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

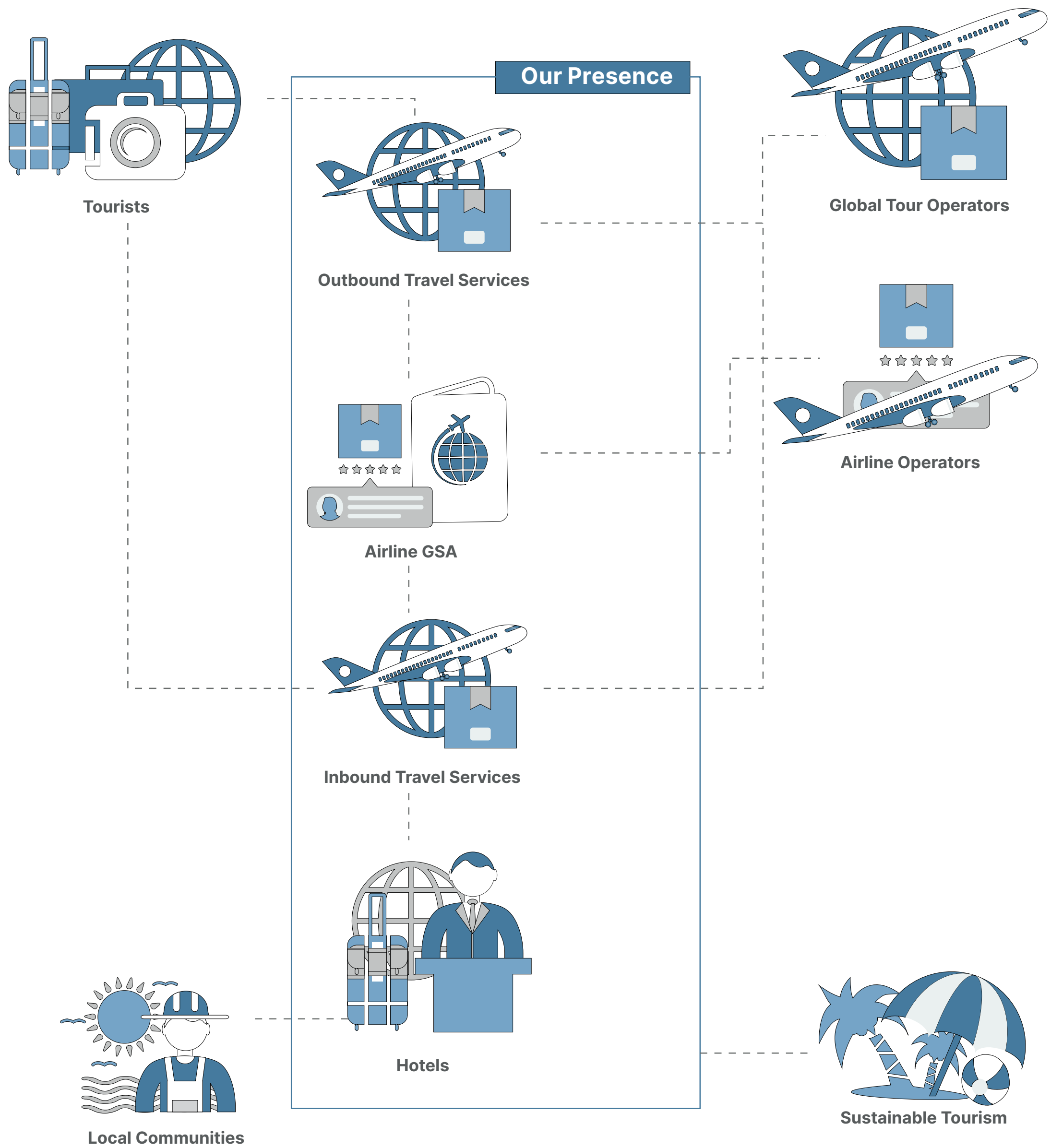
The destination management segment has an expanding geographical presence across four countries. Aitken Spence Travels (Pvt) Ltd is the largest destination management company in Sri Lanka.

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)



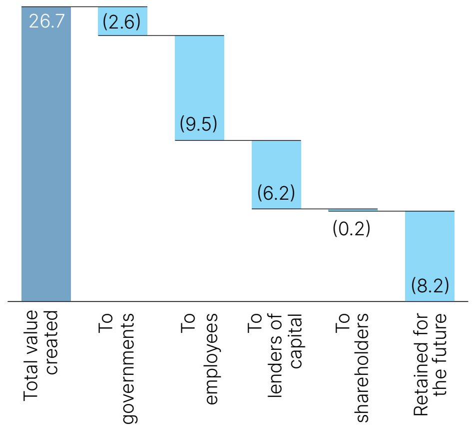
Tourism Sector

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.

