

Board of Directors
Corporate Governance
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The Related Companies which had Transactions with the Company

Name of Company	Nature of Transactions	Volume of Transactions	
		2014 Rs.	2013 Rs.
Jetwing Hotels Ltd.	Hotel Operation and Marketing Fees	37,328,414	33,571,672
	Advertising Expenses and Other Reimbursement	14,432,707	12,001,549
	Development Fees	6,709,585	–
	Gratuity Transfer	35,882	–
Jet Enterprises (Pvt) Ltd.	Purchases of Beverage	13,031,960	9,532,082
Blue Oceanic Beach Hotel (Pvt) Ltd.	Sale of Accommodation and Transfers	69,732	1,388,295
	Other Expenses	20,261	36,668
	Transport Charges	33,600	–
	Rent Received	22,777	–
Negombo Properties (Pvt) Ltd.	Other Expenses	516,960	–
Jetwing Travels (Pvt) Ltd.	Sale of Accommodation and Transfers	93,527,432	66,983,273
	Transport Charges	1,141,847	922,646
	Other Expenses	113,950	553,872
	Advance Transfer	–	–
The First Resort (Pvt) Ltd.	Sale of Accommodation and Transfers	29,550	305,059
	Other Expenses	170,596	5,816
The Royal Heritage Hotel (Pvt) Ltd.	Sale of Accommodation and Transfers	21,448	111,882
	Gratuity Received	2,240,456	–
	Other Expenses	–	7,090
Seashells Hotel (Pvt) Ltd.	Sale of Accommodation and Transfers	12,000	160,347
	Other Expenses	18,801	42,817
	Transport Charges	5,675	–
Villa Properties (Pvt) Ltd.	Sale of Accommodation and Transfers	225,638	–
	Sale of Laundry	302,219	–
Jetwing Events (Pvt) Ltd.	Sale of Accommodation and Transfers	727,967	350,780
Negombo Hotels Ltd.	Sale of Accommodation and Transfers	1,237,151	662,035
	Other Expenses	43,503	147,592
	Transport Charges	8,500	–
Ahangama Properties (Pvt) Ltd.	Sale of Accommodation and Transfers	1,563,370	2,181,293
	Other Expenses	62,275	468,373
	Gratuity Transfer	43,980	–
	Sale of Laundry	424,784	–
St. Andrew's Hotel (Pvt) Ltd.	Transport Charges	–	98,550
	Sale of Accommodation and Transfers	40,425	11,679
Jetwing Eco Holidays (Pvt) Ltd.	Transport Charges	87,404	–
	Sale of Accommodation and Transfers	1,310,106	4,020,005
Yala Properties (Pvt) Ltd.	Gratuity Transfer	265,725	185,701
	Sale of Accommodation and Transfers	347,787	–
	Other Expenses	317,886	–
Yala Safari Beach Hotel (Pvt) Ltd.	Transport Charges	32,169	–
Jetwing Hotels Management Services (Pvt) Ltd.	Other Expenses	7,684	–
Jetwing Ayurveda (Pvt) Ltd.	Sale of Accommodation and Transfers	–	149,285

Names of the Directors of the Related Companies which had Transactions with the Company

- **Jetwing Hotels Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Ms. N.T.M.S. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. C.S.R.S. Anthony and
Mr. J.S.W. Kasturi Arachchi

- **Jetwing Travels (Pvt) Ltd. - Directors**

Ms. N.T.M.S. Cooray,
Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe and
Mr. R.J. Arasaratnam

- **St. Andrew's Hotel (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray and
Mr. R.A.E. Samarasinghe

- **The Royal Heritage Hotel (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. B.K. Chaudhary and
Mr. R.K. Chaudhary

- **Negombo Hotels Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Ms. N.T.M.S. Cooray,
Mrs. A.M.J. Cooray,
Mr. A.M. Pandithage,
Mr. S.C. Ganegoda and
Mr. R.A.E. Samarasinghe

- **Jetwing Events (Pvt) Ltd. - Directors**

Ms. N.T.M.S. Cooray and
Mr. R.J. Arasaratnam

- **Yala Properties (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe and
Mr. N.H.V. Perera

- **Blue Oceanic Beach Hotel (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mrs. A.M.J. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. S. Balasubramaniam,
Mr. N.H.V. Perera and
Ms. M.D.H. Gunawardena

- **Jetwing Eco Holidays (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. R.J. Arasaratnam,
Mr. R.M.N. Lokuge and
Mr. C.S.R.S. Anthony

