cost management strategies in the year ahead.

Services Sector

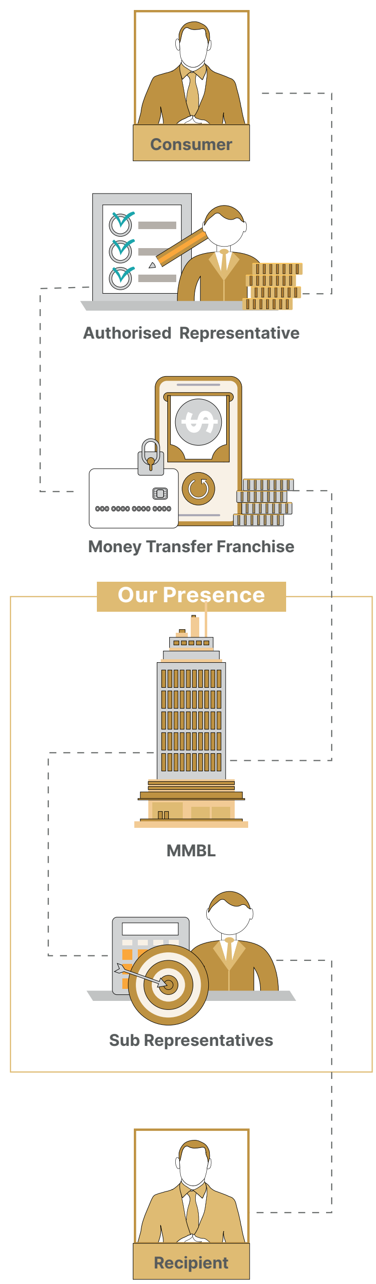
MONEY TRANSFER

MMBL Money Transfer (Pvt) Ltd (MMBL) provides a vital lifeline for migrant workers, enabling them to send funds to their families through an islandwide network of over 3,000 sub-representatives who facilitate money transfers 24/7. This ecosystem of microentrepreneurs is connected to a global supply chain spanning multiple countries, working with the world's leading principals in the industry Western Union, MoneyGram, and Ria. It is noteworthy that MMBL plays a key role in facilitating the flow of migrant worker remittances, which are the largest source of foreign exchange for Sri Lanka, through its extensive and reliable money transfer network.

Sri Lanka

With over 3,000 sub-representative across Sri Lanka.

Our Presence along the Value Chain (GRI 2-6)



OUR COMMITMENT TO EXCELLENCE

Highlights - 2024/2025

- **Strengthened market position and network expansion**
  Industry market share increased from 4% to 5%, supported by MMBL's strategic growth and the establishment of Sri Lanka's largest payout network
- **Robust growth in foreign inflows and transaction volumes**
  MMBL recorded a 39.8% surge in USD inflows to the country and a 33.7% increase in direct-to-account transactions, reinforcing its role in facilitating efficient and secure remittance channels as well as a 24.2% growth in transaction volumes
- Achieved a 2.1% year-on-year growth in revenue

Services Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	• Increase the wallet share with the existing principals • Strengthen cost optimisation measures • System automation
	Medium Term	• Introduce new principals • Increase the number of locations • Provide a co-branded debit card partnering a principal
	Long Term	• Transform the business into more than a remittance company
Expand the Aitken Spence reach into new geographies	Short term	• Provide micro finance solutions as a means to cross sell to the existing clientele
	Medium Term	• Tie-up with a global payment network for the enablement of cross-border services • Venture into a licensed cross-border money transfer business
	Long Term	• Integrating AI based route optimisation to minimise fuel consumption • Tracking and minimising paper consumption and establishing baseline data for reduction targets • Increasing awareness among employees about resource efficiency through targeted training sessions
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	• Integrating AI based route optimisation to minimise fuel consumption • Tracking and minimising paper consumption and establishing baseline data for reduction targets • Increasing awareness among employees about resource efficiency through targeted training sessions
	Medium Term	• Upgrade to energy-efficient printers with reduced toner consumption.
	Long Term	• Transitioning to digital statements, e-receipts, and cloud-based documentation to replace paper transactions
Achieve Employer of Choice status	Short term	• Develop staff engagement strategies while fostering a learning culture • Introduction of employee recognition awards programmes
	Medium Term	• Introduce on/off the job training programmes • Re-allocation of staff through a competency-based approach
	Long Term	• Providing equal opportunity and performance based approach for remuneration and promotion

Services Sector

PERFORMANCE

The segment recorded a robust 24.2% increase in transaction volumes during the year, driven primarily by the expansion of Direct-to-Bank (D2B) remittance services. Despite this growth, revenue rose by only 2.1%, constrained by a reduction in agent fee percentages applicable to Cash to Cash (C2C) transactions. The appreciation of the Sri Lankan Rupee (LKR) against the US Dollar (USD) during the year also impacted foreign exchange gains, which have traditionally been a key driver of profitability for the segment.

The increase in transaction volumes necessitated continuous borrowing to facilitate timely fund transfers, as the reimbursement of remitted funds typically involves a delay. To ensure uninterrupted operations, particularly over weekends and extended holidays—bank overdraft facilities were utilised, resulting in a notable rise in finance costs. These finance costs accounted for over one-third of total overheads, contributing significantly to the segment's cost base.

As a result of these challenges, the segment reported a cumulative loss for the year ending March 2025, in contrast to the profit recorded in the previous year. In response, management is actively reviewing business strategies, with an emphasis on cost optimisation and margin enhancement to restore profitability in the medium term.

Operationally, the segment maintained strong engagement with its sub-representatives (agents), providing continuous support through system usage guidance and IT troubleshooting. Recognition efforts included the Annual Convention for the Top 50 agents and district-level awards to celebrate outstanding performance. Regulatory compliance remained a top priority, with anti-money laundering (AML) training sessions and biannual audits conducted in line with statutory requirements. Agent performance was incentivised through ongoing commission-based fees, supported by multiple daily reimbursements to ensure smooth and timely operations.

Community engagement initiatives for recipient families

As part of its ongoing commitment to supporting the well-being of remittance recipients, many of whom are loyal customers, the segment carried out a series of community outreach programmes in collaboration with government agents and voluntary organisations. These initiatives focused on enhancing health, education, and quality of life.

Health and wellness programmes

Eye testing and spectacle distribution: Free vision screening services were provided, along with spectacles for those in need

Diabetes screening: Early detection and awareness sessions were conducted to support long-term health outcomes

Dental screening: Basic oral health checks were offered, promoting hygiene and preventative care

Educational support initiative

Back to School programme:
School bags and essential supplies were distributed to children from recipient families, easing the financial burden of education and encouraging continued learning

2.1%	30.5%	2.6%
Revenue Growth	Total Assets Growth	Increase in Employees

Services Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	**Exchange losses:** Appreciation of the Sri Lankan Rupee against the US Dollar led to reduced exchange gains, negatively impacting the segment profitability **Reduction in fee income:** Lower fee margins, particularly in cash-to-cash remittance transactions, constrained revenue growth **Impact on shareholder value:** The combined effect of exchange losses and reduced fee income resulted in diminished returns and erosion of value for shareholders	2.1 % Revenue growth Negative returns to the shareholders	8 Decent Work and Economic Growth
Human Capital	Strengthening team capacity	An engaged sales team	8 Decent Work and Economic Growth
Intellectual Capital	Centralised integration of networks sped up transactions and improved data accuracy with banks and remittance partners Automated checks and reprocessing boosted compliance and reduced failed payments and complaints	**Faster operations:** Improved transaction speed and accuracy **Lower risk:** Boosted compliance and reduced failures	9 Industry, Innovation and Infrastructure
Social and Relationship Capital	**Community support:** Reached 867 beneficiaries with health camps and school supply donations **Targeted action:** Interventions based on needs identified through government agents **Positive impact:** Strong community appreciation highlighted through beneficiary testimonials	**Improved community well-being:** Delivered targeted health and education support **Enhanced reputation:** Reinforced social license through positive impact	4 Quality Education 8 Decent Work and Economic Growth
Natural Capital	Focus on energy efficient practices	Management systems implemented for environmental impact control reviewed and revised during the year	8 Decent Work and Economic Growth 12 Responsible Consumption and Production

Services Sector

SUSTAINABILITY RELATED RISKS IDENTIFIED AND MITIGATION STRATEGIES

Aligning with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk	Mitigation Strategy
Exchange rate volatility risk	
Exchange rate fluctuations, particularly the appreciation of the Sri Lankan Rupee against the US Dollar, can result in significant foreign exchange losses, adversely affecting profitability from inward remittances.	The segment actively manages this risk through the use of forward rate contracts to lock in favourable exchange rates within the applicable regulatory framework and mitigate exposure. However, in cases of sharp volatility, timely and responsive management actions are essential to limit financial impact.
Key personnel dependency	
Heavy reliance on a limited number of key staff members poses a continuity risk in the event of unexpected absences, resignations, or transitions.	To ensure operational resilience, the company has instituted robust procedures, cross-functional training programmes, and succession planning by upskilling a second-tier leadership team capable of assuming critical roles.
Fraud and cybersecurity exposure risk	
The segment faces exposure to fraudulent activity by agents, customers, or internal personnel, which may result in financial losses and reputational damage. Additionally, rising global cybersecurity threats pose a risk to data integrity, system availability, and customer trust.	A comprehensive fraud risk management policy is in place, supported by strong internal controls, regular monitoring, and incident escalation protocols. To address cybersecurity risks, the segment implements robust IT security frameworks, including firewalls, data encryption, access controls, and regular vulnerability assessments, alongside employee awareness and incident response training.
Legal and compliance risk	
Non-compliance with applicable regulatory frameworks may lead to operational challenges, monetary penalties, and reputational damage.	The segment operates under a strict compliance framework, reinforced through regular audits, mandatory compliance training, and real-time monitoring mechanisms to ensure full adherence to local and international regulatory standards.
Climate risk (GRI 201-2)	
The money transfer segment is vulnerable to service disruptions and physical access limitations caused by extreme weather events such as floods, cyclones, landslides, and drought-related emergencies. These events pose operational and safety risks to customers, employees, and agents across the network.	The segment is enhancing climate resilience through disaster risk reduction (DRR) and business continuity planning, including branch-level emergency protocols, alternate access arrangements, and real-time communication systems to maintain service continuity during extreme events.

Emerging Opportunities

- **Negotiating with strategic partners:** Ongoing discussions with potential partners aim to expand operations and diversify service offerings
- **Growth of sub-representative network:** Expansion of the agent network is key to increasing reach and reducing transaction delivery times

Potential Challenges

- **Dependency on three principals:** The business is exploring new partnerships to reduce reliance on existing principals and enhance resilience
- **Cybersecurity threats:** The segment remains vigilant amidst rising global cybersecurity threats
- **Low financial literacy:** Limited financial awareness among migrant workers and recipients increases the risk of poor financial decisions and vulnerability to fraud

Way Forward

The segment continues to hold a dominant position within its niche market. Looking ahead, it plans to expand its sub-representative network to 5,000 and enhance its outreach by collaborating with additional service partners. Its differentiated offering including wallet-based inward remittances, doorstep cash delivery, and real-time settlements to sub-representatives—positions it strongly to retain its competitive advantage. With close to 100,000 transactions processed each month, the segment remains focused on sustaining growth within a regulated and competitive landscape, while continuing to serve as a critical conduit between migrant workers and their families.

Services Sector

EQUITY ACCOUNTED INVESTMENT - BPO SERVICES

Port City BPO (Pvt) Ltd. is a joint venture between Aitken Spence Group and Iris Tech Ventures Sdn Bhd. The company is an Authorised Person approved by the Colombo Port City Economic Commission (CPCEC), specialising in Business Process Outsourcing (BPO) processes. Commencing operations in 2024, the joint venture marks the introduction of a new business segment for the Aitken Spence Group. Registered as an offshore company with the Registrar of Companies, it brings an innovative business model to Sri Lanka. Serving clients across several Asian markets, including Malaysia, Thailand, the Philippines, Vietnam, and Indonesia, the venture's strong business performance has created valuable employment opportunities for youth.

The company provides a unique value proposition to its clients in sourcing personnel as well as facilitating a venue for operations to be conducted, and benefits from targeted marketing through the network of Iris Tech Ventures, the joint venture partner. This mutually beneficial strategic alliance, coupled with the organisation's focus on diversity and inclusivity, has generated a healthy return on investment in the first year of operations.

Sri Lanka

Colombo

OUR COMMITMENT TO EXCELLENCE

Highlights - 2024/2025

- Obtained Authorised Person status approved by the Colombo Port City Economic Commission (CPCEC), in terms of the Colombo Port City Economic Commission Act No. 11 of 2021.
- Recruited nearly 2,000 employees.
- Achieved profitability in its first full year of operations.

Services Sector

STRATEGIC OBJECTIVES

Short term | Medium Term | Long Term

Strategic Objectives	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	• Operations undertaken only for committed customers
	Medium Term	• Onboard new clients from existing regional network in identified service lines
	Long Term	• Onboard new clients from new regions in identified service lines
Expand the Aitken Spence reach into new geographies	Short term	• Grow business by building relationships
	Medium Term	• Grow client base through the referral scheme and presence at international conventions
	Long Term	• Increase relationships in the European region to diversify client base
Achieve Employer of Choice status	Short term	• Establish the segment as a premier employer and enhance job accessibility for Sri Lankans
	Medium Term	• Establish the segment as a key contributor to Sri Lanka's economic and employment landscape
	Long Term	• Position Sri Lanka as a global employment hub by encouraging Sri Lankans to return home for career opportunities

PERFORMANCE

Port City BPO (Pvt) Ltd has swiftly established itself as a prominent employer in Sri Lanka's business landscape, reaching a key milestone by recruiting nearly 2,000 employees within its first 12 months of operations. The venture's growth strategy is underpinned by its commitment to fostering a dynamic, inclusive employment ecosystem that not only offers meaningful career opportunities for Sri Lankans but also enhances the country's appeal as a destination for global talent.

Following the signing of agreements in April 2024, the joint venture made remarkable progress during the year. By catering to the needs of nine international corporate clients and leveraging the combined strengths of Aitken Spence's well-established employer brand and the technical expertise of its joint venture partner, the project successfully mobilised its operations within a short period.

Comprehensive plans have been formulated to guide its expansion across short, medium, and long-term horizons. The initiative is expected to deliver significant socio-economic benefits to Sri Lanka, aligning with national aspirations for economic transformation.

Services Sector

VALUE CREATED, PRESERVED OR LOST IN 2024/25

	Value Drivers	Value Transformation	SDG's Impacted
Financial Capital	Financial capital generated for stakeholders through efficient operations	Achieved profitability in its first full year of operations.	8 DECENT WORK AND ECONOMIC GROWTH
Human Capital	Employment creation and skills development for a globally mobile workforce	Established and nurtured a new team of nearly 2,000 employees, fostering a strong and cohesive workforce	8 DECENT WORK AND ECONOMIC GROWTH
Intellectual Capital	Access to global BPO expertise through joint venture partner and internal capacity building	Institutionalised processes for service delivery	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Social and Relationship Capital	Strengthened community relationships through needs-based community development engagement	Over 150 children supported through targeted education and nutrition programmes	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
	Collaborative partnerships with religious and charitable institutions	Fostered a culture of empathy and volunteerism through direct employee participation in community development initiatives	
	Employee involvement in community upliftment	Rs. 350,000 Allocated for community development interventions in the first phase, reinforcing long-term social impact commitments	
	Investment in community development initiatives		

BUSINESS AND SUSTAINABILITY RISKS AND MITIGATION STRATEGIES

Aligned with our ongoing commitment to effective risk management, we continuously assess and address key operational and strategic risks that could impact business continuity and performance. The following outlines the principal risks identified during the year, along with the mitigation strategies in place.

Risk — Mitigation Strategy

Political and regulatory compliance risk

Risk	Mitigation Strategy
Operational challenges arose due to political transitions and unclear regulatory frameworks. Delays in institutional responses and tax ambiguities increased compliance burdens and cost pressures.	These risks were managed through active engagement with officials, stakeholder education on tax matters, and collaboration with internal experts to address regulatory gaps.

Skills and competency gap

Risk	Mitigation Strategy
High employee turnover, driven by limited industry awareness and integration challenges with foreign staff, disrupted operations and raised client concerns.	The organisation introduced continuous training and business practices to improve retention, workforce alignment, and client confidence.

Services Sector

OUTLOOK

Emerging Opportunities

- **Growth through strategic diversification:** The BPO segment adds a new revenue source for the Group, servicing clients across the world.
- **Potential to expand operations:** Plans in place indicate healthy growth in operations in the years ahead through geographic diversification.
- **Strengthening employer branding:** The significant numbers added through the new venture and its profile serve to uplift the employer brand, attracting talent that will be a key differentiator.
- **Introducing new processes:** Expand business verticals as internal expertise is developed.

Potential Challenges

- **Employee retention:** Retaining trained and performing employees poses challenges due to high levels of overseas migration.
- **Client dependence and costs:** The business model's strong reliance on personalised client interactions may lead to elevated operational costs.

Way Forward

A strong start has given us the confidence to double the number of seats in the year ahead. While challenges remain with regard to the Port City's infrastructure, which is still at a nascent stage, we are working to resolve these with the relevant authorities. We are building understanding and awareness among clients, employees, and other regulatory agencies to ease the bottlenecks experienced during the first year of operations. The potential benefits of these projects to the country and their ability to retain and nurture the next generation of talent are significant. Making this a reality will help transform futures for generations to come.

Our Capitals

FINANCIAL CAPITAL

Rs. 95.1 Bn
Revenue

61.3%
Earnings Growth

Rs. 202.0 Bn
Total Assets

14.3%
ROCE

HUMAN CAPITAL

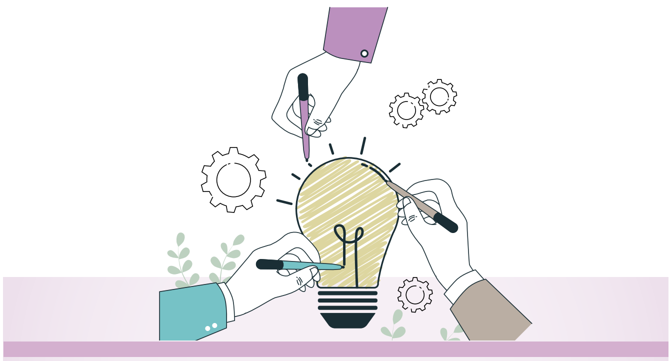
278,034
Training Hours

Rs. 17.3 Bn
Value Distributed to Employees

8,692
New Recruits

2,670
New Jobs Created

INTELLECTUAL CAPITAL



Rs. 576.7 Mn
Investments in Digital Infrastructure

Rs. 78.9 Mn
Investment in Training and Development

200
Total Management Systems

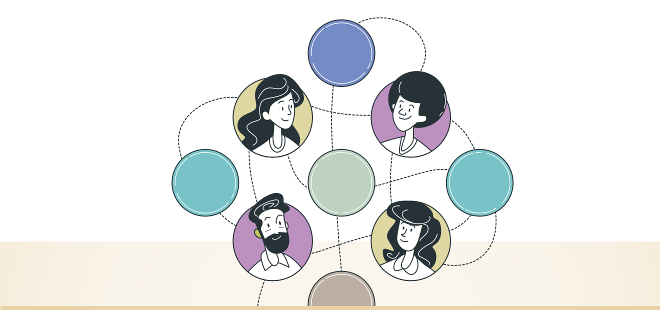
MANUFACTURED CAPITAL

Rs. 989.9 Mn
Investments Towards Production Capacity Expansion

Rs. 47.9 Mn
Powering Progress with Low-Carbon TechnologyExpansion

Rs. 169.7 Mn
Investments in IT Infrastructure

SOCIAL AND RELATIONSHIP CAPITAL



42
New product and services

Rs. 64.0 Bn
Payments to Suppliers

Rs. 281.4 Mn
Investment Towards Community Development / Strategic CSR

NATURAL CAPITAL

208,915 tCO2e
Emissions Reduced Through the Emission Control Strategies

178,859 MT
Total Amount of Waste Converted to Renewable Energy

Over 8,100 ha
Habitat-Rich Green Cover Protected to Conserve Sri Lanka's Biodiversity

Navigating the Future with Financial Stewardship: Financial Capital

Aitken Spence PLC reported a strong earnings growth of 61.3%, recording a profit of Rs. 7.2 billion for the financial year ended 31st March 2025. This performance reflects the Group's resilience and the benefits of its diversified business portfolio. Growth was primarily driven by the exceptional performance of the Tourism sector, alongside steady contributions from the Maritime & Freight Logistics, and Services sectors. Losses in the Strategic Investments sector were significantly curtailed, supported in large part by the normalisation of payment cycles in the power generation segment.

The Services sector expanded its capabilities with the addition of a new Business Process Outsourcing (BPO) segment. This segment is positioned for rapid growth over the short to medium term, complementing the sector's existing service offerings and strengthening its overall competitiveness.

The Group also saw notable improvements in several other areas. The resurgence of the tourism industry in Sri Lanka positively influenced Group performance, while the printing segment delivered improved results, reinforcing both its market presence and financial stability. Furthermore, the overseas freight business delivered exceptional results, underscoring the strategic value of the Group's geographic and sectoral diversification.

As the year progressed, the Group concentrated on fortifying its financial position and enhancing resilience to absorb potential shocks. This strategic focus led to a significant improvement in the Group's financial standing, reflected in the improvement of the Group's debt-to-equity ratio to 0.38, which demonstrates both the capacity to invest for growth and to absorb potential shocks. The easing of the working capital cycle in power generation was a notable development, alongside a robust growth trajectory driven by asset-light opportunities. Additionally, the Group experienced substantial growth across various segments, further solidifying its market position and financial health.

Financial Capital

INVESTMENT PHILOSOPHY

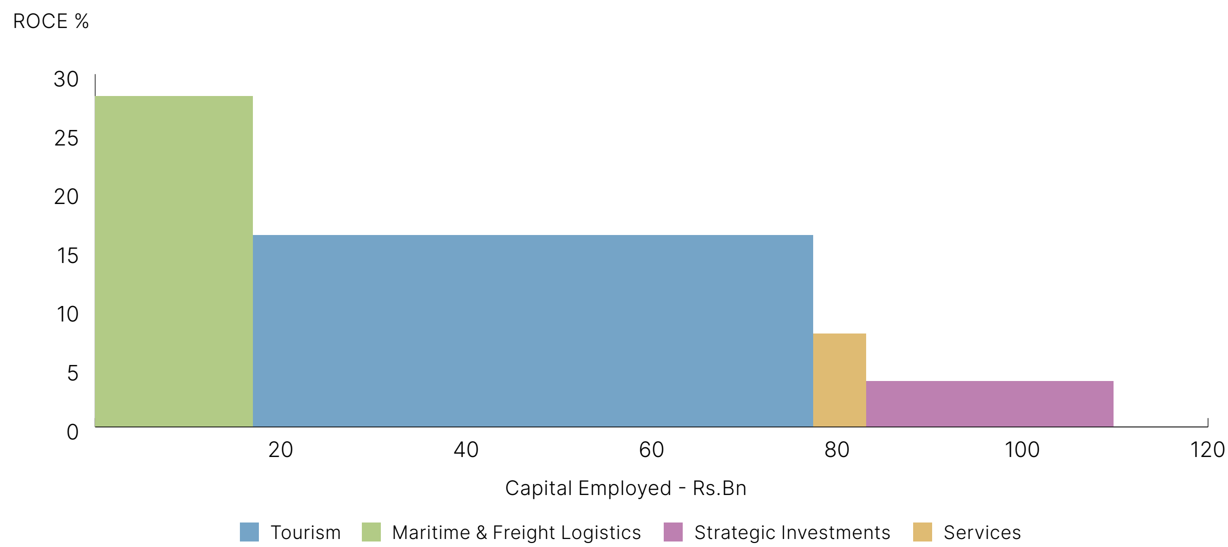
Aitken Spence PLC strategically focuses its investments on sectors identified as priority within the country, such as renewable energy, tourism, and maritime & freight logistics. The Group places great emphasis on using advanced technologies within these industries to achieve sustainable long-term returns. This proactive approach not only fosters sectoral growth but also positions the company as a leader in innovation and sustainable practices.

Over the years, Aitken Spence has actively pursued geographical expansion. By leveraging its established expertise, the Group has successfully entered and thrived in new markets outside Sri Lanka. This geographical diversification is part of a broader strategy to enhance the Group's global presence and tap into new economic opportunities while strategically broad-basing its investments.

The investment strategy of Aitken Spence is finely attuned to the prevailing investment climate and specific financial metrics, such as hurdle rates. This ensures that all investments not only promise adequate returns but are also resilient to changing economic conditions. By adhering to these disciplined investment criteria, the Group manages to maintain financial stability and growth, even in volatile markets. This strategic approach reflects a deep understanding of both local and global economic landscapes, enabling Aitken Spence to make informed decisions that align with its long-term objectives and sustainability commitments.

Aitken Spence prides itself on having obtained the necessary approvals for its investments through transparent processes. The Group adheres unwaveringly to strict ethical guidelines and places the utmost importance on sound governance when initiating any new investments. For the past 25 years, the Group has successfully financed its new investments through internally generated funds with a prudent debt composition, without requesting its shareholders for additional funds.

Portfolio Returns



Financial Capital

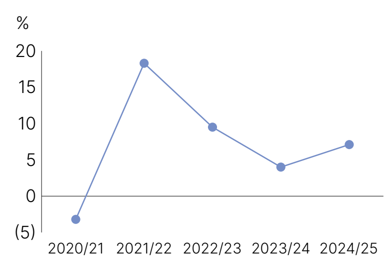
Strategic Priorities	Key Achievements	Focus for 2025/2026
Concentrating investments in priority sectors of the economy.	Invested Rs. 3.3 billion in capital expenditure across all sectors of the Group to support business growth	Maintaining a constant emphasis on liquidity and foreign exchange management to maximise the Group's profitability.
Diversifying into new geographical locations and business segments.	Achieved a notable growth with the commencement of Port City BPO (Pvt) Ltd as a joint venture that delivered strong financial performance during the first year of operations.	Sustaining investments in ventures that will drive growth and surpass the target hurdle rate.
Targeting an annual average year-over-year sustainable profit growth of 10% across the Group.	Recorded a significant increase in profit before tax to Rs. 10.8 billion; a year-on-year growth of 61.0%.	Transforming operations to enhance efficiency and productivity across all business segments, thereby improving operating profits.
Managing and optimising cost structures.	Repaid interest-bearing borrowings and loans amounting to Rs. 22.0 billion.	Preserving financial flexibility and strategically reinvesting in growth opportunities.
Improving the Group's leverage position by lowering the debt-to-equity ratio to better prepare for prudent future investment opportunities.	Debt-to-equity ratio improved to 0.38 from 0.45.	Focusing on sustaining financial discipline and supporting sustainable growth through capital allocation and reduced reliance on debt.

VALUE TO SHAREHOLDERS

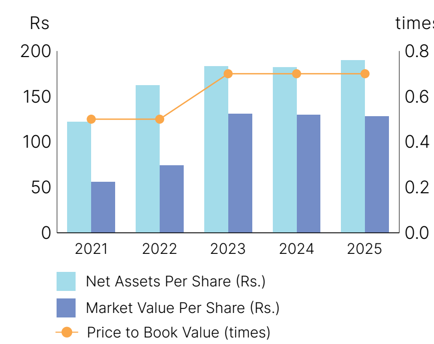
During the financial year ended 31st March 2025, Aitken Spence PLC delivered strong value to shareholders, with profit before tax increasing by an impressive 61.0%, reflecting the Group's robust operational performance and effective cost management. This growth was underpinned by improved margins in the Tourism sector, reduced finance costs, and higher returns from equity-accounted investees. Profit after tax rose by 61.3% to Rs. 7.2 billion, further affirming the Group's earnings strength. Despite a marginal contraction in revenue, the Group enhanced its financial stability, demonstrated by an improvement in the debt-to-equity ratio from 0.45 to 0.38. Net assets increased by 4.9%, reinforcing the Group's ability to deliver sustained long-term value. Strong profitability and prudent financial stewardship continued to support value accretion for shareholders through improved returns and a resilient capital structure.

EARNINGS

Return on Equity

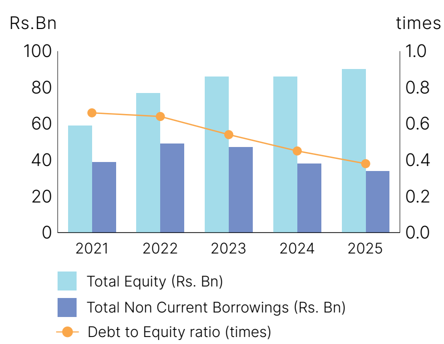


Net Assets per Share, Market Value per Share & Price to Book Value
(as at 31st March)

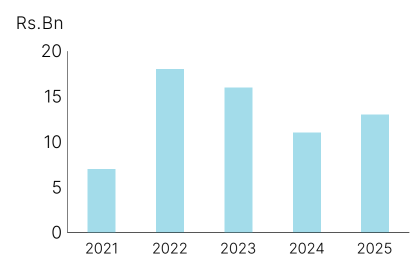


RESILIENCE

Debt to Equity Comparison
(as at 31st March)



Net Working Capital
(as at 31st March)



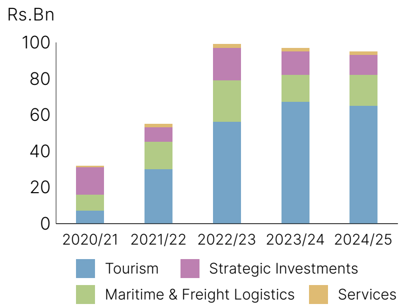
Financial Capital

EARNINGS

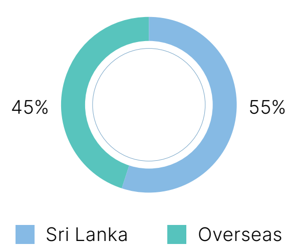
Revenue 2.5%

Group revenue decreased marginally by 2.5% to Rs. 95.1 billion. The main decline in revenue was recorded in the Strategic Investments sector, primarily due to lower volumes in the apparel manufacturing segment. Additionally, the previous year's revenue from the power generation segment included six months of operations of the 100 MW thermal power plant at Embilipitiya, which remained non-operational throughout the current year under review. Overall, Group revenue was further impacted by the appreciation of the Sri Lankan Rupee against the US Dollar during the year, as the majority of the Group's revenue is either denominated in USD or pegged to it.

Revenue by Sector



Revenue by Geography



The Tourism sector continues to be the highest contributor to Group revenue although it recorded a decline of 2.5% to Rs. 65.2 billion due to the appreciation of the rupee during the year and lower revenue recorded in the destination management segment, which saw a decline in clients handled as a result of the reduced number of cruise ship calls to Sri Lanka owing to conflicts at the Red Sea. Maritime & Freight Logistics sector recorded revenue growth of 11.9% to Rs. 17.2 billion, accounting for 18.1% of Group revenue from external customers. Strategic Investments and Services sectors contributed Rs. 11.0 billion and Rs. 1.7 billion to Group revenue from external customers respectively. While Strategic Investments saw the top line decrease by 18.4% due to the previously mentioned factors in apparel manufacture and power generation, the Services sector also witnessed a 6.2% decline in revenue generated from external customers.

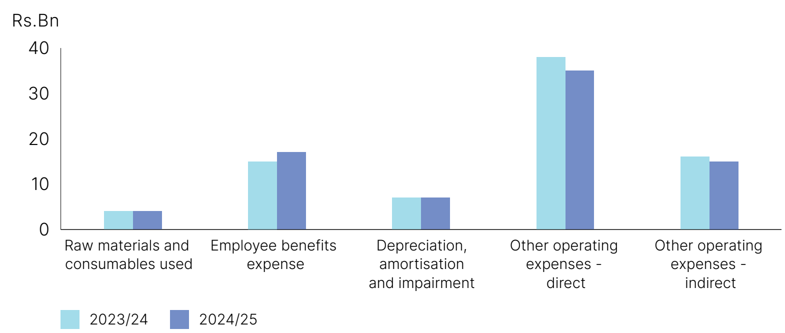
Summarised Profit & Loss Statement

For the year ended 31st March	GROUP 2025 Rs. Mn	2024 Rs. Mn
Revenue	95,094	97,486
Revenue taxes	(1,463)	(1,237)
Net revenue	93,631	96,249
Other operating income	(362)	(2,307)
Operating expenses	(78,490)	(80,716)
Profit from operations	14,779	13,226
Finance income	1,920	2,909
Finance expenses	(7,450)	(10,728)
Net finance expense	(5,530)	(7.819)
Share of profit of equity-accounted investees	1,577	1,318
Profit before tax	10,826	6,725
Income tax expense	(3,647)	(2,273)
Profit for the period	7,179	4,452
Earnings per share (Rs.)	13.13	7.21

Operating Expenses 2.8%

Operating expenses declined marginally by 2.8% to Rs. 78.5 billion despite a 13.3% increase in employee benefits expense to Rs. 17.3 billion. Direct and indirect other operating expenses declined by 8.1% and 7.8%, respectively. Depreciation and amortisation accounted for Rs. 7.2 billion, which was in line with the previous year. The Tourism sector, being an asset-heavy sector with high fixed costs, accounts for 68.5% of total operating expenses. The Services sector, being an asset-light sector, accounts for the smallest share.

Analysis of Operating Expenditure



The numbers above exclude equity accounted investees, namely the plantations from the Strategic Investments sector and the BPO from the Services sector.

Financial Capital

Operating Profit (EBIT) 11.7% ↑

Operating profit increased to Rs. 14.8 billion, with all sectors recording positive contributions. All sectors, except for the Services sector, recorded operating profit growth, reflecting improved cost management and lower inflation. The contribution by each sector is set out in the graph alongside. The charts depict the significance of the Tourism and Maritime & Freight Logistics sectors on the earnings of the Group.

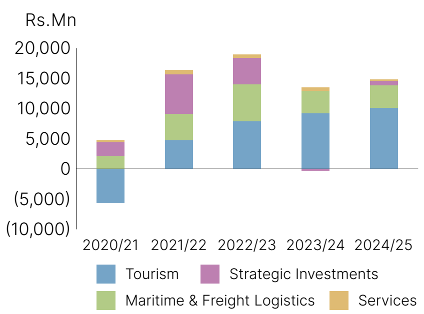
Net Finance Expense 29.3% ↓

Finance income decreased by 34.0% to Rs. 1.9 billion, while finance costs decreased by 30.6% to Rs. 7.5 billion during the year. This was largely driven by the drop in interest rates during the year, the repayment of loans in the Tourism sector, and the settlement of short-term borrowings from the receipt of long outstanding dues from the CEB in the power generation segment. Additionally, rupee interest rates declined, and the Group also restructured its rupee and foreign currency borrowings to take advantage of lower interest rates. Interest cover improved to 2.82 times from 1.73, as interest costs decreased and profitability improved. The Tourism sector accounts for 64.8% of the Group's interest-bearing bank borrowings—both long term and the current portion of long-term bank borrowings—and incurred 75.1% of the Group's net finance cost. The Strategic Investments sector accounted for a further 20.6% of the Group's net finance costs, due to the borrowings in the power generation segment and the parent, Aitken Spence PLC, which is included in Strategic Investments.

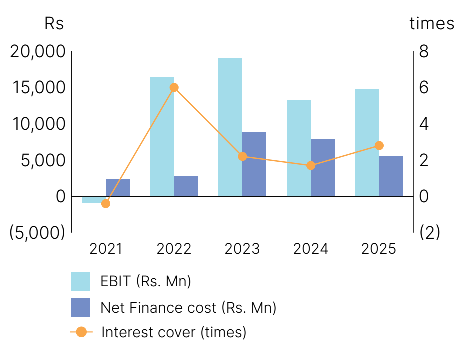
Profit Before Tax (PBT) 61.0% ↑

Profit before tax increased by 61.0% to Rs. 10.8 billion, with all sectors contributing positively except for Strategic Investments. Equity-accounted investees contributed Rs. 1.6 billion to the profit before tax, 19.7% higher than the previous year. The Tourism sector was the highest contributor to PBT, accounting for 54.9%, while the Maritime & Freight Logistics sector accounted for 42.1%. The contribution from the Services sector was 3.0%, while the Strategic Investments sector recorded a loss—though at a significantly reduced level compared to the previous year—as a result of improved performances from the printing & packaging, plantations, and power generation segments. The power generation segment also benefited from the reversals of provisions made in previous years, with the settlements received for long outstanding dues from the CEB.

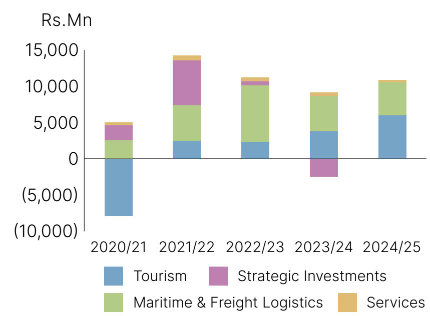
Profit from Operations



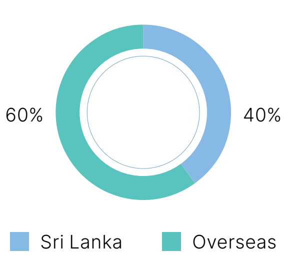
EBIT, Net finance cost, Interest cover



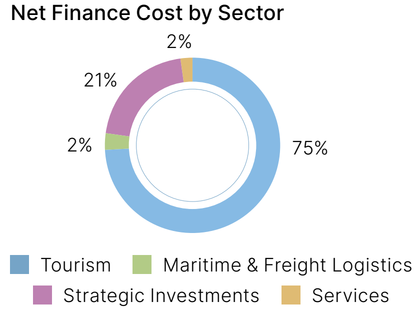
Profit before Taxation



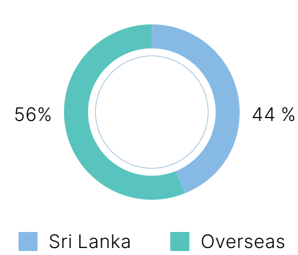
Profit from Operations by Geography



Net Finance Cost by Sector



Profit before Tax by Geography



The numbers above exclude equity accounted investees, namely the plantations from the Strategic Investments sector and the BPO from the Services sector.

Financial Capital

Taxation (GRI 3-3, 207-1, 207-2)

For the year ended 31st March 2025, the Group recorded a total income tax expense of Rs. 3.6 billion, up from Rs. 2.3 billion in the previous financial year. This comprised a current tax charge of Rs. 2.9 billion (2024: Rs. 2.5 billion) and a deferred tax expense of Rs. 726.0 million (2024: deferred tax income of Rs. 215.7 million).

Taxable income rose to Rs. 12.0 billion (2024: Rs. 9.9 billion), primarily reflecting the increase in profit before tax. Adjustments were made for tax-exempt income, capital allowances, disallowed expenses, and the utilisation of tax losses. Income not liable to tax, including dividend income, amounted to Rs. 2.9 billion. Taxes were levied at both standard and concessionary rates for local companies, amounting to Rs. 1.3 billion, and Rs. 1.2 billion at varying rates applicable to offshore income. A 56.4% of the Group's pre-tax profits is generated outside Sri Lanka, reflecting its strategic regional diversification across South Asia, the Middle East, and the Pacific. The diversification strategy globally enhances earnings resilience and reduces reliance on one country. Consequently, Rs. 1.2 billion (2024: Rs. 978.0 million) payable as income tax across foreign jurisdictions in accordance with applicable tax laws, reinforcing the Group's commitment to responsible tax practices globally.

An additional Rs. 363.7 million (2024: Rs. 220.7 million) was recognised as withholding tax on intra-group dividend distributions. The deferred tax expense of Rs. 726.0 million arose primarily from the temporary differences arising from accelerated depreciation (Rs. 324.2 million), reversal of expected credit losses (Rs. 231.8 million), and unrealised foreign exchange gains (Rs. 94.3 million), partly offset by reversals relating to right-of-use assets (Rs. 63.4 million) and defined benefit obligations (Rs. 46.4 million).

In addition, a further Rs. 609.9 million (2024: Rs. 434.0 million) in tax expense, attributable to the Group's equity-accounted investees, was recognised within 'share of profit of equity-accounted investees' and is not included in the Group's direct tax expense.

How we manage taxation

The Group operates across multiple jurisdictions and is subject to a wide range of direct and indirect taxes, including corporate income tax, value-added tax (VAT), customs duties, excise levies, stamp duties, employment-related taxes, Goods and Services Tax (GST) /and various other fiscal obligations. To ensure full compliance, the Group has implemented robust tax governance frameworks and internal controls to support the accurate and timely filing of tax returns in all operating regions.

Regular engagement with local tax authorities allows for proactive clarification of new or evolving legislation, thereby reducing the risk of non-compliance arising from interpretational ambiguities. For complex transactions, the Group seeks professional advice from independent tax experts to ensure adherence to relevant statutory requirements.

Ongoing staff training is provided to build capacity and maintain up-to-date knowledge of regulatory developments.

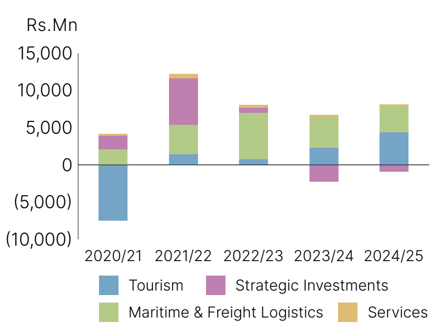
In addition to managing its own tax obligations, the Group also fulfils its role as a tax collector, with timely remittance of statutory deductions such as Advance Personal Income Tax, withholding tax and VAT /GST across all jurisdictions, including Sri Lanka.

Profit After Tax 61.3 %

Profit After Tax (PAT)

Profit after tax increased by 61.3% to Rs. 7.2 billion compared to Rs. 4.5 billion in the previous year, buoyed by the strong performance of the Tourism sector and the significant decrease in losses of the Strategic Investments sector. The Tourism sector contributed 53.5% to the profit after tax, while recording an increase of 92.3% to reach Rs. 4.3 billion. The Maritime and Freight Logistics sector reported a 15.1% decline in sector profit after tax, recording Rs. 3.5 billion.

Profit after Tax

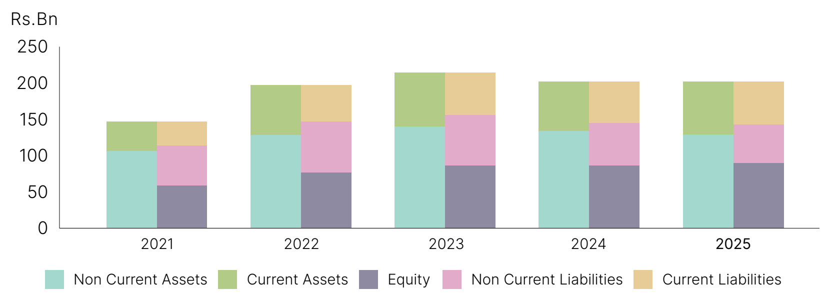


Financial Capital

BUILDING RESILIENCE

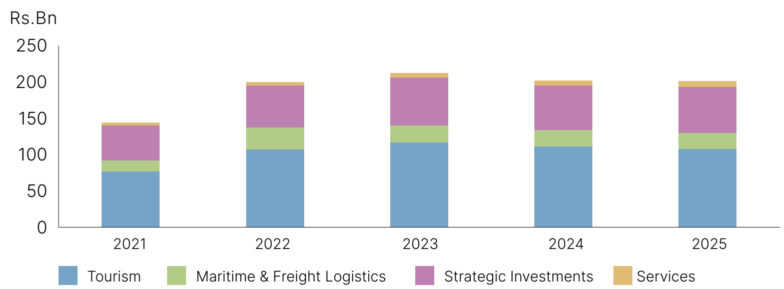
Total assets increased marginally by 0.4% during the year to Rs.202.0 billion as at 31st March 2025. As 42.4% of the Group's' assets are held overseas, the appreciation of the rupee compared to the previous year resulted in a lower valuation of these assets. The Group invested a total of Rs. 3.3 billion in property, plant and equipment during the year with majority of it being for plant and equipment. The chart below depicts how the Group managed its financial position over the years while maintaining growth and liquidity.

Assets & Funding
(as at 31st March)



The Group's liquidity position strengthened during the year with the current ratio improving from 1.19 to 1.22 while the quick ratio improved from 1.12 times to 1.14 times.

Total Assets
(as at 31st March)



On the funding side, equity accounted for 44.5% of the balance sheet, while bank interest-bearing loans and borrowings, including bank overdrafts and short-term borrowings, accounted for 32.4% of the same. The total interest-bearing liabilities decreased by Rs. 1.6 billion during the year, and trade payables accounted for 12.2% of funding as at year-end. Overall, total liabilities declined by 2.9% as at year-end, reflecting a healthier funding structure.

Liabilities have seen a reduction across all sectors except the Strategic Investments sector and Services sector. As the operations of the holding company are included in this sector, the segment shows an increase in liabilities due to the foreign currency-denominated loan taken by the parent company with the objective of restructuring the balance sheet. This borrowing also serves as a partial hedge for the foreign currency deposits held by the Group, to minimise losses as the rupee appreciates.

Extracts from Consolidated Statements of Financial Position

	GROUP	
As at	31.03.2025 Rs. Mn	31.03.2024 Rs. Mn
Non-current assets	129,493	133,669
Property, plant and equipment	98,016	101,029
Right-of-use assets	14,673	16,364
Investments in equity-accounted investees	10,929	9,947
Current assets	71,612	67,418
Inventories	4,441	4,160
Trade and other receivables	19,169	19,854
Other Current assets	26,739	25,375
Cash and short-term deposits	16,601	12,133
Assets classified as held for sale	922	170
Total assets	202,027	201,257
Equity Attributable to Shareholders	77,234	73,836
Non-controlling interests	12,655	11,884
Total equity	89,889	85,720
Non-current Liabilities	53,260	58,959
Interest-bearing loans and borrowings	33,908	38,464
Lease liabilities	11,216	12,847
Current liabilities	58,878	56,578
Interest-bearing loans and borrowings	11,621	9,197
Lease liabilities	1,534	1,780
Trade and other payables	24,725	25,262
Bank overdrafts and other short-term borrowings	19,895	19,389
Total equity and liabilities	202,027	201,257

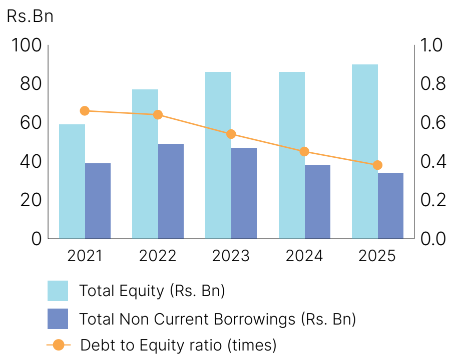
Financial Capital

The net exposure of foreign currency assets and liabilities at the balance sheet date is given below, which reflects a prudent net assets position.

	Net Exposures as at 31st March 2025 Assets/(Liabilities)
USD	80.9 Mn
Euro	(22.2 Mn)

Capital Structure

(as at 31st March)



	GROUP	
As at	31.03.2025	31.03.2024
Net Asset Per Share (Rs.)	190.23	181.86
Current Ratio (times)	1.22	1.19
Quick Asset Ratio (times)	1.14	1.12
Debt: Equity Ratio	0.38	0.45

Liquidity, Funding, and Forex Management

The Group Treasury plays a pivotal role in enhancing liquidity management, reducing financing costs, and mitigating foreign exchange risk across the Group's business segments. Improved working capital efficiency was supported by active intra-group lending, competitive short-term borrowing rates, and centralised cash management. Favourable interest rate arbitrage and timely fund placements contributed to optimised returns on surplus cash. The Group also benefited from the CEB's resumption of payments to the power generation segment, which significantly improved working capital. Forex operations focused on securing competitive conversion rates, managing remittance flows, and hedging currency exposures through forward contracts in compliance with prevailing regulations. The Group Treasury also led negotiations for banking facilities, managed electronic banking platforms, and ensured cost-effective funding for projects and operational needs. These efforts collectively enhanced the Group's liquidity position, lowered the average cost of funds, and supported financial stability in a volatile macroeconomic environment.

Analysis of Operating, Investing, and Financing Cash Flows

For the year ended 31st March 2025, the Group demonstrated a strong improvement in cash flow performance, underpinned by a notable recovery in operational profitability and a measured approach to investing and financing activities.

Operating Activities

Net cash generated from operating activities amounted to Rs. 13.2 billion (2024: Rs. 11.9 billion), reflecting improved profitability, working capital discipline, and continued cost containment. Profit before tax rose significantly to Rs. 10.8 billion from Rs. 6.7 billion in the prior year, driven by growth across key business segments.

Favourable movements in working capital, particularly in receivables and deposits, were largely driven by the CEB's resumption of regular payments to the power segment.

Interest outflows declined year-on-year to Rs. 7.3 billion, aligned with reduced borrowing levels and interest rates. Consequently, the Group maintained healthy operating cash flows despite broader macroeconomic challenges.

Investing Activities

The Group's net cash outflow from investing activities rose by 16% year-on-year to Rs. 4.6 billion, up from Rs. 4.0 billion in the prior year. This increase reflects a strategic capital reallocation, marked by two key trends: a significant decline in capital expenditure on property, plant, and equipment to Rs. 3.3 billion from last year's Rs. 5.5 billion and a sharp Rs. 2.0 billion rise in net outflows for financial asset acquisitions. These shifts indicate a deliberate move toward liquidity preservation and short-term yield optimisation. Additionally, interest received declined by 35.3% compared to the previous year, primarily due to lower interest rates, which negatively impacted cash generation from investing activities.

Financing Activities

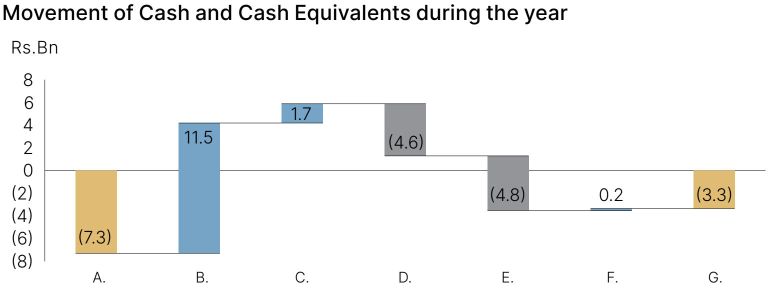
Net cash used in financing activities amounted to Rs. 4.8 billion (2024: Rs. 8.5 billion). Total debt repayments during the period stood at Rs. 22.0 billion, partially offset by Rs. 20.7 billion in new borrowings raised primarily to refinance existing obligations and support growth initiatives—resulting in a net outflow from debt servicing.

Dividends paid to shareholders totalled Rs. 1.7 billion, demonstrating continued commitment to shareholder returns. Lease liability settlements remained steady at Rs. 1.8 billion, in line with contractual obligations.

Cash Position

As a result of the above movements, the Group reported a net increase in cash and cash equivalents of Rs. 4.0 billion, improving around the negative balance of Rs. 7.3 billion at the start of the year to a closing negative balance of Rs. 3.3 billion.

Movement of Cash and Cash Equivalents during the year



A. Cash and cash equivalents at 1/4/2024
B. Net cash flow from operating activities excl. working capital
C. Working capital movement
D. Net cash generated from investing activities
E. Net cash generated from financing activities
F. Effect of movements in exchange rates
G. Cash and cash equivalents at 31/3/2025

Employer of Choice: Human Capital

Aitken Spence is unwavering in its dedication to achieving 'Employer of Choice' status, with strategic priorities focused on the growth, wellbeing, and development of its 16,513 strong Spensonian team. By creating a workplace that attracts exceptional talent and fosters continuous learning, the Group aims to build an environment that nurtures every individual's and team's potential. Through innovative programmes, a vibrant and inclusive culture, and a deep commitment to employee engagement, Aitken Spence aspires to empower Spensonians to thrive and contribute meaningfully towards its purpose to 'Inspire to Create Great Futures for All'.

VALUE CREATED IN 2024/25

2,670
New Jobs

8,692
New Hires

597
Promotions

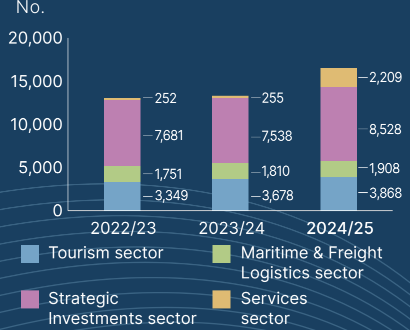
278,034
Training Hours

Rs 17.3 Bn
Value Distributed to Employees

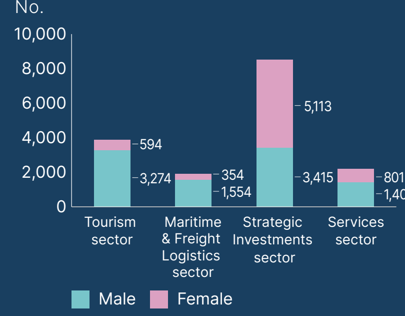
The Spensonian team plays a vital role in Aitken Spence's success, setting the Group apart by maintaining the highest standards of service excellence, ethics, and conduct - hallmarks of its heritage. The team's diversity fosters a unique culture of shared experiences, continuously enriching the Group's collective knowledge. With a broad geographic presence, the Group enables talent mobility across borders, sectors, and functions, providing enhanced exposure and opportunities to realise potential. All employees of Aitken Spence are full-time employees, and there is no seasonal employment.

OUR TEAM (GRI 2-7, 2-8, 405-1)

A Growing Team

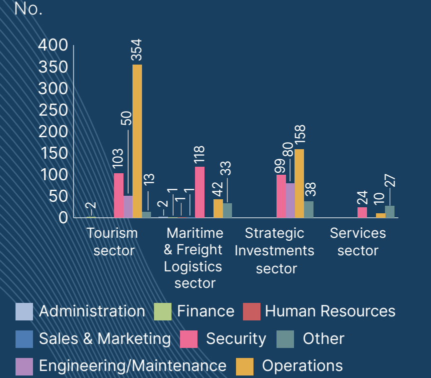


Gender Analysis

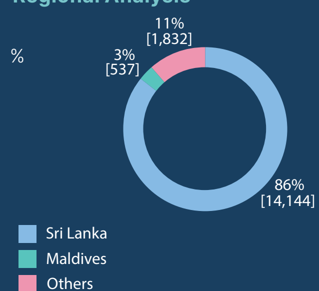


Employment Type Analysis

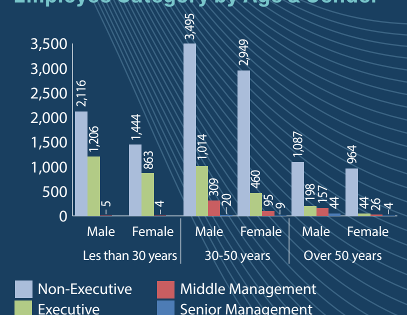
Outsourced Workers by Sector & Function



Regional Analysis



Employee Category by Age & Gender



Human Capital

Strategic Priorities	Key Achievements 2024/2025	Focus for 2025/2026
Enhance employee experience throughout the employee lifecycle	• Action key Voice of Spensonians (VoS) survey findings • Conduct Organisation Health Survey (OHS) for selected segments • Focus group discussions for pulse checks	• Conduct OHS Group-wide
Nurture a value-centric organisational culture	• Launch of Spence Diamonds to recognise value-centric behaviour • Award employee champions	• Establish quarterly recognition • Launch an Organisational Culture Survey
Enable Performance Management (PM) practices to support organisational transformation	• Upgrade HRIS with enhanced KPI monitoring features	• Design and implement a new PM architecture
Enhance bench strength of leadership pipeline for critical positions	• Review and update succession plan • Recruit leading industry experts as potential successors	• Establish a talent council
Focused talent retention for critical mass	• Conduct talent chats with senior leadership • Initiate incentive scheme reviews	• Adopt an evidence-based HR approach by leveraging predictive analytics • Conduct skip-level and stay discussions
Establish an objective based talent management eco-system	• Develop specific technical competencies for selected segments	• Develop specific technical competencies for selected segments
Attract best-in-class talent using a powerful Employee Value Proposition (EVP)	• Carry out omnichannel employer / employee branding • Establish strategic partnerships • Incorporate assessment tools • Establish Management Trainee programme	• Revamp the existing EVP
Commitment to Diversity, Equity & Inclusion (DE&I)	• Launch of Group Gender Equity policy • Conduct awareness creation campaign on sexual harassment prevention • Complete coursework for 1st batch of 'SpenceAscend' (female leadership certification)	• Implement the sexual harassment prevention plan • Introduce an Employee Assistance Programme (EAP)
Develop competencies to drive innovation and digitalisation	• Award SpenceInnova winners • Continue Spence ROBOLEAP for digitalisation (Robotic Process Automation etc.) • Training to promote innovation and a digital culture	• Conduct TechFest to recognise digital champions

Human Capital

HR GOVERNANCE (GRI 3-3)

HR plays a vital role in aligning the Group's most valuable asset - its people - with strategic purpose and priorities. This involves managing leadership expectations, employee wellbeing, labour regulations, and the best global practices.

To enhance value creation, the Group CHRO represents employee interests on the Group Supervisory Board (by invitation) and the Management Council. The People Strategy is implemented through the Group HR division, which operates across three core functions. The division works closely with HR Business Partners at the segment level to ensure seamless execution of initiatives.

Chairperson and the Board of Directors

Group Supervisory Board (GSB)
(3 Executive Directors + CFO)
*Group CHRO on invitation

Management Council (MC)
(GSB + Heads of Segments + Group CHRO)

Group HR		
Talent Management & Transformation	Aitken Spence School of Management (Learning & Development), Employee Engagement and Internal Communication	HR Services Delivery, Compensation & Benefits and Operations

HR Business Partners at segment level

POLICY FRAMEWORK

(GRI 2-23, 2-24)

The Group HR policy framework undergoes periodic review in consultation with the GSB to align with socio-economic needs and legal standards. Updates are communicated to all employees, with policy awareness monitored through the Learning Management System (LMS)/ Human Resource Information System (HRIS).

Aitken Spence is dedicated to creating an inspiring workplace and fostering an inclusive culture that upholds dignity for all. The Group's policies enforce a zero-tolerance approach to sexual harassment, child labour, and forced labour, with strict measures to safeguard human rights. Compliance with key labour laws, including the Factories Ordinance, the Shop and Office Employees Act, and the Employment of Women, Young Persons, and Children Act, is ensured through policies and dedicated HR functions at Group, sector, and segment levels.

Human Capital

Key HR Policies

- Code of Ethics and Professional Conduct
- Anti-Bribery & Anti-Corruption Policy
- Group Whistleblowing Policy

For more details on these three policies, please refer the Corporate Governance Section of this Annual Report.

- Group Training & Development Policy
- Group Remote Working Policy
- Corporate Gifts Policy
- Sexual Harassment Prevention Policy
- Integrated Sustainability Policy
- Parental Leave Policy
- Grievance Handling Policy
- Group Disciplinary Policy
- Diversity, Equity & Inclusion Policy
- Performance Improvement & Individual Development Planning Policy
- Reward & Recognition Policies

New policies introduced in 2024/2025

- Gender Equity Policy
- Policy on External Professional Engagements
- FlexTime Work Policy
- Adoption Leave Policy

Policies Revised during the year

- Select Benefit Policies
- Social Media Policy

Policies Under Review

- Performance Incentive Policy
- Performance Management Policy
- Recruitment Policy
- Employee Assistance Programme (EAP) Policy
- Policies related to benefits

Zero incidents of discrimination or non-compliance with labour laws during the year.

The new policies included during the year to enhance the employee value proposition included the following:

Gender Equity Policy: Please refer page 300 for more information.

Adoption Leave

Embracing its commitment to DE&I, the Group introduced an Adoption Leave Policy to support those who open their hearts and homes to a child. This initiative extends the existing organisational entitlement of paid maternity/paternity leave to employees adopting a child, allowing them precious time to bond and ensure a smooth transition into parenthood: One-hundred days for adoptive mothers and five days for adoptive fathers.

FlexTime Work

This policy is designed to cater to the diverse needs of the Group's multi-generational workforce. This policy provides employees in the Executive cadre with the flexibility to adjust their start and end times, allowing them to align their work hours with personal responsibilities and better manage their work-life balance.

Human Capital

KEY CHALLENGES IN 2024/2025

During the financial year under review, Sri Lankan corporates faced significant challenges amid a rapidly evolving economic landscape. Inflationary pressure influenced the cost of living and created financial strain for many employees. The recent increase in the national minimum wage, despite less direct impact as Aitken Spence has always upheld responsible employment, introduced several complexities for businesses. It pushed market rates higher while salary gaps between entry-level and experienced employees narrowed, making it more challenging to attract and retain talent.

These pressures were further compounded by ongoing economic challenges in Sri Lanka and global economic uncertainties, such as disruptions in global supply chains due to regional conflicts, which added to an already volatile business environment. Employees facing these challenges grew increasingly concerned about job security and financial stability, leading to heightened attrition, particularly among skilled professionals seeking better opportunities abroad. In response, the Group worked even harder to support Spensonians, carefully balancing financial realities with strategic initiatives to maintain engagement, motivation, and long-term workforce stability.

EMPLOYEE ENGAGEMENT

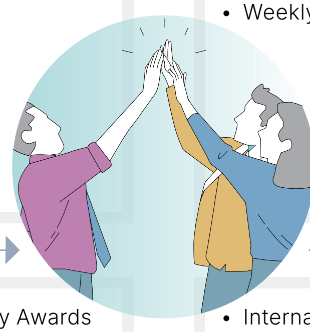
Employee engagement and internal communication were central to the Group HR agenda, improving employee experience, keeping employees informed about business developments, and ensuring a sustained connection with the needs and sentiments of Spensonians.

Motivation

- Avurudu/Vesak/Halloween/Christmas Celebrations
- Chillax Evenings
- Sports Fiesta
- Bowling Tournament
- Pool Championship
- Quizzes
- Comic Strips
- Photography Club
- Commemorative Days

Inspiration

- Daily Reflections
- Spensonian Convention
- #WorkZen
- Weekly #WellnessWednesdays
- Weekly #FridayReads

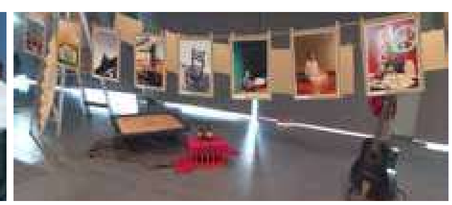


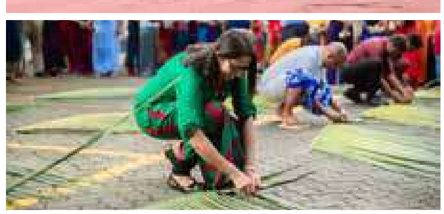
Recognition

- 7S & LEAN Productivity Awards
- SpenceInnova Awards
- Spence Diamonds Awards
- Service Awards
- Spensonian Achievements
- Social Media Challenges

Visibility

- International Women's Day
- Competitions
- Mercantile Basketball/Swimming/Cricket/Badminton
- Ace Magazine





Human Capital

Key HR initiatives implemented during the year are set out below.

Inspiration

Spensonian Convention

The Spensonian Convention was held in hybrid form once again with the participation of over one-thousand employees in the Executive cadre across the Group, the Group's largest gathering to date. The exciting agenda included a keynote speech by the Deputy Chairman, panel discussion with the GSB (moderated by the Group CHRO), celebration of Group Accolades such as winning the coveted Grand Slam Award at BCCSA, recognition of Staff Achievements such as '25 Years of Service' and 7S & LEAN Productivity, SpenceInnova and Spence Diamonds Awards, as well as musical entertainment by Spensonian talent.

#WorkZen

A workplace wellness and wellbeing campaign titled #WorkZen was launched, blending the concepts of work and serenity, and promoting a balanced and harmonious approach. This includes activities such as eight webinars by professionals on topics like mental health, emotional intelligence, and anxiety management, four workshops on physical fitness and yoga; a three-month-long Biggest Loser Challenge to encourage healthy weight loss; a Health Check-Up Camp; weekly #WellnessWednesday e-flyers; a series of e-flyers on practising Workplace Ergonomics. Looking ahead, the groundwork has been laid to introduce a holistic Employee Assistance Programme (EAP).

Visibility

Ace Magazine

The relaunch of Ace Magazine marked a significant step in enhancing internal communication, serving as a bi-annual publication that aims to create awareness among employees about key milestones and success stories, fostering a sense of pride and engagement within the organisation.

Human Capital

Recognition

7S & LEAN Productivity Awards

Now in its thirteenth chapter, this flagship Group productivity competition involved nearly sixty entities from all sectors across Sri Lanka and the Maldives. Since its inception in 2002, the competition has played a key role in enhancing workplace organisation and safety across the Group. The Group 7S & LEAN Productivity Competition 2023/24 awarded thirty-five winners in multiple categories for their outstanding implementation of productivity standards.

SpenceInnova Awards

SpenceInnova was introduced to highlight individuals/teams who successfully implement innovative/transformative projects related to products/services, processes, and/or new ventures. This is an organic evolution of SpenceLab, which recognised innovative ideas. After a thorough final evaluation by a panel of internal and external industry experts, three winners were honoured and six submissions were given merit awards from the sixty-two projects submitted by Spensonians across the Group.

Spence Diamonds Awards

The inaugural employee recognition programme was launched, highlighting Aitken Spence's five core values, particularly champions whose unwavering dedication to customer service excellence turned ordinary moments into extraordinary experiences. Over twenty nominations were received, from which a panel created a shortlist, and a Spensonian vote ultimately determined the three individual winners.

NOVEL PROJECTS ENHANCING HR VALUE-CREATION & SUPPORTING BUSINESS TRANSFORMATION

Group HR undertook several strategic initiatives to facilitate the Group's broader transformation journey and enhance its scope of engagement for better value creation. Segment-focused projects were launched based on insights from the Voice of Spensonians survey, supported by in-depth diagnostics such as focus groups, job analysis, and an Organisational Health Survey. Another major milestone was the upgrade to a cloud-based HRIS, delivering improved functionality, analytics, and user experience. Additionally, a new electronic Document Management Solution and digital approval platform were introduced, improving efficiency, accessibility, collaboration, and sustainability.

UPHOLDING EMPLOYEE RIGHTS

(GRI 2-30,3-3,402-1)

Aitken Spence remains committed to upholding employees' rights to freedom of speech, expression, and association. Within the Group's workforce, 18% are members of trade unions, with the majority representing the plantations segment. Certain segments are covered by collective agreements. In the apparel segment, employees engage through Worker Councils and Joint Consultative Committees (JCC). The Group maintains an open dialogue with trade unions and employee representatives, fostering engagement and addressing concerns, particularly for more vulnerable employees. Communication with the 16 trade unions across the Group is conducted through formal channels, ensuring regular updates. Throughout the year, relations with trade unions remained positive. Employees receive a minimum four-week notice before any significant operational changes affecting them and there are provisions for negotiation and consultation specified in the collective agreements.

Workforce Representation in Trade Unions by Sector

5% Tourism sector

10% Maritime & Freight Logistics sector

30% Strategic Investments sector

0% Services sector

Human Capital

A SOUND EMPLOYEE PROPOSITION

Aitken Spence follows a holistic total rewards philosophy, combining both financial and non-financial incentives. Employee compensation includes fixed and performance-based elements. Throughout the year, the Group continuously reviewed compensation and benefits to address rising inflation and the increasing cost of living for employees. The Group provides a number of benefits in addition to the salary disbursed to employees.

Benefits (GRI 401-2)

Employee benefits provide significant value to employees while enhancing their quality of life and easing stress. The benefits provided by the Group are as follows:

Benefits at beginning of year

Health & Nutrition

- Reimbursement of outdoor medical expenses
- Indoor health insurance
- Critical illness cover of 1 Mn per event for all Spensonians
- Subsidised meals in select segments
- Telemedicine facility
- Awareness programmes by medical professionals

Education

- Financial assistance for educational pursuits
- Annual subscriptions for professional memberships

Work Life Balance

- Semi-Virtual Mobility framework for remote working
- Enhanced parental leave (100 days - Maternity Leave & 5 days - Paternity Leave)
- Carried Forward Leave
- Club memberships

Leisure

- Free holiday vouchers at Aitken Spence Hotels
- Holiday bungalows for executives

Child & Elder Care

- Subsidised childcare facility for all staff
- Crèche facility for plantation workers
- Elders' home for retired plantation staff

Welfare

- Aitken Spence Sports and Welfare Society
- Wedding gifts
- Donations on death of employee or immediate family members
- Transport facilities/travel reimbursements

Relief measures for economic crisis

- Temporary Crisis Allowance
- Meals for workers in selected categories

Benefits enhanced during the year

- Enhanced leisure, fellowship, and mobility benefits
- Increased death donation
- Introduced FlexTime work
- Launched adoption leave

Parental leave (GRI 401-3)

Parental Leave	
Entitlement	
100 days	5 days
Availed by	
13	52

Employees Returning to Work After Parental Leave and Retention	
Returning to work	
92%	100%
Retained 12 months after return	
75%	98%

Human Capital

TALENT ATTRACTION

(GRI 202-1, 202-2, 3-3, 401-1)

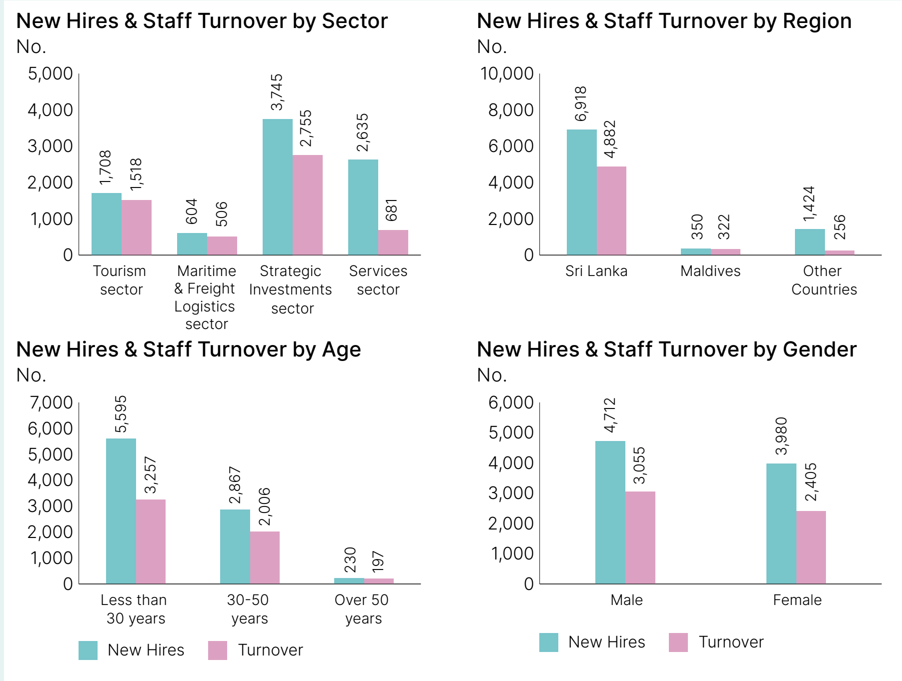
Aitken Spence follows a merit-based hiring approach, selecting candidates based on their knowledge, skills, and attitude while ensuring fair gender representation in line with the Group's DE&I goals. With a strong employer brand built over 156 years, the Group actively engages with top talent.

In recent years, the Group's talent acquisition process has evolved through the use of benchmarked selection tools like psychometric and aptitude assessments, diverse sourcing channels such as LinkedIn, and partnerships with educational and professional institutions. The digital platforms have assisted the Group in enhancing efficiency.

The Group prioritises internal talent for career growth while also welcoming external hires to bring fresh perspectives, depending on the role. This year, the Group welcomed 8,692 new employees to the team. The Group's induction programme, "Roots to Excellence", is conducted monthly to assist new recruits in their transition into the Spensonian team. The programme provides an overview of Aitken Spence and its values, the Code of Ethics and Professional Conduct, and various other relevant topics. Additionally, subsidiaries conduct their own unique induction programmes to welcome new joiners to their chosen industry landscapes.

'Chat with GCHRO' is also conducted regularly to ensure new Spensonians have the opportunity to discuss their experiences with leadership and aspirations for the journey ahead.

The Group ensures that all employees, regardless of gender or job category, are paid at or above the applicable local minimum wage in every location of operation. This reflects the Group's commitment to fair compensation and compliance with national labour regulations. Demonstrating the Group's commitment to inclusive growth and regional development, 66% of jobs and 26% of the new jobs created by Aitken Spence in Sri Lanka are located outside the Colombo and Gampaha districts. Amongst newly recruited senior management, 92% was hired from the local community (Western Province) too.



Changes in new hires and employee turnover are part of normal business due to the uncertainty that prevailed in the recent past. The Group also has outreach programmes to facilitate entry for promising talent as set out below:

Group Management Trainee Programme | 'Elevate with Aitken Spence'

The Group welcomed six Management Trainees as part of the reintroduced Management Trainee Programme. They are currently undergoing a blended development curriculum that combines exposure to various industries, specially designed project-based assignments, competency-based learning, coaching, and mentoring. The programme aims to cultivate a pool of young talent through an accelerated 12-month journey, preparing them for leadership roles in the near future.

Special Internship Programme

A seven-day internship programme was conducted for a group of female school students, providing them with valuable exposure to various aspects of the Group's business operations. This initiative aimed to inspire and equip the next generation with insights into the corporate world. Additionally, certain segments such as hotels, power and travels conduct their own customised internship programmes.

Human Capital

SAFETY AT WORK

(GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)

At Aitken Spence, ensuring the health, safety, and wellbeing of all stakeholders, particularly the Group's employees, is a top priority. Guided by the Group's Integrated Sustainability Policy (policy commitment N), Aitken Spence is committed to creating safe and healthy workplaces across the Group's operations through the implementation of controls for Occupational Health & Safety (OHS) management.

All Group companies apply the Hazard Identification, Risk Assessment & Control (HIRAC) framework to identify risks and determine appropriate controls ranging from standard operating procedures for operations with low-risk activities to comprehensive systems aligned with ISO 45001 or similar for higher-risk operations. The Group's approach integrates proactive risk identification and management, targeted training and capacity building, and continuous improvement through structured monitoring and review. At a minimum, the Group ensures full compliance with Sri Lanka's Factories Ordinance and OHS regulations, while aligning with global best practices to establish best practices. The scope of the Group's OHS management systems cover 100% of the employees and stakeholders visiting the premises across the diverse sectors.

Key OHS Hazards: Priorities for Prevention and Control

Physical Hazards	Chemical Hazards	Ergonomic Hazards	Psychosocial Hazards	Fire and Electrical Hazards	Noise and Vibration Hazards
Potential slips, trips, and falls, manual handling and lifting injuries etc.	Exposure to cleaning agents, pesticides, and other chemicals etc.	Repetitive motion injuries, improper lifting techniques etc.	Potential work-related stress, stress from isolated work etc.	Risk safety risks, electrical hazards from machinery and equipment maintenance etc.	Potential prolonged exposure in manufacturing and logistics operations

Control Measures:

Our Management System for OHS

Compliance

Adherence to legal and regulatory requirements and international best practices, while fostering a culture of trust where employees and other stakeholders can report concerns or non-compliances without fear of reprisal

Risk Management

Proactively identifying and mitigating potential hazards to ensure safety using HIRAC: Hazard Identification, Risk Assessment and Control

Due Diligence

Conducting due diligence through internal/external audits, and management reviews to ensure systems and procedures are robust, effectively maintained, and aligned with identified risks

Training

Providing education and training to employees and other stakeholders on safety practices, emergency response procedures, SOPs to report on hazards etc.

Continuous Improvement

Continually strengthening safety practices through monitoring and review within OHS and DRR mechanisms and strategies.

Human Capital

Aitken Spence promotes employee wellbeing through employee engagement interventions, awareness building through medical professionals, enabling access to telemedicine facilities for Executive cadre employees and on-site medical support at segments such as printing and plantations, while ensuring confidentiality of personal health information. Sector-specific awareness sessions and targeted training in first-aid, fire safety, and emergency preparedness were conducted across the Group. Additionally, the Disaster Risk Reduction (DRR) team led two key drills at Aitken Spence Towers; a night-time fire drill and an earthquake preparedness drill - to build awareness and enhance safety, particularly for employees who travel overseas.