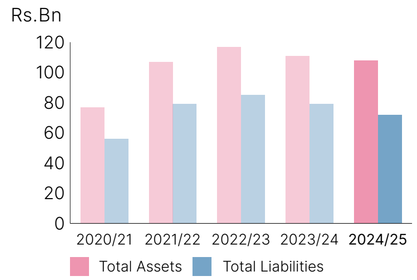
Distribution of Value Created

Rs.Bn

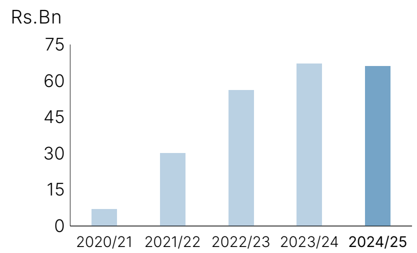


Financial

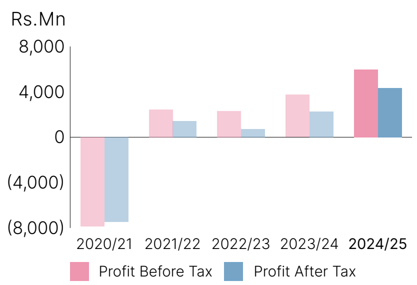
Stability



Revenue

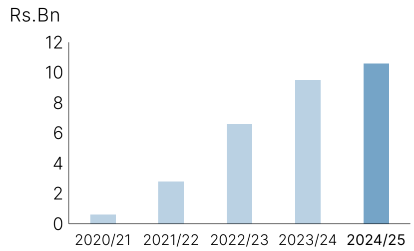


Profitability

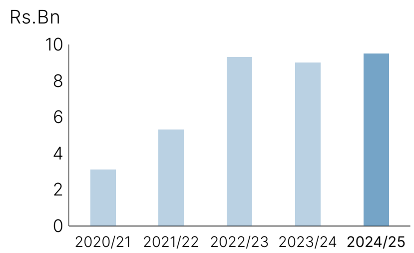


Social

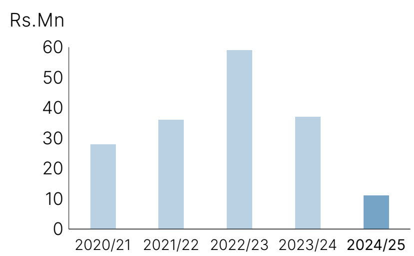
Taxes Paid to Government



Employee Benefits Paid

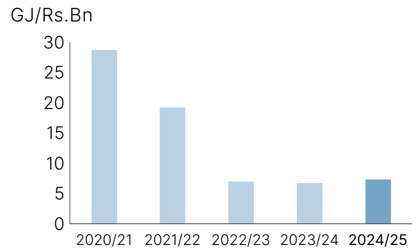


Total Investment in Sustainability Driven Processes

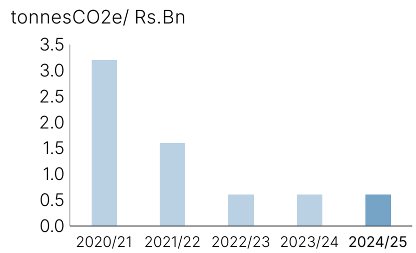


Environment

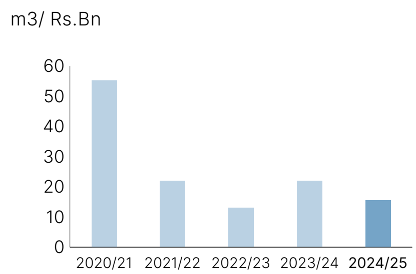
Energy Consumption per Unit Revenue



Emissions per Unit Revenue



Water Consumption per Unit Revenue



Tourism Sector

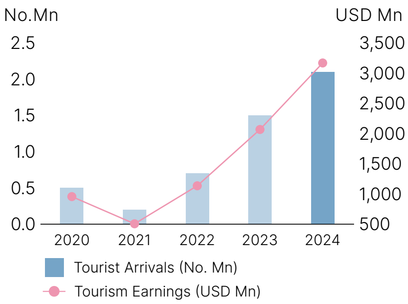
OPERATING CONTEXT

Sri Lanka

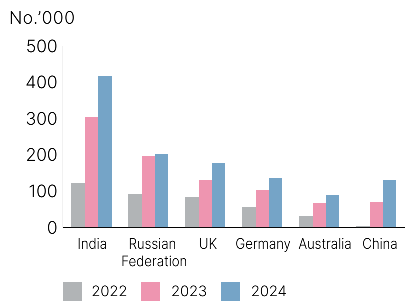
Tourist Arrivals in Sri Lanka increased by

38.1% in 2024

Tourist Arrivals vs Tourism Earnings



Key Source Markets

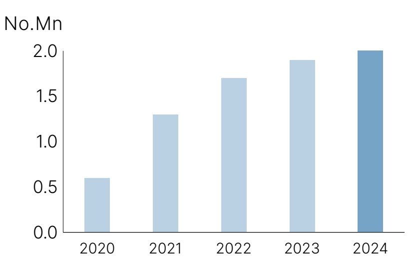


Maldives

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

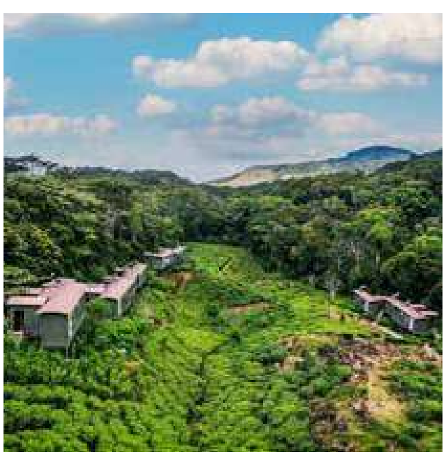
Climate change, extreme weather, and rising sea levels pose growing threats to infrastructure, sustainability, and long-term viability.

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	
Manufactured Capital	A portfolio of 19 properties in 4 countries drive our growth.	Rs 1.6 Bn Investment in property plant and equipment	
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	
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	
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	
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	

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		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		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
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, 5, 8
Intellectual Capital	Training in new distribution capability and iCargo system	Enhanced connectivity, processes and insights into business drivers	9
Social and Relationship Capital	Business partner development supporting mutual growth in earnings	Stronger relationships that support mutual growth	8
Natural Capital	Resource efficiency and shifting to paperless office	Digitalisation and integrated smart platforms used to improve resource efficiency	12

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)

