

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2024**

The Kandy Hotels Company (1938) PLC
A Member of the Galle Face Hotel Group of Companies

Corporate Information

Name of the Company

The Kandy Hotels Company (1938) PLC

Company Registration No.

PQ 201

Legal Form

A public quoted company with limited liability

Stock Exchange Listing

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

Board of Directors

Sanjeev Gardiner - Chairman

Priyantha Maddumage

Nilanga Dela

Shalike Karunasena (appointed w.e.f. 2nd August 2024)

Asela Indrajith Fernando (appointed w.e.f. 20th December 2024)

Nirmal De Soysa Cooke - Senior Independent Director (appointed w.e.f. 10th February 2025)

Directors resigned w.e.f. 10th February 2025

Charitha Ratwatte

Ranjith Gunatilleke

Chandra Mohotti

Registered Office

No.327, Union Place, Colombo 02.

Tel :- 011-7657900, 011 2421847

Email : Corporateoffice@ceylonhotels.net

Corporate website: www.chcplc.com

Secretaries

Deloitte Corporate Services (Private) Limited (formerly known as Accounting Systems Secretarial Services (Pvt) Limited)

No 100, Braybrooke Place, Colombo 02

Tel:- 011-5444425/ 011-5444426

External Auditors

Messrs. Ernst & Young, Chartered Accountants

No.839/2, Peradeniya Road, Kandy.

Tel:- 011-5426426

Hotel Reservations

The Kandy Hotels Company (1938) PLC

No.327, Union Place, Colombo 02.

Tel: 011-7765555-7

Email : gm.queens@kandyhotels.lk, gm.suisse@kandyhotels.lk

Website : www.queenshotel.lk, www.hotelsuisse.lk

THE KANDY HOTELS COMPANY (1938) PLC

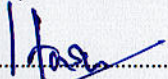
Statement of financial position

(All amounts in Sri Lanka Rupees thousands)


| | Group | | Company | |
|--|--------------------------|------------------------|--------------------------|------------------------|
| | 31-Dec-24 (Unaudited) | 31-Mar-24 (Audited) | 31-Dec-24 (Unaudited) | 31-Mar-24 (Audited) |
| ASSETS | | | | |
| Non - Current Assets | | | | |
| Property, plant & equipment | 10,641,329 | 10,593,519 | 8,539,468 | 8,462,051 |
| Intangible assets | 1,569 | 2,040 | 469 | 725 |
| Right-of-Use Assets | 104,320 | 108,333 | - | - |
| Investment in subsidiary | - | - | 4,718,064 | 4,718,064 |
| Investment in joint venture | 301,939 | 236,640 | - | - |
| Investment in joint venture (pending capitalization) | 292,500 | - | 292,500 | - |
| | 11,341,657 | 10,940,532 | 13,550,501 | 13,180,840 |
| Current Assets | | | | |
| Inventories | 99,551 | 101,975 | 44,176 | 48,917 |
| Trade and other receivables | 182,132 | 357,723 | 44,499 | 78,969 |
| Advances and prepayments | 263,720 | 26,442 | 263,720 | 15,449 |
| Amounts due from related companies | 71,048 | 61,823 | 39,860 | 39,184 |
| Cash and cash equivalents | 1,269,576 | 1,887,318 | 4,982 | 3,350 |
| | 1,886,027 | 2,435,281 | 397,237 | 185,869 |
| TOTAL ASSETS | 13,227,684 | 13,375,813 | 13,947,738 | 13,366,708 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Stated capital | 2,661,816 | 2,661,816 | 2,661,816 | 2,661,816 |
| Other capital reserves | 6,741,796 | 6,790,803 | 6,422,702 | 6,477,982 |
| Merger reserve | (1,116,644) | (1,116,644) | - | - |
| Retained earnings | 865,479 | 838,749 | 1,300,446 | 1,323,118 |
| Total Equity | 9,152,447 | 9,174,726 | 10,384,964 | 10,462,917 |
| Non-Current Liabilities | | | | |
| Interest-bearing loans and borrowings | 930,664 | 1,043,121 | 303,339 | 447,232 |
| Employee benefit payables | 16,603 | 15,739 | 5,925 | 4,687 |
| Lease liability | 119,680 | 107,994 | - | - |
| Deferred tax liabilities | 2,039,802 | 2,083,803 | 1,825,298 | 1,847,510 |
| | 3,106,749 | 3,250,656 | 2,134,562 | 2,299,430 |
| Current Liabilities | | | | |
| Trade and other payables | 421,002 | 337,932 | 147,397 | 112,033 |
| Contract liabilities | 7,900 | 7,249 | 7,900 | 7,249 |
| Interest-bearing loans and borrowings | 202,246 | 321,824 | 193,947 | 201,662 |
| Lease liability | 7,768 | 19,208 | - | - |
| Amounts due to related companies | 64,880 | 44,227 | 916,359 | 148,767 |
| Income tax liabilities | 185 | 4,011 | - | - |
| Bank overdrafts | 264,507 | 215,980 | 162,609 | 134,651 |
| | 968,488 | 950,431 | 1,428,212 | 604,362 |
| TOTAL EQUITY AND LIABILITIES | 13,227,684 | 13,375,813 | 13,947,738 | 13,366,708 |
| Net Assets per Share (Rs.) | 12.13 | 12.16 | 13.77 | 13.87 |