Over 1,100 employees participated in OHS trainings during the year in review, while the Group also conducted regular #WorkZen workshops and webinars covering both physical and mental wellbeing as detailed in the Employee Engagement section above. All business segments have trained team members to provide first-aid and conduct routine HIRAC inspections to identify risks. OHS processes and management systems across the Group's business segments actively involve diverse team members, ensuring representation from all employee levels to effectively identify risks and implement controls that protect all employees and other stakeholders. The hotels segment provided specialised training in food allergy management and chemical handling during the year, tailored to operational needs. Additionally, 19 employees from the destination management team were trained and certified as first-aid officers. The Strategic Investments sector notably has the highest number of trained team members considering the nature of the operations. In the Services sector, the elevators segment conducted a series of specialised training programmes such as manual lift rescue, internal auditor training sessions and on-site mock drills to train staff members in emergency response mechanisms.

Number of Spensonians working on OHS systems/ procedures	157	8	466	24
Number of management systems/ processes maintained for OHS	25	8	55	3
Number of management systems certified	9	4	32	1
To employees and non-employees whose work is controlled by the operation;				
Overall workplace related injuries to employees	103	47	197	1
Rate of workplace related injuries	3%	2%	2%	0.1%
Workplace related ill-health	2	0	8	0
Workplace related high-consequence injuries	2	0	1	0
Rate of workplace related high-consequence injuries from overall injuries	2%	0%	0.5%	0%
Fatalities due to workplace related injuries	0	1	0	0
Fatalities due to workplace related ill-health	0	0	0	0
Rate of workplace related fatalities from overall injuries	0%	2%	0%	0%
No. of lost workdays due to workplace related injuries	157	338	667	15

Human Capital

DEVELOPING OUR PEOPLE

(GRI 3-3, 404-1, 404-2, 404-3)

Investing in Spensonians remains a top priority, ensuring that all individuals develop the skills, knowledge, behaviours and mindset needed to drive the Group's transformation journey and overall success. Beyond equipping employees for their roles, the Group focuses on unlocking their potential, building talent pipelines, and creating career growth opportunities.

Aitken Spence ensures that all Executive training needs are gathered and reviewed. This is done predominantly through the Group's performance management system where all employee performance and career development plans are reviewed. The recently introduced Training Needs Analysis (TNA) platform titled 'ABC Central' plays a pivotal role in completing this process now.

Group HR's inventions for Non-Executive training is typically organised based on requests from segments, while a series of mandatory training programmes are defined and conducted for selected groups.

The majority of industry-specific technical training requirements are addressed at segment level. The hotels segment has a pool of specialised trainers in hotel operations, the plantations segment trains estate associates, and the apparel segment develops sewing machine operators. Additionally, the Group supports youth employment through specialised training institute, such as the Aitken Spence Institute of Hotel Management for hospitality careers and an NVQ Level 6 elevator maintenance programme in collaboration with CINEC Campus.

L&D initiatives are centrally coordinated by Group HR and delivered through the Aitken Spence School of Management (ASSM).

ASSM competency - based talent development model

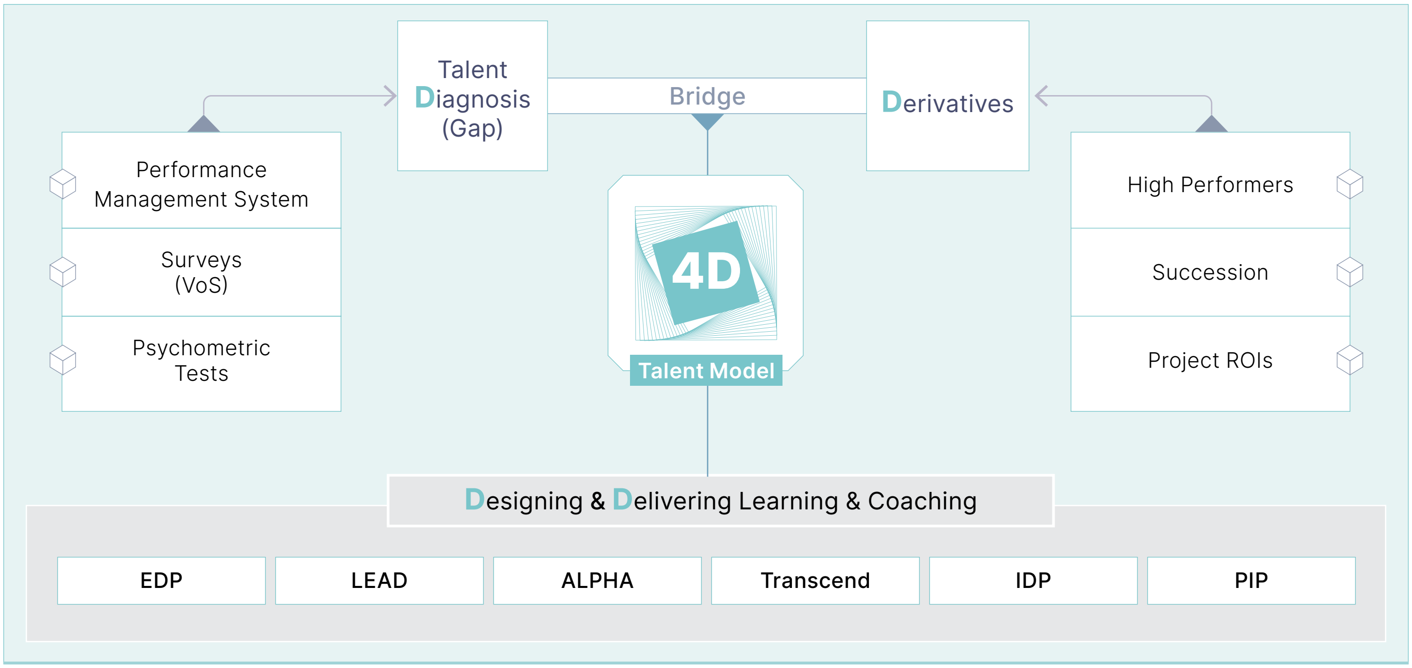
Objectives	Facilitating People Development	Flexible, relevant learning opportunities for all employees
	Developing Leadership Capabilities	Facilitating management & leadership development programmes
	Creating a Supportive Learning Culture	Structures and cultures that facilitate learning
Focus Areas	Individual Development	These programmes are primarily focused on the development of various competencies of individuals, which in return, will enhance their soft and behavioural skills to perform the job role effectively and to grow professionally
	Managerial Development	These programmes will enable the participants to understand the various aspects of leadership, management and will provide tools and insights to think strategically
	Organisational Development	The focus of these programmes is to inculcate knowledge and competencies that are vital to understand the organisation and its culture in order to bring about organisational development.
	Professional Development	These programmes will support the continuous learning process of employees and will enable them to face career development challenges.

Services

- Training Needs Analysis
- Customised Training
- Executive Coaching
- Soft Skills Training Programmes
- Overseas Training Facilitation
- e-learning Solutions via 'Tartan' & LinkedIn
- Work-Based Projects
- Individual/Performance Development Plans
- Psychometric Assessments
- Special Learning Advisory Services
- Management Information on Learning & Development Activities
- Facilitate Programmes by Corporate Training Partners

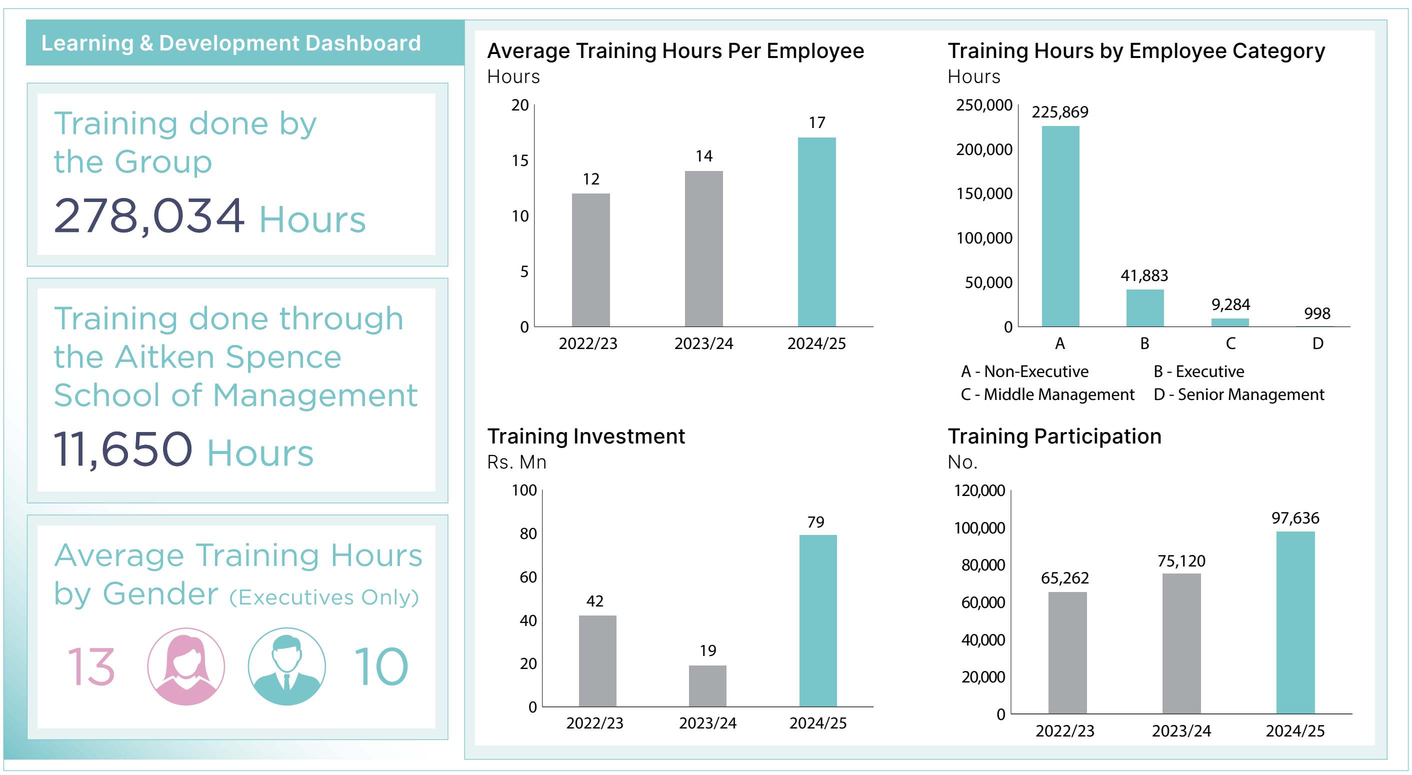
Human Capital

ASSM places strong emphasis on multi-channel training needs identification, ensuring customised learning solutions aligned with both performance and potential within the Aitken Spence Behavioural Competency (ABC) framework. In support of this, the 4D model - Diagnose, Design, Deliver, and Derive - was introduced to guide all L&D initiatives.



A training evaluation form is administered immediately after each programme to assess overall effectiveness. Performance appraisals were conducted via the HRIS for all Executives also.

Learning & Development Initiatives During 2024/2025



Human Capital

Beyond routine Learning & Development (L&D) initiatives, ASSM prioritised special initiatives designed to support and accelerate the Group's transformation journey.

Training Needs Analysis (TNA) Platform | 'ABC Central'

A home-grown, competency-based platform for Executives, 'ABC Central' provides employees and supervisors an opportunity to objectively identify existing skill gaps and create customised training plans. It also tracks development progress and aligns learning with career growth.

New Learning Management System (LMS) | Tartan 2.0

The upgraded LMS, Tartan 2.0, delivers competency-based courses tailored to individual development needs. It enhances the learning experience through improved navigation and promotes peer collaboration across the Group.

Executive Development Programme (EDP) | 'Purposeful Transformation'

This programme was designed to enhance leadership capacity among Assistant Vice Presidents and above to drive transformation. It included sector-specific sessions and a workshop with the Group Supervisory Board (GSB) to align strategic insights with key learnings.

Spensonian Luminary

This internal mentoring initiative equips senior managers with the skills to guide their teams on career and life progression. The first batch of mentors completed a workshop on the 'Art & Science of Mentoring.'

New Manager Programme

Revamped to support first-time managers, this programme covers core managerial competencies and includes an outbound training component to build practical leadership skills.

Transcend Nexus

The novel Transcend Nexus curriculum involving four programmes covering critical competencies was continued.

Programme	Progress in 2024/2025
Spence LEAP 360° (Leadership, Entrepreneurship, Agility, Performance, & 360° Innovation)	Launch of the 2nd batch of this holistic development programme, featuring a psychometric assessment and interactive modules.
Communication Skills + Speechcraft	Expansion to empower all Executives with the skills to confidently lead discussions and establish meaningful connections in business forums.
ROBOLEAP	Engagement across 4 key platforms - Power BI, Power Apps, Robotics, and AI - to foster the growth of tech enthusiasts within the Group.

Human Capital

HUMAN RIGHTS, NON-DISCRIMINATION & EQUAL OPPORTUNITY

(GRI 3-3, 410-1, 2-25, 2-26)

Aitken Spence is committed to upholding internationally recognised human rights and fostering a safe and inclusive workplace, in line with the UN Guiding Principles on Business and Human Rights. HRBPs serve as key contacts for reporting any workplace human rights concerns and the Group employs an 'Open-Door' policy where any employee can seek direct discussions with the management to voice their concerns. As part of the Group's ongoing efforts to protect human rights at the workplace, annual briefings are conducted for all security personnel at Aitken Spence Towers, including outsourced staff, to reinforce the Group's policy commitments. To date, 100% of the executive team of the Group Security Division has been briefed on the UN Global Compact's Ten Principles and key statements from the Universal Declaration of Human Rights. During the year, the Group also incorporated key points on the Group's communication strategies and the role of security personnel in DRR mechanisms into these briefings. The Group also plans to extend these briefings to outsourced personnel at other sites moving forward.

Sri Lanka's female labour force participation rate is one of the lowest in Asia, highlighting the need for focused action. In response, Aitken Spence has implemented initiatives to promote fair gender representation across the organisation. The Group was among the first globally to endorse the United Nations Women's Empowerment Principles and has participated in the UNGC's Target Gender Equality programme for the third time, reaffirming the Group's commitment to achieving gender parity in the workplace. Additionally, Aitken Spence remains dedicated to its Diversity, Equity & Inclusion (DE&I) agenda, titled 'Freedom to be me'.

United Nations Women's Empowerment Principles

1 PRINCIPLE
Establish high-level corporate leadership for gender equality.

2 PRINCIPLE
Treat all women and men fairly at work – respect and support human rights and non-discrimination.

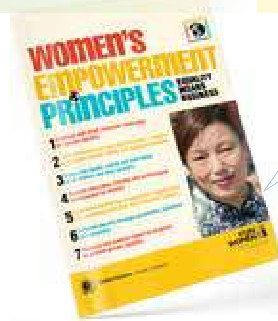
3 PRINCIPLE
Ensure the health, safety, and well-being of all women and men workers.

4 PRINCIPLE
Promote education, training, and professional development for women.

5 PRINCIPLE
Implement enterprise development, supply chain, and marketing practices that empower women.

6 PRINCIPLE
Promote equality through community initiatives and advocacy.

7 PRINCIPLE
Measure and publicly report on progress to achieve gender equality.



UN WOMEN

Human Capital

A Strong Policy Framework

(GRI 3-3, 2-25)

Aitken Spence has in place the following policies to ensure that there is equal opportunity as well as promote inclusion and establish grievance handling mechanisms.

Equal Opportunity

- Diversity, Equity & Inclusion Policy
- Gender Equity Policy

Inclusion

- Enhanced Parental Leave Policy
- Semi-Virtual Mobility Policy
- FlexTime Work Policy
- Adoption Leave Policy

Grievance Mechanisms

- Grievance Handling Policy
- Sexual Harassment Prevention Policy

Grievance Handling Policy

Aitken Spence has a formal Grievance Handling Policy in place to ensure that legitimate work-related concerns are properly identified, addressed, and resolved in a fair and satisfactory manner for all involved parties. The policy outlines a clear and structured procedure that can be followed by an individual employee or a group of employees. Depending on the nature of the grievance, employees may escalate their concerns step-by-step to their Immediate Supervisor, Head of Department, Managing Director, or the GSB-appointed Grievance Committee, which includes the Group CHRO.

The Group proudly launched a Gender Equity Policy, underscoring Aitken Spence's dedication to creating a supportive, fair, and secure environment where all stakeholders - regardless of gender identity - feel valued, respected, and empowered. This policy ensures equitable opportunities for growth, success, and recognition, paving the way for a workplace where everyone can thrive.

GRI Topic	The Performance Indicator	2023/2024	2024/2025
(None)	Total number of harassment related grievances reported to HRBPs	01	02
(None)	Total number of harassment related grievances resolved	01	01
GRI 402-1	Minimum notice periods	4 weeks	4 weeks
GRI 406-1	Total number of incidents of discrimination and corrective action taken	None	None
GRI 407-1	Operations in which the right to freedom of association and collective bargaining may be at risk	None	None
GRI 408-1	Operations at significant risk for incidents of child labour and/ or young workers exposed to hazardous work	None	None
GRI 409-1	Operations at significant risk for incidents of forced or compulsory labour	None	None
	Total number of grievances filed through formal grievance mechanisms during the reporting period	03	01

All reported harassment-related cases were treated with due consideration and diligence according to the Group's established policies, the relevant individuals issued written advice, and preventive action taken in the form of a Group-wide employee engagement and training campaign.

Sri Lanka has signed and ratified key International Labour Organisation (ILO) conventions on child labour, forced and compulsory labour, and freedom of association, and Aitken Spence upholds these commitments by strictly adhering to national labour laws and integrating them into the Group's policies and practices across all operations. The Group maintains due diligence procedures to ensure compliance with laws, regulations and voluntary standards established at the Group's operations and did not identify any operations with significant risk for incidents of child labour or young workers exposed to hazardous work during the reporting period. Segments such as plantations and apparel are globally identified for potential vulnerabilities. To control these risks, both segments maintain stringent management systems aligned to best practices above the compliance requirements of the country. Aitken Spence ensures employees are provided a minimum of four weeks' notice for any significant change that may impact them. Within the Group's workforce, 18% are members of trade unions, and certain segments are covered by collective agreements.

Human Capital

AFFIRMING ACTION

Aitken Spence continued and implemented several initiatives to realise the intent of the policies and address the underlying issues. These include the following:

SpenceKids

Maintained the subsidised childcare facility for Spensonian parents to leverage, to pursue their professional and personal aspirations while promoting work-life balance.

SpenceAscend

Designed to enhance the capabilities of high-potential female employees, preparing them for leadership roles in the future. The first cohort of Spence Ascend is approaching graduation.

SpenceInspire

Made strides in this mentorship programme aimed at connecting junior female employees with female employees holding senior management positions, thereby providing the opportunity to leverage a treasure trove of experience. Identified female leaders were trained on enhancing their mentoring skills.

Sexual Harassment Prevention

Launched a comprehensive Sexual Harassment Prevention Campaign titled 'Respect @ Work' aimed at establishing a structured, transparent, and sustainable framework to prevent, address, and eliminate harassment across all segments, both in Sri Lanka and overseas. This initiative underscores the Group's dedication to fostering a workplace where every individual feels valued and protected.

Accelerating Action on International Women's Day (IWD)

This IWD, the Group focused on empowering the 'SpenceWomen@Work' through vibrant celebrations, including employee pledges to #AccelerateAction, a Compliment Chain and other social media challenges, and inspirational stories from women across the world. A highlight was the 'Wish Tree', where employees were invited to share their hopes, dreams, and aspirations for women's empowerment. These heartfelt suggestions, displayed on the tree, symbolised the Group's collective vision for a more diverse, equitable and inclusive world. The business segments conducted their very own sessions as well to further engage female Spensonians.

'Spence Women @ Work' Testimonials

Discover her path to success in a traditionally male-dominated industry!

Ms. Prashani Liyanage,
Deputy General Manager -
CFS, Aitken Spence Logistics

Explore her story about how workplace equality plants the seeds for growth!

Ms. Yasasi Rangika,
Account Manager -
Merchandising, Aitken Spence Apparel

Reflect on her inspiration and the strength that drives her forward every day!

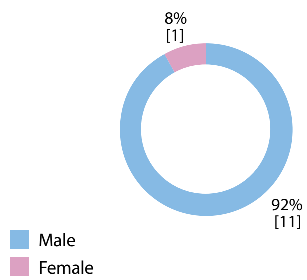
Ms. Maarimuthu Sasikala,
Tea Plucker,
Aitken Spence Plantations

Scan the QR code for more insight into parental leave and other details (GRI 401-1, 401-3).

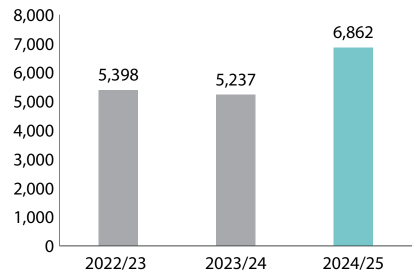
Human Capital

MEASURING PROGRESS

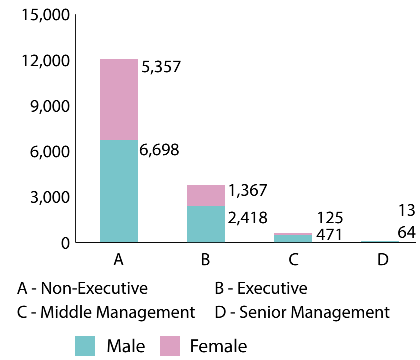
Gender Representation on the Main Board



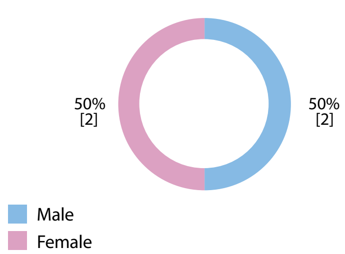
Female Employees



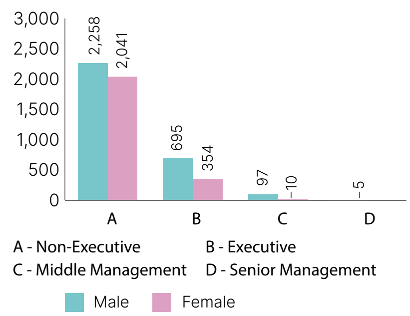
Team Gender Analysis by Category



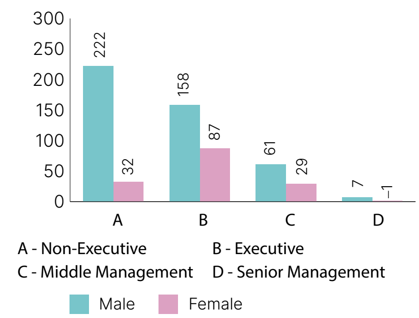
Gender Representation on the Group Supervisory Board



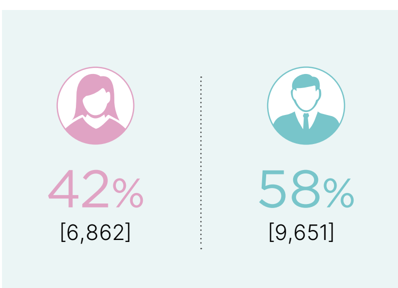
Exits Gender Analysis by Category



Promotions Gender Analysis by Category



Team Gender Representation



Gender Pay Gap (GRI 405-2)

Employment Category	Ratio of Male to Female Pay in Sri Lanka	
	2023/2024	2024/2025
Non-Executive	1 : 0.87	1 : 0.73
Executive	1 : 0.82	1 : 0.80
Middle Management	1 : 1.01	1 : 0.95
Senior Management	1 : 0.98	1 : 0.87

Ms. Stasshani Jayawardena was appointed as the 1st female Chairperson of Aitken Spence PLC.

Breaking Boundaries: Intellectual Capital

Strengthening our intellectual capital empowers us to innovate, adapt swiftly, and maintain a competitive edge in evolving global markets.

Digital prowess and a culture of innovation continue to serve as powerful catalysts in advancing the Group's strategic objectives of expanding Aitken Spence's presence across new geographies and business segments. In addition, these capabilities play a critical role in enhancing operational efficiencies and improving both customer and employer experiences. Accordingly, the Group continues to invest in technology as a strategic enabler to strengthen its intellectual capital, drive agility, and cultivate a culture of continuous improvement. These investments position the Group to respond proactively to market dynamics, deliver differentiated value, and build a resilient, future-ready organisation.

VALUE CREATED IN 2024/25

Rs 576.7 Mn
Investments in Digital Infrastructure

200
Total Management Systems

Rs 78.9 Mn
Training Spend

Intellectual Capital

OUR INTELLECTUAL CAPITAL

Brand Portfolio

Our brand portfolio reflects a legacy of excellence and innovation, comprising a trusted lineup of names that uphold our market leadership across the diversified sectors in which we operate. Each brand embodies the Group's core values: reinforcing our reputation as a catalyst of progress in Sri Lanka and beyond.

Tourism

Aitken Spence Hotels | Heritance Hotels & Resorts | Adaaran Maldives | Turyaa | Aitken Spence Travels | Aitken Spence Aviation | Royal Spence Aviation – An Aitken Spence Company

Maritime & Freight Logistics

Aitken Spence Maritime | Aitken Spence Logistics | Aitken Spence Freight | Aitken Spence Express

Strategic Investments

Aitken Spence Printing | Aitken Spence Apparel | Aitken Spence Power | Aitken Spence Plantations | Berry Much | Tropifrut | Harrow Ceylon Choice | Harrow House | Aitken Spence International

Services

Aitken Spence Elevators | Aitken Spence Insurance | Aitken Spence Property | MMBL Money Master | Port City BPO

Tacit Knowledge and Industry Expertise

Over 20% of our employees have over a decade of experience within the Group, reflecting a deep reservoir of tacit knowledge.

Certifications

The Group maintains over 200 management systems aligned with international standards and global best practices. These systems not only ensure operational excellence and compliance but also contribute to the growth of our intellectual capital.

Detailed information on the certifications for each of the segments is provided in the Management Discussion and Analysis section.

Recognition and Awards

The Group's sustained recognition through numerous awards reflects its position as a pioneer and thought leader across the diverse sectors in which it operates. In financial year 2024/25, Aitken Spence PLC earned 93 accolades, reinforcing its reputation for excellence and innovation. Notably, the Group was inducted into the Hall of Fame at the Best Corporate Citizen Sustainability Awards (BCCSA) by securing the prestigious Grand Slam Award for 2024. It remains the only Sri Lankan entity to be ranked among the Top 10 Corporate Citizens for 19 consecutive years—an extraordinary accomplishment that reflects its enduring commitment to sustainability, stakeholder engagement, and responsible corporate citizenship. Another notable recognition is that Aitken Spence PLC was recognised as the most awarded entity in the Diversified category by LMD in 2024. These awards and recognitions reinforce our objective of achieving employer of choice status.

The key awards received by the Group during the year are outlined under each business segment in the Management Discussion and Analysis. For a complete list of awards and accolades the group has achieved, refer our website https://aitkenspence.com/sustainability

Intellectual Capital

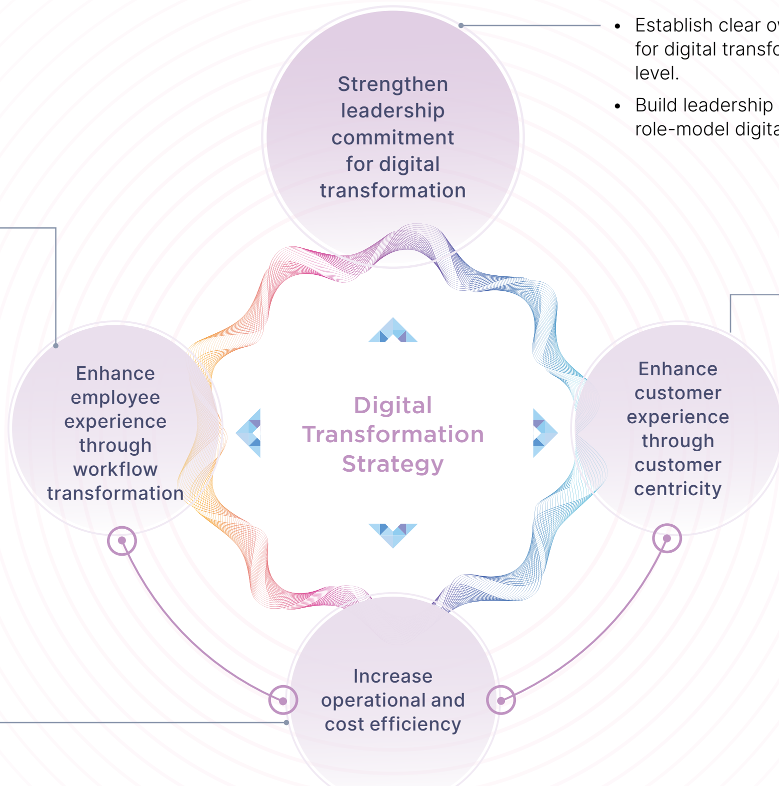
Strategic Priorities	Key Achievements	Focus for 2025/2026
Supporting organisational adaptability and cultural alignment	Successfully automated 7 processes across finance, and operations, reducing processing time	Continue to explore opportunities for Robotic Process Automation
Integrating systems and data across the group	3 New business ventures	Increase use of artificial intelligence (AI) and business intelligence (BI) tools
Maximising the use of existing technologies	55 Process innovations and improvements	Leverage data insights to strategise the organisation for 2030 and beyond
Enhancing data-driven decision making	93 Awards and accolades	Enhance legal protections for intellectual assets, strengthen compliance, update strategies, and intensify employee training to safeguard against emerging digital challenges
Modernising processes for improved experience	42 New product and service offerings	Established dashboards with real-time BI tools, providing actionable intelligence and reducing managerial decision-making time
Encouraging a progressive and agile mindset	86 Total certifications	
Strengthening customer-centric practices		

Intellectual Capital

DIGITAL TRANSFORMATION JOURNEY

Digitalisation remains a vital pillar of the Group's broader transformation journey and serves as the connecting thread among its five strategic objectives. The leadership has adopted a digital-first mindset, recognising technology as a cornerstone of future readiness and organisational agility. Moreover, this paves the way to explore opportunities and venture into new business segments that is one of our Group's objectives.

The Group's digital initiatives are designed to enhance both customer and employee experiences, improve operational efficiency, and support cost optimisation. Beyond these operational benefits, digital transformation plays a significant role in strengthening the Group's intellectual capital—empowering teams with advanced tools, fostering a culture of continuous learning and innovation, and enabling data-driven decision-making. Through the integration of digital capabilities across the organisation, the Group is cultivating a more agile, informed, and future-ready workforce.



- Establish clear ownership and accountability for digital transformation at each leadership level.
- Build leadership capability to champion and role-model digital change.

- Foster a culture that embraces change and supports the successful adoption of digital initiatives across the organisation.
- Nurture a more flexible and responsive organisation by creating an adaptive culture aligned with transformation goals.

- Support a groupwide voice of customer (VoC) approach to gain deeper insights into customer needs and expectations, enabling more responsive actions.
- Redesign processes to be more customer centric and aligned with modern expectations.
- Create more cohesive, personlised and high-quality experiences across customer touchpoints.

- Optimise current digital tools and systems to boost consistency, efficiency and collaboration across business units
- Strengthen Data driven decision making
- Enable seamless data flow and integration to improve business intelligence, operational insights and performance tracking
- Identify opportunities to enhance productivity and service delivery through process improvements and technology enablement

Management Approach

Leadership plays a pivotal role in advancing the Group's digital transformation by setting a clear strategic vision, overseeing the implementation of digital initiatives, and fostering a culture of innovation across the organisation. The Group's digital transformation is therefore led from the top, with the Board setting the strategic direction and the management team actively championing change, empowering teams, and ensuring alignment with long-term business objectives.

To institutionalise this shift, the Group established Digital Transformation Enablers (DTEs)—a cross-functional team of champions responsible for driving innovation, promoting digital adoption, and aligning technology initiatives with strategic priorities. DTEs will continue to play a key role in embedding digital thinking across the organisation and sustaining transformation momentum. This centralised team is expected to drive ongoing knowledge exchange and cross-functional collaboration, ensuring a holistic and unified approach to the Group's evolving digitalisation journey.

Intellectual Capital

Key Developments in our Digital Transformation Journey

The Group continued to advance its digital transformation by investing in new platforms, implementing Robotic Process Automation (RPA) to manage repetitive tasks efficiently, and expanding the use of advanced analytics to deliver greater customer value, enhance operational efficiency, and support data-driven decision-making. A summary of key digital initiatives is provided below.

Process automation for increased efficiency

- Modern digital solutions are used across the Group ensuring seamless collaboration, data integration, and enhanced operational efficiency.
- We have also implemented a cloud-based ERP system that serves both as a backend and a middleware layer, supporting the consolidation of over 100 companies within the Aitken Spence Group.
- AI, IoT and Cloud computing technologies have already been implemented across sectors and continued to reap benefits.

Increased customer centricity

- Launch of a new website, Customer Relationship Management (CRM) system, and a mobile application to enhance customer engagement levels.
- Use of IT systems to continuously monitor KPI's.
- Widespread use of Power BI to understand customer behaviour.

Harnessing the potential of data analytics

- Along BI power tools with other advanced data analytics platforms, is being leveraged to gain real-time insights into customer behaviour, preferences, and trends. These insights enable data-driven decision-making that enhances customer experience, supports personalised engagement, and drives continuous improvement across our services.
- Predictive analytics is also utilised to drive business growth by analysing historical data to uncover trends and patterns that inform strategic decisions, optimise resource allocation, and proactively respond to market opportunities.

Workforce transformation

- Implementation of AI-powered chatbots to assist employees with internal policy-related queries, enhancing self-service capabilities and reducing dependency on manual support.
- Upskilling and reskilling programs in place to support the workforce include training sessions and workshops on new digital tools and technologies.

Sector Specific Digitisation Initiatives 2024/2025

Tourism

- Advance revenue management engines integrated to the booking engines for real time rate updates
- RPA and chat bot usage
- Implement CRM
- Implementation of advanced tools such as channel manager, booking engine, and corporate booking tools to improve customer journey and experience , automate the booking process , and to increase revenue

Maritime and Freight Logistics

- Implementation of Customer Relationship Management (CRM) system in liner segment
- Adoption of RPA technology in liner and CFS operations
- Integration of power tools to streamline functions across the CFS and Depot
- Implementation of a system to record all customer feedback in Freight sector
- Introduction of cargo track and trace system in cargo agency representation and overseas operations

Strategic Investments

- Implementation of updated ERP system for plantation sector
- Ongoing process engineering in the printing and packaging industry
- Use of BI tools across segments

Services

- Implementation of end to end electronic process on support functions such as order to cash value chain
- Move for AI to LLM and Deep learning tools
- CRM integrations and rollout
- Move from RPA to AI Automations
- Smart document recognition for Digitisation

Intellectual Capital

CREATING A CULTURE OF INNOVATION

Cultivating a culture of innovation is essential to the development and strengthening of the Group's intellectual capital. A multi-pronged approach is adopted—investing in cutting-edge technologies, systems, and processes to continuously challenge the status quo, while also empowering employees by providing the space, support, and encouragement needed to embrace innovation and drive meaningful change.

Thinking Forward

Driving Thought Leadership

The Group's Business Transformation and IT teams consistently engage with global industry leaders to adopt forward-thinking strategies. Simultaneously, active participation in industry associations and forums is encouraged across all levels of the organisation to ensure employees remain informed of the latest developments within their respective fields.

The leadership is empowered to identify and trigger digital transformation opportunities, thereby creating a transformation pull rather than relying on a traditional push approach.

The Group is also in the process of strategising its Digital Blueprint for 2030, while recalibrating current initiatives to ensure alignment with long-term strategic priorities.

Empowering Innovation Through Collaboration

The Group has also established several partnerships and collaborations with technology providers and startups to infuse fresh ideas and disruptive innovation into the organisation's ecosystem. These collaborations play a vital role in fostering continuous improvement and delivering future-ready solutions.

In addition, the Group has engaged a number of transformative catalyst partners as external advisors to support a shift in mindset and drive strategic thinking across the organisation.

Recognising and Rewarding Innovative Ideas

Continuation of Groupwide initiatives such as 'Spence Hackathon' and SpenceInnova where teams across the group develop innovative solutions for identified business problems. Over 15 teams and 47 individuals participated in these competitions resulting in 62 new innovative solutions during the year.

PROTECTING OUR INTELLECTUAL CAPITAL

As the Group advances its transition to digital platforms and places greater emphasis on digitisation, strengthening systems to safeguard digital assets and data remains a top priority. Accordingly, comprehensive cybersecurity measures have been implemented across the organisation to prevent system breaches, data loss, and operational disruptions. The Group also ensures strict compliance with data protection regulations to uphold the integrity and confidentiality of its information systems.

The Group has established robust data governance frameworks and policies aligned with the ISO 27001 Cybersecurity standard. Cybersecurity measures implemented to protect digital assets and data include advanced encryption protocols, controlled access mechanisms, cyber drills, vulnerability assessments, regular audits, and the maintenance of detailed audit trails.

In parallel, the Group continuously monitors evolving cybersecurity threats and proactively enhances its security posture. To further strengthen threat detection and incident response capabilities, third-party services such as Computer Emergency Response Teams (CERT) and Security Operations Centres (SOC) have been consolidated and integrated into the Group's cybersecurity infrastructure.

Strengthening Our Footprint: Manufactured Capital

Aitken Spence Group's manufactured capital forms the backbone of its diverse and geographically dispersed operations. It comprises high-quality physical infrastructure, advanced technological systems, and energy-efficient facilities that collectively support seamless service delivery and production excellence across multiple industries and regions.

During the year under review, the Group invested Rs. 3.3 billion in enhancing its manufactured capital, reaffirming its commitment to building a resilient and future-ready infrastructure. These investments enabled ongoing asset modernisation, capacity expansion, and digital integration, aligning with operational requirements and sustainability priorities.

VALUE CREATED IN 2024/25

Rs 989.9 Mn
Investments Towards Production Capacity Expansion (CWIP)

Rs 47.9 Mn
Powering Progress with Low-Carbon Technology

Rs 169.7 Mn
Investments in IT Infrastructure

The Group's extensive geographical presence spanning strategically located hotels, power plants, logistics hubs, apparel factories, and printing facilities, continues to enhance scalability, strengthen its global footprint, and align with its environmental goals. Aitken Spence remains committed to optimising asset utilisation, reducing resource intensity, and integrating sustainability into its physical infrastructure to support long-term growth and innovation. As at 31st March 2025, net book value of the Group's manufactured capital stood at Rs. 76.0 billion, encompassing a diverse range of high-value assets that enable efficient, reliable, and resilient operations across 17 business segments in 12 countries.

Manufactured Capital

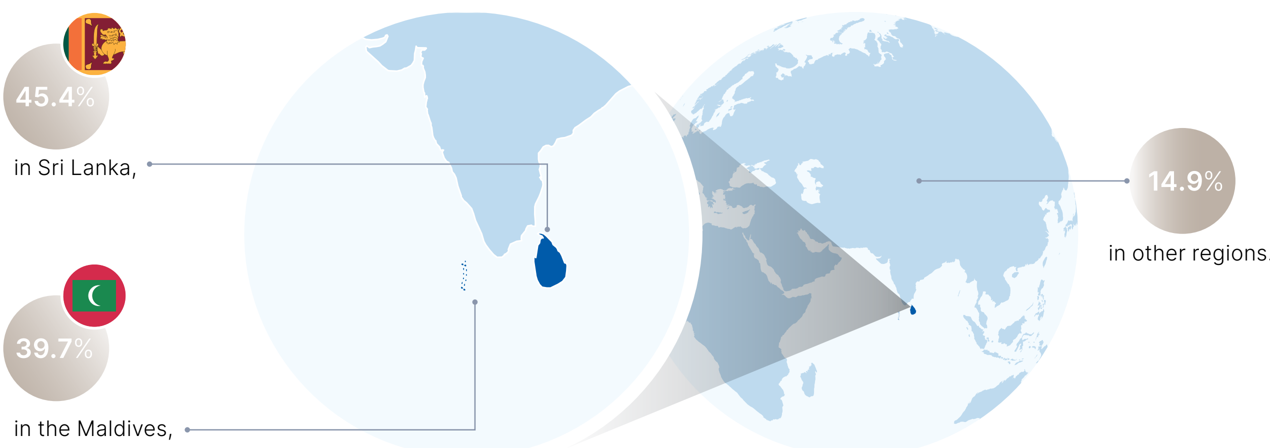
Sector wise Distribution of Manufactured Capital*

Tourism	Maritime & Freight Logistics	Strategic Investments	Services
68.3%	5.9%	24.0%	1.8%
Rs 51.9 Bn	Rs 4.5 Bn	Rs 18.2 Bn	Rs 1.3 Bn

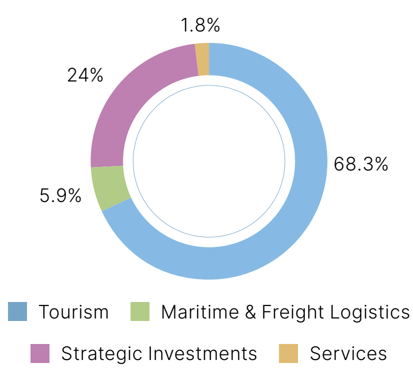
* NBV as at 31st March 2025.

The Group's manufactured capital is strategically distributed across its broad portfolio of businesses and geographies, Nearly 68.3% of the manufactured capital is concentrated in the Tourism sector, with the remainder allocated to key Strategic Investments sector such as power generation, apparel manufacturing, and printing and packaging. Approximately 45.4% of the Group's manufactured capital is located in Sri Lanka, 39.7% in the Maldives, and the balance across other regions. This geographic and sectoral distribution reflects the Group's commitment to regional diversification, operational resilience, and a holistic approach to long-term capital management.

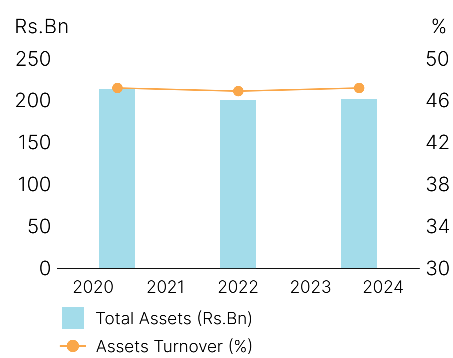
Regional Distribution of our Manufactured Capital



Sector wise Distribution of our Manufactured Capital



Assets Turnover



Manufactured Capital

Strategic Priorities	Key Achievements	Focus for 2025/2026
Demand driven capacity expansion	Capacity expansion undertaken in the apparel manufacture, printing and packaging, and Maritime & Freight Logistics Sector.	Continue to strategically invest in capacity enhancement in growth sectors of the Group.
Transitioning spaces and processes towards low carbon options	Received carbon neutral certification for all production facilities in the apparel segment for the year 2024/25.	Continue investing in solar energy generation and energy-efficient technologies to achieve the Group's emission targets.
Geographical expansion	Refurbishment and renovation of our Resorts in Sri Lanka and Maldives.	Targeted expansion of physical infrastructure locally and globally to expand geographical reach.
Digitisation and Process Automation	Smooth transition of waste-to-energy plant operations and maintenance, enabling expected cost efficiencies and enhanced control over maintenance activities.	Ensure regular maintenance and upkeep of manufactured capital to minimise disruptions.
Minimise downtime through maintenance	Increase in solar energy generation and energy efficient technology across the Group.	
Improve asset reliability internally	Zero major operational disruptions during the year, attributed to predictive maintenance and structured servicing protocols.	
Reduce costs via self-management		



Manufactured Capital

Segment	Snapshot of the Groups' strategic manufactured capital	Capital expenditure highlights for 2024/2025	Environmental stewardship embedded in asset management
Hotels	21 hotel properties across Sri Lanka, Maldives, Oman, and India. Includes iconic resorts under Heritance and Adaaran brands.	In line with the Group's continued focus on delivering exceptional guest experiences, routine capital expenditure was incurred to ensure the consistent upkeep and presentation of hotel properties across Sri Lanka, the Maldives, Oman, and India. This ongoing maintenance supports the Group's brand positioning and service excellence, with a total investment of Rs. 1.6 billion during the year.	Green Globe certification for all Maldives resorts. The segment introduced the concept of sustainable manufactured capital to the tourism industry with Heritance Kandalama, the first LEED certified hotel in the world and the first building outside USA to obtain this certification. The segment also introduced LEED architecture to the Maldives with Heritance Aarah.
Maritime & Freight Logistics sector	Warehousing space over 471,250 sq.ft., three container yards with 6,500 TEU capacity, and a logistics fleet of 112 vehicles.	During the year, the Maritime & Freight Logistics sector invested Rs. 783.6 million to strengthen its end-to-end supply chain and distribution capabilities.	Solar panels, LED lighting, energy-efficient equipment including the EV forklifts which are used in the operating the warehouse.
Power generation	Renewable power plants across Sri Lanka, including hydro, solar, wind, and waste-to-energy facilities.	An investment of Rs. 147.2 million was made in the power generation segment during the year, aimed at strengthening the reliability, stability, and performance of the Group's power plants. This capital outlay supports infrastructure upgrades, maintenance, and technology enhancements, all of which are geared towards ensuring uninterrupted operations and increasing overall energy generation capacity.	Aitken Spence's power segment invested in enhancing plant reliability and output, while advancing Sri Lanka's clean energy goals through hydropower, solar, and the nation's only waste-to-energy plant reinforcing its leadership in sustainable and future-ready energy solutions.
Printing and packaging	South Asia's first LEED-certified printing plant, with automated printing and packaging equipment and capacity for industrial-scale output.	The printing and packaging segment invested Rs. 82.2 million in plant and machinery to enhance product offerings and drive cost efficiency. Key investments included a window patching machine to automate carton production, eliminating manual intervention, and a high-spec laminating machine that enables in-house lamination of metallised boards. Furthermore, the installation of a sewerage treatment plant supports improved waste management practices.	The printing and packaging segment operates South Asia's first LEED Gold-certified, carbon-neutral facility, integrating solar power, rainwater harvesting, and wastewater treatment. Certified for seven consecutive years, it sets industry benchmarks in sustainability through eco-friendly operations and adherence to global environmental standards.
Apparel manufacture	Apparel factories based in Koggala and Matugama offer vertically integrated operations and have recently expanded into knitwear production.	The segment invested Rs. 260.7 million in enhancing factory infrastructure and committed Rs. 214.7 million towards diversifying into knit manufacturing. During the year, significant capital was allocated to upgrading machinery and refurbishing all three plants to meet enhanced compliance requirements.	The apparel segment has strengthened its manufactured capital through investments in energy-efficient technologies, such as LED lighting and advanced servo motors, and waste-reducing machinery like digital plotters enhancing operational efficiency while supporting its carbon-neutral manufacturing goals.

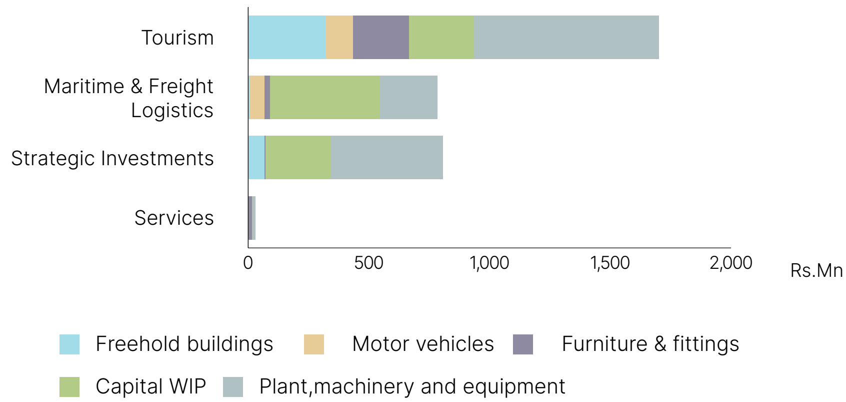
Manufactured Capital

VALUE ADDITION TO MANUFACTURED CAPITAL

The Group continued to enhance its manufactured capital during the year through strategic investments focused on expanding and diversifying its geographical and business footprint, driving operational excellence, and strengthening the long-term sustainability and resilience of its physical assets.

Total capital expenditure for the year amounted to Rs. 3.3 billion, with approximately 51.2% allocated to the tourism sector, primarily for refurbishments and enhancements to properties in Sri Lanka and the Maldives. Significant investments were also made across the apparel and plantation segments as well as the Maritime & Freight Logistics sectors.

Capital Expenditure by Sector



Key capital expenditure investments during the year (by Sector)

Tourism

Rs 429.2 Mn
Refurbishments and modernisation of hotels

Rs 562.5 Mn
IT infrastructure including systems

51.2% — % of Group Capex

Maritime & Freight Logistics

Rs 136.4 Mn
Acquisition of machinery and equipment

Rs 339.3 Mn
Acquisition of reach stackers

23.6% — % of Group Capex

Strategic Investments

Rs 54.1 Mn
Acquisition of machinery and equipment for printing and packaging segment

Rs 12.0 Mn
Sewerage treatment plant for the printing and packaging segment

Rs 214.7 Mn
Capacity expansion for apparel manufacturing segment

Rs 140.9Mn
Plant and machinery for apparel manufacturing segment

24.3% — % of Group Capex

Services

Rs 6.5 Mn
Network expansion
(Money transfer segment-Jaffna branch)

Rs 9.5 Mn
Head office renovation in elevator segment

0.9% — % of Group Capex

Manufactured Capital

WAY FORWARD

Aitken Spence PLC remains firmly committed to strengthening its manufactured capital as a foundation for operational resilience, strategic growth, and long-term value creation. The Group's forward agenda is anchored in sustainability, digital integration, and infrastructure excellence.

Aitken Spence leverages its manufactured capital to strengthen local infrastructure and support inclusive economic growth by developing efficient, sustainable, climate-resilient assets across sectors. Our ongoing investments in modern facilities, renewable-energy systems, and smart infrastructure enhance operational productivity, reduce resource intensity, and improve access to quality services. By integrating the concept of 'Build Better Before, promoting LEED-certified architecture and sustainable engineering solutions, we ensure our built environment contributes to a net positive impact on natural ecosystems and advances the shift towards a low-carbon, circular economy. (SDGs 8, 9, 12 and 15)

Key segments including hotels segment, power generation, integrated logistics, and apparel manufacture will benefit from ongoing modernisation and proactive maintenance to ensure brand consistency, service excellence, and asset longevity. Geographic and sectoral expansion will be supported through agile, scalable infrastructure and selective development of new facilities.

Digitalisation will be accelerated through the adoption of smart technologies, automation, and integrated platforms to enhance asset performance and operational efficiency. All infrastructure enhancements will adhere to global health, safety, and environmental standards, ensuring alignment with evolving regulations and stakeholder expectations.

Reinforcing Relationships: Social and Relationship Capital

We view all our stakeholders, both internal and external, as our partners in progress, recognising their integral role in our ecosystem. This inclusive, relationship driven approach strengthens engagement across the board and helps us deliver a more cohesive and consistent brand experience, ultimately enhancing our overall brand value.

VALUE CREATED IN 2024/25

42
New product and services

Rs 64.0 Bn
Payments to suppliers

Rs 281.4 Mn
Investment towards community development/ strategic CSR

OUR SOCIAL AND RELATIONSHIP CAPITAL

Over 50,000+
Customers across 12 geographies

Average NPS (Net Promoter Score) of **54** across all Sectors.

Business Partnerships

30+
Principals and joint venture partnerships

14,000+
Total suppliers

11,500+
Local suppliers over 80% of the total suppliers

Strong relationships with communities, that have been nurtured over the years, by consistently creating mutual value and fostering trust through collaborative engagement.

Social and Relationship Capital

Strategic Priorities	Key Achievements	Focus for 2025/2026
Develop a sustainability focused product portfolio to meet evolving customer needs	Over 42 new product and service offerings were introduced during the year	Focus on market research and product development (R&D) to enhance offering through product innovation and differentiation.
Strengthen customer engagement to clearly communicate value proposition	Positive NPS scores for all SBUs with 75% of our companies achieving an 'excellent' rating	Strengthen alliances with industry leaders, suppliers, and technology partners to foster innovation and market expansion.
Expand reach into new geographies and venture into new business segments	3 Expansion through new incorporations during the year	
Enhance resilience and sustainability across the supply chain.	Established a dedicated supply chain control team	Integrate local communities into supply chains to drive socio -economic empowerment.
	Re-introduced the Sustainable Supplier Code of Conduct for the Group and revised the Social and Environmental Governance Due Diligence evaluation guide for suppliers with translations availed in Sinhala and Tamil	
Socio Economic Empowerment through community engagement	80% local suppliers across sectors	
	Rs 281.4 Mn channelled towards strategic CSR/ community development across the Group	
	Rs 98.9 Mn directed towards community development initiatives through our valued partnerships	

CUSTOMER RELATIONSHIPS (GRI 3-3)

As a leading diversified Group of companies with operations across 12 countries in Asia, Oceania, and Africa, Aitken Spence serves a broad and diverse customer base. We nurture these relationships by consistently delivering personalised, high-quality experiences and by remaining attuned to evolving customer expectations through ongoing engagement. While the diversity of our customer base necessitates a tailored, sector- or SBU-specific approach, we ensure that our core brand values — reliability, honesty and transparency, warmth and friendliness, genuineness, and inspiring confidence — are deeply embedded in our customer interactions, fostering lasting trust and loyalty across all markets.

Social and Relationship Capital

CUSTOMER ENGAGEMENT (GRI 2-25)

We foster continuous, two-way engagement with our customers, regularly gathering feedback and providing clear, up-to-date information on our products and services. Each subsidiary has its own feedback mechanisms tailored to its specific customer base. Subsidiaries operating primarily in B2B markets manage communication through dedicated contact points, ensuring responsive and relationship-specific engagement as issues arise. Customers can also provide feedback via the Group website or the individual segment websites.

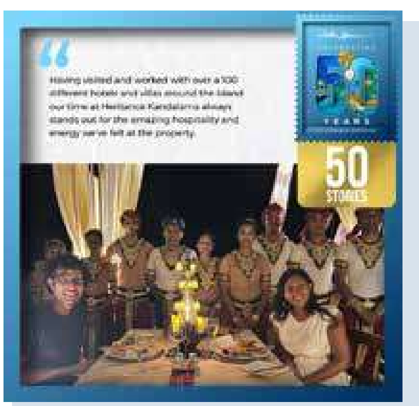
Each subsidiary manages and maintains its own customer data and addresses complaints received through various channels, including email, websites, social media, third-party platforms, and surveys. Databases include only those customers who have made direct purchases and received surveys. Complaints received through other channels are documented and discussed at weekly divisional meetings.

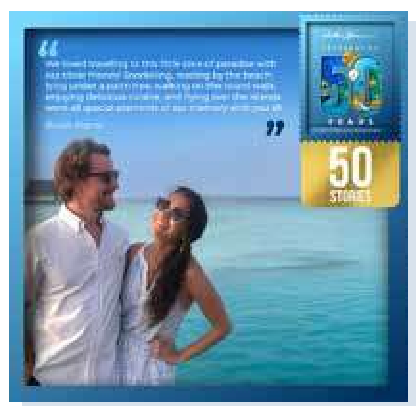
At the Group level, customer feedback is systematically collected and analysed through the annual SpenceWay Service Excellence Survey, with the Net Promoter Score (NPS) serving as a key indicator of customer satisfaction and loyalty. This year, all our companies recorded positive NPS scores, reflecting strong overall customer loyalty. Notably, 75% of our companies achieved an 'excellent' rating, while the remainder also maintained commendable, positive scores.

Transparent communication and responsible marketing play a vital role in strengthening customer trust and enhancing the overall experience with our products and services. All advertisements, press releases, and marketing material are reviewed by the Group Corporate Communications and Branding Unit before publication. For SBU-related product or service advertisements, the marketing heads of each SBU conduct the initial review and, where necessary, consult with the Group Corporate Communications and Branding Unit. This process ensures the integrity and accuracy of content across the Aitken Spence Group, while also promoting autonomy and empowering the marketing teams within each SBU.

RESPONSIBLE MARKETING

Marketing and communications activities across the Group are guided by a cohesive branding and communication strategy, overseen by the Group Corporate Strategy and Sustainability Division. A cross-functional communication and branding team, comprising of representatives from all SBUs and companies, meets every two to three months to align efforts, foster collaboration, and address challenges and successes. Regular one-on-one discussions with SBU representatives further promote awareness, idea sharing, and best practices across the Group. This structured approach strengthens good governance and ensures consistency and effectiveness in communication. To build capacity, the team actively participates in targeted training sessions and workshops. During the year, we conducted a series of Group level workshops on effective social media marketing, the application of AI tools in communication and marketing, with additional sessions planned in collaboration with the Group's Business Transformation division.





Social and Relationship Capital

SUSTAINABILITY-FOCUSED PRODUCT PORTFOLIO (GRI 3-3, 416-1)

In line with our goal of achieving net-zero emissions across the Group by 2030, maintaining net positive impact on ecosystems and biodiversity and reducing our resource footprint by 2030 we continue to develop a sustainability-focused product portfolio designed to minimise our direct and indirect impacts. By integrating inclusive frameworks, systems focused on ethical production, low-emission alternatives, eco-friendly practices, and innovative solutions across our offerings, we aim to significantly reduce our environmental and social impacts. This approach not only aligns with our corporate goals across the Group but also empowers our customers to make more environmentally and socially responsible choices.

Efforts taken by each of our Sectors to make our product and service offering more sustainable include the following:

Tourism Sector

- Increased fleet of hybrid/ electric vehicles
- Implemented a transition towards sustainable energy by deploying rooftop and floating solar photovoltaic facilities, with the objective of deriving 50% of each resort's energy consumption from renewable sources
- Set ambitious goals and targets for reduction in emissions and resource efficiency with more robust mechanisms to monitor progress
- Greater collaboration with stakeholders and industry partners to achieve sustainability goals
- Focus on local economic development and labour standards committed to employee health, safety and welfare

Embedding Sustainability into Customer Offering

Regular policy and procedure updates to ensure products and services consistently meet required environmental and social standards

Continuous focus on research and development
to make our offering eco-friendlier

Groupwide drive towards more sustainable packaging

Innovative promotion strategies that
highlight the sustainability and safety features of our products

Continuous customer engagement
to better align our offering with customer needs and environmental trends

Maritime and Freight Logistics Sector

- 5.3 MT and 568 units of solid waste safely disposed
- 390 GJ solar energy produced
- Focus on employee health, safety and welfare
- Plans in the pipeline towards electrification of part of the fossil fuel needs of the integrated logistics segment to reduce emissions and support the Group's efforts to achieve net-zero

Strategic Investments Sector

- Heightened emphasis on Non-Conventional Renewable Energy (NCRE) to drive growth and attain net-zero emissions across the Group
- Programmes identified to support the net zero pathway to progressively lower GHG emissions in the printing operations
- Adhering to the 7Rs and adopting creative solutions to reduce waste
- Developing strategies and partnerships with industry leaders to ensure the circularity of fabric waste
- Investing in renewable energy sources
- Implementing energy-efficient technologies and practices
- Biochar project for terrestrial carbon capture and sequestering carbon
- Bamboo cultivation to create carbon sinks
- Generating compost from biodegradable waste
- Rainwater harvesting
- Expanding the renewable energy portfolio
- Focus on local economic development and labour standards committed to employee health, safety and welfare

Services Sector

- Efficiency improvement and reduction of resource consumption through an integrated data management system
- Implement an integrated ISO
- Management System for ISO 14001 and 9001
- Achieve a significant reduction in paper usage through process automation
- Enhance environmental management and sustainability training for all staff
- Reducing overall resource consumption by 10% in 12 months
- Focus on local economic development and labour standards focused on employee health, safety and welfare

Social and Relationship Capital

PRODUCT OR SERVICE RESPONSIBILITY (GRI 417-1)

Our commitment to product and service responsibility is centred on ensuring that our offerings do not negatively impact the health, safety, or well-being of our customers and society at large. Each of our business segments rigorously adheres to both internal and external standards, maintaining the highest levels of product and service quality.

This commitment includes compliance with nearly 200 globally recognised management systems related to social sustainability, including occupational health and safety, quality control, food safety, and Environmental, Social, and Governance (ESG) criteria. Robust quality control processes and regular audits are conducted to ensure continuous compliance with these standards.

For a comprehensive list of certifications obtained across each segment, please refer to the respective segment reviews.

Compliance

GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417-2	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	None
GRI 417-3	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	None
GRI 418-1	Total number of substantiated complaints received concerning breaches of customer privacy	None

BUSINESS PARTNER RELATIONSHIPS (GRI 2-6)

Joint Venture Partners and Principals

We work alongside over 30 joint venture partners and principals across the Group, who play an integral role in advancing our global growth ambitions by connecting us with customers, supply chains, and networks worldwide. These strategic alliances enhance our reach and capabilities, enabling us to co-create value and remain competitive in an evolving global marketplace.

We continue to collaborate closely with our partners to drive synergies, unlock new opportunities, and deliver mutually beneficial outcomes. Our relationships are founded on transparency, integrity, and mutual trust, principles that underpin the long-term sustainability and resilience of our partnerships.

Building a Greener Supply Chain

Recognising that environmental and social risks within the supply chain can directly and indirectly impact on our customers, we have taken proactive steps to strengthen its sustainability. During the year, we established a dedicated supply chain control team to identify areas for improvement, mitigate potential risks, and lead the implementation of sustainable practices across the supply chain.

Key improvements introduced during the year include:

- Reintroduction of the Group's Sustainable Supply Chain Code of Conduct
- Revision of the Social and Environmental Governance Due Diligence Evaluation Guide for suppliers
- Integration of a sustainability pillar within the supply chain mapping process

Social and Relationship Capital

SUPPLIER RELATIONSHIPS (GRI 2-6, 3-3)

Our supplier network comprising of more than 14,000 suppliers spread across the regions we operate in is a vital link in our value creation process. Building supply chain resilience and greening our supply chain remain key priorities as we strive to achieve our strategic objectives of growing market share, expanding our geographical presence and achieving net-zero emissions.

Supplier Screening (GRI 203-2, 407-1, 408-1, 409-1, 414-1,414-2, 308-1,308-2)

We endeavour to ensure all suppliers meet the highest environmental and social standards through rigorous compliance checks. Our ongoing efforts include conducting thorough document reviews to ensure compliance, such as verifying operational licenses before engaging in services. We also carry out on-site inspections for our key suppliers and newly registered suppliers. For instance, suppliers shortlisted to provide recycling solutions undergo on-site reviews to ensure the safe disposal of resources.

During the year, a total of 390 suppliers were screened using our revised "social and environmental governance due diligence evaluation guide" for suppliers. We also closely monitor adverse environmental and social impacts across our supply chain. Significant impacts identified and the corresponding actions taken are discussed below.

New Suppliers screened using social/environmental criteria in the financial year 2024/2025

There were no reported incidents of non-compliance with laws, regulations, or minimum standards related to product responsibility. We also ensure that our suppliers comply with all applicable laws prohibiting child labour and forced labour.

Sector	Key social and environmental impacts in supply chain identified	Preventive or corrective action taken
Tourism	Over visitation to certain environmentally sensitive sites like the Yala National Park	Diversion of guests to alternative locations.
Maritime and Freight Logistics	High fuel consumption of cargo transportation vehicles	Retrofitting and route planning of company cargo vehicles where feasible.
Strategic Investments	Depletion of microorganisms and biodiversity by using fertiliser in the plantation sector	Moving towards organic fertiliser to improve the soil health
Services	High paper wastage and storage cost in money transfer operation	Document archiving through scanning Strengthening of contractual obligations of suppliers

Social and Relationship Capital

VALUE CREATED FOR OUR SUPPLIERS (GRI 203-2)

As key partners in our value creation process, we are committed to ensuring that our supplier partnerships and mutually beneficial. We also prioritise working with local SMEs and MSMEs to strengthen the local economy and provide growth opportunities for emerging businesses. Our partnerships contribute to capacity building, job creation, and the advancement of sustainable industrial practices. Total payments to suppliers during the year amounted to Rs. 64.0 billion. Meanwhile ongoing capacity building programmes and engagement with our suppliers ensures that our suppliers particularly in rural areas of Sri Lanka grow with us.

Strengthening Supplier Partnerships

Tourism Sector

Capacity building

Hotels

Successfully guided and developed a domestic supplier to produce high-quality laundry bags made from craft paper. This supplier now consistently fulfils all orders for all hotel properties of the Group in Sri Lanka and has expanded her business by securing additional orders from other hotels.

Strategic guidance

Destination Management

A local entrepreneur initiated the Madampa Lake Boat Safari but struggled to sustain the business. After approaching the destination management segment, our teams evaluated and guided the supplier on necessary improvements for safety and sustainability. Following these changes, we recommended his services, and today, the supplier is a well-established supplier within our supply chain.

Maritime and Freight Logistics Sector

Process guidance

Maritime & Port Services

Guidelines were issued by the principal to minimise environmental impact, and they recognise the initiatives taken by suppliers for environmental protection.

Integrated Container Services

A long-standing supplier who has supported the company for over 25 years continues to provide essential spare parts with remarkable consistency. Despite operating on a small scale, he ensures timely delivery, even for items that are difficult to source in the market. His strong connections within the spare parts industry make him an indispensable part of our operations. Recognising his reliability, the company has supported him in improving documentation processes to further enhance our collaboration.

Strategic Investments Sector

Technical collaboration

Printing & Packaging

Successfully developed the quality standards of our key local suppliers for adhesives and varnish to match imported products. This initiative not only boosted the local industry but also saved foreign exchange and created local employment. Through collaboration with technical teams and multiple trials, both organisations and the country have greatly benefited.

Process guidance

Plantations

The carbonic manure supplier initially used handwritten quotations and bills in a disorganised manner. He was advised to print proper documents, and the company guided him to follow a more structured procedure, including adhering to purchase orders, delivery advice, ensuring quantities by signing delivery notes, and sending invoices and outstanding lists. These improvements have streamlined his operations and enhanced our collaboration.

Services Sector

Property Development

A few of our suppliers initially faced challenges with inconsistent delivery times and quality control issues. Through close collaboration and guidance, we helped them implement robust quality checks and streamline their production processes. Over time, their performance significantly improved, resulting in on-time deliveries and higher quality products. This transformation not only strengthened our relationship but also made them our most reliable suppliers, enhancing our overall supply chain efficiency.

Capacity building through our partnerships and networks such as;

- UNGC Sustainable Supply Chain Working Group
- WEConnect International Regional Conference and corporate matchmaking programme.
- SBU-led supplier training and development programmes

Social and Relationship Capital

(GRI 203-2, 407-1, 408-1, 409-1, 414-1,414-2, 308-1,308-2)

Industry Affiliations and Memberships (GRI 2-28)

We are active participants of over 130 industry organisations. Our involvement in these associations enables us to meaningfully engage in industry dialogues that shape the future of the industries we are involved in. Membership in these associations also enables us to keep abreast of the latest developments on the local and global fronts which in turn would strengthen our operational frameworks for environmental and social governance, as well as responsible product and service delivery.

(visit our website aitkenspence.com/sustainability for details of our memberships and affiliations).

COMMUNITY RELATIONSHIPS (GRI 3-3)

We feel a deep sense of responsibility towards the wider communities in which we operate and are strongly committed to making a positive and lasting impact through inclusive, sustainable, and socially responsible actions. Whilst ensuring strict compliance with all applicable laws and regulations, we ensure that our operations are conducted with integrity and transparency, placing a strong emphasis on environmental stewardship, social empowerment, and meaningful community engagement. We also make every effort to integrate our communities into our supply chain, meaningfully contributing to the socio-economic upliftment and empowerment of our communities.

Local Sourcing and Livelihood Development (GRI 202-2, 203-2)

We actively seek out local sourcing not only to build supply chain resilience but also as part of our efforts to empower local communities and foster inclusive economic growth. All Sectors actively integrate local suppliers into our value chain, while also creating employment opportunities in our surrounding communities.

(visit our website aitkenspence.com/sustainability for details of our memberships and affiliations).

	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Local suppliers engaged	418	489	662	765
Proportion of senior management hired from the local community (GRI 202-2)	Over 30%	N/A	10%	N/A

Note: 'Local' refers to the community within 35-45km radius of the property for operations outside Colombo (or urban cities) in Sri Lanka. For locations outside Sri Lanka, 'local' refers to local employees of the country of operation.

Social and Relationship Capital

STRATEGIC COMMUNITY DEVELOPMENT INTERVENTIONS AND CSR (GRI 203-1, 203-2,413-1, 413-2)

Our community development interventions and CSR activities are designed to reflect our purpose of 'Inspire to Create Great Futures for All' and are aligned with the United Nations Sustainable Development Goals (UN SDGs). By focusing on long-term impact and sustainable development, we strive to create meaningful change that empowers individuals and strengthens communities across the regions where we operate. These initiatives are carried out both at group level as well as at segmental level. A summary of the community development interventions and CSR initiatives carried out during the year is given below. No operations were identified as having significant actual or potential negative impacts on local communities during the reporting period.

Working to build communities to thrive independently with dignity

Our communities have fundamental needs: access to good jobs, food security, quality education, and equal opportunities to name a few. When they can meet those needs, communities are strengthened, and their overall well-being is uplifted. The best way we can support these needs is not through temporary aid, but by building inclusive business models and local supply chains that empower communities directly and sustainably.

Local employment prioritised (GRI 202-2)

- Plantations segment: **Over 90%** of the workforce and **60%** of the management
- Hotels segment: **Almost 40%** of the current workforce
- Tourism sector: Over 30% of the senior management
- Strategic Investments sector: About 10% of the senior management

Local suppliers engaged in the supply chain (GRI 204-1)

- **90%** of transport, **10%** of accommodation and **100%** of the excursion service providers in the destination management segment
- **80%** of the accessories for apparel manufacturing
- **70%** of the firewood, **41%** of the green leaf in the plantations segment
- Hotels segment developed local material-based products from SMEs/MSMEs using kithul, teak wood, copper, and natural stone. Guided by experts, these items reached export quality, serving overseas hotels and promoting sustainable practices.
- Destination management segment engages local suppliers through training, awareness sessions, and implementing a code of conduct. Microfinancing supports sustainable practices, ensuring compliance with global standards and enhancing supply chain efficiency.
- Printing & packaging segment collaborates with suppliers to meet market standards through trial testing and feedback. Obtaining necessary certifications enhances their global competitiveness.
- Plantations segment conducts stakeholder engagement sessions routinely and conduct one-on-one consultations with suppliers and key community members to identify needs. The segment also works to enhance the processes of both key and regular suppliers, focusing on operational efficiency and product quality.

Opportunities enabled for skills development

- **90** local students graduated from the **hotel schools in Ahungalla and Kandalama** in 2024-2025
- Over 100 national park drivers/ tour guides provided with **training on conservation and ESG screening benchmarks every year**
- **42.75%** of the female workforce in the apparel segment graduated from the **P.A.C.E (Personal Advancement & Career Enhancement) programme of Gap facilitated by the segment**, strengthened with the 'Gurukulaya Training Center' in 2024-2025. A total number of 391 students graduated from the PACE programme.
- Partnership between Aitken Spence Elevators and CINEC Campus to provide **elevator technician skills development** had 45 youth enrolled in 2024-2025

Social and Relationship Capital

Supporting entrepreneurship and ensuring food security

- At Group level we partner with a social enterprise to offer **local suppliers a free platform** to sell their products on our premises.
- Aitken Spence supports a Foundation, which empowers young **adults with disabilities** in Sri Lanka by providing tie-dye skills. We purchase curated corporate gifts from the Foundation to promote sustainability and community upliftment.
- **Ape Rahe Piyasa** community store maintained by the apparels segment to encourage employees to sell homegrown produce and homemade food to inspire entrepreneurship and additional income.
- **Care packages** of rice, dry rations, and vegetables, distributed in the estates to families with special-needs-children, widows and orphans.
- **Mid-day meals** provided to all estate workers; Contracts to supply the meals also provided to estate workers and their families.
- Plots of land in the plantations segment used to cultivate vegetables which are distributed FOC to workers

Infrastructure facilities enabled to communities most in need (GRI 203-1)

- The power generation segment engaged in the rehabilitation and repair of the access roads to the Hambantota solar power plant and Matale mini hydro power plant, providing the local community with improved and easier access.
- **Child Development Centres** maintained at all estates with certified educators monitoring the nutrition and health of all children
- **Ambulances and medical centres** facilitated at all estates with qualified medical officers
- Work areas of women with infants adjusted to allow them to work close to their homes
- All estates are being reviewed to be certified as **'Mother & Child Friendly Estates'**
- **Access enabled to ATMs** and bank accounts for all employees, especially women, along with financial literacy education
- **Co-op societies facilitated** at all estates to enable access to goods at subsidised rates
- Special programmes conducted partnering with vendors of school supplies like shoes for children to **enable employees access to required items at subsidised, affordable costs**

Our policy commitments

Commitment G

Encourage and support our partners within the supply chains to conduct business ethically with accountability.

Commitment M

Drive sustainable value creation for local communities through partnerships, local employment, local purchasing and other strategic interventions.

Our alignment with SDGs;

SDG targets we directly align with;		SDGs we indirectly contribute towards;	
1		1	No poverty
2		2	End hunger
3		3	Good health & wellbeing
4	Quality education 4.3, 4.4, 4.6, 4.7	4	
5	Gender equality 5.1, 5.5, 5B	5	
8	Economic growth 8.4, 8.5, 8.8, 8.9, 8.10	8	
10		10	Reduced inequalities
16		16	Peace, justice & strong institutions
17		17	Partnerships for the goals

Nurturing our Foundations for the Future: Natural Capital

At Aitken Spence, we recognise that our actions today have a profound impact on the environment and the well-being of future generations. As a diversified conglomerate with a legacy of responsible business practices, we are deeply committed to integrating sustainability across all sectors of our operations. Guided by the concept of 'Build Better Before', a principle rooted in taking accountability for the intrinsic connection between long-term business success to environmental governance, we continue to invest in sustainable innovations, reduce our ecological footprint, and lead transformative initiatives that contribute to a more resilient and environmentally responsible future.

VALUE CREATED IN 2024/25

208,915 tCO2e
Emissions reduced through the emission control strategies of the Group.

178,859 MT
of municipal solid waste kept away from landfills protecting wetland ecosystems and reducing emissions.

Over 8,100 ha
of habitat-rich green cover protected to conserve Sri Lanka's biodiversity

OUR NATURAL CAPITAL

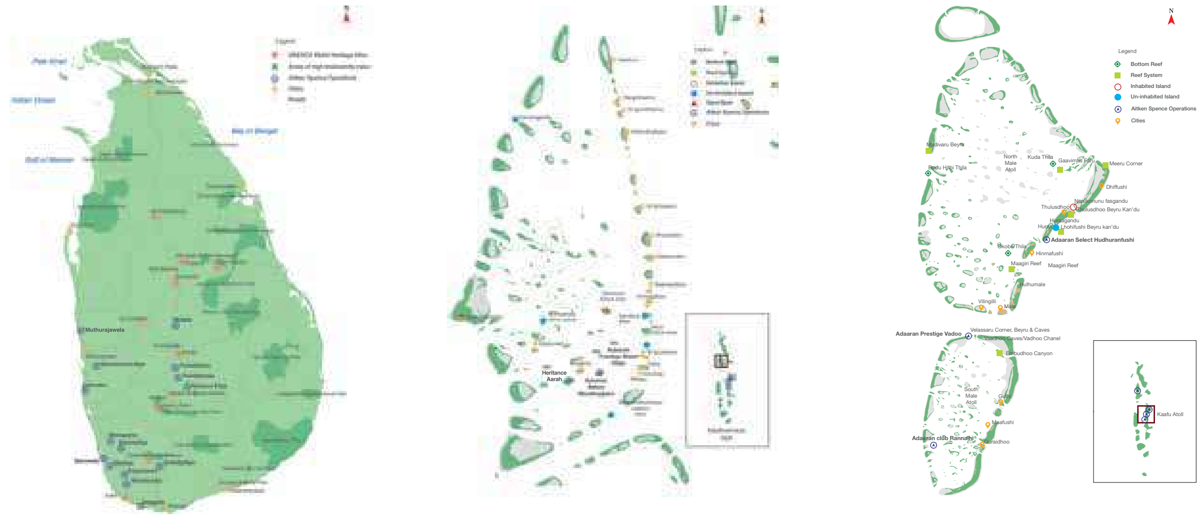
Sector wise breakdown of the environmental footprint

Sector wise breakdown of the environmental footprint	Tourism	Maritime and Freight Logistics	Strategic Investments	Services
Input (As a percentage of the Group total)				
Energy consumption	61%	7%	31%	1%
Water consumption	78%	3%	18%	1%
Output (As a percentage of the Group total)				
Emissions (Scope 1 & 2)	74%	9%	16%	1%
Solid Waste Generation	8%	2%	90%	Negligible
Effluents	15%	18%	67%	Negligible

Aligned with the Group's commitment to achieving net zero emissions and a net positive impact on ecosystems, and with SBTi targets submitted for validation, we continue to advance strategies that enhance resource efficiency, reduce emissions, and protect biodiversity across our operations.