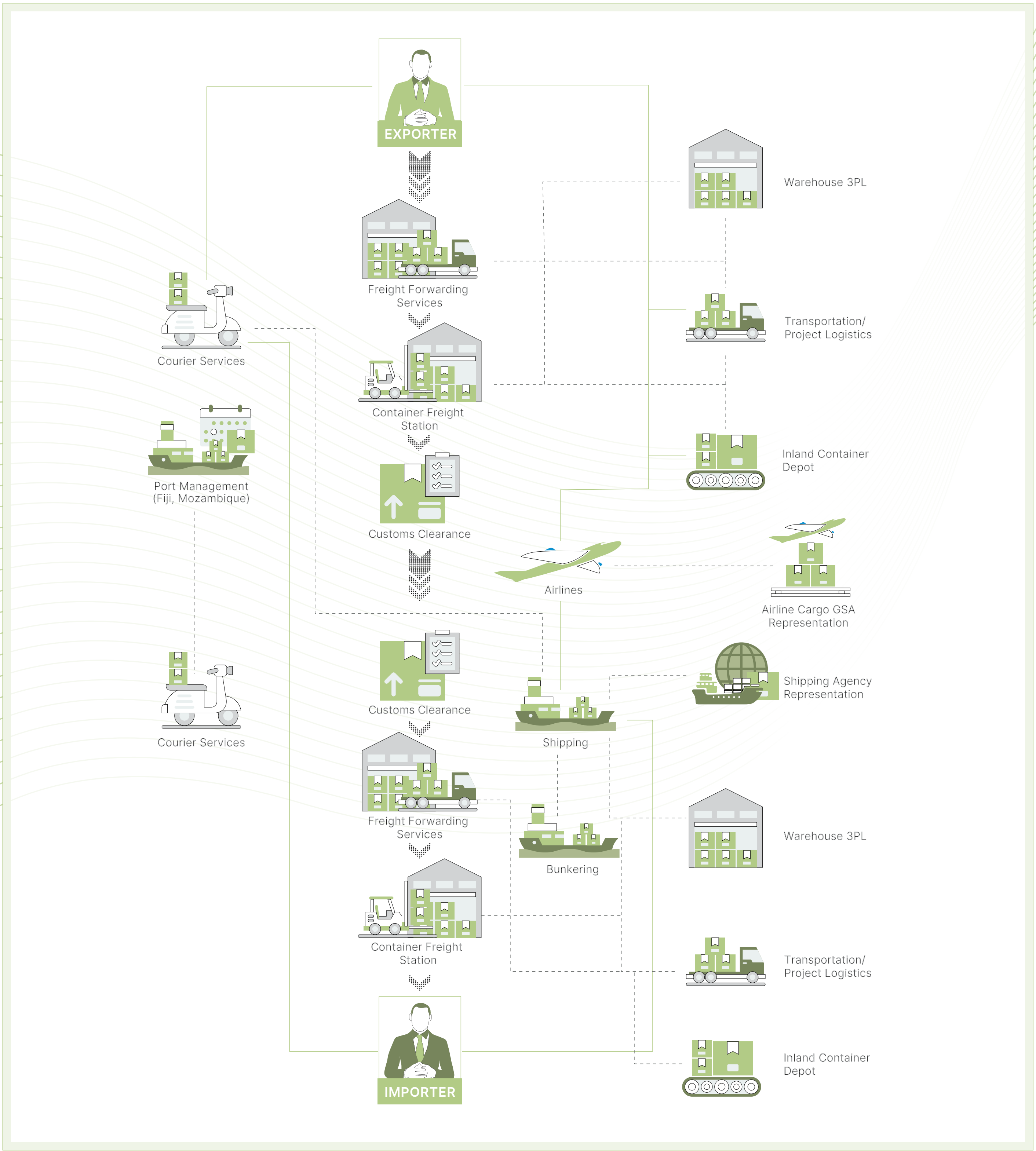
The segment serves as the General Sales Agent (GSA) for Qatar Airways Cargo in Sri Lanka, and represents Pattaya Airways and Gulf Air Cargo operations in both Cambodia and Myanmar.

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

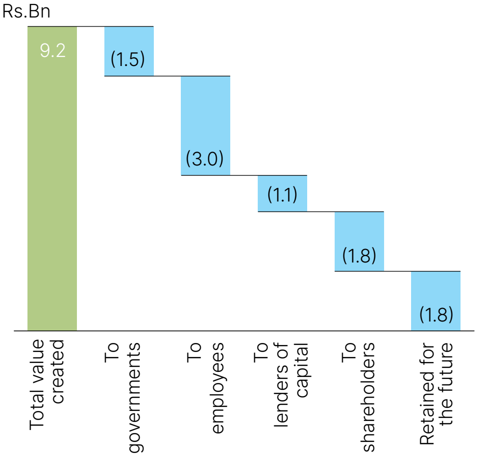
Maritime and Freight Logistics sector, through its facilitation of trade and commerce both in Sri Lanka and in the countries it operates in generated a value of Rs. 9.2 billion. Indicating its service orientation of the sector operations, the largest portion of the value created was distributed amongst 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