The notes on pages 6 to 8 form an integral part of these financial statements.

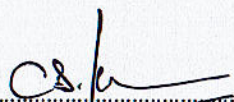
I certify that these financial statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.


 Hasuni Gayasha
 Financial Controller

The Board of Directors is responsible for the preparation and presentation of these financial statements.
 Approved and signed for and on behalf of the Board of Directors.


 Sanjeev Gardiner
 Chairman

February 13, 2025


 Shalike Kapunasinga
 Director

THE KANDY HOTELS COMPANY (1938) PLC

Statement of comprehensive income

(All amounts in Sri Lanka Rupees thousands)

| | Group | | | | Company | | | | Variance - YTD |
|--|----------------------------------|---------------------|---------------------------------|---------------------|----------------------------------|---------------------|---------------------------------|---------------------|----------------|
| | Three Months Ended 31st December | | Nine Months Ended 31st December | | Three Months Ended 31st December | | Nine Months Ended 31st December | | Group |
| | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) | % |
| Revenue | 378,231 | 274,730 | 932,698 | 691,169 | 116,233 | 140,225 | 354,108 | 386,902 | 35% |
| Less: Cost of sales | (93,313) | (78,998) | (247,265) | (201,326) | (38,444) | (48,449) | (112,978) | (124,274) | 23% |
| Gross profit | 284,918 | 195,732 | 685,433 | 489,843 | 77,789 | 91,776 | 241,130 | 262,628 | 40% |
| Other operating income | 11,691 | 682 | 13,476 | 12,196 | 700 | 103 | 1,268 | 10,507 | 10% |
| Less: Operating expenses | | | | | | | | | |
| Selling and distribution expenses | (19,187) | (22,761) | (60,815) | (50,962) | (4,844) | (5,197) | (19,263) | (19,814) | 19% |
| Administrative expenses | (230,868) | (209,432) | (712,321) | (601,137) | (75,123) | (90,384) | (246,122) | (260,816) | 18% |
| Profit/(loss) from operations | 46,554 | (35,779) | (74,227) | (150,060) | (1,478) | (3,702) | (22,987) | (7,495) | 51% |
| Finance income | 27,878 | 51,780 | 113,978 | 176,756 | 183 | 5 | 548 | 13 | -36% |
| Less: Finance costs | (53,003) | (76,295) | (152,691) | (207,658) | (41,042) | (27,573) | (77,934) | (86,906) | -26% |
| Net foreign exchange gain/(losses) | (15,962) | 7,012 | (22,434) | (29,121) | 79 | 7 | 236 | (93) | -23% |
| Net finance income/(cost) | (41,087) | (17,503) | (61,147) | (60,023) | (40,780) | (27,561) | (77,150) | (86,986) | 2% |
| Share of profit of equity accounted investees, net of tax | 65,299 | - | 65,299 | - | - | - | - | - | |
| Profit/(loss) before income tax | 70,766 | (53,282) | (70,075) | (210,083) | (42,258) | (31,263) | (100,137) | (94,481) | 67% |
| Less: Income tax expenses | 7,557 | (30,071) | 47,825 | (13,800) | 17,485 | (1) | 22,213 | 3,935 | -447% |
| Profit/(loss) for the period | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Other comprehensive income | | | | | | | | | |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - | - | - | |
| Total comprehensive income for the period, net of tax | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Profit/(loss) for the period attributable to: | | | | | | | | | |
| Equity Holders of the Company | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Non Controlling Interest | - | - | - | - | - | - | - | - | |
| | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Total comprehensive income attributable to: | | | | | | | | | |
| Equity holders of the Company | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Non controlling interest | - | - | - | - | - | - | - | - | |
| Total comprehensive income for the period | 78,323 | (83,353) | (22,250) | (223,883) | (24,773) | (31,264) | (77,924) | (90,546) | 90% |
| Basic/ Diluted Earnings/(loss) per share (Rs.) | 0.10 | (0.11) | (0.03) | (0.33) | (0.03) | (0.04) | (0.10) | (0.13) | 91% |