Natural Capital

Locations of operation mapped against protected areas and areas of high biodiversity value* (GRI 304-1, 304-2)

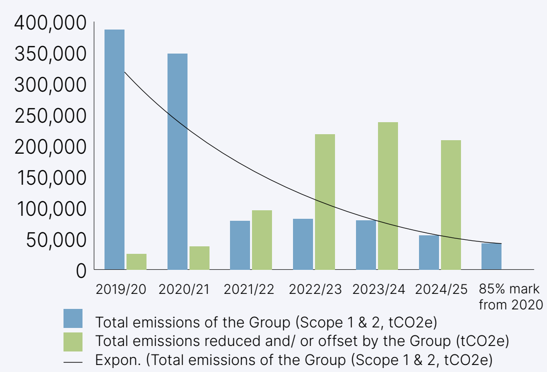


Click here to view the full maps on our website.

ENVIRONMENTAL PERFORMANCE HIGHLIGHTS (GRI 3-3, 13.4)

Strategic Priorities and revised targets*	Key Achievements	Focus for 2025/2026
Consumption of energy From the 2020 baseline; • Phase out commercial thermal energy generation for the national grid by 2030 • Replace 12% of the energy needs in the hotels segment with renewables • Reduce transport related emissions by 20% by 2030	• The Group's energy consumption per unit revenue declined 12% reflecting on the collective efforts of the Group. • The Group reduced 208,915 tCO2e emissions through renewable energy generation, emission reductions achieved, and emissions offset through other means.	• Process control for energy efficiency to reduce emissions • Strategies to reduce emissions from transport

Total Scope 1&2 Emissions Vs. Emissions Reduced



Natural Capital

ENVIRONMENTAL PERFORMANCE HIGHLIGHTS FOR FY 2024/25

Strategic Priorities and revised targets	Key Achievements	Focus for 2025/2026
Withdrawal of water • Ensure zero adverse impacts on water bodies from the withdrawal of freshwater	• The Group's water consumption per unit revenue declined by 19% across the Group although some key sectors saw an increase in the consumption of water per unit revenue. Efforts across the Group to improve water use efficiency, consume treated water and harvested rainwater to reduce the withdrawal of freshwater contributed to this performance.	• Process control and focus on positive behaviours to reduce waste and improve water use efficiency
Use of resources • Use the 7R Principle to monitor and manage resource consumption patterns	• A valuable addition to the country's infrastructure for a circular economy, the waste to energy power plant repurposed 178,859 MT of residual municipal solid waste which is equivalent to the average weight of about 32,520 adult elephants. This is also our most significant contribution to the Clean Sri Lanka project of the government.	• Focus will shift to input materials and supply chains to reduce emissions associated with purchased goods and goods transport.
Land use and interaction with natural ecosystems and biodiversity (GRI 304-1, 304-2, 304-3, 13.4) • Aligned with the 'Build Better Before' concept, work proactively to prevent adverse impacts through responsible land use practices, ecosystem protection, and sustainable design from the outset • Use available platforms to create awareness and educate key stakeholders 	• The hotels segment continued to maintain over 211acres of forest cover in its pristine condition with the long-term goal of building an animal corridor. The forest is home to 19 species of reptiles and amphibians, 64 species of butterflies and dragonflies, 128 species of native flora and 183 species of birds. • The properties in the Maldives also continued their efforts to protect and conserve marine ecosystems through coral restoration projects. All coastal hotels conduct weekly beach cleanups to keep our beaches clean from non-biodegradable waste. • The Plantations segment, meanwhile, conducted biodiversity surveys across its estates and documented the biodiversity in the vicinity. Most of the flora and fauna within the estates have been identified, with daily records being maintained by field officers. We have also developed a comprehensive biodiversity conservation plan in collaboration with the Rainforest Alliance. • The plantations segment actively prevents deforestation and forest degradation by adhering to Rainforest Alliance (RA) and Forest Stewardship Council (FSC) certification standards, which promote sustainable land use and ecosystem conservation. Accordingly, no deforestation or conversion of natural ecosystems has occurred on any land owned, leased, or managed by the segment. These certifications, verified through regular independent audits, confirm that 100% of the cultivated crops as well as sourced volumes are traceable and deforestation-free, with no ecosystem conversion at the estates or across the supply chain. Suppliers are screened through the company's due diligence process and certification requirements.	• In line with the Group's net-zero pathways, greater emphasis will be placed on quantifying carbon capture from newly created green cover and identifying additional nature-based projects the Group can champion. • None of the operational sites owned, leased, or managed are located within protected areas. However, the Rainforest Ecolodge, which we manage, is located adjacent to the Sinharaja Forest Reserve. It is operated with the highest environmental sensitivity, aligning with sustainable tourism principles and conservation objectives. In addition, several segments operate within areas rich in biodiversity, though not formally designated as protected. The efforts to ensure 'net positive impacts' on these ecosystems will be an ongoing priority for our companies.

Natural Capital

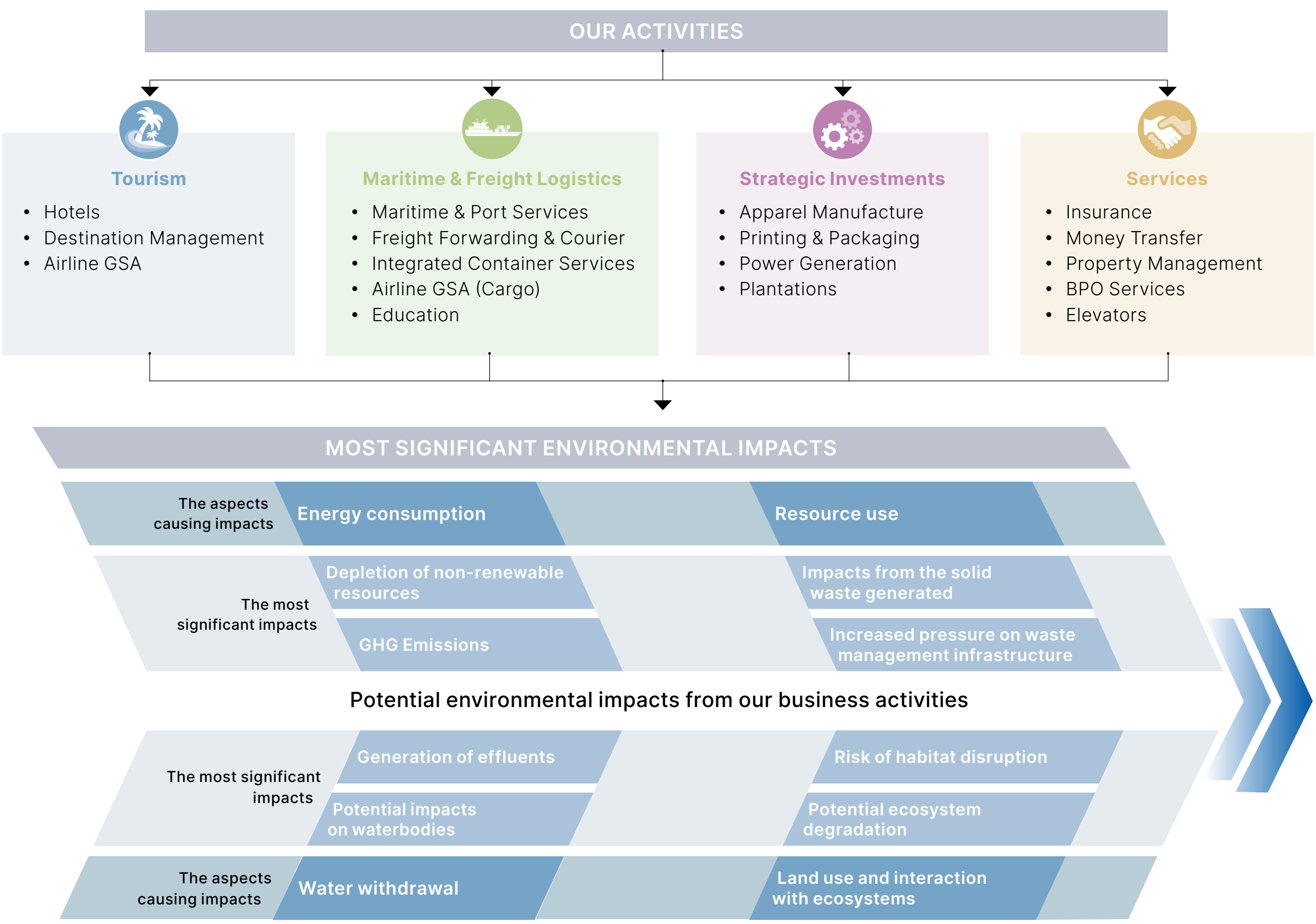
OUR APPROACH TO ENVIRONMENTAL SUSTAINABILITY

At Aitken Spence PLC, we take a precautionary approach to managing natural capital that reflects our recognition of the critical role environmental resources play in our operations. We are committed to responsibly managing our environmental impacts and preserving natural resources, thereby creating sustainable value for stakeholders today and in the future.

Our policy commitments to protect natural capital:

D	T
Embrace the precautionary principle to identify environmental impacts and employ environmental management systems to mitigate potential adverse environmental impacts	Ensure a ‘Net Positive Impact’ on biodiversity, wildlife, and sensitive ecosystems, upholding humane and ethical practices in all operations

Aitken Spence has operations across diverse industries and geographies and takes a proactive approach to managing environmental impacts throughout its value chain. Grounded in a ‘build better before’ philosophy, sustainability is embedded into business processes from the outset, while we attempt to ‘build back better’ to drive continuous improvements to mitigate key impacts.



This cause-and-effect diagram illustrates how our environmental governance priorities are centred on addressing our most significant impacts by managing four key drivers: energy consumption, water withdrawal, resource use, and land use including ecosystem interaction.

Natural Capital

Based on the nature and scale of our operations, and the potential impacts, the environmentally material topics for action can be listed as below.

	Material topic with high significance	Material topic with medium significance	Material topic with low significance
Environmental impact control	• Energy consumption (GRI 302) • Emission control (GRI 305) • Effluent control (GRI 303) • Water consumption (GRI 303) • Solid waste management (GRI 306)	• Supplier environmental assessment (GRI 308) • Biodiversity (GRI 304)	• Materials (GRI 301)
Social impact control	• Learning & development for employees (GRI 404) • Product responsibility, information security & customer satisfaction (GRI 416, 417, 418)	• Supplier social assessment (GRI 414) • Local purchasing and employment (GRI 204)	

Keeping in mind our priorities for impact control and the capacity to create sustainable value, we align with these SDGs and UNGC principles to guide our actions, shape our response, and set realistic targets and KPIs with a vision to Build Back Better and Build Better Before. The listed policy commitments further reflect their integration into the Group's sustainability policy.

Applicable policy commitments	SDG targets directly aligned with for environmental impact control;		Applicable UNGC Principles
B – Support local and global development priorities **D** – Environmental impact control **E** – Climate action and DRR **G** – Supply chain control **H** – ESG in strategic decisions **J** – Process control **Q** – Public disclosure of performance **T** – Net positive impact on ecosystems **U** – Performance review	4	**4.7:** Education for sustainable development	**7 –** support a precautionary approach **8 –** promote greater environmental responsibility **9 –** encourage the development and diffusion of environmentally friendly technologies
	6	**6.3, 6.4:** Reduce pollution and increase water use efficiency	
	8	**8.4:** Improve resource efficiency and decouple economic growth from environmental degradation	
	9	**9.1, 9.4:** Develop sustainable & resilient infrastructure and accelerate sustainable industrial transformation	
	12	**12.2, 12.5, 12.6, 12.8, 12.b:** Enhance resource efficiency, waste reduction, responsible business, and sustainable tourism.	
	15	**15.2, 15.5:** Protect forests, restore ecosystems, and halt biodiversity loss.	

Natural Capital

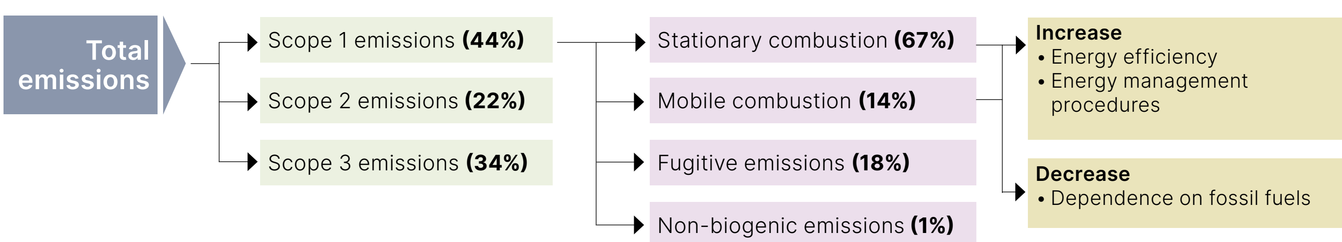
Accordingly, our control measures and targets for the identified material topics can be summarised as below;

Significant Aspects	Significant impacts	Control Measures	Revised Targets	Current Status
Consumption of energy	• GHG emissions • Depletion of non-renewable resources	• Energy management • Transition to renewable energy where practicable	From the 2020 baseline; • Phase out commercial thermal energy generation for the national grid by 2030 • Replace 12% of the energy needs in the hotels segment with renewables • Reduce transport related emissions by 20% by 2030	On Track
Withdrawal of water	• Impacts on water bodies and availability • Generation of effluents	• Water management • Process control to control effluents	• Ensure zero adverse impacts on water bodies from the withdrawal of freshwater	Achieved and maintained
Use of resources	• Generation of solid waste and effluents • Contribution to landfills and associated emissions, pollution and contamination risks	• Use the 7R Principle to monitor and manage resource consumption patterns	• Treat and safely repurpose or dispose 100% of effluents and wastewater • Repurpose or recycle 100% of the solid waste generated • Increase resource efficiency YoY	Achieved and maintained
Land use and interaction with natural ecosystems and biodiversity	• Potential degradation of ecosystems • Increased risk of habitat disruption from operations • Impacts from supply chains on natural ecosystems and biodiversity	• Build Better Before and prevent adverse impacts from the onset • Use available platforms to create awareness and educate key stakeholders	• Maintain 'Net Positive Impact' on biodiversity and sensitive ecosystems	Achieved and maintained

Impact control:

Consumption of Energy (GRI 3-3)

44% of the Group's emissions stem from direct energy consumption (Scope 1 emissions). Most significant emissions stem from stationary combustion for energy (62%) while the next highest proportion of scope 1 emissions is due to mobile combustion of fossil fuels for transport at 14%. Therefore, management of energy consumption is crucial to reduce our impacts on the environment.



Out of our scope 1 emissions, 74% is accountable to the Tourism Sector while the Strategic Investments Sector is responsible for 16%. For this reason, the most notable efforts to curb energy dependence on fossil fuels would be seen in the tourism and strategic investments Sectors. However, all business segments use structured environmental management systems or systemic processes to improve energy efficiency and reduce consumption. Emissions from refrigerants and fire suppressants are accounted for under Scope 1 emissions. NOx and SOx emissions applicable to the power segment are tested regularly and remain within stipulated regulatory limits; however, specific values are not disclosed due to confidentiality considerations.

(GRI 305-6, 305-7)

Natural Capital

Group's energy consumption (GRI 302-1, 305-2)

Tourism Sector	Maritime & Freight Logistics Sector	Strategic Investments Sector	Services Sector
67.9% Diesel **59% of the Sector's emissions (Scope 1&2)**	**85.4% Diesel** **79% of the Sector's emissions (Scope 1&2)**	**81.8% Renewable energy**	**79.3% Grid electricity** **71% of the Sector's emissions (Scope 1&2)**
22.3% Grid electricity 33% of the Sector's emissions	13.2% Grid electricity 19% of the Sector's emissions	**13.1% Grid electricity** **39% of the Sector's emissions (Scope 1&2)**	11.7% Diesel 7% of the Sector's emissions
5.2% LPG 4% of the Sector's emissions	1.4% Petrol 1% of the Sector's emissions	4.1% Diesel 8% of the Sector's emissions	9% Petrol 5% of the Sector's emissions
4.2% Renewable energy		0.9% Petrol 2% of the Sector's emissions	
0.4% Petrol Insignificant emissions			

Efforts to manage energy consumption

Tourism Sector

Current efforts;
- Energy management systems implemented at all hotels
- Route mapping conducted to increase fleet fuel efficiency
- Ongoing efforts to increase energy efficiency

Future plans;
- Replace fossil fuel consumption with renewable energy
- Transition to electric vehicles

Maritime & Freight Logistics Sector

Current efforts;
- Environmental management systems utilised to improve operational efficiency
- Route mapping conducted to increase fleet fuel efficiency
- Investments in electric forklifts

Future plans;
- Invest in energy efficient fleet options
- Invest in solar energy
- Transition to electric vehicles

Strategic Investments Sector

Current efforts;
- Environmental management systems utilised to improve operational efficiency
- Investments in renewable energy
- Development of carbon sinks to monitor emissions.

Future plans;
- Exploring further expansion into renewable energy generation
- Carbon footprint mapping for products to monitor emissions

Services Sector

Current efforts;
- Environmental management systems utilised to improve operational efficiency
- Energy management system being implemented at Aitken Spence Towers to enhance energy efficiency in the use of the building.

Future plans;
- Exploring options to invest in renewable energy
- Transition to electric vehicles

Note: All planned activities are subject to practicability and availability of infrastructure and technology

Natural Capital

TOTAL DIRECT AND INDIRECT ENERGY CONSUMPTION WITHIN THE ORGANISATION (GRI 302-1, 302-3, 302-4, 302-5)

ENERGY	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Non-renewable sources						
Petrol	(GJ)	5,201	1,847	726	2,170	458
Diesel	(GJ)	379,057	324,332	44,370	9,765	590
Furnace Oil/ HFO	(GJ)	-	-	-	-	-
LPG	(GJ)	25,128	24,793	-	335	-
Kerosene	(GJ)	2	-	-	2	-
Total energy consumed from non-renewable sources	(GJ)	409,388	350,972	45,096	12,272	1,048
Renewable sources						
Biomass/fuel wood	(GJ)	152,463	11,312	-	141,151	-
Briquettes	(GJ)	877	-	-	877	-
Hydropower	(GJ)	977	-	-	977	-
Solar energy	(GJ)	2,032	2,032	-	-	-
Wind energy	(GJ)	6,251	6,251	-	-	-
Municipal solid waste	(GJ)	52,774	-	-	52,774	-
Total energy consumed from renewable sources	(GJ)	215,375	19,596	-	195,780	-
Total indirect energy consumption within the organisation	(GJ)	147,583	105,482	6,830	31,263	4,009
Total energy consumption within the organisation - 2024/2025	(GJ)	772,347	476,050	51,926	239,315	5,056
Total energy consumption within the organisation - 2023/2024	(GJ)	901,543	445,605	51,439	399,769	4,731
Total energy generated from non-renewable sources for external consumption	(GJ)	-	-	-	-	-
Total energy generated from renewable sources for external consumption	(GJ)	448,582	-	390	448,192	-
Energy consumption per unit revenue (Rs. Billion) - 2024/2025	(GJ/Rs.Bn)	8.7	7.3	4.7	21.8	2.9
Energy consumption per unit revenue (Rs. Billion) - 2023/2024	(GJ/Rs.Bn)	9.9	6.7	5.6	29.7	2.5
Reductions achieved in energy consumption	(GJ)	(129,197)	30,445	487	(160,454)	326
i.e. change in energy consumption within the organisation based on energy used per unit revenue	%	(12.0)	9.6	(15.5)	(26.7)	14.0

Natural Capital

OUR EMISSIONS (GRI 305-1, 305-2, 305-4, 305-5, 305-6, 305-7)

EMISSIONS	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Category 1 (Scope 1)						
Petrol (mobile combustion)	tCO2e	370	131	52	154	33
Diesel (stationary combustion)	tCO2e	23,284	23,059	31	156	38
Diesel (mobile combustion)	tCO2e	4,966	1,069	3,312	577	6
HFO (stationary combustion)	tCO2e	-	-	-	-	-
LPG (stationary combustion)	tCO2e	1,597	1,576	-	21	-
Kerosene (stationary combustion)	tCO2e	-	-	-	-	-
Fugitive emissions - refrigerants	tCO2e	2,149	1,750	45	237	117
Fugitive emissions - fire suppressants	tCO2e	49	-	-	49	-
Fugitive emissions - fertilisers	tCO2e	4,448	-	-	4,448	-
Non-biogenic emissions from biomass	tCO2e	287	21	-	266	-
Total Category 1 (Scope 1) emissions	**tCO2e**	**37,150**	**27,607**	**3,440**	**5,909**	**194**
Biogenic emissions from biomass	tCO2e	17,174	1,267	-	15,907	-
Category 2						
Energy purchased from the grid	tCO2e	18,357	13,347	818	3,715	476
Total Category 2 (Scope 2) emissions	**tCO2e**	**18,357**	**13,347**	**818**	**3,715**	**476**
Category 3						
Employee commuting	tCO2e	1,019	421	175	239	183
Business travel	tCO2e	201	100	61	38	3
Transport of goods, supplies, and waste	tCO2e	4,149	540	8	1,275	2,326
Transport of guests (chartered flights and excursions only)	tCO2e	3,600	3600	-	-	-
Total Category 3 (Scope 3) emissions	tCO2e	8,969	4,661	244	1,552	2,512
Category 4						
Waste management	tCO2e	18	9	-	9	-
Water supply	tCO2e	84	71	5	7	2
Transmission and distribution losses	tCO2e	1,599	1,163	71	324	41
Wastewater treatment	tCO2e	175	169	1	4	-
Purchased goods	tCO2e	18,483	11,473	765	6,239	6
Total Category 4 (Scope 3) emissions	tCO2e	20,359	12,885	842	6,583	50
Total emissions (Category 1,2,3 and 4)	tCO2e	84,835	58,500	5,344	17,759	3,232
Emission intensity (emissions per unit revenue, 2024-2025)	(tCO2e / Rs. Bn)	0.62	0.63	0.39	0.88	0.38
Emission intensity (emissions per unit revenue, 2023-2024)	(tCO2e / Rs. Bn)	0.87	0.57	0.45	2.71	0.34
Difference	%	(28.2)	9.8	(13.7)	(67.6)	14.5
Emissions Reduced	tCO2e	208,915	3,753	77	205,078	7

Emissions from refrigerants and fire suppressants are accounted for under Scope 1 emissions. NOx and SOx emissions applicable to the power segment are tested regularly and remain within stipulated regulatory limits; however, specific values are not disclosed due to confidentiality considerations.

Natural Capital

Impact control: Withdrawal of water

(GRI 3-3, 303-1, 303-2, 303-3)

Consumption of water is another aspect causing impacts to the environment. We are committed to ensuring zero adverse impacts on water bodies and natural ecosystems from our operations. This involves minimising any potential negative impacts of effluents and ensuring responsible water consumption. The Tourism Sector has the highest water use, followed by the plantations segment. Other operations are not particularly water-intensive due to the nature of their operations

GROUP'S TOTAL WATER CONSUMPTION

- Municipal water: **43%**
- Ground water: **12%**
- Surface water: **40%**
- Harvested rainwater: **5%**

Breakdown of the Group's water consumption by Sector

Tourism Sector	Maritime & Freight Logistics Sector	Strategic Investments Sector	Services Sector
47% Municipal water 38% Surface water 15% Ground water	**100% Municipal water**	**56% Surface water** 22% Harvested rainwater 19% Municipal water 3% Ground water	**99% Municipal water** 1% Harvested rainwater

Efforts to manage water consumption

Tourism Sector – Current efforts;
- Environmental management systems utilised to ensure efficiency
- Treatment of 100% wastewater at our hotels in Sri Lanka and the Maldives to reduce consumption of freshwater

Maritime & Freight Logistics Sector – Current efforts;
- Environmental management systems utilised to ensure efficiency
- Standardisation and improvement of water intensive processes to reduce water consumption
- Treatment of wastewater to ensure safe disposal

Strategic Investments Sector – Current efforts;
- Environmental management systems utilised to ensure efficiency
- Process controls established to prevent contamination
- Rainwater harvesting
- Strategies employed to improve soil water retention
- Treatment of wastewater to ensure safe disposal

Services Sector – Current efforts;
- Environmental management systems utilised to ensure efficiency
- Due diligence conducted to ensure all solvents and detergents used at Aitken Spence Towers are biodegradable options

Future plans;
- Future plans; Maintain efforts to increase water use efficiency

Natural Capital

WATER AND EFFLUENT MANAGEMENT (GRI 303-2, 303-3, 303-4, 303-5)

WATER USAGE	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Water composition by sector	%		78%	3%	18%	1%
Total water withdrawn	(m^3)	1,300,376	1,018,327	33,062	236,354	12,632
Municipal water consumption	(m^3)	564,109	474,354	33,062	44,182	12,510
Ground water consumption	(m^3)	157,614	150,264	-	7,350	-
Surface water consumption	(m^3)	521,536	389,540	-	131,996	-
Harvested rainwater consumption	(m^3)	57,117	4,169	-	52,827	122
Wastewater safely disposed	(m^3)	868,394	839,882	6,360	22,030	122
% of water recycled and re-used/ disposed	%	67	82	19	9	1
Water sources significantly affected by withdrawal of water		None	None	None	None	None
Water withdrawn from areas in water distress		None	None	None	None	None
Water consumption per unit revenue (2024-2025)	(m^3/Rs.Bn)	14.6	15.6	3.0	21.5	7.2
Water consumption per unit revenue (2022-2023)	(m^3/Rs.Bn)	18.0	21.9	3.5	10.7	3.8
Difference in water consumption	%	(18.7)	(28.5)	(14.6)	101.3	92.5

Note: All planned activities are subject to practicability and availability of infrastructure and technology

Natural Capital

Impact control: Use of resources (GRI 3-3, 306-1, 306-2, 13.5.1, 13.6.1, 13.6.2)

Considering the nature of our operations, the use of resources is not a significant concern due to the nature of the impacts. However, use of resources is still monitored within our processes to identify and control any adverse outcomes. Aitken Spence companies prioritise responsible resource consumption and solid waste management to enhance resource efficiency and promote circularity. While our industries do not significantly harm the environment by sourcing raw materials, continuous improvement in sourcing remains a priority.

Towards this objective, we adhere to the **7R principle—Reject, Reduce, Reuse, Reclaim, Repair, Replace and Recycle.** Companies are required to segregate all waste and ensure it is responsibly managed. Recycling service providers need to be screened for appropriate licenses and the authority to recycle scheduled waste. Process improvements are continually implemented to reduce resource consumption and manage waste effectively.

The plantations segment implements a comprehensive soil and pest management approach aligned with RA and FSC certification requirements. Soil health is safeguarded through erosion control, organic matter enhancement, and optimised fertiliser use to minimise nutrient runoff. Pest control is guided by integrated pest management practices, with strict controls on pesticide use. Highly hazardous pesticides are avoided, and less hazardous alternatives are prioritised where feasible. Field staff are regularly trained on safe pesticide handling and application techniques. Detailed soil and pest management plans are maintained as part of certification compliance and are available for review upon request. More details can be perused in the Elpitiya Plantations annual report of 2024-2025.

RESPONSIBLE RESOURCE CONSUMPTION AND WASTE MANAGEMENT (GRI 301- 1, 301-2, 301-3)

RESOURCE USAGE	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Agricultural chemicals	MT	59			59	
Fabrics	MT	764			764	
Fertiliser: Inorganic	MT	4,430			4,430	
Fertiliser: Organic	MT	7,374			7,374	
Glass	MT	2	2			
Ink	MT	71			71	
Lubricating oil/ grease	L	30,082		26,437	1,597	2,048
Packing material: biodegradable	MT	669		527	142	
	Nos	42,858		43	42,815	
Packing material: Non-biodegradable	MT	59	58	0.48	0.02	
	Nos	808,382			808,382	
Packing material: Repurposed, biodegradable	Nos	43		43		
Paper	MT	4,259	5	10	4,243	
Pesticides Intensity; • Extremely hazardous: 0 • Highly hazardous: 0 • Moderately hazardous: 2,028 kg • Slightly hazardous (weedicides): 14,239 kg • Unlikely to present an acute hazard: 0	MT	16			16	
Residual municipal solid waste repurposed	MT	178,859			178,859	

Aitken Spence advances circular economy practices by integrating recycled and repurposed materials into its operations across multiple sectors. The waste-to-energy power plant operates on municipal solid waste as 100% of its input materials, converting waste into renewable energy for the national grid. In 2024/25, the volume of waste diverted from landfill is equivalent to the combined weight of approximately 32,520 adult elephants, demonstrating the scale of impact reduced. In the freight management segment, repurposed packaging materials are used in warehouse operations, contributing to material circularity, though currently accounting for less than 1% of total material use. In the plantations segment, oil palm bunches and refuse tea are reused as organic fertiliser, which now represents approximately 62% of total fertiliser use, reducing dependence on inorganic alternatives and enhancing soil sustainability. In the hotels segment, aligned with the 7R principle, resources such as soap, glass bottles, plastic bottles etc. are reclaimed and repurposed.

Natural Capital

Breakdown of the Group's waste generation by Sector

Tourism Sector	Maritime & Freight Logistics Sector	Strategic Investments Sector	Services Sector
8% of solid waste and 15% of effluents	2% of solid waste and 19% of effluents	90% of solid waste and 67% of effluents	Comparatively negligible

Efforts to manage solid waste (GRI 306-1, 306-2)

Tourism Sector

Current efforts;

- Hotels segment segregates solid waste into over 20 categories to manage waste responsibly.
- Due to limitation of recycling service providers in the Maldives, our properties dispose of miscellaneous non-biodegradable waste in compliance with local regulations. All other waste, including hazardous materials such as plastics, is diverted from disposal and managed according to national guidelines.

Maritime & Freight Logistics Sector

Current efforts;

- The Sector repurposes packing materials to reduce resource consumption. For example, packing materials used by the freight segment are repurposed items.
- The Sector also digitised processes to reduce resource consumption.

Strategic Investments Sector

Current efforts;

- The plantations segment composts 100% of organic waste to improve soil carbon levels. The Printing segment aims to reduce waste by 50% and maintain 80% capacity utilisation.
- The Apparel segment reduced fabric waste through a new pattern-making system.
- The waste-to-energy power plant converted residual municipal solid waste from the Colombo district to generate renewable energy for the national grid.

Services Sector

Current efforts;

- Business segments within the Sector also utilise RPA systems to increase process efficiency and eliminate the use of paper.
- Further, the Sector maintains streamlined processes to manage solid waste.

(GRI 306-3, 306-4, 306-5)

WASTE MANAGEMENT	Unit of Measure	Group	Tourism	Maritime & Freight Logistics	Strategic Investments	Services
Total waste recycled						
Total hazardous waste (tonnes)	MT	88	31	-	57	-
	Nos	118	64	-	54	-
	Litres	36,300	-	-	36,300	-
Total non-hazardous waste	MT	1,280	88	0	1,185	7
Total waste sold for reuse or repurposed						
Total hazardous waste (tonnes)	MT	2,987	5	-	2,982	-
	Nos	54	54	-	-	-
Total non-hazardous waste	MT	22,590	1,923	2	20,661	4
	Nos	588	20	568	-	-
	Litres	21,808	8,626	10,802	2,380	-
Total hazardous waste (tonnes)	MT	3,165	36	3	3,125	2
	Nos	172	118	-	54	-
	Litres	36,300	-	-	36,300	-
Total non-hazardous waste (tonnes)	MT	24,026	2,011	3	22,001	11
	Nos	588	20	568	-	-
	Litres	21,808	8,626	10,802	2,380	-
Total waste incinerated						
Total hazardous waste (tonnes)	MT	90	-	3	85	2
Total non-hazardous waste	MT	156	-	-	156	-
Total waste sent to landfill	MT	36	31	0	5	0

Natural Capital

Impact control: Land use and interaction with ecosystems (GRI 3-3, 304-2, 304-3, 304-4)

Unregulated business activities can pose risks to biodiversity and natural ecosystems. This is particularly relevant to our Tourism and Strategic Investments sectors, where operations often intersect directly with ecologically sensitive areas. Both the hotels and plantations segments have conducted biodiversity surveys at their operations, and we hope to identify the number of IUCN Red List species by level of extinction risk from these surveys. At Aitken Spence, ensuring a net positive impact on biodiversity and ecosystems is a material priority that demands rigorous controls and forward-thinking management approaches. In line with the 'Build Better Before' principle, we emphasise early intervention to avoid and minimise ecological harm. As a foundational step, we have mapped our operational sites against protected areas and regions of high biodiversity value to identify where our presence could either pose risks or contribute meaningfully to conservation efforts.

Summary of influence and interaction with natural ecosystems

Tourism Sector	Maritime & Freight Logistics Sector	Strategic Investments Sector	Services Sector
Significant interaction with and influence on natural ecosystems and biodiversity.	Limited exposure with marine ecosystems through associate companies and principals.	Considerable interaction with and influence on natural ecosystems and biodiversity.	No exposure

Efforts to manage impacts on biodiversity

Tourism Sector

Current efforts;

- Use of LEED architecture, to minimise impacts on the surrounding ecosystems
- Standardising operations using management systems aligned with global standards such as Travelife, ISO 14001 etc. to control business activities and reduce impacts on natural ecosystems and biodiversity
- Educating staff members to ensure the segment's commitments are conveyed to guests
- Engaging with suppliers and service providers to educate key members of the business model about sustainability, conservation and sustainable co-existence with natural ecosystems
- Protecting habitats by investing in maintaining conservation forests (hotels segment) and supporting national interventions

Maritime & Freight Logistics Sector

Current efforts;

- The Sector supports the protection of marine ecosystems by partnering with our hotels to reclaim plastic waste from our beaches.

Strategic Investments Sector

Current efforts;

- Standardising operations using management systems aligned with global standards such as Rainforest Alliance RA), Forest Stewardship Council (FSC) certification, ISO 14001, WRAP etc. to control business activities and reduce impacts on natural ecosystems and biodiversity.
- The plantations segment continues to maintain over 8,000 hectares of green cover. With the upcountry cluster of estates maintaining the RA certification and the low-country cluster of estates maintaining the FSC certification, the estates are surveyed for biodiversity and findings are documented. Estate teams are educated on the requirements to protect these ecosystems.

Services Sector

Current efforts;

- Paper used in Aitken Spence Towers are Forestry Stewardship Council certified to ensure we do not damage virgin forests for our administrative tasks.

Aitken Spence and its companies are committed to responsible land use and the protection of natural resources, including customary and informal tenure rights, in line with national laws. We support Environmental Impact Assessment (EIA) processes where applicable and uphold our commitment to achieving net positive impacts on biodiversity and ecosystems, in line with our "Build Better Before" strategy. Aitken Spence does not have any operations which are located in areas where land or natural resource rights may be affected, and no instances of violations of such rights, including customary, collective, or informal tenure, have occurred.

Natural Capital

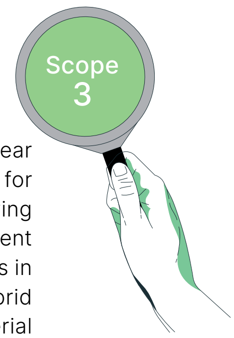
AITKEN SPENCE'S NET-ZERO JOURNEY

Demonstrating strong commitment to combating climate change and embedding sustainability into its operations, Aitken Spence became the first diversified Group to publicly commit to setting science-based targets by becoming a signatory to the Science Based Targets initiative (SBTi) in 2022. Aitken Spence is also part of the Business Ambition for 1.5°C campaign—an initiative led by a global coalition of UN agencies, businesses, and industry leaders in collaboration with the Race to Zero, calling for decisive action to limit global warming to 1.5°C. In line with this commitment, emission reduction targets and action plans have been developed to achieve net-zero emission status by 2030. In setting targets and measuring progress the Group has adopted a dual-baseline approach that ensures that emission reduction targets are both ambitious and reflective of the company's evolving operational landscape.

Baseline year for emission reduction targets

FY 2019/2020 financial year was selected as the baseline year for Scope 1 and 2 due to the Company recording the highest emissions during that year on account of the operation of the Embilipitiya power plant and peak activity in the company's hotels, destination management and logistics operations.

The 2023/2024 financial year was selected as the baseline for monitoring our emissions, following a comprehensive assessment that reflects recent shifts in supply chains, the rise of hybrid work models, and other material operational changes.



Aitken Spence has established near-term targets as part of its strategic roadmap to achieve net zero-emissions by 2030, by focusing on the Group's most significant emission sources. These targets reflect a careful and progressive approach, ensuring that emission reductions are both impactful and achievable. By prioritising high-emission areas, the company is taking deliberate steps to drive meaningful progress toward its long-term climate commitments.

Our Climate Strategy

A TCFD-Aligned View on Climate Governance, Risk, and Opportunity

As a diversified conglomerate with a global footprint, we understand that climate change presents material risks to both short- and long-term business continuity. Shifting weather patterns, rising sea levels, and increasing volatility in natural systems affect not only our operations but also the communities we support and the ecosystems we depend on. And we understand the need to take urgent action to both mitigate and adapt to climate change. This is why the Group has worked with our business segments for many years to integrate environmental impact control as well as climate resilience into the core business strategy. Proactive climate action is central to safeguarding our people and assets, strengthening supply chain resilience, and ensuring sustained value creation across our diverse portfolio.

WHAT IS CLIMATE CHANGE AND WHY SHOULD BUSINESSES BE WORRIED?

Climate change refers to long-term alterations in earth's climate system, primarily driven by the accumulation of greenhouse gases (GHGs) like carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) in the atmosphere. These gases retain heat in the atmosphere; this is a natural phenomenon known as the greenhouse effect which is essential for life. However, human activities like burning fossil fuels, deforestation, and industrial processes have significantly increased GHG concentrations, intensifying the greenhouse effect and driving global temperatures upward accelerating changes to climate patterns faster than humans are capable of adapting.

More than 90% of the excess heat trapped by greenhouse gases is absorbed by the oceans. Because water has a high specific heat capacity, the oceans warm slowly but retain that heat for much longer than land or air, releasing it gradually over time. Ocean warming disrupts marine ecosystems by altering currents and circulation patterns, impacting fisheries productivity, and influencing global climate dynamics. Additionally, changes in ocean surface temperatures affect atmospheric conditions, leading to shifts in wind patterns, rainfall distribution, and weather extremes. Consequences of this warming include rising sea levels due to thermal expansion of ocean water and melting glaciers and ice sheets, reduced snow cover, shrinking Arctic Sea ice, and increased humidity levels. Scientific assessments confirm the earth has experienced significant warming, with the last decade recorded as the warmest on record.

IMPLICATIONS FOR INDUSTRIES AND BUSINESSES FROM CLIMATIC CHANGES;

Extracts from the regional synthesis provided by the IPCC for South Asia

Climatic Impact-Drivers	Predicted Future Changes to these Drivers
Extreme heat	▲ High confidence of increase
Cold spells	▼ High confidence of decrease
Mean precipitation (rainfall in context of South Asia)	▲ High confidence of increase
River floods	▲ Medium confidence of increase
Heavy precipitation and pluvial flood	▲ High confidence of increase
Landslide	▲ Medium confidence of increase
Fire weather	▲ Medium confidence of increase
Relative sea level	▲ High confidence of increase
Coastal flood	▲ High confidence of increase
Coastal erosion	▲ High confidence of increase
Marine heatwave	▲ High confidence of increase
Ocean acidity	▲ High confidence of increase

Source: IPCC AR6-WGI Atlas - Regional synthesis (no date) IPCC WGI Interactive Atlas. Available at: https://interactive-atlas.ipcc.ch/regional-synthesis

Note: A pluvial flood is a type of flooding caused by intense or prolonged rainfall that overwhelms the natural or built drainage systems, leading to water accumulation on the ground. It occurs without a river or water body necessarily overflowing.

Our Climate Strategy

CLIMATE SCENARIO ANALYSIS – A PREPARATORY OVERVIEW

Indicator	1.5°C Scenario	2°C Scenario
Global Temperature Rise	1.5°C above pre-industrial levels	2.0°C above pre-industrial levels
Potential sea-Level Rise (by 2100)	~0.26 to 0.77 m	~0.36 to 0.87 m
Extreme Heat	14% of world population exposed once every 5 years	37% of world population exposed
Coral Reef Loss	70–90% loss	>99% loss
Species at Risk	Lower extinction risk	Significantly higher extinction risk
Crop Yields (tropics)	Smaller declines	Larger declines, food insecurity risks increase
Water Stress	Lower population exposed to water scarcity	61 million more people exposed compared to 1.5°C
Poverty & Inequality	Less impact on vulnerable populations	Higher risks of pushing millions into poverty
South Asia	Reduced monsoon disruptions, manageable agricultural impacts	Higher flood risks, lower crop productivity, more health stress
Global GDP Loss (projected)	~1–2%	Up to 3–4%

POTENTIAL RISKS TO OUR PEOPLE AND OPERATIONS

These IPCC projections reinforce the climate-related risks identified by our teams as the most probable and relevant to our context, presented below in summary;

1. Impacts on operations in coastal areas from rising sea levels and coastal flooding
2. Heat-stress on employees due to extreme heatwaves
3. Disruption to operations or supply chains from increased cyclones, storm surges, other natural disasters and climate events
4. Disruption to tourist activities from higher ocean temperatures and coral bleaching
5. Droughts and changing rainfall patterns having adverse impacts on communities and agriculture
6. Higher maritime and air turbulence disrupting supply chains
7. Water scarcity for industrial and agricultural use
8. Rising energy demand and stress on energy infrastructure

Aitken Spence is steadfast in our commitment to climate action across our diverse operations. As a leader in sustainability, we recognise the urgency and significance of addressing climate change. Our actions are customised to address the specific nature of our impacts, balancing local and global development priorities, and leveraging our scale to create meaningful change. We continue to invest in impact control and proactive measures for both mitigation and adaptation. This summary highlights our initiatives, metrics, and targets, underscoring our dedication to this critical issue that affects all stakeholders and the ecosystems sustaining life.

SUSTAINABILITY GOVERNANCE

The Group has established a comprehensive governance framework to manage business sustainability which has been shaped and strengthened over more than two decades. This structure has been explained in detail in the Corporate Governance section of this report on page 100 to 136.

Oversight of climate-related risks and opportunities is embedded within the Group's governance structure and anchored at the Board level through the Sustainability Council, a formal subcommittee that meets monthly. The Council is chaired by a Board Director and includes another Board member, along with the Managing Directors and CEOs of each business segment, the Group Chief Financial Officer, Chief Legal Officer, and Chief Human Resources Officer. This Council provides strategic direction on climate and sustainability matters and monitors performance across the Group.

To support effective implementation, a Group sustainability team—comprising sustainability leads from each business segment—also meets monthly and works closely with internal committees at the operational level. These teams are responsible for integrating climate-related considerations into day-to-day operations and segment strategies. Senior management, in turn, is accountable for executing climate actions and reports regularly to the Sustainability Council on progress, emerging risks, and opportunities.

RISK IDENTIFICATION AND MANAGEMENT

To identify and assess climate-related risks, the Group adopts a structured, multi-tiered approach that combines desk research with on-the-ground insights from segment-level risk management,

Our Climate Strategy

sustainability, and Disaster Risk Reduction (DRR) teams. Climate risk assessments are informed by global and regional projections (such as those from the IPCC), evolving regulatory landscapes, and geographic-specific hazard mapping. These are further refined through consultations with segmental teams to ensure risks are contextualised for each business.

A key part of this process is the work undertaken by our DRR teams, who evaluate the vulnerabilities of six critical assets—people, inventory, equipment, buildings, data, and business activity—to both natural and man-made hazards. For example, assessments consider the impact of extreme heat or flooding on employee safety, equipment downtime, data centre exposure, or business continuity. These evaluations directly inform contingency planning and resilience measures at site and segment level.

During the year, we further strengthened this process by introducing 'supply chains' as a seventh critical asset, recognising the growing exposure of logistics, sourcing, and vendor networks to climate-related disruptions. Cross-functional teams were formed across business segments to identify segment-specific climate-related risks and opportunities, ensuring a more integrated and forward-looking view of risk.

Identified risks are prioritised based on likelihood and severity and are embedded within the enterprise risk management (ERM) framework, enabling appropriate mitigation or adaptation responses. This process is reviewed periodically to account for emerging risks and evolving climate scenarios and is reported to the Sustainability Council for strategic oversight. For more information, please refer to the Risk Report on page 137 to 146.

STRATEGIES

This climate strategy forms a core component of the Spence IMPACT strategy; Aitken Spence's overarching sustainability framework that strives to integrate Inclusive development, Mitigation of adverse impacts, Partnerships, Accountability, Community, and Transformation into every aspect of our business. In recognition of the physical and transitional risks posed by climate change, our approach under Spence IMPACT ensures that climate action is not a standalone initiative but embedded into long-term value creation across all sectors.

Inclusive Development: Ensure that our transition to a low-carbon future leaves no one behind.

We engage employees, supply chain partners, and communities in strengthening resilience, with a focus on safe working conditions, equitable access to opportunities, and support for those most vulnerable to climate impacts. Our Group-wide Disaster Risk Reduction and Business Continuity Management (DRR/ BCM) teams proactively identify risks from natural and man-made hazards, to ensure adequate safeguards are in place to protect both people and operations. Key actions during the year included;

1. Development and publication of maps highlighting flood-, landslide-, and earthquake-prone areas in Sri Lanka
2. Expansion of emergency response drills to cover extraordinary scenarios
   - Night-time drills to train staff on overnight shifts
   - Earthquake response training and drills at Aitken Spence Towers
3. Enhanced vulnerability assessments through direct discussions with segmental Managing Directors and DRR teams to review preparedness strategies
4. Launch of the inaugural 'DRR Day' to reinforce the Group's commitment to ensure resilience

Mitigation of adverse impacts: Ensure environmental impact control and prioritise achieving Net Zero emissions across the Group by 2030.

Aitken Spence remains committed to proactive environmental impact control, guided by a science-aligned roadmap developed in line with the Science Based Targets initiative (SBTi) and aligned to the 1.5°C climate goal. Our net zero pathway focuses on reducing significant emissions across the value chain through the following strategies;

1. Drive absolute emissions reduction
   - Improve energy efficiency to cut Scope 1 and 2 emissions
   - Transition from fossil fuels to renewable energy where feasible (Scope 1)
   - Optimise supply chains to lower Scope 3 emissions from procurement and logistics
2. Plan for carbon capture and removal projects to address residual emissions and achieve net zero balance

In parallel, we continue to pursue a Net Positive Impact on biodiversity and sensitive ecosystems, enhance resource efficiency year-on-year, and ensure 100% of effluents and solid waste are treated, repurposed, or safely disposed in line with circular economy principles and the 7Rs.

Partnerships for progress: Accelerate action through knowledge sharing and collaboration.

Building strategic partnerships remains critical to our strategy. We actively collaborate with platforms such as the UN Global Compact, and the Asia Pacific Alliance for Disaster Management (APAD-SL) and also take inspiration from the guidance received from SBTi to leverage global knowledge, local insight, and multi-sector cooperation to enhance climate action.

Accountability: Transparent reporting and measurable progress.

We strive to ensure transparency by reporting emissions and climate-related performance in line with global standards and obtaining third-party assurance. Progress is closely monitored against defined KPIs and targets under the Spence IMPACT strategy, keeping key stakeholders informed and engaged throughout our sustainability journey.

Our Climate Strategy

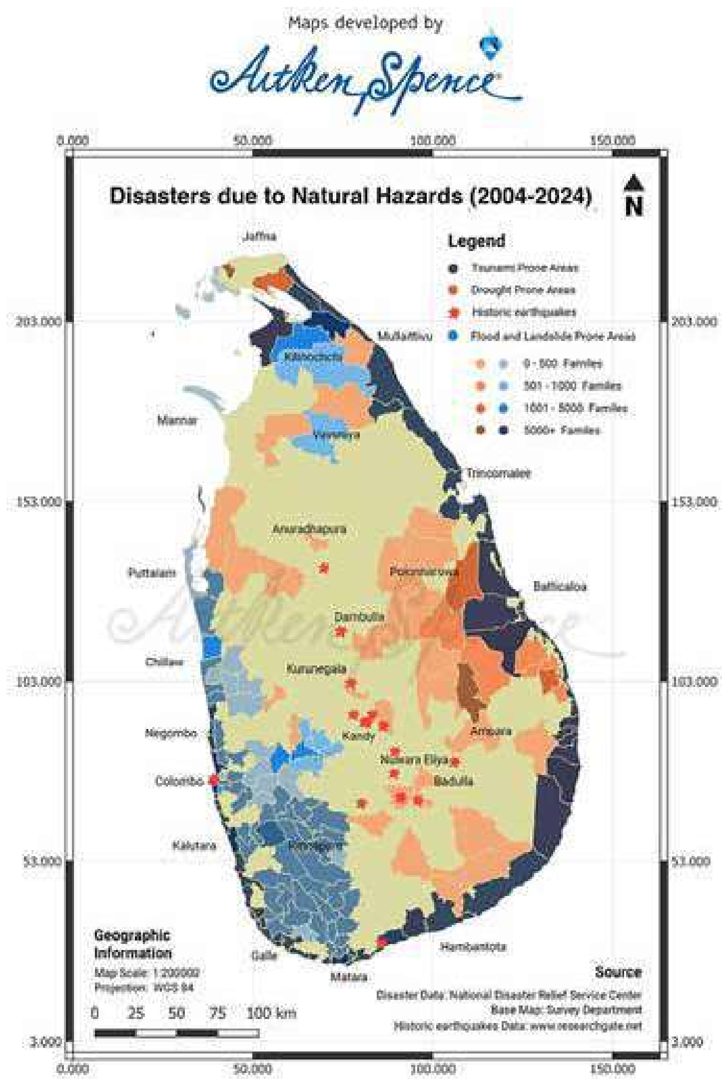
Community engagement and development: Ensuring equitable climate solutions and shared resilience.

We are working to embed our sustainability values across the supply chain by promoting responsible practices, safeguarding worker welfare, and supporting community-level adaptation to climate risks. During the year;

1. The Supplier Code of Conduct and Due Diligence Guidelines were translated into Sinhala and Tamil to enhance accessibility and understanding.
2. The Group's Supply Chain Team made progress on value chain mapping to identify vulnerabilities and develop targeted resilience strategies
3. Cross-functional DRR/BCM teams also continued to assess vulnerabilities and local community needs, integrating them into Group-wide DRR strategies.

Transformation: The lens through which we future-proof our business models.

Our climate strategy drives long-term resilience by integrating DRR and climate risk management into risk assessments, investing in sustainable technologies, and diversifying revenue streams. The Group's growing portfolio of renewable energy projects, including solar, wind, mini-hydro, and waste-to-energy, reflects this commitment. Our transformation strategy also actively explores emerging risks and disruptive shifts, identifying how sustainability and climate action can strengthen business models and unlock future opportunities.



Endorsed by:

ASIA PACIFIC ALLIANCE FOR DISASTER MANAGEMENT SRI LANKA

Read more about our DRR/ BCM Strategy and performance

Together, these strategies within the pillars of Spence IMPACT shape a climate strategy that is bold, inclusive, science-based, and action-oriented—designed not only to mitigate risks, but to create shared sustainable value for all our stakeholders.

METRICS & TARGETS

In 2024, the Main Board of Aitken Spence PLC approved a set of near-term emission reduction targets as part of the Group's net zero commitment, with the objective of achieving net zero emissions across the Group by 2030. These targets are informed by climate science and aligned with the 1.5°C pathway, consistent with global efforts to meet the goals of the Paris Agreement;

1. Phase out commercial thermal power generation from fossil fuels for external power grids by 2030.
2. Reduce emissions from transport by 20% across the Group
3. Replace 12% of the energy needs in the hotels segment with renewables

Our Climate Strategy

The Group has submitted its science-aligned targets to the Science Based Targets initiative (SBTi) for validation, demonstrating its commitment to credible and externally verified climate action;

Target	Current performance
1. Aitken Spence PLC commits to reduce overall Scope 1+2 emissions by 85% by FY2030 from a FY2020 base year.	The Group is on track to achieve this target, having phased out commercial thermal power generation to the national grid in 2024–2025. Scope 1 and 2 emissions have declined significantly since the 2019–2020 baseline, with the Group currently operating at 14% of baseline emissions.
2. Aitken Spence PLC commits to reduce Scope 1 emissions from commercial thermal power generation from fossil fuels by 100% by FY2030 from a FY2020 base year.	Supporting the country's nationally determined contributions, the Group phased out commercial thermal power generation from fossil fuels to the national grid in 2024-2025.

To complement these efforts, the Group tracks year-on-year progress using a set of performance indicators, including:

- Absolute GHG emissions (Scope 1, 2, and where available, Scope 3)
- Percentage of renewable energy in the Group's energy mix
- Energy consumption per unit revenue
- Emissions per unit revenue
- Waste diverted from landfill and emissions reduced
- Water consumption per unit revenue

These metrics are subject to independent third-party assurance and are reported transparently under internationally recognised frameworks. The Group continues to enhance data accuracy and completeness, including upstream and downstream value chain emissions, and to align performance disclosures with evolving global standards

As part of the Group's broader DRR/BCM strategy, efforts are underway to establish a dedicated resilience pool fund to enable rapid deployment of resources in the event of climate-related or other disruptions, ensuring the protection of people, continuity of operations, and minimisation of financial losses. During the year, segment-level teams were formed across the Group to identify the most significant climate-related risks and opportunities relevant to their operations. These teams, along with segmental Managing Directors, were also engaged in targeted awareness sessions to deepen their understanding of climate change and its potential financial and operational implications. This has supported the integration of climate considerations into strategic and investment planning processes and enhanced the Group's ability to make informed, risk-adjusted decisions aligned with long-term resilience goals.

LOOKING AHEAD

Aitken Spence remains steadfast in its commitment to lead climate action through innovation, strategic investment, and strong governance. Moving forward, we will continue to align with global climate frameworks, including SBTi, while supporting Sri Lanka's NDCs under the Paris Agreement. By embedding climate resilience and low-carbon strategies into our core operations, we aim to create long-term stakeholder value and contribute meaningfully to a sustainable and climate-secure future for generations to come.

Our strategies to achieve these priorities can be perused in the following sections of this report;

- Corporate Governance (Pg 100 to 136)
- Risk Report (Pg 137 to 146)
- Human Capital (Pg 285 to 302)
- Natural Capital (Pg 325 to 339)
- Social & Relationship Capital (Pg 315 to 324)
- Intellectual Capital (Pg 303 to 308)
- Manufactured Capital (Pg 309 to 314)

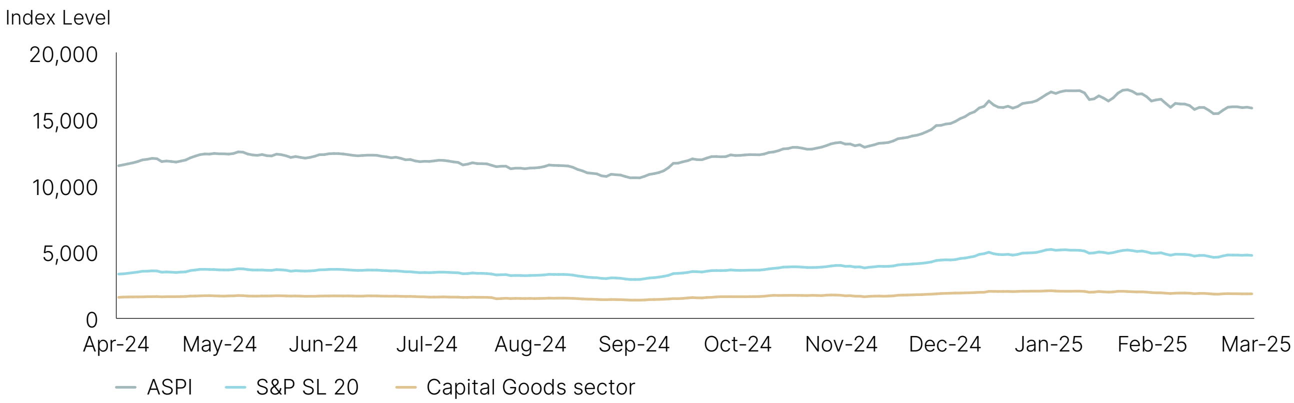
Investor Information

Company Name	:	Aitken Spence PLC
Stock Symbol	:	SPEN.N0000
ISIN	:	LK0004N00008
Security Type in Issue	:	Quoted Ordinary Shares
Listed Exchange	:	The Colombo Stock Exchange (CSE) - Main Board
Market Sector	:	Capital Goods Sector
Featured Stock Indices	:	All Share Price Index (ASPI) Capital Goods Sector Index (SPCSECGP)

The Colombo Stock Market's All Share Price Index (ASPI) delivered an exceptional performance during the year, recording a remarkable growth of 38.19% on 31st March 2025. ASPI also recorded an all time high of 17,193.73 within the financial year. Further, the S&P SL 20 Index, which tracks the top 20 leading companies on the exchange, grew by an impressive 42.71%, marking it as the highest year to date return on 31st March 2025. S&P SL 20 also reached the highest value of 5,183.96 during this period. Adding to these milestones, the Colombo Stock Exchange (CSE) achieved a record-breaking market capitalisation of Rs. 6,113.28 billion, a first in its history.

CSE Market Performance

Market vs Capital Goods Sector Indices
12 Months Trend



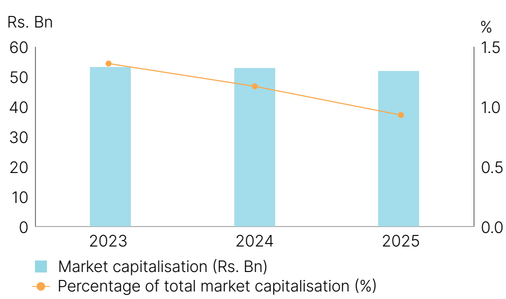
Market Capitalisation

As at 31st March	2025	2024	2023
Market capitalisation (Rs. Bn)	51.87	52.88	53.19
Total market capitalisation of CSE (Rs. Bn)	5,606.37	4,534.65	3,903.53
Percentage of total market capitalisation (%)	0.93	1.17	1.36

The float adjusted market capitalisation as at 31st March 2025 was Rs. 24.64 billion with reference to the Rule No. 7.6 (iv)(a) of continuing listing requirements of the CSE.

As the float adjusted market capitalisation is over Rs. 10 billion, Aitken Spence PLC complies under option 1 of minimum public holding requirement (as per the Rule No. 7.14.1 (a) of continuing listing requirements of the CSE).

Market Capitalisation
As at 31st March



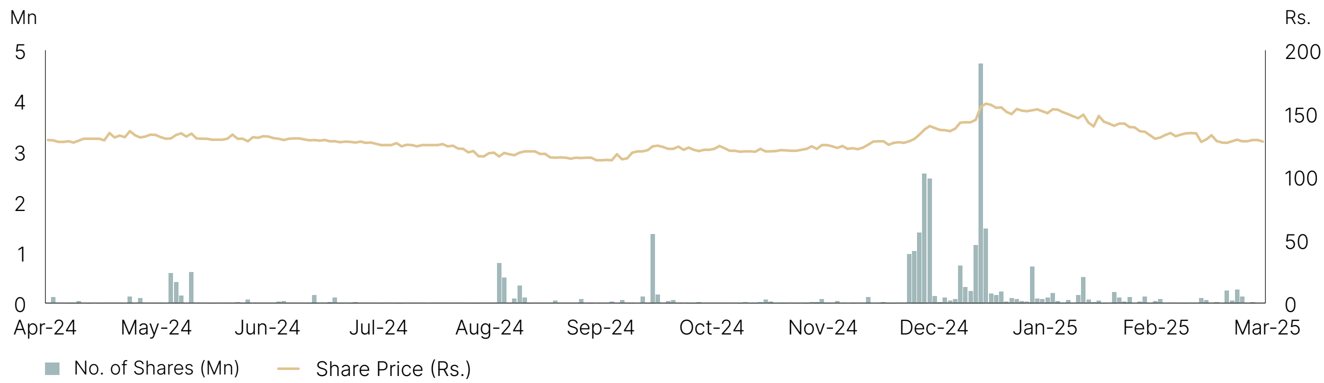
Investor Information

Share Trading Information

For the year ended 31st March	2025	2024	2023
Value of shares traded during the year (Rs. Mn)	4,091.4	2,602.9	4,915.4
Number of shares traded during the year ('000)	29,517	18,930	37,500
Number of transactions	10,396	7,875	10,284
Percentage of total value transacted in CSE (%)	1.71	0.53	0.98

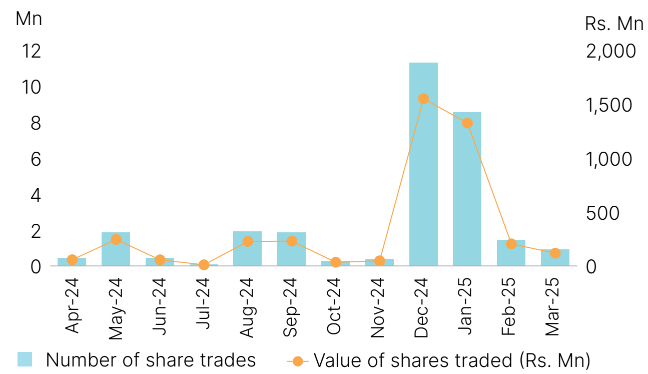
Share Price vs Share Volume 2024/2025

12 Months Trend



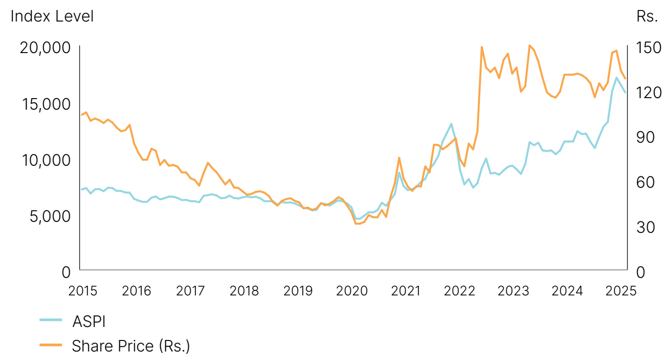
Shares Traded vs Turnover 2024/2025

12 Months Trend



Share Price vs ASPI - 10 Year Trend

1st April 2015 to 31st March 2025



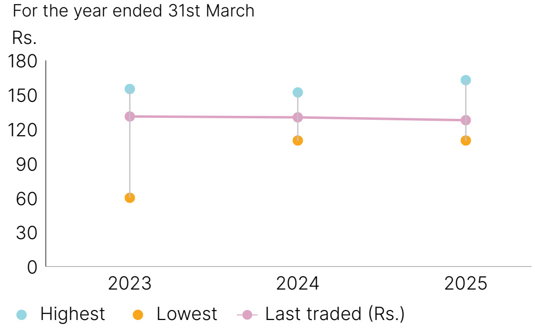
Share Price Information

Market Value Per Share			
For the year ended 31st March	2025	2024	2023
Highest (Rs.)	162.75	152.00	155.00
Lowest (Rs.)	110.00	110.00	60.00
Closing Price (Rs.)	127.75	130.25	131.00

The market value of the ordinary share as at 5th June 2025 was Rs. 147.18

Market Value Per Share

For the year ended 31st March



Investor Information

Financial Indicators

Net Asset Per Share			
As at 31st March	2025	2024	2023
The Group (Rs.)	190.23	181.86	185.26
The Company (Rs.)	64.65	64.88	69.04

Rs. 190.23
Net Asset Per Share

Earnings			
For the year ended 31st March	2025	2024	2023
Earnings per share - Basic/Diluted (Rs.)	13.13	7.21	16.36
Price earnings ratio (P/E) (Times)	9.73	18.06	8.01
Closing Price (Rs.)	127.75	130.25	131.00

Rs. 13.13
Earnings per Share

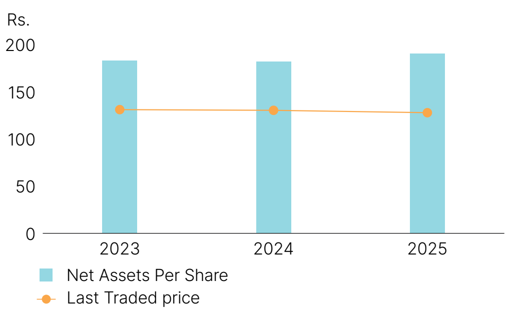
Return On Equity			
For the year ended 31st March	2025	2024	2023
Return on Equity (%)	7.06	3.95	9.47

7.06%
Return On Equity

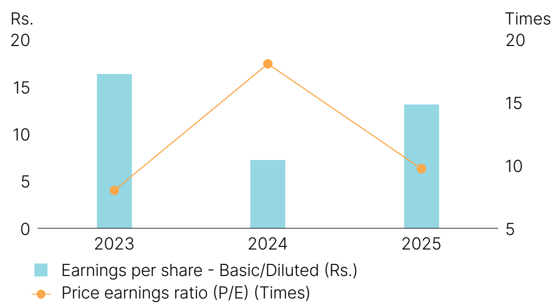
Dividends			
For the year ended 31st March	2025	2024	2023
Dividend per share (Rs.)	4.00	4.25	4.00
Dividend cover (Times)	3.28	1.70	4.09
Dividend payout ratio	0.30	0.59	0.24

Rs. 4.00
Dividend Per Share

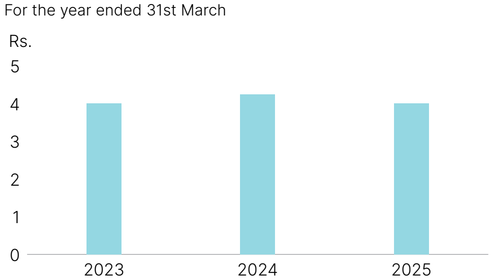
Net Assets vs Share Price
As at 31st March



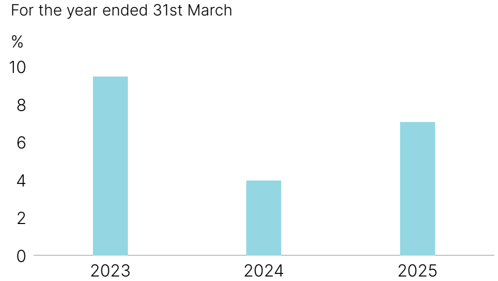
Earnings per Share vs P/E Ratio
For the year ended 31st March



Dividend Per Share
For the year ended 31st March



Return On Equity
For the year ended 31st March



Investor Information

History of dividend per share, dividend cover and dividend payout ratio for the past 10 years

Year	Dividends per share (Rs.)	Dividends cover (Times)	Dividend payout ratio
2015/2016	1.50	3.33	0.30
2016/2017	1.75	4.07	0.25
2017/2018	2.00	4.38	0.23
2018/2019	2.50	4.02	0.25
2019/2020	1.25	4.69	0.21
2020/2021	1.00	(4.00)	(0.25)
2021/2022	4.00	6.49	0.15
2022/2023	4.00	4.09	0.24
2023/2024	4.25	1.70	0.59
2024/2025	4.00	3.28	0.30

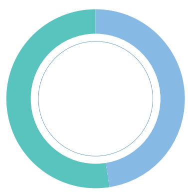
Shareholder Composition

Public Holding

The percentage of public holding as at 31st March 2025 was 47.52% and was represented by 4,628 shareholders. (31st March 2024 - 47.52%, represented by 4,312 shareholders) (As per the Rule No.7.6 (iv) of continuing listing requirements of the CSE)

	%	No of Shares
Public holding	47.52	192,909,909
Non Public holding	52.48	213,086,136
Total	100.00	405,996,045

Ownership Structure
As at 31st March 2025



Distribution of Shareholding

As at 31st March	2025			2024		
Shareholder category	No of shareholders	No of shares	%	No of shareholders	No of shares	%
1 - 1,000	3,021	754,495	0.19	2,719	679,155	0.17
1,001 - 10,000	1,151	4,204,972	1.04	1,136	4,242,951	1.05
10,001 - 100,000	374	11,368,347	2.80	376	11,198,017	2.76
100,001 - 1,000,000	70	20,030,359	4.93	68	18,947,590	4.67
1,000,001 - above	20	369,637,872	91.04	20	370,928,332	91.36
Total	4,636	405,996,045	100.00	4,319	405,996,045	100.00

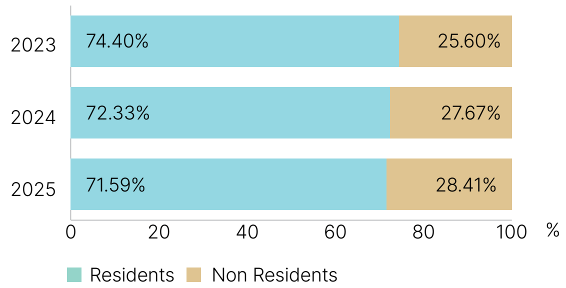
There were 4,636 registered shareholders as at 31st March 2025 and they are entitled for one vote per share.
(31st March 2024 - 4,319)

Investor Information

Residents/Non-Residents

As at 31st March	2025		2024	
	No of shares	%	No of shares	%
Residents	290,661,080	71.59	293,652,881	72.33
Non-Residents	115,334,965	28.41	112,343,164	27.67
Total	405,996,045	100.00	405,996,045	100.00

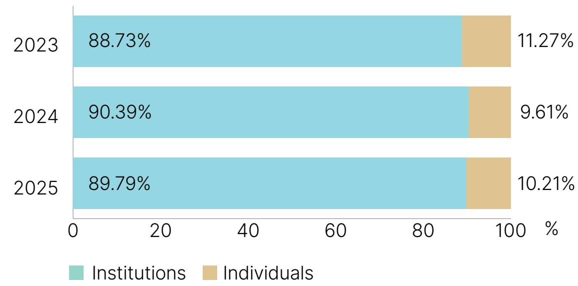
Residents/Non-Residents
As at 31st March



Institutions/Individuals

As at 31st March	2025		2024	
	No of shares	%	No of shares	%
Institutions	364,556,246	89.79	366,997,536	90.39
Individuals	41,439,799	10.21	38,998,509	9.61
Total	405,996,045	100 .00	405,996,045	100.00

Institutions/Individuals
As at 31st March



Twenty Largest Shareholders as at 31st March 2025

	Name	No of Shares	%
1	Melstacorp PLC	208,410,213	51.33
2	Rubicond Enterprises Limited	65,990,145	16.25
3	Employee's Provident Fund	20,590,978	5.07
4	Citibank Hong Kong S/A Hostplus Pooled Superannuation Trust	13,308,044	3.28
5	Citibank Newyork S/A Norges Bank Account 2	10,779,412	2.66
6	SSBT-Sunsuper Pty. Ltd. As Trustee For Sunsuper Superannuation Fund	9,524,947	2.35
7	Mrs. K. Fernando	5,571,150	1.37
8	Placidrange Holdings Limited	5,521,500	1.36
9	Mrs. A.T. Wickremasinghe	5,490,909	1.35
10	Northern Trust Company S/A Hosking Global Fund Plc	4,813,946	1.19
11	Mr. G. Wickremasinghe	3,973,197	0.98
12	Hatton National Bank Plc - Capital Alliance Quantitative Equity Fund	2,783,848	0.69
13	Milford Exports (Ceylon) (Pvt) Limited	2,232,978	0.55
14	Mr. M.A. Yaseen	2,171,288	0.54
15	Stassen Exports (Pvt) Limited	2,029,980	0.50
16	Employees Trust Fund Board	1,895,591	0.47
17	Mr. A.B. Rodrigo (Deceased)	1,284,720	0.32
18	Ranavav Holdings (Pvt) Ltd	1,200,000	0.30
19	Hatton National Bank Plc-Senfin Growth Fund	1,064,676	0.26
20	Dr. D.A. Sivaratnam	1,000,350	0.25
	Total	369,637,872	91.05

Investor Information

Shareholding of Directors together with their spouses

As at 31st March	2025	2024
Mr. J.M.S. Brito	374,126	374,126
Ms. D.S.T. Jayawardena	27,839	27,839
Mr. R.N. Asirwatham	1,000	1,000
Total	402,965	402,965

Directors' Indirect holding in Aitken Spence PLC

As at 31st March		2025	2024
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz/Mr. N.J. de S. Deva Aditya/Mr.M.R.Mihular/Dr. R.A. Fernando	- Melstacorp PLC	208,410,213	208,410,213
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz	- Milford Exports (Ceylon) (Pvt) Limited	2,232,978	2,232,978
Ms. D.S.T. Jayawardena/Mr. C.R. Jansz	- Stassen Exports (Private) Limited	2,029,980	2,029,980
Total		212,673,171	212,673,171

Directors' shareholding in Group companies

As at 31st March		2025	2024
Aitken Spence Hotel Holdings PLC	Mr. J.M.S. Brito	172,387	194,062
	Ms. D.S.T. Jayawardena	16,000	16,000
	Mr. R.N. Asirwatham	1,000	1,000
Total		189,387	211,062

A FOUNDATION OF VALUE

DELIVERING RESULTS

Through prudent financial stewardship, strong values, and adaptive strategies, we continue to uphold financial resilience—delivering sustainable value to stakeholders in a dynamic economic landscape.

Financial Information

FINANCIAL CALENDAR 2024 /2025

Interim Financial Statements

Interim financial statements for the three months ended on 30th June 2024	Approved on 12th August 2024
Interim financial statements for the six months ended on 30th September 2024	Approved on 12th November 2024
Interim financial statements for the nine months ended on 31st December 2024	Approved on 11th February 2025
Interim financial statements for the year ended on 31st March 2025	Approved on 29th May 2025

Audited Financial Statements

Audited financial statements for the year ended on 31st March 2025	Approved on 12th June 2025

Dividends

First and final dividend for the year ended on 31st March 2025	Recommended on 06th June 2025

Annual General Meeting

73rd Annual General Meeting	04th July 2025

FINANCIAL HIGHLIGHTS

Q1 - 2024/2025 (Rs. Millions)	
Revenue	18,560
Profit from operations	1,706
Profit for the period	92
Profit Attributable to Equity holders	532
Earnings per share (Rs.)	1.31
Net assets per share (Rs.)	184.46

Q2 - 2024/2025 (Rs. Millions)	
Revenue	20,103
Profit from operations	1,393
Profit for the period	11
Profit Attributable to Equity holders	258
Earnings per share (Rs.)	0.64
Net assets per share (Rs.)	179.58

Q3 - 2024/2025 (Rs. Millions)	
Revenue	25,037
Profit from operations	4,003
Profit for the period	2,255
Profit Attributable to Equity holders	1,502
Earnings per share (Rs.)	3.70
Net assets per share (Rs.)	182.01

Q4 - 2024/2025 (Rs. Millions)	
Revenue	31,395
Profit from operations	7,677
Profit for the period	4,821
Profit Attributable to Equity holders	3,039
Earnings per share (Rs.)	7.48
Net assets per share (Rs.)	190.23

Year 2024/2025 (Rs. Millions)			
Revenue	95,095	Profit from operations	14,779
Profit for the year	7,179	Profit Attributable to Equity holders	5,331
Earnings per share (Rs.)	13.13	Net assets per share (Rs.)	190.23

Financial Information

Statement of Directors' Responsibilities

The Companies Act No.7 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibilities of the Directors in relation to the Financial Statements of Aitken Spence PLC and the Consolidated Financial Statements of the Group are set out in this Report.