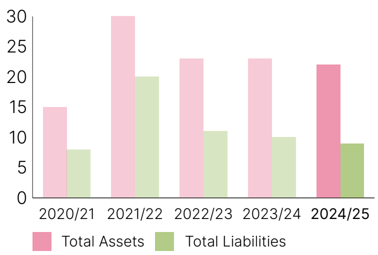
Rs.Bn



Financial

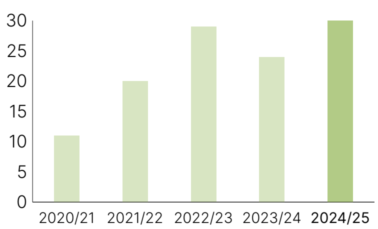
Stability

Rs.Bn



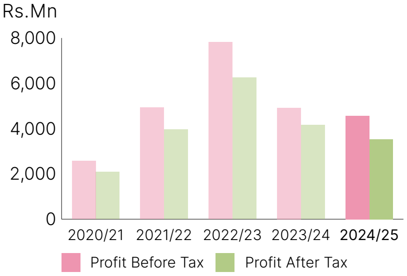
Revenue

Rs.Bn



Profitability

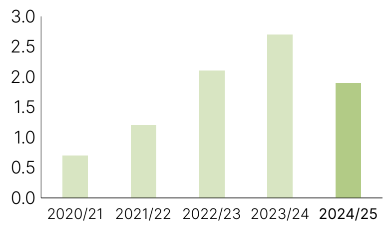
Rs.Mn



Social

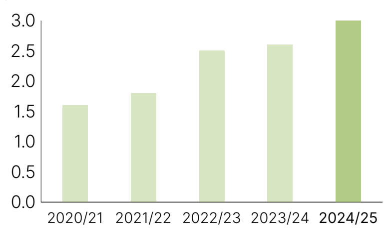
Taxes Paid to Government

Rs.Bn



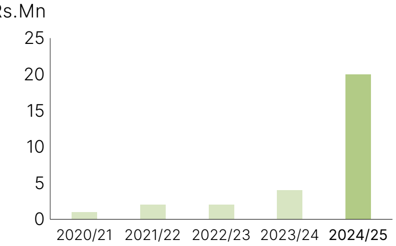
Employee Benefits Paid

Rs.Bn



Total Investment in Sustainability Driven Processes

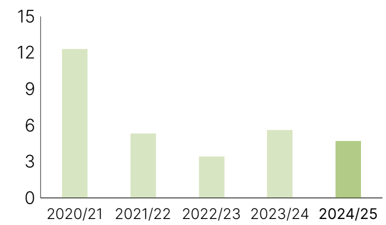
Rs.Mn



Environment

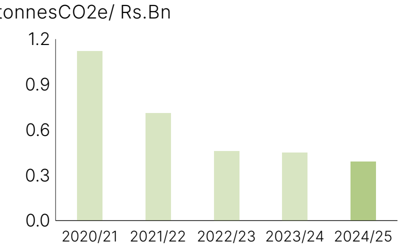
Energy Consumption per Unit Revenue

GJ/Rs.Bn



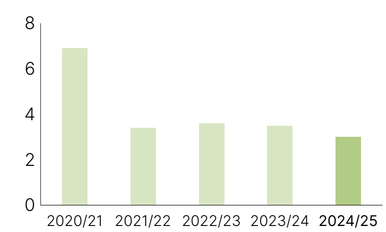
Emissions per Unit Revenue

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	Term	Time Bound Strategies
Achieve year-on-year sustainable profit growth, with an overall growth in market share in all business segments	Short term	Enhance operational efficiency by upgrading digital systems and elevate customer engagement through the implementation of advanced customer relationship management tools.
	Medium Term	Leverage automation, artificial intelligence, and digital tools to optimise operations and customer experience.
	Long Term	Invest in infrastructure upgrades and asset modernisation to support long-term growth.
Expand the Aitken Spence reach into new geographies	Short term	Explore partnerships and joint ventures to expand presence in new regions.
	Medium Term	Establish segment-specific hubs to streamline international trade and supply chain operations.
	Long Term	Strengthen strategic alliances to introduce regional logistics solutions and enhance market reach
Venture into five new business segments by 2030	Short term	Develop integrated logistics solutions to support end-to-end supply chain management.
	Medium Term	Shift business focus towards expanding international logistics and supply chain services.
	Long Term	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	Short term	Reduce transport emissions through transitioning to low carbon options and route optimisation
	Medium Term	Incorporate sustainable architecture, energy-efficient equipment, climate control systems, and renewable energy sources in warehouse facilities.
	Long Term	Collaborate with partners committed to sustainable practices to promote environmental responsibility throughout the supply chain.
Achieve Employer of Choice status	Short term	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
	Medium Term	Invest in AI and digital platforms to improve workplace efficiency and streamlined processes. Encourage innovation and new business thinking among employees.
	Long Term	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 Rs. 47.7 Mn invested in energy efficient equipment and vehicles	389.9 GJ Renewable energy generated 13.7% Reduction in emissions per unit revenue (tCO2e/Rs. Bn)	8, 9

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.