The notes on pages 6 to 8 form an integral part of these financial statements.

THE KANDY HOTELS COMPANY (1938) PLC

Consolidated statement of changes in equity

(All amounts in Sri Lanka Rupees thousands)

| | Stated Capital | FVOCI Reserve | Revaluation Reserves | Merger Reserve | Retained Earnings | Total Equity |
|---|------------------|----------------|----------------------|--------------------|-------------------|------------------|
| Balance at 1 April 2023 | 16,750 | 131,741 | 6,998,267 | - | 871,265 | 8,018,023 |
| Issue of Ordinary Shares | 2,645,066 | - | - | - | - | 2,645,066 |
| Acquisition under common control (Note 5) | - | (131,741) | - | (1,116,644) | - | (1,248,385) |
| Profit / (loss) for the year | - | - | - | - | (119,856) | (119,856) |
| Other comprehensive income | - | - | (7,626) | - | (1,809) | (9,435) |
| Total comprehensive income for the year | - | - | (7,626) | - | (121,665) | (129,291) |
| Transfer of excess depreciation on revaluation | - | - | (89,187) | - | 89,187 | - |
| Share of other comprehensive income attributable to joint venture | - | - | (110,651) | - | - | (110,651) |
| Dividends-(15% Cumulative preference shares) | - | - | - | - | (38) | (38) |
| Balance at 31 March 2024 | 2,661,816 | - | 6,790,803 | (1,116,644) | 838,750 | 9,174,725 |
| Profit / (loss) for the period | - | - | - | - | (22,250) | (22,250) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (22,250) | (22,250) |
| Transfer of excess depreciation on revaluation | - | - | (66,600) | - | 66,600 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | - | (28) | (28) |
| Balance at 31 December 2024 | 2,661,816 | - | 6,724,203 | (1,116,644) | 883,072 | 9,152,447 |

| | Stated Capital | FVOCI Reserve | Revaluation Reserves | Merger Reserve | Retained Earnings | Total Equity |
|---|------------------|----------------|----------------------|--------------------|-------------------|------------------|
| Balance at 1 April 2022 | 16,750 | - | 7,834,303 | - | 818,040 | 8,669,094 |
| Profit / (loss) for the year | - | - | - | - | (20,803) | (20,803) |
| Other comprehensive income | - | 131,741 | (1,080,840) | - | 415 | (948,684) |
| Total comprehensive income for the year | - | 131,741 | (1,080,840) | - | (20,388) | (969,488) |
| Transfer of excess depreciation on revaluation | - | - | (73,707) | - | 73,707 | - |
| Share of other comprehensive income attributable to joint venture | - | - | 318,511 | - | - | 318,511 |
| Dividends-(15% Cumulative preference shares) | - | - | - | - | (94) | (94) |
| Balance at 31 March 2023 | 16,750 | 131,741 | 6,998,267 | - | 871,265 | 8,018,023 |
| Issue of Ordinary Shares | 2,645,066 | - | - | - | - | 2,645,066 |
| Acquisition under common control (Note 5) | - | (131,741) | - | (1,116,644) | - | (1,248,385) |
| Profit / (loss) for the period | - | - | - | - | (223,883) | (223,883) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (223,883) | (223,883) |
| Transfer of excess depreciation on revaluation | - | - | (83,255) | - | 83,255 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | - | (56) | (56) |
| Balance at 31 December 2023 | 2,661,816 | - | 6,915,012 | (1,116,644) | 730,581 | 9,190,766 |

The notes on pages 6 to 8 form an integral part of these financial statements.