The Directors confirm that the Financial Statements and other statutory reports of the Company and its subsidiaries for the year ended 31st March 2025 incorporated in this Report have been prepared in accordance with the Companies Act No. 7 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the companies within the Group maintain adequate and accurate records which reflect the true financial position of each such company and hence the Group. The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company and the Group. The Directors have instituted appropriate systems of internal control in order to minimise and detect fraud, errors and other irregularities. The Directors, in maintaining a sound system of internal control and safeguarding the assets of the Company and the Group, have further adopted risk management strategies to identify and evaluate the potential risks to which the Company and the Group could be exposed, as well as their impact.

The Directors having considered the Group's business plans and a review of its current and future operations are of the view that the Company and the Group have adequate resources to continue in operation. The Directors have adopted the going concern basis in preparing the Financial Statements.

The Financial Statements presented in this Annual Report for the year ended 31st March 2025 have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKASs). The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the Financial Statements.

The Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2025 and the Comprehensive Income Statements for the Company and the Group for the Financial Year ended 31st March 2025 reflect a true and fair view of the Company and the Group.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their duties. The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Independent Auditors' Report.

The Directors confirm that to the best of their knowledge all payments to employees, regulatory and statutory authorities due and payable by the Company and its subsidiaries have been either duly paid or adequately provided for in the Financial Statements. The Directors further confirm that they promote the highest ethical, environmental and safety standards within the Group. The Directors also ensure that the relevant national laws, international laws and codes of regulatory authorities, professional institutes and trade associations have been complied with by the Group.

By order of the Board,
Aitken Spence PLC

Aitken Spence Corporate Services (Private) Limited
Secretaries

Colombo
12th June 2025

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

To the Shareholders of Aitken Spence PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aitken Spence PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2025, and the statement of profit and loss and other 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 policies and other explanatory information as set out on pages 359 to 480.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Company and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of Goodwill, Investments in subsidiaries, and Investments in equity-accounted investees

Refer to Notes 17, 20, and 21 to the financial statements

Risk description	Our response
The Company hold investments in subsidiaries and investments in equity accounted investees amounting to Rs. 14,211 million and Rs. 2,658 million respectively as at 31st March 2025. Further, the Group holds investments in equity-accounted investees amounting to Rs. 10,929 million and goodwill amounting to Rs. 1,468 million as at 31st March 2025. The carrying amount of each investments in subsidiary and investments in equity accounted investees have been tested for impairment as individual Cash Generating Units. The carrying amount of these investments could be materially misstated if inappropriate judgments and estimates were used by the Directors in calculating the recoverable amount for each cash generating unit ('CGU') and recoverable amounts of the identified CGUs have been determined based on the value in use calculation.	Our audit procedures included, ▪ Obtaining an understanding of management's impairment assessment process. ▪ Assessing the impairment indications of investments in subsidiaries, investment in equity accounted investees and Goodwill and reviewing of value in use computations for recoverable amounts with impairment indications and discussion with the management of the Group.

Independent Auditor's Report

KPMG

Risk description	Our response
Investments that do not generate adequate returns may be an indication of impairment. Management performed the impairment assessment for subsidiaries with indicators of impairment and determined their recoverable amounts based on value-in-use calculations. Further, the prevailing uncertain and volatile macro-economic environment resulted in an interruption in business activities, which would adversely affect the ability to generate an adequate return, indicating potential impairment to the investments. We considered the management's impairment assessment of goodwill, investments in equity accounted investees, and investments in subsidiaries to be a key audit matter due to the magnitude of the carrying value, and management impairment assessment is based on forecasting and discounting cash flows, which are inherently judgmental.	▪ Evaluating the reasonableness of the Group's key assumptions for its cash flow projections such as discount rates, forecast revenue and direct cost with reference to the internally and externally derived sources, and evaluating the reasonableness of historical forecasts. ▪ Assessing the adequacy of disclosures in the financial statements.

Financial Instruments – Cash Flow Hedge

Refer the Note 37 to the financial statements

Risk description	Our response
The effective portion of a Cash flow hedge has been recognized under other comprehensive income amounting to Rs. 679 million as at 31st March 2025. A subsidiary company of the Tourism sector has hedged its EURO currency revenue against the contractual future loan repayments. Rules on hedge accounting requirements and documentation can be complicated. Lack of compliance with documentation rules, hedge effectiveness rules, and probability criteria could lead to income statement volatility. Hedge relationships are formally documented and designated at inception. The documentation includes identification of the hedged item and the hedging instrument and details of the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. If the hedge is not highly effective in offsetting changes in fair values or cash flows attributable to the hedged risk, consistent with the documented risk management strategy, hedge accounting is discontinued. We identified this as a key audit matter due to the complexities and high level of judgment involved in determining the hedging item, hedge instrument and the testing effectiveness as required by the accounting standards.	Our audit procedures included, ▪ Assessing the nature of the hedge relationships and testing compliance with specific hedge accounting requirements for foreign currency hedging. ▪ Examining the accounting treatment applied for Hedge, in particular when reclassifying gains and losses from reserves to the income statement and adjustments to the carrying value of the hedged item. ▪ Assessing the adequacy of the disclosure in financial instruments by agreeing the financial statements to the underlying workings prepared by management and ensuring classification is consistent with the accounting principles. ▪ Reviewing the work carried out by component auditors where necessary. ▪ Assessing the adequacy of the Group disclosures in the financial statements.

Independent Auditor's Report

KPMG

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as the 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, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditor's Report

KPMG

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 2618.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

12th June 2025

Income Statements

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Revenue	7	95,094,844	97,486,253	1,579,190	1,265,626
Revenue taxes		(1,463,065)	(1,237,416)	(30,887)	(22,624)
Net revenue		93,631,779	96,248,837	1,548,303	1,243,002
Other operating income	8	(362,409)	(2,306,742)	2,602,274	1,052,168
Changes in inventories of finished goods and work-in-progress		(98,717)	(507,640)	-	-
Raw materials and consumables used		(4,201,441)	(3,850,351)	-	-
Employee benefits expense		(17,296,261)	(15,263,948)	(1,348,735)	(1,099,598)
Depreciation, amortisation and impairment losses of non-financial assets	9	(7,173,756)	(7,071,137)	(77,096)	(57,555)
Other operating expenses - direct	10	(34,525,390)	(37,548,423)	-	-
Other operating expenses - indirect		(15,194,464)	(16,474,387)	(747,674)	(780,885)
Profit from operations	9	14,779,341	13,226,209	1,977,072	357,132
Finance income	11	1,920,330	2,908,844	1,895,966	3,216,860
Finance expenses	11	(7,450,560)	(10,728,441)	(2,208,861)	(3,590,296)
Net finance expense		(5,530,230)	(7,819,597)	(312,895)	(373,436)
Share of profit of equity-accounted investees (net of tax)	21	1,577,204	1,317,988	-	-
Profit / (loss) before tax		10,826,315	6,724,600	1,664,177	(16,304)
Income tax expense	12	(3,647,189)	(2,272,850)	(17,722)	(27,566)
Profit / (loss) for the year		7,179,126	4,451,750	1,646,455	(43,870)
Attributable to:					
Equity holders of the company		5,330,919	2,928,185	1,646,455	(43,870)
Non-controlling interests		1,848,207	1,523,565	-	-
Profit / (loss) for the year		7,179,126	4,451,750	1,646,455	(43,870)
Earnings /(loss) per share - basic/diluted (Rs.)	13	13.13	7.21	4.06	(0.11)

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Profit / (loss) for the year		7,179,126	4,451,750	1,646,455	(43,870)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Revaluation of freehold land	15	-	4,761	-	-
Actuarial losses on defined benefit obligations	33	(70,326)	(196,399)	(15,480)	(29,903)
Equity investments at FVOCI – net change in fair value	23.2	(3,325)	(4,406)	(2,667)	(4,086)
Share of other comprehensive loss of equity-accounted investees (net of tax)	21	(6,993)	(47,506)	-	-
Income tax on other comprehensive income	12.4	5,265	39,302	3,107	12,534
		(75,379)	(204,248)	(15,040)	(21,455)
Items that are or may be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(636,979)	(3,056,207)	-	-
Net movement on cash flow hedge	37.2	679,261	1,501,550	-	-
Share of other comprehensive loss of equity-accounted investees (net of tax)	21	(120,155)	(505,310)	-	-
		(77,873)	(2,059,967)	-	-
Other comprehensive loss for the year, (net of tax)		(153,252)	(2,264,215)	(15,040)	(21,455)
Total comprehensive income / (loss) for the year		7,025,874	2,187,535	1,631,415	(65,325)
Attributable to:					
Equity holders of the company		4,992,098	823,152	1,631,415	(65,325)
Non-controlling interests		2,033,776	1,364,383	-	-
Total comprehensive income / (loss) for the year		7,025,874	2,187,535	1,631,415	(65,325)

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Financial Position

As at	Notes	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	98,015,886	101,028,695	97,134	84,109
Investment properties	16	1,651,793	1,631,258	3,434,288	3,415,573
Intangible assets	17	1,542,567	1,640,049	26,251	46,323
Biological assets	18	67,104	64,455	-	-
Right-of-use assets	19	14,672,688	16,364,381	-	-
Investments in subsidiaries	20	-	-	14,211,447	14,206,073
Investments in equity-accounted investees	21	10,928,868	9,946,837	2,657,955	2,657,955
Deferred tax assets	22	1,619,108	1,974,566	643,565	643,565
Other financial assets	23	994,672	1,018,979	5,126	25,344
		129,492,686	133,669,220	21,075,766	21,078,942
Current assets					
Inventories	24	4,441,154	4,159,673	6,043	7,781
Trade and other receivables	25	19,169,392	19,854,130	7,612,761	6,384,623
Current tax receivable		332,871	226,379	212,679	154,483
Deposits and prepayments		4,329,242	5,670,574	177,535	165,388
Other current assets	26	26,738,648	25,374,849	19,771,072	18,238,376
Cash and short-term deposits	27	16,600,685	12,132,534	5,223,529	3,023,392
		71,611,992	67,418,139	33,003,619	27,974,043
Assets classified as held for sale	28	922,243	169,423	72,237	72,237
Total assets		202,026,921	201,256,782	54,151,622	49,125,222
EQUITY AND LIABILITIES					
Equity					
Stated capital	29.1	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	29.2	38,598,848	38,957,795	17,364,959	17,445,084
Retained earnings		36,499,839	32,743,186	6,747,432	6,761,375
Total equity attributable to equity holders of the company		77,233,827	73,836,121	26,247,531	26,341,599
Non-controlling interests		12,655,284	11,883,848	-	-
Total equity		89,889,111	85,719,969	26,247,531	26,341,599
Non-current liabilities					
Interest-bearing loans and borrowings	30	33,907,662	38,464,247	5,926,400	1,200,773
Lease liabilities	31	11,215,519	12,846,666	-	-
Deferred tax liabilities	32	6,058,178	5,701,185	-	-
Employee benefits	33	1,899,009	1,668,797	200,886	164,243
Other liabilities	34	179,589	277,865	-	-
		53,259,957	58,958,760	6,127,286	1,365,016
Current liabilities					
Interest-bearing loans and borrowings	30	11,621,372	9,196,934	1,211,029	1,244,161
Lease liabilities	31	1,534,497	1,780,313	-	-
Trade and other payables	35	24,724,519	25,261,523	12,374,323	11,611,482
Current tax payable		1,102,504	950,542	-	-
Bank overdrafts and other short-term borrowings	27	19,894,961	19,388,741	8,191,453	8,562,964
		58,877,853	56,578,053	21,776,805	21,418,607
Total equity and liabilities		202,026,921	201,256,782	54,151,622	49,125,222

The above statements of financial position are to be read in conjunction with the notes to the financial statements on pages 368 to 480.
I certify that the financial statements for the year ended 31st March 2025 are in compliance with the requirements of the Companies Act No. 7 of 2007.

Ms. N. Sivapragasam
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these financial statements.
For and on behalf of the Board:

Ms. D.S.T. Jayawardena
Executive Chairperson

Dr. M. P. Dissanayake
Deputy Chairman and Managing Director

12th June 2025
Colombo, Sri Lanka

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the company			
	Stated capital Rs.'000	Revaluation reserve Rs.'000	Other capital reserves Rs.'000	General reserves Rs.'000
Balance as at 01st April 2023	2,135,140	11,547,699	148,440	19,126,103
Profit for the year	-	-	-	-
Other comprehensive income /(loss) for the year (note 29.3.1)	-	(16,405)	-	-
Total comprehensive income / (loss) for the year	-	(16,405)	-	-
Share of net assets of equity-accounted investees	-	-	-	-
Transfer from reserves	-	-	-	(1,623,984)
Final dividends for 2022/2023 (note 14)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total contributions and distributions recognised directly in equity	-	-	-	(1,623,984)
Balance as at 31st March 2024	2,135,140	11,531,294	148,440	17,502,119
Profit for the year	-	-	-	-
Other comprehensive income / (loss) for the year (note 29.3.1)	-	-	-	-
Total comprehensive income / (loss) for the year	-	-	-	-
Share of net assets of equity-accounted investees	-	-	-	-
Acquisition and changes in non-controlling interest	-	-	-	-
Direct cost on share issue	-	-	-	-
Transfer from reserves	-	-	-	(75,921)
Final dividends for 2023/2024 (note 14)	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-
Total contributions and distributions recognised directly in equity	-	-	-	(75,921)
Balance as at 31st March 2025	2,135,140	11,531,294	148,440	17,426,198

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Consolidated Statement of Changes in Equity

Attributable to equity holders of the company					Non-controlling interests	Total equity
Exchange fluctuation reserve Rs.'000	Fair value reserve Rs.'000	Cash flow hedge reserve Rs.'000	Retained earnings Rs.'000	Total Rs.'000	Rs.'000	Rs.'000
14,033,122	(13,546)	(2,316,014)	29,743,417	74,404,361	11,811,656	86,216,017
-	-	-	2,928,185	2,928,185	1,523,565	4,451,750
(2,597,976)	(747)	671,103	(161,008)	(2,105,033)	(159,182)	(2,264,215)
(2,597,976)	(747)	671,103	2,767,177	823,152	1,364,383	2,187,535
-	-	-	232,592	232,592	-	232,592
-	-	-	1,623,984	-	-	-
-	-	-	(1,623,984)	(1,623,984)	-	(1,623,984)
-	-	-	-	-	(1,292,191)	(1,292,191)
-	-	-	232,592	(1,391,392)	(1,292,191)	(2,683,583)
11,435,146	(14,293)	(1,644,911)	32,743,186	73,836,121	11,883,848	85,719,969
-	-	-	5,330,919	5,330,919	1,848,207	7,179,126
(581,950)	(4,665)	303,589	(55,795)	(338,821)	185,569	(153,252)
(581,950)	(4,665)	303,589	5,275,124	4,992,098	2,033,776	7,025,874
-	-	-	131,533	131,533	-	131,533
-	-	-	-	-	1,584	1,584
-	-	-	(442)	(442)	-	(442)
-	-	-	75,921	-	-	-
-	-	-	(1,725,483)	(1,725,483)	-	(1,725,483)
-	-	-	-	-	(1,263,924)	(1,263,924)
-	-	-	(1,518,471)	(1,594,392)	(1,262,340)	(2,856,732)
10,853,196	(18,958)	(1,341,322)	36,499,839	77,233,827	12,655,284	89,889,111

Company Statement of Changes in Equity

	Stated capital Rs.'000	General reserves Rs.'000	Fair value reserve Rs.'000	Retained earnings Rs.'000	Total Rs.'000
Balance as at 01st April 2023	2,135,140	19,096,439	(26,848)	6,826,177	28,030,908
Loss for the year	-	-	-	(43,870)	(43,870)
Other comprehensive loss for the year (note 29.3.2)	-	-	(523)	(20,932)	(21,455)
Total comprehensive loss for the period	-	-	(523)	(64,802)	(65,325)
Transfer from general reserve	-	(1,623,984)	-	1,623,984	-
Final dividends for 2022/2023 (note 14)	-	-	-	(1,623,984)	(1,623,984)
Total contributions and distributions recognised directly in equity	-	(1,623,984)	-	-	(1,623,984)
Balance as at 31st March 2024	2,135,140	17,472,455	(27,371)	6,761,375	26,341,599
Profit for the year	-	-	-	1,646,455	1,646,455
Other comprehensive income /(loss) for the year (note 29.3.2)	-	-	(4,204)	(10,836)	(15,040)
Total comprehensive income for the period	-	-	(4,204)	1,635,619	1,631,415
Transfer from general reserve	-	(75,921)	-	75,921	-
Final dividends for 2023/2024 (note 14)	-	-	-	(1,725,483)	(1,725,483)
Total contributions and distributions recognised directly in equity	-	(75,921)	-	(1,649,562)	(1,725,483)
Balance as at 31st March 2025	2,135,140	17,396,534	(31,575)	6,747,432	26,247,531

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Cash Flows

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Cash flows from operating activities					
Profit / (loss) before tax		10,826,315	6,724,600	1,664,177	(16,304)
Adjustments for					
Depreciation and amortisation	9	6,979,388	6,966,859	52,104	55,583
Impairment of intangible assets	9	81,816	-	-	-
Impairment of biological assets	9	-	10,261	-	-
Interest expense		7,009,985	10,323,468	2,199,038	3,584,769
Gain on disposal of property, plant and equipment	8	(13,037)	(26,468)	(12,573)	(409)
Net gain on termination of lease	8	(2,392)	(1,066)	-	-
Gain on disposal of equity securities – at FVTPL	8	(158)	-	(158)	-
Interest income	11	(1,920,330)	(2,908,844)	(1,895,966)	(3,216,860)
Share of profit of equity-accounted investees (net of tax)	21	(1,577,204)	(1,317,988)	-	-
Impairment losses of investments in subsidiaries and equity-accounted investees	9	-	-	25,000	2,000
Impairment losses / (reversals) of inventories	9	112,552	94,017	(8)	(28)
Impairment losses / (reversals) and write offs of trade and other receivables	9	(775,901)	465,733	(1,903)	11,910
Movement in assets held for sale		(36,112)	-	-	-
Net foreign exchange loss		908,806	2,058,987	693,984	1,904,541
Provision for retirement benefit obligations	33	336,745	351,604	37,879	33,935
		11,104,158	16,016,563	1,097,397	2,375,441
Operating profit before working capital changes		21,930,473	22,741,163	2,761,574	2,359,137
(Increase)/decrease in trade and other receivables		1,428,923	923,666	(1,226,235)	(640,409)
(Increase)/decrease in inventories		(570,531)	1,020,502	1,746	(925)
(Increase)/decrease in deposits and prepayments		1,338,620	(1,405,123)	(12,147)	(121,354)
Increase/(decrease) in trade and other payables		(421,131)	2,483,059	750,973	3,592,373
Increase/(decrease) in other liabilities		(98,276)	(140,628)	-	-
		1,677,605	2,881,476	(485,663)	2,829,685
Cash generated from operations		23,608,078	25,622,639	2,275,911	5,188,822
Interest paid		(7,322,385)	(10,767,291)	(2,214,485)	(3,594,768)
Income tax paid		(2,875,476)	(2,785,337)	(72,811)	(106,063)
Retirement benefit obligations paid	33	(184,634)	(153,598)	(16,716)	(6,162)
		(10,382,495)	(13,706,226)	(2,304,012)	(3,706,993)
Net cash generated from / (used in) operating activities		13,225,583	11,916,413	(28,101)	1,481,829

(carried forward to next page)

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Cash Flows

For the year ended 31st March	Notes	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
(brought forward from previous page)					
Cash flows from investing activities					
Interest received		1,875,121	2,897,114	1,876,939	3,205,468
Investment in subsidiaries		-	-	(30,374)	(58,561)
Investment in equity accounted investees		(15,295)	(162,819)	-	-
Investment in equity securities and debt		(3,260)	(110,191)	(2,447)	(110,191)
Disposal of subsidiary	A	(56,219)	-	-	-
Acquisition of property, plant and equipment *	15	(3,288,913)	(5,465,665)	(43,917)	(35,773)
Acquisition of investment properties	16	(22,282)	-	(22,282)	-
Acquisition of intangible assets	17	(38,245)	(19,618)	-	(5,491)
Acquisition of biological assets	18	(6,862)	(4,257)	-	-
Proceeds from disposal of property, plant and equipment		58,241	79,096	15,000	409
Proceeds from retirement of equity securities and debt		42,279	111,642	42,279	53,308
Proceeds/(purchase) from other financial assets and liabilities (net)		(2,471,125)	(430,536)	(2,165,178)	325,516
Dividends paid to non-controlling interests		(1,263,924)	(1,292,191)	-	-
Dividends received from equity accounted investees		614,853	451,839	-	-
Net cash generated from / (used in) investing activities		(4,575,631)	(3,945,586)	(329,980)	3,374,685
Cash flows from financing activities					
Proceeds from interest-bearing loans and borrowings	30	20,683,883	2,405,744	5,882,600	-
Repayment of interest-bearing loans and borrowings	30	(22,025,548)	(7,480,527)	(1,198,620)	(1,259,900)
Payment of lease liabilities	19.3	(1,790,460)	(1,799,005)	-	-
Operating leases pre-paid	19	(7,128)	(103,128)	-	-
Issue of shares by subsidiary companies		8,120	-	-	-
Direct cost on share issue by a subsidiary company		(442)	-	-	-
Dividends paid to equity holders of the parent		(1,713,615)	(1,614,166)	(1,713,615)	(1,614,166)
Net cash generated from / (used in) financing activities		(4,845,190)	(8,591,082)	2,970,365	(2,874,066)
Net increase / (decrease) in cash and cash equivalents		3,804,762	(620,255)	2,612,284	1,982,448
Cash and cash equivalents at beginning of the year		(7,256,207)	(6,575,737)	(5,539,572)	(7,378,527)
Effect of movements in exchange rates		157,169	(60,215)	(40,636)	(143,493)
Cash and cash equivalents at end of the year	27	(3,294,276)	(7,256,207)	(2,967,924)	(5,539,572)

* Acquisition of property, plant and equipment includes capitalised borrowing cost paid by the Group of Rs. 82.9 million (2023/2024 - Rs. 211.0 million), where as there is no capitalised borrowing cost on acquisition of biological assets for 2024/2025 and 2023/2024. (Company-nil).

(carried forward to next page)

The notes on pages 368 through 480 form an integral part of these financial statements.

Figures in brackets indicate deductions.

Statements of Cash Flows

A. Disposal of subsidiary

During the period under review the Group relinquished its ownership of Spence Maldives Pvt Ltd, due to changes in the Foreign Direct Investment policy in Maldives for the freight sector companies. The fair values of assets and liabilities thus divested by the Group are as follows. The divestment did not result in an additional gain or loss to the income statement.

	GROUP
	Rs.'000
Property, plant & equipment	2,184
Deferred tax assets	260
Trade and other receivables	31,716
Deposits and prepayments	2,712
Other current assets	38,777
Current tax receivable	2,409
Trade and other payables	(127,741)
Cash and cash equivalent	66,022
Total identifiable net assets disposed	16,339
Non-controlling interest disposed	(6,536)
Purchase consideration received	9,803
Cash and cash equivalents disposed	(66,022)
Net cash outflow on disposal of the company	(56,219)

Notes to the Financial Statements (GRI 2-1)

1 REPORTING ENTITY

Aitken Spence PLC., (the "Company") is a public limited liability company incorporated and domiciled in Sri Lanka. The ordinary shares of the Company are listed on the Colombo Stock Exchange. The Company's registered office and the principal place of business is located at "Aitken Spence Tower II", 315 Vauxhall Street, Colombo 02.

The consolidated financial statements of the Group as at, and for the year ended 31st March 2025 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Company and the other entities consolidated with it are disclosed in pages 501 to 512 of this report. There were no significant changes in the nature of the principal activities of the Company and the Group during the financial year under review other than the investment in a new business operation; BPO Services.

The immediate parent of Aitken Spence PLC is Melstacorp PLC and the ultimate parent is Milford Exports (Ceylon) (Private) Ltd.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards (herein referred to as SLFRSs/LKASs), laid down by The Institute of Chartered Accountants of Sri Lanka (ICASL) and in compliance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

These financial statements, except for information on cash flows and items measured at fair value as described in note 2.5 have been prepared following the accrual basis of accounting.

The Group did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs and regulations governing the preparation and presentation of the Financial Statements.

2.2 Statement of presentation

The Financial Statements of the Group have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3 Responsibility for financial statements

The Board of Directors of the Company acknowledges its responsibility for the Financial Statements, as set out in the "Annual Report of the Board of Directors", "Statement of Directors' Responsibilities" and the Certification on the Statement of Financial Position.

2.4 Approval of financial statements by Directors

The financial statements of the Group and the Company for the year ended 31st March 2025 were approved and authorised for issue by the Board of Directors on the 12th of June 2025. These financial statements include the following components:

- an Income Statement and a Statement of Profit or Loss and Other Comprehensive Income providing the information on the financial performance of the Group and the Company for the year under review. Refer pages 359 and 360;
- a Statement of Financial Position providing the information on the financial position of the Group and the Company as at the year end. Refer page 361;
- a Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review of the Group and the Company. Refer pages 362 and 364;
- a Statement of Cash Flows providing the information to the users on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows. Refer page 365;
- notes to the financial statements comprising material accounting policies and other explanatory information. Refer pages 368 to 480.

Notes to the Financial Statements

2.5 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items stated in the Statement of Financial Position.

Item	Basis of measurement	Note number
Land (recognised under property, Plant and Equipment)	Measured at cost at the time of acquisition and subsequently at revalued amounts which are the fair values at the date of revaluation.	15
Financial assets classified as fair value through profit or loss	Measured at fair Value	26.1.1 and 37
Financial assets classified as fair value through other comprehensive income	Measured at fair Value	23.1.1 and 37
Assets classified as held for sale	Measured at the lower of carrying amount and fair value less cost to sell	28
Retirement benefit obligations	Measured at the present value of the defined benefit obligation	33
Lease liabilities	Measured at amortised cost using effective interest method	31

2.6 Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees which is the currency of the primary economic environment in which the Company operates (the functional currency). All financial information presented in Rupees has been rounded to the nearest thousand except where otherwise indicated as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

Each Group company determines its own functional currency and items included in the financial statements of these companies are measured using that functional currency. There were no changes in the presentation or functional currency of the Group companies during the year under review.

Functional currency of all the Group companies is Sri Lankan Rupees other than the following companies whose functional currency is either based on the country of incorporation of the respective company or circumstances that could influence in determining its functional currency.

Company	Country of Incorporation	Functional Currency
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Sri Lanka	United States Dollar
Aitken Spence Hotels International (Pvt) Ltd	Sri Lanka	United States Dollar
Port City BPO (Private) Ltd	Sri Lanka	United States Dollar
A.D.S. Resorts Private Ltd	Maldives	United States Dollar
Ace Aviation Services Maldives Private Ltd	Maldives	United States Dollar
Ace Resorts Private Ltd	Maldives	United States Dollar
Cowrie Investment Private Ltd	Maldives	United States Dollar
Interlifts International Private Ltd	Maldives	United States Dollar
Jetan Travel Services Company Private Ltd	Maldives	United States Dollar
Unique Resorts Private Ltd	Maldives	United States Dollar
Aitken Spence Cargo (Cambodia) Co. Ltd	Cambodia	United States Dollar
Crest Star (B.V.I) Ltd	British Virgin Islands	United States Dollar
Aitken Spence International Pte. Ltd	Singapore	United States Dollar
Fiji Ports Corporation Ltd	Fiji	Fijian Dollars
Fiji Ports Terminal Ltd	Fiji	Fijian Dollars
Fiji Ships Heavy Industries Ltd	Fiji	Fijian Dollars
Serendib Investments Ltd	Fiji	Fijian Dollars

Notes to the Financial Statements

Company	Country of Incorporation	Functional Currency
Aitken Spence Hotel Managements (South India) Ltd	India	Indian Rupee
Aitken Spence Hotel Services Private Ltd	India	Indian Rupee
Perumbalam Resorts Private Ltd	India	Indian Rupee
PR Holiday Homes Private Ltd	India	Indian Rupee
Ace Aviation Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Travels Myanmar Ltd	Myanmar	Myanmar Kyat
Aitken Spence Resorts (Middle East) LLC	Oman	Omani Riyal
Ace Bangladesh Ltd	Bangladesh	Bangladeshi Taka

2.7 Current versus non-current classification

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

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

Or

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

All other assets are classified as non-current.

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

Or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current liabilities.

The Group classifies deferred tax assets and liabilities under non-current assets and liabilities.

2.8 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard – LKAS 1 on 'Presentation of Financial Statements'.

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

2.9 Offsetting

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

2.10 Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of any business unit of the Group other than those disclosed in the notes to the financial statements.

Notes to the Financial Statements

3 USE OF ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The preparation of financial statements of the Group and the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported values of assets, liabilities, income, expenses and accompanying disclosures including contingent liabilities. Estimates and judgements which management has assessed to have the most significant effect on the amounts recognised in the financial statements have been discussed in the individual notes of the related financial statement line items. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these 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 and in any future periods affected.

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

Items that have a significant effect on Judgements, estimates and assumptions and the respective notes that they are included in are as follows,

Item	Note number
Going concern	2.10
Valuation of freehold land	15
Impairment of non-financial assets	4.3
Recognition of deferred tax assets	12 and 22
Measurement of fair value of unquoted investment	36
Measurement of loss rate to compute ECL allowance for trade receivables	37
Measurement of assets classified as held for sale	28
Measurement of defined benefit obligations: key actuarial assumptions	33
Measurement of contingent liabilities	39.1
Recognition of subsidiaries based on de facto control over an investee	4.1.2 and 20.6

4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages. Those accounting policies presented with each note, have been applied consistently by the Group.

Changes in material accounting policies

There were no changes in material accounting policies used by the Group during the financial year. Further, there were no significant impact to the financial statements of the Group from new or amended accounting standards and interpretations that were required to be incorporated into the financial statements with effect from 01st April 2024.

Other material accounting policies not disclosed with individual notes

Set out below are material accounting policies, which have been applied consistently by the Group, but not covered in any other sections.

4.1 Basis of consolidation

4.1.1 Business combinations and Goodwill

Business combinations are accounted for applying the acquisition method on the acquisition date, which is the date on which control is transferred to the Group.

In determining whether a particular set of activities and assets acquired is a business, the Group assesses whether the set of assets and activities includes, at a minimum, an input substantive process and its ability to produce outputs. The Group has an option to apply a ‘concentration test ‘that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Notes to the Financial Statements

The Group measures goodwill at the acquisition date, as excess of the aggregate of the fair value of the consideration transferred; the recognised amount of any non-controlling interests in the acquiree; the fair value of the pre-existing interest in the acquiree if the business combination is achieved in stages; and the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed; measured at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, there after it is not re-measured and settlement is accounted within equity, or else subsequent changes in the fair value of the contingent consideration is recognised in the income statement.

The goodwill arising on acquisition of subsidiaries is presented as an intangible asset. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually as at 31st March or when circumstances indicate that the carrying value of the goodwill may be impaired. For the purpose of impairment testing, from the acquisition date, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity acquired exceed the cost of the acquisition of the entity, the surplus, which is a gain on bargain purchase is recognised immediately in the consolidated income statement.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

4.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable and other contractual arrangements.

The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Entities that are subsidiaries of another entity which is a subsidiary of the company are also treated as subsidiaries of the company.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

4.1.3 Non-controlling interest

The proportion of the profits or losses after taxation and each component in the other comprehensive income applicable to outside shareholders of subsidiary companies are included under the heading "Non – controlling interests" in the Consolidated Income Statement and the Statement of Profit or Loss and the Other Comprehensive Income. Losses and negative balances applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the

Notes to the Financial Statements

non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "Non-controlling interests" in the Consolidated Statement of Financial Position.

Acquisitions of non-controlling interests are accounted for as transactions with the equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Changes to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

4.1.4 Loss of control

On a loss of control of a subsidiary, the Group immediately derecognises the assets including goodwill, liabilities, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4.1.5 Reporting date

All subsidiaries, and equity accounted investees of the Group have the same reporting period as the parent company other than the following companies. Financial reporting dates differ across countries, reflecting variations in national fiscal frameworks and regulatory practices. However the Group incorporates the results of these companies upto 31st March in the Group's financial statements.

Company	Reporting Period
A.D.S. Resorts Private Ltd	31st December
Ace Aviation Myanmar Ltd	30th September
Ace Aviation Services Maldives Private Ltd	31st December
Ace Resorts Private Ltd	31st December
Aitken Spence Cargo (Cambodia) Co. Ltd	31st December
Cowrie Investment Private Ltd	31st December
Fiji Ports Corporation Ltd	31st December
Fiji Ports Terminal Ltd	31st December
Fiji Ships Heavy Industries Ltd	31st December
Interlifts International Private Ltd	31st December
Jetan Travel Services Company Private Ltd	31st December
Unique Resorts Private Ltd	31st December
Aitken Spence Travels Myanmar Ltd	30th September
Serendib Investments Ltd	30th June

4.1.6 Intra-group transactions

Transfer prices between Group entities are set on an arms- length basis in a manner similar to transactions with third parties.

4.1.7 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

4.2 Foreign currencies

4.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on re-translation are recognised in the income statement, except for differences arising on the re-translation of FVOCI equity investments, a financial liability designated as a hedge of the net investment in a

Notes to the Financial Statements

foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Foreign currency gains and losses are reported on a net basis in the income statement.

4.2.2 Foreign operations

Group companies incorporated outside Sri Lanka or Sri Lankan companies in which the reporting currency is other than Sri Lankan Rupees are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at the rate of exchange prevailing on the reporting date. Income and expenses of the foreign entities are translated at the rate of exchange approximating to the actual rate at the dates of the transactions. For practical purposes this is presumed to be the average rate during each month.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity except to the extent the translation difference is allocated to the non-controlling interest. When a foreign operation is disposed of in a manner that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. If the Group disposes of only part of its interest in the subsidiary but retains control, the relevant portion of the translation reserve is transferred to non-controlling interest. When the Group disposes of only part of its interest in an equity accounted investee that includes a foreign operation while retaining significant influence or joint-control, the relevant proportion of the cumulative amount of the translation reserve is reclassified to the income statement.

4.3 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

The recoverable amount of goodwill is estimated at each reporting date, or as and when an indication of impairment is identified.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.3.1 Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or cash-generating unit.

4.3.2 Reversal of impairment

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses other than for land carried at revaluation are recognised in the income statement. Reversal of impairment loss on a revalued land, other than for a land where impairment loss has been previously recognised in the income statement, is recognised in other comprehensive income and increases the revaluation surplus for that land. For a land where previous impairment loss has been recognised in the income statement the reversal of that impairment loss is also recognised in the income statement.

Notes to the Financial Statements

4.4 Expenditure

All expenditure incurred in the running of the business and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the profit/loss for the year.

4.5 Cash flow

The Statement of Cash Flow has been prepared by using the 'Indirect Method' of preparing cash flows in accordance with the Sri Lanka Accounting Standard – LKAS 7 on 'Statement of Cash Flow', whereby operating activities, investing activities and financing activities are separately recognised.

5 NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

The Institute of Chartered Accountants of Sri Lanka has issued a number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for annual periods beginning after the current financial year. Accordingly, the Group has not early adopted them in preparing these financial statements.

The following amended standards are not expected to have a significant impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. `

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Lack of Exchangeability (Amendments to LKAS 21)

The amendments will require Companies to provide new disclosures to help users to understand the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

Amendments to LKAS 21 is not expected to have a significant impact on the Group's consolidated financial statements.

General requirements for disclosure of sustainability - related financial information (SLFRS S1) and climate-related disclosures (SLFRS S2)

- In June 2023 the International Sustainability Standards Board (ISSB) released its first two sustainability disclosure standards, IFRS S1 and IFRS S2. During the year, CA Sri Lanka issued the localised standards based on these IFRSs designated as SLFRS S1 SLFRS S2. These standards will become effective for the Group from 1 April 2025. No financial impact is expected on the Group except for additional disclosures.

Notes to the Financial Statements

6 OPERATING SEGMENTS

ACCOUNTING POLICY

An operating segment is a distinguishable component of the Group that engages in business activities from which it earns revenue and incurs expenses, including revenue and expenses that relate to transactions with the Group's other segments.

The operations of the Group are categorised under four operating segments based on the nature of the products or services provided by each segment and the risks and rewards associated with the economic environment in which these segments operate. The performance of the Group is evaluated based on the performance of these four main segments by the Group's Managing Director (chief operating decision maker). The internal management reports prepared on these segments are reviewed by the Group's Managing Director on a monthly basis. Details of the Group companies operating under each segment and the products and services offered under each segment are provided under Group Companies in pages 501 to 512.

6.1 Business segments

The Group operates in four business segments namely Tourism sector, Maritime and freight logistics sector, Strategic investments sector and Services sector, segregated based on the nature of the products or services provided and risk and returns of each segment. Segment results and assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

All transactions between group companies whether inter-segmental or intra-segmental are on an arms length basis and in a manner similar to the transactions with third parties.

6.1.1 Business segment analysis of group revenue and profit

For the year ended 31st March	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Total revenue generated	70,998,526	72,475,909	30,420,476	24,358,510	16,493,025	18,261,978	3,594,154	2,246,653	121,506,181	117,343,050
Intra-segmental revenue	(5,116,356)	(5,065,726)	(801,896)	(710,088)	(1,221,158)	(1,104,235)	(95,658)	(80,352)	(7,235,068)	(6,960,401)
Total revenue with inter - segmental revenue	65,882,170	67,410,183	29,618,580	23,648,422	15,271,867	17,157,743	3,498,496	2,166,301	114,271,113	110,382,649
Inter - segmental revenue	(81,360)	(54,122)	(161,286)	(197,086)	(905,658)	(807,464)	(320,487)	(306,211)	(1,468,791)	(1,364,883)
Total revenue with equity-accounted investees	65,800,810	67,356,061	29,457,294	23,451,336	14,366,209	16,350,279	3,178,009	1,860,090	112,802,322	109,017,766
Share of equity-accounted investees' revenue	(617,659)	(534,084)	(12,258,878)	(8,086,870)	(3,395,359)	(2,908,559)	(1,435,582)	(2,000)	(17,707,478)	(11,531,513)
Revenue from external customers	65,183,151	66,821,977	17,198,416	15,364,466	10,970,850	13,441,720	1,742,427	1,858,090	95,094,844	97,486,253
Profit / (loss) from operations	10,121,946	9,202,393	3,705,874	3,666,416	727,110	(258,268)	224,411	615,668	14,779,341	13,226,209
Finance income	823,408	1,151,544	247,564	516,537	780,932	1,147,769	68,426	92,994	1,920,330	2,908,844
Finance expenses	(4,978,367)	(6,592,417)	(387,404)	(239,951)	(1,917,787)	(3,717,481)	(167,002)	(178,592)	(7,450,560)	(10,728,441)
Share of profit / (loss) of equity-accounted investees (net of tax)	-	(19,960)	1,002,385	977,660	373,721	367,558	201,098	(7,270)	1,577,204	1,317,988
Profit / (loss) before tax	5,966,987	3,741,560	4,568,419	4,920,662	(36,024)	(2,460,422)	326,933	522,800	10,826,315	6,724,600
Income tax expense	(1,632,870)	(1,488,146)	(1,040,455)	(764,052)	(884,598)	201,914	(89,266)	(222,566)	(3,647,189)	(2,272,850)
Profit / (loss) for the year	4,334,117	2,253,414	3,527,964	4,156,610	(920,622)	(2,258,508)	237,667	300,234	7,179,126	4,451,750
Depreciation and amortisation	5,217,692	5,185,125	828,641	784,324	854,019	915,021	79,036	82,389	6,979,388	6,966,859
Impairment losses / (reversals) and write offs	311,285	10,702	(80,978)	(25,542)	(833,565)	575,947	21,725	8,904	(581,533)	570,011
Other non-cash expenses	119,121	148,865	83,818	82,602	116,855	102,882	16,951	17,255	336,745	351,604

There were no impairment losses or any reversals of impairment losses recognised directly in equity during the year.

There was no single customer recording revenue from transactions to the value exceeding 10% of the Group revenue during the financial year under review.

Notes to the Financial Statements

6.1.2 Business segment analysis of group assets and liabilities

6.1.2.1 Segment assets

As at	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Non-current assets										
Property, plant and equipment	63,282,367	66,462,520	9,207,266	8,981,569	22,385,509	22,399,526	3,140,744	3,185,080	98,015,886	101,028,695
Investment properties	72,000	72,000	-	-	1,579,793	1,559,258	-	-	1,651,793	1,631,258
Intangible assets (other than goodwill)	20,858	22,539	4,129	3,805	43,187	49,024	5,961	2,327	74,135	77,695
Biological assets	-	-	-	-	67,104	64,455	-	-	67,104	64,455
Right-of-use assets	12,884,189	14,272,535	984,532	1,270,918	803,490	814,721	477	6,207	14,672,688	16,364,381
Deferred tax assets	470,636	436,060	452,940	430,811	564,746	1,037,352	130,786	70,343	1,619,108	1,974,566
Other financial assets	972,346	975,777	16,140	16,802	6,186	26,400	-	-	994,672	1,018,979
Segment non-current assets	77,702,396	82,241,431	10,665,007	10,703,905	25,450,015	25,950,736	3,277,968	3,263,957	117,095,386	122,160,029
Investments in equity-accounted investees	-	-	7,789,131	7,398,234	2,896,562	2,522,428	243,175	26,175	10,928,868	9,946,837
Intangible assets - goodwill on consolidation	-	-	-	-	-	-	-	-	1,468,432	1,562,354
Total non-current assets	77,702,396	82,241,431	18,454,138	18,102,139	28,346,577	28,473,164	3,521,143	3,290,132	129,492,686	133,669,220
Current assets										
Inventories	1,549,584	1,485,497	848,023	785,669	1,709,926	1,630,064	333,621	258,443	4,441,154	4,159,673
Trade and other receivables	13,969,527	12,488,456	5,765,881	6,592,745	8,648,726	9,466,537	3,380,778	3,105,033	31,764,912	31,652,771
Current tax receivable	18,325	17,580	53,518	33,557	236,245	171,337	24,783	3,905	332,871	226,379
Deposits and prepayments	3,303,350	4,724,973	419,734	370,786	562,107	528,275	44,051	46,540	4,329,242	5,670,574
Other current assets	5,525,086	5,441,549	1,420,176	1,121,803	19,780,356	18,789,416	13,030	22,081	26,738,648	25,374,849
Cash and short-term deposits	6,270,777	4,552,266	3,024,647	2,979,529	6,721,815	4,415,510	583,446	185,229	16,600,685	12,132,534
Segment current assets	30,636,649	28,710,321	11,531,979	11,884,089	37,659,175	35,001,139	4,379,709	3,621,231	84,207,512	79,216,780
Eliminations / adjustments	-	-	-	-	-	-	-	-	(12,595,520)	(11,798,641)
Total current assets	30,636,649	28,710,321	11,531,979	11,884,089	37,659,175	35,001,139	4,379,709	3,621,231	71,611,992	67,418,139
Assets classified as held for sale	-	-	-	-	-	-	-	-	922,243	169,423
Total assets	108,339,045	110,951,752	29,986,117	29,986,228	66,005,752	63,474,303	7,900,852	6,911,363	202,026,921	201,256,782
Total segment assets	108,339,045	110,951,752	22,196,986	22,587,994	63,109,190	60,951,875	7,657,677	6,885,188	201,302,898	201,376,809
Additions to non-current assets	1,717,228	1,892,093	785,634	2,053,623	820,818	1,517,378	32,622	26,446	3,356,302	5,489,540

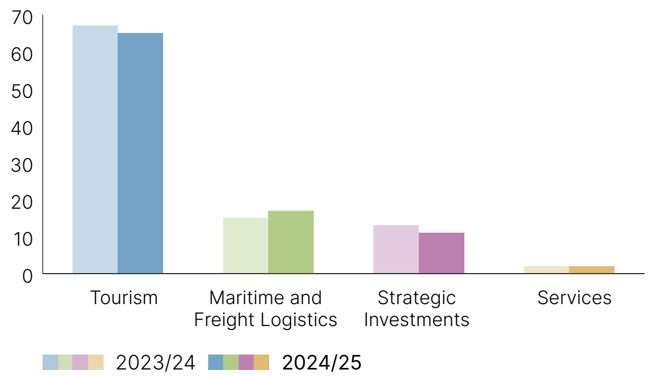
Notes to the Financial Statements

6.1.2.2 Segment liabilities

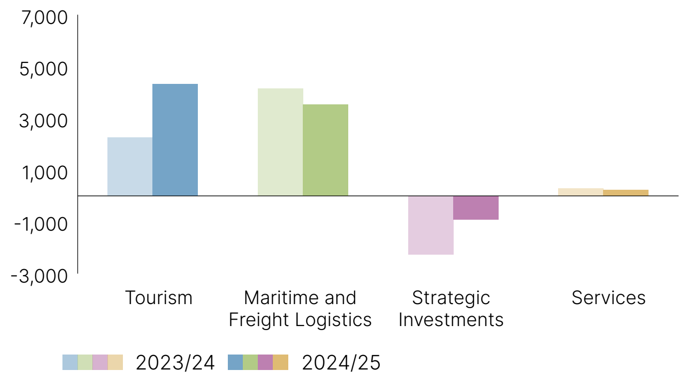
	Tourism sector		Maritime and freight logistics sector		Strategic investments sector		Services sector		Total	
As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Non-current Liabilities										
Interest-bearing loans and borrowings	19,568,451	28,975,546	458,320	500,000	13,880,891	8,939,501	-	49,200	33,907,662	38,464,247
Lease liabilities	9,849,444	11,101,659	941,557	1,328,620	424,518	409,542	-	6,845	11,215,519	12,846,666
Deferred tax liabilities	3,438,616	3,254,771	1,217,757	1,245,161	559,522	388,412	673,017	683,115	5,888,912	5,571,459
Employee benefits	814,406	708,614	502,448	471,481	496,892	415,992	85,263	72,710	1,899,009	1,668,797
Other liabilities	-	-	179,589	277,865	-	-	-	-	179,589	277,865
Segment non-current liabilities	33,670,917	44,040,590	3,299,671	3,823,127	15,361,823	10,153,447	758,280	811,870	53,090,691	58,829,034
Eliminations / adjustments	-	-	-	-	-	-	-	-	169,266	129,726
Total non-current liabilities	33,670,917	44,040,590	3,299,671	3,823,127	15,361,823	10,153,447	758,280	811,870	53,259,957	58,958,760
Current liabilities										
Interest-bearing loans and borrowings	9,925,296	6,143,666	1,679	-	1,694,397	3,053,268	-	-	11,621,372	9,196,934
Lease liabilities	1,134,808	1,392,618	386,737	374,657	12,382	13,038	570	-	1,534,497	1,780,313
Trade and other payables	20,222,925	20,522,869	5,009,534	5,255,728	11,324,238	10,445,073	763,342	836,494	37,320,039	37,060,164
Current tax payable	709,671	370,152	291,675	409,543	33,796	100,815	67,362	70,032	1,102,504	950,542
Bank overdrafts and other short-term borrowings	6,552,913	6,291,417	171,684	200,609	10,322,405	10,850,207	2,847,959	2,046,508	19,894,961	19,388,741
Segment current liabilities	38,545,613	34,720,722	5,861,309	6,240,537	23,387,218	24,462,401	3,679,233	2,953,034	71,473,373	68,376,694
Eliminations / adjustments	-	-	-	-	-	-	-	-	(12,595,520)	(11,798,641)
Total current liabilities	38,545,613	34,720,722	5,861,309	6,240,537	23,387,218	24,462,401	3,679,233	2,953,034	58,877,853	56,578,053
Total liabilities	72,216,530	78,761,312	9,160,980	10,063,664	38,749,041	34,615,848	4,437,513	3,764,904	112,137,810	115,536,813
Total segment liabilities	72,216,530	78,761,312	9,160,980	10,063,664	38,749,041	34,615,848	4,437,513	3,764,904	124,564,064	127,205,728

Notes to the Financial Statements

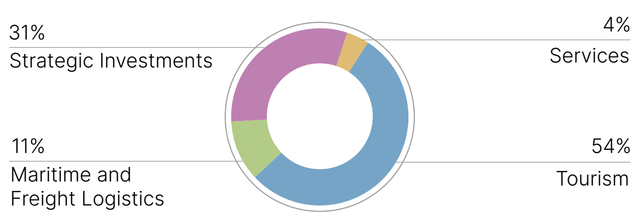
Business Segment Analysis - Revenue from External Customers



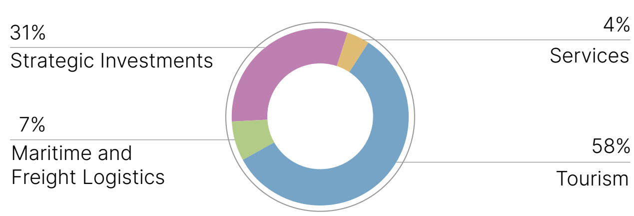
Business Segment Analysis - Profit/ (Loss) for the Year



Business Segment Analysis - Segment Assets



Business Segment Analysis - Segment Liabilities



6.2 Geographical information

The geographical information is stated based on the country where the sale occurred, the service rendered and / or the location where assets and liabilities are held.

6.2.1 Geographical analysis of group revenue and profit

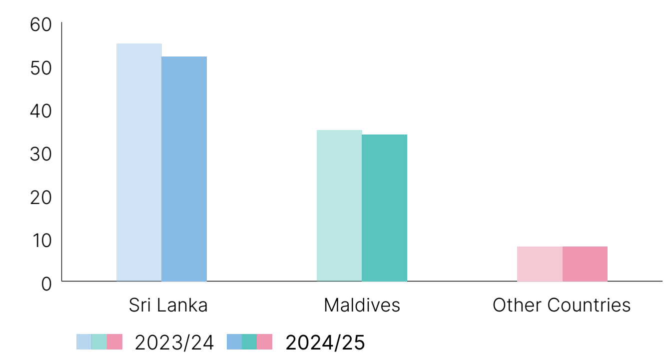
For the year ended 31st March	Sri Lanka		Maldives		Other countries		Total	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	52,183,177	54,545,011	34,490,956	34,795,425	8,420,711	8,145,817	95,094,844	97,486,253
Profit from operations	5,936,384	3,378,658	6,709,832	7,431,171	2,133,125	2,416,380	14,779,341	13,226,209
Profit before tax	4,717,006	560,524	4,071,973	4,062,540	2,037,336	2,101,536	10,826,315	6,724,600
Profit / (loss) for the year	2,374,335	(429,243)	3,527,953	3,670,452	1,276,838	1,210,541	7,179,126	4,451,750
Depreciation and amortisation	1,950,157	1,968,768	4,068,918	4,045,086	960,313	953,005	6,979,388	6,966,859
Impairment losses / (reversals) and write offs	(889,350)	552,953	224,084	8,873	83,733	8,185	(581,533)	570,011
Other non-cash expenses	302,284	299,544	2,601	2,830	31,860	49,230	336,745	351,604

Notes to the Financial Statements

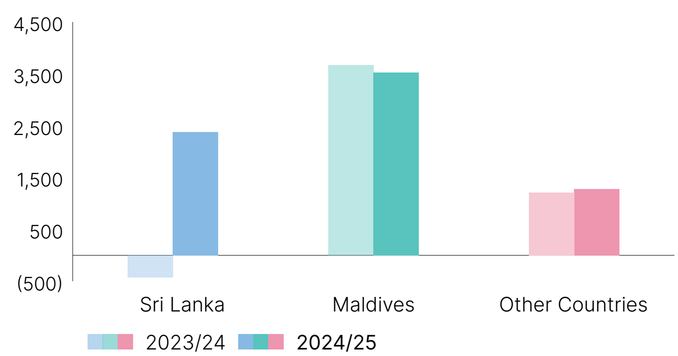
6.2.2 Geographical analysis of group assets and liabilities

As at	Sri Lanka		Maldives		Other countries		Total	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Segment non-current assets	53,140,491	53,480,277	43,662,314	47,376,035	20,292,581	21,303,717	117,095,386	122,160,029
Segment current assets	56,279,931	53,915,103	13,329,856	11,528,135	3,292,027	3,350,298	72,901,814	68,793,536
	109,420,422	107,395,380	56,992,170	58,904,170	23,584,608	24,654,015	189,997,200	190,953,565
Investments in equity-accounted investees	-	-	-	-	-	-	10,928,868	9,946,837
Goodwill on consolidation	-	-	-	-	-	-	1,468,432	1,562,354
Assets classified as held for sale	-	-	-	-	-	-	922,243	169,423
Eliminations / adjustments	-	-	-	-	-	-	(1,289,822)	(1,375,397)
Total assets	109,420,422	107,395,380	56,992,170	58,904,170	23,584,608	24,654,015	202,026,921	201,256,782
Segment non-current liabilities	26,049,561	25,587,130	23,395,976	27,755,924	3,645,154	5,485,980	53,090,691	58,829,034
Segment current liabilities	39,501,892	38,208,322	14,846,674	14,698,519	5,562,518	4,841,859	59,911,084	57,748,700
	65,551,453	63,795,452	38,242,650	42,454,443	9,207,672	10,327,839	113,001,775	116,577,734
Eliminations / adjustments	-	-	-	-	-	-	(863,965)	(1,040,921)
Total liabilities	65,551,453	63,795,452	38,242,650	42,454,443	9,207,672	10,327,839	112,137,810	115,536,813
Additions to non-current assets	1,954,361	3,437,473	932,876	1,073,954	469,065	978,113	3,356,302	5,489,540

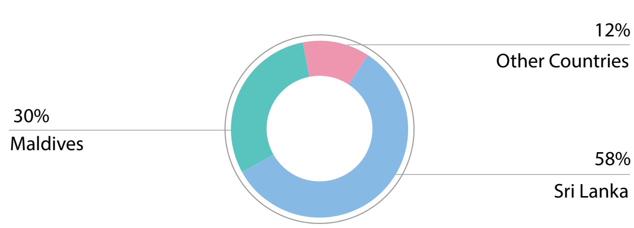
Geographical Analysis - Revenue from External Customers
Rs. Bn



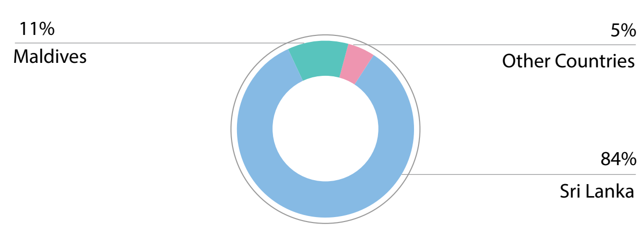
Geographical Analysis - Profit / (Loss) for the year
Rs. Mn



Geographical Analysis - Segment Assets



Geographical Analysis - Segment Liabilities



Notes to the Financial Statements

6.3 Geographical analysis of segmental information

6.3.1 Geographical analysis of group revenue and profit in reported segments

For the year ended 31st March	Revenue		Profit /(loss) from operations		Profit /(loss) before tax		Profit /(loss) for the year	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Tourism sector								
- Local	28,460,905	30,031,646	3,472,251	1,741,233	2,696,311	619,465	1,783,883	(168,451)
- Overseas	36,722,246	36,790,331	6,649,695	7,461,160	3,270,676	3,122,095	2,550,234	2,421,865
Maritime and freight logistics sector								
- Local	11,167,597	9,373,295	1,530,275	1,285,247	1,746,606	1,883,489	1,284,104	1,701,350
- Overseas	6,030,819	5,991,171	2,175,599	2,381,169	2,821,813	3,037,173	2,243,860	2,455,260
Strategic investments sector								
- Local	10,970,850	13,441,720	717,781	(259,348)	(44,741)	(2,461,195)	(922,985)	(2,258,816)
- Overseas	-	-	9,329	1,080	8,717	773	2,363	308
Services sector								
- Local	1,583,825	1,698,350	216,077	611,526	318,830	518,765	229,333	296,674
- Overseas	158,602	159,740	8,334	4,142	8,103	4,035	8,334	3,560
	95,094,844	97,486,253	14,779,341	13,226,209	10,826,315	6,724,600	7,179,126	4,451,750

6.3.2 Geographical analysis of group assets and liabilities segment wise

As at	Non-current assets		Current assets		Total assets	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Tourism sector						
- Local	16,232,841	16,260,292	13,539,633	14,233,225	29,772,474	30,493,517
- Overseas	61,469,555	65,981,139	12,732,685	10,740,228	74,202,240	76,721,367
Maritime and freight logistics sector						
- Local	8,202,665	8,013,215	7,477,551	6,971,331	15,680,216	14,984,546
- Overseas	2,462,342	2,690,690	2,743,314	3,002,023	5,205,656	5,692,713
Strategic investments sector						
- Local	25,431,632	25,947,646	31,563,459	29,519,727	56,995,091	55,467,373
- Overseas	18,383	3,090	48,372	35,329	66,755	38,419
Services sector						
- Local	3,273,353	3,259,124	3,303,819	2,747,630	6,577,172	6,006,754
- Overseas	4,615	4,833	203,159	168,646	207,774	173,479
	117,095,386	122,160,029	71,611,992	67,418,139	188,707,378	189,578,168
Investments in equity-accounted investees	-	-	-	-	10,928,868	9,946,837
Goodwill on consolidation	-	-	-	-	1,468,432	1,562,354
Assets classified as held for sale	-	-	-	-	922,243	169,423
Total assets	117,095,386	122,160,029	71,611,992	67,418,139	202,026,921	201,256,782

Notes to the Financial Statements

6.3.2 Geographical analysis of group assets and liabilities segment wise

As at	Non-current liabilities		Current liabilities		Total liabilities	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Tourism sector						
- Local	7,818,326	12,432,516	17,305,553	14,864,101	25,123,879	27,296,617
- Overseas	25,852,591	31,608,074	17,880,335	16,862,381	43,732,926	48,470,455
Maritime and freight logistics sector						
- Local	2,111,132	2,189,297	2,629,393	3,701,654	4,740,525	5,890,951
- Overseas	1,188,539	1,633,830	1,526,086	1,563,336	2,714,625	3,197,166
Strategic investments sector						
- Local	15,361,823	10,153,447	15,906,681	16,925,529	31,268,504	27,078,976
- Overseas	-	-	515	38	515	38
Services sector						
- Local	758,280	811,870	3,584,943	2,610,740	4,343,223	3,422,610
- Overseas	-	-	44,347	50,274	44,347	50,274
	53,090,691	58,829,034	58,877,853	56,578,053	111,968,544	115,407,087
Eliminations / adjustments	169,266	129,726	-	-	169,266	129,726
Total liabilities	53,259,957	58,958,760	58,877,853	56,578,053	112,137,810	115,536,813

Notes to the Financial Statements

7 REVENUE

ACCOUNTING POLICY

Revenue from contracts with customers

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a good or service to a customer, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Group Revenue is presented net of value added tax (VAT), rebates and discounts and after eliminating intra-group sales.

Sale of goods

Revenue from the sale of goods is recognised on accrual basis at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties and free maintenance).

In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

Rendering of services

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period irrespective of whether the service is billed.

When another party is involved in providing goods or services to its customer, the Group determines whether it is a principal or an agent in these transactions by evaluating the nature of its promise to the customer. The Group is a principal and records revenue on a gross basis if it controls the promised goods or services before transferring them to the customer. However, if the Group's role is only to arrange for another entity to provide the goods or services, then the Group is an agent and records the revenue at the net amount that it retains for its agency services.

Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the agreement.

Other Revenue

Rental income

Rental income arising from renting of property, plant and equipment and investment properties is recognised as revenue on a straight-line basis over the term of the hire.

Contract Balances

Contract Assets

Contract Assets represent group's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the entity's future performance).

Contract Liabilities

Contract Liabilities represent group's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer (or the amount is due).

7.1 Revenue analysis based on revenue streams

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Revenue from contracts with customers				
Rendering of services	87,593,750	89,728,688	1,390,697	1,132,569
Sale of goods	7,060,565	7,471,363	-	-
Royalty income	-	-	134,219	83,006
	94,654,315	97,200,051	1,524,916	1,215,575
Other revenue				
Other revenue	440,529	286,202	54,274	50,051
	440,529	286,202	54,274	50,051
	95,094,844	97,486,253	1,579,190	1,265,626

Notes to the Financial Statements

7.2 Timing of revenue recognition

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Revenue recognised at a point in time	72,199,061	75,050,755	1,524,916	1,215,575
Revenue recognised over time	22,895,783	22,435,498	54,274	50,051
	95,094,844	97,486,253	1,579,190	1,265,626

7.3 Disaggregation of revenue from contracts with customers

7.3.1 Business segment analysis of Group revenue

For the year ended 31st March	2025			2024		
	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000
Tourism sector	65,172,110	11,041	65,183,151	66,812,171	9,806	66,821,977
Maritime and freight logistics sector	17,198,416	-	17,198,416	15,364,466	-	15,364,466
Strategic investments sector	3,921,326	7,049,524	10,970,850	5,980,163	7,461,557	13,441,720
Services sector	1,742,427	-	1,742,427	1,858,090	-	1,858,090
	88,034,279	7,060,565	95,094,844	90,014,890	7,471,363	97,486,253

7.3.2 Geographical segment analysis of Group revenue

For the year ended 31st March	2025			2024		
	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000	Rendering of services Rs.'000	Sale of goods Rs.'000	Total revenue Rs.'000
Sri Lanka	45,122,612	7,060,565	52,183,177	47,073,648	7,471,363	54,545,011
Maldives	34,490,956	-	34,490,956	34,795,425	-	34,795,425
Other countries	8,420,711	-	8,420,711	8,145,817	-	8,145,817
	88,034,279	7,060,565	95,094,844	90,014,890	7,471,363	97,486,253

7.4 Contract balances

As at	Notes	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Trade receivables	25	15,030,030	16,881,289	1,051	383
Contract assets	25	310,551	439,424	-	-
Contract liabilities	35	(4,582,525)	(3,124,805)	-	-

Notes to the Financial Statements

7.4.1 Carrying value of contract liabilities

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000
Balance as at 01st April	3,124,805	3,550,645
Advances received from customers during the period	43,776,210	28,904,063
Recognised as revenue during the year		
- From contract liabilities at the beginning of the period	(2,473,069)	(2,985,771)
- From performance obligations satisfied during the period	(39,360,759)	(26,071,972)
- Write-back of unutilised old reservation advances	(125,884)	(14,030)
Exchange difference	(358,778)	(258,130)
Balance as at 31st March	4,582,525	3,124,805

7.5 Performance obligations

Information about the Group's performance obligations are summarised below;

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
Rendering of services		
Tourism sector		
Hotel operations	The main revenue of the Group's hotel operations is the provision of rooms for guest accommodation (apartment revenue). Apartment revenue is recognised on rooms occupied on a daily basis over the period of the stay, while the revenue from other sources such as food and beverage sales, provision of laundry, telephone, water sports, spa services and transfer and excursion services in the Maldives are accounted for at the time of consumption of the service. Invoices to customers are raised on completion of the hotel stay.	Revenue recognition for the Group's apartment revenue is over the period and other hotel operations is at a point in time.
Hotel management service	Consists of fees for providing management and marketing services to hotels. Fees for Hotel management services are calculated as a percentage of revenue and operating profit of the hotels.	Revenue for hotel management services is recognised at each month end.
Inbound and outbound travels	The main activities of the group companies in the inbound and outbound travel segment include selling inbound and outbound tour packages, air tickets, vehicle rentals, managing exhibitions and conventions, and providing other related services. For tour packages and vehicle rentals, customers are invoiced at the commencement of the tour. For air tickets and other services, customers are invoiced at the start of the respective service. Revenue from exhibitions and conventions is recognised upon the completion of the event.	Revenue recognition at a point in time.
Airline General Sales Agent (GSA)	Overriding commission from the Airlines is recognized on flown basis whereas the ticketing commission from the airline is recorded on the date of the sale.	Revenue recognition at a point in time.

Notes to the Financial Statements

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
Maritime and freight logistics sector		
Maritime and port services	Operations of the Group's maritime segment includes provision of services of a shipping agent, supply of marine lubricants, representation of liner shipping agencies and global container services as an agent of the principal shipping line. Revenue for the segment represents the commission derived from the services rendered to the shipping lines.	Commission income is recognised upon the departure of the vessel.
	Revenue from port operation and management services performed by the Group is recognised on completion of the operation.	Revenue is recognised at a point in time on completion of the port services.
Freight forwarding and courier	Revenue from freight forwarding and courier operations of the Group is recorded when the cargo is loaded to the vessel or air craft.	Revenue recognition for the freight forwarding and courier operation is at a point in time.
Integrated logistics	Revenue for the Group's Integrated Logistics sector, the Container Freight Station (CFS) and Inland Container Depot (ICD) is recognized when a container departs the facility. For the Transport, Distribution, and Special Operations (SPO) divisions, revenue is recognized upon completion of the agreed contractual activity. Revenue from the Warehousing and Mobile Storage Solutions (MSS) divisions is recognized over time, whereas the Container Repair division records revenue once the service is confirmed as complete and ready.	At a point in time for CFS, depot, transport, distribution, container repair and other special operations and over the period of time for warehouse and mobile storage solutions.
Airline GSA (Cargo)	Commission income from airline GSA is recognised when cargo is handed over to the airline.	Revenue recognition at a point in time.
Strategic investments sector		
Power generation	Revenue from renewable power, namely wind, hydro and waste, is recorded based on a fixed or variable tariff in terms of the respective power purchase agreements. Invoices for the generation of power are raised on a monthly basis.	Revenue is recognised on the last day of the month based on the power generated during the month.
Services sector		
Inward money transfer	The inward money transfer segment of the Group acts as a representative of the Western Union Network (France) SAS, Dandelion Payments, Inc. dba Ria Money Transfer, MoneyGram Payment Systems, Inc. and Muthoot Finserve USA Inc. Representative base compensation is recognised by the company upon the completion of the inward money transfer.	Revenue is recorded at a point in time when inward money transfer is completed.
Insurance	Commission income of the sale of Insurance policies is recognised upon settlement of the premium to the respective Insurance Companies while revenue from survey and other Insurance services is recongnised upon completion of the professional service.	Revenue recognised for commission income and fees for professional services is at a point in time.

Notes to the Financial Statements

Type of product / service	Nature and timing of satisfaction of the performance obligation	Revenue recognition
Elevator agency	Revenue on equipment sales of elevators is recognised in the income statement by reference to the date of delivery of the equipment to the site. Revenue on installation of elevators is recognised by reference to the stage of completion at the reporting date. Stage of completion is measured by reference to the percentage of work done to date. Revenue for free maintenance inbuilt in the contract is deferred until installation is completed and there after recognised monthly once the maintenance period commences. Revenue for stand alone maintenance agreements are recognised in the income statement on a monthly basis while the revenue for repairs of elevators is recognised upon completion of the repair. However invoices to customers for all above revenue types are raised as per the contract terms.	Revenue on equipment sales of elevators is recognised when the equipments are delivered to the site. Revenue on installation of elevators and maintenance contracts is recognised over time as the services are provided while the revenue for repairs is recognised at a point in time. The stage of completion for determining the amount of revenue to recognise is assessed based on estimate of work completed.
Property management (Renting of property)	Income for the property management companies is derived from renting of properties owned by them. Invoices for renting of property are issued on a periodical basis over the period of the rental agreement.	Revenue is recognised over time during the period of the rent agreements.
Sale of goods		
Tourism sector		
Water bottling operation for use in the hotel sector	Customers obtain control of bottled water upon sale of the item. Invoices are generated and revenue is recognised when the bottles are dispatched from the Group's warehouse.	Revenue recognition at a point in time.
Strategic investments sector		
Printing and packaging (supply of value added printing and packaging products and services)	Customers obtain control of goods when the goods are delivered to them. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods. Invoices are generated and revenue is recognised when the goods are delivered and have been accepted by customers at their premises.	Revenue recognition at a point in time.
Manufacturing of apparels	Customers obtain control of goods when the garments are handed over to the nominated freight forwarding company who is an agent of the customer. Invoices are generated and revenue is recognised when the manufactured garments are handed over to the freight forwarding company.	Revenue recognition at a point in time.

Payment terms - The Group provides credit to its customers based on normal industry terms which is generally 30 days or as specified in individual contracts with the customers. In certain instances advance payments are obtained from customers prior to commencement of the performance obligation.

8 OTHER OPERATING INCOME

ACCOUNTING POLICY

Dividend income

Dividend income is recognised in the income statement on the date that the Group's right to receive payment is established, which is generally when the dividend is declared.

Gains and losses from disposal of non-current assets

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other non- current assets, including investments in subsidiaries, joint ventures and associates, are accounted in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

Net foreign exchange gain /(loss)

Foreign currency differences arising on re-translation of foreign currency monetary items other than the differences arising on the re-translation of FVOCI equity investments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges are recognised in the income statement on a net basis.

Other income

All other categories of other operating income are recognised on an accrual basis.

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Dividends from Group subsidiaries and equity-accounted investees	-	-	2,852,658	2,665,387
Dividends from equity securities – at FVTPL	5,900	3,996	2,201	1,467
Insurance claims received	78,387	171,890	-	-
Net foreign exchange loss	(502,707)	(2,560,192)	(268,915)	(1,617,891)
Gain on disposal of property, plant and equipment	13,037	26,468	12,573	409
Net gain on termination of lease	2,392	1,066	-	-
Gain on disposal of equity securities – at FVTPL	158	-	158	-
Sundry income	40,424	50,030	3,599	2,796
	(362,409)	(2,306,742)	2,602,274	1,052,168

Notes to the Financial Statements

9 PROFIT FROM OPERATIONS

Profit from operations is stated after charging the following:

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cost of inventories and services	57,584,873	58,407,778	1,310,856	1,065,663
Directors' remuneration and fees	965,768	793,397	514,226	375,834
Auditors' remuneration				
- KPMG	32,050	30,102	2,278	2,071
- Other auditors	15,985	16,086	-	-
Fees paid to auditors for non-audit services				
- KPMG	16,046	16,714	4,298	4,007
- Other auditors	26,524	17,653	-	-
Depreciation, amortisation and impairment losses of non-financial assets				
- Depreciation of property, plant and equipment, investment property, right-of-use assets and biological assets	6,934,187	6,916,924	32,032	37,474
- Amortisation of intangible assets	45,201	49,935	20,072	18,109
- Impairment of intangible assets	81,816	-	-	-
- Impairment of biological assets	-	10,261	-	-
- Impairment of inventories	112,552	94,017	(8)	(28)
- Impairment losses of investments in subsidiaries and equity-accounted investees	-	-	25,000	2,000
Total of depreciation, amortisation and impairment losses of non-financial assets	7,173,756	7,071,137	77,096	57,555
Impairment losses / (reversals) and write offs of trade & other receivables	(775,901)	465,733	(1,903)	11,910
Legal Expenses	80,490	104,491	28,339	85,672
Defined contribution plan cost - Sri Lanka	805,649	664,694	90,226	74,356
Defined contribution plan cost - Overseas (Maldives, South India, Fiji and Oman)	212,408	182,398	-	-
Defined benefit plan cost - Retirement benefits	336,745	351,604	37,879	33,935

10 OTHER OPERATING EXPENSES-DIRECT

Direct operating expenses as disclosed in the income statement refers to the cost of services other than staff costs which are directly related to revenue.

Since most of the companies in the Group operate in service industries, other direct operating expenses represents a substantial portion of the total operating costs.

Notes to the Financial Statements

11 FINANCE INCOME AND FINANCE EXPENSES

ACCOUNTING POLICY

Finance income

Finance income comprises of interest income on funds invested, net changes in fair value of financial assets classified as fair value through profit or loss, and gains on the disposal of interest generating investments whether classified under FVTPL or FVOCI financial assets.

Interest income is recognised as it accrues in the income statement. For all financial instruments measured at amortised cost and interest bearing financial assets classified as FVOCI the interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. For interest bearing financial assets carried at fair value, interest is recognised on a discounted cash flow method. Interest income is included under finance income in the income statement.

Finance expenses

Finance expenses comprise interest expense on borrowings and leases, and impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the asset. Borrowing costs capitalised are disclosed in notes 15 and 18 to the financial statements.

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Finance income				
Interest income on financial assets measured at amortised cost	1,874,687	2,882,049	1,876,506	3,206,004
Net change in fair value of equity securities classified as FVTPL	45,643	26,795	19,460	10,856
	1,920,330	2,908,844	1,895,966	3,216,860
Finance expenses				
Interest expense on financial liabilities measured at amortised cost	(7,010,236)	(10,325,333)	(2,199,230)	(3,586,884)
Net impairment reversal of financial assets measured at amortised cost	251	2,074	192	2,115
Net change in fair value of equity securities classified as FVTPL	-	(209)	-	-
Other finance charges	(440,575)	(404,973)	(9,823)	(5,527)
	(7,450,560)	(10,728,441)	(2,208,861)	(3,590,296)
Net finance expenses	(5,530,230)	(7,819,597)	(312,895)	(373,436)

Notes to the Financial Statements

12 INCOME TAX EXPENSE

ACCOUNTING POLICY

Income tax expense comprises of current and deferred taxes. The income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

IFRIC 23 "Uncertainty over income tax treatments" provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. However, the application of IFRIC 23 did not have an impact on the income tax expense for the year.

The Group established that any interest and penalties related to income taxes, including uncertain tax treatments do not meet the definition of income taxes and therefore accounted for them as per LKAS 37 - Provisions, contingent liabilities and contingent assets.

Current tax

The current tax represents the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted, any taxes on dividends received and any adjustment to tax payable in respect of previous years.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the financial statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the financial statements.

Companies incorporated in Sri Lanka

Provision for current tax for companies incorporated in Sri Lanka has been computed where applicable in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments there to.

Companies incorporated outside Sri Lanka

Provision for current tax for companies incorporated outside Sri Lanka have been computed in accordance to the relevant tax statutes in the country of incorporation.

Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted or announced by the reporting date.

The Group applied deferred tax related to assets and liabilities arising from a Single Transaction where a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets has been recognised.

A deferred tax asset is recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group statement of financial position and are not offset against each other.

Transfer Pricing

As prescribed in the Inland Revenue Act No. 24 of 2017 and its amendments thereto and the Gazette notifications issued on transfer pricing, companies in the Group have complied with the arm's length principles relating to transfer pricing.

Notes to the Financial Statements

12.1 Sri Lankan Operations

The income tax provision for Aitken Spence PLC, its subsidiaries and equity accounted investees which are resident in Sri Lanka is calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

In terms of the above, the income tax provisions of companies have been calculated on their adjusted profits at the standard rate of 30%, except for Companies with specified sources which are exempt from tax or subject to concessionary tax rates as set out below.

- Companies with specified sources exempt from income tax are given in note 12.1.1
- Companies with specified sources liable to income tax at concessionary rates under the BOI Law are given in note 12.1.2
- Companies incorporated in Sri Lanka and operating outside Sri Lanka are given in note 12.1.3

Income tax expense for the year includes, Advance Income Tax (AIT) of 15% deducted on the dividend distributions made by resident companies of the Group from their taxable profits.

Deferred tax expense on companies resident in Sri Lanka are calculated based on the tax rates specified in Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The deferred tax expense associated with the revaluation of non-depreciable assets, such as land, takes into account the tax implications that would arise upon the sale of those assets. Furthermore, the Group recognises deferred tax expense for the taxes that are applicable to the undistributed profits of its subsidiary companies.

Tax losses carried forward

The Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies that any unclaimed tax losses incurred during the year from business or investment could be carried forward for further six years under Section 19. In addition, the Investment Incentives specified under Second Schedule to the Act, grants unrelieved tax losses due to enhanced capital allowances to be carried forward for an extended period of 10 years.

Companies in the Group have evaluated the recoverability of unclaimed losses through taxable profit forecasts and deferred tax assets have been recognised accordingly. Deferred tax assets recognised on tax losses would be reviewed at each reporting date based on the taxable profit forecasts and would be reduced to the extent of recoverable amount.

IFRIC 23 “Uncertainty over income tax treatments” provides guidance on determining taxable profits, tax bases, unused tax losses, unused tax credits and tax rates, when there is an uncertainty over the income tax treatment. The Group has applied significant judgement in identifying uncertainties over income tax treatments for the year and the Group has determined that there were no uncertainties in tax treatments that has an impact on the income tax expense or warrants any disclosure.

