

# 2024 Annual and Sustainability Report

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**SUNBIRD**  
Hotels and Resorts





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# 2024 — ANNUAL REPORT





SUNBIRD TOURISM PLC

2024 ANNUAL REPORT

Sunbird Tourism Plc (Sunbird or Sunbird Hotels and Resorts) is pleased to present the annual report for the year ended 31st December 2024.

GROUP PROFILE

Sunbird Tourism Plc is a publicly quoted enterprise, listed on the Malawi Stock Exchange in August 2002. Sunbird was incorporated in 1988 as a private company following the amalgamation and consolidation of hotels previously owned by the Government of Malawi under different investment vehicles. Previously, and until 2000, the Company was known as the Tourism Development and Investment Company of Malawi when the name was strategically changed to Sunbird Tourism Limited. Following the requirements of the new Companies Act of 2013, the name was amended to Sunbird Tourism Plc. Sunbird Tourism Plc owns and operates Sunbird Hotels and Resorts.

Sunbird Hotels and Resorts is Malawi's leading hotel chain with 9 properties including: four city hotels in all three regions of Malawi – Sunbird Capital, Sunbird Mount Soche, Sunbird Lilongwe, and Sunbird Mzuzu; three popular beach resorts along Lake Malawi – Sunbird Waterfront, Sunbird Livingstonia, Sunbird Nkopola; a beachside Inn on the northern lakeshore – Sunbird Chintheche; and an iconic mountain resort in the former capital city – Sunbird Kuchawe. Sunbird Hotels & Resorts, “the home of hospitality” is known for offering

excellent and personalized services, great cuisine and comfortable accommodation.



VISION

The preferred brand in the hospitality industry.



MISSION STATEMENT

Sunbird exists to provide excellent accommodation, catering and related hospitality services with the intention of increasing stakeholders' value.



STATEMENT OF STRATEGIC INTENT

Sunbird will satisfy stakeholders' interests by providing superior and innovative customer service, modern and up-market accommodation in a sustainable and socially responsible manner.



## CHAIRMAN'S STATEMENT

### INTRODUCTION

It is with great pleasure that I bring you the 2024 report, a year in which the company, yet again, delivered on its strategy of growing stakeholders' value. As global travel returned to normal, the hospitality industry, global and local, also returned to normal, as evidenced by improved occupancy levels in the year. The year's strong performance also highlighted the power of good governance and effective leadership in strategy implementation. During the year customer satisfaction levels improved, profitability doubled and capital allocation towards product improvement and expansion more than doubled. Sustainability continues to be at the heart of everything we do. We completed the development of our sustainability framework and made strides in setting foundations for embedding sustainability

into our processes.

Early in the year, vacancies on the Board were filled by welcoming directors: Dr. Betchani Tchereni, Neema Chambalo, Chipiliro Phiri, Pirira Ndaferankhande and Godfrey Mtongola. The new directors were approved by shareholders at the 2024 Annual General Meeting (AGM). The Board operated with a full complement for the rest of the year.

The Board's diverse knowledge, skills and experience have been instrumental to the performance of the Company. Through their knowledge and skills, the directors challenged management into making sound business decisions. We continued to entrench a culture of good corporate governance, ethical dealing and sustainability. Our second Sustainability report outlines the journey we are walking towards making the brand an inspiring beacon, for many to follow.

### THE GLOBAL ECONOMY

The IMF estimates that the global economy grew by **3.2%** in 2024, slightly lower than the previous year. Signs of stabilization emerged through much of the year, after a prolonged and challenging period of unprecedented shocks. Inflation started declining, labor markets normalized, with unemployment rates returning to pre-pandemic levels. However, major policy shifts are resetting the global trade system and giving rise to uncertainty that is once again testing the resilience of the global economy.

### MALAWI ECONOMY

The economic environment for the reporting year continued to be challenging, characterized by high interest rates, shortage of foreign currency and high inflation, particularly the food inflation, which



significantly drove up the hotel's operating costs and also affected demand for the hotels' products and services.

The 2024 real gross domestic product (GDP) growth rate projections for Malawi from various published sources range between **1.3%** and **3.3%**, with the Monetary Policy Committee (MPC) projecting **2.3%**. Most sources attribute the subdued growth to the impact of El Nino on agricultural production and its spillover effects on the rest of the economy.