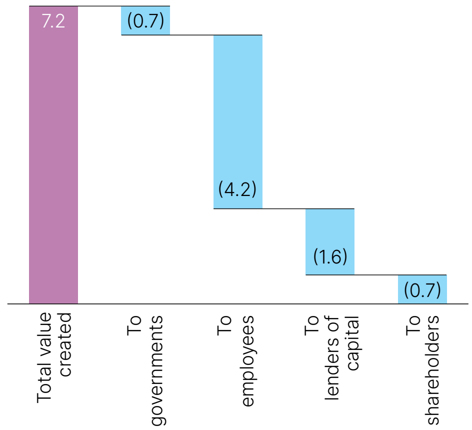
Strategic Investments Sector

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

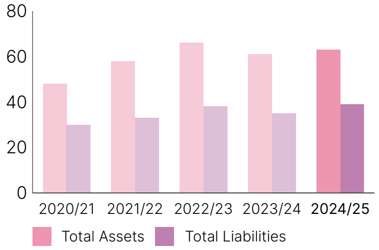
Rs.Bn



Financial

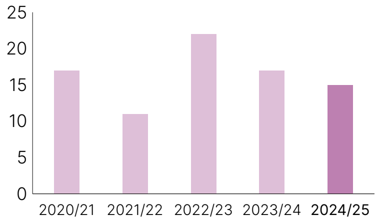
Stability

Rs.Bn



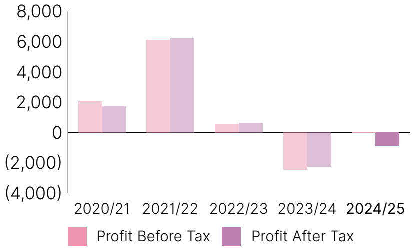
Revenue

Rs.Bn



Profitability

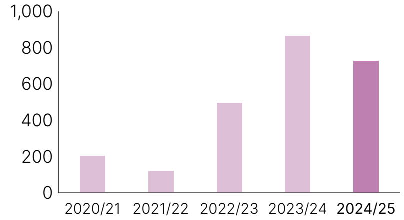
Rs.Mn



Social

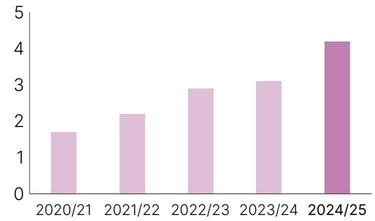
Taxes Paid to Government

Rs.Mn



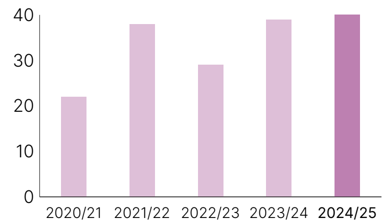
Employee Benefits Paid

Rs.Bn



Total Investment in Sustainability Driven Processes

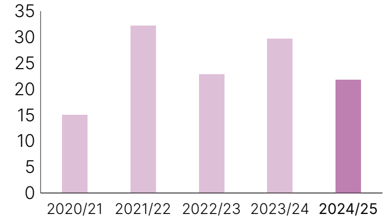
Rs.Mn



Environment

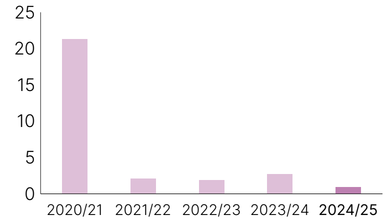
Energy Consumption per Unit Revenue

GJ/Rs.Bn



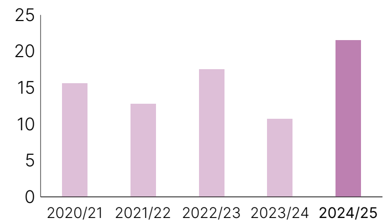
Emissions per Unit Revenue

tonnesCO2e/ Rs.Bn



Water Consumption per Unit Revenue

m3/ Rs.Bn



Strategic Investments Sector

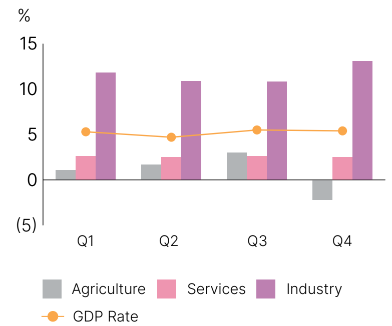
SRI LANKAN ECONOMY

Economic Growth

The Sri Lankan Economy Grew by

5% in 2024

GDP Growth by sector

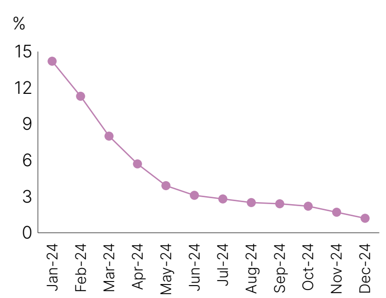


Inflation

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.

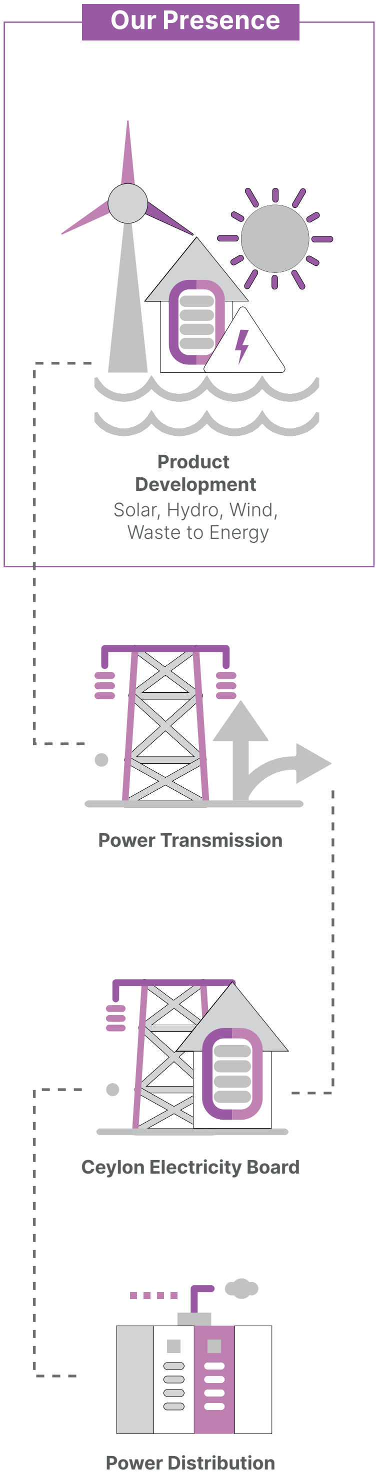
Together, these strategic pivots position the sector to navigate uncertainty, unlock new revenue streams, and deliver inclusive, climate-resilient value aligned with SDGs 5, 8, and 9—contributing meaningfully to poverty reduction and food security under SDGs 1 and 2.

For a comprehensive overview of each business unit's outlook and plans, please refer to the respective segmental reviews.

Strategic Investments Sector

POWER GENERATION

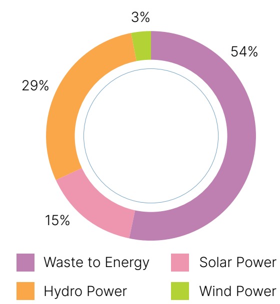
Our Presence along the Power Generation Value Chain (GRI 2-6)



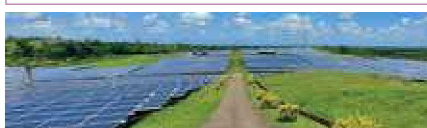
OUR CONTRIBUTION TO SRI LANKA'S ENERGY GENERATION LANDSCAPE

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.

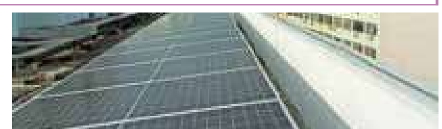
Total Power Generation by Method



Solar Power

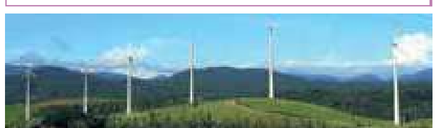


Sagasolar Power (Pvt) Ltd.
Capacity : 10 MW
Location : Hambantota



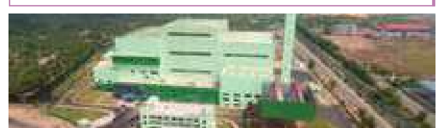
Aitken Spence Power (Pvt) Ltd.
Capacity : 0.75 MW - Roof top solar
Location : Mawaramandiya

Wind Power



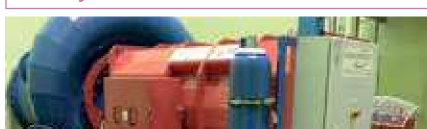
Ace Wind Power (Pvt) Ltd.
Capacity : 3 MW
Location : Ambewela

Waste to Energy

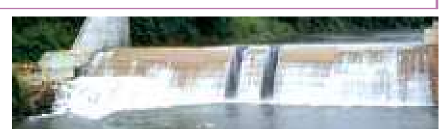


Western Power Company (Pvt) Ltd.
Capacity : 10 MW
Location : Kerawalapitiya

Hydro Power

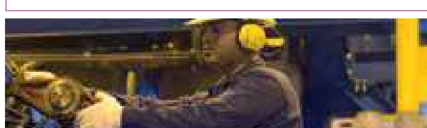


Branford Hydropower (Pvt) Ltd.
Capacity : 2.5 MW
Location : Matale



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		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