12.1.1 Companies with specified sources exempt from income tax

Company	Basis	Statute Reference	Period
Port City BPO (Pvt) Ltd	BPO services to offshore clients	Section 53 of the Colombo Port City Economic Commission Act No. 11 of 2021 and the Extraordinary Gazette issued to the company thereon	25 years ending 2049/2050
Ahungalla Resorts Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Negombo Beach Resorts (Pvt) Ltd	Construction and operation of a tourist hotel	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	12 years ending 2029/2030
Sagasolar Power (Pvt) Ltd	Construction and operation of a solar power plant	Section 17A of the Inland Revenue (Amendment) Act No. 08 of 2012	10 years ending 2027/2028

Notes to the Financial Statements

In addition, the Inland Revenue Act No. 24 of 2017 and its amendments thereto specifies the following income tax exemptions, which are available to companies operating in the Group.

Company	Basis	Statute Reference	Period
Aitken Spence Elevators (Private) Limited Aitken Spence Hotel Managements (Pvt) Ltd Aitken Spence Hotel Managements Asia (Pvt) Ltd Aitken Spence Hotels International (Pvt) Ltd Aitken Spence International Consulting (Pvt) Limited Aitken Spence PLC Aitken Spence Ports International Ltd Aitken Spence Travels (Pvt) Ltd Royal Spence Aviation (Pvt) Ltd	Gains and profits from any service rendered in or outside Sri Lanka to any person to be utilised outside Sri Lanka, where the payment for such services is received in foreign currency and remitted to Sri Lanka through a bank.	Paragraph (u)(iii) of the Third Schedule – Exempt Amounts	Ended 31.03.2025*
	Gains and profits from any foreign source (other than above) derived in foreign currency and remitted to Sri Lanka through a bank.	Paragraph (u)(iv) of the Third Schedule – Exempt Amounts	
All companies incorporated in Sri Lanka	Interest derived in foreign currency on any foreign currency account opened in any commercial bank or in any specialised bank, with the approval of the Central Bank of Sri Lanka.	Paragraph (i)(iii) of the Third Schedule – Exempt Amounts	Open ended
	Dividend paid by a resident company to a member to the extent that dividend payment is attributable to, or derived from, another dividend received by that resident company or another resident company.	Paragraph (ooo)(ii) of the Third Schedule – Exempt Amounts	
	Dividends remitted to Sri Lanka from and gains on the realisation of shares in a non-resident company with substantial participation in the non-resident company.	Paragraph (r) of the Third Schedule – Exempt Amounts	

* Income tax exemptions on the gains and profits referred above have been removed with effect from 01st April 2025 as per Inland Revenue (Amendment) Act No. 02 of 2025. From 01st April 2025 such gains and profits would be liable to tax at the concessionary tax rate of 15% and companies are entitled to deduct income tax paid in foreign jurisdictions as foreign tax credits.

12.1.2 Companies with specified sources liable to income tax at concessionary rates under the BOI law

Company	Basis	Income Tax Rate*
Ace Power Embilipitiya (Pvt) Ltd	Construction and operation of a thermal power generation plant	15%
Aitken Spence Apparels (Pvt) Ltd	Set up and operate a project to manufacture garments and exports	15%
Logilink (Pvt) Ltd	Operation of a warehousing facility	20%
Ace Wind Power (Pvt) Ltd	Construction and operation of a wind power plant	20%
Aitken Spence Property Developments (Pvt) Ltd	Construction and operation of a luxury office building complex	20%
Branford Hydropower (Pvt) Ltd	Construction and operation of a hydro power plant	20%

* Concessionary income tax rates referred to above are granted after the initial tax exemption period, in terms of Section 17 of BOI Law No. 4 of 1978.

Notes to the Financial Statements

12.1.3 Companies incorporated in Sri Lanka and operating outside Sri Lanka

Company	Countries Operated	Tax Status
Aitken Spence Hotels International (Pvt) Ltd	Maldives	Income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Hotel Managements Asia (Pvt) Ltd	Maldives, Oman	Business profits arising in Oman is liable to tax at 15% and income derived from Maldives is subject to 10% withholding tax.
Aitken Spence Ports International Ltd	Mozambique, Fiji	Income derived from Fiji and Mozambique are subject to withholding tax at 15% and 20% respectively.

Profits and income referred to above are exempt from income tax in Sri Lanka up to 31st March 2025, as per Inland Revenue (Amendment) Act No. 02 of 2025. From 1st April 2025 such income would be liable to tax at the concessionary tax rate of 15% and companies are entitled to deduct income tax paid in foreign jurisdictions as foreign tax credits.

12.2 Overseas Operations

Companies incorporated and operating outside Sri Lanka are liable for income tax in accordance with the provisions of the foreign jurisdictions applicable to the respective companies. Set out below are the Income tax rates applicable for the companies in the relevant foreign jurisdictions.

Country	Company	Income Tax Rate
British Virgin Islands	Crest Star (B.V.I.) Ltd	Nil
Oman	Aitken Spence Resorts (Middle East) LLC	15%
Maldives	Ace Aviation Services Maldives Pvt Ltd	15%
	Ace Resorts Pvt Ltd	15%
	A.D.S. Resorts Pvt Ltd	15%
	Cowrie Investment Pvt Ltd	15%
	Interlifts International Pvt Ltd	15%
	Jetan Travel Services Company Pvt Ltd	15%
	Spence Maldives Pvt Ltd	15%
	Unique Resorts Pvt Ltd	15%
Singapore	Aitken Spence International Pte. Ltd	17%
Cambodia	Aitken Spence Cargo (Cambodia) Co., Ltd	20%
Fiji	Fiji Ports Terminal Ltd	25%
	Fiji Ports Corporation Ltd	25%
	Fiji Ships Heavy Industries Ltd	25%
Myanmar	Aitken Spence Travels Myanmar Ltd	22%
	Ace Aviation Myanmar Ltd	22%
India	Aitken Spence Hotel Services Pvt Ltd	25.17%
	PR Holiday Homes Pvt Ltd	25.17%
	Perumbalam Resorts (Pvt) Ltd	25.17%
	Aitken Spence Hotel Managements (South India) Pvt Ltd	25.17%
Bangladesh	Ace Bangladesh Ltd	27.50%

Dividends paid by companies registered in India, Maldives, Cambodia and Bangladesh are subject to withholding tax of 7.5%, 10%, 14% and 15% respectively as per provisions of the respective Tax Treaties between countries, Income Tax Acts and the regulations issued thereto.

Dividends paid by companies registered Fiji, Singapore, Oman, Myanmar and British Virgin Islands are not subject to withholding tax as per provisions of the respective Income Tax Acts and the regulations/directives issued thereto.

Notes to the Financial Statements

12.3 Tax recognised in income statements

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000	COMPANY 2025 Rs.'000	COMPANY 2024 Rs.'000
Current tax expense				
Tax on current year profits (note 12.5)	2,569,925	2,212,887	14,823	18,170
Changes in estimates related to prior years	(12,436)	54,912	(208)	425
Withholding tax on dividends paid by subsidiaries	363,699	220,707	-	-
	2,921,188	2,488,506	14,615	18,595
Deferred tax expense / (income)				
Impact of changes in tax rates (note 12.3.1)	(17,027)	16,601	-	-
Origination / (reversal) of temporary differences	743,028	(232,257)	3,107	8,971
Deferred tax expense / (income) (note 12.6)	726,001	(215,656)	3,107	8,971
	3,647,189	2,272,850	17,722	27,566
Effective tax rate (including deferred tax)	33.7%	33.8%	-	-
Effective tax rate (excluding deferred tax)	27.0%	37.0%	-	-

Income tax expense excludes, the Group's share of tax expense of the equity-accounted investees recognised in profit/(loss) of Rs. 609.9 million (2023/2024 - Rs. 434.0 million) which is included in 'share of profit of equity-accounted investees (net of tax).

12.3.1 Impact of changes in tax rates

For the year ended 31st March	GROUP 2025 Rs.'000	GROUP 2024 Rs.'000
Related to deferred tax assets/liabilities at the beginning of the year	-	19,723
Related origination/(reversal) of temporary differences during the year	(17,027)	(3,122)
	(17,027)	16,601

Income tax exemption applicable to foreign sourced income and service providers rendering services in or outside Sri Lanka, to any person to be utilized outside Sri Lanka, earning in foreign currency is withdrawn from 1st April 2025 and will be taxed at 15% thereafter. The deferred tax impact of tax rate change for 2024/2025 reflect the impact of this substantially enacted tax rate change.

For the year ended 31st March 2024, the impact of change in tax rates reflect the increase in corporate income tax rate from 20% to 25% for companies resident in Fiji.

Notes to the Financial Statements

12.4 Tax recognised in other comprehensive income

12.4.1 Group

For the year ended 31st March	2025			2024		
	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000
Items that will not be reclassified to profit or loss						
Revaluation of freehold land (tax impact of rate change)	-	(13,457)	(13,457)	4,761	(21,166)	(16,405)
Actuarial losses on defined benefit obligations	(70,326)	20,062	(50,264)	(196,399)	56,809	(139,590)
Equity investments at FVOCI – net change in fair value	(3,325)	(1,340)	(4,665)	(4,406)	3,659	(747)
Share of other comprehensive loss of equity-accounted investees (net of tax)	(6,993)	-	(6,993)	(47,506)	-	(47,506)
	(80,644)	5,265	(75,379)	(243,550)	39,302	(204,248)
Items that are or may be reclassified to profit or loss						
Exchange differences on translation of foreign operations	(636,979)	-	(636,979)	(3,056,207)	-	(3,056,207)
Net movement on cash flow hedges	679,261	-	679,261	1,501,550	-	1,501,550
Share of other comprehensive loss of equity-accounted investees (net of tax)	(120,155)	-	(120,155)	(505,310)	-	(505,310)
	(77,873)	-	(77,873)	(2,059,967)	-	(2,059,967)
Other comprehensive loss for the year	(158,517)	5,265	(153,252)	(2,303,517)	39,302	(2,264,215)

Tax recognised in other comprehensive income excludes, the Group's share of tax expense of the equity-accounted investees recognised in the other comprehensive income of Rs. 3.4 million (2023/2024 - Rs. 17.0 million) which has been included in 'share of other comprehensive income of equity-accounted investees (net of tax)'.

12.4.2 Company

For the year ended 31st March	2025			2024		
	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000	Before tax Rs.'000	Tax (expense) / income Rs.'000	Net of tax Rs.'000
Items that will not be reclassified to profit or loss						
Actuarial losses on defined benefit obligations	(15,480)	4,644	(10,836)	(29,903)	8,971	(20,932)
Equity investments at FVOCI – net change in fair value	(2,667)	(1,537)	(4,204)	(4,086)	3,563	(523)
Other comprehensive loss for the year	(18,147)	3,107	(15,040)	(33,989)	12,534	(21,455)

Notes to the Financial Statements

12.5 Reconciliation of the accounting profits and current year tax

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit / (loss) before tax	10,826,315	6,724,600	1,664,177	(16,304)
Consolidation adjustments	(1,577,204)	(1,317,988)	-	-
Profit / (loss) after adjustments	9,249,111	5,406,612	1,664,177	(16,304)
Income not liable for income tax	(2,867,119)	(2,792,773)	(1,146,877)	(1,856,070)
Effect of revenue subject to tax at source	1,997,456	2,068,044	148,237	181,697
Adjusted profit / (loss)	8,379,448	4,681,883	665,537	(1,690,677)
Non - taxable receipts / gains	(20,589)	(2,652)	(2,854,859)	(2,666,854)
Aggregate disallowed expenses	7,526,472	9,649,395	149,841	1,988,558
Capital allowances	(7,671,626)	(9,175,015)	(43,274)	(42,665)
Aggregate allowable deductions	(2,539,035)	(3,273,311)	(209,843)	(824,688)
Utilisation of tax losses	(2,874,042)	(4,786,910)	(187,139)	(131,707)
Current year tax losses not utilised	9,164,809	12,792,752	2,627,974	3,549,730
Taxable income	11,965,437	9,886,142	148,237	181,697
Income tax charged at;				
Standard rate - 30%	1,276,090	1,187,089	-	-
Concessionary rates	52,897	47,762	-	-
Varying rates on off - shore profits	1,240,938	978,036	14,823	18,170
Tax on current year profits	2,569,925	2,212,887	14,823	18,170
Changes in estimates related to prior years	(12,436)	54,912	(208)	425
Withholding tax on dividends paid by subsidiaries	363,699	220,707	-	-
	2,921,188	2,488,506	14,615	18,595

12.6 Deferred tax expense/ (income)

For the year ended 31st March	GROUP		COMPANY	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Origination / (reversal) of temporary differences arising from ;				
Accelerated depreciation for tax purposes on property, plant and equipment	324,235	595,225	(2,222)	(716)
Right-of-use assets	(63,376)	78,097	-	-
Biological assets and others	1,690	19,157	-	-
Unrealised exchange gain/(loss)	94,314	775,876	(7,083)	407,501
Undistributed profits of consolidated entities	39,540	(36,504)	-	-
Retirement benefit obligations	(46,429)	(54,952)	(6,349)	(8,331)
Tax losses carried forward	73,485	(1,397,151)	18,703	(391,175)
Expected credit losses	231,758	(123,659)	58	1,692
Obsolete stocks	(8,225)	-	-	-
Lease liabilities	79,009	(71,745)	-	-
	726,001	(215,656)	3,107	8,971

Notes to the Financial Statements

12.7 Tax losses carried forward

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Tax losses brought forward	50,037,226	42,314,490	7,342,666	3,939,400
Adjustments to tax loss brought forward and tax losses arising during the year	9,693,357	12,923,102	2,482,937	3,534,973
Utilisation of tax losses	(2,874,042)	(4,786,910)	(187,139)	(131,707)
Write off of unclaimable tax losses	(373,423)	(413,456)	-	-
	56,483,118	50,037,226	9,638,464	7,342,666

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 11,130.6 million (2023/2024 - Rs. 9,271.4 million) since utilization against future taxable profits are not probable. For Aitken Spence PLC, deferred tax assets unaccounted on losses as at 31.03.2025 amounted to Rs. 2,135.3 million (2023/2024 - Rs. 1,427.9 million).

12.7.1 Tax losses for which no deferred tax asset was recognised expire as follows.

	2024/2025 Rs.'000	Expiry date	2023/2024 Rs.'000	Expiry date
Group	11,130,552	2025/2026 - 2033/2034	9,271,377	2024/2025 - 2033/2034
Company	2,135,315	2028/2029 - 2030/2031	1,427,872	2028/2029 - 2029/2030

13 EARNINGS / (LOSS) PER SHARE

ACCOUNTING POLICY

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

The following reflects the income and share data used in the basic earnings per share computations.

For the year ended 31st March	GROUP 2025	GROUP 2024	COMPANY 2025	COMPANY 2024
Net profit /(loss) attributable to equity holders of the company (Rs.)	5,330,918,543	2,928,185,220	1,646,455,255	(43,869,827)
Weighted average number of ordinary shares in issue	405,996,045	405,996,045	405,996,045	405,996,045
Earnings /(loss) per share (Rs.)	13.13	7.21	4.06	(0.11)

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to the basic earnings per share.

Notes to the Financial Statements

14 DIVIDENDS PER SHARE

For the year ended 31st March	2025 Rs.'000	2024 Rs.'000
First and final ordinary dividend of Rs. 4.00 per share* (2023/2024- Rs. 4.25 per share)	1,623,984	1,725,483
	1,623,984	1,725,483

* The Directors have recommended a first and final dividend of Rs. 4.00 per share for the year ended 31st March 2025 to be approved at the Annual General Meeting on 04th July 2025. As required by section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company will satisfy the solvency test in accordance with section 57 of the Companies Act No.07 of 2007, and will obtain a certificate from the auditors, prior to the payment of the first and final dividend on or before 28th July 2025.

In compliance with Sri Lanka Accounting Standard LKAS 10 - Events after the reporting period, the first and final dividend recommended is not recognised as a liability in the financial statements as at 31st March 2025.

15 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

Recognition and measurement

All items of property, plant and equipment are recognised initially at cost.

The cost of an item of property, plant and equipment comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to the working condition for its intended use, and the attributable borrowing costs if the recognition criteria are met. The cost of an item also includes an initial estimate of the cost of dismantling and removing the items and restoring the site on which it is located.

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

The Group recognises land owned by it in the statement of financial position at the revalued amount. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of each reporting period. If the fair values of land does not change other than by an insignificant amount at each reporting period the Group will revalue such land every 5 years.

Any revaluation increase arising on the revaluation of such land is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in the carrying amount arising on a revaluation of land is recognised in the income statement to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of the same land.

External, independent qualified valuers having appropriate experience in valuing properties in locations of properties being valued, value the land owned by the Group based on market values, which 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.

Upon disposal, any related revaluation reserve is transferred from the revaluation reserve to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Significant components of property, plant and equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

Subsequent cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

Notes to the Financial Statements

ACCOUNTING POLICY

Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed.

The estimated useful lives are as follows:

Asset	Useful Life
Freehold buildings	08 - 50 years
Plant and machinery	10 - 20 years
Equipment	04 - 15 years
Power generation plants	10 - 20 years or over the period of the power purchase agreement
Motor vehicles	04 - 10 years
Furniture and fittings	10 - 20 years
Computer equipment	03 - 05 years
Crockery, cutlery and glassware	03 - 05 years
Motor boats	05 years
Soft furnishing	03 - 05 years
Swimming pool equipment	15 - 30 years

Power generation plants of some of the Group companies in the renewable energy segment that are not depreciated as above are depreciated on the unit of production basis.

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

The cost of major planned overhauls capitalised are depreciated over the period until the next planned maintenance.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment is derecognised upon replacement, disposal or when no future economic, benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised by the Group upon disposal (i.e., at the date the recipient obtains control).

Notes to the Financial Statements

15.1 Group

	Freehold Land Rs.'000	Freehold buildings Rs.'000	Plant machinery and equipment Rs.'000	Motor vehicles Rs.'000	Furniture and fittings Rs.'000	Capital work-in-progress Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost or revaluation								
Balance as at 01st April								
- Recognised under non-current	22,747,151	73,350,060	43,071,403	4,390,330	6,180,118	1,248,140	150,987,202	153,717,324
- Recognised under current	-	305,997	1,613,467	46,480	5,507	-	1,971,451	1,969,769
Surplus on revaluation	-	-	-	-	-	-	-	4,761
Companies disposed during the year	-	-	(13,137)	(1,029)	(5,050)	-	(19,216)	-
Exchange difference	(179,873)	(866,125)	(366,764)	(22,609)	(58,007)	(4,091)	(1,497,469)	(7,631,191)
Additions	-	368,105	1,485,026	176,611	277,817	981,354	3,288,913	5,465,665
Capitalisation of depreciation (right-of-use assets)	-	-	-	-	-	8,558	8,558	5,705
Classified as held for sale (note 28)	-	-	(1,614,799)	-	-	-	(1,614,799)	-
Reclassified to intangible assets	-	-	(18,341)	-	-	-	(18,341)	(10,650)
Other transfers	-	444,673	303,059	7,618	32,471	(787,821)	-	-
Disposals / write-offs	(1,342)	(1,080)	(270,243)	(63,292)	(51,701)	-	(387,658)	(562,730)
Balance as at 31st March	22,565,936	73,601,630	44,189,671	4,534,109	6,381,155	1,446,140	152,718,641	152,958,653
- Recognised under non-current	22,565,936	73,295,633	44,189,671	4,487,629	6,375,648	1,446,140	152,360,657	150,987,202
- Recognised under current	-	305,997	-	46,480	5,507	-	357,984	1,971,451
Accumulated depreciation								
Balance as at 01st April								
- Recognised under non-current	-	20,707,951	21,517,070	3,387,894	4,345,592	-	49,958,507	48,218,198
- Recognised under current	-	305,997	1,073,257	36,193	5,507	-	1,420,954	1,404,365
Companies disposed during the year	-	-	(11,428)	(1,029)	(4,575)	-	(17,032)	-
Exchange difference	-	(243,458)	(265,728)	(18,802)	(40,447)	-	(568,435)	(2,953,200)
Charge for the year	-	2,296,328	2,484,239	128,939	421,875	-	5,331,381	5,230,850
Classified as held for sale (note 28)	-	-	(1,074,589)	-	-	-	(1,074,589)	-
Reclassified to intangible assets	-	-	(14,860)	-	-	-	(14,860)	(10,650)
Other transfers	-	16,915	(33,716)	(7,996)	24,797	-	-	-
Disposals / write-offs	-	(180)	(244,726)	(54,891)	(42,657)	-	(342,454)	(510,102)
Balance as at 31st March	-	23,083,553	23,429,519	3,470,308	4,710,092	-	54,693,472	51,379,461
- Recognised under non-current	-	22,777,556	23,429,519	3,433,111	4,704,585	-	54,344,771	49,958,507
- Recognised under current	-	305,997	-	37,197	5,507	-	348,701	1,420,954
Carrying amount as at 31st March 2025	22,565,936	50,518,077	20,760,152	1,063,801	1,671,063	1,446,140	98,025,169	
- Recognised under non-current	22,565,936	50,518,077	20,760,152	1,054,518	1,671,063	1,446,140	98,015,886	
- Recognised under current *	-	-	-	9,283	-	-	9,283	
Carrying amount as at 31st March 2024	22,747,151	52,642,109	22,094,543	1,012,723	1,834,526	1,248,140		101,579,192
- Recognised under non-current	22,747,151	52,642,109	21,554,333	1,002,436	1,834,526	1,248,140		101,028,695
- Recognised under current	-	-	540,210	10,287	-	-		550,497

Notes to the Financial Statements

* Consequent to the expiry of the short term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024 and the direction received from the Board of Directors of Aitken Spence PLC (refer note 28) the financial statements of Ace Power Embilipitiya (Pvt) Ltd., have been prepared on a non-going concern basis, and therefore the remaining property, plant and equipment of the company continue to be treated under current assets.

The value of property, plant and equipment pledged by the Group as security for banking facilities amounted to Rs. 49,745.2 million (2023/2024- Rs. 32,809.7 million).

The Group capitalised borrowing costs of Rs. 64.2 million on interest-bearing loans and borrowings, Rs.13.4 million on lease liabilities and Rs. 5.3 million on short-term borrowings on qualifying assets during the year (2023/2024 – Rs.16.9 million, Rs. 9.4 million and Rs. 184.7 million respectively). Capitalisation rates used for each of these liabilities were 11.28%, 10.65% and 8.65% respectively.

Capital work-in-progress represents the amount of expenditure recognised under property plant and equipment during the construction of a capital asset.

The exchange difference has arisen as a result of the translation of property, plant and equipment of foreign operations which are accounted for in foreign currencies and translated to the reporting currency at the balance sheet date.

In compliance with the accounting policy, land owned by Group companies are revalued by independent professional valuers at least once in every five years unless there is an indication of a significant change in the market rates. Details of the revalued land are given in the note 15.3.1 to the financial statements. Tax impact on revaluation of land is given in note 12 to the financial statements.

On re-assessment of the fair value of the Group's assets, it has been identified that there is no impairment of property plant and equipment which requires provision in the financial statements.

Property plant and equipment as at 31st March 2025 includes fully depreciated assets having a gross carrying amount (cost) of Rs. 20,447.6 million that are still in use (2023/2024 - Rs. 14,775.2 million).

15.2 Company

	Plant machinery and equipment Rs.'000	Motor vehicles Rs.'000	Furniture and fittings Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost					
Balance as at 01st April	228,677	118,875	80,419	427,971	401,321
Additions	43,840	-	77	43,917	35,773
Disposals	-	(14,560)	-	(14,560)	(9,123)
Balance as at 31st March	272,517	104,315	80,496	457,328	427,971
Accumulated depreciation					
Balance as at 01st April	170,056	95,418	78,388	343,862	317,394
Charge for the year	27,763	24	678	28,465	35,591
Disposals	-	(12,133)	-	(12,133)	(9,123)
Balance as at 31st March	197,819	83,309	79,066	360,194	343,862
Carrying amount as at 31st March 2025	74,698	21,006	1,430	97,134	
Carrying amount as at 31st March 2024	58,621	23,457	2,031		84,109

There were no property plant and equipment pledged by the Company as security for facilities obtained from banks (2023/2024 - nil).

There were no borrowing costs capitalised on interest-bearing loans and borrowings and lease liabilities by the Company on qualifying assets during the financial years 2024/2025 and 2023/2024.

Property plant and equipment as at 31st March 2025 includes fully depreciated assets having a gross carrying amount (cost) of Rs. 346.2 million that are still in use (2023/2024 - Rs. 334.3 million).

Notes to the Financial Statements

15.3 Freehold land

15.3.1 Carrying amount of land

As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Land carried at revalued amount (note 15.3.2)	22,517,814	22,699,029
Land carried at cost (fair value) (note 15.3.3)	48,122	48,122
	22,565,936	22,747,151

15.3.2 Land carried at revalued amount

Company	Location	Last revaluation date	Estimated price per perch (significant unobservable inputs) Rs. / Equivalent Rs.	Extent	Carrying amount as at 31.03.2025 Rs.'000	Revaluation surplus Rs.'000	Carrying amount at cost Rs.'000
Aitken Spence PLC (a)	315, Vauxhall Street, Colombo 02	31.12.2022	12,500,000	1 A 0 R 12.78 P	2,154,224	2,153,067	1,157
	316, K. Cyril C. Perera Mw., Colombo 13	30.09.2022	4,250,000	1 A 0 R 20.37 P	747,028	742,037	4,991
	170, Sri Wickrema Mw., Colombo 15	10.12.2022	1,500,000	3 A 3 R 31.00 P	942,350	899,389	42,961
	Moragalla, Beruwala	13.12.2022	475,000	10 A 1 R 23.97 P	790,000	789,046	954
	290/1, Inner Harbour Road, Trincomalee	17.10.2022	525,000	0 A 1 R 4.95 P	23,500	23,500	-
Ace Containers (Pvt) Ltd (a)	775/5, Negombo Road, Wattala	22.12.2022	625,000	22 A 0 R 24.88 P	2,215,500	2,120,947	94,553
	385, Colombo Road, Welisara	22.12.2022	725,000	8 A 3 R 12.23 P	1,023,000	936,327	86,673
	No.377, Negombo Road, Welisara, Ragama	22.12.2022	750,000	1 A 1 R 17.80 P	163,000	75,935	87,065
Ace Distriparks (Pvt) Ltd (a)	80, Negombo Road, Wattala	22.12.2022	1,750,000	2 A 2 R 17.03 P	729,800	360,238	369,562
Ahungalla Resorts Ltd (a)	"Ahungalla Resorts", Galle Road, Ahungalla	24.12.2022	523,500 - 600,000	12 A 3 R 35.21 P	1,113,500	213,623	899,877
Aitken Spence (Garments) Ltd (a)	222, Agalawatte Road, Matugama	20.12.2022	125,000	2 A 3 R 0 P	55,000	49,840	5,160
Aitken Spence Hotel Holdings PLC (a)	"Heritance Ahungalla", Galle Road, Ahungalla	24.12.2022	475,000	11 A 3 R 34.02 P	825,000	806,798	18,202
	"Heritance Ahungalla", Galle Road, Ahungalla	24.12.2022	475,000	0 A 0 R 39.26 P	18,500	13,293	5,207
Aitken Spence Hotel Managements (South India) Ltd (b)	144/7, Rajiv Gandhi Salai, Kottivakkam, OMR, Chennai, India	11.11.2022	12,000,000	0 A 3 R 15.14 P	1,636,358	839,700	796,658
Aitken Spence Property Developments Ltd (a)	90, St.Rita's Estate, Mawaramandiya	14.12.2022	325,000	3 A 0 R 25.08 P	164,000	139,572	24,428
	100, St.Rita's Estate, Mawaramandiya	25.01.2025	370,000	1 A 0 R 0.00 P	59,000	4,761	54,239
Aitken Spence Resorts (Middle East) LLC (c)	Al Hamriya, Sultanate of Oman	15.02.2022	7,500,000	5 A 0 R 8.00 P	5,965,841	785,966	5,179,875
Branford Hydropower (Pvt) Ltd (a)	225, Gangabada Road, Kaludawela, Matale	08.10.2022	60,000	2 A 0 R 14.00 P	20,000	9,467	10,533
Clark Spence and Company (Pvt) Ltd (a)	24-24/1, Church Street, Galle	20.12.2022	5,500,000	0 A 1 R 27.90 P	373,450	373,415	35
Heritance (Pvt) Ltd (a)	Moragalla, Beruwala	13.12.2022	375,000	5 A 3 R 6.80 P	347,500	336,420	11,080
Kandalama Hotels Ltd (a)	Kandalama, Dambulla	18.10.2022	370	169 A 2 R 22.00 P	10,000	2,616	7,384
Logilink (Pvt) Ltd (a)	309/4 a, Negombo Road, Welisara	22.12.2022	525,000	2 A 1 R 9.50 P	193,500	111,009	82,491
Meeraladuwa (Pvt) Ltd (a)	Meeraladuwa Island, Balapitiya	27.12.2022	43,500 - 86,500	29 A 2 R 9.00 P	226,350	126,088	100,262
Neptune Ayurvedic Village (Pvt) Ltd (a)	Ayurvedic village - Moragalla, Beruwala	13.12,2022	252,000	0 A 0 R 19.30 P	4,860	796	4,064
Perumbalam Resorts (Pvt) Ltd (d)	Cochin - Kerala, India	23.01.2022	150,000	4 A 0 R 9.00 P	98,260	96,852	1,408
PR Holiday Homes (Pvt) Ltd (d)	Cochin - Kerala, India	22.01.2022	162,500	14 A 0 R 7.52 P	367,770	188,668	179,102
Turyaa (Pvt) Ltd (a)	418, Parallel Road, Kudawaskaduwa, Kalutara	13.12,2022	550,000	5 A 1R 37.90 P	440,000	420,235	19,765
	49, Sea Beach Road, Kalutara	13.12,2022	700,000	0 A 1R 30.32 P	39,775	38,287	1,488
	Kudawaskaduwa, Kalutara	13.12,2022	550,000	1 A 3 R 33.20 P	172,000	115,221	56,779
	Kudawaskaduwa, Kalutara	13.12,2022	550,000	0 A 1 R 34.30 P	40,000	30,826	9,174
Vauxhall Investments Ltd (a)	316, K. Cyril C. Perera Mw., Colombo 13	30.09.2022	4,250,000	0 A 1 R 21.08 P	252,972	231,133	21,839
Vauxhall Property Developments Ltd (a)	305, Vauxhall Street, Colombo 02	31.12.2022	12,500,000	0 A 2 R 24.73 P	1,305,776	1,291,045	14,731
					22,517,814	14,326,117	8,191,697

Notes to the Financial Statements

The above lands have been revalued on the basis of current market value by independent, qualified valuers who have recent experience in the location and category of property being valued.

a Valuation of the land was carried out by Mr. K.C.B Condegama, F.I.V (Sri Lanka).
b Valuation of the land was carried out by CBRE South Asia Pvt. Ltd, India.
c Valuation of the land was carried out by R. Tulsian Global, Oman.
d Valuation of the land was carried out by Mr. T.T. Kripananda Singh, B.Sc.(Engg.) Civil, FIE, FIV, C.(Engg.) (India).

The level at which fair value measurement is categorised and the summary description of valuation techniques can be found in fair value measurement disclosures in note 36.1 and 36.3 respectively.

15.3.3 Land carried at cost (fair value)

Company	Location	Acquisition date	Average price per perch Rs.'000	Extent	Carrying amount as at 31.03.2025 Rs.'000
Kandalama Hotels Ltd	Kandalama, Dambulla	17.11.2022	20,500	13 A 3 R 38.00 P	48,122
					48,122

The above land which is carried at cost have not been revalued since the acquisition cost represents the fair value.

16 INVESTMENT PROPERTIES

ACCOUNTING POLICY

Recognition and measurement

A property that is held to earn rentals or for capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, by the Group are accounted for as investment properties.

An investment property is measured initially at its cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable expenditure. The cost of a self-constructed investment property is measured at its cost at the date when the construction or development is complete.

The Group applies the cost model for investment properties in accordance with Sri Lanka Accounting Standard (LKAS 40) - "Investment Property". Accordingly, land classified as investment properties are stated at cost less any accumulated impairment losses and buildings classified as investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

No depreciation is provided on land treated as investment property.

Depreciation of other investment property of the Group is provided for on a consistent basis, over the period appropriate to the estimated useful lives of the assets on a straight-line method as follows:

Asset	Useful Life
Buildings	08 - 50 years

In the consolidated financial statements, properties which are occupied by companies within the Group for the production or supply of goods and services or for administrative purposes are treated as property, plant and equipment, while these properties are treated as investment property in the financial statements of the company owning the asset, if such company has rented out the property to other Group companies.

Notes to the Financial Statements

16.1 Movement during the year

For the year	GROUP		COMPANY	
	2024/2025 Rs.'000	2023/2024 Rs.'000	2024/2025 Rs.'000	2023/2024 Rs.'000
Cost				
Balance as at 01st April	1,634,031	1,634,031	3,494,670	3,494,670
Additions	22,282	-	22,282	-
Balance as at 31st March	1,656,313	1,634,031	3,516,952	3,494,670
Accumulated depreciation				
Balance as at 01st April	2,773	2,450	79,097	77,214
Charge for the year	1,747	323	3,567	1,883
Balance as at 31st March	4,520	2,773	82,664	79,097
Carrying amount as at 31st March	1,651,793	1,631,258	3,434,288	3,415,573

16.2 Amounts recognised in profit or loss

For the year	GROUP		COMPANY	
	2024/2025 Rs.'000	2023/2024 Rs.'000	2024/2025 Rs.'000	2023/2024 Rs.'000
Rental income earned	-	-	54,274	50,051
Direct operating expenses generating rental income	-	-	1,454	2,351
Direct operating expenses that did not generate rental income	40,393	98,341	40,393	98,341

There were no restrictions on the realisability of any investment property or on the remittance of income or proceeds of disposal.

16.3 Details of land and buildings classified as investment property

Company	Location	Extent		Significant unobservable inputs*		Carrying value of investment property as at 31.03.2025		Number of buildings
		Land	Building	Estimated price per perch. Rs.	Estimated price per square foot Rs.	Group Rs.'000	Company Rs.'000	
Aitken Spence PLC	315, Vauxhall Street, Colombo 02	1 A 0 R 12.78 P	-	12,500,000	-	-	900,000	-
	316, K. Cyril C. Perera Mw., Colombo 13	1 A 0 R 20.37 P	7,988 sq.ft	4,250,000	2,500 - 3,500	-	223,650	2
	170, Sri Wickrema Mw., Colombo 15	3 A 3 R 31.00 P	7,282 sq.ft	1,500,000	3,750 - 5,750	-	188,000	7
	Moragalla, Beruwala	10 A 1 R 23.97 P	125,349 sq.ft	475,000	12,500	-	530,145	6
	290/1, Inner Harbour Road, Trincomalee	0 A 1 R 4.95 P	1,970 sq.ft	525,000	3,500	-	12,700	1
	Irakkakandi Village, VC Road, Nilaweli	108 A 1 R 0.00 P	325 sq.ft	77,000 - 260,000	2,000	1,579,793	1,579,793	1
Aitken Spence Hotel Managements (Pvt) Ltd	Irakkakandi Village, VC Road, Nilaweli	5 A 0 R 1.00 P	-	77,000 - 260,000	-	72,000	-	-
Aitken Spence Developments (Pvt) Ltd	58/1, Park Road Kerawalapitiya,Wattala	-	1,680 sq.ft	-	1,500	-	-	8
						1,651,793	3,434,288	

* The level at which fair value measurement is categorised and the summary description of valuation techniques can be found in fair value measurement disclosures in note 36.1 and 36.3 respectively.

Notes to the Financial Statements

16.4 Market value

Investment properties in the Group are accounted for on the cost model. The open market value of the above properties based on the directors' valuation as at 31st March 2025 for the Group was Rs. 2,652 million (31 March 2024 -Rs. 2,632 million) and for the Company was Rs. 8,212 million (31 March 2024 -Rs. 7,668 million).

17 INTANGIBLE ASSETS

ACCOUNTING POLICY

Initial Recognition and measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable costs of preparing the asset for its intended use.

The cost of an intangible asset acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

Subsequent costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Subsequent measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life of the asset and assessed for impairment. 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 date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets recognised by the Group

Computer software

All computer software costs incurred and licensed for use by the Group, which do not form an integral part of related hardware, and can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

Website Costs

Costs incurred on development of websites are capitalised as intangible assets when the entity is satisfied that the web site will generate probable economic benefits in the future.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The policy on measurement of goodwill at initial recognition is given in note 4.1.1.

Goodwill is subsequently measured at cost less accumulated impairment losses.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is allocated to the carrying amount of the equity accounted investee.

In accordance with the above, the Group assess the useful life of the computer software and website costs have a finite useful life :

Intangible Asset	Useful Life
Computer Software	3-5 years
Website Cost	3-5 years

Notes to the Financial Statements

17.1 Group

	Goodwill Rs.'000	Software Rs.'000	Other intangibles Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost					
Balance as at 01st April	1,761,123	770,697	10,020	2,541,840	2,601,903
Exchange difference	(12,517)	(3,875)	-	(16,392)	(89,035)
Additions	-	38,245	-	38,245	19,618
Reclassified from property, plant and equipment	-	18,341	-	18,341	10,650
Disposals	-	-	-	-	(1,296)
Balance as at 31st March	1,748,606	823,408	10,020	2,582,034	2,541,840
Accumulated amortisation / impairment					
Balance as at 01st April	198,769	693,429	9,593	901,791	862,086
Exchange difference	(411)	(3,790)	-	(4,201)	(19,584)
Amortisation for the year	-	45,201	-	45,201	49,935
Impairment during the year (Note 17.1.1.2)	81,816	-	-	81,816	-
Reclassified from property, plant and equipment	-	14,860	-	14,860	10,650
Disposals	-	-	-	-	(1,296)
Balance as at 31st March	280,174	749,700	9,593	1,039,467	901,791
Carrying amount as at 31st March 2025	1,468,432	73,708	427	1,542,567	
Carrying amount as at 31st March 2024	1,562,354	77,268	427		1,640,049

There were no intangible assets pledged by the Group as security for facilities obtained from banks (2023/2024- nil).

Intangible assets as at 31st March 2025 includes fully amortised assets having a gross carrying amount (cost) of Rs. 757.1 million that are still in use (2023/2024 - Rs. 503.4 million).

17.1.1 Goodwill

17.1.1.1 Net carrying value of goodwill

Goodwill arising on business combinations have been allocated to the following cash generating units (CGU's) for impairment testing.

As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Tourism sector		
Hotels -Oman	688,377	782,299
Maritime and freight logistics sector		
Port services -Fiji	378,637	378,637
Strategic investments sector		
Power generation -Solar	331,364	331,364
Power generation -Waste to energy	50,000	50,000
Services sector		
Other services -Money transfer	20,054	20,054
	1,468,432	1,562,354

Notes to the Financial Statements

17.1.1.2 Impairment of goodwill

Impairment during the year

The recoverable amount of the Hotel-Oman CGU was determined based on its value in use calculation, established by discounting the future cashflows to be generated from the continuing use of the CGU. The carrying amount of the CGU was identified to be higher than its recoverable amount of OMR 8.5 million. Hence an impairment loss of OMR 105,751 (equivalent to Rs. 81.8 million) has been recognised during the financial year 2024/2025 (2023/2024 - Nil). Total of impairment loss was allocated to goodwill and recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

Impairment assessment

On annual testing of impairment of goodwill the recoverable amount is determined based on value-in-use calculations. The key assumptions used in this calculation are given below;

As at	31.03.2025		31.03.2024	
	Business growth rate	Discount rate	Business growth rate	Discount rate
Hotels -Oman	12.0%	13.7%	15.0%	9.1%
Port services -Fiji	5.0%	4.0%	7.0%	4.0%
Power generation -Solar	-	10.6%	-	11.2%
Power generation -Waste to energy	-	10.6%	-	11.2%
Other services -Money transfer	13.0%	10.6%	16.0%	11.2%

These value-in-use calculations use cash flow projections based on financial budgets approved by management. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

Business growth	▪ Based on the long term average growth rate for each business unit where applicable. The weighted average growth rate used is consistent with the forecasts included in industry reports. ▪ For CGUs other than for strategic investments sector the volume growth has been budgeted on a reasonable and realistic basis for a period of five years. As per the terms of the Power Purchase Agreement, static business growth is reflected in the solar and waste to energy power generation CGUs with projected cash flows till the end of the agreement.
Discount rate	▪ Pre-tax rate that reflects current market assessments of the time value of money specific to the country and the risks specific to the CGU have been used in the discounted cash flow calculations.
Inflation	▪ Based on current inflation rate.
Margin	▪ Based on past performance and budgeted expectations.

Sensitivity to changes in key assumptions

Management has identified that a reasonable possible change in the two key assumptions namely, business growth rate and discount rate could cause the carrying amount to exceed the recoverable amount. Given below is the change required individually for each key assumptions, for the carrying amount to equate the recoverable amount.

As at	31.03.2025		31.03.2024	
	Business growth rate decrease by	Discount rate increase by	Business growth rate decrease by	Discount rate increase by
Hotels -Oman *	N/A	N/A	4.5%	4.4%
Port services -Fiji	<100%	23.0%	3.9%	8.5%
Power generation -Solar	-	0.6%	-	0.3%
Power generation -Waste to energy	-	1.4%	-	8.0%
Other services -Money transfer	5.0%	>100%	2.9%	>100%

* Following the impairment loss recognised in the Group's intangible assets; Goodwill, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in key assumptions could lead to further impairment.

Notes to the Financial Statements

17.2 Company

For the year	Software 2024/2025 Rs.'000	Software 2023/2024 Rs.'000
Cost or valuation		
Balance as at 01st April	274,033	268,542
Additions	-	5,491
Balance as at 31st March	274,033	274,033
Accumulated amortisation		
Balance as at 01st April	227,710	209,601
Charge for the year	20,072	18,109
Balance as at 31st March	247,782	227,710
Carrying amount as at 31st March	26,251	46,323

There were no intangible assets pledged by the Company as security for facilities obtained from banks (2023/2024 - nil).

Intangible assets as at 31st March 2025 includes fully depreciated assets having a gross carrying amount (cost) of Rs. 177.2 million that are still in use (2023/2024 - Rs. 175.4 million).

18 BIOLOGICAL ASSETS

ACCOUNTING POLICY

The plantation companies within the Group manages the biological transformation of certain fruit plants for harvesting of agricultural produce from such plants and includes those and the respective nursery plants under biological assets.

Biological assets are classified as mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological assets include fruit and other trees, that are not intended to be sold or harvested, but grown for harvesting of agricultural produce from such biological assets. Consumable biological assets include managed timber trees that are to be harvested as agricultural produce or sold as biological assets.

The entity recognises the biological assets when, and only when, the entity controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

Bearer Biological Assets

Bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – property, plant and equipment.

The Group measures immature plantations at cost. The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting, that is, when the planted area attains maturity, are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets that comes in to bearing during the year are transferred to mature plantations.

Nursery plants

Nursery plant cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

Produce on Bearer Biological Assets

In accordance with LKAS 41, the Group recognises agricultural produce growing on bearer plants at fair value less cost to sell. Any change in the fair value of such agricultural produce are recognised in profit or loss at the end of each reporting period.

Notes to the Financial Statements

18 BIOLOGICAL ASSETS

ACCOUNTING POLICY

Depreciation and amortisation

Mature plantations are depreciated over their useful life or unexpired lease period of the farm land which ever is lower. Depreciation is recognised in the income statement on a straight line basis over the estimated useful economic lives of each part of an item of biological asset as below;

Biological Asset	Useful Life
Papaya	04 years
Soursop	20 years
Mango	25 years
Apple Guava	03 years

Depreciation method, useful life and residual values are remeasured at the reporting date and adjusted prospectively, if appropriate.

Specific accounting policy of Elpitiya Plantations PLC., an equity accounted investee

Elpitiya Plantations PLC., recognises tea, rubber, oil palm, coconut, cinnamon and berry plantations managed by them as biological assets in their financial statements.

Produce on Bearer Biological Assets

Elpitiya Plantations PLC recognises agricultural produce growing on bearer plants at fair value less cost to sell. Any change in the fair value of such agricultural produce is recognised in profit or loss at the end of each reporting period. For this purpose, quantities of harvestable agricultural produce is ascertained based on the harvesting cycle of each crop category by limiting to one harvesting cycle based on the last day of the harvest in the immediately preceding cycle. Further, 50% of the crops in that harvesting cycle are considered for the valuation. For the valuation of the harvestable agricultural produce, the Group uses the following price formulas.

Tea	Bought leaf rate (current month) less cost of harvesting and transport
Rubber	Latex price (95% of current RSS1 Price) less cost of tapping and transport
Oil Palm	Bought mill net sale average less cost of harvesting and transport

Depreciation and amortisation

Mature plantation of Elpitiya Plantation PLC are depreciated over the following useful lives of the assets.

Biological Asset	Useful Life
Tea	33 1/3 Years
Rubber	20 Years
Oil Palm	20 Years
Coconut	50 Years
Cinnamon	20 Years
Strawberry	02 Years

18.1 Movement during the year

	GROUP			
	Immature plantations Rs.'000	Mature plantations Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost				
Balance as at 01st April	59,034	31,160	90,194	85,937
Additions	6,862	-	6,862	4,257
Transfers	(7,231)	7,231	-	-
Balance as at 31st March	58,665	38,391	97,056	90,194
Accumulated depreciation				
Balance as at 01st April	-	25,739	25,739	14,603
Charge for the year	-	4,213	4,213	875
Impairment for the year	-	-	-	10,261
Balance as at 31st March	-	29,952	29,952	25,739
Carrying amount as at 31st March 2025	58,665	8,439	67,104	
Carrying amount as at 31st March 2024	59,034	5,421		64,455

There were no biological assets pledged by the Group as security for facilities obtained from banks (2023/2024 - nil).

No borrowing costs were capitalised under biological assets on interest-bearing loans and borrowings and lease liabilities by the Group during the financial year (2023/2024 - Nil).

Notes to the Financial Statements

19 RIGHT-OF-USE ASSETS

ACCOUNTING POLICY

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease as per SLFRS 16 - Leases.

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.

The right-of-use assets is also adjusted for certain subsequent remeasurements of the lease liability.

After the commencement date, the Group measures the right- of-use asset on the cost model.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Depreciation

Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the estimated useful life of the underlying asset as given in property, plant and equipment.

If the ownership of the leased asset transfers to the Group at the end of the lease term, or the cost of the right-of-use asset reflects the exercise of a purchase option the asset is depreciated over the useful life of the underlying asset.

The right-of-use assets are subject to impairment.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group 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.

Notes to the Financial Statements

19.1 Movement during the year - Group

Leasehold properties that do not meet the definition of an investment property are presented as right-of-use assets.

	Right-of-Use Land Rs.'000	Right-of-Use buildings Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Cost				
Balance as at 01st April				
- Recognised under non-current	27,350,965	4,203,292	31,554,257	34,055,122
- Recognised under current	5,290	-	5,290	5,200
Exchange difference	(358,658)	(119,364)	(478,022)	(2,873,259)
Additions	-	127,893	127,893	305,105
Operating leases pre-paid	-	7,128	7,128	103,128
Other transfers	44,484	(44,484)	-	-
Disposals	(5,290)	(64,117)	(69,407)	(35,749)
Balance as at 31st March	27,036,791	4,110,348	31,147,139	31,559,547
- Recognised under non-current	27,036,791	4,110,348	31,147,139	31,554,257
- Recognised under current	-	-	-	5,290
Accumulated depreciation				
Balance as at 01st April				
- Recognised under non-current	12,120,516	3,069,360	15,189,876	14,918,281
- Recognised under current	4,747	-	4,747	4,205
Exchange difference	(169,687)	(90,617)	(260,304)	(1,391,677)
Charge for the year	1,261,852	334,994	1,596,846	1,684,876
Capitalised under property, plant and equipment	8,558	-	8,558	5,705
Other transfers	55,266	(55,266)	-	-
Disposals	(5,290)	(59,982)	(65,272)	(26,767)
Balance as at 31st March	13,275,962	3,198,489	16,474,451	15,194,623
- Recognised under non-current	13,275,962	3,198,489	16,474,451	15,189,876
- Recognised under current	-	-	-	4,747
Carrying amount as at 31st March 2025	13,760,829	911,859	14,672,688	
- Recognised under non-current	13,760,829	911,859	14,672,688	
- Recognised under current	-	-	-	
Carrying amount as at 31st March 2024	15,230,992	1,133,932		16,364,924
- Recognised under non-current	15,230,449	1,133,932		16,364,381
- Recognised under current	543	-		543

Notes to the Financial Statements

19.2 Amounts recognised in profit or loss - Group

For the year	2024/2025 Rs.'000	2023/2024 Rs.'000
Depreciation expense of right-of-use assets (note 19.1)	1,596,846	1,684,876
Interest on lease liabilities (note 31.1)	769,073	909,996
Expenses relating to short term leases and leases of low value assets	546,490	557,700

19.3 Amounts recognised in statement of cash flows - Group

For the year	2024/2025 Rs.'000	2023/2024 Rs.'000
Lease capital repayment	1,790,460	1,799,005
Lease interest paid	776,080	907,976
Total cash outflow for leases (note 31.1)	2,566,540	2,706,981

19.4 Details of leased properties relating to right-of-use assets

Company	Nature of the leasing activity	Location of the leased property	Unexpired lease periods as at 31.03.2025
Ace Apparels (Pvt) Ltd	Land	Koggala - Sri Lanka	39 years
Ace Apparels (Pvt) Ltd	Factory and Warehouse facilities	Koggala - Sri Lanka	29 years
Ace Containers (Pvt) Ltd	Yard and Warehouse facilities	Wattala - Sri Lanka	3 - 5 years
Ace Container Terminals (Pvt) Ltd	Land	Katunayake - Sri Lanka	63 years
Ace Distriparks (Pvt) Ltd	Land	Mihinthale - Sri Lanka	18 years
Ace Distriparks (Pvt) Ltd	Warehouse facilities	Welisara and Wattala - Sri Lanka	1 - 3 years
Ace Windpower (Pvt) Ltd	Land	Ambewela - Sri Lanka	07 years
Aitken Spence Agriculture (Pvt) Ltd	Land	Dambulla - Sri Lanka	18 years
Aitken Spence Cargo (Pvt) Ltd	Warehouse facilities	Mulleriyawa - Sri Lanka	1 year
Aitken Spence Hotel Managements (Pvt) Ltd	Warehouse facilities	Colombo 02 - Sri Lanka	04 years
Aitken Spence Property Developments (Pvt) Ltd	Land	Colombo 02 - Sri Lanka	01 year
Global Parcel Delivery (Pvt) Ltd	Warehouse facility	Ingiriya - Sri Lanka	02 years
Hethersett Hotels Ltd	Land	Nuwara Eliya - Sri Lanka	70 years
Kandalama Hotels (Pvt) Ltd	Land	Dambulla - Sri Lanka	18 years
Waltrim Hydropower (Pvt) Ltd	Land and building	Nuwara Eliya - Sri Lanka	16 years
Western Power Company (Pvt) Ltd	Land	Muthurajawela - Sri Lanka	22 years
ADS Resorts (Pvt) Ltd	Island	North Male' Atoll - Maldives	11 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	23 years
Cowrie Investments (Pvt) Ltd	Island	Raa Atoll - Maldives	40 years
Jetan Travel Services Company (Pvt) Ltd	Island	South Male' Atoll - Maldives	18 years
Unique Resorts (Pvt) Ltd	Island	South Male' Atoll - Maldives	20 years
Fiji Ports Terminal Ltd	Wharfs used for ports operations	Suva - Fiji	04 years

The Group leases office space, office equipment, motor vehicles etc., with contract terms less than five years. These leases are either short term (term less than one year) and/or leases having low-value. Hence, the Group has elected not to recognise theses leases as right-of-use assets and lease liabilities.

The value of right-of-use assets pledged by the Group as security for interest-bearing liabilities obtained from banks amounted to Rs. 8,807.2 million (2023/2024- Rs.5,744.4 million).

Notes to the Financial Statements

20 INVESTMENTS IN SUBSIDIARIES

ACCOUNTING POLICY

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.

20.1 Carrying amount of investments in subsidiaries

As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Investment in subsidiaries - unquoted (note 20.2)	11,753,160	11,747,786
Investment in subsidiaries - quoted (note 20.3)	2,458,287	2,458,287
	14,211,447	14,206,073

20.2 Investments in subsidiaries - unquoted

	Country of incorporation	Number of shares as at 31.03.2025	Company holding %	Group holding %	Non-controlling holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
a) Ordinary shares							
Ace Apparels (Pvt) Ltd (a) (b) (c)	Sri Lanka	13,100,001	100.00	100.00	-	131,000	131,000
Ace Cargo (Pvt) Ltd (b)	Sri Lanka	990,000	100.00	100.00	-	245,173	245,173
Ace Container Repair (Pvt) Ltd (b)	Sri Lanka	2,250,000	100.00	100.00	-	22,500	22,500
Ace Container Terminals (Pvt) Ltd (b)	Sri Lanka	1,550,002	100.00	100.00	-	15,500	15,500
Ace Containers (Pvt) Ltd (b)	Sri Lanka	4,725,660	100.00	100.00	-	440,100	440,100
Ace Distriparks (Pvt) Ltd (b)	Sri Lanka	11,150,000	100.00	100.00	-	314,000	314,000
Ace Exports (Pvt) Ltd (b)	Sri Lanka	1,400,000	100.00	100.00	-	14,000	14,000
Ace Freight Management (Pvt) Ltd (b)	Sri Lanka	5,222,500	100.00	100.00	-	36,307	36,307
Ace International Express (Pvt) Ltd	Sri Lanka	10,000	100.00	100.00	-	100	100
Ace Wind Power (Pvt) Ltd (b)	Sri Lanka	37,050,000	100.00	100.00	-	430,000	430,000
Aitken Spence Agriculture (Pvt) Ltd (b) (c)	Sri Lanka	10,075,001	100.00	100.00	-	100,750	100,750
Aitken Spence Apparels (Pvt) Ltd (a) (b) (c)	Sri Lanka	1,500,000	100.00	100.00	-	15,000	15,000
Aitken Spence Cargo (Pvt) Ltd (b)	Sri Lanka	10,000	100.00	100.00	-	820	820
Aitken Spence Exports (Pvt) Ltd (a)	Sri Lanka	52,500	100.00	100.00	-	514	514
Aitken Spence Group Ltd (a) (b) (c)	Sri Lanka	10,000	100.00	100.00	-	100	100
Aitken Spence Insurance Brokers (Pvt) Ltd (c)	Sri Lanka	152,740	100.00	100.00	-	1,500	1,500
Aitken Spence International Consulting (Pvt) Ltd (c)	Sri Lanka	10,000	100.00	100.00	-	100	100
Aitken Spence Maritime Ltd (b)	Sri Lanka	140,000	100.00	100.00	-	1,400	1,400
Aitken Spence Power (Pvt) Ltd (b)	Sri Lanka	1,826,204	100.00	100.00	-	18,262	18,262
Aitken Spence Printing and Packaging (Pvt) Ltd (b)	Sri Lanka	10,000,000	100.00	100.00	-	100,000	100,000
Aitken Spence Shipping Ltd (b)	Sri Lanka	2,038,072	100.00	100.00	-	132,717	132,717
Aitken Spence Shipping Services Ltd (b)	Sri Lanka	25,000	100.00	100.00	-	20,200	20,200
Branford Hydropower (Pvt) Ltd (b)	Sri Lanka	16,400,100	100.00	100.00	-	223,000	223,000
Clark Spence and Company (Pvt) Ltd	Sri Lanka	25,000	100.00	100.00	-	74,300	74,300
Logilink (Pvt) Ltd (b)	Sri Lanka	30,000,000	100.00	100.00	-	222,690	222,690
Royal Spence Aviation (Pvt) Ltd (a) (b)	Sri Lanka	50,000	100.00	100.00	-	500	500
Vauxhall Investments (Pvt) Ltd (b)	Sri Lanka	1,320,000	100.00	100.00	-	13,200	13,200

Notes to the Financial Statements

	Country of incorporation	Number of shares as at 31.03.2025	Company holding %	Group holding %	Non-controlling holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
Vauxhall Property Developments (Pvt) Ltd (b) (c)	Sri Lanka	11,270,000	100.00	100.00	-	153,401	153,401
Waltrim Energy Ltd (b)	Sri Lanka	57,855,000	100.00	100.00	-	873,890	873,890
Sagasolar Power (Pvt) Ltd (a) (b) (c)	Sri Lanka	84,904,336	100.00	100.00	-	1,400,000	1,400,000
Aitken Spence Property Developments (Pvt) Ltd (b) (c)	Sri Lanka	75,425,725	96.41	100.00	-	766,594	766,594
Aitken Spence Developments (Pvt) Ltd	Sri Lanka	45,999	92.00	92.00	8.00	1,825	1,825
Western Power Company (Pvt) Ltd (a) (b)	Sri Lanka	80	80.00	80.00	20.00	200,000	200,000
Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	154,786	77.40	77.40	22.60	11,594	11,594
Aitken Spence Moscow (Pvt) Ltd (b)	Sri Lanka	37,500	75.00	75.00	25.00	375	375
Ace Power Embilipitiya (Pvt) Ltd (a) (b)	Sri Lanka	124,033,413	74.00	74.00	26.00	703,626	703,626
Ace Aviation Services (Pvt) Ltd (b)	Sri Lanka	26,251	50.00	100.00	-	263	263
Aitken Spence (Garments) Ltd (a) (b) (c)*	Sri Lanka	998,747	50.00	50.00	50.00	26,257	26,257
Aitken Spence Travels (Pvt) Ltd (a) (b) *	Sri Lanka	1,704,000	50.00	50.00	50.00	60,875	60,875
MMBL Money Transfer (Pvt) Ltd (b) *	Sri Lanka	3,000,000	50.00	50.00	50.00	35,566	35,566
Aitken Spence Hotel Managements (Pvt) Ltd (a) (b)	Sri Lanka	4,020,000	51.00	87.50	12.50	40,200	40,200
Aitken Spence Hotel Managements Asia (Pvt) Ltd (a) (c)	Sri Lanka	4,924,500	49.00	86.99	13.01	49,245	49,245
Aitken Spence Hotels International (Pvt) Ltd (a) (b)	Sri Lanka	10,323,225	39.00	86.99	13.01	99,000	99,000
Kandalama Hotels (Pvt) Ltd (b) (c)	Sri Lanka	6,000,000	37.00	82.99	17.01	182,050	182,050
Interlifts International Pvt Ltd *	Maldives	23,721	39.99	40.00	60.00	2,005	2,005
Ace Aviation Services Maldives Pvt Ltd *	Maldives	490	49.00	49.00	51.00	639	639
Fiji Ports Terminal Ltd (b)	Fiji	1,572,993	51.00	60.80	39.20	749,242	749,242
Aitken Spence International Pte. Ltd (a) (b) (c)	Singapore	268,570	100.00	100.00	-	63,185	32,811
Aitken Spence Corporate Services (Pvt) Ltd (a) (b) (c)	Sri Lanka	2	100.00	100.00	-	-	-
Global Parcel Delivery (Pvt) Ltd (b)	Sri Lanka	1	100.00	100.00	-	-	-
Aitken Spence Ports International Ltd (b)	Sri Lanka	10,000	10.00	100.00	-	-	-
Aitken Spence Technologies (Pvt) Ltd (Refer note 28)	Sri Lanka	1,577,506	100.00	100.00	-	-	13,888
						7,993,565	7,977,079
b) Preference Shares							
Cumulative preference shares							
Aitken Spence Aviation (Pvt) Ltd (a) (b)	Sri Lanka	500,000	100.00	100.00	-	5,000	5,000
Aitken Spence Hotel Holdings PLC (b) (c)	Sri Lanka	16,500,000	100.00	100.00	-	165,000	165,000
Western Power Company (Pvt) Ltd (b) (c) **	Sri Lanka	40,000,000	100.00	100.00	-	3,700,000	3,700,000
Non-cumulative preference shares							
Aitken Spence (Garments) Ltd (a) (b) (c)	Sri Lanka	4,000,000	72.73	72.73	27.27	40,000	40,000
						3,910,000	3,910,000
Provision for impairment of investments (note 20.2.1)						(150,405)	(139,293)
						11,753,160	11,747,786

* Refer note 20.6

** During 2018/2019 financial year, 40,000,000 Redeemable Cumulative preference shares of Rs. 100.00 each were issued to Aitken Spence PLC by Western Power (Pvt) Ltd. The called up capital on the shares as at 31.03.2025 and 31.03.2024 was Rs. 92.50 per share. The outstanding balance subscription of Rs. 7.50 per share will be called from time to time as and when required by the issuing company.

Notes to the Financial Statements

20.2.1 Movement in provision for impairment of investments in subsidiaries

For the year	2024/2025 Rs.'000	2023/2024 Rs.'000
Balance as at 01st April	139,293	139,293
Impairment made during the year	25,000	-
Classified as held for sale	(13,888)	-
Balance as at 31st March	150,405	139,293

During the period under review the Company impaired some of its investments in the strategic investments sector and recognised an impairment loss of Rs. 25.0 million in the income statement under Depreciation, amortisation and impairment losses of non-financial assets.

a,b,c - refer note 40

20.3 Investment in subsidiaries - quoted

	Country of incorporation	Number of shares as at 31.03.2024	Company holding %	Group holding %	Non-controlling holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
Aitken Spence Hotel Holdings PLC (a) (c) (Ordinary Shares)	Sri Lanka	239,472,667	71.20	74.49	25.51	2,458,287	2,458,287
						2,458,287	2,458,287
Market value of quoted investment						19,181,761	15,853,091

a,c - refer note 40

20.4 Inter-company shareholdings - unquoted

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding: Investor holding %	Group holding %	Non-controlling holding %
a) Ordinary Shares						
Ace Aviation Services (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Ace Cargo (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Ace Container Terminals (Pvt) Ltd	Aitken Spence Hotels Ltd (b) (c)	Sri Lanka	1	0.00	73.01	26.99
Ace Containers (Pvt) Ltd	Aitken Spence Developments (Pvt) Ltd	Sri Lanka	1	0.00	92.00	8.00
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
	Aitken Spence Hotels Ltd (b) (c)	Sri Lanka	1	0.00	73.01	26.99
Ace International Express (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Cargo (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Cargo (Pvt) Ltd	D.B.S. Logistics Ltd (b)	Sri Lanka	200,000	100.00	100.00	-
	Ace Aviation Services (Pvt) Ltd (b)	Sri Lanka	26,251	50.00	100.00	-
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Developments (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60

Notes to the Financial Statements

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Hotel Holdings PLC	Meeraladuwa (Pvt) Ltd (a) (b)	Sri Lanka	20,227,801	100.00	74.49	25.51
	Neptune Ayurvedic Village (Pvt) Ltd (a) (b)	Sri Lanka	500,000	100.00	74.49	25.51
	Turyaa (Pvt) Ltd (a) (b)	Sri Lanka	341,732,322	100.00	74.49	25.51
	Aitken Spence Hotels Ltd (b) (c)	Sri Lanka	14,701,204	98.01	73.01	26.99
	Hethersett Hotels Ltd (a) (b)	Sri Lanka	24,542,000	94.44	70.35	29.65
	Ahungalla Resorts Ltd (a) (b)*	Sri Lanka	78,369,024	60.00	44.69	55.31
	Aitken Spence Hotel Managements Asia (Pvt) Ltd (a) (c)	Sri Lanka	5,125,500	51.00	86.99	13.01
	Aitken Spence Hotel Managements (Pvt) Ltd (a) (b)	Sri Lanka	3,862,353	49.00	87.50	12.50
	Aitken Spence Hotels International (Pvt) Ltd (a) (b)	Sri Lanka	10,744,582	41.00	86.99	13.01
	Nilaveli Holidays (Pvt) Ltd (a) (b)	Sri Lanka	1	100.00	74.49	25.51
	Nilaveli Resorts (Pvt) Ltd (a) (b)	Sri Lanka	1	100.00	74.49	25.51
	The Galle Heritage (Pvt) Ltd (b) (c)	Sri Lanka	1	100.00	74.49	25.51
	Crest Star (B.V.I) Ltd (a) (b)	British Virgin Islands	3,415,000	100.00	74.49	25.51
	Aitken Spence Hotel Managements (South India) Ltd (b)	India	29,869,000	16.60	84.92	15.08
	Cowrie Investments Pvt Ltd (a) (b) *	Maldives	52,740	60.00	44.69	55.31
	A.D.S Resorts Pvt Ltd (a)	Maldives	1	0.00	86.99	13.01
	Unique Resorts Pvt Ltd (a)	Maldives	1	0.00	86.99	13.01
	Aitken Spence Resorts (Middle East) LLC (a) (b)	Oman	1	0.00	86.99	13.01
Aitken Spence Hotel Management (Pvt) Ltd	Aitken Spence Resources (Pvt) Ltd (a)	Sri Lanka	10,000	100.00	100.00	-
	Aitken Spence (Garments) Ltd (a) (b) (c)*	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Hotel Management Asia (Pvt) Ltd	Aitken Spence Hotels International (Pvt) Ltd (a) (b)	Sri Lanka	5,196,916	20.00	86.99	13.01
	PR Holiday Homes Pvt Ltd (b)	India	621,310	84.57	73.57	26.43
Aitken Spence Hotel Managements (South India) Ltd	Perumbalam Resorts Pvt Ltd (b)	India	1	0.01	73.57	26.43
Aitken Spence Hotel Services Pvt Ltd	Aitken Spence Hotel Managements (South India) Ltd (b)	India	1	0.00	84.92	15.08
Aitken Spence Hotels International (Pvt) Ltd	Aitken Spence Hotel Services Pvt Ltd	India	10,000	100.00	86.99	13.01
	Aitken Spence Resorts (Middle East) LLC (a) (b)	Oman	12,517,890	100.00	86.99	13.01
	A.D.S Resorts Pvt Ltd (a)	Maldives	1,274,999	100.00	86.99	13.01
	Unique Resorts Pvt Ltd (a)	Maldives	6,374,999	100.00	86.99	13.01
	Aitken Spence Hotel Managements (South India) Ltd (b)	India	150,048,995	83.40	84.92	15.08
	Ace Resorts Pvt Ltd (a) (b) (Refer note 28)	Maldives	462,598	100.00	86.99	13.01
Aitken Spence Hotels Ltd	Heritance (Pvt) Ltd (a) (b)	Sri Lanka	2,125,627	100.00	73.01	26.99
	Kandalama Hotels (Pvt) Ltd (a) (b)	Sri Lanka	10,216,216	63.00	82.99	17.01
Aitken Spence Insurance Brokers (Pvt) Ltd	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence International Consulting (Pvt) Ltd	Aitken Spence (Garments) Ltd (a) (b) (c)*	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Maritime Ltd	Aitken Spence Ports International Ltd (b)	Sri Lanka	90,000	90.00	100.00	-
	Hapag-Lloyd Lanka (Pvt) Ltd (b)	Sri Lanka	119,999	60.00	60.00	40.00
Aitken Spence Printing & Packaging (Pvt) Ltd	Aitken Spence (Garments) Ltd (a) (b) (c)*	Sri Lanka	1	0.00	50.00	50.00
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Aitken Spence Shipping Ltd	Shipping and Cargo Logistics (Pvt) Ltd (b) *	Sri Lanka	25,000	50.00	50.00	50.00

Notes to the Financial Statements

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Travels (Pvt) Ltd	Ace Travels and Conventions (Pvt) Ltd *	Sri Lanka	55,000	100.00	50.00	50.00
Clark Spence and Company (Pvt) Ltd	Hapag-Lloyd Lanka (Pvt) Ltd (b)	Sri Lanka	1	0.00	60.00	40.00
Crest Star (B.V.I) Ltd	Jetan Travel Services Company Pvt Ltd (a)	Maldives	47,500	95.00	70.77	29.23
Fiji Ports Corporation Ltd	Fiji Ports Terminal Ltd (b)	Fiji	1,511,307	49.00	60.80	39.20
PR Holiday Homes (Pvt) Ltd	Perumbalam Resorts Pvt Ltd (b)	India	9,999	99.99	73.57	26.43
Royal Spence Aviation (Pvt) Ltd	Aitken Spence Travels Myanmar Ltd (a) (b)	Myanmar	120,000	60.00	60.00	40.00
Unique Resorts Pvt Ltd	Ace Resorts Pvt Ltd (a) (b) (Refer note 28)	Maldives	1	0.00	86.99	13.01
Vauxhall Investments (Pvt) Ltd	Aitken Spence Aviation (Pvt) Ltd (a) (b)	Sri Lanka	5,000	100.00	100.00	-
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Vauxhall Property Developments (Pvt) Ltd	Interlifts International Pvt Ltd *	Maldives	6	0.01	40.00	60.00
	Aitken Spence Industrial Solutions (Pvt) Ltd (b)	Sri Lanka	200	100.00	100.00	-
	Aitken Spence Property Developments (Pvt) Ltd (b) (c)	Sri Lanka	2,805,000	3.53	100.00	-
	Aitken Spence Elevators (Pvt) Ltd (b)	Sri Lanka	1	0.00	77.40	22.60
Waltrim Energy Ltd	Elgin Hydropower (Pvt) Ltd (b)	Sri Lanka	28,152,080	100.00	100.00	-
	Upper Waltrim Hydropower (Pvt) Ltd (b)	Sri Lanka	26,878,135	100.00	100.00	-
	Waltrim Hydropower (Pvt) Ltd (b)	Sri Lanka	24,795,588	100.00	100.00	-
b) Preference Shares						
Cumulative preference shares						
Ace Apparels (Pvt) Ltd (a) (b) (c)	Ace Apparels (Pvt) Ltd (a) (b) (c)	Sri Lanka	22,650,000	100.00	100.00	-
Aitken Spence Hotels Ltd (a) (c)	Aitken Spence Hotels Ltd (b) (c)	Sri Lanka	40,000,000	100.00	74.49	25.51

* Refer note 20.6

a,b,c - refer note 40

20.5 Inter-company shareholdings - quoted

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Ace Cargo (Pvt) Ltd	Aitken Spence Hotel Holdings PLC (b) (c) (Ordinary Shares)	Sri Lanka	4,423,601	1.32	74.49	25.51
Aitken Spence Hotel Management (Pvt) Ltd			3,530,639	1.05		
Aitken Spence Aviation (Pvt) Ltd			2,604,140	0.77		
Vauxhall Investments (Pvt) Ltd			340,270	0.10		
Clark Spence and Company (Pvt) Ltd			136,101	0.04		

a,c - refer note 40

20.6 Companies with equity holding equal to or less than 50%, have been consolidated as subsidiaries based on criterias specified in note 4.1.2 pursuant to SLFRS 10 - Consolidated Financial Statements. These companies are indicated by a "*" in notes 20.2 and 20.4.

20.7 The value of shares pledged by the Group as securities for facilities obtained from banks amounted to Rs. 4,830.7 million for both financial years 2024/2025 and 2023/2024.

Principal activities of the Group's interest in subsidiaries are described on pages 501 to 508.

Notes to the Financial Statements

20.8 Non-controlling interests

The following table summarises the financial information relating to the Group's subsidiaries that has material non-controlling interests (before any intra-group eliminations).

For the year	2024/2025			2023/2024		
	Aitken Spence Hotel Holding PLC & Group Rs.'000	Other individually immaterial subsidiaries Rs.'000	Total Rs.'000	Aitken Spence Hotel Holding PLC & Group Rs.'000	Other individually immaterial subsidiaries Rs.'000	Total Rs.'000
Non - current assets	77,998,272			82,669,627		
Current assets	18,137,441			14,419,950		
Non - current liabilities	(33,302,134)			(43,323,944)		
Current liabilities	(28,370,270)			(22,900,941)		
Net assets	34,463,309			30,864,692		
Carrying amount of non-controlling interests as at 31st March	9,477,592	3,177,692	12,655,284	8,168,570	3,715,278	11,883,848
Revenue	48,741,023			47,258,528		
Profit for the year	3,588,462			1,864,687		
Other comprehensive income / (loss) for the year, net of tax	176,448			(1,131,524)		
Total comprehensive income for the year	3,764,910			733,163		
Profit for the year allocated to non-controlling interests	1,206,187	642,020	1,848,207	590,908	932,657	1,523,565
Other comprehensive income /(loss) for the year, net of tax allocated to non-controlling interests	246,911	(61,342)	185,569	31,579	(190,761)	(159,182)
Total comprehensive income for the year allocated to non-controlling interests	1,453,098	580,678	2,033,776	622,487	741,896	1,364,383
Cash flows from operating activities	10,743,403			7,772,452		
Cash flows from investing activities	(2,693,778)			(960,863)		
Cash flows from financing activities	(6,922,466)			(7,518,185)		
Net increase / (decrease) in cash and cash equivalents	1,127,159			(706,596)		
Dividends paid to non-controlling interests	152,195	1,111,729	1,263,924	30,196	1,261,995	1,292,191

Notes to the Financial Statements

21 INVESTMENTS IN EQUITY-ACCOUNTED INVESTEES

ACCOUNTING POLICY

Associates are those entities in which the Group has significant influence, but does not have control over the financial and operating policies. Significant influence is presumed to exist when the Group holds more than 20% of the voting rights of another entity.

Joint ventures are arrangements in which the Group has joint control and has rights to the net assets of the arrangement. The Group has joint control in a venture when there is contractually agreed sharing of control of the venture and the decisions about the relevant activities of the venture require the unanimous consent of the parties sharing control.

Associates and joint ventures are treated as equity accounted investees and are accounted for using the equity method.

Under the equity method Investments in equity-accounted investees are recognised initially at cost, which includes transaction costs. The carrying amount of the investment is adjusted at each reporting date to recognise changes in the Group's share of net assets of the equity-accounted investees arising since the acquisition date. Goodwill relating to the equity-accounted investees is included in the carrying amount of the investment. Dividends declared by the equity-accounted investees are recognised against the equity value of the Group's investment.

The income statement reflects the Group's share of the results of operations of the equity accounted investees. When there is a change recognised directly in the other comprehensive income or equity of the entity, the Group recognises its share of such changes, when applicable, in the statement of profit or loss and other comprehensive income or the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the equity-accounted investees are eliminated to the extent of the interest in the equity-accounted investees.

The Group's share of profit or loss of equity accounted investees is shown on the face of the income statement net of tax.

Adjustments are made if necessary, to the financial statements of the equity accounted investees to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its equity accounted investee. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. If such company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equal the share of losses not recognised previously.

The Group determines at each reporting date whether there is any objective evidence that the investment in the equity accounted investee is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the equity-accounted investees and its carrying value and recognises the amount in the income statement.

Upon loss of significant influence over the associate or the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the equity accounted investee disposed and the fair value of the retaining investment and the proceeds from disposal is recognised in the income statement.

Notes to the Financial Statements

21.1 Recognition of equity-accounted investees

For the year	Notes	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Recognised in the statement of financial position					
Interest in joint ventures	21.1.1	2,191,466	1,771,901	141,700	141,700
Interest in associates	21.2.1	8,737,402	8,174,936	2,516,255	2,516,255
Carrying amount as at 31.03.2025		10,928,868	9,946,837	2,657,955	2,657,955
Recognised in the income statement					
Interest in joint ventures	21.1.2	608,235	334,539	-	-
Interest in associates	21.2.2	968,969	983,449	-	-
Share of profit of equity-accounted investees (net of tax)		1,577,204	1,317,988	-	-
Recognised in the statement of profit or loss and other comprehensive income					
Interest in joint ventures	21.1.2	(40,248)	(45,619)	-	-
Interest in associates	21.2.2	(86,900)	(507,197)	-	-
Share of other comprehensive loss of equity-accounted investees (net of tax)		(127,148)	(552,816)	-	-

Share of other comprehensive income of equity-accounted investees (net of tax) is further analysed as ;

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000
Items that will not be reclassified to profit or loss	(6,993)	(47,506)
Items that are or may be reclassified to profit or loss	(120,155)	(505,310)
	(127,148)	(552,816)

Notes to the Financial Statements

21.1.1 Investment in joint ventures

	Country of incorporation	GROUP				COMPANY			
		Number of shares as at 31.03.2025	Holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000	Number of shares as at 31.03.2025	Holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
Aitken Spence C & T Investments (Pvt) Ltd (b) (c) (Ordinary shares - Unquoted)	Sri Lanka	14,170,000	50.00	141,700	141,700	14,170,000	50.00	141,700	141,700
Aitken Spence Engineering Solutions (Pvt) Ltd (Ordinary shares - Unquoted)	Sri Lanka	20,000	50.00	2,000	2,000	20,000	50.00	2,000	2,000
CINEC Campus (Pvt) Ltd (b) (consolidated with Mercantile Seaman Training Institute Ltd) (Ordinary shares - Unquoted)	Sri Lanka	253,334	40.00	502,950	502,950			-	-
Spence Seahorse Marine (Pvt) Ltd (b) (Ordinary shares - Unquoted)	Sri Lanka	18,222,991	50.00	182,230	182,230			-	-
Port City PBO (Pvt) Ltd (a) (b) (c) (Ordinary shares - Unquoted)	Sri Lanka	31,020	50.00	15,295	-			-	-
Ace Bangladesh Ltd (b) (Ordinary shares - Unquoted)	Bangladesh	172,970	49.00	32,587	32,587			-	-
Aitken Spence Cargo (Cambodia) Co. Ltd (b) (Ordinary shares - Unquoted)	Cambodia	10,000	50.00	3,089	3,089	-	-	-	-
Carrying amount as at 31st March				879,851	864,556			143,700	143,700
Provision for impairment of investments				-	-			(2,000)	(2,000)
Opening cumulative net assets accruing to the group net of dividend				907,345	631,525			-	-
Group's share of total comprehensive income for the year				567,987	288,920			-	-
Dividends received for the year				(163,717)	(13,100)			-	-
Equity value of investments				2,191,466	1,771,901			141,700	141,700

21.1.2 Summarised financial information of joint ventures - Group

The following analyses, in aggregate, the net assets of individually immaterial joint ventures.