The annual average headline inflation for 2024 increased to **32.3%** from **28.8%** in 2023. This was as a result of increase in both food and non-food inflation. Food prices increased due to price fluctuation and supply challenges of maize. Non-food inflation was driven by energy challenges, foreign currency shortages and effects of the international conflicts.

The monetary policy rate closed at **26%** in 2024 from **24%** in 2023. This led to an increase in banks' lending rates. Treasury bill (TB) yields, to which the company's bonds are referenced, also increased during the year. The 364-days TB yield increased from **24%** in 2023 to **26%** in 2024 while the 182-days TB yield increased from **18%** in 2023 to **20%** in 2024.

SUNBIRD SHARE PRICE

The Company's share price increased from



TOURISM INDUSTRY

According to the United Nations World Travel Organisation (UNWTO), international tourist arrivals were 1.4 billion globally, signaling the recovery of international tourism from the Covid-19 pandemic, the worst crisis in the sector's history. In 2024, majority of destinations welcomed more international tourists than they did before the pandemic, while visitor spending also continued to rise sharply. The 74 million arrivals in Africa were 7% higher than those in 2019 (pre pandemic), and 12% higher than those in 2023.

Locally, the inability of major airlines operating in Malawi to issue international tickets due to foreign currency scarcity remains a challenge for tourism as other key players have even opted to pull out of the market.



## FINANCIAL PERFORMANCE

The Company's profit after tax for the year was MK10.6 billion, representing an increase of 102% from the 2023 profit of MK5.3 billion. The performance was attributed to the increase in revenue and prudent cost management in the year. This is despite the challenges faced during the year, which included shortage of foreign currency on the market and high cost of doing business.

Revenue for the year was MK54.7 billion, this was 57% higher than 2023 revenue of MK34.8 billion. This was on account of increase in both rooms and catering revenues. Occupancy increased to 58% from 57% achieved in the prior year and catering revenue grew by 22% from prior year.

Cost of sales was MK15.7 billion in 2024, an increase of 30% from prior year cost of sales of MK10.8 billion in 2023 while administration and other expenses increased to MK20.5 billion in 2024 from MK15.8 billion in 2023. The increase in both cost of sales and administration expenses was due to increased business activity and high inflation.

Finance costs increased by 4% to MK2.2 billion from prior year due to increase in borrowings made during the year. Finance costs are mainly in respect of borrowings used in expansion and refurbishment projects and asset financing loans.

## 2024 FINANCIAL PERFORMANCE SUMMARY

### Profit After Tax



MK10.6 B

102% increase from  
MK5.3 B

2024  
2023

### Revenue



MK54.7 B

57% increase from  
MK34.8 B

2024  
2023

### Costs



MK15.7 B

30% increase from  
MK10.8 B

2024  
2023

### Admin & Other Expenses



MK20.5 B

30% increase from  
MK15.8 B

2024  
2023

### Finance Cost



MK2.2 B

4% increase from  
MK2.1 B

2024  
2023





## REDEVELOPMENT PROJECTS

During the year, the Board reviewed the Company's redevelopment plan and were happy to continue with most of the initiatives in the plan while tweaking a few to respond to the changing business landscape. The company invested about MK27 billion in product improvement and expansion projects. Ongoing projects scheduled for completion in 2025 include; conference centre and new rooms at Sunbird Livingstonia, new rooms at Sunbird Nkopola, new rooms at Sunbird Mzuzu and redevelopments at Sunbird Capital. Once completed, these initiatives will immensely change our guests' experience.

## BUSINESS OUTLOOK

According to UNWTO, international tourists' arrivals are expected to grow by 3% to 5% over 2024. This is notwithstanding the global economic and geopolitical challenges which continue to pose risks to the sector. The change in US foreign aid policy is posing a risk of reduced business for the year 2025.

The economic environment is projected to remain volatile, with high inflation and persistent shortage of foreign currency.

In 2025, there will be elections, which may yield mixed results. While market activities might be high and may offer opportunities to the hospitality

industry, there may also be some interruptions that impact tourism, particularly in city hotels.

The Board will continue monitoring the economic and social-political environment and reposition the business accordingly. Strategies have been put in place to ensure that the Company manages the risks and exploits the opportunities available in the environment in order to continue providing unrivalled experience to its customers and grow its customer base.