27.9% EBIT Growth

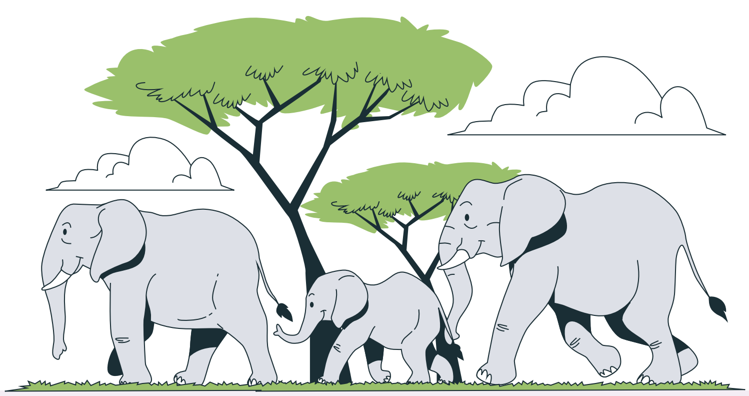
(14.6%) Total Assets Decline

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) CO_2- 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) CO_2-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 N_2O), (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

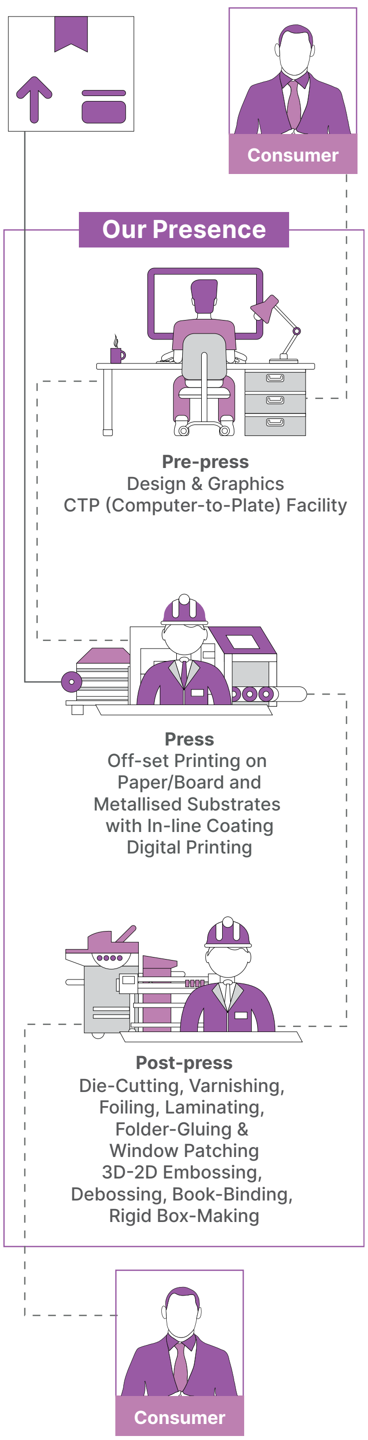
Topic	Metric	Category	Unit of measure	Code	Disclosure
6. Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) Fatality rate, and (3) Near miss frequency rate (NMFR) for -(a) direct employees, (b) contract employees	Quantitative	Rate	IF-EU-320a.1	(1) 0 (2) 0 (3,a) 0 (3,b) 0
7.End-Use 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 m^3 per annum.	Rs 17.8Mn Invested in sustainability related process improvements	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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.

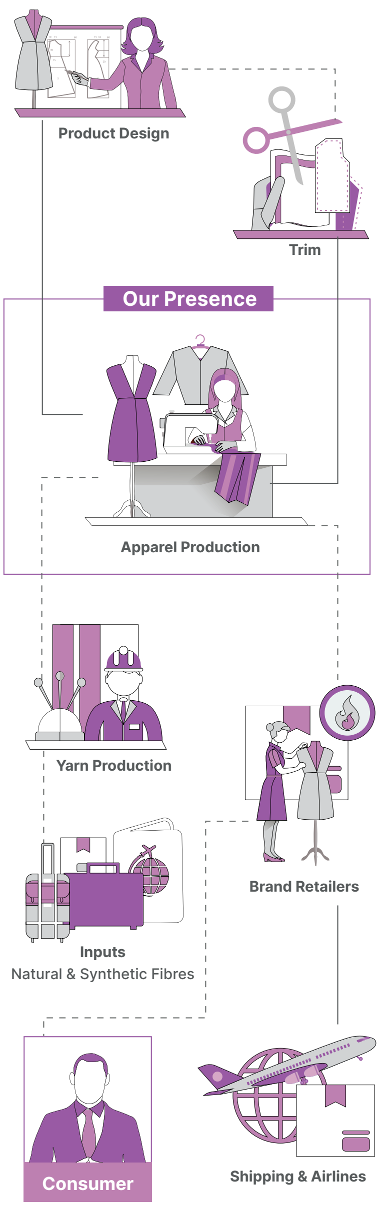
As we continue to drive operational and cost efficiencies by optimising our existing capacity, we will also actively seek to diversify our business into high-growth areas while exploring new business segments and markets.

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.

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

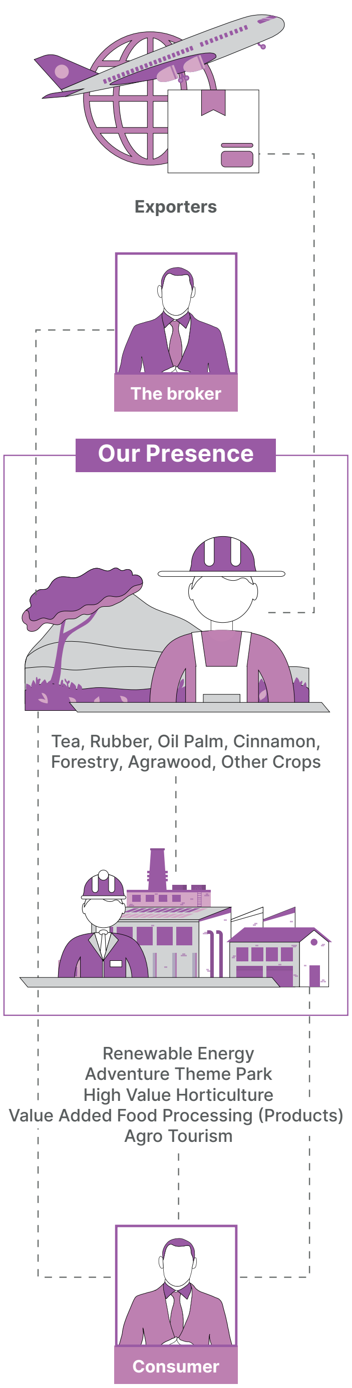
Topic	Metrics	Category	Unit of measure	Code	Disclosure
	(2) Associated corrective action rate for suppliers' labour code of conduct audits				No major non-compliances reported. In the industry, major non-compliances would result in an immediate discontinuation of service.
	(1) Description of the greatest 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	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 costs, improve operational efficiency
	Medium Term	Address labour shortages and productivity gaps through mechanisation and advanced technologies
	Long Term	Increase the non-plantation business revenue to 40% of the total business revenue
Expand the Aitken Spence reach into new geographies	Short term	Conduct market studies, establish partnerships, and initiate pilot project for market expansion
	Medium Term	Explore projects particularly in the South Pacific Region
	Long Term	Pursue aggressive expansion, build brand presence, and loyalty
Venture into five new business segments by 2030	Short term	Foster innovation through research collaborations to develop advanced solutions for the agricultural sector
	Medium Term	Expand presence in high-value sectors such as renewable energy, value-added processing, and commercial forestry
	Long Term	Explore opportunities in regenerative, conservation-focused tourism
Reduce the resource footprint and achieve net-zero emissions by 2030	Short term	Conduct a carbon footprint assessment, enhance energy efficiency, adopt renewable energy, reduce dependence on inorganic fertiliser and improve waste management
	Medium Term	Expand renewable energy use, optimise water and fertiliser management, reduce transportation emissions, and certify relevant systems
	Long Term	Achieve full renewable energy transition, implement large-scale carbon offset programs, establish a circular economy, and attain net-zero emissions
Achieve Employer of Choice status	Short term	Enhance employee well-being benefits, invest in training, and promote employee engagement to drive innovation
	Medium Term	Strengthen leadership continuity through structured employee succession planning
	Long Term	Develop employer brand and foster an innovation driven culture