For the year	2024/2025 Rs.'000	2023/2024 Rs.'000
Carrying amount of interest in joint ventures as at 31st March	2,191,466	1,771,901
Group's share of :		
- Profit for the year (net of tax)	608,235	334,539
- Other comprehensive loss for the year (net of tax)	(40,248)	(45,619)
Total comprehensive income for the year	567,987	288,920

21.1.3 Inter-company shareholdings - investment in joint ventures

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Ports International Ltd	CINEC Campus (Pvt) Ltd (b)	Sri Lanka	253,334	40.00	40.00	60.00
Aitken Spence Shipping Ltd	Spence Seahorse Marine (Pvt) Ltd (b)	Sri Lanka	18,222,991	50.00	50.00	50.00
Ace Cargo (Pvt) Ltd	Ace Bangladesh Ltd (b)	Bangladesh	172,970	49.00	49.00	51.00
Aitken Spence International Pte Ltd	Aitken Spence Cargo (Cambodia) Co. Ltd (b)	Cambodia	10,000	50.00	50.00	50.00
	Port City PBO (Pvt) Ltd	Sri Lanka	31,020	50.00	50.00	50.00

Principal activities of the Group's interest in joint ventures are described on pages 509 to 512.

a,b,c - refer note 40

Notes to the Financial Statements

21.2.1 Investment in associates

	Country of incorporation	GROUP				COMPANY			
		Number of shares as at 31.03.2025	Holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000	Number of shares as at 31.03.2025	Holding %	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
Aitken Spence Plantation Managements PLC (b) (c) (consolidated with Elpitiya Plantations PLC (b) (c)) (Ordinary shares - Quoted)	Sri Lanka	8,295,860	44.14	165,000	165,000	8,295,860	44.14	165,000	165,000
Fiji Ports Corporation Ltd (b) (consolidated with Fiji Ships Heavy Industries Ltd (b)) (Ordinary Shares - Unquoted)	Fiji	14,630,970	20.00	2,351,255	2,351,255	14,630,970	20.00	2,351,255	2,351,255
Serendib Investments Ltd (Ordinary Shares - Unquoted)	Fiji	1,750,000	25.00	151,215	151,215	1,750,000	25.00	151,215	151,215
Browns Beach Hotels PLC (a) (b) (consolidated with Negombo Beach Resorts (Pvt) Ltd (a)) (Ordinary shares - Quoted)	Sri Lanka	48,627,103	27.96	928,077	928,077	-	-	-	-
Amethyst Leisure Ltd (a) (consolidated with Paradise Resort Pasikudah (Pvt) Ltd (a)) (Ordinary shares - Unquoted)	Sri Lanka	218,345,163	20.78	332,848	332,848	-	-	-	-
Ace Aviation Myanmar Ltd (Ordinary shares - Unquoted)	Myanmar	1,525,000	33.33*	20,075	20,075	-	-	-	-
Carrying amount as at 31st March				3,948,470	3,948,470			2,667,470	2,667,470
Provision for impairment of investments				(30,570)	(30,570)			(151,215)	(151,215)
Opening cumulative net assets accruing to the group net of dividend				4,257,036	3,986,931			-	-
Group's share of total comprehensive income for the year				882,069	476,252			-	-
Dividends received for the year				(451,136)	(438,739)			-	-
Share of net assets recognised in equity				131,533	232,592			-	-
Equity value of investments				8,737,402	8,174,936			2,516,255	2,516,255
Market value of quoted investments				1,385,394	1,103,357			471,205	471,205

* Group's effective holding in Ace Aviation Myanmar Ltd.

21.2.2 Summarised financial information of associates - Group

The following analyses in aggregate the carrying amount, share of profit and other comprehensive income of individually immaterial associates.

For the year	2024/2025 Rs.'000	2023/2024 Rs.'000
Carrying amount of interest in associates as at 31st March	8,737,402	8,174,936
Group's share of :		
- Profit for the year (net of tax)	968,969	983,449
- Other comprehensive loss for the year (net of tax)	(86,900)	(507,197)
Total comprehensive income for the year	882,069	476,252

Notes to the Financial Statements

21.2.3 Inter-company shareholdings - investment in associates

Investor	Investee	Country of incorporation	Number of shares as at 31.03.2025	Percentage holding (%)		
				Investor holding %	Group holding %	Non-controlling holding %
Aitken Spence Hotel Holdings PLC	Browns Beach Hotels PLC (b) (c)	Sri Lanka	47,455,750	36.62	27.96	72.04
Aitken Spence Hotels Ltd			432,459	0.33		
Heritance (Pvt) Ltd			432,444	0.33		
Kandalama Hotels (Pvt) Ltd			306,450	0.24		
Aitken Spence Hotel Holdings PLC	Amethyst Leisure Ltd (a)	Sri Lanka	218,345,163	27.89	20.78	79.22
Aitken Spence Cargo (Pvt) Ltd	Ace Aviation Myanmar Ltd	Myanmar	1,525,000	33.33	33.33	66.67

Principal activities of the Group's interest in associates are described on pages 509 to 512.

a,b,c - refer note 40

22 DEFERRED TAX ASSETS

ACCOUNTING POLICY

Refer note 12

22.1 Movement during the year

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Balance as at 01st April	1,974,566	1,619,314	643,565	640,002
Companies disposed during the year	(260)	-	-	-
Exchange difference	(6,415)	(40,476)	-	-
Origination / (reversal) of temporary differences				
Recognised in profit / (loss)	(366,366)	459,620	(3,107)	(8,971)
Recognised in other comprehensive income	17,583	(63,892)	3,107	12,534
Balance as at 31st March	1,619,108	1,974,566	643,565	643,565

22.2 Composition of deferred tax assets

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Deferred tax assets attributable to;				
Retirement benefit obligations	229,212	270,550	60,266	49,273
Tax losses carried forward	3,481,113	3,466,943	756,227	774,930
Expected credit losses	84,469	285,566	39	97
Obsolete stocks	306	-	-	-
Lease liabilities	38,600	57,058	-	-
Financial assets at FVOCI	7,099	7,997	6,939	8,476
Unrealised exchange gain	(189,229)	(188,421)	(172,302)	(179,385)
Accelerated depreciation for tax purposes on property, plant and equipment	(1,443,246)	(1,303,501)	(7,604)	(9,826)
Revaluation surplus on freehold land	(562,089)	(567,131)	-	-
Right-of-use assets	(27,127)	(45,744)	-	-
Other items	-	(8,751)	-	-
Net deferred tax assets	1,619,108	1,974,566	643,565	643,565

Notes to the Financial Statements

22.3 Movement in tax effect of temporary differences - Group

	As at 31.03.2025 Rs.'000	Exchange difference on translation Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	Companies disposed during the year Rs.'000	As at 31.03.2024 Rs.'000	Exchange difference on translation Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	As at 01.04.2023 Rs.'000
Deferred tax assets										
Retirement benefit obligations	229,212	(127)	(50,429)	9,218	-	270,550	(322)	37,946	40,522	192,404
Tax losses carried forward	3,481,113	(29,518)	43,688	-	-	3,466,943	(79,573)	1,571,874	-	1,974,642
Expected credit losses	84,469	(175)	(200,841)	-	(81)	285,566	(945)	101,108	-	185,403
Obsolete stocks	306	-	306	-	-	-	-	-	-	-
Lease liabilities	38,600	-	(18,458)	-	-	57,058	-	(25,054)	-	82,112
Financial assets at FVOCI	7,099	-	-	(898)	-	7,997	-	-	3,657	4,340
	3,840,799	(29,820)	(225,734)	8,320	(81)	4,088,114	(80,840)	1,685,874	44,179	2,438,901
Deferred tax liability										
Accelerated depreciation for tax purposes on property, plant and equipment	(1,443,246)	18,875	(158,441)	-	(179)	(1,303,501)	28,979	(422,487)	-	(909,993)
Revaluation surplus on freehold land	(562,089)	4,530	-	512	-	(567,131)	11,385	-	(108,071)	(470,445)
Unrealised exchange gain	(189,229)	-	(808)	-	-	(188,421)	-	(798,959)	-	610,538
Right-of-use assets	(27,127)	-	18,617	-	-	(45,744)	-	(4,808)	-	(40,936)
Other items	-	-	-	8,751	-	(8,751)	-	-	-	(8,751)
	(2,221,691)	23,405	(140,632)	9,263	(179)	(2,113,548)	40,364	(1,226,254)	(108,071)	(819,587)
Net deferred tax assets	1,619,108	(6,415)	(366,366)	17,583	(260)	1,974,566	(40,476)	459,620	(63,892)	1,619,314

22.4 Movement in tax effect of temporary differences - Company

	As at 31.03.2025 Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	As at 31.03.2024 Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	As at 01.04.2023 Rs.'000
Deferred tax assets							
Retirement benefit obligations	60,266	6,349	4,644	49,273	8,331	8,971	31,971
Tax losses carried forward	756,227	(18,703)	-	774,930	391,175	-	383,755
Expected credit losses	39	(58)	-	97	(1,692)	-	1,789
Financial assets at FVOCI	6,939	-	(1,537)	8,476	-	3,563	4,913
	823,471	(12,412)	3,107	832,776	397,814	12,534	422,428
Deferred tax liability							
Accelerated depreciation for tax purposes on property, plant and equipment	(7,604)	2,222	-	(9,826)	716	-	(10,542)
Unrealised exchange gain	(172,302)	7,083	-	(179,385)	(407,501)	-	228,116
	(179,906)	9,305	-	(189,211)	(406,785)	-	217,574
Net deferred tax assets	643,565	(3,107)	3,107	643,565	(8,971)	12,534	640,002

Notes to the Financial Statements

23 OTHER FINANCIAL ASSETS – NON-CURRENT

ACCOUNTING POLICY

Refer Note 37

23.1 Unquoted equity and debt securities

As at	Notes	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Financial assets at fair value through OCI					
- Unquoted equity securities	23.1.1	269,148	275,904	5,126	7,793
Financial assets at amortised cost					
- Unquoted debt securities	23.1.2	19,555	60,333	19,555	60,333
- Amounts due from equity-accounted investees		725,524	725,524	-	-
Carrying amount as at 31st March		1,014,227	1,061,761	24,681	68,126
Current unquoted equity and debt securities	23.1.2	(19,555)	(42,782)	(19,555)	(42,782)
Non-current unquoted equity and debt securities		994,672	1,018,979	5,126	25,344

23.1.1 Unquoted equity securities

23.1.1.1 Group

As at	31.03.2025 No. of shares	31.03.2025 Total Cost Rs.'000	31.03.2025 Carrying amount Rs.'000	31.03.2024 No. of shares	31.03.2024 Total Cost Rs.'000	31.03.2024 Carrying amount Rs.'000
Rainforest Ecolodge (Pvt) Ltd (Ordinary shares)	3,500,000	35,000	6,128	3,500,000	35,000	8,793
Business Process Outsourcing LLC (Ordinary shares)	30,000	8,640	-	30,000	8,640	-
Floatels India (Pvt) Ltd (Ordinary shares)	716,037	84,128	246,822	716,037	84,128	250,254
SLFFA Cargo Services Ltd (Ordinary shares)	1,243,000	3,223	16,140	1,243,000	3,223	16,802
Ingrin Institute of Printing & Graphics Sri Lanka Ltd (Ordinary shares)	10,000	100	58	10,000	100	55
		131,091	269,148		131,091	275,904

23.1.1.2 Company

As at	31.03.2025 No. of shares	31.03.2025 Total Cost Rs.'000	31.03.2025 Carrying amount Rs.'000	31.03.2024 No. of shares	31.03.2024 Total Cost Rs.'000	31.03.2024 Carrying amount Rs.'000
Rainforest Ecolodge (Pvt) Ltd (Ordinary shares)	3,500,000	35,000	5,126	3,500,000	35,000	7,793
Business Process Outsourcing LLC (Ordinary shares)	30,000	8,640	-	30,000	8,640	-
		43,640	5,126		43,640	7,793

The Group designated the investments shown above as equity securities, which represents investments that the Group intends to hold as long term strategic investments. There were no such strategic investments disposed or transfers of any cumulative gains or losses within equity by the Group relating to these investments during the financial year 2024/2025.

Technique for the valuation of unquoted equity securities are disclosed in note 36.3.1.

Notes to the Financial Statements

23.1.2 Unquoted debt securities

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Sumiko Lanka Hotels (Pvt) Ltd (Redeemable Debentures)	17,722	60,333	17,722	60,333
Rainforest Ecolodge (Pvt) Ltd (Short term loan)	1,833	-	1,833	-
	19,555	60,333	19,555	60,333
Current unquoted debt securities (Note 26.1)	(19,555)	(42,782)	(19,555)	(42,782)
Non-current unquoted debt securities	-	17,551	-	17,551

Valuation technique and interest rate basis used to value unquoted debt securities are disclosed in note 37.3.2.

23.2 Movement during the year

	GROUP					COMPANY			
	Unquoted equity securities Rs.'000	Unquoted debt securities Rs.'000	Amounts due from equity-accounted investees Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000	Unquoted equity securities Rs.'000	Unquoted debt securities Rs.'000	Total 2024/2025 Rs.'000	Total 2023/2024 Rs.'000
Balance as at 01st April	275,904	60,333	725,524	1,061,761	1,106,302	7,793	60,333	68,126	16,171
Exchange difference	(3,431)	-	-	(3,431)	(22,241)	-	-	-	-
Additions	-	1,776	-	1,776	108,814	-	1,776	1,776	108,814
Disposals / settlements	-	(46,865)	-	(46,865)	(147,799)	-	(46,865)	(46,865)	(73,864)
Interest accrued	-	4,311	-	4,311	21,091	-	4,311	4,311	21,091
Transfer from /(to) current assets	-	(19,555)	-	(19,555)	(42,782)	-	(19,555)	(19,555)	(42,782)
Change in fair value	(3,325)	-	-	(3,325)	(4,406)	(2,667)	-	(2,667)	(4,086)
Balance as at 31st March	269,148	-	725,524	994,672	1,018,979	5,126	-	5,126	25,344

Notes to the Financial Statements

24 INVENTORIES

ACCOUNTING POLICY

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is valued based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventory and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of factory overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses based on normal operating capacity.

As at	GROUP		COMPANY	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Raw materials	1,600,386	1,387,409	-	-
Work-in-progress and finished goods	723,748	765,248	-	-
Consumables	2,327,848	2,269,263	6,043	7,781
	4,651,982	4,421,920	6,043	7,781
Provision for impairment of inventories (note 24.1)	(210,828)	(262,247)	-	-
	4,441,154	4,159,673	6,043	7,781

The value of inventories pledged by the Group as security for facilities obtained from banks amounted to Rs. 300.5 million (2023/2024 - Rs. 500.0 million. (Company-nil.)

During the period under review, Ace Power Embilipitiya (Pvt) Ltd., a subsidiary Company, classified its spare parts inventory under 'Assets classified as held for sale' (refer note 28). Accordingly, spare parts with a carrying amount of Rs. 176.5 million, comprising of a cost of Rs. 334.8 million and an impairment provision of Rs. 158.3 million have been reclassified under the above caption.

24.1 Movement in provision for impairment of inventories

For the year	GROUP		COMPANY	
	2024/2025 Rs.'000	2023/2024 Rs.'000	2024/2025 Rs.'000	2023/2024 Rs.'000
Balance as at 01st April	262,247	183,497	-	-
Exchange difference	(111)	(505)	-	-
Impairment losses / (reversals) during the period	112,552	94,017	(8)	(28)
Written-back / (written-off) during the period	(5,552)	(14,762)	8	28
Classified as held for sale	(158,308)	-	-	-
Balance as at 31st March	210,828	262,247	-	-

During the year the Group increase its provision made against the inventory by Rs. 112.6 million after re-assessing the net realisable value of the inventory as at 31st March 2025. The above charge is recognised in the income statement under depreciation, amortisation and impairment losses of non-financial assets.

Notes to the Financial Statements

25 TRADE AND OTHER RECEIVABLES

ACCOUNTING POLICY

Refer Note 37

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Trade receivables	15,030,030	16,881,289	1,051	383
Other receivables	3,163,604	2,708,366	357,091	410,777
Contract assets	310,551	439,424	-	-
Amounts due from subsidiaries	-	-	7,582,572	6,542,142
Amounts due from equity-accounted investees	1,260,516	1,282,766	225,860	180,255
Loans to employees	43,781	40,815	-	-
	19,808,482	21,352,660	8,166,574	7,133,557
Provision for impairment of trade and other receivables (notes 37.3.3.2.2 and 37.3.3.2.4)	(639,090)	(1,498,530)	(553,813)	(748,934)
	19,169,392	19,854,130	7,612,761	6,384,623

Note 37.3.3.3 provides an age analysis of trade receivables and a description of the calculation of expected credit loss allowance.

25.1 Trade and other receivables analysed by currency

As at	GROUP 31.03.2025 Equivalent Rs.'000	GROUP 31.03.2024 Equivalent Rs.'000	COMPANY 31.03.2025 Equivalent Rs.'000	COMPANY 31.03.2024 Equivalent Rs.'000
Sri Lankan Rupees	9,283,741	7,044,653	7,211,885	6,012,347
United States Dollars	8,700,437	11,505,101	400,876	372,276
Fijian Dollar	286,207	515,947	-	-
Oman Riyal	228,179	312,923	-	-
Other	670,828	475,506	-	-
	19,169,392	19,854,130	7,612,761	6,384,623

26 OTHER CURRENT ASSETS

As at	Notes	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Other financial assets	26.1	26,729,365	24,823,809	19,771,072	18,238,376
Property, plant and equipment	15.1	9,283	550,497	-	-
Right-of-use asset	19.1	-	543	-	-
		26,738,648	25,374,849	19,771,072	18,238,376

Notes to the Financial Statements

26.1 Other financial assets - current

ACCOUNTING POLICY

Refer Note 37

As at	Notes	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Financial assets at fair value through profit or loss					
- Quoted equity securities	26.1.1	121,619	74,492	58,066	37,935
Financial assets at amortised cost					
- Unquoted debt securities	23.1.2	19,555	42,782	19,555	42,782
- Government securities	26.1.2	2,885,422	-	2,885,422	-
- Bank deposits	26.1.3	23,703,007	24,707,386	16,808,093	18,157,915
Provision for impairment of bank deposits (notes 37.3.3.2.2 and 37.3.3.2.4)		(238)	(851)	(64)	(256)
		26,729,365	24,823,809	19,771,072	18,238,376

26.1.1 Quoted equity securities

26.1.1.1 Group

As at	31.03.2025 No. of shares	31.03.2025 Total Cost Rs.'000	31.03.2025 Carrying amount Rs.'000	31.03.2024 No. of shares	31.03.2024 Total Cost Rs.'000	31.03.2024 Carrying amount Rs.'000
Commercial Bank of Ceylon PLC (Ordinary shares)	372,205	35,730	54,901	365,350	35,109	35,695
DFCC Bank PLC (Ordinary shares)	29,861	718	3,165	29,470	668	2,240
Hatton National Bank PLC (Ordinary shares)	238,937	4,873	62,480	238,937	4,060	35,900
Colombo Dockyard PLC (Ordinary shares)	13,543	123	1,073	13,543	123	657
		41,444	121,619		39,960	74,492

26.1.1.2 Company

As at	31.03.2025 No. of shares	31.03.2025 Total Cost Rs.'000	31.03.2025 Carrying amount Rs.'000	31.03.2024 No. of shares	31.03.2024 Total Cost Rs.'000	31.03.2024 Carrying amount Rs.'000
Commercial Bank of Ceylon PLC (Ordinary shares)	372,205	35,730	54,901	365,350	35,109	35,695
DFCC Bank PLC (Ordinary shares)	29,861	718	3,165	29,470	668	2,240
		36,448	58,066		35,777	37,935

26.1.1.3 Movement during the year - Quoted equity securities

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Balance as at 01st April	74,492	46,529	37,935	25,702
Additions	1,484	1,377	671	1,377
Change in fair value	45,643	26,586	19,460	10,856
Balance as at 31st March	121,619	74,492	58,066	37,935

Notes to the Financial Statements

26.1.2 Government securities

Government securities consist of treasury bills which are measured at amortised cost using the effective interest rate.

26.1.3 Bank deposits

Bank deposits include fixed and call deposits which are measured at amortised cost using the effective interest rate. These financial assets are expected to be recovered through contractual cash flows. The credit risk relating to Group bank deposits are analysed according to credit ratings of each bank which is available on note 37.3.3.4.1.

27 CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and short-term deposits comprise of cash in hand and short-term, highly liquid investments that are readily convertible to a known amounts of cash with an original maturity of less than or equivalent to three months. Cash and short-term deposits are subject to insignificant risk of change in value. Bank borrowings that are payable on demand or repayable within three months are treated as bank overdrafts and other short-term borrowings.

Cash and short-term deposits together with bank overdrafts and other short-term borrowings form an integral part of the Group's cash management activities and are included as a component of cash and cash equivalents for the purpose of preparing the statement of cash flows.

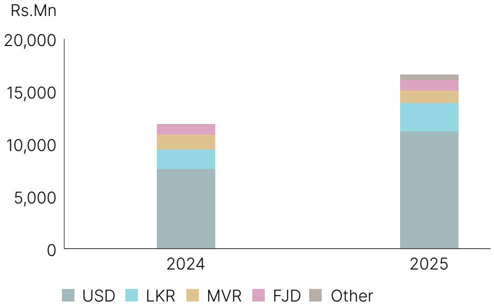
	GROUP		COMPANY	
As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Cash at bank and in hand	13,233,202	11,353,291	2,670,965	2,853,113
Short-term deposits	3,367,483	779,243	2,552,564	170,279
Cash and short-term deposits in the statement of financial position	16,600,685	12,132,534	5,223,529	3,023,392
Bank overdrafts and other short-term borrowings	(19,894,961)	(19,388,741)	(8,191,453)	(8,562,964)
Cash and cash equivalents in the statement of cash flows	(3,294,276)	(7,256,207)	(2,967,924)	(5,539,572)

The credit risk relating to Group cash and short-term deposits are analysed according to credit ratings of each bank which is available on note 37.3.3.4.2.

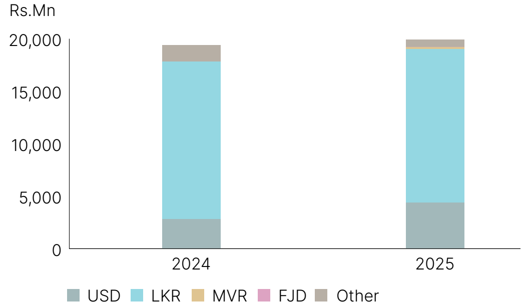
27.1 Currency-wise analysis of cash and cash equivalents

	GROUP		COMPANY	
As at	31.03.2025 Equivalent Rs.'000	31.03.2024 Equivalent Rs.'000	31.03.2025 Equivalent Rs.'000	31.03.2024 Equivalent Rs.'000
Sri Lankan Rupees	(11,881,559)	(13,117,672)	(7,657,361)	(8,382,382)
United States Dollars	6,751,008	4,736,384	4,689,437	2,842,810
Maldivian Rufiyaa	979,222	1,447,024	-	-
Fijian Dollar	983,702	918,433	-	-
Others	(126,649)	(1,240,376)	-	-
	(3,294,276)	(7,256,207)	(2,967,924)	(5,539,572)

Cash and Short-term Deposits



Bank Overdrafts and Other Short-term Borrowings



Notes to the Financial Statements

28 ASSETS CLASSIFIED AS HELD FOR SALE

ACCOUNTING POLICY

Non-current assets that are expected to be recovered primarily through a disposal rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, these assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

Any impairment loss on the above assets is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which are continued to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on re-measurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity- accounted investee is no longer accounted.

Based on the decision made by the Group to divest from the ship owning business in 2007/2008 and the sale of ships by the Group's ship owning companies, the Group recognised the fair values of the investments in Ceyaki Shipping (Pvt) Ltd and Ceyspence (Pvt) Ltd under assets classified as held for sale. Further, the fair values of the Group's investment in Spence International (Pvt) Ltd., Aitken Spence Overseas Travel Services (Pvt) Ltd, Aitken Spence Technologies (Pvt) Ltd and Ace Resorts Pvt Ltd are also treated under assets classified as held for sale upon the decision made to liquidate these companies. The liquidation of these companies are not yet concluded.

Consequent to the expiry of the short-term power purchase agreement (PPA) signed between Ace Power Embilipitiya (Pvt) Ltd., a subsidiary company and the Ceylon Electricity Board (CEB) on 04th March 2024, and the subsequent intimation by the Ceylon Electricity Board that they have not identified the requirement of purchasing electricity through the Company, Board of Directors of Aitken Spence PLC approved to dispose of the power generating assets belonging to Ace Power Embilipitiya (Pvt) Ltd. Accordingly, the plant and machinery and spare parts inventory of the company have been classified under assets held for sale.

As at	GROUP		COMPANY	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Share of net assets of equity-accounted investees classified as held for sale	149,125	149,125	57,237	57,237
Net current assets of group companies classified as held for sale	56,410	20,298	15,000	15,000
Carrying amount of plant, machinery and inventory classified as held for sale (note 15.1 and 24)	716,708	-	-	-
	922,243	169,423	72,237	72,237

There were no discontinued operations recognised in the income statement during the year.

29 STATED CAPITAL AND RESERVES

29.1 Stated capital

As at	31.03.2025	31.03.2024
Stated capital (Rs.'000)	2,135,140	2,135,140
No. of shares	405,996,045	405,996,045

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in the case of a poll.

Notes to the Financial Statements

29.2 Reserves

Revaluation reserve

Revaluation reserve relates to the amount by which the Group has revalued its freehold land. There were no restrictions on distribution of these balances to the shareholders.

General reserve

General reserve reflects the amount the Group has reserved over the years from its earnings.

Exchange fluctuation reserve

Exchange fluctuation reserve comprises of all foreign exchange differences arising from the translation of foreign subsidiaries in the Group.

Other capital reserves

This represents the portion of the stated capital of subsidiaries attributable to the Group.

Fair value reserve

This represents the cumulative net change in the fair value of equity securities designated at fair value through OCI.

Cash flow hedge reserve

The hedge reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

Movements of reserves are disclosed in the statement of changes in equity.

29.3 Other comprehensive income accumulated in reserves

29.3.1 Group

	Attributable to equity holders of the company						Non-controlling interests	Total equity
	Revaluation reserve	Exchange fluctuation reserve	Fair value reserve	Cash flow hedge reserve	Retained earnings	Total		
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
For the year ended 31st March 2025								
Actuarial losses on defined benefit obligations	-	-	-	-	(54,635)	(54,635)	(15,691)	(70,326)
Exchange differences on translation of foreign operations	-	(461,795)	-	-	-	(461,795)	(175,184)	(636,979)
Equity investments at FVOCI – net change in fair value	-	-	(3,325)	-	-	(3,325)	-	(3,325)
Net movement on cash flow hedges	-	-	-	303,589	-	303,589	375,672	679,261
Share of other comprehensive loss of equity-accounted investees (net of tax)	-	(120,155)	-	-	(6,993)	(127,148)	-	(127,148)
Income tax on other comprehensive income	-	-	(1,340)	-	5,833	4,493	772	5,265
Total	-	(581,950)	(4,665)	303,589	(55,795)	(338,821)	185,569	(153,252)
For the year ended 31st March 2024								
Revaluation of freehold land	4,761	-	-	-	-	4,761	-	4,761
Actuarial losses on defined benefit obligations	-	-	-	-	(159,309)	(159,309)	(37,090)	(196,399)
Exchange differences on translation of foreign operations	-	(2,092,666)	-	-	-	(2,092,666)	(963,541)	(3,056,207)
Equity investments at FVOCI – net change in fair value	-	-	(4,406)	-	-	(4,406)	-	(4,406)
Net movement on cash flow hedges	-	-	-	671,103	-	671,103	830,447	1,501,550
Share of other comprehensive loss of equity-accounted investees (net of tax)	-	(505,310)	-	-	(47,506)	(552,816)	-	(552,816)
Income tax on other comprehensive income	(21,166)	-	3,659	-	45,807	28,300	11,002	39,302
Total	(16,405)	(2,597,976)	(747)	671,103	(161,008)	(2,105,033)	(159,182)	(2,264,215)

Notes to the Financial Statements

29.3.2 Company

	Fair value reserve Rs.'000	Retained earnings Rs.'000	Total equity Rs.'000
For the year ended 31st March 2025			
Actuarial loss on defined benefit obligations	-	(15,480)	(15,480)
Equity investments at FVOCI – net change in fair value	(2,667)	-	(2,667)
Income tax on other comprehensive income	(1,537)	4,644	3,107
Total	(4,204)	(10,836)	(15,040)
For the year ended 31st March 2024			
Actuarial losses on defined benefit obligations	-	(29,903)	(29,903)
Equity investments at FVOCI – net change in fair value	(4,086)	-	(4,086)
Income tax on other comprehensive income	3,563	8,971	12,534
Total	(523)	(20,932)	(21,455)

30 INTEREST-BEARING LOANS AND BORROWINGS

30.1 Movement during the year

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Loan Capital				
Balance as at 01st April	47,117,172	55,543,286	2,405,082	3,934,962
Exchange difference	(471,594)	(3,361,088)	23,769	(274,342)
New loans obtained	20,683,883	2,405,744	5,882,600	-
Capital repayment	(22,025,548)	(7,480,527)	(1,198,620)	(1,259,900)
Transaction cost	6,344	9,757	2,677	4,362
	45,310,257	47,117,172	7,115,508	2,405,082
Loan Interest				
Balance as at 01st April	544,009	1,024,192	39,852	52,098
Exchange difference	(319)	(17,042)	-	-
Interest expense				-
- Charged to the income statement	4,156,297	5,750,671	272,407	297,093
- Capitalised under property, plant and equipment	64,232	16,912	-	-
Interest paid	(4,545,442)	(6,230,724)	(290,338)	(309,339)
	218,777	544,009	21,921	39,852
Balance as at 31st March	45,529,034	47,661,181	7,137,429	2,444,934
Current portion of interest-bearing liabilities	(11,621,372)	(9,196,934)	(1,211,029)	(1,244,161)
Non-current portion of interest-bearing liabilities	33,907,662	38,464,247	5,926,400	1,200,773

Notes to the Financial Statements

30.2 Analysed by capital repayment

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Payable within 1 year	11,621,372	9,196,934	1,211,029	1,244,161
Payable within 1 - 2 years	9,168,650	13,329,443	592,640	1,200,773
Payable within 2 - 5 years	14,757,294	15,137,941	4,741,120	-
Payable after 5 years	9,981,718	9,996,863	592,640	-
	45,529,034	47,661,181	7,137,429	2,444,934

30.3 Analysed by interest rate

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Linked to SOFR	24,513,619	24,236,302	7,138,416	2,448,598
Linked to AWPLR	9,900,439	10,863,617	-	-
Linked to EURIBOR	7,982,974	9,302,585	-	-
Fixed rate	1,802,157	1,631,366	-	-
Linked to Central Bank of Oman T-Bill rate	1,332,141	1,636,009	-	-
Transaction cost to be amortised	(2,296)	(8,698)	(987)	(3,664)
	45,529,034	47,661,181	7,137,429	2,444,934

30.4 Analysed by lending institution

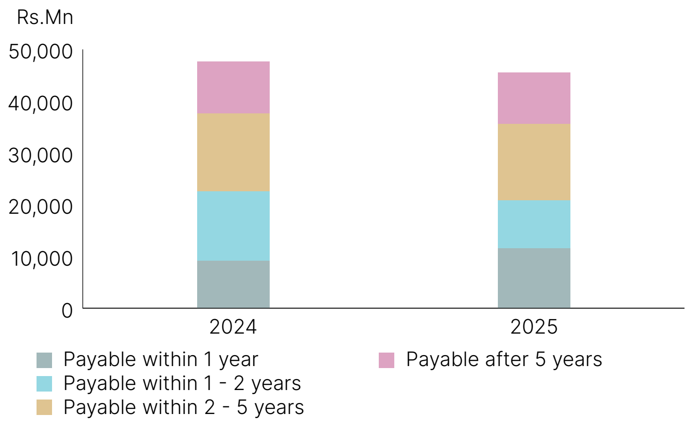
As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Commercial Bank of Ceylon	9,997,987	677,354	-	-
Hongkong and Shanghai Banking Corporation	6,755,576	7,960,610	-	-
Sampath Bank	5,933,099	-	5,933,099	-
ABANCA Corporación Bancaria	3,989,433	4,423,674	-	-
People's Bank	3,968,215	5,702,292	-	-
Hatton National Bank	3,927,909	13,438,779	-	-
National Development Bank	3,508,147	-	-	-
DFCC Bank	2,627,434	9,780,082	-	-
Bank of Ceylon	1,587,133	1,839,393	-	-
DEG - German Investment Corporation	1,205,317	2,448,598	1,205,317	2,448,598
Habib Bank	725,566	1,399,097	-	-
Commercial Bank of Maldives	701,629	-	-	-
Nations Trust Bank	603,885	-	-	-
Transaction cost to be amortised	(2,296)	(8,698)	(987)	(3,664)
	45,529,034	47,661,181	7,137,429	2,444,934

Notes to the Financial Statements

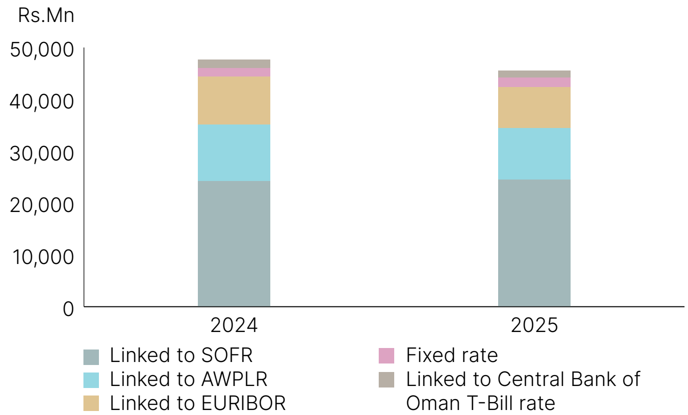
30.5 Analysed by currency equivalent in Rupees

As at	GROUP			COMPANY		
	31.03.2025		31.03.2024	31.03.2025		31.03.2024
	%	Equivalent Rs.'000	Equivalent Rs.'000	%	Equivalent Rs.'000	Equivalent Rs.'000
United States Dollars	57	26,073,322	25,136,437	100	7,138,416	2,448,598
Sri Lankan Rupees	22	10,142,893	11,594,848	-	-	-
Euro	18	7,982,974	9,302,585	-	-	-
Oman Riyal	3	1,332,141	1,636,009	-	-	-
Transaction cost to be amortised		(2,296)	(8,698)		(987)	(3,664)
	100	45,529,034	47,661,181	100	7,137,429	2,444,934

Analysed by Capital Repayment



Analysed by Interest Rate Basis



30.6 Detailed analysis of Interest-bearing loans and borrowings

Loan No.	Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2025 Rs.'000	LKR equivalent as at 31.03.2024 Rs.'000
Tourism Sector							
Commercial Bank of Ceylon							
1	USD	SOFR	❖ ■	33 Quarterly instalments starting Jun-2025.	Jun-33	9,588,935	-
Hongkong and Shanghai Banking Corporation							
1	EUR	EURIBOR	▣ ❖	Repayment commenced. Monthly instalments and 75% final balloon payment.	Jun-25	3,993,541	4,631,180
2	USD	SOFR	▣ ❖	Bullet repayment at maturity.	Jul-25	1,429,894	1,445,690
3	OMR	CBO T-Bill rate	▣ ❖	Repayment commenced. Quarterly instalments.	May-28	1,332,141	1,636,009
4	EUR	EURIBOR	▣	Fully settled during the financial year.	Jul-24	-	247,731
ABANCA Corporación Bancaria							
1	EUR	EURIBOR	▣	Repayment commenced. Quarterly instalments and 72% final bullet repayment at maturity.	Jul-26	3,989,433	4,423,674
National Development Bank							
1	USD	SOFR	❖ ■	33 Quarterly instalments starting Jun-2025.	Jun-33	3,508,147	-

Notes to the Financial Statements

Loan No.	Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2025 Rs.'000	LKR equivalent as at 31.03.2024 Rs.'000
Hatton National Bank							
1	USD	Fixed rate	●	84 Monthly instalments starting Aug-2025.	Jul-32	1,152,263	753,411
2	USD	SOFR	▣ ■	Repayment commenced. Monthly instalments.	Mar-26	559,082	1,037,795
3	USD	SOFR	■	Fully settled during the financial year.	Mar-25	-	9,014,014
People's Bank							
1	USD	SOFR	▣	Repayment commenced. Quarterly instalments.	Oct-26	1,587,516	2,541,758
2	USD	SOFR	▣	Fully settled during the financial year.	Nov-24	-	255,708
3	USD	Fixed rate	▣	Fully settled during the financial year.	Nov-24	-	146,724
DFCC Bank							
1	LKR	AWPLR	▣	Repayment commenced. Monthly instalments.	Oct-29	926,909	962,481
2	USD	SOFR	▣ ■	Fully settled during the financial year.	Mar-25	-	6,628,974
Habib Bank							
1	USD	Fixed rate	●	Repayment commenced. Monthly instalments.	Feb-26	407,440	863,765
2	LKR	AWPLR	▣	Repayment commenced. Quarterly instalments.	Mar-26	318,126	535,332
Commercial Bank of Maldives							
1	USD	SOFR	❖ ■	33 Quarterly instalments starting Jun-2025.	Jun-33	701,629	-
Transaction cost to be amortised						(1,309)	(5,034)
						29,493,747	35,119,212
Maritime & Freight Logistics sector							
Hatton National Bank							
1	LKR	AWPLR	None	Repayment commenced. Monthly installment.	Dec-31	459,999	500,000
Strategic Investments sector							
Sampath Bank							
1	USD	SOFR	●	Quarterly Instalments starting Dec-2026.	Sep-31	5,933,099	-
People's Bank							
1	LKR	AWPLR	❖ ■ ★	Repayment commenced. Quarterly instalments.	Jun-31	2,380,699	2,659,620
2	LKR	Fixed rate	❖ ■ ● ★	Fully settled during the financial year.	May-24	-	98,482
Hatton National Bank							
1	LKR	AWPLR	❖ ■ ★	Repayment commenced. Quarterly instalments.	Jun-31	1,587,133	1,773,543
2	LKR	AWPLR	❖ ■ ★	Repayment commenced. Monthly instalments.	Jun-27	123,729	188,556
3	LKR	AWPLR	None	Repayment commenced. Monthly instalments.	Jul-29	45,703	56,606
4	LKR	Fixed rate	❖ ■ ● ★	Fully settled during the financial year.	May-24	-	65,654

Notes to the Financial Statements

Loan No.	Currency	Linked interest rate basis	Collaterals *	Repayment terms	Maturity	LKR equivalent as at 31.03.2025 Rs.'000	LKR equivalent as at 31.03.2024 Rs.'000
DFCC Bank							
1	LKR	AWPLR	❖ ■ ★	Repayment commenced. Quarterly instalments.	Jun-31	1,526,640	1,773,081
2	LKR	Fixed rate	❖ ■ ★	Repayment commenced. Monthly instalments.	Sep-26	142,224	236,672
3	LKR	68% - Fixed rate & 32% - AWPLR	❖ ● ★	Repayment commenced. Monthly instalments.	Aug-25	24,450	94,594
4	LKR	AWPLR	❖ ■ ★	Repayment commenced. Monthly instalments.	Jan-26	7,211	18,625
5	LKR	Fixed rate	❖ ■ ● ★	Fully settled during the financial year.	May-24	-	65,655
Bank of Ceylon							
1	LKR	AWPLR	❖ ■ ★	Repayment commenced. Quarterly instalments.	Jun-31	1,587,133	1,773,738
2	LKR	Fixed rate	❖ ■ ● ★	Fully settled during the financial year.	May-24	-	65,655
DEG - German Investment Corporation							
1	USD	SOFR	None	Repayment commenced. Semi-annual instalments.	Jan-26	1,205,317	2,448,598
Nations Trust Bank							
1	LKR	AWPLR	None	84 Monthly instalments starting Jun-2025.	May-31	603,885	-
Commercial Bank of Ceylon							
1	LKR	AWPLR	●	Repayment commenced. Monthly instalments.	Feb-31	300,476	400,000
2	LKR	77% - Fixed rate & 23% - AWPLR	❖ ■ ★	Repayment commenced. Monthly instalments.	Oct-26	108,576	177,354
3	LKR	AWPLR	●	Fully settled during the financial year.	Mar-25	-	100,000
Transaction cost to be amortised						(987)	(3,664)
						15,575,288	11,992,769
Services Sector							
Hatton National Bank							
1	LKR	AWPLR	None	Fully settled during the financial year.	Mar-25	-	49,200
						45,529,034	47,661,181

* Collaterals provided for loans

As at Instrument/Assets	31.03.2025 Pledged value Rs.'000	31.03.2025 Exposure Rs.'000	31.03.2024 Pledged value Rs.'000	31.03.2024 Exposure Rs.'000
❖ Property, plant and equipment	47,819,103	21,294,064	32,809,654	8,994,808
■ Right-of-use assets	8,807,244	-	5,744,367	3,895,134
● Current assets	3,371,277	3,341,779	2,373,752	2,117,176
★ Shares	4,830,695	-	4,830,695	-
▣ Corporate Guarantees**	14,129,084	14,129,084	22,592,749	22,592,749
	78,957,403	38,764,927	68,351,217	37,599,867

**Outstanding exposure as at reporting date has been stated as the pledged value.

31 LEASE LIABILITIES

ACCOUNTING POLICY

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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group 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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the Group's estimation of the amount expected to be payable under a residual value guarantee, if there is a change in the Group's assessment of whether it will exercise a purchase, extension or termination option, or if there is a revision in the in-substance fixed lease payment.

If the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset and it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Group applies the guidelines given in SLFRS 15 – Revenue from Contracts with Customers, to allocate the consideration in the contract.

The Group regularly reviews the estimated non-guaranteed residual values used in calculating the gross investment in the lease. The Group applies the de-recognition and impairment requirements in SLFRS 9 – Financial Instruments to the net investment in the lease.

Notes to the Financial Statements

31.1 Movement during the year

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000
Balance as at 01st April	14,626,979	17,544,672
Exchange difference	(214,287)	(1,425,172)
New leases obtained	127,893	305,105
Payment of lease liabilities	(2,566,540)	(2,706,981)
Derecognition on termination of lease	(6,527)	(10,048)
Interest expense		
- Charged to the income statement	769,073	909,996
- Capitalised under property, plant and equipment	13,425	9,407
Balance as at 31st March	12,750,016	14,626,979
Current portion of lease liabilities	(1,534,497)	(1,780,313)
Non-current portion of lease liabilities	11,215,519	12,846,666

31.2 Analysed by capital repayment

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000
Payable within 1 year	1,534,497	1,780,313
Payable within 1 - 2 years	569,988	1,514,244
Payable within 2 - 5 years	1,159,259	1,471,552
Payable after 5 years	9,486,272	9,860,870
	12,750,016	14,626,979

31.3 Analysed by currency equivalent in Rupees

As at	GROUP 31.03.2025 Equivalent Rs.'000	GROUP 31.03.2024 Equivalent Rs.'000
United States Dollars	11,307,530	12,823,579
Fijian Dollar	1,130,047	1,495,448
Sri Lankan Rupees	312,439	307,952
	12,750,016	14,626,979

Notes to the Financial Statements

32 DEFERRED TAX LIABILITIES

ACCOUNTING POLICY

Refer note 12.

32.1 Movement during the year

For the year	GROUP	
	2024/2025 Rs.'000	2023/2024 Rs.'000
Balance as at 01st April	5,701,185	5,581,239
Exchange difference	(14,960)	(20,824)
Origination / (reversal) of temporary differences		
Recognised in profit / (loss)	359,635	243,964
Recognised in other comprehensive income	12,318	(103,194)
Balance as at 31st March	6,058,178	5,701,185

32.2 Composition of deferred tax liabilities

As at	GROUP	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Deferred tax liabilities attributable to;		
Accelerated depreciation for tax purposes on property, plant and equipment	4,892,345	4,739,761
Revaluation surplus on freehold land	2,294,498	2,283,232
Right-of-use assets	316,000	369,288
Unrealised exchange gain	109,910	16,404
Undistributed profits of consolidated entities	169,266	129,726
Biological assets and others	28,882	18,441
Retirement benefit obligations	(280,290)	(173,732)
Tax losses carried forward	(1,080,844)	(1,197,853)
Expected credit losses	(41,503)	(72,281)
Obsolete stocks	(7,891)	-
Lease liabilities	(342,614)	(411,778)
Financial assets at FVOCI	419	(23)
Net deferred tax liabilities	6,058,178	5,701,185

Notes to the Financial Statements

32.3 Movement in tax effect of temporary differences - Group

	As at 31.03.2025 Rs.'000	Exchange difference on translation Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	As at 31.03.2024 Rs.'000	Exchange difference on translation Rs.'000	Recognised in profit / (loss) Rs.'000	Recognised in other comprehensive income Rs.'000	As at 01.04.2023 Rs.'000
Deferred tax liabilities									
Accelerated depreciation for tax purposes on property, plant and equipment	4,892,345	(13,210)	165,794	-	4,739,761	(88,558)	172,738	-	4,655,581
Revaluation surplus on freehold land	2,294,498	(2,703)	-	13,969	2,283,232	(12,389)	-	(86,905)	2,382,526
Right-of-use assets	316,000	(8,529)	(44,759)	-	369,288	(38,471)	73,289	-	334,470
Unrealised exchange gain	109,910	-	93,506	-	16,404	-	(23,083)	-	39,487
Undistributed profits of consolidated entities	169,266	-	39,540	-	129,726	-	(36,504)	-	166,230
Biological assets and others	28,882	-	1,690	8,751	18,441	101	19,157	-	(817)
	7,810,901	(24,442)	255,771	22,720	7,556,852	(139,317)	205,597	(86,905)	7,577,477
Deferred tax assets									
Retirement benefit obligations	(280,290)	1,144	(96,858)	(10,844)	(173,732)	4,380	(17,006)	(16,287)	(144,819)
Tax losses carried forward	(1,080,844)	(164)	117,173	-	(1,197,853)	74,043	174,723	-	(1,446,619)
Expected credit losses	(41,503)	(139)	30,917	-	(72,281)	757	(22,551)	-	(50,487)
Obsolete stocks	(7,891)	28	(7,919)	-	-	-	-	-	-
Lease liabilities	(342,614)	8,613	60,551	-	(411,778)	39,313	(96,799)	-	(354,292)
Financial assets at FVOCI	419	-	-	442	(23)	-	-	(2)	(21)
	(1,752,723)	9,482	103,864	(10,402)	(1,855,667)	118,493	38,367	(16,289)	(1,996,238)
Net deferred tax liabilities	6,058,178	(14,960)	359,635	12,318	5,701,185	(20,824)	243,964	(103,194)	5,581,239

Notes to the Financial Statements

33 EMPLOYEE BENEFITS

ACCOUNTING POLICY

Short-term employee benefits

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

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

Provident fund and Employee trust fund – Sri Lanka

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

Pension scheme – Maldives

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

Provident fund – India

Group companies in South India contribute a sum of 12% of the basic salaries of for local employees and 12% of gross salary for foreign employees as provident fund benefits to the Employee Provident Organisation of India.

Provident fund – Fiji

Group companies in Fiji contribute a sum of 10% of the basic salaries of all employees as provident fund benefits to the Fiji National Provident Fund.

Defined Contribution Funds – Oman

Group companies in Oman contribute a sum of 13.5% of the Omani employee's gross salary and 1% from expat's employee's gross salary w.e.f. August 2024 in accordance with Social Security Insurance Law.

Defined benefit plan (GRI 201-3)

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

Retiring Gratuity - Sri Lanka

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. Management's estimate of the defined benefit plan obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The defined benefit plan is valued by a professionally qualified external actuary.

Provision has been made in the financial statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years continued service.

The liability is not externally funded.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in other comprehensive income as they occur.

Retiring Gratuity – India

A liability is provided for employees in India based on a valuation made by an independent actuary using unit credit method for payment of gratuity at the rate of 15/26 times the monthly qualifying salary for each year of service.

Retiring Gratuity – Fiji

Retirement benefit liability is recognised for all permanent employees in Fiji based on four months salary plus four weeks pay for every year of service effective from the appointment date until retirement at 60 years. However, in order to be entitled for the gratuity payment, the employees should have completed minimum of 5 years continuous service preceding the date of retirement.

Retiring Gratuity – Oman

Gratuity is provided as per the labour law of Sultanate of Oman due to expatriate employees upon termination/completion of employment which is computed based on one month's basic salary for each year of employment.

Notes to the Financial Statements

33.1 Retirement benefit obligations

As at	GROUP 31.03.2025 Rs.'000	GROUP 31.03.2024 Rs.'000	COMPANY 31.03.2025 Rs.'000	COMPANY 31.03.2024 Rs.'000
Present value of unfunded obligations	1,899,009	1,668,797	200,886	164,243
Total present value of the obligation	1,899,009	1,668,797	200,886	164,243

33.2 Movement during the year

For the year	GROUP 2024/2025 Rs.'000	GROUP 2023/2024 Rs.'000	COMPANY 2024/2025 Rs.'000	COMPANY 2023/2024 Rs.'000
Balance as at 01st April	1,668,797	1,306,358	164,243	106,567
Expenses recognised in profit or loss				
Current service cost	136,489	145,469	18,170	13,155
Past service cost	-	-	-	-
Interest cost	200,256	206,135	19,709	20,780
	336,745	351,604	37,879	33,935
Expenses recognised in other comprehensive income				
Actuarial (gains) / losses arising from;				
- financial assumptions	71,680	247,383	8,068	29,925
- demographic assumptions	4,342	-	440	-
- experience adjustment	(5,696)	(50,984)	6,972	(22)
	70,326	196,399	15,480	29,903
Exchange difference	7,775	(31,966)	-	-
Others				
Benefits paid	(184,634)	(153,598)	(16,716)	(6,162)
Balance as at 31st March	1,899,009	1,668,797	200,886	164,243

The provision for retirement benefits obligations for the year is based on the actuarial valuation carried out by professionally qualified actuaries, Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31st March 2025. The actuarial present value of the promised retirement benefits as at 31st March 2025 amounted to Rs. 1,899,008,585/- (Company - Rs. 200,886,229/-). The liability is not externally funded.

Notes to the Financial Statements

33.3 Actuarial assumptions

The principal actuarial assumptions used in determining the cost are given below;

Type of assumption	Criteria	Description
Financial	Discount rate	A long term treasury bond rate 11% p.a. (2023/24 – 12.0% p.a.) was used to discount future liabilities taking in to consideration the remaining working life of employees.
	Long term salary increments	Based on the actual salary increment rates of the Group over the past few years and the future economic outlook of the country, an increase in the long term salary increment rate of 15.0% in July 2025 with 10.0% p.a. from 2026 is factored into the valuation for the current year (2023/2024 - first year 15.0% p.a. thereafter 11.0% p.a.).
Demographic	Mortality & Disability	A 1967/70 mortality table, issued by the Institute of Actuaries, London.
	Staff turnover rate	Based on the staff turnover statistics of the Group. Rates of employee turnover at each category which represent the probabilities of the 'event' occurring within one year of the age is as follows.
	Retirement age	60 years

Age	Executives	Non Executives	Other staff
18-24 years	0.14	0.18	0.36
25-29 years	0.23	0.20	0.40
30-34 years	0.20	0.18	0.33
35-39 years	0.17	0.17	0.28
40-44 years	0.15	0.10	0.24
45-49 years	0.08	0.09	0.21
50-54 years	0.08	0.09	0.17
55-59 years	0.00	0.00	0.00

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

33.4 Sensitivity analysis

The following table demonstrates the sensitivity to reasonably possible changes at the reporting date in the key assumptions employed with all other variables held constant in the retirement benefit liability measurement.

The sensitivity of the liability in the statement of financial position is the effect of the assumed changes in discount rate and salary increment rate on the retirement benefit obligation for the year.

	GROUP		COMPANY	
As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Discount rate				
- 1% increase	(81,864)	(72,251)	(9,853)	(8,721)
- 1% decrease	89,821	79,579	10,750	9,604
Long term salary increments				
- 1% increase	92,410	82,018	11,112	9,899
- 1% decrease	(85,616)	(75,691)	(10,353)	(9,136)

Notes to the Financial Statements

33.5 Maturity analysis of the payments

The following payments are expected on retirement benefit obligations in future years.

As at	GROUP		COMPANY	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Within next 12 months	214,638	214,848	15,857	12,866
Between 1 - 2 years	326,567	286,435	25,191	19,617
Between 2 - 5 years	609,401	497,972	87,756	58,143
Beyond 5 years	748,403	669,542	72,082	73,617
	1,899,009	1,668,797	200,886	164,243
Weighted average duration (years) of define benefit obligation	5.8	5.9	5.6	6.2

34 OTHER LIABILITIES - NON-CURRENT

As at	GROUP	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Amounts due to equity-accounted investees	179,589	277,865
	179,589	277,865

35 TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

Refer note 37

As at	GROUP		COMPANY	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Trade payables	9,806,536	11,698,112	-	-
Contract liabilities	4,582,525	3,124,805	-	-
Accrued payables	2,623,096	2,249,799	81,408	56,029
Other payables	4,094,798	5,345,545	465,253	431,459
Indirect taxes payable	1,013,787	1,007,307	7,592	6,988
Deposits payable	641,686	588,646	-	-
Amounts due to subsidiaries	-	-	9,993,293	10,075,787
Amounts due to equity-accounted investees	1,894,041	1,191,127	1,758,727	985,037
Unclaimed dividends	68,050	56,182	68,050	56,182
	24,724,519	25,261,523	12,374,323	11,611,482

Note 37.3.2 -Liquidity risk, provides a repayment analysis of trade and other payable balances.

Notes to the Financial Statements

35.1 Trade and other payables analysed by currency

As at	GROUP 31.03.2025 Equivalent Rs.'000	GROUP 31.03.2024 Equivalent Rs.'000	COMPANY 31.03.2025 Equivalent Rs.'000	COMPANY 31.03.2024 Equivalent Rs.'000
Sri Lankan Rupees	16,626,947	17,630,632	12,340,657	11,598,022
United States Dollars	6,555,210	6,142,095	33,666	13,460
Fijian Dollar	986,437	812,594	-	-
Oman Riyal	471,876	196,929	-	-
Other	84,049	479,273	-	-
	24,724,519	25,261,523	12,374,323	11,611,482

36 FAIR VALUE MEASUREMENT

ACCOUNTING POLICY

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.

When measuring fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 inputs are inputs that are not based on observable market data (unobservable inputs).

If inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

Fair value of non-financial assets

The fair value used by the Group in the measurement of non- financial assets 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 that is accessible by the Group for the asset or liability.

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

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

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

Notes to the Financial Statements

36.1 Fair value measurement hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

36.1.1 Fair value measurement hierarchy - Group

	31.03.2025				31.03.2024			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets								
Measured at fair value								
- Unquoted equity securities	-	246,822	22,326	269,148	-	250,253	25,651	275,904
- Quoted equity shares	121,619	-	-	121,619	74,492	-	-	74,492
	121,619	246,822	22,326	390,767	74,492	250,253	25,651	350,396
Non-financial assets								
Measured at fair value								
Property, plant and equipment								
- Freehold land	-	-	22,517,814	22,517,814	-	-	22,699,029	22,699,029
	-	-	22,517,814	22,517,814	-	-	22,699,029	22,699,029
Fair values are disclosed								
Investment property								
- Freehold land & building	-	-	2,652,168	2,652,168	-	-	2,631,956	2,631,956
	-	-	2,652,168	2,652,168	-	-	2,631,956	2,631,956

36.1.2 Fair value measurement hierarchy - Company

	31.03.2025				31.03.2024			
	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000	Level 1 Rs.'000	Level 2 Rs.'000	Level 3 Rs.'000	Total Rs.'000
Financial assets								
Measured at fair value								
- Unquoted equity securities	-	-	5,126	5,126	-	-	7,793	7,793
- Quoted equity securities	58,066	-	-	58,066	37,935	-	-	37,935
	58,066	-	5,126	63,192	37,935	-	7,793	45,728
Non-financial assets								
Fair values are disclosed								
Investment property								
- Freehold land & building	-	-	8,211,711	8,211,711	-	-	7,667,867	7,667,867
	-	-	8,211,711	8,211,711	-	-	7,667,867	7,667,867

Notes to the Financial Statements

36.2 Reconciliation of fair value measurement of "Level 3" financial instruments

	GROUP		COMPANY
	Unquoted equity securities Rs.'000	Freehold land Rs.'000	Unquoted equity securities Rs.'000
Balance as at 01st April 2023	30,057	23,300,373	11,879
Exchange difference	-	(660,344)	-
Transferred from land carried at cost	-	54,239	-
Total gains and losses recognised in other comprehensive income			
- Net change in fair value (unrealised)	(4,406)	-	(4,086)
- Revaluation of freehold land (unrealised)	-	4,761	-
Balance as at 31st March 2024	25,651	22,699,029	7,793
Exchange difference	-	(179,873)	-
Disposal of land	-	(1,342)	-
Total gains and losses recognised in other comprehensive income			
- Net change in fair value (unrealised)	(3,325)	-	(2,667)
- Revaluation of freehold land (unrealised)	-	-	-
Balance as at 31st March 2025	22,326	22,517,814	5,126

36.2.1 Transfers between levels of fair value hierarchy

There were no transfers between Level 1, Level 2 and Level 3 during the year.

36.3 Valuation techniques and significant unobservable inputs

The following tables summarises the valuation techniques used by the Group and the Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used for the valuation.

36.3.1 Assets and liabilities measured at fair value - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Property, plant and equipment			
Freehold land	Market comparable method. This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.`	Price per perch of land (Refer note 15.3.2)	Estimated fair value would increase (decrease) if ; ▪ Price per perch increases (decreases).
Other financial assets			
Unquoted equity securities	Net assets basis	Carrying value of assets and liabilities adjusted for market participant assumptions.	Variability of inputs are insignificant to have an impact on fair values.
	Market return on a comparable investment	Recent sale price of INR 55/- per share.	Not applicable.

36.3.2 Assets and liabilities for which fair values are disclosed - Recurring

Assets and liabilities	Valuation technique	Significant unobservable inputs
Investment property		
Freehold land	Market comparable method. This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature and location of the property.	Price per perch of land (Refer note 16.3)

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

Financial assets

Recognition and initial measurement

Financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument with the exception of "Trade Receivables". The Group initially recognises trade receivables when they are originated.

Financial assets other than trade receivables that do not contain a significant financing component are initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition on issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and measurement

On initial recognition, the Group classifies a financial asset as measured at amortised cost; Fair Value Through Other Comprehensive Income (FVOCI); or Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are not reclassified subsequent to their initial recognition unless t he Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it is held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates and the financial asset is not designated as at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Group irrevocably elected to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes equity Investments and derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the financial assets are managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

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In making this assessment, the Group considers:

- events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- repayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except and only in those rare circumstances when the Group changes its objective of the business model for managing such financial assets.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transaction whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, such transferred assets are not derecognised.

Impairment

The Group recognises allowances for expected credit losses (ECLs) on Fnancial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Loss allowance for debt instruments is measured and 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit

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assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- For trade receivables, being more than 365 days past due.
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.
- The disappearance of an active market to a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Financial Liabilities

Recognition and initial measurement

The Group initially recognises financial liabilities other than debt securities when it becomes a party to the contractual provisions of the instrument. The Group recognises debt securities issued when they are originated.

All financial liabilities are initially measured at fair value and, for an item not at Fair Value Through Profit or Loss (FVTPL), are measured net of transaction costs that are directly attributable to its issue.

The Group's financial liabilities comprise of loans and borrowings, refundable rental and other deposits, bank overdrafts, trade and other payables and derivative financial instruments.

Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classifed as measured at amortised cost or FVTPL.

Other Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition of other financial liabilities are recognised in profit or loss.

Reclassification

Financial Liabilities are not reclassified as such reclassifications are not permitted by SLFRS 9.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position only when the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Hedge accounting and cash flow hedge

'Hedging' is a process of using a financial instrument to mitigate all or some of the risk associated to a hedged item. 'Hedge accounting' changes the timing of recognising the gains and losses on either the hedged item or the hedging instrument so that both are recognised in profit or loss or other comprehensive income in the same accounting period in order to record the economic substance of the relationship between the hedged item and instrument.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on a prospective basis according to SLFRS 09 – 'Financial Instruments' requirements.

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

Cash Flow Hedge

A hedge of an exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction that could affect the profit or loss is classified as a cash flow hedge.

When a non-derivative financial liability is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the non-derivative financial liability is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the non-derivative financial liability that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the non- derivative financial liability is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting (after taking into account any rebalancing of the hedging relationship) or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of the hedging reserve are immediately reclassified to profit or loss..

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

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37.1 Financial instruments - accounting classifications

The following tables summarises the carrying values of financial assets and financial liabilities of the Group and the Company.

37.1.1 Accounting classifications of financial instruments - Group

As at 31st March 2025	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost * Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	17,221,487	1,947,905	19,169,392
Deposits and prepayments		-	-	358,539	3,970,703	4,329,242
Other financial assets	23 & 26					
- Unquoted equity securities and debt securities		-	269,148	19,555	-	288,703
- Quoted equity securities		121,619	-	-	-	121,619
- Government securities		-	-	2,885,422	-	2,885,422
- Bank deposits		-	-	23,702,769	-	23,702,769
- Amounts due from equity-accounted investees		-	-	725,524	-	725,524
Cash and short-term deposits	27	-	-	16,600,685	-	16,600,685
		121,619	269,148	61,513,981	5,918,608	67,823,356
Financial liabilities						
Interest-bearing loans and borrowings	30	-	-	45,529,034	-	45,529,034
Lease liabilities	31	-	-	12,750,016	-	12,750,016
Trade and other payables	35	-	-	12,193,294	12,531,225	24,724,519
Bank overdrafts and other short-term borrowings	27	-	-	19,894,961	-	19,894,961
		-	-	90,367,305	12,531,225	102,898,530

As at 31st March 2024	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	18,751,941	1,102,189	19,854,130
Deposits and prepayments		-	-	358,213	5,312,361	5,670,574
Other financial assets	23 & 26					-
- Unquoted equity securities and debt securities		-	275,904	60,333	-	336,237
- Quoted equity securities		74,492	-	-	-	74,492
- Government securities		-	-	-	-	-
- Bank deposits		-	-	24,706,535	-	24,706,535
- Amounts due from equity-accounted investees		-	-	725,524	-	725,524
Cash and short-term deposits	27	-	-	12,132,534	-	12,132,534
		74,492	275,904	56,735,080	6,414,550	63,500,026
Financial liabilities						
Interest-bearing loans and borrowings	30	-	-	47,661,181	-	47,661,181
Lease liabilities	31	-	-	14,626,979	-	14,626,979
Trade and other payables	35	-	-	18,223,319	7,038,204	25,261,523
Bank overdrafts and other short-term borrowings	27	-	-	19,388,741	-	19,388,741
		-	-	99,900,220	7,038,204	106,938,424

* Carrying values of financial assets and financial liabilities are a reasonable approximation of their fair values.

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37.1.2 Accounting classifications of financial instruments - Company

As at 31st March 2025	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost * Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	7,258,061	354,700	7,612,761
Deposits and prepayments		-	-	1,554	175,981	177,535
Other financial assets	23 & 26					
- Unquoted equity securities and debt securities		-	5,126	19,555	-	24,681
- Quoted equity securities		58,066		-	-	58,066
- Government securities		-	-	2,885,422	-	2,885,422
- Bank deposits		-	-	16,808,029	-	16,808,029
Cash and short-term deposits	27	-	-	5,223,529	-	5,223,529
		58,066	5,126	32,196,150	530,681	32,790,023
Financial liabilities						
Interest-bearing liabilities	30	-	-	7,137,429	-	7,137,429
Trade and other payables	35	-	-	11,765,273	609,050	12,374,323
Bank overdrafts and other short-term borrowings	27	-	-	8,191,453	-	8,191,453
		-	-	27,094,155	609,050	27,703,205

As at 31st March 2024	Notes	Fair value through profit or loss Rs.'000	Fair value through OCI Rs.'000	Amortised cost (a) Rs.'000	Non - financial instruments Rs.'000	Total carrying amount Rs.'000
Financial assets						
Trade and other receivables	25	-	-	5,979,543	405,080	6,384,623
Deposits and prepayments		-	-	1,446	163,942	165,388
Other financial assets	23 & 26					-
- Unquoted equity securities and debt securities		-	7,793	60,333	-	68,126
- Quoted equity securities		37,935		-	-	37,935
- Government securities		-	-	-	-	-
- Bank deposits		-	-	18,157,659	-	18,157,659
Cash and short-term deposits	27	-	-	3,023,392	-	3,023,392
		37,935	7,793	27,222,373	569,022	27,837,123
Financial liabilities						
Interest-bearing liabilities	30	-	-	2,444,934	-	2,444,934
Trade and other payables	35	-	-	11,115,057	496,425	11,611,482
Bank overdrafts and other short-term borrowings	27	-	-	8,562,964	-	8,562,964
		-	-	22,122,955	496,425	22,619,380

* Carrying values of financial assets and financial liabilities are a reasonable approximation of their fair values.

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37.2 Cash flow hedge

During 2017/2018 a subsidiary company in the Group designated a hedge relationship between its highly probable EURO denominated sales and its foreign currency denominated borrowings.

The risk management objective of this cash flow hedge is to hedge the risk of variation in the foreign currency exchange rates associated with EURO currency denominated forecasted sales.

The risk management strategy is to use the foreign currency variability (gains /losses) arising from the revaluation of foreign currency borrowing due to the changes in spot foreign exchange rates to off-set the variability due to foreign exchange rate movements, on LKR conversion of EURO denominated forecasted sales.

The effective portion of the gain or loss on the hedging instrument is recognised in the Other Comprehensive Income Statement (OCI) and any ineffective portion is recognised immediately in the Income Statement.

The amount recognised in Other Comprehensive Income is transferred to the Income Statement when the hedge transaction occurs (when the forecasted revenue is realised). If the forecasted transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Income Statement.

Cash flow hedge reserve reflects the effective portion of the gain or loss on the hedging instrument. The cash flow hedging reserve as at 31st March 2025 represents the foreign currency variability arising from the revaluation of foreign currency borrowings due to the changes in spot LKR/EUR exchange rate that is expected be set off from the variability of exchange rates of highly probable EURO denominated sales (namely "All Inclusive" apartment revenue) expected to occur from 1st quarter of 2017/18 up to the tenor of refinanced borrowings.

Hedging instrument - Out of the foreign currency borrowing of EURO 40.0 million in January 2017, EURO 34.1 million is designated for the hedge from April 2017.

Further, the outstanding balance of the borrowing of EURO 32.6 million as at 31st March 2018 was refinanced effective from the 1st quarter of 2018/2019 for an extended tenor.

Hedged item – Highly probable EURO denominated sales (Named "All Inclusive" apartment revenue) expected to occur from April 2017 to March 2029.

During the year the effective portion of the hedging instrument being a gain of Rs. 679.3 million (2023/2024 - loss of Rs. 1,501.5 million) was recognised in the other comprehensive income statement (OCI) and no ineffective portion was recognised during 2024/2025 financial year. In 2023/2024 a loss of Rs. 15.2 million was identified as ineffective portion which was recognised in the income statement under net foreign exchange gain/ (loss) in other operating income.

In respect of the cash flow hedge instrument, Group recognised Rs. 1,341.3 million (2023/2024 - Rs. 1,644.9 million) under cash flow hedge reserve being the Group's portion of the fair value loss recognised by the subsidiary.

37.3 Financial risk management objectives and policies

Please refer the comprehensive risk management report on pages 137 to 146 of the annual report for a detailed description of the Group's risk management structure, process and procedures.

Financial instruments used by the Group in its business activities contain multiple variables that are affected by various market and environmental conditions. Such variations are generally not within the control of the users, and therefore cause fluctuations in the values of financial instruments. Fluctuations in value could result in a situation undesirable to the Group and expose it to risk. These risks need to be managed, as unmanaged risks can lead to unplanned outcomes where the Group could fall short of its financial and budgetary objectives. The Group has adopted a financial risk management strategy aimed at minimising the risks associated with the use of financial instruments by establishing several policies and guidelines that are followed by the companies in the Group. These policies and guidelines are reviewed from time to time and updated to reflect current requirements in accordance with the developments in the operating environment.

This part of the report covers the financial impact that could arise from market risk, credit risk and liquidity risk, the most important elements of the financial risk that the Group is subject to.

37.3.1. Market risk

Fluctuations of those market driven variables that affect cashflows arising from financial instruments can result in the actual outcome being different to expected cashflows thereby creating the market risk. Variables such as interest rates and exchange rates can move in directions different to those originally expected and the consequent cashflows could be different to the originally anticipated cashflows.

Market risk could result in the revenues and expenses of the Group being adversely affected and impacting the profit attributable to shareholders. In order to identify, manage and minimise the market risk, the Group has put into practice a number of policies and procedures.

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37.3.1.1. Currency risk

The currency risk arises when a financial transaction is denominated in a currency other than that of the reporting currency of an entity. The Group has operations in a number of regions across the globe and conducts business in a variety of currencies. The Group's worldwide presence in many geographies exposes it to the currency risk in the form of transaction and translation exposure.

Transaction exposure arises where there are contracted cashflows (receivables and payables) of which the values are subject to unanticipated changes in exchange rates due to contracts being denominated in a foreign currency. Translation exposure occurs due to the fluctuations in foreign exchange rates and arises to the extent to which financial reporting is affected by exchange rate movements when the reporting currency is different to those currencies in which revenues, expenses, assets and liabilities are denominated.

As the Group transacts in many foreign currencies other than the Sri Lankan rupee which is the reporting currency, it is exposed to currency risk on revenue generation, expenses, investments and borrowings. The Group has significant investments in the Maldives, India, Oman and Fiji where the net assets are exposed to foreign currency translation risk. Revenue generations and expenses incurred in foreign currency are exposed to foreign currency transaction risk.

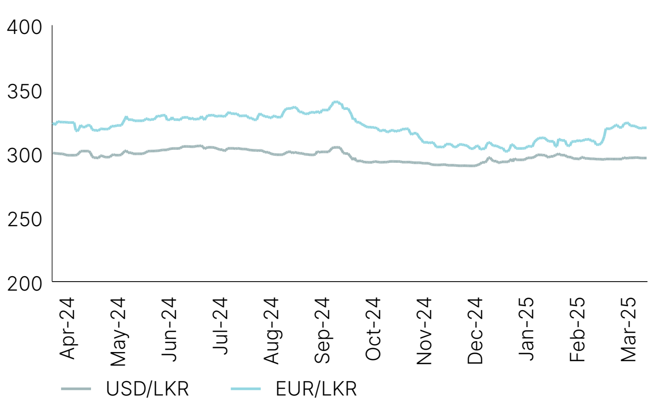
The total interest-bearing liabilities of the Group denominated in US dollar and Euro amounted to Rs. 34.1 billion. The translation exposure resulting from foreign currency borrowings has been hedged to a great extent by the acquisition of financial assets denominated in matching foreign currencies. A significant portion of the foreign currency borrowings have been made by the Group companies with incomes in foreign currencies, especially in the tourism and strategic investments sectors. Transaction exposures are usually minimised by selectively entering into forward contracts when future cashflows can be estimated with reasonable accuracy with regard to amounts as well as timing. The Group treasury monitors foreign exchange markets on a continuous basis and advises on appropriate risk mitigating strategies.

The Group actively evaluates the possibility of employing hedge accounting to mitigate the exposure to currency risk by designating an effective relationship between foreign currency denominated transaction with assets or liabilities. Hedge accounting enables to minimise the timing differences in recognising foreign currency translation impact to the income statement or other comprehensive income statement and to effectively capture the economic substance of the transaction.

Movement in exchange rates during the year ended 31st March 2025

	Lowest Level		Highest Level		Spread	Year end rate
	Rate	Date	Rate	Date		
USD/LKR	290.21	13.12.2024	306.01	01.07.2024	15.80	296.32
EUR/LKR	301.62	03.01.2025	340.21	23.09.2024	38.59	319.86

USD/LKR & EUR/&LKR



EUR/USD

During the Financial Year 2024–2025, the Sri Lankan Rupee's value against the US Dollar reached its weakest point at 306.01 in early July 2024. Following this, the LKR began a period of gradual appreciation against the USD, strengthening considerably until mid-December 2024, when it reached its strongest point at 290.21. A modest weakening of the LKR occurred in early 2025 before its value against the USD stabilised in the approximate range of 295-297 by March 2025. Overall, this period reflects a continued net appreciation of the Sri Lankan Rupee against the US Dollar, extending the trend observed in the previous year. When compared to the previous year, the LKR's value against the USD exhibited reduced volatility in the current financial year, showing signs of stability in the exchange rate market.

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Foreign currency sensitivity

The Group's primary foreign currency exposures are to the US Dollar and the Euro. Other foreign currency exposures, predominantly related to foreign operations, are not considered material. To assess the impact of currency risk on financial instruments, a reasonable movement in the USD/LKR and EUR/LKR exchange rates is estimated based on observable market trends. Reflecting the exchange rate volatility experienced during the financial year, a 5% threshold is applied in the current year's sensitivity analysis. In contrast, the higher exchange rate volatility of the previous financial year required the use of a 10% fluctuation rate for its sensitivity analysis.

Sensitivity analysis of net foreign currency assets and liabilities - Group

	Impact on profit		Impact on equity**
	USD net financial assets / (liabilities)	EUR net financial assets / (liabilities)	
	USD '000	EUR '000	USD '000
As at 31st March 2025			
Net exposure	80,909	(22,210)	156,963
LKR depreciates by 5% (Rs. '000)	1,198,749	(355,213)	2,325,567
LKR appreciates by 5% (Rs. '000)	(1,198,749)	355,213	(2,325,567)
As at 31st March 2024			
Net exposure	89,783	(27,252)	146,524
LKR depreciates by 10% (Rs. '000)	2,697,445	(888,524)	4,402,165
LKR appreciates by 10% (Rs. '000)	(2,697,445)	888,524	(4,402,165)

**The effect on the equity arises from the overseas investments made by the Group.

Sensitivity analysis of net foreign currency assets and liabilities - Company

	Impact on profit
	USD net financial assets / (liabilities)
	USD '000
As at 31st March 2025	
Net exposure	49,811
LKR depreciates by 5% (Rs. '000)	738,007
LKR appreciates by 5% (Rs. '000)	(738,007)
As at 31st March 2024	
Net exposure	57,554
LKR depreciates by 10% (Rs. '000)	1,729,154
LKR appreciates by 10% (Rs. '000)	(1,729,154)

Sensitivity analysis of derivative financial instruments - Group

As at	Effect on profit	
	31.03.2025	31.03.2024
	Rs.'000	Rs.'000
Net capital exposure (USD '000)	-	2,000
Derivative financial asset/(liability) recognised (Rs. '000)	-	-
LKR depreciates by 1% (Rs. '000)	-	(5,997)
LKR appreciates by 1% (Rs. '000)	-	5,997

A lower fluctuation of 1% was used in the sensitivity analysis of derivative financial instruments considering the shorter maturity profile.