- **Jet Enterprises (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe,
Ms. N.T.M.S. Cooray,
Mr. C.S.R.S. Anthony and
Mr. J.S.W. Kasturi Arachchi

- **The First Resort (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mrs. A.M.J. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. A.M. Pandithage,
Mr. S.C. Ganegoda and
Mr. C.S.R.S. Anthony

- **Seashells Hotel (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe,
Mr. B.K. Chaudhary and
Mr. R.K. Chaudhary

- **Ahangama Properties (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray and
Mr. R.A.E. Samarasinghe

- **Villa Properties (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray and
Mr. R.A.E. Samarasinghe

- **Jetwing Hotels Management Services (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Ms. N.T.M.S. Cooray and
Mrs. A.M.J. Cooray

- **Yala Safari Beach Hotel (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray,
Mr. R.A.E. Samarasinghe and
Mr. N.H.V. Perera

- **Negombo Properties (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray and
Mr. R.A.E. Samarasinghe

- **Jetwing Ayurveda (Pvt) Ltd. - Directors**

Mr. N.J.H.M. Cooray and
Mr. R.A.E. Samarasinghe

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Information to Shareholders and Investors

Detailed tabulation of shareholding can be found in pages 45 to 48 of this report.

Real Estate Holdings of the Company

Location	Buildings in Sq.ft	Land extent area (in acres)		Net Book Value as at 31st March, 2014 Rs. '000
		Freehold property	Leasehold property	
Galle	233,505	9.2	3	2,278,837

Ten Year Summary

Year ended 31st March,

	2014	2013	2012	2011
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
OPERATING RESULTS				
Revenue	681,105	614,727	539,192	425,552
Profit Before Taxation	136,597	127,292	123,964	72,201
Taxation	14,278	15,138	12,867	10,604
Profit After Taxation	122,319	112,154	111,097	61,597
SHAREHOLDERS' FUNDS				
Stated Capital	460,001	460,001	460,001	460,001
Reserves	1,696,722	1,696,404	357,536	357,536
Retained Earnings	273,927	247,126	1,554,092	1,490,275
Shareholders' Funds	2,430,650	2,403,531	2,371,629	2,307,812
LIABILITIES				
Interest-Bearing Loans & Borrowings	138,779			
Current Liabilities	150,002	91,282	94,641	71,905
Other Liabilities	22,678	14,971	12,625	10,083
TOTAL EQUITY AND LIABILITIES	2,742,109	2,509,784	2,478,895	2,389,800
ASSETS				
Property, Plant & Equipment	2,529,137	2,205,908	2,144,390	2,145,796
Leasehold Property/Prepaid Lease Rent	2,424	2,454	2,485	2,515
Intangible Assets	852	937	866	1,226
Investments/Other Non-Current Financial Assets	59,389	59,071	43,750	43,750
Current Assets	150,307	241,414	287,404	196,513
TOTAL ASSETS	2,742,109	2,509,784	2,478,895	2,389,800
CASH FLOW				
From Operating Activities	231,455	153,353	151,116	113,067
From Investing Activities	(379,875)	(115,606)	(40,000)	(19,182)
From Financing Activities	34,701	(92,000)	(46,000)	(23,000)
Net Cash Inflow/(Outflow)	(113,719)	(54,253)	65,116	70,885
Cash & Cash Equivalents as at 31st March	12,320	126,039	180,292	115,176
KEY INDICATORS				
Earnings/(Loss) per Ordinary Share (Rs.)	2.66	2.44	2.42	1.34
Net Assets per Ordinary Share (Rs.)	52.84	52.25	51.56	50.17
Market Value per Share (Rs.)	44.40	47.40	50.00	56.00
Dividends per Share (Rs.)	2.00	2.00	2.00	1.00
Price to Earnings Ratio (Times)	16.69	19.43	20.66	41.79
Dividend Payout Ratio	75%	82%	84%	75%