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 m^3 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 (m^3), 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

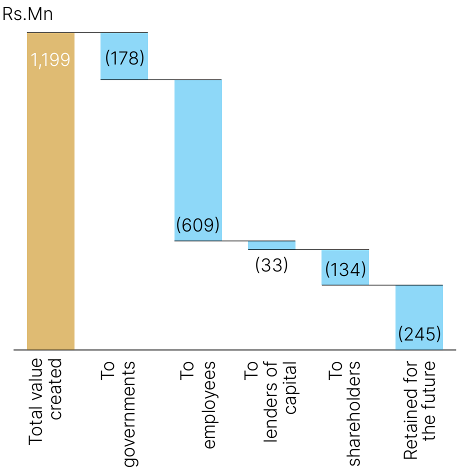
Licensed as an authorised person to operate BPO services within the Port City, this segment employed almost 2,000 by the close of the year. Serving the requirements of nine corporate clients, the segment is poised for rapid growth as it onboards more clients and employees, contributing to the country's socioeconomic progress.

Services Sector

VALUE CREATION HIGHLIGHTS

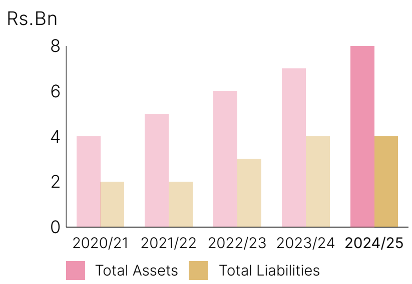
The Services sector generated a total value of Rs. 1.2 billion from its activities during the year. This value was distributed among various stakeholders, with employees receiving Rs. 609 million, which constitutes 50.8% of the value created. Governments were allocated Rs. 178 million, representing 14.8% 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