Notes to the Financial Statements

37.3.1.2. Interest rate risk

Values of financial instruments could fluctuate depending on the movements in interest rates giving rise to interest rate risk. This is a consequence of the changes in the present values of future cash flows derived from financial instruments. Value fluctuations in financial instruments will result in mark to market gains or losses in investment portfolios and could have an impact on reported financial results of the Group.

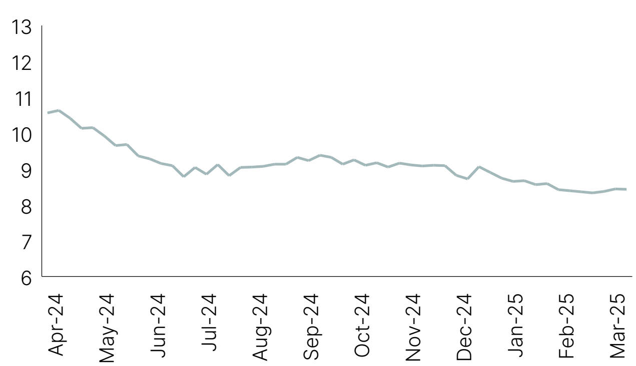
The Group's investment portfolio may consist of a range of financial instruments with both fixed and variable interest rates such as treasury bills and treasury bonds which are subject to interest rate risk. Liabilities with variable interest rates such as AWPLR and SOFR linked borrowings would expose the Group to cashflow risk as the amount of interest paid would change depending on the changes in market interest rates. Investments with fixed interest rates would expose the Group to variations in fair values during the marking to market of portfolios. Suitable strategies are used by the Group treasury to manage the interest rate risks in portfolio investments. The use of long-term interest rate forecasts to determine the most suitable duration of investments with the objective of overcoming the re-investment risk as well as to minimise any adverse impact in marking to market of the portfolio is one of the often used strategies. Interest rate swaps could be used when there is a need to hedge the risks on debt instruments with variable rates. Close monitoring of market trends is carried out to improve the accuracy of such decisions.

The Group treasury monitors the interest rate environment on a continuous basis to advise the sector finance managers on the most suitable strategy with regard to borrowings. The Group usually negotiates long term borrowings during the periods in which interest rates are low in order to extend the favourable impact to future reporting periods.

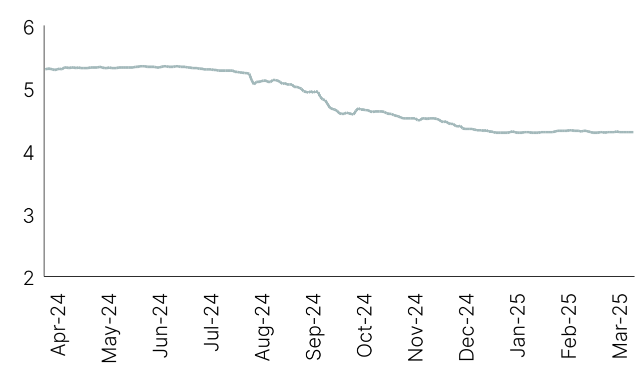
Movement in interest rates during the year ended 31st March 2025

	Lowest Level		Highest Level		Spread (basis points)	Year end rate %
	Rate %	Period	Rate %	Period		
LKR Interest rate - AWPLR (Weekly)	8.33	Mar-25	10.63	Apr-24	230	8.43
USD Interest rate - Term SOFR (3 Month)	4.285	Jan-25	5.347	Jun-24	106	4.298

AWPLR



3 Months Term SOFR



Throughout the financial year, the Average Weighted Prime Lending Rate (AWPLR) continued its downward trajectory, albeit with a narrower range of fluctuation compared to the previous year, suggesting a more stable interest rate environment. The 3-month Term Secured Overnight Financing Rate (SOFR) experienced a sharp and sustained decline during the financial year, diverging from the moderate fluctuations and overall upward trend observed in 2023–24.

Interest rate sensitivity

At the reporting date, the interest rate sensitivity analysis for the Group and Company's interest-bearing financial instruments is presented below. This analysis illustrates the potential impact on profit due to probable interest rate movements, assuming all other variables remain constant. To assess interest rate risk on financial instruments, a reasonable movement in interest rates is estimated based on observable market trends. Given the interest rate volatility observed during the financial year, a fluctuation of 250 basis points has been considered for the sensitivity analysis of LKR financial liabilities as at the reporting date. This is a significant decrease from the previous financial year, where higher interest rate volatility necessitated a larger fluctuation of 1,000 basis points. Conversely, the sensitivity threshold for USD financial liabilities has been increased to 100 basis points from 25 basis points in the prior year, reflecting higher interest rate volatility in USD interest rate.

Notes to the Financial Statements

Interest rate sensitivity analysis- Group

As at	31.03.2025			31.03.2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		LKR interest rates - 250bp	LKR interest rates + 250bp		LKR interest rates - 1000bp	LKR interest rates + 1000bp
LKR financial liabilities (Rs.'000)	9,900,439	247,511	(247,511)	10,863,617	1,086,362	(1,086,362)

As at	31.03.2025			31.03.2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 25bp	USD interest rates + 25bp
USD financial liabilities (In equivalent Rs.'000)	24,513,619	245,136	(245,136)	24,236,302	60,591	(60,591)

Interest rate sensitivity analysis - Company

As at	31.03.2025			31.03.2024		
	Exposure	Impact on profit		Exposure	Impact on profit	
		USD interest rates - 100bp	USD interest rates + 100bp		USD interest rates - 250bp	USD interest rates + 250bp
USD financial liabilities (In equivalent Rs.'000)	7,138,416	71,384	(71,384)	2,448,598	6,121	(6,121)

37.3.1.3. Equity price risk

The Group has adopted the policy that its investment in subsidiaries, joint ventures and associate companies are recorded at cost as per LKAS 27 and 28 standards and therefore are scoped out from the Sri Lanka Accounting Standards, SLFRS 9 - Financial Instruments.

Investments made by the Group which do not belong to the above categories are classified as financial assets and recorded at fair value in financial statements.

At the reporting date the carrying values of equity investments are as follows;

- Quoted equity securities: Rs. 121.6 million (as at 31.03.2024; Rs. 74.5 million)
- Unquoted equity securities: Rs. 269.1 million (as at 31.03.2024; Rs. 275.9 million)

A sensitivity analysis of the above has not been carried out as the Group's exposure to such is not material.

37.3.2 Liquidity risk

Liquid assets of a company consist of cash and assets which can be converted to cash in a short period of time to settle liabilities as they arise. Liquidity is an important factor in the operations of a business as it is an essential requirement for the successful operation of an entity.

A shortage of liquidity would have a negative impact on stakeholder confidence in a business entity and hampers its operations. The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

Notes to the Financial Statements

Shortening the working capital cycle is one of the main practises preferred in ensuring that there is sufficient liquidity at a given time. Adequate short-term working capital facilities provided by banks are available to all the Group companies which are utilised in the event of a requirement. These facilities are available at favourable rates and have been mostly provided without collateral. The Group maintains a constant dialogue with the banking sector institutions to ensure that there are sufficient working capital facilities available whenever required and closely monitors their utilisation.

The Group has implemented procurement and vendor evaluation policies to prevent payment of excessive prices to suppliers and to obtain favourable credit periods in order to ensure a strong working capital position. Special attention has been given to cash inflows and outflows both at a consolidated and sector levels. The maturity profile of the Group's investments is monitored and adjusted to meet expected future cash outflows in the short, medium and long terms.

Funding requirements of the sectors and the parent company are evaluated at regular intervals by analysing business expansion strategies. The Group has adopted a conservative investment strategy in order to preserve the scarce capital as well as to minimise the risk. At opportune moments funds are mobilised by accessing capital markets. The Group attempts to minimise future interest expenses on borrowings by negotiating favourable interest rates with the respective lenders and makes use of attractive interest rates offered by international banks on foreign currency denominated funding mostly to finance its overseas investments.

The table below summarises the maturity analysis of the Group's and the Company's financial liabilities based on contractual undiscounted payments.

Financial liabilities maturity profile - Group

As at 31st March 2025	Carrying amount	Contractual cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	45,529,034	-	14,486,975	11,453,933	19,008,045	10,486,291	55,435,244
Lease liabilities	12,750,016	-	2,206,657	1,190,108	2,875,063	18,330,110	24,601,938
Trade and other payables	24,724,519	15,076,855	9,647,664	-	-	-	24,724,519
Bank overdrafts and other short-term borrowings	19,894,961	11,410,941	8,484,020	-	-	-	19,894,961
	102,898,530	26,487,796	34,825,316	12,644,041	21,883,108	28,816,401	124,656,662

As at 31st March 2024	Carrying amount	Contractual cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	47,661,181	-	13,494,217	16,572,158	20,504,332	10,625,895	61,196,602
Lease liabilities	14,626,979	-	2,564,826	2,197,234	3,269,332	19,371,643	27,403,035
Trade and other payables	25,261,523	18,218,122	7,043,401	-	-	-	25,261,523
Bank overdrafts and other short-term borrowings	19,388,741	10,786,336	8,602,405	-	-	-	19,388,741
	106,938,424	29,004,458	31,704,849	18,769,392	23,773,664	29,997,538	133,249,901

Notes to the Financial Statements

Financial liabilities maturity profile - Company

As at 31st March 2025	Carrying amount	Contractual cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	7,137,429	-	1,634,800	986,205	5,559,468	604,423	8,784,896
Trade and other payables	12,374,323	12,366,182	8,141	-	-	-	12,374,323
Bank overdraft and other short-term borrowings	8,191,453	2,019,805	6,171,648	-	-	-	8,191,453
	27,703,205	14,385,987	7,814,589	986,205	5,559,468	604,423	29,350,672

As at 31st March 2024	Carrying amount	Contractual cash flows					
		On demand	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-bearing loans and borrowings	2,444,934	-	1,362,051	1,255,288	-	-	2,617,339
Trade and other payables	11,611,482	11,601,118	10,364	-	-	-	11,611,482
Bank overdraft and other short-term borrowings	8,562,964	1,437,971	7,124,993	-	-	-	8,562,964
	22,619,380	13,039,089	8,497,408	1,255,288	-	-	22,791,785

Liquidity position

As at	GROUP		COMPANY	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Cash and short-term deposits	16,600,685	12,132,534	5,223,529	3,023,392
Trade and other receivable within 30 days	9,993,260	10,126,670	7,583,557	6,542,525
Government securities	2,885,422	-	2,885,422	-
Bank deposit	23,702,769	24,706,535	16,808,029	18,157,659
Total Liquid assets	53,182,136	46,965,739	32,500,537	27,723,576
Less:				
Bank overdraft and other short term borrowing	19,894,961	19,388,741	8,191,453	8,562,964
On demand trade and other payables	15,076,855	18,218,122	12,366,182	11,601,118
Total on demand liabilities	34,971,816	37,606,863	20,557,635	20,164,082
Excess liquidity through operating cycle	18,210,320	9,358,876	11,942,902	7,559,494
Liquidity available on demand				
Undrawn approved bank facilities	36,144,570	30,163,397	17,901,250	15,522,000

Notes to the Financial Statements

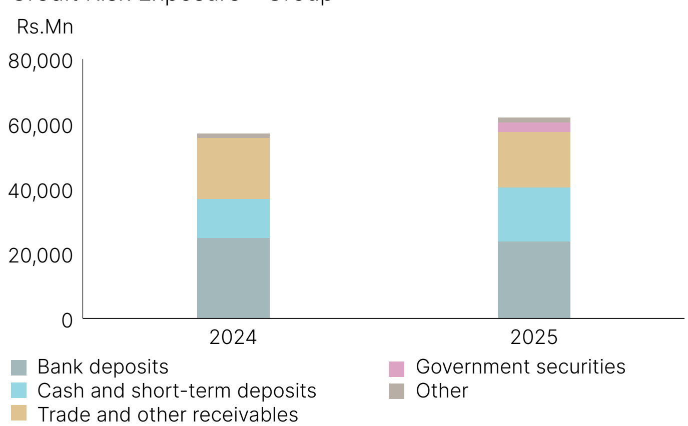
37.3.3. Credit risk

The risk assumed by an entity resulting from the risk of a counterparty defaulting on its contractual obligations in relation to a financial instrument or a customer contract is known as the credit risk. The Group's exposure to credit risk arises from its operating and financing activities including transactions with banks in placing deposits, foreign exchange transactions and through the use of other financial instruments. The maximum credit risk of the Group and the Company is limited to the carrying value of these financial assets as at the reporting date.

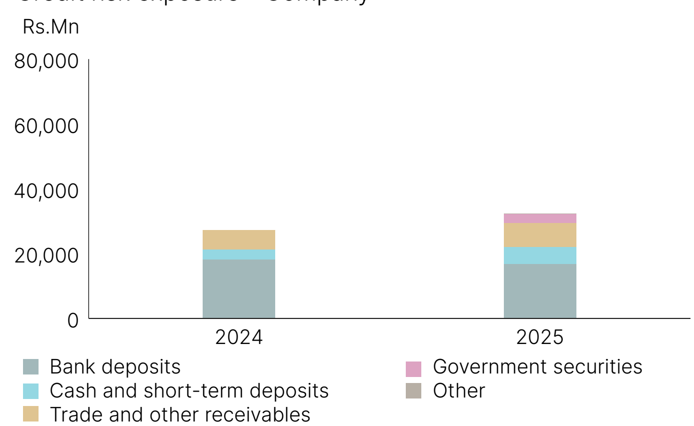
37.3.3.1 Credit risk exposure

	GROUP				COMPANY			
	31.03.2025		31.03.2024		31.03.2025		31.03.2024	
	Rs.'000	Concentration %	Rs.'000	Concentration %	Rs.'000	Concentration %	Rs.'000	Concentration %
Trade and other receivables	17,221,487	27.82	18,751,941	32.85	7,258,061	22.50	5,979,543	21.93
Deposits and prepayments	358,539	0.58	358,213	0.63	1,554	0.005	1,446	0.005
Other financial assets								
- Unquoted equity securities and debt securities	288,703	0.47	336,237	0.59	24,681	0.08	68,126	0.25
- Quoted equity securities	121,619	0.20	74,492	0.13	58,066	0.18	37,935	0.14
- Government securities	2,885,422	4.66	-	-	2,885,422	8.94	-	-
- Bank deposits	23,702,769	38.29	24,706,535	43.28	16,808,029	52.10	18,157,659	66.59
- Amounts due from equity-accounted investees	725,524	1.17	725,524	1.27	-	-	-	-
Cash and short-term deposits	16,600,685	26.82	12,132,534	21.25	5,223,529	16.19	3,023,392	11.09
	61,904,748	100.00	57,085,476	100.00	32,259,342	100.00	27,268,101	100.00

Credit Risk Exposure - Group



Credit risk exposure - Company



The Board of Directors has provided the policy direction for the Group treasury to manage the risk arising from investments made in financial institutions. The Group's transactions are carried out only with a limited number of institutions all of which have stable credit ratings from internationally recognised rating providers. The Group's exposures and credit ratings of counterparties are continuously monitored and the investment portfolio is diversified amongst several institutions to minimise the unsystematic risk.

Notes to the Financial Statements

37.3.3.2. Expected credit loss assessment

The Group 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 minimising 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 Group 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, cash flow projections. Group companies apply experienced credit judgement taking in to account qualitative and quantitative factors that are indicative of the risk of default. Scalar macroeconomic factor adjustments such as GDP forecast, also incorporated to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected recovery period.

The Group re-evaluated its approach to measurement of ECL in the light of the current economic crisis in Sri Lanka, as the consequent unexpected deterioration in credit quality of investment portfolios (financial institutions) and trade receivables (non-financial institutions), will have a significant impact on the ECL measurement. The Group 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) and Probability of Default (PD) updated to reflect the impact of adverse economic condition in measuring ECL while Loss Given Default (LGD) was used without modification. The Group also assessed it financial instruments for Significant Increase in Credit Risk (SICR) with available, reasonable and supportable information including economic support and relief measures provided to counterparties.

The following table presents an analysis of ECL measurement basis across financial assets classified at amortised cost including carrying values and impairment recognised for the Group.

37.3.3.2.1 Analysis of ECL measurement basis of financial assets classified at amortised cost - Group

	31.03.2025					31.03.2024				
	Carrying amount	Impairment recognised				Carrying amount	Impairment recognised			
		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and other receivables	17,221,487	-	(32,700)	(606,390)	(639,090)	18,751,941	-	(52,475)	(1,446,055)	(1,498,530)
Deposits and prepayments	358,539	-	-	-	-	358,213	-	-	-	-
Other financial assets										
- Unquoted debt securities	19,555	-	-	-	-	60,333	-	-	-	-
- Government securities	2,885,422	-	-	-	-	-	-	-	-	-
- Bank deposits	23,702,769	(238)	-	-	(238)	24,706,535	(851)	-	-	(851)
- Amounts due from equity-accounted investees	725,524	-	-	-	-	725,524	-	-	-	-
Cash and short-term deposits	16,600,685	-	-	-	-	12,132,534	-	-	-	-
	61,513,981	(238)	(32,700)	(606,390)	(639,328)	56,735,080	(851)	(52,475)	(1,446,055)	(1,499,381)

Notes to the Financial Statements

37.3.3.2.2 Movement in ECL allowance during the financial year - Group

	Trade and other receivables Rs.'000	Other financial assets - Bank deposits Rs.'000
Balance as at 31st March 2023	(1,011,779)	(2,584)
Exchange difference/direct write-offs and reversals	(21,018)	(341)
Net impairment reversals / (losses) during the year	(465,733)	2,074
Balance as at 31st March 2024	(1,498,530)	(851)
Exchange difference/direct write-offs and reversals	83,539	362
Net impairment during the year	775,901	251
Balance as at 31st March 2025	(639,090)	(238)

The following table present an analysis of ECL measurement basis across financial assets classified at amortised cost including carrying values and impairment recognised for the Company.

37.3.3.2.3 Analysis of ECL measurement basis of financial assets classified at amortised cost - Company

	31.03.2025					31.03.2024				
	Carrying amount	Impairment recognised				Carrying amount	Impairment recognised			
		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total		12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade and other receivables	7,258,061	-	-	(553,813)	(553,813)	5,979,543	-	-	(748,934)	(748,934)
Deposits and prepayments	1,554	-	-	-	-	1,446	-	-	-	-
Other financial assets										
- Unquoted debt securities	19,555	-	-	-	-	60,333	-	-	-	-
- Government securities	2,885,422	-	-	-	-	-	-	-	-	-
- Bank deposits	16,808,029	(64)	-	-	(64)	18,157,659	(256)	-	-	(256)
Cash and short-term deposits	5,223,529	-	-	-	-	3,023,392	-	-	-	-
	32,196,150	(64)	-	(553,813)	(553,877)	27,222,373	(256)	-	(748,934)	(749,190)

37.3.3.2.4 Movement in ECL allowance during the financial year - Company

	Trade and other receivables Rs.'000	Other financial assets - Bank deposit Rs.'000
Balance as at 31st March 2023	(737,024)	(2,371)
Net impairment reversals / (losses) during the year	(11,910)	2,115
Balance as at 31st March 2024	(748,934)	(256)
Exchange difference/direct write-offs	193,218	-
Net impairment reversal during the year	1,903	192
Balance as at 31st March 2025	(553,813)	(64)

37.3.3.3 Trade receivables

Trade receivables consist of recoverable from a large number of customers spread across diverse industries, segments and geographies. 93% of the Group's trade receivables are due for settlement within 90 days as at the end of the financial year. The credit policy for each segment of business varies due to the diversity of operations in the Group. The credit policies that best suit their respective business environment are developed for each sector and the responsibility rests with the heads of finance and the senior management teams.

Group companies formulate their credit policies subsequent to analysing credit profiles of customers. In this regard factors such as the credit history, legal status, market share, geographical locations of operations, and industry information are considered. References from bankers or credit information databases are obtained when it is considered necessary. Each group company has identified credit limits for their customers. In the event a customer does not meet the criteria or the stipulated benchmark on a transaction, then the business is carried out with such customers only up to the value of the collaterals or advances obtained.

Apart from the state-owned enterprise which is the largest customer of the strategic investments sector, the Group does not have a significant credit risk exposure to any other single counterparty. Concentration of credit risk of the state-owned enterprise is 2.6% of total trade receivables of the Group as at 31st March 2025.

The value of trade receivables pledged by the Group as security for interest-bearing liabilities obtained from banks amounted to Rs. 29.5 million (2023/2024- Rs. 8.2 million).

Trade receivable settlement profile - Group

	31.03.2025			31.03.2024		
	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000
Less than 30 days	9,993,260	(6,752)	9,986,509	10,126,670	(50,898)	10,075,772
More than 30 days but less than 60 days	3,199,503	(3,877)	3,195,626	3,803,360	(8,536)	3,794,824
More than 60 days but less than 90 days	786,786	(2,529)	784,257	758,327	(1,260)	757,067
More than 90 days but less than 180 days	317,717	(9,269)	308,448	765,803	(151,693)	614,110
More than 180 days but less than 365 days	265,240	(137,817)	127,423	481,333	(422,777)	58,556
More than 365 days	467,524	(427,095)	40,429	945,796	(763,309)	182,487
	15,030,030	(587,339)	14,442,692	16,881,289	(1,398,473)	15,482,816

Trade receivable settlement profile - Company

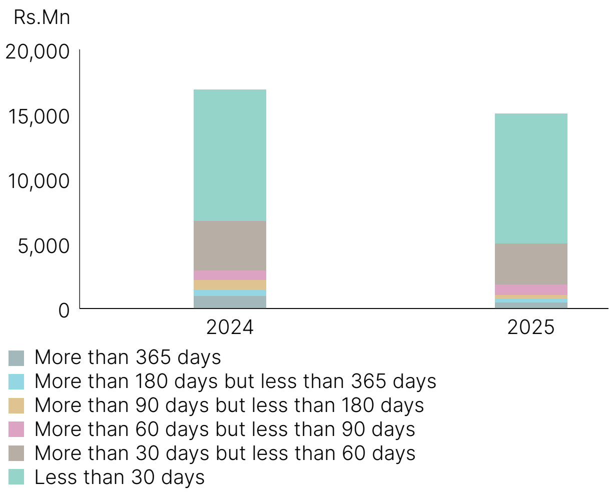
	31.03.2025			31.03.2024		
	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000	Gross carrying amount Rs.'000	Impairment Provision Rs.'000	Net carrying amount Rs.'000
Less than 30 days	985	-	985	317	-	317
More than 30 days but less than 365 days	-	-	-	-	-	-
More than 365 days	66	(66)	-	66	(66)	-
	1,051	(66)	985	383	(66)	317

The Group uses an allowance matrix to measure the ECLs of trade receivables, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates that are based on actual credit loss experience over the past years, further subjected to asset correlation calibration and forward-looking adjustments. Loss Given Default (LGD) of 100% is assumed for ECL calculation of trade receivables.

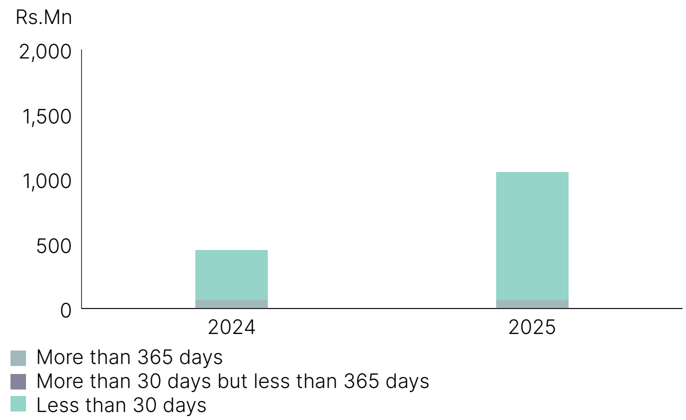
Collateral acquired for mitigating credit risk

The Group whenever possible, does not offer credit to individuals unless collateral in the form of unconditional and irrevocable bank guarantees that can be encashed on demand or advances are provided to cover the receivable. The Group focuses on quality and the realisability of such collateral to mitigate potential credit losses.

Trade Receivable Settlement Profile - Group



Trade receivable settlement profile - Company



Notes to the Financial Statements

37.3.3.4. Deposits and balances with banks

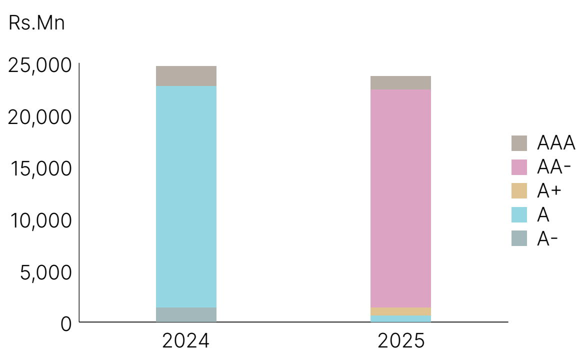
The Group has a number of bank deposits in Sri Lankan rupees and other currencies. These deposits have been placed in several banks in order to minimise the credit risk in accordance with the policy directions provided by the Board. In order to further minimise the credit risk, the Group's exposure and credit ratings of banks are regularly monitored and a diversified investment portfolio is maintained. In the event of any weakening of credit metrics of a bank the Group may decide to liquidate its investments and move to an institution with a higher credit rating.

The value of deposits and balances with banks pledged by the Group as security for interest-bearing liabilities obtained from banks amounted to Rs. 3,041.3 million (2023/2024- Rs. 1,865.3 million).

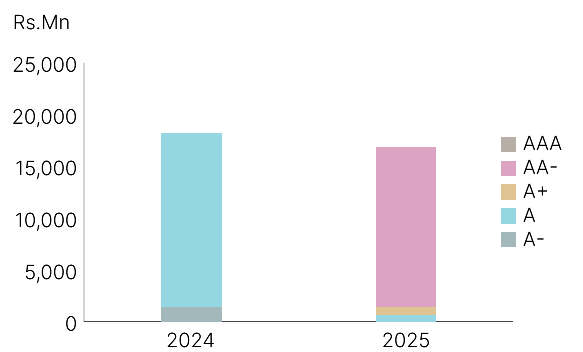
37.3.3.4.1 Bank Deposits

Credit Rating (Fitch national credit rating scale or equivalent)	GROUP				COMPANY			
	31.03.2025		31.03.2024		31.03.2025		31.03.2024	
	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %
AAA	1,260,607	5.3	1,961,543	7.9	-	-	-	-
AA-	21,053,827	88.8	-	-	15,419,522	91.7	-	-
A+	782,927	3.3	-	-	782,927	4.7	-	-
A	605,645	2.6	21,375,471	86.6	605,645	3.6	16,787,543	92.5
A-	-	-	1,370,372	5.5	-	-	1,370,372	7.5
Total gross carrying amount	23,703,006	100.0	24,707,386	100.0	16,808,094	100.0	18,157,915	100.0
Impairment of bank deposits	(238)		(851)		(64)		(256)	
Total net carrying amount	23,702,768		24,706,535		16,808,030		18,157,659	

Bank Deposits Analysed by Credit Rating - Group



Bank Deposits Analysed by Credit Rating - Company



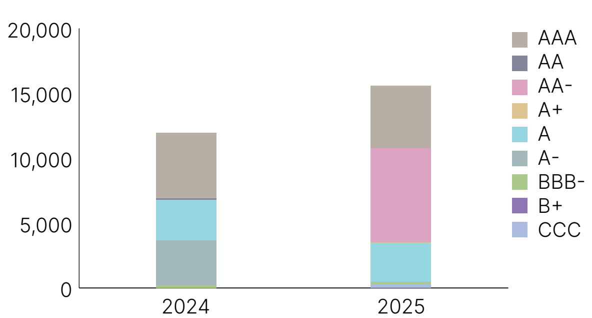
Impairment on bank deposits is measured on 12-month expected loss basis. External credit ratings of the counterparties and probability of default (PD) rates corresponding rating scale published by rating agencies are used in ECL calculation. PD rates are recalibrated using asset correlation formula and forward-looking adjustments are incorporated in arriving at final loss rates. Loss given default (LGD) of 45% is assumed for bank deposits. Credit ratings of counterparties are carefully monitored, and subsequent deterioration of the credit quality would trigger remeasurement of loss allowances using Lifetime ECL method.

Notes to the Financial Statements

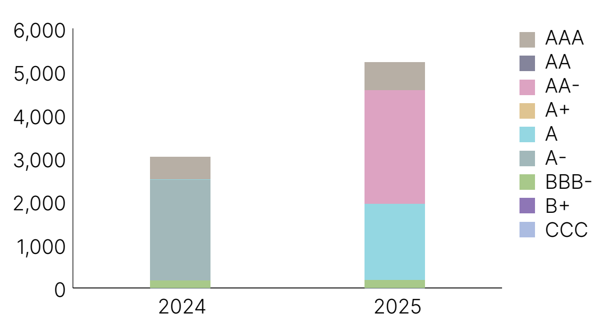
37.3.3.4.2 Cash and short-term deposits at bank

Credit Rating (Fitch national credit rating scale or equivalent)	GROUP				COMPANY			
	31.03.2025		31.03.2024		31.03.2025		31.03.2024	
	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %	Carrying amount Rs.'000	Concentration %
AAA	4,826,301	31.0	5,031,044	42.2	657,187	12.6	521,961	17.3
AA	2,188	0.01	127,176	1.1	-	-	-	-
AA-	7,261,423	46.6	-	-	2,620,909	50.2	-	-
A+	44,232	0.3	-	-	7,483	0.14	-	-
A	2,967,167	19.0	3,128,091	26.2	1,760,493	33.7	1,011	0.03
A-	-	-	3,470,026	29.1	-	-	2,329,931	77.1
BBB-	181,847	1.2	176,042	1.5	177,247	3.4	170,279	5.6
B+	-	-	228	0.002	-	-	-	-
CCC	295,281	1.9	-	-	-	-	-	-
Cash and short-term deposits at bank	15,578,439	100.0	11,932,607	100.0	5,223,319	100.0	3,023,182	100.0
Cash in hand and funds in transit	1,022,246		199,927		210		210	
Total Cash and short-term deposits	16,600,685		12,132,534		5,223,529		3,023,392	

Cash and Short-term Deposits Analysed by Credit Rating - Group



Cash and Short-term Deposits Analysed by Credit Rating - Company



37.4. Financial capital management

Main objectives of the Group's financial capital management policy are as follow

- Ensuring the availability of adequate capital for long term investments and growth of the business.
- Maintaining an adequate liquidity buffer for business operations.
- Sustaining the financial health of the Group to withstand economic cycles; and,
- Maintaining stakeholder confidence in the Group.

When capital is not available in adequate quantities or at a reasonable cost, it can have an adverse impact on the performance of the Group. The management being conscious of these factors, has implemented the capital management policy to ensure the long-term sustainability and competitiveness of the Group. Ensuring that there is no idle capital which will act as a drag on the returns generated is another factor that is considered. Excessive capital invested in a business will have a dampening impact on the performance while insufficient level of capital will prevent an organisation from achieving its long-term objectives.

Notes to the Financial Statements

37.4.1. Types of financial capital

Financial capital of the Group consists of two components: namely equity and debt. The equity capital consists of the while the debt capital is made up of the long-term and short-term debt. The debt capital is sourced from lending institutions and capital markets. Although the Group raises debt capital often, it has not raised new equity capital from shareholders for several years.

The Group regularly estimates its future capital requirements by evaluating new investments and expansion needs and other uses of capital. Such analysis would highlight shortfalls in available capital which would be raised through either the issue of new equity or debt. The debt-to-equity ratio (defined as the ratio between non-current interest-bearing borrowings to the total equity including minority interest) is regularly monitored to ensure the efficient use of shareholders' equity. Managing the debt-to-equity ratio is a vital element of capital management as it has a direct bearing on the Group's ability to raise low cost capital.

	GROUP		COMPANY	
As at	31.03.2025	31.03.2024	31.03.2025	31.03.2024
Debt to equity ratio	0.38	0.45	0.23	0.05

Sourcing of debt is carried out after careful and detailed analysis of lender proposals. Important factors such as the tenure of the loans, interest rates, capital repayment terms including grace periods and repayment amounts and other terms and conditions including covenants are taken into consideration when deciding. Minimising the weighted average cost of capital is one of the key considerations in determining sourcing options. The Group's debt is denominated in Sri Lankan rupees as well as foreign currencies such as US dollar, Euro, and Indian rupees. Foreign currency denominated loans have been taken mainly by the companies with foreign exchange earnings in order to take advantage of the relatively low interest rates.

The Group treasury plays an active role in ensuring that the cost of capital is maintained at the optimum level and the financial and other covenants linked to the sourcing arrangements are acceptable.

37.4.2. Financial capital allocation and investment

Implementation of the Group's long-term strategy for growth requires continuous capital investments in the four sectors in which the Group operates. The allocation of limited financial capital available is done pursuant to careful evaluation of investment opportunities to ascertain expected returns. The Group's capital investment decisions are supported by elaborate financial modelling, thorough sensitivity analysis and rigorous legal, financial and technical due diligence as required. Identification and ranking of suitable investment opportunities are carried out using the discounted cash flow modelling technique, Internal Rate of Return (IRR) & hurdle rates and payback periods. At the evaluation stage for capital investments, financial modelling, sensitivity analysis and the calculation of IRR are carried out either by the Group's corporate finance division, or the respective sector through which the investment will take place with the assistance of the former.

Upon making the decision to proceed with a capital investment, the Group follows necessary procedures to ensure that it is carried out in the best possible manner. When the investment involves external shareholders, the Group takes steps to protect its rights by entering into carefully drafted legal agreements. Post investment evaluations are carried out at frequent intervals to ensure that the returns envisaged at the evaluation stage are actually delivered. Exposure limits are used to control the default risk especially in portfolio investments.

37.4.3. Adequate financial reserves

The long-term financial health of the Group has been ensured by maintaining sufficient reserves of financial capital which can be drawn upon when there is a requirement. Probable future risks that could result in negative financial outcomes are identified and required mitigation measures are taken. The Group has implemented sound cashflow planning procedures ensuring that the receivables are collected in an efficient manner thereby shortening the cash cycle. A special emphasis is placed on minimising operating costs through critical evaluation and justification of all cost elements.

The Group policies regarding managing receivables have been communicated to the heads of finance of business sectors and the corporate finance division monitors the Group-wide status of receivables and submits exception reports to the management for advice on required action.

Notes to the Financial Statements

37.4.4. Financial capital management policy

The fundamental objective of the financial capital management policy of the Group is maximising the return on limited available capital whilst safeguarding the investments that have already been made. Ensuring that there is adequate financial capital for the Group to expand its operations while continuing with its regular business operations, requires the management to consider multiple facets of the operation and take into account the behaviour of a number of parameters, both internal and external, that affect the operating conditions. The rapid pace of change in the operating environment has a profound influence on many factors affecting the use of financial capital. A thorough understanding derived from years of experience in a business sector is vital to ensure successful management of capital.

The Group's financial capital management policy fundamentally stems from various decisions the Board has taken regarding capital investments and the optimum utilisation of cash resources. This policy reflects the current thinking of the Board on present and future industry, market and economic risks and conditions. Potential investments and divestments are discussed at length by the Group directors and various aspects of risk and return parameters are considered prior to making capital investment decisions. A vital role in the implementation of the financial capital management policy is played by the Group treasury and the corporate finance division.

The management information necessary to base policy decisions such as key performance indicators and value drivers of the sectors highlighting financial performances are generated by the corporate finance division. Some of the important parameters which guide the capital management policy include the tolerance for gearing, interest risk appetite and the view on the exchange rate movement. The underlying variables such as the market borrowing and lending rates, exchange rates, inflation and other macroeconomic indicators are constantly monitored by the Group treasury and recommendations regarding the appropriate policy changes are made to the management.

It is vital for the Group's long-term survival and growth to have a sound financial capital management policy as decisions taken at the present time will have implications for the future. The Group's financial capital management policy, therefore, is constantly evolving and attempts to link its future strategy to present day financing decisions while being based on a solid foundation of optimisation of resources.

38 CONTRACTS FOR CAPITAL EXPENDITURE

The following commitments for capital expenditure approved by the Directors as at 31st March have not been provided for in the financial statements.

38.1 Commitments for capital expenditure for subsidiaries

As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Approximate amount approved but not contracted for	10,034,205	8,778,916
Approximate amount contracted for but not incurred	804,970	1,016,261
	10,839,175	9,795,177

The above includes Rs. 10,544.4 million (2023/2024 - Rs. 9,428.9 million) for the acquisition of property, plant and equipment and Rs. 294.8 million (2023/2024 - Rs. 366.3 million) for the acquisition of intangible assets.

38.2 Commitments for capital expenditure for equity accounted investees

As at	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Approximate amount approved but not contracted for	920,278	125,577
Approximate amount contracted for but not incurred	25,619	22,834
	945,897	148,411

The amount shown is the Group's share of capital commitments by equity accounted investees.

The above includes Rs. 935.3 million (2023/2024 - Rs. 138.4 million) for the acquisition of property, plant and equipment and Rs. 10.6 million (2023/2024 - Rs. 10 million) for the acquisition of intangible assets.

39 PROVISIONS AND CONTINGENT LIABILITIES

ACCOUNTING POLICY

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Group's control.

39.1 Contingent liabilities

Contingent liabilities as at 31.03.2025 on corporate guarantees given by Aitken Spence PLC to subsidiaries within the group and equity-accounted investees amounted to Rs. 7,878.7 million and Rs. 17.5 million respectively. Contingent liabilities as at 31.03.2025 on corporate guarantees given by subsidiaries and equity-accounted investees to other companies in the Group amounted to Rs. 9,272.5 million. Neither Aitken Spence PLC nor subsidiaries and equity-accounted investee have given corporate guarantees on behalf of companies outside the Group including other related companies listed in note 40.3 and 40.6 to the financial statements.

Aitken Spence Travels (Pvt) Ltd, a subsidiary of the Group was assessed by the Department of Inland Revenue on Income tax for the years of assessment 2009/2010, 2010/2011, 2011/2012, 2012/2013, 2013/2014, 2014/2015 and 2015/2016. The Tax Appeals Commission hearing the appeals determined the matters in favour of Aitken Spence Travels (Pvt) Ltd for the years of assessment stated above. The Department of Inland Revenue appealed against the determinations of the Tax Appeals Commission to the Court of Appeal for the above years of assessment. The Court of Appeal decided in favour of the company for the years of assessment 2009/2010, 2010/2011 and 2011/2012. The Department of Inland Revenue appealed against the decisions of the Court of Appeal for the years of assessment 2009/2010, 2010/2011 and 2011/2012 to the Supreme Court. The Supreme Court hearing the appeal for the year of assessment 2009/2010 refused to grant leave to proceed. For the year of assessment 2010/11, it was brought to the notice of the Supreme Court that this was based on the same facts where the court has already held in favour of the Company. Thereafter, the matter was withdrawn by the Department of Inland Revenue and the matter was dismissed by the Supreme Court. Therefore, the judgements of the Court of Appeal for the years of assessment 2009/2010 and 2010/2011, which was decided in favour of the Company prevailed. The contingent liability on income tax and penalties for year of assessment 2011/2012, which is pending in the Supreme Court is estimated to be Rs. 80.6 million. Based on expert advice and the decisions of the Tax Appeals Commission and the higher courts, the directors are confident that the ultimate resolution of the cases will not have a material adverse impact on the financial statements of the Group.

MMBL Money Transfer (Pvt) Ltd., a subsidiary of the Group was issued with income tax assessments for the years of assessment 2012/2013, 2013/2014, 2014/2015, 2015/2016 and 2017/2018. The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the years of assessment 2012/2013, 2013/2014, 2014/2015 and 2017/2018. MMBL Money Transfer (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above years of assessment. For the year of assessment 2015/2016, the Tax Appeals Commission issued the determination in favour of the company. The Department of Inland Revenue appealed against the said determination to the Court of Appeal for the year of assessment 2015/2016. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

Ace Containers (Pvt) Ltd., a subsidiary of the Group was issued with value added tax assessments for the taxable periods 2019 January (1911), 2019 April (1921) and 2019 May (1922). The Tax Appeals Commission hearing the appeals determined the matters in favour of the Department of Inland Revenue for the above taxable periods. Ace Containers (Pvt) Ltd appealed against the above determinations to the Court of Appeal for the above taxable periods. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

Cey Spence (Pvt) Ltd which was previously an equity accounted investee and was proposed to be liquidated, and the share of net assets of which is reflected under assets classified as held for sale in the consolidated financial statements of the Group was issued an income tax assessment under the Inland Revenue Act in relation to the year of assessment 2007/2008. The Court of Appeal hearing the appeal has determined the income tax assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Court of Appeal the company has appealed against the determination to the Supreme Court. The contingent liability to the Group is estimated to be Rs. 70 million inclusive of any penalties. Based on expert advice the directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

Notes to the Financial Statements

Action was instituted in the Commercial High Court in 2009 by a prospective buyer for the repayment of the advance monies and other related amounts paid by them, for the purchase of a ship which was owned by Ceyaki Shipping (Pvt) Ltd., (an Associate company) which is classified as held for sale in the consolidated financial statements of the Group. The company contested the action as it deemed that the amount was not due and owing to the prospective buyer. The Commercial High Court delivered a determination in favour of the prospective buyer in March 2013. Consequently, Ceyaki Shipping (Pvt) Ltd., appealed to the Supreme Court against the determination of the Commercial High Court. Judgment is currently pending. The directors are confident that the ultimate resolution of the case will not have a material adverse impact on the financial statements of the Group.

40 RELATED PARTY TRANSACTIONS

The Aitken Spence Group and the Company carries out transactions in the ordinary course of business with parties who are defined as related parties as per Sri Lanka Accounting Standard-LKAS 24 Related Party Disclosures. Transactions and outstanding balances between the companies within the Group and related parties are given in note no. 40.2 - 40.9.

40.1 Parent and ultimate controlling party

The immediate parent of Aitken Spence PLC is Melastacorp PLC and the ultimate holding company is Milford Exports (Ceylon) (Pvt) Ltd.

40.2 Transactions with key management personnel

40.2.1 Aitken Spence PLC considers its Board of Directors as the key management personnel of the company. The Board of Directors, Vice Presidents and Assistant Vice Presidents of subsidiary companies are considered as key management personnel of such companies.

40.2.2 There were no loans given to Directors of the company during the financial year or as at the year end.

40.2.3 Compensation paid to / on behalf of key management personnel is as follows;

	GROUP		COMPANY	
For the year	2024/2025 Rs.'000	2023/2024 Rs.'000	2024/2025 Rs.'000	2023/2024 Rs.'000
Short term employee benefits	1,736,489	1,438,367	514,226	375,834
Post employment benefits	41,677	1,331	-	-

No post-employment benefits were paid to key management personnel of Aitken Spence PLC during the financial year. The Company/Group did not have any material transactions with its key management personnel or their close family members during the year.

40.2.4 Key management personnel of Aitken Spence PLC hold positions in other companies, some of which had trading transactions with the Group during the year. Such companies the Group had transactions with are identified below.

Miss. D.S.T. Jayawardena, Chairperson of the Company with effect from 06th February 2025 (Joint Deputy Chairman and Joint Managing Director till 05th February 2025) is also the Chairperson or a Director of the companies marked by "a" in note 20 and 21 to the financial statements, Ambewela Livestock (Co.) Ltd, Ambewela Products (Pvt) Ltd, Distilleries Company of Sri Lanka PLC, Lanka Diaries (Pvt) Ltd, Lanka Milk Foods (Cwe) PLC, Melstacorp PLC, Pattipola Livestock Co Ltd, Stassen Exports (Pvt) Ltd, Stassen Foods (Pvt) Ltd, Stassen Natural Foods (Pvt) Ltd and United Dairies Lanka (Pvt) Ltd.

Dr. M.P. Dissanayake, Deputy Chairman and Managing Director of the Company is also the Chairman or a Director of subsidiaries and equity-accounted investees that are indicated by "b" in notes 20 and 21 to the financial statements.

Dr. R.M. Fernando a Director of the Company is also the Managing Director or a Director of the companies marked by "c" in note 20 and 21 to the financial statements.

Mr. J.M.S. Brito a Director of the Company is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group.

Mr. N. J. de S Deva Aditya a Director of the Company is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group, Browns Beach Hotels PLC which is an equity-accounted investee of the Group, Distilleries Company of Sri Lanka PLC, Melstacorp PLC and The Kingsbury PLC.

Notes to the Financial Statements

Mr. R.N. Asirwatham a Director of the Company is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group, Browns Beach Hotels PLC which is an equity-accounted investee of the Group, Dilmah Ceylon Tea Company PLC, Mercantile Merchant Bank Ltd and Renuka Hotels Ltd.

Mr. C.R.Jansz a Director of the Company is also a Director of Ambewela Livestock Company Ltd, Ambewela Products (Pvt) Ltd, Balangoda Plantations PLC, DCSL Breweries Lanka Ltd, Distilleries Company of Sri Lanka PLC, Lanka Dairies (Pvt) Ltd, Lanka Milk Foods (CWE) PLC, Melsta Corp PLC, Melsta Hospitals Colombo North (Pvt) Ltd, Melsta Hospitals Ragama (Pvt) Ltd, Milford Holdings (Pvt) Ltd, Pattipola Livestock Company Ltd, Periceyl (Pvt) Ltd, Stassen Exports (Pvt) Limited, Stassen Foods (Pvt) Ltd, Stassen Natural Foods (Pvt) Ltd and United Dairies Lanka (Pvt) Ltd.

Mr. M.R. Mihular a Director of the Company with effect from 02nd December 2024 is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group, Browns Beach Hotels PLC which is an equity-accounted investee of the Group, Bairaha Farms PLC, Balangoda Plantations PLC, Melsta Corp PLC and Sunshine Tea (Pvt) Ltd.

Dr. R. A. Fernando a Director of the Company with effect from 30th December 2024 is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group, Browns Beach Hotels PLC and Elpitiya Plantations PLC which are equity-accounted investees of the Group, Balangoda Plantations PLC, Dilmah Ceylon Tea Company PLC, Distilleries Company of Sri Lanka PLC and Melsta Corp PLC.

Mr. P. Englisch a Director of the Company with effect from 30th December 2024 is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group and Browns Beach Hotels PLC which is an equity-accounted investee of the Group.

Mr. C.J. Sevilla a Director of the Company with effect from 30th December 2024 is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group and Browns Beach Hotels PLC which is an equity-accounted investee of the Group.

Mr. D.H.S. Jayawardena Chairman of the Company till 3rd February 2025, was also the Chairman, Managing Director or a Director of Aitken Spence Hotel Holdings PLC, Aitken Spence Hotel Management Asia (Pvt) Ltd and Aitken Spence Aviation (Pvt) Ltd which are subsidiaries of the Group, Browns Beach Hotels PLC and Negombo Beach Resorts (Pvt) Ltd which are equity-accounted investees of the Group and in companies indicated by “*” in the list of companies disclosed under note 40.3 and 40.6 until his demise on 3rd February 2025.

Mr. C. H. Gomez a Director of the Company till 30th December 2024 (and subsequently with effect from 1st April 2025) is also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group.

Mr. M.A.N.S. Perera a Director of the Company till 25th November 2024 was also a Director of Aitken Spence Hotel Holdings PLC which is a subsidiary of the Group, Amethyst Leisure Ltd, Browns Beach Hotels PLC and Paradise Resort Pasikudah (Pvt) Ltd which are equity-accounted investees of the Group, Balangoda Plantations PLC, Bell Solutions Pvt Ltd, DCSL Breweries Lanka Ltd, Distilleries Company of Sri Lanka PLC, Formula World (Pvt) Ltd, Lanka Bell (Pvt) Ltd, Melstacorp PLC, Melsta Hospitals Ragama (Pvt) Ltd, Melsta Laboratories (Pvt) Ltd and Periceyl (Pvt) Ltd during his directorship in the company.

40.3 Transactions with ultimate parent, parent and group companies of the parent.

For the year ended 31st March	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sale of goods and services	2,531	-	847,796	619,688
Purchase of goods and services	14,600	15,291	732,811	1,657,146

Transactions with Balangoda Plantations PLC*, Bell Solutions Pvt Ltd*, Bellvantage (Pvt) Ltd, Continental Insurance Lanka Ltd, Continental Insurance Life Lanka Ltd, DCSL Breweries Lanka Ltd*, DCSL Group Marketing (Pvt) Ltd, Distilleries Company of Sri Lanka PLC*, Formula World (Pvt) Ltd, Hospital Management Melsta (Pvt) Ltd*, Lanka Bell (Pvt) Ltd*, Melstacorp PLC*, Melsta Gama (Pvt) Ltd*, Melsta Health Care Colombo (Pvt) Ltd, Melsta Hospitals Colombo North (Pvt) Ltd, Melsta Hospitals Ragama (Pvt) Ltd, Melsta House (Pvt) Ltd, Melsta Laboratories (Pvt) Ltd, Melsta Logistics (Pvt) Ltd, Melsta Pharmaceuticals (Pvt) Ltd, Melsta Properties (Pvt) Ltd, Melsta Technologies (Pvt) Ltd, Melsta Tower (Pvt) Ltd, Milford Holdings (Pvt) Ltd*, Periceyl (Pvt) Ltd*, Splendor Media (Pvt) Ltd, Texpro Industries Ltd* and Timpex (Pvt) Ltd* are reflected under transactions with the parent and group companies of the parent, above.

There were no transactions with Milford Exports (Ceylon) (Pvt) Ltd, the ultimate holding company of Aitken Spence PLC.

Notes to the Financial Statements

40.4 Transactions with subsidiary companies

For the year ended 31st March	Transactions with Aitken Spence PLC 2025 Rs.'000	2024 Rs.'000
Income from services rendered	1,583,260	1,260,131
Rent income received	62,482	56,510
Allocation of common personnel and administration expenses	69,255	79,160
Purchase of goods and services	166,292	169,505
Net transfers under finance arrangements	(1,059,310)	3,616,733
Interest income	446,008	979,463
Interest expense	713,468	827,494
Sale of fixed assets	17,700	-

Transactions with ADS Resorts (Pvt) Ltd, Ace Apparels (Pvt) Ltd, Ace Aviation Services (Pvt) Ltd, Ace Aviation Services Maldives (Pvt) Ltd, Ace Cargo (Pvt) Ltd, Ace Container Repair (Pvt) Ltd, Ace Container Terminals (Pvt) Ltd, Ace Containers (Pvt) Ltd, Ace Distriparks (Pvt) Ltd, Ace Exports (Pvt) Ltd, Ace Freight Management (Pvt) Ltd, Ace Power Embilipitiya (Pvt) Ltd, Ace Wind Power (Pvt) Ltd, Ahungalla Resorts Ltd, Aitken Spence (Garments) Ltd, Aitken Spence Agriculture (Pvt) Ltd, Aitken Spence Apparels (Pvt) Ltd, Aitken Spence Aviation (Pvt) Ltd, Aitken Spence Cargo (Pvt) Ltd, Aitken Spence Developments (Pvt) Ltd, Aitken Spence Elevators (Pvt) Ltd, Aitken Spence Exports Ltd, Aitken Spence Hotel Holdings PLC, Aitken Spence Hotel Management (Pvt) Ltd, Aitken Spence Hotel Management Asia (Pvt) Ltd, Aitken Spence Hotels (International) Ltd, Aitken Spence Hotels Ltd, Aitken Spence Hotel Management (South India) (Pvt) Ltd, Aitken Spence Industrial Solutions (Pvt) Ltd, Aitken Spence Insurance Brokers (Pvt) Ltd, Aitken Spence International Consulting (Pvt) Ltd, Aitken Spence International Pte. Ltd, Aitken Spence Maritime Ltd, Aitken Spence Ports International Ltd, Aitken Spence Power (Pvt) Ltd, Aitken Spence Printing and Packaging (Pvt) Ltd, Aitken Spence Property Developments Ltd, Aitken Spence Resorts (Middle East) LLC, Aitken Spence Resources (Pvt) Ltd, Aitken Spence Shipping Ltd, Aitken Spence Shipping Services (Pvt) Ltd, Aitken Spence Travels (Pvt) Ltd, Aitken Spence Travels Myanmar Ltd, Branford Hydropower (Pvt) Ltd, Clark Spence and Company Ltd , Cowrie Investments (Pvt) Ltd, Crest Star (BVI) Ltd, D B S Logistics Ltd, Elgin Hydropower (Pvt) Ltd, Fiji Ports Terminal Ltd, Global Parcel Delivery (Pvt) Ltd, Hapag Lloyd Lanka (Pvt) Ltd, Heritance (Pvt) Ltd, Hethersett Hotels Ltd, Interlifts International (Pvt) Ltd, Jetan Travel Services Company (Pvt) Ltd, Kandalama Hotels (Pvt) Ltd, Logilink (Pvt) Ltd, Meeraladuwa (Pvt) Ltd, MMBL Money Transfer (Pvt) Ltd, Neptune Ayurvedic (Pvt) Ltd, Royal Spence Aviations (Pvt) Ltd, Sagasolar Power (Pvt) Ltd, Shipping & Cargo Logistics (Pvt) Ltd, Spence Maldives (Pvt) Ltd, Turyaa (Pvt) Ltd, Unique Resorts (Pvt) Ltd, Upper Waltrim Hydropower (Pvt) Ltd, Vauxhall Investments Ltd, Vauxhall Property Developments (Pvt) Ltd, Waltrim Energy Ltd, Waltrim Hydropower (Pvt) Ltd and Western Power Company (Pvt) Ltd are reflected under transactions with subsidiary companies above.

40.5 Transactions with equity-accounted investees

40.5.1 Transactions with joint venture companies

For the year ended 31st March	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sale of goods and services	32,767	8,619	191,060	64,752
Rent income received	1,561	1,425	1,561	1,425
Allocation of common personnel and administration expenses	160	77	160	77
Purchase of goods and services	-	-	308	4,375
Net transfers under finance arrangements	(25,759)	(180,708)	(25,759)	(71,504)
Interest income	3,751	2,013	3,516	10,567
Interest expense	-	1,019	-	1,019

Transactions with Ace Bangladesh Ltd, Aitken Spence C & T Investments (Pvt) Ltd, Aitken Spence Cargo (Cambodia) Co. Ltd, Aitken Spence Engineering Solutions (Pvt) Ltd, CINEC Campus (Pvt) Ltd, Port City PBO (Pvt) Ltd and Spence Seahorse Marine (Pvt) Ltd are reflected under transactions with joint ventures above.

Notes to the Financial Statements

40.5.2 Transactions with associate companies

For the year ended 31st March	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sale of goods and services	61,455	45,194	299,215	220,926
Allocation of common personnel and administration expenses	3,173	2,350	3,173	15,874
Purchase of goods and services	4,121	6,512	329,429	191,037
Net transfers under finance arrangements	772,050	(360,496)	656,762	(1,029,772)
Interest income	-	-	68,570	58,294
Interest expense	103,256	165,123	103,256	165,123

Transactions with Ace Aviation Myanmar Ltd, AEN Palm Oil Processing (Pvt) Ltd, Aitken Spence Plantation Management PLC, Browns Beach Hotels PLC, E P P Hydro Power (Pvt) Ltd, Elpitiya Lifestyle Solutions (Pvt) Ltd, Elpitiya Plantations PLC, Fiji Ports Corporation Ltd, Negombo Beach Resorts (Pvt) Ltd and Paradise Resort Pasikudah (Pvt) Ltd are reflected under transactions with associates above.

40.6 Transactions with other related companies

For the year ended 31st March	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Sale of goods and services	-	-	265,601	246,036
Purchase of goods and services	5,513	3,029	1,121,212	1,209,679

Transactions with Ambewela Livestock (Co.) Ltd*, Ambewela Products (Pvt) Ltd*, Bairaha Farms PLC, Dilmah Ceylon Tea Company PLC, Lanka Diaries (Pvt) Ltd*, Lanka Milk Foods (Cwe) PLC*, Mercantile Merchant Bank Ltd, Pattipola Livestock Company Ltd*, Renuka Hotels Ltd, Stassen Exports (Pvt) Ltd*, Stassen Foods (Pvt) Ltd*, Stassen Natural Foods (Pvt) Ltd*, Sunshine Tea (Pvt) Ltd, The Kingsbury PLC, and United Dairies Lanka (Pvt) Ltd* are reflected under transactions with other related companies, above.

40.7 Transactions with post-employment benefit plans

For the year ended 31st March	Transactions with Aitken Spence PLC		Transactions with Group companies	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Contributions to the provident fund	455,562	372,547	72,577	59,837

Contributions to the Aitken Spence & Associated Companies Executive Staff Provident Fund and the Aitken Spence & Associated Companies Clerical Staff Provident Fund are reflected under transactions with post-employment benefit plans, above.

Notes to the Financial Statements

40.8 Amounts due from related parties

40.8.1 Amount due from ultimate parent, parent and group companies of the parent.

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Group companies of the parent	795	-	106,502	116,019

Balances due from Bellvantage (Pvt) Ltd, Continental Insurance Lanka Ltd, DCSL Breweries Lanka Ltd*, DCSL Group Marketing (Pvt) Ltd, Distilleries Company of Sri Lanka PLC*, Hospital Management Melsta (Pvt) Ltd*, Melstacorp PLC*, Melsta Gama (Pvt) Ltd, Melsta Health Care Colombo (Pvt) Ltd, Melsta Hospitals Colombo North (Pvt) Ltd, Melsta Hospitals Ragama (Pvt) Ltd, Melsta House (Pvt) Ltd, Melsta Laboratories (Pvt) Ltd, Melsta Logistics (Pvt) Ltd, Melsta Pharmaceuticals (Pvt) Ltd, Melsta Properties (Pvt) Ltd, Melsta Technologies (Pvt) Ltd, Melsta Tower (Pvt) Ltd, Milford Holdings (Pvt) Ltd, Periceyl (Pvt) Ltd*, Splendor Media (Pvt) Ltd, Texpro Industries Ltd and Timpex (Pvt) Ltd are reflected under amount due from group companies of the parent, above.

There were no balance due from Milford Exports (Ceylon) (Pvt) Ltd, the ultimate holding company of Aitken Spence PLC.

40.8.2 Amount due from subsidiaries

As at	Balances with Aitken Spence PLC	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Fully owned subsidiaries	4,025,912	3,331,257
Partly owned subsidiaries	3,556,660	3,210,885
	7,582,572	6,542,142
Provision for doubtful debts	538,535	733,656
Expense recognised during the period in respect of bad & doubtful debts	-	224

Balances due from ADS Resorts (Pvt) Ltd, Ace Apparels (Pvt) Ltd, Ace Aviation Services (Pvt) Ltd, Ace Aviation Services Maldives (Pvt) Ltd, Ace Cargo (Pvt) Ltd, Ace Container Repair (Pvt) Ltd, Ace Container Terminals (Pvt) Ltd, Ace Containers (Pvt) Ltd, Ace Distriparks (Pvt) Ltd, Ace Exports (Pvt) Ltd, Ace Power Embilipitiya (Pvt) Ltd, Ace Wind Power (Pvt) Ltd, Ahungalla Resorts Ltd, Aitken Spence Agriculture (Pvt) Ltd, Aitken Spence Apparels (Pvt) Ltd, Aitken Spence Aviation (Pvt) Ltd, Aitken Spence Cargo (Pvt) Ltd, Aitken Spence Developments (Pvt) Ltd, Aitken Spence Elevators (Pvt) Ltd, Aitken Spence Exports Ltd, Aitken Spence (Garments) Ltd, Aitken Spence Hotel Holdings PLC, Aitken Spence Hotel Management (Pvt) Ltd, Aitken Spence Hotel Management (South India) (Pvt) Ltd, Aitken Spence Hotel Management Asia (Pvt) Ltd, Aitken Spence Hotels Ltd, Aitken Spence Industrial Solutions (Pvt) Ltd, Aitken Spence Insurance Brokers (Pvt) Ltd, Aitken Spence International Consulting (Pvt) Ltd, Aitken Spence International Pte. Ltd, Aitken Spence Moscow (Pvt) Ltd, Aitken Spence Ports International (Pvt) Ltd, Aitken Spence Power (Pvt) Ltd, Aitken Spence Printing and Packaging (Pvt) Ltd, Aitken Spence Property Developments (Pvt) Ltd, Aitken Spence Resorts (Middle East) LLC, Aitken Spence Resources (Pvt) Ltd, Aitken Spence Shipping Ltd , Aitken Spence Shipping Services (Pvt) Ltd, Aitken Spence Travels (Pvt) Ltd, Branford Hydropower (Pvt) Ltd, Clark Spence and Company Ltd, Cowrie Investments (Pvt) Ltd, D B S Logistics Ltd, Elgin Hydropower (Pvt) Ltd, Fiji Ports Terminal Ltd, Global Parcel Delivery (Pvt) Ltd, Heritance (Pvt) Ltd, Hethersett Hotels Ltd, Interlifts International (Pvt) Ltd, Jetan Travel Services Company (Pvt) Ltd, Kandalama Hotels (Pvt) Ltd, Logilink (Pvt) Ltd, Meeraladuwa (Pvt) Ltd, MMBL Money Transfer (Pvt) Ltd, Neptune Ayurvedic (Pvt) Ltd, Royal Spence Aviations (Pvt) Ltd, Sagasolar Power (Pvt) Ltd, Shipping & Cargo Logistics (Pvt) Ltd, Turyaa (Pvt) Ltd, Unique Resorts (Pvt) Ltd, Upper Waltrim Hydropower (Pvt) Ltd, Vauxhall Investments Ltd, Vauxhall Property Developments (Pvt) Ltd and Waltrim Energy Ltd are reflected under amount due from subsidiaries above.

Notes to the Financial Statements

40.8.3 Amount due from equity-accounted investees

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2025 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Joint ventures	183,988	153,167	439,863	554,674
Associates	41,872	27,088	1,546,177	1,453,616
	225,860	180,255	1,986,040	2,008,290
Provision for doubtful debts	15,213	15,213	23,260	23,260
Expense recognised during the period in respect of bad & doubtful debts	-	11,686	-	11,686

Balances due from Ace Bangladesh Ltd, Aitken Spence C & T Investments (Pvt) Ltd, Aitken Spence Cargo (Cambodia) Co. Ltd, Aitken Spence Engineering Solutions (Pvt) Ltd, CINEC Campus (Pvt) Ltd, Port City PBO (Pvt) Ltd and Spence Seahorse Marine (Pvt) Ltd are reflected under amount due from joint ventures and balances due from AEN Palm Oil Processing (Pvt) Ltd, Aitken Spence Plantation Management PLC, Browns Beach Hotels PLC, Elpitiya Plantations PLC, Negombo Beach Resorts (Pvt) Ltd, Paradise Resort Pasikudah (Pvt) Ltd and Serendib Investments Ltd are reflected under amount due from associates above.

40.8.4 Amount due from other related companies

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Other related companies	-	-	26,980	38,917

Balances due from Dilmah Ceylon Tea Company PLC, Lanka Diaries (Pvt) Ltd, Lanka Milk Foods (Cwe) PLC, Stassen Exports (Pvt) Ltd, Stasson Foods (Pvt) Ltd, Stassen Natural Foods (Pvt) Ltd, Sunshine Tea (Pvt) Ltd, The Kingsbury PLC and United Dairies Lanka (Pvt) Ltd are reflected under amount due from other related companies, above.

40.9 Amounts due to related parties

40.9.1 Amount due to ultimate parent, parent and group companies of the parent.

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Group companies of the parent	-	30	9,610	14,899

Balances due to Continental Insurance Lanka Ltd, Distilleries Company of Sri Lanka PLC, Lanka Bell (Pvt) Ltd, Melsta Laboratories (Pvt) Ltd, Periceyl (Pvt) Ltd and Splendor Media (Pvt) Ltd are reflected under amount due to group companies of the parent, above.

There were no balance due to Milford Exports (Ceylon) (Pvt) Ltd, the ultimate holding company of Aitken Spence PLC.

Notes to the Financial Statements

40.9.2 Amount due to subsidiaries

As at	Balances with Aitken Spence PLC 31.03.2025 Rs.'000	Balances with Aitken Spence PLC 31.03.2024 Rs.'000
Fully owned subsidiaries	3,576,580	3,232,680
Partly owned subsidiaries	6,416,713	6,843,107
	9,993,293	10,075,787

Balances due to Ace Cargo (Pvt) Ltd, Ace Container Repair (Pvt) Ltd, Ace Container Terminals (Pvt) Ltd, Ace Containers (Pvt) Ltd, Ace Freight Management (Pvt) Ltd, Ace Power Embilipitiya (Pvt) Ltd, Ace Wind Power (Pvt) Ltd, Aitken Spence Aviation (Pvt) Ltd, Aitken Spence Cargo (Pvt) Ltd, Aitken Spence Exports Ltd, Aitken Spence Group Ltd, Aitken Spence Hotel Management (Pvt) Ltd, Aitken Spence Hotels (International) Ltd, Aitken Spence Hotels Ltd, Aitken Spence Industrial Solutions (Pvt) Ltd, Aitken Spence International Consulting (Pvt) Ltd, Aitken Spence Insurance Brokers (Pvt) Ltd, Aitken Spence Maritime Ltd, Aitken Spence Ports International Ltd, Aitken Spence Property Developments Ltd, Aitken Spence Shipping Ltd, Aitken Spence Shipping Services Ltd, Aitken Spence Travels (Pvt) Ltd, Crest Star (BVI) Ltd, D B S Logistics Ltd, Hapag Lloyd Lanka (Pvt) Ltd, Hethersett Hotels Ltd, Kandalama Hotels (Pvt) Ltd, Logilink (Pvt) Ltd, Royal Spence Aviation (Pvt) Ltd, Sagasolar Power (Pvt) Ltd, Upper Waltrim Hydropower (Pvt) Ltd, Vauxhall Investments Ltd, Vauxhall Property Developments Ltd, Waltrim Energy Ltd, Waltrim Hydropower (Pvt) Ltd and Western Power Company (Pvt) Ltd are reflected under amount due to subsidiaries above.

40.9.3 Amount due to equity-accounted investees

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Joint ventures	-	3,535	-	83,046
Associates	1,758,727	981,502	2,073,630	1,385,946
	1,758,727	985,037	2,073,630	1,468,992

Balances due to Ace Bangladesh Ltd and Spence Seahorse Marine (Pvt) Ltd are reflected under amount due to joint ventures and balances due to Aitken Spence Plantation Management PLC, Elpitiya Plantations PLC, Fiji Ports Corporation Ltd, Negombo Beach Resorts (Pvt) Ltd and Paradise Resort Pasikudah (Pvt) Ltd are reflected under amount due to associates above.

40.9.4 Amount due to other related companies

As at	Balances with Aitken Spence PLC		Balances with Group companies	
	31.03.2025 Rs.'000	31.03.2024 Rs.'000	31.03.2025 Rs.'000	31.03.2024 Rs.'000
Other related companies	-	-	58,774	28,140

Balances due to Ambewela Products (Pvt) Ltd, Lanka Diaries (Pvt) Ltd, Lanka Milk Foods (Cwe) PLC, Pattipola Livestock Company Ltd, Renuka Hotels Ltd, Stassen Exports (Pvt) Ltd, Stassen Foods (Pvt) Ltd and The Kingsbury PLC are reflected under amount due to other related companies, above.

Notes to the Financial Statements

40.10 Terms and conditions of transactions with related parties

All related party transactions are carried out in the normal course of business and transacted at normal business terms .The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions and comparable with those that would have been charged from un-related companies. All related party outstanding balances at the year-end are unsecured and are to be settled in cash. The Group does not have any material commitments to related parties, other than those disclosed in note 39 to the financial statements.

41 FOREIGN CURRENCY TRANSLATION

The principal exchange rates used for translation purposes were;

As at	31.03.2025 Rs.	31.03.2024 Rs.
United States Dollar	296.32	300.44
British Pound	383.78	380.52
Euro	319.86	326.03
Omani Rial	769.78	782.30
Singapore Dollar	221.11	223.63
Fijian Dollar	128.04	132.10
Maldivian Rufiyaa	19.23	19.50
South African Rand	16.24	15.91
Indian Rupee	3.46	3.61
Bangladeshi Taka	2.44	2.74
Myanmar Kyat	0.1411	0.1434
Cambodian Riel	0.0742	0.0751

42 NUMBER OF EMPLOYEES

The number of employees of the Group (excluding equity-accounted investees) at the end of the year was 8,746 (2023/2024 - 7,644). The number of employees of the Company at the end of the year was 180 (2023/2024 - 167).

43 EVENTS OCCURRING AFTER THE REPORTING DATE

All material events after the reporting date have been considered, disclosed and adjusted where applicable.

Final dividend

The Board of Directors of the Company has approved an final ordinary dividend of Rs. 4.00 per share for the year 2024/2025. Details of the dividend is disclosed in note 14 to the financial statements.

There were no other material events that occurred after the reporting date that require adjustments to or disclosure in the financial statements.

44 COMPARATIVE INFORMATION

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period, have been adjusted, where relevant, for better presentation.

Consolidated Income Statement in USD

For the year ended 31st March		2025 USD.'000	2024 USD.'000
Revenue		320,919	324,478
Revenue taxes		(4,937)	(4,119)
Net revenue		315,982	320,359
Other operating income		(1,223)	(7,678)
Changes in inventories of finished goods and work-in-progress		(333)	(1,690)
Raw materials and consumables used		(14,179)	(12,816)
Employee benefits expense		(58,370)	(50,805)
Depreciation, amortisation and impairment losses of non-financial assets		(24,209)	(23,536)
Other operating expenses - direct		(116,514)	(124,978)
Other operating expenses - indirect		(51,279)	(54,834)
Profit from operations		49,875	44,022
Finance income		6,481	9,682
Finance expenses		(25,144)	(35,709)
Net finance expense		(18,663)	(26,027)
Share of profit of equity-accounted investees (net of tax)		5,323	4,387
Profit before tax		36,535	22,382
Income tax expense		(12,308)	(7,565)
Profit for the year		24,227	14,817
Attributable to:			
Equity holders of the company		17,990	9,746
Non-controlling interests		6,237	5,071
Profit for the year		24,227	14,817
Earnings per share - Basic/Diluted (Rs.)	USD cents =	4.43	2.40
Exchange rate	USD =	296.32	300.44

Figures in brackets indicate deductions.

Consolidated Statement of Profit or Loss and Other Comprehensive Income in USD

For the year ended 31st March			2025 USD.'000	2024 USD.'000
Profit for the year			24,228	14,817
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of freehold land			-	16
Actuarial losses on defined benefit obligations			(237)	(654)
Equity investments at FVOCI – net change in fair value			(11)	(15)
Share of other comprehensive loss of equity-accounted investees (net of tax)			(24)	(158)
Income tax on other comprehensive income			18	131
			(254)	(680)
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of foreign operations			(2,151)	(10,172)
Net movement on cash flow hedge			2,292	4,998
Share of other comprehensive loss of equity-accounted investees (net of tax)			(405)	(1,682)
			(264)	(6,856)
Other comprehensive loss for the year, (net of tax)			(518)	(7,536)
Total comprehensive income for the year			23,710	7,281
Attributable to:				
Equity holders of the company			16,847	2,740
Non-controlling interests			6,863	4,541
Total comprehensive income for the year			23,710	7,281
Exchange rate	USD	=	296.32	300.44

Figures in brackets indicate deductions.

Consolidated Statement of Financial Position in USD

As at			31.03.2025 USD.'000	31.03.2024 USD.'000
ASSETS				
Non-current assets				
Property, plant and equipment			330,777	336,269
Investment property			5,574	5,430
Intangible assets			5,206	5,459
Biological assets			226	215
Right-of-use assets			49,516	54,468
Investments in equity-accounted investees			36,882	33,108
Deferred tax assets			5,464	6,572
Other financial assets			3,357	3,392
			437,002	444,913
Current assets				
Inventories			14,988	13,845
Trade and other receivables			64,692	66,084
Current tax receivable			1,123	753
Deposits and prepayments			14,610	18,874
Other current assets			90,235	84,459
Cash and short-term deposits			56,023	40,383
			241,671	224,398
Assets classified as held for sale			3,112	564
Total assets			681,785	669,875
EQUITY AND LIABILITIES				
Equity				
Stated capital			7,206	7,107
Reserves			130,261	129,669
Retained earnings			123,177	108,984
Total equity attributable to equity holders of the company			260,644	245,760
Non-controlling interests			42,708	39,555
Total equity			303,352	285,315
Non-current liabilities				
Interest-bearing loans and borrowings			114,429	128,026
Lease liabilities			37,849	42,760
Deferred tax liabilities			20,445	18,976
Employee benefits			6,409	5,555
Other liabilities			606	925
			179,738	196,242
Current liabilities				
Interest-bearing loans and borrowings			39,219	30,612
Lease liabilities			5,179	5,926
Trade and other payables			83,436	84,082
Current tax payable			3,721	3,164
Bank overdrafts and other short-term borrowings			67,140	64,534
			198,695	188,318
Total equity and liabilities			681,785	669,875
Exchange rate	USD	=	296.32	300.44

Ten Year Summary

Year ended as at 31st of March	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	2016 Rs.'000
Operating Results										
Revenue	95,094,844	97,486,253	98,104,323	54,696,051	31,597,505	53,471,257	55,680,903	52,734,969	45,892,179	25,977,795
Profit before taxation	10,826,315	6,724,600	11,201,446	14,224,180	(2,844,273)	4,197,662	7,282,608	6,397,816	5,246,872	3,805,508
Taxation	3,647,189	2,272,850	3,125,077	2,068,363	469,510	1,310,688	1,511,258	1,248,284	1,201,407	861,229
Profit after taxation	7,179,126	4,451,750	8,076,369	12,155,817	(3,313,783)	2,886,974	5,771,350	5,149,532	4,045,465	2,944,279
Profit attributable to Aitken Spence PLC	5,330,919	2,928,185	6,644,027	10,539,592	(1,625,623)	2,377,591	4,077,067	3,560,348	2,890,032	2,027,112
Equity & Liabilities										
Stated capital	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140	2,135,140
Reserves	38,598,848	38,957,795	42,525,804	36,649,102	28,014,136	25,165,268	23,416,042	20,500,926	16,849,379	15,248,423
Retained earnings	36,499,839	32,743,186	29,743,417	27,164,516	19,340,780	23,648,558	23,899,401	22,163,669	20,492,912	19,262,056
Non-controlling interest	12,655,284	11,883,848	11,811,656	11,496,921	9,702,142	12,355,105	12,635,237	11,484,969	11,315,985	7,554,724
Non-current liabilities	53,259,957	58,958,760	69,968,573	69,869,860	54,848,117	48,689,812	34,526,058	23,560,466	19,503,049	13,639,158
Current liabilities	58,877,853	56,578,053	58,153,100	50,030,000	32,940,045	30,670,089	28,384,657	27,997,370	24,998,995	15,514,730
	202,026,921	201,256,782	214,337,690	197,345,539	146,980,360	142,663,972	124,996,535	107,842,540	95,295,460	73,354,231
Assets										
Property, plant and equipment	98,015,886	101,028,695	105,499,126	95,810,136	79,826,252	79,399,616	71,590,332	59,274,780	50,048,523	35,278,046
Investment property	1,651,793	1,631,258	1,631,581	1,631,904	1,631,580	1,631,839	1,632,100	1,632,360	1,630,801	1,630,801
Intangible assets	1,542,567	1,640,049	1,739,817	1,358,973	1,065,966	1,069,997	945,468	890,378	886,103	867,223
Biological assets	67,104	64,455	71,334	69,669	63,122	56,275	49,332	47,293	43,583	25,838
Right-of-use assets	14,672,688	16,364,381	19,136,841	18,844,699	14,060,406	13,249,662	-	-	-	-
Leasehold property	-	-	-	-	-	-	2,214,519	2,023,903	2,042,459	2,006,728
Pre paid operating leases	-	-	-	-	-	-	2,366,966	2,241,358	1,978,348	1,828,797
Investments in equity-accounted investees	10,928,868	9,946,837	9,238,093	8,564,101	7,080,305	6,688,625	6,434,116	6,334,455	6,060,842	9,771,984
Deferred tax assets	1,619,108	1,974,566	1,619,314	1,336,394	1,196,477	766,677	690,924	563,391	434,794	328,140
Other financial assets	994,672	1,018,979	1,028,075	314,359	806,856	800,719	834,096	873,340	285,629	257,799
Current assets	71,611,992	67,418,139	74,204,086	67,664,210	40,006,177	37,810,912	38,074,557	33,812,157	31,735,253	21,209,750
Assets classified as held for sale	922,243	169,423	169,423	1,751,094	1,243,219	1,189,650	164,125	149,125	149,125	149,125
	202,026,921	201,256,782	214,337,690	197,345,539	146,980,360	142,663,972	124,996,535	107,842,540	95,295,460	73,354,231
Cash Flow										
Net cash inflow/(outflow) from operating activities	13,225,583	11,916,413	3,460,593	21,796,935	3,452,194	5,621,369	6,504,172	7,140,458	15,814	9,814,619
Net cash inflow/(outflow) from investing activities	(4,575,631)	(3,945,586)	(2,112,215)	(7,489,605)	(5,032,765)	(10,246,263)	(14,512,079)	(5,473,582)	(3,994,720)	(9,670,774)
Net cash inflow/(outflow) from financing activities	(4,845,190)	(8,591,082)	(12,636,498)	(2,994,040)	646,916	1,390,968	4,423,159	1,196,937	(1,640,661)	2,251,750
Increase/(decrease) in cash and cash equivalents	3,804,762	(620,255)	(11,288,120)	11,313,290	(933,655)	(3,233,926)	(3,584,748)	2,863,813	(5,619,567)	2,395,595
Share Information										
Earnings per share (Rs.)	13.13	7.21	16.36	25.96	(4.00)	5.86	10.04	8.77	7.12	4.99
Market value per share (Rs.)	127.75	130.25	131.00	73.70	55.50	30.70	41.00	50.60	56.20	73.50
Market capitalisation on 31st March (Rs. Mn)	51,866	52,881	53,185	29,922	22,533	12,464	16,646	20,543	22,817	29,841
Price earnings ratio	9.73	18.06	8.01	2.84	(13.88)	5.24	4.08	5.77	7.90	14.72
Price to book value ratio	0.67	0.72	0.71	0.45	0.46	0.24	0.34	0.46	0.58	0.81
Net assets per share (Rs.)	190.23	181.86	183.26	162.44	121.9	125.49	121.8	110.35	97.24	90.26
Employees Information										
No. of employees	8,784	7,644	7,408	6,994	6,789	7,730	8,002	7,413	7,360	7,342
Value added per employee (Rs. Mn)	5.1	5.4	6.1	4.7	1.7	2.7	2.6	2.5	2.3	1.7
Ratios & Statistics										
Ordinary dividend (Rs. '000)	1,623,984	1,725,483	1,623,984	1,623,984	405,996	507,495	1,014,990	811,992	710,493	608,994
Dividend per share (Rs.)	4.00	4.25	4.00	4.00	1.00	1.25	2.50	2.00	1.75	1.50
Dividend cover (times covered)	3.28	1.70	4.09	6.49	(4.00)	4.68	4.02	4.38	4.07	3.33
Dividend - payout ratio	0.30	0.59	0.24	0.15	(0.25)	0.21	0.25	0.23	0.25	0.30
Current ratio (times covered)	1.22	1.19	1.28	1.35	1.21	1.23	1.34	1.21	1.27	1.37
Debt-equity ratio	0.38	0.45	0.54	0.64	0.66	0.55	0.47	0.35	0.34	0.28
ROE (%)	7.06	3.95	9.47	18.26	(3.24)	4.74	8.65	8.45	7.59	5.66
Interest Cover	2.82	1.73	2.19	6.04	(0.43)	2.92	8.44	8.29	7.29	16.80

A HISTORY OF STABILITY

MAINTAINING MOMENTUM

Strengthened by principles of clarity, consistency, and transparency, we ensure we safeguard our stable foundation while propelling ourselves onwards to unlock continuous growth and forward momentum.