THE KANDY HOTELS COMPANY (1938) PLC

Statement of changes in equity - Company

(All amounts in Sri Lanka Rupees thousands)

| | Stated Capital | FVOCI Reserve | Revaluation Reserves | Retained Earnings | Total Equity |
|--|------------------|----------------|----------------------|-------------------|-------------------|
| Balance at 1 April 2023 | 16,750 | 131,741 | 6,551,689 | 1,181,494 | 7,881,674 |
| Issue of Ordinary Shares | 2,645,066 | - | - | - | 2,645,066 |
| Acquisition under common control (Note 5) | - | (131,741) | - | 131,741 | - |
| Profit / (loss) for the year | - | - | - | (62,789) | (62,789) |
| Other comprehensive income | - | - | - | (998) | (998) |
| Total comprehensive income for the year | - | - | - | (63,787) | (63,787) |
| Transfer of excess depreciation on revaluation | - | - | (73,707) | 73,707 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | (38) | (38) |
| Balance at 31 March 2024 | 2,661,816 | - | 6,477,982 | 1,323,118 | 10,462,916 |
| Profit / (loss) for the period | - | - | - | (77,924) | (77,924) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (77,924) | (77,924) |
| Transfer of excess depreciation on revaluation | - | - | (55,280) | 55,280 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | (28) | (28) |
| Balance at 31 December 2024 | 2,661,816 | - | 6,422,702 | 1,300,446 | 10,384,964 |

| | Stated Capital | FVOCI Reserve | Revaluation Reserves | Retained Earnings | Total Equity |
|--|------------------|----------------|----------------------|-------------------|-------------------|
| Balance at 1 April 2022 | 16,750 | - | 7,706,236 | 1,123,185 | 8,846,171 |
| Profit / (loss) for the year | - | - | - | (15,719) | (15,719) |
| Other comprehensive income | - | 131,741 | (1,080,840) | 415 | (948,684) |
| Total comprehensive income for the year | - | 131,741 | (1,080,840) | (15,304) | (964,403) |
| Transfer of excess depreciation on revaluation | - | - | (73,707) | 73,707 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | (94) | (94) |
| Balance at 31 March 2023 | 16,750 | 131,741 | 6,551,689 | 1,181,494 | 7,881,674 |
| Issue of Ordinary Shares | 2,645,066 | - | - | - | 2,645,066 |
| Profit / (loss) for the period | - | - | - | (90,546) | (90,546) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (90,546) | (90,546) |
| Transfer of excess depreciation on revaluation | - | - | (55,280) | 55,280 | - |
| Dividends-(15% Cumulative preference shares) | - | - | - | (56) | (56) |
| Balance at 31 December 2023 | 2,661,816 | 131,741 | 6,496,409 | 1,146,172 | 10,436,138 |

The notes on pages 6 to 8 form an integral part of these financial statements.

THE KANDY HOTELS COMPANY (1938) PLC

STATEMENT OF CASH FLOWS

(All amounts in Sri Lanka Rupees thousands)