* Note: SLFRS adjustments have been made from 2011

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2010	2009	2008	2007	2006	2005
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
303,591	247,515	258,288	226,335	245,176	258,836
29,297	(20,034)	26,928	35,950	64,227	89,743
6,607	5,219	29	147	495	422
22,690	(25,253)	26,899	35,803	63,732	89,321
460,001	460,001	460,001	460,001	460,001	460,001
1,734,935	1,763,388	1,791,841	21,847	22,049	22,249
96,533	45,391	64,308	69,409	70,206	66,074
2,291,469	2,268,780	2,316,150	551,257	552,256	548,324
48,343	41,106	34,932	35,170	39,971	30,080
8,270	6,678	6,395	4,380	4,029	2,800
2,348,082	2,316,564	2,357,477	590,807	596,255	581,204
2,172,242	2,205,974	2,233,837	473,568	455,134	420,413
23,914	24,179	24,445	24,710	24,975	25,212
1,250	—	—	—	—	—
43,750	25,000	25,000	25,000	25,000	25,000
106,926	61,411	74,195	67,529	91,147	110,579
2,348,082	2,316,564	2,357,477	590,807	596,256	581,204
63,056	27,686	47,997	44,241	69,056	133,013
(31,402)	(8,832)	(13,660)	(35,415)	(47,704)	(2,289)
—	(23,000)	(32,201)	(36,800)	(59,800)	(92,113)
31,654	(4,146)	2,136	(27,974)	(38,448)	38,611
44,292	12,637	16,783	14,647	42,620	81,068
0.49	(0.55)	0.58	0.78	1.39	1.94
49.81	49.32	50.35	11.98	12.01	11.92
61.25	57.50	49.25	49.75	59.00	59.00
0.50	Nil	0.50	0.70	1.30	1.80
125.00	104.55	84.91	63.78	42.45	30.41
102%	N/A	86%	90%	94%	93%

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2.4 Location of organization's headquarters	Organizational Profile	26
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3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Report Structure	14
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4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	Corporate Governance	75 - 81
4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Corporate Governance	75 - 81
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Social: Labor Practices and Decent Work

Employment

LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Employee Population Analysis	54 - 55
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Employee Recruitment Analysis and Employee Turnover Analysis	53, 55
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Occupational Health and Safety

Training and Education

LA10	Average hours of training per year per employee by gender, and by employee category.	Training and Development	56 - 58
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Training and Development	56 - 58
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Training and Development	57

Diversity and Equal Opportunity

LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Jetwing Lighthouse - the Employer	52
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Equal Remuneration for Women and Men

LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Jetwing Lighthouse - the Employer	52
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Report Application Level			C ✓	+C	B	+B	A	+A
Standard Disclosures	Profile Disclosures	output →	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	Disclosures on Management Approach	output →	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosed for each Indicator Category	
	Performance Indicators & Sector Supplement Performance Indicators	output →	Report fully on a minimum of any 10 Performance Indicators, including at least one from each of: Social, Economic and Environmental.**		Report fully on a minimum of any 20 Performance Indicators, at least one from each of: Economic, Environment, Human Rights, Labour, Society, Product Responsibility.***		Respond on each core and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

* Sector supplement in final version

** performance Indicators may be selected from any finalised Sector Supplement, but 7 of the 10 must be from the original GRI Guidelines

*** Performance Indicators may be selected from any finalised Sector Supplement, but 14 of the 20 must be from the original GRI Guidelines

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Name of the Company

The Lighthouse Hotel PLC

Company Number

PQ 73

Legal Form

A Quoted Public Company with
Limited Liability incorporated in
Sri Lanka in 1994.

Board of Directors

N.J.H.M. Cooray - *Chairman*
R.A.E. Samarasinghe -
Managing Director
N.T.M.S. Cooray (Ms.)
N. Wadugodapitiya
C.S.R.S. Anthony
Ranil de Silva
E.P.A. Cooray
A.M. Ondaatjie (Ms.)
C. Pathiraja (Dr.)
T. Nadesan
A.T.P. Edirisinghe

Audit Committee

N. Wadugodapitiya - *Chairman*
E.P.A. Cooray
A.T.P. Edirisinghe

Remuneration Committee

E.P.A. Cooray - *Chairman*
N. Wadugodapitiya
A.T.P. Edirisinghe

Secretaries

Corporate Services (Private) Ltd.
216, De Saram Place,
Colombo 10.
Phone: 4718200

Auditors

Messrs Ernst & Young
Chartered Accountants
201, De Saram Place,
Colombo 10.

Hotel Operation & Marketing

Jetwing Hotels Ltd.
"Jetwing House"
46/26, Navam Mawatha,
Colombo 2.
Phone: 2345700

Legal Advisor

Messrs F.J. & G. de Saram
Attorneys-at-Law &
Notaries Public
216, De Saram Place
Colombo 10.

Bankers

Commercial Bank of Ceylon PLC
Sampath Bank PLC

Registered Office

"Jetwing House"
46/26, Navam Mawatha,
Colombo 2.