## CORPORATE GOVERNANCE

Our approach to governance and leadership enables business and consequently contributes to value creation. We believe that the highest standards of Corporate Governance are critical to the success of our business. Good governance is the foundation for the delivery of our strategy and to remain the preferred brand in the hospitality industry. Sunbird fully complies with the Companies Act of 2013 as well as various regulations applicable to its operations. We provide adequate explanation to allow shareholders and investors to appreciate the level of compliance. Our governance structures, policies, internal processes, risk and sustainability oversight support our overall value creation process and ensure the Company is effectively and ethically led, well-managed and controlled. We continue to assess our governance structures and practices with a view to ensuring that there is agility.

A detailed corporate governance report is included in the Sustainability report.



## RISK MANAGEMENT

The responsibility of ensuring that the Company's risks are adequately managed rests with the Board, which delegates the oversight role to the Business Sustainability Committee. To guide the risk management process, the Company has a Risk Management Policy that has a detail of the levels of allowable risk in a Risk Appetite statement. The Committee reviews and monitors current and emerging risks and periodically engages management on the effectiveness of mitigating strategies.

The risks in all business units are documented in risk registers and are consolidated into a group risk register for the Company and are reviewed by the Business Sustainability Committee. At least quarterly, management provides a highlight of significant changes in the Company's top risks with related mitigating strategies put in place.

The Board will continue to provide oversight on the existing risk mitigation strategies to ensure the Company is proactive in responding to risks and their impact on the Company's operations.

## INTERNAL AUDIT

The Company has an established Internal Audit function that is part of its governance structure. For independence, the Internal Audit function reports to the Board's Finance and Audit Committee, which approves the annual plan of activities, ensures the function is adequately resourced and periodically reviews progress reports.

The Internal Audit function abides by the Global Internal Audit Standards when conducting its activities to provide independent objective assurance and advisory services.

On quarterly basis, the Committee receives and interrogates Internal Audit reports and engages management on recommendations made. The Committee is committed to supporting the Internal Audit function to ensure the Company has robust governance, risk management and internal control processes in place.

## DIVIDEND DECLARATION

During the year, a final dividend of **MK1.5 billion** representing **MK5.70** per share was paid in respect of the year ended 31 December 2023, in 2023, an interim dividend of **MK523 million** was paid; making the total dividend for 2023 to be **MK2.0 billion** representing **MK7.70** per share. An interim dividend of **MK654 million**, representing **MK2.50** per share was declared and paid relating to the results for the year ended 31 December 2024. Total dividend paid during the year was **MK2.1 billion** (Final dividend for 2023: **MK1.5 billion** and Interim dividend for 2024: **MK654 million**).

At the forthcoming Annual General Meeting, the Board will recommend that a final dividend of **MK2.7 billion** representing **MK10.50** per share be paid, making a total of **MK3.4 billion** representing **MK13.00** per share for 2024.

## INVESTOR RELATIONS

At Sunbird, we take our responsibility towards stakeholders very seriously. We believe engagement with stakeholders is key to delivering the value we promise them. That is why we go beyond the normal channels of communication with shareholders through the Annual General Meeting, press releases and regulatory filings. Our shareholders are able to communicate and meet with us on pertinent

issues as they arise. Again, during the year, we had engagements with both controlling and non-controlling shareholders. This has helped to improve communication and create better

understanding of the business and its challenges, as well as strategies that are implemented to counter the challenges. We have highlighted, in detail, the engagements we had with various stakeholders in our Sustainability report.

THE BOARD OF DIRECTORS

Below are directors that served in the year 2024. Detailed profiles and statistics are provided in the Sustainability report.