For the nine months ending December 31,

| | Group | | Company | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2024 (Unaudited) | 2023 (Unaudited) | 2024 (Unaudited) | 2023 (Unaudited) |
| Profit/(loss) before income tax from operations | (70,075) | (210,083) | (100,137) | (94,481) |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 111,824 | 113,956 | 56,959 | 54,143 |
| Amortization of intangible assets | 471 | 471 | 256 | 471 |
| Amortization of Right-Of- Use assets | 4,013 | 3,932 | - | - |
| Provision for employee benefit obligation | 3,321 | 3,149 | 1,717 | 2,035 |
| Finance income | (113,978) | (176,756) | (548) | (13) |
| Finance expenses | 152,691 | 207,658 | 77,935 | 86,906 |
| Gain on foreign currency transactions | (22,451) | (29,121) | - | - |
| Share of results of joint venture | (65,299) | - | - | - |
| Operating profit/ (loss) before working capital changes | 517 | (86,794) | 36,182 | 49,061 |
| (Increase)/decrease in inventories | 2,424 | (52,185) | 4,741 | (16,651) |
| (Increase)/decrease in trade and other receivables | 180,568 | (4,959) | 34,470 | (16,047) |
| (Increase)/decrease in amounts due from related parties | 58,347 | 53,351 | 4,857 | 5,150 |
| (Increase)/decrease in advances and prepayments | (237,278) | 10,439 | (248,271) | 10,446 |
| Increase/(decrease) in trade and other payables | 83,691 | 96,188 | 35,987 | 41,195 |
| Increase/(decrease) in amounts due to related parties | 20,653 | 99,879 | 739,042 | 143,183 |
| Cash generated from/ (used in) operations | 108,922 | 115,919 | 607,008 | 216,337 |
| Income taxes paid | - | (16,082) | - | (16,082) |
| Interest paid | (46,045) | (173,355) | (9,235) | (75,126) |
| Employee benefit obligations paid | (2,456) | (510) | (479) | (510) |
| Net cash generated from/(used in) operating activities | 60,421 | (74,028) | 597,294 | 124,619 |
| Cash flows from investing activities | | | | |
| Purchase/(disposal) of property, plant and equipment | (159,634) | (320,793) | (134,377) | (19,786) |
| Purchase/(disposal) of intangible assets | - | - | - | - |
| Interest income received | 46,406 | 121,557 | 15 | 13 |
| Investment in Joint Venture (pending capitalization) | (292,500) | - | (292,500) | - |
| Acquisition through business combination | - | 2,320,707 | - | - |
| Net cash generated from/(used in) investing activities | (405,728) | 2,121,471 | (426,862) | (19,773) |
| Cash flows from financing activities | | | | |
| Loan Repayment during the period | (308,711) | (192,363) | (196,758) | (96,275) |
| Payment of lease liabilities | (12,250) | (467) | - | - |
| Net cash flow from /(used in) financing activities | (320,961) | (192,830) | (196,758) | (96,275) |
| Net increase/(decrease) in cash & cash equivalents | (666,268) | 1,854,613 | (26,326) | 8,571 |
| Movement in cash & cash equivalents | | | | |
| At the beginning of the year | 1,671,337 | (119,979) | (131,301) | (119,923) |
| Net increase/ (decrease) in cash & cash equivalents | (666,268) | 1,854,613 | (26,326) | 8,571 |
| At the end of the year | 1,005,069 | 1,734,634 | (157,627) | (111,352) |
| Cash and cash equivalents at the end of the financial year consist of the following. | | | | |
| Cash in hand and banks | 1,269,576 | 1,978,530 | 4,982 | 8,839 |
| Bank overdrafts | (264,507) | (243,896) | (162,609) | (120,191) |
| | 1,005,069 | 1,734,634 | (157,627) | (111,352) |

The notes on pages 6 to 8 form an integral part of these financial statements.

THE KANDY HOTELS COMPANY (1938) PLC

Notes to the condensed consolidated interim financial statements

(all amounts in the notes are in Sri Lanka Rupees thousands unless otherwise stated.)

1. General Information

The Kandy Hotels Company (1938) PLC ("the Company") is a public limited liability company incorporated and domiciled in Sri Lanka and is listed on the Colombo Stock Exchange. The registered office of the Company is located at No. 327, Union Place, Colombo 02.

The Company and its subsidiaries (together "the Group") refer to The Kandy Hotels Company (1938) PLC, Suisse Hotel (Pvt) Limited, United Hotels Company Limited, Tissa Resort (Pvt) Limited, Ceylon Hotels Maldives (Pvt) Limited and the Group's interest in equity-accounted investees. Suisse Hotel Kandy (Pvt) Limited is a joint venture for the Group.

2. Basis of preparation

The condensed interim financial statements for the quarter ended December 31, 2024, of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standard (SLAS) LKAS 34, 'Interim Financial Reporting'. These interim statements should be read in conjunction with the audited financial statements for the year ended March 31, 2024.

3. Segment information

A segment is a distinguishable component of an enterprise that is engaged in either providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of the segment. However, there are no distinguishable components to be identified as segments for the company.

4. Accounting policies and estimates

The accounting policies are in line with the policies published in the audited financial statements for the year ended March 31, 2024.