Notice of Meeting

Notice is hereby given that the Twentieth Annual General Meeting of The Lighthouse Hotel PLC will be held on Thursday, 26th June, 2014 at 10 a.m. at the Auditorium of Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 for the following purposes:

1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st March, 2014 and Report of the Auditors thereon.
2. To approve a final dividend of Rs. 2.00 per share as authorized by the Directors.
3. To re-elect:
 - (a) Mr. T. Nadesan, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election.
 - (b) Dr. C. Pathiraja, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election.
 - (c) Mr. C.S.R.S. Anthony, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election.
 - (d) Mr. N.J.H.M. Cooray, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election.
4. To authorise the Directors to fix the fees and expenses of Auditors Messrs Ernst & Young, Chartered Accountants, who are deemed to be re-appointed in terms of Section 158 (1) of the Companies Act No. 07 of 2007.
5. To authorise the Directors to determine contributions to charities for the ensuing year.

By order of the Board,
Corporate Services (Pvt) Ltd.
Secretaries
THE LIGHTHOUSE HOTEL PLC
Colombo, 26th May, 2014

Note:

Any shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote/speak in his/her stead and a Form of Proxy is sent herewith for this purpose. A proxy need not be a member of the Company.

A completed Form of Proxy must be deposited at 216, De Saram Place, Colombo 10, the Secretaries of the Company not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

THE LIGHTHOUSE HOTEL PLC

*I/We.....

of.....

..... being *a shareholder/shareholders of THE LIGHTHOUSE HOTEL PLC do hereby appoint

- | | |
|---|-----------------|
| 1. Mr. Nawalage Joseph Hiran Mahinda Cooray | or failing him, |
| 2. Ms. Nawalage Therese Manouri Shiromal Cooray | or failing her, |
| 3. Mr. Ruan Ashal Elmo Samarasinghe | or failing him, |
| 4. Mr. Nihal Wadugodapitiya | or failing him, |
| 5. Mr. Conganige Sextus Roland Sanjeewa Anthony | or failing him, |
| 6. Mr. Ranil De Silva | or failing him, |
| 7. Ms. Angeline Myrese Ondaatjie | or failing her, |
| 8. Mr. Emilianus Prema Alphonse Cooray | or failing him, |
| 9. Mr. Thirukumar Nadesan | or failing him, |
| 10. Mr. Antoine Theodore Priyalal Edirisinghe | or failing him, |
| 11. Dr. Chandrawansa Pathiraja | or failing him |

.....of.....

..... as *my/our Proxy to vote/speak for me/us on *my/our behalf at the Twentieth Annual General Meeting of the Company to be held on the 26th day of June 2014 at 10 a.m. and at the Auditorium of Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 and at any adjournment thereof, and at every poll which may be taken in consequence thereof.

- | | For | Against |
|--|--------------------------|--------------------------|
| 1. To receive and consider the Annual Report of the Board together with the Financial Statements of the Company for the year ended 31st March, 2014 and Report of the Auditors thereon. | ☐ | ☐ |
| 2. To approve a final dividend of Rs. 2/- per share as authorized by the Directors. | ☐ | ☐ |
| 3. (a) To re-elect Mr. T. Nadesan, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election. | ☐ | ☐ |
| (b) To re-elect Dr. C. Pathiraja, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election. | ☐ | ☐ |
| (c) To re-elect Mr. C.S.R.S. Anthony, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election. | ☐ | ☐ |
| (d) To re-elect Mr. N.J.H.M. Cooray, a Director who retires in terms of Article 29 of the Articles of Association of the Company, and being eligible has offered himself for re-election. | ☐ | ☐ |
| 4. To authorise the Directors to fix the fees and expenses of Auditors Messrs Ernst & Young, Chartered Accountants, who are deemed to be re-appointed in terms of Section 158 (1) of the Companies Act No. 07 of 2007. | ☐ | ☐ |
| 5. To authorize the Directors to determine contributions to charities for the ensuing year. | ☐ | ☐ |

Signed this day of Two Thousand Fourteen.

.....
*Signature/s of the Shareholder(s)

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

Instructions as to Completion

1. The instrument appointing a proxy may be in writing under the hands of the appointor or of its attorney duly authorised in writing or if such appointor is a corporation under its common seal or the hand of its attorney or duly authorised person.
2. The instrument appointing a proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney or other authority will have to be deposited at the office of the Company Secretaries, Corporate Services (Private) Limited, not less than 48 hours before the time appointed for the holding of the meeting.