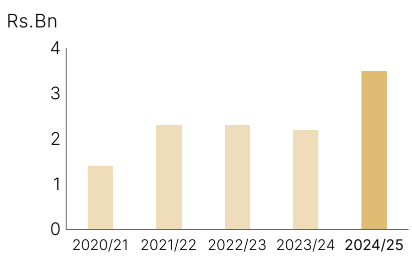


Financial

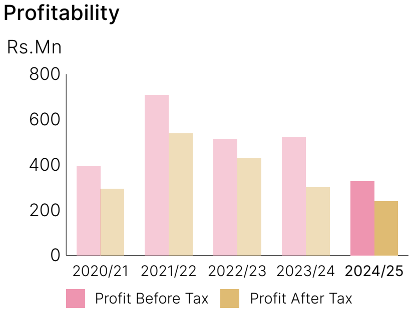
Stability



Revenue

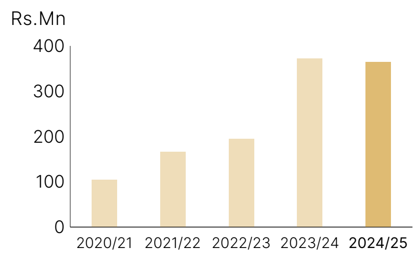


Profitability

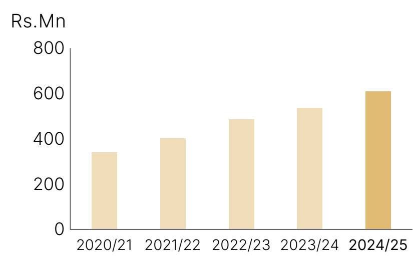


Social

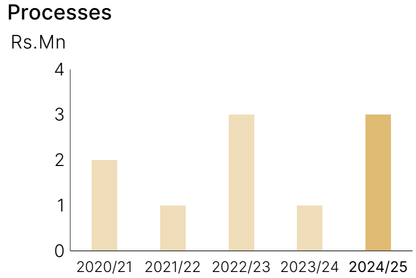
Taxes Paid to Government



Employee Benefits Paid

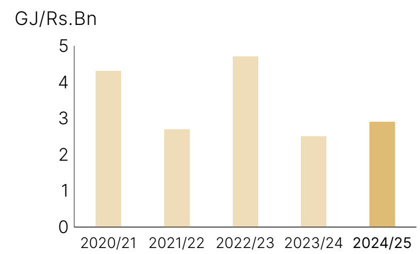


Total Investment in Sustainability Driven Processes

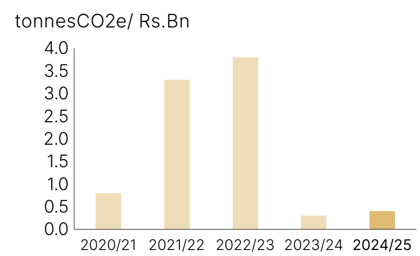


Environment

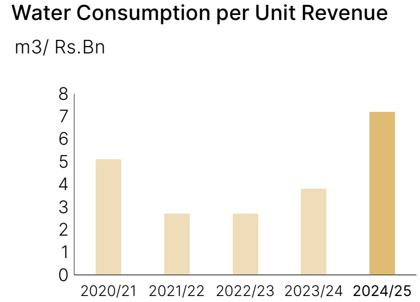
Energy Consumption per Unit Revenue



Emissions per Unit Revenue



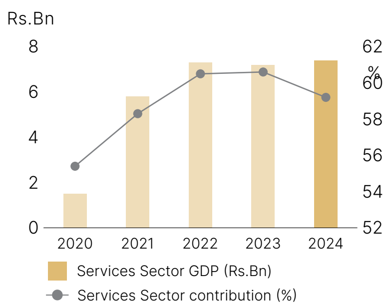
Water Consumption per Unit Revenue



Services Sector

OPERATING CONTEXT

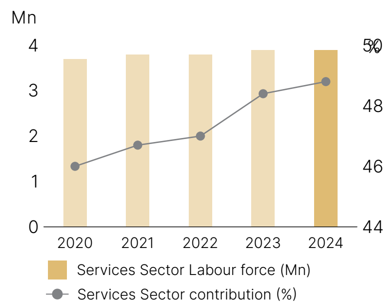
Services Sector Contribution to GDP



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

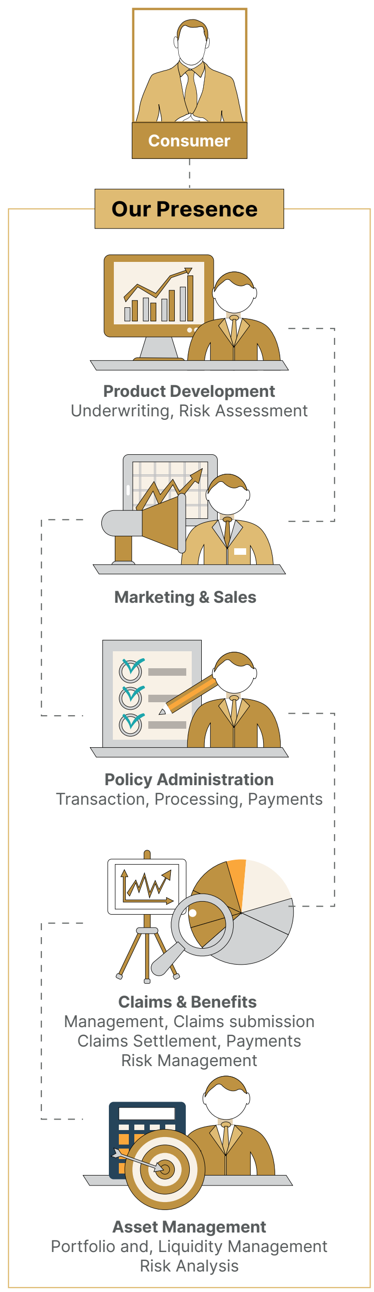
Colombo

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

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.

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

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.

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

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.

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	Short term	• 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
	Medium Term	• 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
	Long Term	• 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	Short term	• Establish baseline energy, water, and waste metrics across Aitken Spence Towers • Complete ISO 14001 and ISO 50001 compliance across operations and certify benchmarks
	Medium Term	• 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.

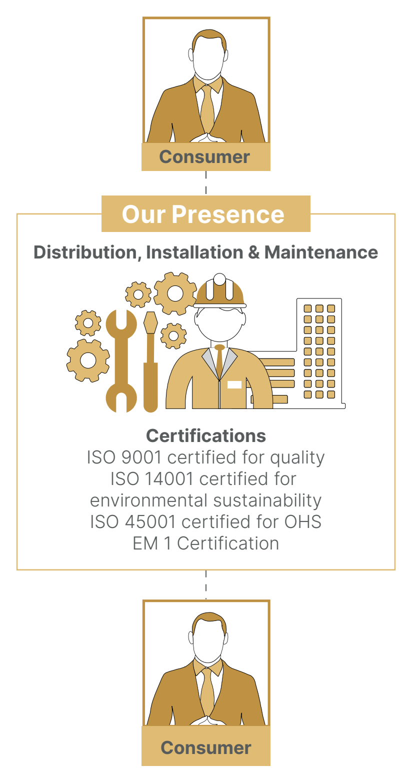
Sri Lanka

Colombo

Overseas

Maldives

Our Presence along the Value Chain (GRI 2-6)



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

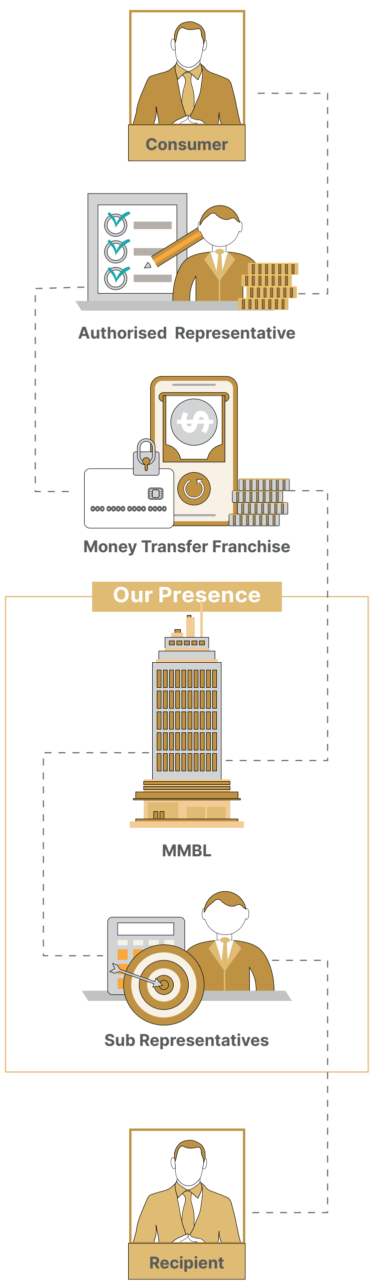
With over 3,000 sub-representative across Sri Lanka.

OUR 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

Our Presence along the Value Chain (GRI 2-6)



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% Revenue Growth

30.5% Total Assets Growth

2.6% 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.