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed consolidated interim financial statements, the significant judgments made by the management in applying the Group's accounting policies and the sources of uncertainty in estimates are consistent with the audited financial statements for the year ended March 31, 2024.

5. Effect of changes in composition of the Group

There has not been a change in the composition of the Group which require disclosure in the financial statements for the 09 months ended December 31, 2024.

United Hotels Company Limited (UHCL) and its subsidiaries became fully owned subsidiaries of the Company during the year ended March 31, 2024.

- United Hotels Company Limited was a subsidiary of Ceylon Hotels Corporation PLC with 67.51% stake until July 2023.
- Financial assets at fair value through comprehensive income as of March 31, 2024, represent 16.11% stake in UHCL.
- Pursuant to the market announcements and shareholder circulars made, the Company's Board of directors recommended to its shareholders the acquisition of 83.89% of the issued share capital of UHCL, an affiliate of the Company, through a share swap.
- The shareholders approved it on May 31, 2023, and the SEC approved on July 4, 2023.
- Consequent to the approvals, the proposed allotment and share transfer took place on July 14, 2023. The new shares were listed on the CSE on July 20, 2023. The Company has issued 176,809,253 ordinary shares for a total consideration of Rs. 2,645,066,425/-.
- The total number of ordinary shares in issue has increased to 754,309,253 (March 31, 2023: 577,500,000). The stated capital has now been enhanced to Rs. 2,661,816,425/- (March 31, 2023: Rs. 16,750,000).
- The aforementioned restructure resulted in UHCL and its subsidiaries becoming fully owned subsidiaries of the Company.
- Merger reserve of Rs. 1.11 Billion was created to reflect the difference between the purchase consideration and net equity acquired in respect of the acquisition under common control described above.

6. Stated Capital

The number of shares representing the stated capital is 754,309,253 ordinary shares and 50,000 fully paid, cumulative preference shares as of December 31, 2024.

7. Contingent liabilities

There has not been a significant change in the nature of the contingent liabilities, which were disclosed in the audited financial statements for the year ended March 31, 2024.

8. Comparative information

Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.

THE KANDY HOTELS COMPANY (1938) PLC

Notes to the condensed consolidated interim financial statements

(all amounts in the notes are in Sri Lanka Rupees thousands unless otherwise stated.)

9. Related Party Transactions

The company carries out transactions in the ordinary course of its business with the following related entities, whose details are reported below:

| For the 03 months ended 31st December In LKR '000 | Note | Company | |
|--|------|-----------|----------|
| | | 2024 | 2023 |
| i) Transactions with Parent Company | | | |
| Ceylon Hotels Corporation PLC | | | |
| Net settlement of Temporary Advance | B | (9,945) | - |
| Expenses paid by CHC on behalf of the Company | A | (1,455) | 6,015 |
| ii) Subsidiaries and affiliates | | | |
| Expenses incurred by affiliates on behalf of KHC | A | - | (3,930) |
| Expenses incurred by KHC on behalf of affiliates | A | 115 | 100 |
| Reimbursement of expenses incurred by affiliates on behalf of KHC | A | | 2,620 |
| Service provided by GFH Mgt Co. (Pvt) Limited | A | (3,035) | (3,249) |
| Settlement of fees for services provided by GFH Mgt Co. (Pvt) Limited | A | 5,000 | - |
| Net settlement of Temporary Advance | B | (576,705) | (15,050) |
| Interest charged for the advances provided by KHC | B | 178 | - |
| Interest charged to affiliates for the advances | C | (23,549) | - |
| Shareholder advance in respect of investment in the Joint Venture (pending | B | 292,500 | - |

Non recurrent Related Party Transactions

There are no non-recurrent related party transactions for the period ended 31st December 2024.

Note :

- A) Transactions carried out in the ordinary course of business and charged at the face value of the expenses.
- B) Temporary advances given in the ordinary course of business and no interest is charged on the outstanding balances. Payable on demand and short term in nature.
- C) Terms and conditions related to intercompany borrowings/lendings.

| Company | Party | Repayment |
|-------------------------------------|----------|--------------|
| The Kandy Hotels Company (1938) PLC | Borrower | AWPLR + 1.5% |
| United Hotels Company Limited | Lender | |

10. Events after the reporting period

No circumstances have arisen since the statement of financial position date that require adjustments to, or disclosure in the financial statements.