Benchmarked to Global Standards:

The GRI Index, the UN Global Compact and the Women's Empowerment Principles

28 May 2022 marked 20 years of engagement for Aitken Spence PLC as a signatory to the UN Global Compact. This was an integral step in the company's formation of a formal sustainability strategy, incorporating priorities for long-term social, environmental and economic sustainability, viability, profitability and integrity of the company. Aitken Spence internalised these 10 principles from the inception of the Group's sustainability strategy and our progress can be viewed in this report as connected through this GRI Index.

The Company actively participates in the Working Groups for Climate Action, Water and Supply Chains and leads the Business & Human Rights Working Group. Key team members have also attended accelerator programmes for climate ambitions, Target Gender Equality and well as the first SDG Innovators programme for young executives. The Climate Emergency Task Force meetings are also hosted at Aitken Spence Towers to show our support for these movements.

The Group became signatory to the Women's Empowerment Principles in 2010/2011, among the first entities in the world to do so.

Aitken Spence PLC aligns with the Global Reporting Initiative's frameworks for sustainability reporting as it is the most widely used framework in the world affording us comparability of information. Our report for this financial year is 'In Accordance' with the GRI Standard reporting framework to disclose our performance information. Requirements of these global benchmarks also influences the Group's integrated sustainability policy and its implementation framework.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Business should make sure they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

THE 7 UN WOMEN'S EMPOWERMENT PRINCIPLES

1. Establish high-level corporate leadership for gender equality
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination
3. Ensure the health, safety and well-being of all women and men workers
4. Promote education, training and professional development for women
5. Implement enterprise development, supply chain and marketing practices that empower women
6. Promote equality through community initiatives and advocacy
7. Measure and publicly report on progress to achieve gender equality

Refer to the following icons in the GRI Index, showing the connection between the Ten Principles of the UNGC, and the seven principles of the Women's Empowerment Principles;

- Financial information
- Environmental information
- Social information
- Governance information

UNGC Principles:

1 2 3 4 5 6 7 8 9 10

Women's Empowerment Principles:

1 2 3 4 5 6 7

THE GLOBAL COMPACT
WE SUPPORT

In support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

GRI COMMUNITY MEMBER 2025

Independent Assurance Reports

EY
Shape the future with confidence

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Independent practitioner's assurance report to the Board of Directors of Aitken Spence PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY2024/25

Scope

We have been engaged by Aitken Spence PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Aitken Spence PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Aitken Spence PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Aitken Spence PLC

In preparing the Subject Matter, Aitken Spence PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org
- The Sustainability Accounting Standards Board (SASB) Standards, publicly available at https://sasb.org/standards/ (Hotels & Lodging Standard, Road Transportation Standard, Air Freight and Logistics Standard, Electric Utilities and Power Generators Standard, Apparel, Accessories and Footwear Standard, Agricultural Products Standard)

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Aitken Spence PLC's responsibilities

Aitken Spence PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Aitken Spence PLC on 16 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent

Independent Assurance Reports

EY
Shape the future with confidence

than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Aitken Spence PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

12th June 2025
Colombo

Independent Assurance Reports

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Independent practitioner's assurance report to the Board of Directors of Aitken Spence PLC on the Integrated Annual Report 2024/25

Scope

We have been engaged by Aitken Spence PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Aitken Spence PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in Aitken Spence PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Aitken Spence PLC

In preparing the Subject Matter, Aitken Spence PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated Reporting Council (IIRC) ("Criteria"):

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Aitken Spence PLC's responsibilities

Aitken Spence PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Aitken Spence PLC on 16 May 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of

Independent Assurance Reports

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assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).
- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.
- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.
- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.
- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.
- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.
- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.
- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/ information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Aitken Spence PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

Ernst + Young

12th June 2025
Colombo

The GRI Index

Statement of use	Aitken Spence PLC has reported in accordance with the GRI Standards for the period 1 April 2024 to 31 March 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 13 Agriculture Aquaculture and Fishing Sectors 2022

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organisational details	Pg 368					
	2-2 Entities included in the organisation's sustainability reporting	Pg 4-6					
	2-3 Reporting period, frequency and contact point	Pg 4, 6					
	2-4 Restatements of information	Pg 6					
	2-5 External assurance	Pg 6					
	2-6 Activities, value chain and other business relationships	Pg 9, 10, 12, 76, 77, 217-275					
	2-7 Employees	Pg 285					⑥
	2-8 Workers who are not employees	Pg 285					⑥
	2-9 Governance structure and composition	Pg 80, 121					⑩
	2-10 Nomination and selection of the highest governance body	Pg 114, 148, 101, 108, 116, 117					❶
	2-11 Chair of the highest governance body	Pg 113					
	2-12 Role of the highest governance body in overseeing the management of impacts	Pg 121, 112					❶
	2-13 Delegation of responsibility for managing impacts	Pg 121, 122					❶
	2-14 Role of the highest governance body in sustainability reporting	Pg 122					❶ ❼
	2-15 Conflicts of interest	Pg 155, 118					❶
	2-16 Communication of critical concerns	Pg 122					
	2-17 Collective knowledge of the highest governance body	Pg 114					
	2-18 Evaluation of the performance of the highest governance body	Pg 120					
	2-19 Remuneration policies	Pg 120,150					❶ ❷
	2-20 Process to determine remuneration	Pg 120,150					❶ ❷

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
	2-21 Annual total compensation ratio		2 - 21	Confidentiality constraints	Currently not disclosed due to reasons of confidentiality		❶ ❷
	2-22 Statement on sustainable development strategy	Pg 46-56					⑩ ❶ ❻
	2-23 Policy commitments	Pg 103, 104, 287					⑩ ❻
	2-24 Embedding policy commitments	Pg, 104, 287					⑩ ❻
	2-25 Processes to remediate negative impacts	Pg 299, 300, 317					
	2-26 Mechanisms for seeking advice and raising concerns	Pg 105, 299					⑩
	2-27 Compliance with laws and regulations	Pg 103					⑩
	2-28 Membership associations	Pg 322					
	2-29 Approach to stakeholder engagement	Pg 58					
	2-30 Collective bargaining agreements	Pg 291					③ ❷ ❸
Material topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pg 68					
	3-2 List of material topics	Pg 69					
Economic performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 23				13.2.1 13.20.1 13.22.1	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pg 173, 204, 215, 253				13.22.2	
	201-2 Financial implications and other risks and opportunities due to climate change	Pg 180, 190, 194, 206, 221, 227, 234, 243, 261, 266, 271				13.22.2	⑦
	201-3 Defined benefit plan obligations and other retirement plans	Pg 443					
	201-4 Financial assistance received from government		201-4	Not applicable	No financial assistance received from government		

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
Market presence							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 293, 322					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Pg 293				13.21	⑥ ❺ ❻
	202-2 Proportion of senior management hired from the local community	Pg 293, 322, 323					⑥ ❺ ❻
Indirect economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 322				13.22.1	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Pg 324				13.22.3	
	203-2 Significant indirect economic impacts	Pg 321, 322, 323, 324				13.22.4	❻
Procurement practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 322					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pg 323					❺
Anti-corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 104				13.26.1	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Pg 104				13.26.2	⑩
	205-2 Communication and training about anti-corruption policies and procedures	Pg 104				13.26.3	⑩
	205-3 Confirmed incidents of corruption and actions taken	Pg 104				13.26.4	⑩
Anti-competitive behaviour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 104				13.25.1	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Pg 22				13.25.2	

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
Tax							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 282					
GRI 207: Tax 2019	207-1 Approach to tax	Pg 282					
	207-2 Tax governance, control, and risk management	Pg 282					
	207-3 Stakeholder engagement and management of concerns related to tax	Pg 61					
	207-4 Country-by-country reporting		207-4,b	Not applicable	We provide consolidated financial disclosures for locations outside Sri Lanka keeping with the accounting standards followed by the Company.		
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 336					⑦⑧⑨
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Pg 336					⑦⑧⑨
	301-2 Recycled input materials used	Pg 336					⑦⑧⑨
	301-3 Reclaimed products and their packaging materials	Pg 336					⑦⑧⑨
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 330-331					⑦⑧⑨
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pg 332					⑦⑧⑨
	302-2 Energy consumption outside of the organisation		302-2	Information unavailable/ incomplete			⑦⑧⑨
	302-3 Energy intensity	Pg 332					⑦⑧⑨
	302-4 Reduction of energy consumption	Pg 332					⑦⑧⑨
	302-5 Reductions in energy requirements of products and services	Pg 332					⑦⑧⑨

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
Water and Effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 334				13.7.1	⑦⑧⑨
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Pg 334				13.7.2	⑦⑧⑨
	303-2 Management of water discharge-related impacts	Pg 334, 335				13.7.3	⑦⑧⑨
	303-3 Water withdrawal	Pg 335				13.7.4	⑦⑧⑨
	303-4 Water discharge	Pg 335				13.7.5	⑦⑧⑨
	303-5 Water consumption	Pg 335				13.7.6	⑦⑧⑨
Biodiversity							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 338				13.3.1	⑦⑧⑨
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Pg 326-327				13.3.2 13.4.1 13.4.2 13.4.3 13.4.4 13.4.5	⑦⑧⑨
	304-2 Significant impacts of activities, products and services on biodiversity	Pg 327, 338				13.3.3	⑦⑧⑨
	304-3 Habitats protected or restored	Pg 327, 338				13.3.4	⑦⑧⑨
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Pg 338				13.3.5	⑦⑧⑨
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 330,331				13.1.1	⑦⑧⑨
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pg 333				13.1.2	⑦⑧⑨
	305-2 Energy indirect (Scope 2) GHG emissions	Pg 333				13.1.3	⑦⑧⑨
	305-3 Other indirect (Scope 3) GHG emissions	Pg 333				13.1.4	⑦⑧⑨
	305-4 GHG emissions intensity	Pg 333				13.1.5	⑦⑧⑨
	305-5 Reduction of GHG emissions	Pg 333				13.1.6	⑦⑧⑨
	305-6 Emissions of ozone-depleting substances (ODS)	Pg 333				13.1.7	⑦⑧⑨
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pg 333				13.1.8	⑦⑧⑨

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 336, 337				13.8.1	⑦⑧⑨
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pg 337				13.8.2	⑦⑧⑨
	306-2 Management of significant waste-related impacts	Pg 337				13.8.3	⑦⑧⑨
	306-3 Waste generated	Pg 337				13.8.4	⑦⑧⑨
	306-4 Waste diverted from disposal	Pg 337				13.8.5	⑦⑧⑨
	306-5 Waste directed to disposal	Pg 337				13.8.6	⑦⑧⑨
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 320					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Pg 320					⑧⑨
	308-2 Negative environmental impacts in the supply chain and actions taken	Pg 320					⑧⑨
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 293				13.20.1	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pg 293, 301					①⑥❷❼
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg 292					
	401-3 Parental leave	Pg 292, 301					
Labour/management relations							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 291, 300					
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Pg 291					⑥
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 294-295				13.19.1	

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg 294-295				13.19.2	❸
	403-2 Hazard identification, risk assessment, and incident investigation	Pg 294-295				13.19.3	❸
	403-3 Occupational health services	Pg 294-295				13.19.4	❸
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pg 294-295				13.19.5	③❸
	403-5 Worker training on occupational health and safety	Pg 294-295				13.19.6	❸
	403-6 Promotion of worker health	Pg 294-295				13.19.7	❸
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg 294-295				13.19.8	❸
	403-8 Workers covered by an occupational health and safety management system	Pg 294-295				13.19.9	❸
	403-9 Work-related injuries	Pg 294-295				13.19.10	❸
	403-10 Work-related ill health	Pg 294-295				13.19.11	❸
Training and education							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 296					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pg 297	Breakdown by category		Breakdowns not available		③⑥❹
	404-2 Programs for upgrading employee skills and transition assistance programs	Pg 296					
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg 296					
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 108				13.15.1	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg 108, 285				13.15.2	⑥❶❷❼
	405-2 Ratio of basic salary and remuneration of women to men	Pg 302				13.15.3	⑥❷❼

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 300				13.15.1	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pg 300				13.15.4	⑥❷❸❼
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 300				13.18.1	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Pg 300				13.18.2	③⑥
Child labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 300				13.17.1	
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Pg 300				13.17.2	⑤
Forced or compulsory labour							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 300				13.16.1	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Pg 300				13.16.2	④
Security practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 299					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Pg 299					①②
Rights of indigenous peoples							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 108, 300				13.14.1	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Pg 22				13.14.2	①②
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 322				13.12.1	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pg 323-324				13.12.2	②❻

The GRI Index

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	Linkage to UNGC and WEP
			Requirement Omitted	Reason	Explanation		
	413-2 Operations with significant actual and potential negative impacts on local communities	Pg 323-324				13.12.3	② ⑥
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 320					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pg 320					② ③ ⑥
	414-2 Negative social impacts in the supply chain and actions taken	Pg 320					② ③ ⑥
Public policy							
GRI 3: Material Topics 2021	3-3 Management of material topics	-				13.24.1	
GRI 415: Public Policy 2016	415-1 Political contributions	-			No political contributions	13.24.2	
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 316, 318				13.10.1	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pg 318-319				13.10.2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pg 319				13.10.3	
Marketing and labelling							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 318					
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Pg 318-319					
	417-2 Incidents of non-compliance concerning product and service information and labelling	Pg 319					
	417-3 Incidents of non-compliance concerning marketing communications	Pg 319					
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 318-319					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 319					

The GRI Index

GRI 13 Agriculture Aquaculture and Fishing Sectors 2022

GRI Standard / Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement Omitted	Reason	Explanation	
13.4 Natural ecosystem conservation						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 327, 338				13.4.1
13.5 Soil health						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 327, 338				13.5.1
13.6 Pesticide use						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 336				13.6.1
13.13 Land and resource rights						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 338				13.13.1
13.20 Employment practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 293				13.20.1
13.21 Living income and living wage						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 293				13.21.1
13.23 Supply chain traceability						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 320				13.23.1
13.24 Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	N/A				13.24.1
13.25 Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	Pg 104				13.25.1

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
13.9 Food security	This topic is not applicable to Elpitiya Plantations, as the company cultivates non-food cash crops such as tea, rubber, and berries, which are not directly linked to food security or food loss in the supply chain.
13.11 Animal health and welfare	The topic is not applicable as we do not operate in this industry (animal agriculture)
13.14 Rights of indigenous peoples	The company does not operate in or source from areas identified as Indigenous Peoples' lands or territories.

Group Companies and Directorate

AITKEN SPENCE PLC

Tourism	Maritime & Freight Logistics	Strategic Investments	Services
• Hotels • Destination Management • Airline GSA	• Maritime and Port Services • Freight Forwarding & Courier • Integrated Logistics • Airline GSA (Cargo) • Education	• Power Generation • Printing & Packaging • Apparel Manufacture • Plantations • Corporate	• Financial & Other Services • Elevator Agency • Insurance • Property Management • BPO services

SUBSIDIARIES

TOURISM SECTOR

HOTELS

Ace Resorts Private Limited *

The Company has commenced the liquidation process.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama (Managing Director),
- M. Mahdy.

A.D.S Resorts Private Limited *

Owns the Adaaran Select Hudhuran Fushi resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- M. Mahdy,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025),
- M.D.B.J. Gunatilake (Appointed w.e.f. 01.04.2025).

Aitken Spence Exports (Private) Limited *

Bottles and markets Hethersett bottled water.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Aitken Spence Hotel Holdings PLC *

The holding company of the Group's hotel interests. Owns the Heritance Ahungalla hotel.

Directors:
- Ms. D.S.T. Jayawardena (Joint Deputy Chairperson / Joint Managing Director until 05.02.2025 and appointed as Executive Chairperson w.e.f. 06.02.2025),
- Dr. M.P. Dissanayake (Managing Director),
- C.M.S. Jayawickrama,
- J.M.S. Brito,
- R.N. Asirwatham,
- N.J. de Silva Deva Aditya,
- Dr. R.A. Fernando,
- M.R. Mihular (Appointed w.e.f. 02.12.2024),
- P. Englisch (Appointed w.e.f. 30.12.2024),
- C.H. Gomez (Resigned w.e.f. 30.12.2024 and Re- appointed w.e.f. 01.04.2025),
- M.A.N.S. Perera (Resigned w.e.f. 25.11.2024),
- Deshamanya D.H.S. Jayawardena (Chairman) (Deceased on 03.02.2025).

Aitken Spence Hotel Managements (Private) Limited *

Manages resorts in Sri Lanka.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama (Managing Director),
- Ms. D.R. Alexander

Aitken Spence Hotel Managements (South India) Private Limited

Owns the 140 roomed hotel property "Turyaa" in Chennai in the Republic of India.

Directors:
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ashis Miglani,
- K.A. Kodippilige.

Aitken Spence Hotel Managements Asia (Private) Limited *

Manages resorts in the Sultanate of Oman and in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake (Appointed w.e.f. 01.04.2025),
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- Deshamanya D.H.S. Jayawardena (Deceased on 03.02.2025).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

Group Companies and Directorate

Aitken Spence Hotels International (Private) Limited *

Overseas investment company of the Hotels sector and provides international marketing services to the resorts in the Sultanate of Oman and in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Aitken Spence Hotel Services Private Limited

Incorporated to operate as the local marketing company of hotels in the Republic of India. The Company did not carry out any operations during the year.

Directors:
- C.M.S. Jayawickrama,
- K.A. Kodippilige.

Aitken Spence Hotels Limited *

Holding company of Kandalama Hotels (Private) Limited and Heritance (Private) Limited. Owns the Heritance Ayurveda resort in Beruwela.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander,
- B.G.D.L.P. Wijerathne.

Aitken Spence Resorts (Middle East) LLC

Owning Company of the Al Falaj hotel in Muscat, Sultanate of Oman.

Authorised Managers:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- C.M.S. Jayawickrama,
- A. Perera,
- S.N. de Silva,
- Ms. N. Sivapragasam.

Aitken Spence Resources (Private) Limited *

The Company did not carry out any operations during the year.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 24.07.2024).

Ahungalla Resorts Limited *

A joint venture company between Aitken Spence Hotel Holdings PLC and RIUSA II SA and owns the RIU Hotel in Sri Lanka in Ahungalla.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- J.T. Riu (Managing Director),
- L. Riu Guell,
- C.M.S. Jayawickrama.

Cowrie Investment Pvt Ltd *

Owns the Heritance Aarah and Adaaran Select Meedhupparu Resorts in the Republic of Maldives.

Directors:
- Dr. M.P. Dissanayake (Chairman and Managing Director),
- Ms. D.S.T. Jayawardena,
- I.M. Didi,
- M. Salih,
- C.M.S. Jayawickrama.

Crest Star (B.V.I.) LTD

The holding company of Jetan Travel Services Company Private Limited.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama.

Heritance (Private) Limited *

Owns a land in Beruwela for a proposed hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama.

Hethersett Hotels Limited*

Owns the Heritance Tea Factory hotel in Kandapola.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexandar,
- B.G.D.L.P. Wijerathne.

Jetan Travel Services Company Pvt Ltd *

Owns the Adaaran Club Rannalhi resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- H. Mohamed,
- M. Mahdy.

Kandalama Hotels (Private) Limited *

Owns the Heritance Kandalama hotel.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Meeraladuwa (Private) Limited *

Owns land in the island of Meeraladuwa in Balapitiya.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Neptune Ayurvedic Village (Private) Limited *

Leases the company owned land and building to Aitken Spence Hotels Limited.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama.

Group Companies and Directorate

Nilaveli Holidays (Private) Limited *

To operate a future hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Nilaveli Resorts (Private) Limited *

To operate a future hotel project.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Perumbalam Resorts Private Limited

A fully owned subsidiary of PR Holiday Homes Private Limited in the Republic of India.

Directors:
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- K.K.M. Rawther,
- K.K. Kabeer,
- K.A. Kodippilige (Appointed w.e.f. 20.05.2024).

PR Holiday Homes Private Limited

Owns a land in Cochin, in the Republic of India for a future hotel project.

Directors:
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama,
- K.K.M. Rawther,
- K.K. Kabeer,
- K.A. Kodippilige.

The Galle Heritage (Private) Limited *

The Company is in the process of being struck off.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama.

Turyaa (Private) Limited *

Owns the 199 roomed Turyaa hotel property in Kalutara.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- Dr. M.P. Dissanayake,
- C.M.S. Jayawickrama.

Unique Resorts Pvt Ltd *

Owns the Adaaran Prestige Vadoo resort in the Republic of Maldives.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- C.M.S. Jayawickrama (Managing Director),
- M.D.B.J. Gunatilake,
- Ms. D.R. Alexander (Appointed w.e.f. 01.04.2025).

Ace Global Management Services (Private) Limited (Incorporated on 13.12.2024)

Provision of overseas management services to the hospitality, maritime and freight logistics industries and facilitation of international trade.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- J.E. Brohier,
- C.M.S. Jayawickrama.

DESTINATION MANAGEMENT

Ace Travels and Conventions (Private) Limited *

The company is a wholly owned subsidiary of Aitken Spence Travels (Private) Limited. The company handles few local business and transport business.

Directors:
- N.A.N. Jayasundera,
- A. Hapugoda.

Aitken Spence Travels (Private) Limited *

Sri Lanka's leading destination management company that also manages and handles outbound travel. A joint venture with TUI AG Germany, the largest integrated tourism company in the world.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- N.A.N. Jayasundera (Managing Director),
- Ms. D.S.T. Jayawardena (Alternate Director to Dr. M.P. Dissanayake),
- H.L.P. Andersson (Appointed w.e.f. 02.12.2024),
- P. Ulwahn (Appointed w.e.f. 02.12.2024),
- J.C. Munar (Resigned w.e.f. 02.12.2024),
- L.D. Bailey (Resigned w.e.f. 02.12.2024).

Aitken Spence Travels Myanmar Limited

A joint venture with Golden Ratanapura Company Limited, to handle Destination Management in Myanmar.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- N.A.N. Jayasundera,
- Ms. N. Sivapragasam,
- U.T. Zin,
- H.S. Amaratunga,
- U.M.Z. Aung.

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

Group Companies and Directorate

AIRLINE GSA

Ace Aviation Services Maldives Private Limited *

General Sales Agent for Sri Lankan Airlines (Passenger) in the Republic of Maldives.

Directors:
- Ms. N. Sivapragasam (Appointed w.e.f. 17.07.2024),
- N.A.N. Jayasundera (Chairman),
- M. Firaq,
- D.L. Warawita,
- S. Ratnayake.

Aitken Spence Aviation (Private) Limited

General Sales Agent for Singapore Airlines Limited.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- V.P. Kudaliyanage,
- Deshamanya D.H.S. Jayawardena (Deceased on 03.02.2025).

Aitken Spence Moscow (Private) Limited *

The Company did not carry out any operations during the year.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. J.W.A. Perera (Managing Director),
- N.A.N. Jayasundera.

Royal Spence Aviation (Private) Limited

Appointed General Sales Agent for Jazeera Airlines.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- N.A.N. Jayasundera.

MARITIME & FREIGHT LOGISTICS SECTOR

MARITIME & PORT SERVICES

Aitken Spence Maritime Limited *

Holding company of Hapag-Lloyd Lanka (Private) Limited and Aitken Spence Ports International Limited.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- I.S. Cuttilan,
- M.A.M. Isfahan.

Aitken Spence Ports International Limited *

Port management services which includes managing ports, port operations and providing productivity enhancement and management in ports.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- I.S. Cuttilan,
- M.A.M. Isfahan,
- D.R.C. Hindurangala.

Aitken Spence Ports International (Middle East) - FZCO (Incorporated on 13.06.2023)

Investing in commercial enterprise worldwide and management of International Ports.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan.

Aitken Spence Shipping Limited *

Shipping agency services in all ports in Sri Lanka. Liner, Cruise, Tanker and Casual Caller Agency Representation, Non Vessel Operating Container Carrier (NVOCC) and an international freight forwarder.

Directors:
- I.S. Cuttilan (Managing Director),
- M.A.M. Isfahan,
- Dr. M.P. Dissanayake (Chairman) (Resigned w.e.f. 25.04.2025).

Fiji Ports Terminal Limited

A joint venture with Fiji Ports Corporation Limited, to operate and manage the two major ports of Suva and Lautoka in the Republic of Fiji.

Directors:
- P. Wise (Chairman),
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- M.A.M. Isfahan,
- W.S. Bauleka,
- A.C. Naiorosui.

Hapag-Lloyd Lanka (Private) Limited *

Liner agency representation.

Directors:
- L. Sorensen,
- S.V. Kushwah,
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- I.S. Cuttilan.

Shipping and Cargo Logistics (Private) Limited *

Liner agency representation.

Directors:
- V.M. Fernando (Chairman),
- Dr. M.P. Dissanayake,
- K.M. Fernando,
- I.S. Cuttilan,
- M.A.M. Isfahan,
- K.M.T.T.B. Tittawella,
- Dr. V.M. Fernando (Ceased to be the Alternate Director to Mr. K.M.T.T.B. Tittawella w.e.f. 07.03.2024 and re-appointed as his Alternate Director for a period of one year commencing from 07.03.2025).

Group Companies and Directorate

FREIGHT FORWARDING & COURIER

Ace Aviation Services (Private) Limited

Operates as General Sales Agent for airline cargo.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- J.E. Brohier,
- M.A.M. Isfahan (Appointed w.e.f.17.07.2024).

Aitken Spence Cargo Singapore Pte. Ltd

International freight forwarding and General Sales Agent for airline cargo.

Directors:
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan,
- C.A.S. Lindy.

Ace Cargo (Private) Limited

Provides international freight forwarding services.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan.

Ace Freight Management (Private) Limited

Undertakes clearing, forwarding and operates an inland container terminal.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan.

Ace International Express (Private) Limited

The Company did not carry out any operations during the year.

Directors:
- J.E. Brohier,
- M.A.M. Isfahan.

Aitken Spence Cargo (Private) Limited

International freight forwarding and General Sales Agent for airline cargo.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- I. S. Cuttilan,
- J.E. Brohier,
- M.A.M. Isfahan.

Aitken Spence Shipping Services Limited *

Shipping agency activities in all ports in Sri Lanka and an international freight forwarder.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- I.S. Cuttilan,
- M.A.M. Isfahan.

Clark Spence and Company (Private) Limited *

Shipping agency services in all ports in Sri Lanka, NVOCC representation and an international freight forwarder.

Directors:
- I.S. Cuttilan,
- M.A.M. Isfahan.

D B S Logistics Limited

International Freight Forwarder - Network Partner for DB Schenker.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- J.E. Brohier,
- M.A.M. Isfahan.

Global Parcel Delivery (Private) Limited

Provides First mile, Middle mile and Last mile logistics solutions.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- J.E. Brohier,
- M.A.M. Isfahan.

INTEGRATED CONTAINER SERVICES

Ace Containers (Private) Limited *

Operates an inland container terminal, container freight station and provides haulage management services.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- A.U. Kodagoda,
- C.A.S. Anthony,
- M.A.M. Isfahan.

Ace Container Repair (Private) Limited *

Undertakes container repairs, conversions for Garments on Hangers and other purpose built solutions.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan.

Ace Container Terminals (Private) Limited *

Provides container storage, customs brokerage, transport and warehousing services.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan.

Ace Distriparks (Private) Limited *

Provides total integrated logistics services including 3PL, container freight station and warehouse management services, transportation and distribution services, project cargo logistics, mobile storage solutions and acts as agents for leading liquid cargo operations.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan.

Logilink (Private) Limited *

Provides container freight station services, storing, distribution and consolidation services for exports.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A.J. Gunawardena,
- C.A.S. Anthony,
- M.A.M. Isfahan.

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

Group Companies and Directorate

STRATEGIC INVESTMENT SECTOR

POWER GENERATION

Ace Power Embilipitiya (Private) Limited

The company remained non-operational throughout the year under review.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- L. Wickremarachchi (Managing Director).

Ace Wind Power (Private) Limited

Owns and operates a 3MW wind power plant in Ambewela to supply electricity to the national grid.

Directors:
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Aitken Spence Power (Private) Limited

Owns and operates a 748kWp rooftop solar power system installed on the roof top of Aitken Spence Printing and Packaging (Pvt) Ltd at Mawaramandiya supplying power to the national grid.

Directors:
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Aircraft Recycling (Private) Limited (Formerly known as Aitken Spence W E E E Recycling (Private) Limited - Name Changed w.e.f. 14.05.2024)

Has been established to setup an electrical and electronic waste recycling plant with a view to exporting retrieved materials.

Directors:
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Branford Hydropower (Private) Limited

Owns and operates a 2.5MW hydro power plant in Matale to supply electricity to the national grid.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Elgin Hydropower (Private) Limited *

Owns and operates a 2.4 MW hydropower plant at Lippakelle Estate in Lindula.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Sagasolar Power (Private) Limited *

Owns and operates a 10MW Ground Mounted Solar Power Plant situated in Hambanthota.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Upper Waltrim Hydropower (Private) Limited *

Owns and operates a 2.6MW hydropower plant at Waltrim Estate in Lindula.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Waltrim Energy Limited *

Owns 100% shareholding of Waltrim Hydropower (Private) Limited, Upper Waltrim Hydropower (Private) Limited and Elgin Hydropower (Private) Limited.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- Mr. L. Wickremarachchi.

Waltrim Hydropower (Private) Limited *

Owns and operates a 1.65MW hydropower plant at Waltrim Estate in Lindula.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L. Wickremarachchi.

Western Power Company (Private) Limited

Owns and operates the 10MW Colombo Waste to Energy Power Plant receiving 700 metric tonnes of municipal solid waste from the Colombo Municipal Council and supplying electricity to the national grid.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. D.S.T. Jayawardena,
- Ms. N. Sivapragasam,
- L. Wickremarachchi (Managing Director).

PRINTING & PACKAGING

Ace Exports (Private) Limited *

Providing value added printing and packaging solutions to the direct and indirect export markets.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L.N.D. Silva.

Aitken Spence Printing & Packaging (Private) Limited *

Providing value added printing and packaging solutions to the local market.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- L.N.D. Silva.

Group Companies and Directorate

APPAREL MANUFACTURING

Ace Apparels (Private) Limited

Manufacturer and exporter of fine woven and circular knit clothing, mostly to top global brands in the USA, EU, UK, Australia and India in a carbon neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam (Appointed w.e.f. 17.07.2024),
- K.L.L. Perera.

Aitken Spence (Garments) Limited

Manufacturer and exporter of fine woven and circular knit clothing, mostly to top global brands in the USA, EU, UK, Australia and India in a carbon neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R. M. Fernando,
- K.L.L. Perera.

Aitken Spence Apparels (Private) Limited

Manufacturer and exporter of fine woven and circular knit clothing, mostly to top global brands in the USA, EU, UK, Australia and India in a carbon neutral manner.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam (Appointed w.e.f. 17.07.2024),
- K.L.L. Perera.

PLANTATIONS

Aitken Spence Agriculture (Private) Limited *

To cultivate Tropical fruits for sale in the domestic market and for export.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R.M. Fernando.

CORPORATE

Aitken Spence Corporate Services (Private) Limited *

Provides corporate services including that of corporate finance, treasury, legal, secretarial, internal audit, human resource development, information technology, digital and technological transformation, financial shared services, strategic development, corporate sustainability, and security services to the group companies.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. D.S.T. Jayawardena,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam (Managing Director).

Aitken Spence Group Limited *

Overall management of the Aitken Spence Group of Companies.

Directors:
- Ms. D.S.T. Jayawardena (Appointed w.e.f. 17.07.2024),
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- C.M.S. Jayawickrama.

Aitken Spence International Pte. Ltd.

Acting as the holding company for offshore investments of the Aitken Spence Group and provides business management services to Strategic Business Units of the Group.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- C.A.S. Lindy.

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

SERVICES SECTOR

FINANCIAL & OTHER SERVICES

Aitken Spence Aerospace Technologies (Private) Limited

Establishing an Aircraft Disassembly & Recycling Operation at MRIA.

Directors:
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- V.P. Kudaliyanage.

MMBL Money Transfer (Private) Limited *

The Largest Representative for Western Union, MoneyGram and RIA in Sri Lanka with nearly 3,500 sub-locations Island wide.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- K. Balasundaram,
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala (Managing Director),
- Ms. J. Moragoda,
- M.D.D. Pieris.

ELEVATOR AGENCY

Aitken Spence Elevators (Private) Limited *

A Joint Venture between Aitken Spence PLC and OTIS Elevators Company (Singapore) Private Limited are the exclusive agents and distributors in Sri Lanka and in the Republic of Maldives for sales and marketing, installing, testing, commissioning and maintaining OTIS elevators, escalators and moving walkways.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala,
- S. Joseph.

Interlifts International Private Limited *

Promoting, installing, testing, commissioning and maintaining OTIS elevators, escalators, moving walkways and related equipment in the Republic of Maldives.

Directors:
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala (Managing Director),
- C.M.S. Jayawickrama,
- H. Moosa.

Group Companies and Directorate

Aitken Spence Industrial Solutions (Private) Limited*

Provides maintenance services of elevators, escalators, chair lifts and car parking systems. The Company also provides consultancy services for Vertical Transportation Systems and Project Management and also BPO Services.

Directors:
- Dr. M.P. Dissanayake,
- Ms. N. Sivapragasam,
- D.R.C. Hindurangala.

INSURANCE

Aitken Spence International Consulting (Private) Limited *

Representing the Lloyds & the W.K. Websters Agencies in Sri Lanka & the Maldives, in addition to carrying out Surveys & Claims Settlement for several reputed insurance companies and organizations worldwide. Superintendents for UN World Food Programme in Sri Lanka and in the Republic of Maldives.

Directors:
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan.

Aitken Spence Insurance Brokers (Private) Limited *

Placement of general insurance business with local Insurers. Providing cost effective insurance solutions and risk management services for Corporates & Individual Customers.

Directors:
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- I.S. Cuttilan

PROPERTY MANAGEMENT

Aitken Spence Developments (Private) Limited *

A property development company.

Directors:
- A.J. Gunawardena,
- M.A.M. Isfahan.

Aitken Spence Property Developments (Private) Limited *

Owns and operates the multi-storied office complex; "Aitken Spence Tower II" which serves as the Group's corporate office at Vauxhall Street, Colombo 02.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam.

Vauxhall Property Developments (Private) Limited *

Owns and operates the multi-storied office complex; "Aitken Spence Tower I" at Vauxhall Street, Colombo 02.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R. M. Fernando,
- Ms. N. Sivapragasam.

Vauxhall Investments (Private) Limited

Owns buildings and land in Bloemendhal Street, Colombo 13.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam.

Group Companies and Directorate

JOINT VENTURES & ASSOCIATES

TOURISM SECTOR

HOTELS

Amethyst Leisure Limited *

The holding Company of Paradise Resort Pasikudah (Private) Limited.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- M.A.N.S. Perera,
- C.M.S. Jayawickrama,
- Ms. V.J. Senaratne,
- B.G.D.L.P. Wijerathne.

Browns Beach Hotels PLC *

Owns the property leased out to Negombo Beach Resorts (Private) Limited.

Directors:
- Ms. D.S.T. Jayawardena (Appointed as Executive Chairperson w.e.f. 06.02.2025),
- Dr. M.P. Dissanayake,
- C.R. Stanislaus,
- R.N. Asirwatham,
- N.J. de Silva Deva Aditya,
- M.R. Mihular (Appointed w.e.f. 30.09.2024),
- Dr. R.A. Fernando (Appointed w.e.f. 30.09.2024),
- P. Englisch (Appointed w.e.f. 30.12.2024),
- C.M.S. Jayawickrama (Appointed w.e.f. 01.04.2025),
- J.M.S. Brito (Appointed w.e.f. 09.05.2025),
- M.A.N.S. Perera (Resigned w.e.f. 23.12.2024),
- Deshamanya D.H.S. Jayawardena (Chairman) (Deceased on 03.02.2025).

Negombo Beach Resorts (Private) Limited *

Owns the Sentido Heritance Negombo.

Directors:
- Ms. D.S.T. Jayawardena,
- C.M.S. Jayawickrama,
- C.R. Stanislaus,
- Deshamanya D.H.S. Jayawardena (Chairman) (Deceased on 03.02.2025).

Paradise Resort Pasikudah (Private) Limited *

Owning Company of Amethyst resort, Pasikudah.

Directors:
- Ms. D.S.T. Jayawardena (Chairperson),
- M.A.N.S. Perera,
- Ms. V.J. Senaratne,
- C.M.S. Jayawickrama,
- B.G.D.L.P. Wijerathne.

MARITIME & FREIGHT LOGISTICS SECTOR

MARITIME & PORT SERVICES

Fiji Ports Corporation Limited *

Owns and operates all the major ports in the Republic of Fiji in addition to providing navigational services at all Fijian Ports.

Directors:
- I. Tuituku (Chairman) (Appointed w.e.f. 04.12.2024),
- T. Lomalagi,
- A.J. Pal,
- N. Chettiar,
- Dr. M.P. Dissanayake,
- I.S. Cuttilan,
- Ms. L.T. Vuatalevu (Appointed w.e.f. 26.09.2024),
- Ms. M. Low ((Alternate Director to T. Lomalagi) (Appointed w.e.f. 14.10.2024),
- E. Verea (Resigned w.e.f. 18.09.2024),
- P. Wise (Resigned w.e.f. 24.10.2024).

Fiji Ships Heavy Industries Limited *

Operates ship and boat building facility, carries out ship repair and maintenance services and is involved in heavy industries in the Republic of Fiji.

Directors:
- I. Tuituku (Chairman) (Appointed w.e.f. 04.12.2024),
- T. Lomalagi,
- A.J. Pal,
- N. Chettiar,
- Dr. M.P. Dissanayake,
- I.S. Cuttilan,
- Ms. L.T. Vuatalevu (Appointed w.e.f. 26.09.2024),
- Ms. M. Low ((Alternate Director to T. Lomalagi) (Appointed w.e.f. 14.10.2024),
- E. Verea (Resigned w.e.f. 18.09.2024),
- P. Wise (Resigned w.e.f. 24.10.2024).

Spence Seahorse Marine (Private) Limited

Supply of Bunkers and Marine services at all Sri Lanka Ports.

Directors:
- Dr. M.P. Dissanayake,
- A.I.T. Hettiarachchi,
- Ms. N. Sivapragasam,
- P. Weerasekara,
- I.S. Cuttilan,
- S.U. Dissanayake (Appointed w.e.f. 30.06.2024),
- A.I. Hettiarachchi (Resigned w.e.f. 30.06.2024).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

Group Companies and Directorate

FREIGHT FORWARDING & COURIER

Ace (Bangladesh) Ltd

Provides international freight forwarding services in the People's Republic of Bangladesh.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- A. Rahman (Managing Director),
- J.E. Brohier,
- C.J. Jirasinha,
- Ms. F. Naser,
- B.M. Mannan.

Ace Aviation Myanmar Limited

International Freight Forwarders.

Directors:
- S. Chowdhury,
- Ms. D.N.Y. Hlaing,
- M.R. Chowdhury,
- J.E. Brohier,
- M.A.M. Isfahan,
- C.J. Jirasinha.

Aitken Spence Cargo (Cambodia) Co., Ltd

International Freight Forwarding and General Sales Agent for Airline Cargo.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Ms. N. Sivapragasam,
- J. E. Brohier,
- M. Mehnaz,
- R. Arif,
- N. Faiqa.

DPEX Spence (Private) Limited

International Freight Forwarder.

Directors:
- I.S. Cuttilan,
- Ms. W.A.S. Fernando.

EDUCATION

CINEC Campus (Private) Limited *

Sri Lanka's largest private maritime and higher education campus.

Directors:
- Dr. M.P. Dissanayake (Co-Chairman),
- R.S. Egodage (Co-Chairman),
- Ms. N. Sivapragasam (Joint Managing Director),
- E.T. Komrowski,
- E.P. Komrowski (Alternate Director to E.T. Komrowski),
- I.S. Cuttilan,
- D.R.C. Hindurangala,
- D.T.K.C. Lakindu,
- Ms. R.D. Nicholas,
- P.S.R. Casie Chitty,
- Ms. S.N. Egodage,
- S. Holger,
- J.B. Winkler (Alternate Director to S. Holger),
- T.M. Kriwat.

CINEC Skills (Private) Limited *

The company has ceased its operations and is to be liquidated.

- Directors:
- Capt. P.A.P. Peiris.

Mercantile Seaman Training Institute Limited

Providing maritime education and training.

Directors:
- Capt. P.A.P. Peiris (Chairman/Managing Director),
- P.S.R. Casie Chitty,
- Ms. N. Sivapragasam,
- I.S. Cuttilan,
- D.L. Ekanayake.

STRATEGIC INVESTMENT SECTOR

PRINTING AND PACKAGING

Serendib Investments Pte Limited

Company has ceased its operations.

Directors:
- T. Whitton (Chairman) (Appointed w.e.f. 21.02.2021),
- A. Ram,
- Mrs. E. Nadakuitavuki (Appointed w.e.f. 21.02.2021),
- Ms. N. Sivapragasam,
- L.N.D. Silva,
- Col. S. Raivoce (Chairman) (Ceased w.e.f. 21.02.2021).

PLANTATIONS

A E N Palm Oil Processing (Private) Limited

Joint Venture Project between Agalawatte Plantations PLC, Elpitiya Plantations PLC and Namunukula Plantations PLC to process Oil Palm Fruit bunches and extract crude palm oil.

Directors:
- Dr. M.P. Dissanayake (Appointed as Chairman w.e.f. 28.04.2025 for a period of one year),
- N.S. Yaddehige (Held the office of Chairman from 29.04.2024 to 28.04.2025),
- Dr. R.M. Fernando,
- P. de S.A. Gunasekara,
- R.P.L. Ramanayake,
- G.P.N.A.G. Gunathilake.

Aitken Spence Plantation Managements PLC *

Managing agents for Elpitiya Plantations PLC.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R.M. Fernando (Managing Director),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- L.N. de S. Wijeyeratne,
- D.C. Fernando,
- Dr. S A B Ekanayake (Appointed w.e.f. 01.01.2025),
- A.T.S. Sosa (Alternate Director to D.C. Fernando),
- B. Bulumulla (Deceased on 15.03.2025),
- Dr. R.A. Fernando (Resigned w.e.f. 25.03.2025).

Group Companies and Directorate

PLANTATIONS Contd.

E P P Hydro Power (Private) Limited

Generates hydro electricity and supply to the national grid.

Directors:
- Dr. R.M. Fernando (Chairman),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- B. Bulumulla (Deceased on 15.03.2025).

Elpitiya Harrow Tea Company (Private) Limited * (Formerly known as Elpitiya Dianhong Jin Ya Tea Company (Private) Limited - Name changed w.e.f. 16.10.2024)

A Joint Venture Project with Yunnan Dianhong Group of China to cultivate, process and market speciality teas for overseas market.

Directors:
- Dr. R.M. Fernando (Chairman),
- W. Hao,
- T. Wang (Alternate Director to W. Hao),
- B. Bulumulla (Managing Director/ CEO) (Deceased on 15.03.2025).

Elpitiya Lifestyle Solutions (Private) Limited

The company has ceased its operations and is to be liquidated.

Directors:
- S. Pathiratne (Chairman),
- Dr. R.M. Fernando (Managing Director),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- A. Kanthasamy,
- Ms. C.D. Piyaratne,
- B. Bulumulla (Alternate Director to Dr. R.M. Fernando) (Deceased on 15.03.2025)

Elpitiya Plantations PLC

The Company own and manage 13 estates in the Pundaluoya, Pussellawa and Galle regions with a total land extent of 8,830.52 hectares and engaged in cultivation of Tea, Rubber, Oil Palm, Cinnamon, Coconut, Fruit Crops, Commercial Forestry and in High Valued Horticulture Projects.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R.M. Fernando (Managing Director),
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- Ms. M.D.A. Perera (Appointed w.e.f. 27.08.2024),
- Ms. M.K.D.N. Madampe (Appointed w.e.f. 27.11.2024),
- Prof. A.S. Dharmasiri (Appointed w.e.f. 01.01.2025),
- M. J.S. Rajakariar (Appointed w.e.f 01.01.2025),
- Dr. R.A. Fernando (Appointed w.e.f 01.01.2025),
- D.C. Fernando (Resigned w.e.f. 01.08.2024),
- A.T.S. Sosa (Alternate Director to D.C. Fernando) (Ceased to be an Alternate Director w.e.f. 01.08.2024),
- Ms. M. K. G. Peiris (Ceased w.e.f. 27.11.2024),
- Dr. S.A.B. Ekanayake (Resigned w.e.f. 31.12.2024),
- S.C. Ratwatte (Resigned w.e.f. 31.12.2024),
- B. Bulumulla (Joint Managing Director / CEO) (Deceased on 15.03.2025).

Escape Parks Ceylon (Private) Limited

Develop and operate an Adventure Theme Park at Diviturai Estate to promote Tourism in the region.

Directors:
- Dr. M.P. Dissanayake (Chairman),
- Dr. R.M. Fernando.

Water Villas (Private) Limited

Intended Hotel Operator

Directors:
- Dr. R.M. Fernando,
- Malik J. Fernando,
- D.A. de S. Wickremanayake,
- B. Bulumulla (Deceased on 15.03.2025).

Ceylon Agro Food Technologies (Pvt) Ltd

An innovative agricultural research and development Company dedicated to enhancing food product value, reducing agricultural waste, preserving food, and advancing agricultural drone technology, along with expertise in plantation management which comprises of engineers and agricultural scientists committed to tackling the intricate challenges encountered by Sri Lanka's agricultural sector.

Directors:
- S. Gunawardena (Chairman),
- Dr. R.M. Fernando,
- Dr. S.A.B. Ekanayake,
- Ms. S.T. Gunawardena,
- Ms. N.R. Gunawardene,
- P.S. Dissanayake,
- Ms. N.D. Perera,
- B. Bulumulla (Managing Director) (Deceased on 15.03.2025).

Harrow House (Private) Limited (Incorporated on 17.05.2024)

A fully owned subsidiary of Elpitiya Plantations PLC, established with the aim of enhancing the visibility and expanding the distribution of the value-added brands.

Directors:
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- D.A. de S. Wickremanayake,
- Malik J. Fernando,
- B. Bulumulla (Deceased on 15.03.2025).

The Dunsinane Valley Company (Private) Limited (Incorporated on 09.10.2024)

A fully owned subsidiary of Elpitiya Plantations PLC focused on developing sustainable tourism ventures in the Dunsinane Valley by balancing economic potential with ecological preservation and community engagement.

Directors:
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- D.A. de S. Wickremanayake,
- Malik J. Fernando,
- B. Bulumulla (Deceased on 15.03.2025).

** The companies' Financial Statements are audited by Messrs. KPMG, Chartered Accounts*

Group Companies and Directorate

SERVICES SECTOR

FINANCIAL & OTHER SERVICES

Aitken Spence C & T Investments (Private) Limited *

The Corporate has ceased operations due to circumstances beyond its control.

Directors:
- A.Y. Atapattu (Chairman),
- Dr. M.P. Dissanayake,
- S. Chandramohan,
- Dr. R.M. Fernando,
- S.G. Atapattu.

BPO SERVICES

Port City BPO (Private) Limited

A Joint Venture between Aitken Spence International Pte. Ltd., and IRIS Tech Ventures Sdn. Bhd. that will provide BPO services to off shore clients.

Directors:
- Ms. D.S.T. Jayawardena,
- Dr. M.P. Dissanayake,
- Dr. R.M. Fernando,
- Ms. N. Sivapragasam,
- G.L. Seaton,
- C.J. Wen,
- T.Y. Ming,
- H.NG. B. Harng.

ELEVATOR

Aitken Spence Engineering Solutions (Private) Limited *

Joint Venture between Aitken Spence PLC and Mr. Balamurugan Kaliamoorthy incorporated to supply, install, test, commission and maintain equipment of any kind in the field of Air-conditioning, fire and security.

Directors:
- D.R.C. Hindurangala,
- B. Kaliyamoorthy,
- Ms. N. Balamurugan,
- J.E. Brohier,
- A.J. Gunawardena.

COMPANIES UNDER LIQUIDATION

Spence International (Private) Limited

Liquidation commenced on 19.03.2019.

Aitken Spence Overseas Travel Services (Private) Limited

Liquidation commenced on 16.03.2022.

Aitken Spence Technologies (Pvt) Ltd

Liquidation commenced on 24.03.2025.

Glossary of Terms

ABCs

Aitken Spence Behavioural Competency framework.

ALPHA

Accelerated Leadership Programme for High Achievers, a Learning & Development programme for the Group's First Time Managers.

Asset Turnover

Total revenue divided by average total assets.

ASSM

Aitken Spence School of Management, the Group's Learning & Development arm.

Assets Held for Sale

The carrying amount of the asset value which will be recovered through a sale transaction rather than through continuing use.

Available-for-Sale

Any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as loans and receivables, held-to-maturity investments, or financial assets at fair value through profit or loss.

AWDR

The Average Weighted Deposit Rate is calculated by the Central Bank monthly and half yearly based on the weighted average of all outstanding interest-bearing deposits of commercial banks and the corresponding interest rates.

AWPLR

The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half yearly based on commercial bank's lending rates offered to their prime customers.

Basis Point

One hundredth of a percentage point. i.e.1/100

Capital Employed

Shareholders' funds plus non-controlling interests and total interest bearing loans and borrowings.

Capital Expenditure

The total of additions to property, plant & equipment, intangible assets, investment property and the purchase of outside investments.

Capital Reserves

Reserves identified for specific purposes and considered not available for distribution.

Carrying Amount

The amount at which as asset is recognised in the statement of financial position.

Cash Ratio

Cash and short-term deposits divided by current liabilities.

Collateral

Monetary or non-monetary asset pledged or received as security in lieu of a loan or credit terms obtained or provided.

Collective Impairment provision

Impairment provision is measured on a collective basis for homogeneous groups of debtors that are not considered individually significant.

Contract

An agreement between two or more parties that has clear economic consequences that the parties have little, if any discretion to avoid usually because the agreement is enforceable by law.

Contract Asset

An entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

Contract Liability

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amounts due) from the customer.

Credit Risk

Risk that the counterparty to a transaction fails to meet its contractual obligations in accordance with the agreed terms and conditions.

Currency

An agreement between two parties to exchange two currencies at a certain exchange rate at a certain time in the future.

Current Ratio

Current assets divided by current liabilities.

Debenture

A long-term debt instrument issued by a corporate.

Debt/Equity Ratio

Non-current interest-bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

Derivatives

Financial contracts whose values are derived from the values of underlying assets.

DE&I

Diversity, Equity & Inclusion.

Dividend Payout

Dividends per share divided by earnings per share. This indicates the percentage of the Company's earning that is paid out to shareholders in cash.

Dividend Cover

Net profit attributable to the ordinary shareholders divided by the total dividend.

Glossary of Terms

Dividend Yield

Dividend per share divided by the market value of a share.

Dividends per Share (DPS)

Dividends paid and proposed, divided by the number of issued shares, which are ranked for those dividends.

DRR

Disaster Risk Reduction.

Earnings per Share (EPS)

Net profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

EBITDA

Earnings (inclusive of equity accounted investees) before interest expenses, tax, depreciation, and amortisation.

Economic life (of an asset)

Either the period over which an asset is expected to be economically usable by one or more users or the number of production or similar units expected to be obtained from an asset by one or more users.

EDP

Executive Development Programme, a Learning & Development programme for the Group’s Senior Leaders.

Effective Rate of Dividend

Rate of dividend per share paid on the number of shares ranking for dividend at the time of each payment.

Effective Rate of Interest

Total long-term and short-term interest divided by average long-term and short-term liabilities at the beginning and end of the year.

Employee Attrition Rate

Number of resignations/Average number of employees *100

EPZ

Export Processing Zone.

Equity Instruments

A contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Expected Credit Losses

The weighted average of credit losses with the respective risks of a default occurring as the weights.

Fair Value

The amount at which an asset is exchanged, or a liability settled, between knowledgeable and willing parties in an arm’s length transaction.

Fair Value Through Other Comprehensive Income (FVOCI)

Financial instruments that are held for trading and measured at fair value through other comprehensive income.

Fair Value Through Profit or Loss (FVPL)

Financial instruments that are held for trading and are designated as at fair value through profit and loss.

Financial Asset

Any asset that is cash or an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable.

Financial Instruments

Any contract that gives rise to financial assets of one entity and financial liability or equity instrument of another entity.

Financial Leverage

Total average assets divided by total average equity.

Financial Liability

A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

Forward Exchange Contract

Agreement between two parties to exchange one currency for another at a future date at a rate agreed upon today.

GHGs

Gases in the Earth's atmosphere that trap heat and contribute to the greenhouse effect, leading to global warming and climate change.

Goodwill

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

Gross Treasury Bill Rate

Weighted average treasury bill rate gross of withholding tax published by Central Bank of Sri Lanka at the auction immediately preceding an interest determination date.

GRI

Global Reporting Initiative.

Guarantees

A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfil the contractual obligations under that said contract.

Held-to-Maturity

A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

ILO

International Labour Organisation.

IMF

International Monetary Fund.

Glossary of Terms

Impact (in the context of GRI Standards)

Effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. It does not refer to an effect upon an organisation, such as a change to its reputation.

Impairment

Occurs when recoverable amount of an asset is less than the carrying amount.

Intangible Assets

An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

Interest Cover

Operating profit before interest divided by the net interest.

Interest Rate Swap

An arrangement whereby two parties swap interest rate commitments with each other to reduce interest rate risks on fixed or floating rate loans.

IRCSL

Insurance Regulatory Commission of Sri Lanka.

Investment Property

Investments in land and buildings that are held to earn rentals or for capital appreciation or for both.

JCC

Joint Consultative Committees.

Lease

A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

LIBOR

The London Inter Bank Offer Rate is an interest rate at which banks can borrow funds, in marketable size, from other banks in the London interbank market.

Liquidity Risk

The risk of an entity having constrains to settle its financial liabilities.

Loans and receivables

A financial asset with fixed and determinable payments that are not quoted in an active market and do not qualify as trading assets.

Local (in the context of sustainability programmes)

the immediate community within a 35 to 45 km radius of our operations outside Colombo. For operations outside Sri Lanka, 'local' would refer to the local community of that country.

Loss Given Default (LGD)

The magnitude of the loss in the event of a default.

Market Capitalisation

The number of ordinary shares in issue multiplied by the market price per share as at a given date.

Market Risk

Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

Material Topics

Topics that represent an organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

MCLR

Marginal Cost of Funds based Lending Rate is published by Reserve Bank of India, used as the reference rate by financial institutions to set the interest rate of Indian Rupee denominated lending products.

Net Assets per Share

Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

Net Positive Impact

Net positive impact refers to a holistic, strategic approach where a company's overall positive environmental, social, and economic impacts and value creation outweigh its negative impacts.

Net Profit Margin

Net profit for the period divided by the revenue.

Net Zero Emissions

A balance between the amount of greenhouse gases emitted into the atmosphere and the amount removed or offset, resulting in no additional contribution to global warming.

Non-controlling Interest

Part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent.

OHS

Occupational Health & Safety.

Operating Profit Margin (EBIT Margin)

Earnings before interest and tax divided by revenue.

Past service Cost

Past Service Cost is the change in the Present value of the defined Benefit obligation (PVDBO) for employee service in prior periods, resulting in the current period from the introduction of or changes to, post-employment benefits or other long term employee benefits.

Price Earnings Ratio (PER)

Market value per share divided by the earnings per share.

Price to Book Value Ratio (PBV)

Market price per share divided by net assets per share.

Probability of Default (PD)

Estimate of likelihood that a borrower will be unable to meet debt obligations.

Glossary of term

Quick Asset Ratio

Total current assets less inventories divided by total current liabilities.

Return on Assets.

Earnings before finance cost and tax divided by the average total assets.

Return on Capital Employed (ROCE)

Earnings before total interest including the share of profits of equity accounted investees divided by the average of total equity, long-term and short-term bank borrowings, and overdraft less cash, and cash held in deposits.

Return On Equity

Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and at the end of the financial year.

Revaluation Surplus

Surplus amount due to revaluing assets in accordance with its fair value.

Revenue Reserves

Reserves set aside for future distributions and investments.

Right-of-use asset

An asset that represents a lessee's right to use an underlying asset for the lease term.

RTE

Roots To Excellence, the Group's new employee orientation programme.

SASB

The Sustainability Accounting Standards Board (SASB) develops industry-specific standards for companies to disclose financially material sustainability information to investors.

SBTi

The Science Based Targets initiative (SBTi) is an accelerator movement that encourages companies to set greenhouse gas emission reduction targets in line with the latest climate science to meet the goals of the Paris Agreement.

SBU

Strategic Business Unit.

SDG

Sustainable Development Goals.

SOFR

The Secured Overnight Financing Rate (SOFR) is a reference rate which has been established as the preferred alternative rate for the USD London Interbank Offered Rate (LIBOR). SOFR is commonly being used for US dollar-denominated derivatives, loans, and other financial transactions in place of the LIBOR. SOFR is calculated by the New York Federal Reserve based on transaction data from the overnight Repurchase (repo) market.

Total Equity

Total of share capital, reserves, retained earnings and non-controlling interest.

Total Shareholder Return (TSR)

The difference between the closing and opening share price plus the dividend pertaining to the year divided by the opening share price.

Treasury Bill/T-Bill

Short term debt instrument of 3,6 or 12 months issued by the Government of Sri Lanka.

Treasury Bond/T-Bond

Medium to long term debt instrument of 1 year and above, issued by the Government of Sri Lanka which carries a coupon (interest) paid on semi-annual basis.

Uncertain tax treatment

A tax treatment for which there is uncertainty over whether the relevant taxation authority will accept the tax treatment under tax law.

Unquoted Shares

Shares which are not listed in the Stock Exchange.

UNCTAD

United Nations Conference on Trade and Development.

UNWTO

United Nations World Tourism Organisation.

Value added per Employee

Total value created by the Group during the year divided by the total employees of all the subsidiaries of the Group as at end of the financial year.

VoS

Voice of Spensonians, the Group's employee opinion survey.

WHO

World Health Organisation.

Working Capital

Current assets less current liabilities.

Yield to Maturity

The discount rate that equals present value of all expected interest payment and the repayment of principal.

Young Managers

Executives in managerial positions (Assistant Manager and above), and under 35 years of age.

Corporate Information

Name
Aitken Spence PLC

Legal Form
A Public Quoted Company with limited liability, incorporated in Sri Lanka in 1952

Company Registration Number
PQ 120

Registered Office
No. 315, Vauxhall Street Colombo 2, Sri Lanka

Directors
Ms. D.S.T. Jayawardena
Executive Chairperson (Appointed w.e.f. 06th February 2025)
Dr. M.P. Dissanayake
Deputy Chairman and Managing Director
Dr. R.M. Fernando
Mr. J.M.S. Brito
Mr. N.J. de S. Deva Aditya
Mr. R.N. Asirwatham
Mr. C.R. Jansz
Mr. M.R.Mihular (Appointed w.e.f.02nd December 2024)
Dr. R.A. Fernando (Appointed w.e.f. 30th December 2024)
Mr. P. Englisch(Appointed w.e.f. 30th December 2024)
Mr. C.J. Sevilla (Appointed w.e.f. 30th December 2024)
Mr. C.H. Gomez (Resigned w.e.f 30th December 2024 and appointed w.e.f.01st April 2025)
Deshamanya D.H.S.Jayawardena (Deceased on 03rd February 2025)
Mr. M.A.N.S. Perera (Resigned w.e.f 25th November 2024)

Nominations and Governance Committee
Mr. P. Englisch - Chairman
Dr. R.A. Fernando
Mr. C.J.Sevilla
Mr. J.M.S.Brito
Mr. C.R.Jansz

Remuneration Committee
Mr. P. Englisch - Chairman
Dr. R.A. Fernando
Mr. C.J.Sevilla
Mr. J.M.S.Brito
Mr. C.R.Jansz

Audit and Risk Committee
Mr. M R Mihular - Chairman
Dr. R.A. Fernando
Mr. P. Englisch
Mr. C. J. Sevilla
Mr. R.N. Asirwatham
Mr. J M S Brito

Related Party Transactions Review Committee
Mr. M R Mihular - Chairman
Dr. R.A. Fernando
Mr. P. Englisch
Mr. C. J. Sevilla
Mr. R.N. Asirwatham
Mr. J M S Brito

Secretaries
Aitken Spence Corporate Services (Private) Limited
No. 315, Vauxhall Street,
Colombo 02,
Sri Lanka.
T: (+94 11) 2308308
F:(+94 11) 2445406
E: benji@aitkenspence.lk,
comsec@aitkenspence.lk

Registrars
Central Depository Systems (Private) Limited
Ground Floor, M&M Center,
No. 341/5, Kotte Road,
Rajagiriya,
Sri Lanka.
T: (+94 11) 2356456
F: (+94 11) 2440396
E: registrars@cse.lk
Web: www.cds.lk

Auditors
KPMG
Chartered Accountants
32A, Sir Mohamed Macan Markar Mawatha,
P.O Box 186,
Colombo 03,
Sri Lanka.

Holding Company
Melstacorp PLC

Contact Details
No. 315, Vauxhall Street,
Colombo 02,
Sri Lanka.
T:(+94 11) 2308308
F:(+94 11) 2445406
Web: www.aitkenspence.com

Notice of Meeting

Notice is hereby given that the Seventy Third (73rd) Annual General Meeting of Aitken Spence PLC will be held at No. 315, Vauxhall Street, Colombo 02 on Friday 04th July 2025 at 10.oo a.m., as a virtual meeting using a digital platform for the following purposes:-

1. To receive and consider the Annual Report of the Board of Directors together with the Audited Financial Statements for the year ended 31st March 2025 and the Report of the Auditors thereon.

2. To declare a first and final dividend as recommended by the Board of Directors.

3. To re-appoint Mr. R.N. Asirwatham who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:
   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. R.N. Asirwatham who is 82 years of age and that he be re-appointed a Director of the Company."

4. To re-appoint Mr. J.M.S. Brito who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. J.M.S. Brito who is 78 years of age and that he be re-appointed a Director of the Company."

5. To re-appoint Mr. N.J. de Silva Deva Aditya who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. N.J. de Silva Deva Aditya who is 77 years of age and that he be re-appointed a Director of the Company."

6. To re-appoint Dr. R.M. Fernando who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Dr. R.M. Fernando who is 72 years of age and that he be re-appointed a Director of the Company."

7. To re-appoint Mr. C.R. Jansz who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. C.R. Jansz who is 72 years of age and that he be re-appointed a Director of the Company."

8. To elect Mr. M. R. Mihular who retires in terms of Article 90 of the Articles of Association, as a Director.

9. To elect Dr. R. A. Fernando who retires in terms of Article 90 of the Articles of Association, as a Director.

10. To elect Mr. P. Englisch who retires in terms of Article 90 of the Articles of Association, as a Director.

11. To elect Mr. C. J. Sevilla who retires in terms of Article 90 of the Articles of Association, as a Director.

12. To elect Mr. C. H. Gomez who retires in terms of Article 90 of the Articles of Association, as a Director.

13. To authorise the Directors to determine contributions to charities.

14. To re-appoint the retiring External Auditors, Messrs. KPMG, Chartered Accountants and authorise the Directors to determine their remuneration.

15. To consider any other business of which due notice has been given.

By Order of the Board
Aitken Spence PLC

Aitken Spence Corporate Services (Private) Limited
Secretaries

12th June 2025
Colombo

Notice of Meeting

Note:

1. The Annual General Meeting of Aitken Spence PLC will be held as a virtual meeting by participants joining in person or by proxy, through audio or audio visual means in the manner specified below:

i. Shareholder Participation

(a) The shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

(b) The shareholders may also appoint any other person other than a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting through audio or audio visual means only.

(c) The shareholders who wish to participate at the meeting will be able to join the meeting through audio or audio visual means only. To facilitate this process, the shareholders are required to furnish their details by perfecting Annexure II to the circular to shareholders and forward same to reach the Company Secretaries via e-mail to dilshani.yapa@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 02 not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the e-mail addresses so provided. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.

(d) To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filled Forms of Proxy should be sent to reach the Company Secretaries via e-mail to dilshani.yapa@aitkenspence.lk or facsimile on +94 112445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 02, not less than forty eight (48) hours before the time fixed for the meeting.

ii. Shareholders' Queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretaries, via e-mail to dilshani.yapa@aitkenspence.lk or facsimile on +94 112445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 2, not less than five (5) days before to the date of the meeting. This is in order to enable the Company Secretaries to compile the queries and forward same to the attention of the Board of Directors so that such queries could be addressed at the meeting.

2. Should the first and final dividend recommended be approved by the Shareholders at the Annual General Meeting:

(a) it is proposed to dispatch the dividends by 25th July 2025;

(b) for the shareholders who have provided accurate dividend disposal instructions with bank account details to the Central Depository Systems (Private) Limited, dividends of such shareholders will be credited directly to the specified bank accounts by 14th July 2025.

In accordance with the Listing Rules of the Colombo Stock Exchange, the shares of the Company will trade ex-dividend with effect from 07th July 2025.

3. The Annual Report of the Company for the financial year 2024/25 will be available for perusal on the Company website www.aitkenspence.com, the Colombo Stock Exchange website www.cse.lk and the social media sites of the Company.

Notes

Form of Proxy

I/We...of

....being a member/members

of Aitken Spence PLC hereby appoint ....

....of..

.... (whom failing),

Ms. Don Stasshani Therese Jayawardena	(whom failing),
Dr. Mahinda Parakrama Dissanayake	(whom failing),
Dr. Rohan Marshall Fernando	(whom failing),
Mr. Joseph Michael Suresh Brito	(whom failing),
Mr. Rajanayagam Nalliah Asirwatham	(whom failing),
Mr. Niranjan Joseph de Silva Deva Aditya	(whom failing),
Mr. Cedric Royle Jansz	(whom failing),
Mr. Mohamed Reyaz Mihular	(whom failing),
Dr. Ravindra Ajith Fernando	(whom failing),
Mr. Peter Englisch	(whom failing),
Mr. Christian Joseph Sevilla	(whom failing),
Mr. Charles Humbert Gomez,	

as my/our proxy to represent me/us, to speak and to vote on my/our behalf at the Annual General Meeting of the Company to be held on 04th July 2025 at 10.00 a.m., and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We the undersigned hereby authorize my/our proxy to vote on my/our behalf in accordance with the preference indicated below:

No.	Resolution	For	Against
2	To declare a first and final dividend as recommended by the Directors		
3	To re-appoint Mr. R.N. Asirwatham who is over the age of 70 years		
4	To re-appoint Mr. J.M.S. Brito who is over the age of 70 years		
5	To re-appoint Mr. N.J. de S. Deva Aditya who is over the age of 70 years		
6	To re-appoint Dr. R.M. Fernando who is over the age of 70 years		
7	To re-appoint Mr. C.R. Jansz who is over the age of 70 years		
8	To elect Mr. M.R. Mihular who retires in terms of Article 90 of the Articles of Association of the Company		
9	To elect Dr. R.A. Fernando who retires in terms of Article 90 of the Articles of Association of the Company		
10	To elect Mr. P. Englisch who retires in terms of Article 90 of the Articles of Association of the Company		

Form of Proxy

No.	Resolution	For	Against
11	To elect Mr. C.J. Sevilla who retires in terms of Article 90 of the Articles of Association of the Company		
12	To elect Mr. C.H. Gomez who retires in terms of Article 90 of the Articles of Association of the Company		
13	To authorise the Directors to determine contributions to charities		
14	To re-appoint the retiring External Auditors, Messrs. KPMG, Chartered Accountants and authorise the Directors to determine their remuneration		

Signed this.................... day of June Two Thousand and Twenty Five.

....

Shareholder's Signature/(s)

....

Shareholder's NIC / Folio No.   Proxyholder's NIC No.

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

INSTRUCTIONS AS TO COMPLETION

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy 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 Form of Proxy shall be executed in the manner specified in the Articles of Association/ Constitutional documents (as applicable).
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his/her appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretaries via e-mail to dilshani.yapa@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 2, not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):	:
NIC/PP/Company Registration No. of the Shareholder/s	:
Folio No.	
E-mail address of the Shareholder/(s) or	:
proxy holder (other than a Director appointed as proxy)	:
Mobile No.	:
Fixed Line	:

Aitken Spence PLC: Shareholder Feedback Form

Your feedback is essential for shaping our strategic direction and improving our performance. We would greatly appreciate it if you could spare a few minutes to share your thoughts and suggestions via this form.

The completed Feedback Form could be e-mailed to info@aitkenspence.lk or posted to the Company Secretaries at No. 315, Vauxhall Street, Colombo 02, Sri Lanka. You can also access this form online on Aitkenspence.com/feedback or by scanning the QR code.

Aitken Spence PLC
- Shareholder Feedback

YOUR LOCATION

☐ Sri Lanka ☐ Other ....

CORPORATE COMMUNICATIONS

Please rate the following areas based on your experience with the Company.

	Very low	Low	Medium	High	Very high	N/A
Quality and presentation of the annual report	☐	☐	☐	☐	☐	☐
Usefulness of the information in the annual report	☐	☐	☐	☐	☐	☐
Likelihood of the financial information in the Annual Report to influence decisions about the company	☐	☐	☐	☐	☐	☐
Likelihood of the environmental and social information in the Annual Report to influence decisions about the company	☐	☐	☐	☐	☐	☐
Level of satisfaction with the communications with/from Aitken Spence	☐	☐	☐	☐	☐	☐

Which channels of communication are preferred when receiving information about Aitken Spence?

☐ Website ☐ Emails ☐ Newspaper ☐ Magazine articles ☐ Social media

Aitken Spence PLC: Shareholder Feedback Form

ENGAGEMENT WITH SPENSONIANS

Please rate the following areas based on your experience with employees of Aitken Spence, or 'Spensonians'.

	Very low	Low	Medium	High	Very high	I have not interacted with any Spensonians
Level of satisfaction with the conduct of Spensonians	☐	☐	☐	☐	☐	☐
Competency of our Spensonians based on recent interaction	☐	☐	☐	☐	☐	☐
Access to information about human resources management at Aitken Spence	☐	☐	☐	☐	☐	☐
Lawful and ethical professional conduct	☐	☐	☐	☐	☐	☐
OHS, labour standards, employee welfare and well-being	☐	☐	☐	☐	☐	☐
Human rights, DE&I at the workplace	☐	☐	☐	☐	☐	☐
Learning and development for employees	☐	☐	☐	☐	☐	☐
Capacity building on product & service knowledge	☐	☐	☐	☐	☐	☐

WORKFORCE DEVELOPMENT

What do you believe are the most important employee related issues that our company should address?

	Not important	A little important	Important	Very important	A top priority!
Lawful and ethical **professional conduct**	☐	☐	☐	☐	☐
OHS, labour standards, **employee welfare and well-being**	☐	☐	☐	☐	☐
Human rights, DE&I at the workplace	☐	☐	☐	☐	☐
Learning and development for employees	☐	☐	☐	☐	☐
Capacity building on **product & service knowledge**	☐	☐	☐	☐	☐

Aitken Spence PLC: Shareholder Feedback Form

SUSTAINABILITY

What do you believe are the most important environmental, or socioeconomic issues that our company should address?

	Not important	A little important	Important	Very important	A top priority!
Financial control & governance	☐	☐	☐	☐	☐
Prevention of corruption and unethical business conduct	☐	☐	☐	☐	☐
Compliance with laws, regulations, and voluntary standards	☐	☐	☐	☐	☐
Local economic and community development	☐	☐	☐	☐	☐
Long-term, sustainable economic, social and environmental value created	☐	☐	☐	☐	☐
Energy management	☐	☐	☐	☐	☐
Emission control	☐	☐	☐	☐	☐
Effluent & solid waste control	☐	☐	☐	☐	☐
Water management	☐	☐	☐	☐	☐
Supply chain control on ESG	☐	☐	☐	☐	☐
Biodiversity conservation	☐	☐	☐	☐	☐
Resource management	☐	☐	☐	☐	☐
Human rights, DE&I in the value chain	☐	☐	☐	☐	☐
Product responsibility (quality, sustainability etc.)	☐	☐	☐	☐	☐
Innovation in products & services and unique customer experiences	☐	☐	☐	☐	☐
Climate change risk/ disaster risk management and business continuity management	☐	☐	☐	☐	☐

Are there any other relevant matters not mentioned above that you feel our company should address?

How would you rate your overall satisfaction with our company's performance? Please mark as applicable.

☆ ☆ ☆ ☆ ☆

We thank you for your time.

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