THE KANDY HOTELS COMPANY (1938) PLC

Share Information

1. Public shareholdings

Information pertaining to public shareholding is as follows:

| | <u>31 Dec 2024</u> | <u>31 Dec 2023</u> |
|--|--------------------|--------------------|
| Public holding percentage | 15.95% | 15.95% |
| Public shareholding | 120,294,503 | 120,290,003 |
| Number of public shareholders | 1,938 | 1,933 |
| Float adjusted market capitalisation (Rs.) | 1,503,904,073 | 1,010,623,537 |

The Company is not in compliance with the Minimum Public Holding requirements in relation to a Company listed on the Main Board, as per Rule 7.13.1.(a) of the Listing Rules of the Colombo Stock Exchange ('CSE'). Accordingly, the Company was transferred to the Second Board on 29 February 2024. The Company will continue to make appropriate market disclosures in this regard.

2. Directors' shareholdings

The details of shares held directly by the Directors and their close family members as at December 31, 2024 are as follows.

| Name of Director | Number of shares | |
|--|------------------|------------|
| | Ordinary | Preference |
| Mr. Sanjeev Gardiner | 87,500 | 9,500 |
| Mr. Charitha Ratwatte (resigned w.e.f. 10 th February 2025) | 175,000 | Nil |
| Mr. Ranjith Gunatilleke (resigned w.e.f. 10 th February 2025) | 43,611 | Nil |

None of the Directors and their close family members other than those disclosed above directly held any shares in the Company.

3. Twenty two largest ordinary shareholders of the Company

| Names of shareholders | Position | No of Shares | % |
|--|----------|--------------------|---------------|
| 1 Ceylon Hotels Corporation PLC | 1 | 528,661,003 | 70.09 |
| 2 Ceylon Hotels Investment (Pvt) Ltd | 2 | 49,715,471 | 6.59 |
| 3 Adivvat Investment Fund | 3 | 36,582,097 | 4.85 |
| 4 Prograss Investments Limited | 4 | 32,863,522 | 4.36 |
| 5 Seylan Bank PLC/ Hotel International (Pvt) Ltd | 5 | 32,641,938 | 4.33 |
| 6 Hotel International (Private) Limited | 6 | 22,156,619 | 2.94 |
| 7 Mr. N.V.S. Saackville | 7 | 4,368,000 | 0.58 |
| 8 Mr. P.R.F. Collas | 8 | 1,965,250 | 0.26 |
| 9 Mr. G.C. Goonetilleke | 9 | 1,945,755 | 0.26 |
| 10 Mrs. L. Ratwatte | 10 | 1,853,000 | 0.25 |
| 11 Mr. P.V. Gunasekera | 11 | 1,750,000 | 0.23 |
| 12 Mrs. M.F. Gunasekera | 11 | 1,750,000 | 0.23 |
| 13 Mrs. A.U.R. Pethiyagoda | 13 | 1,500,000 | 0.20 |
| 14 Mr. J. Laravoire | 14 | 1,496,250 | 0.20 |
| 15 Mr. E. Laravoire | 14 | 1,496,250 | 0.20 |
| 16 Ms. M. Chevallaz | 14 | 1,496,250 | 0.20 |
| 17 Mr. P. Chevallaz | 14 | 1,496,250 | 0.20 |
| 18 Mr. A. Chevallaz | 14 | 1,496,250 | 0.20 |
| 19 Ms. H. Sauties | 14 | 1,496,250 | 0.20 |
| 20 Mr. J.P. Sauties | 14 | 1,496,250 | 0.20 |
| 21 Mr. J.F.C. Badcock | 21 | 1,034,250 | 0.14 |
| 22 Mr. F.D.M. Badcock | 21 | 1,034,250 | 0.14 |
| Sub total | | 730,294,905 | 96.82 |
| Balance held by others | | 24,014,348 | 3.18 |
| Total number of shares | | 754,309,253 | 100.00 |

4. Market Price per share

For three months ended 31 December

| | <u>2024</u> | <u>2023</u> |
|----------------------|-------------|-------------|
| | (Rs.) | (Rs.) |
| Highest Market Price | 14.20 | 9.90 |
| Lowest Market Price | 7.80 | 8.20 |
| Last Traded Price | 12.50 | 8.40 |