Vilipo Munthali  
Chairman



Moureen Mbeye



Gladson Kuyeri



Chauncy Simwaka



Dr. Betchani  
Tchereni



Chipiliro Phiri



Neema Chambalo



Godfrey Mtongola



Pirira  
Ndaferankhande



MANAGEMENT

The Chief Executive is responsible for overseeing the implementation of decisions and strategy endorsed by the Board throughout the company. Executive management of the company is provided below (Sustainability report has detail of all senior management):



**Samson Mwale**  
Chief Executive



**Barnet Gausi**  
Head of Finance &  
Company Secretary



**Proud Chalira**  
Head of Operations



**Edward Chungu**  
Head of Corporate Services



**Temwa Kanjadza**  
Head of Sales,  
Marketing & Distribution



**Mthusani Zungu**  
Division Manager, Internal  
Audit & Risk Management





## CHIEF EXECUTIVE'S REPORT

### HELLO AGAIN STAKEHOLDERS!

I am pleased to report to you on the 2024 performance, a performance that demonstrates the full potential that your Company has to reward customer loyalty with unparalleled experiences; suppliers' loyalty with strong relationships and high value trading and terms; investor loyalty with unmatched returns; employees loyalty with unrivalled working environment, welfare and benefits; and the community and environment with a friend that realizes that there is more to doing business than just Kwachas.

Building on the recovery that started two years prior, 2024 continued to be a good year for the hospitality industry with travel and tourism back to

pre-pandemic levels and with a lot of opportunities for the industry. The brand continues to create enabling environments that enhance meetings, connections and interactions.

I am very thankful to our esteemed customers for the support that they give the brand. We appreciate the feedback that we receive from them through the various platforms we have including the unsolicited feedback. This feedback is important to us and leads to service and product improvements which underscore our commitment to excellent and consistent service delivery.

### SALES & MARKETING

The topline resilience for 2024 was tested with persistent economic and natural disaster headwinds which included high inflation, erratic fuel supply, shocks emanating from exchange rate differences on the formal and informal markets, rising waters on Lake Malawi negatively affecting business at the lake resorts and the death of the Vice President that led to significant cancellations of reservations. Despite these challenges, the topline performed through implementation of targeted and responsive key sales and marketing strategies.

During the year, the Company launched the Sunbird Tours and Travel Agency for ticketing and destination management services with the objective of increasing brand equity, improving customer experience, increasing revenue and minimising revenue leakages for the international traveller segment.

Furthermore, the Sunbird Mzuzu Golf course was rehabilitated and launched with the aim of enhancing the hospitality product offer for the region in terms of sports tourism, and is a key value addition for Sunbird Mzuzu guests and avid golfers.



The year witnessed an increase in global international arrivals with 11% increase over 2023, representing a 99% performance of pre-pandemic levels, indicating a global recovery. On the domestic front, business spending outpaced the leisure segment, with 60.9% attributed towards business and 39.1% towards leisure.

Sales and Marketing strategies were therefore implemented targeting both traditional and new business sources. These strategies leveraged on increased demand and business activities from international and domestic markets in order to drive the topline and grow the market share, while positioning the brand for a solid and sustainable performance. Critical to the performance was a focus on great customer experience, relationship management and reliance on the loyalty programs for repeat business while ensuring value for money experiences.

The Corporate market segment, at 77% of total room nights, continued to be the anchor segment for the business. Focus remained on this key segment while initiatives to grow the other segments, such as leisure continued.

### PROMOTIONS AND EVENTS

A number of key promotions and campaigns were implemented during the period. These aimed at increasing the footfall in order to push occupancy and performance of food and beverage revenue. Some of the key promotions included the following; Low season, Festive season, Weekend staycations, Winter season, Easter holidays, Independence and Valentine's day, and other demand driven promotions.

During the year, the following key events were hosted; Client engagement and appreciation events, Sunbird Golf Tournaments, Beach Soccer Games, Launch of the Sunbird Tours & Travel, Business breakfasts, High Teas and Ladies night events.

### BRAND VISIBILITY

In positioning the brand for continued growth and resilience, focus was on a brand communication strategy that delivered targeted and increased reach, top of mind and market engagement with a view to optimise the topline performance and customer loyalty. Investment in above the line and below the line marketing initiatives were

implemented on various communication platforms targeting specific segments, while ensuring return on investment.

In an effort to grow the international and regional business, the Company continued to invest in destination marketing, through participation in the following trade shows; Meetings Africa, Indaba, ITB Berlin, WTM London, Magical Kenya and Malawi International Tourism Expo. The company also engaged in regional sales calls for Zambia and Kenya markets. Furthermore, in ensuring improved brand visibility, the brand presence remained on all key Online Travel Agents, and GDS platforms, while being supported by an enhanced channel manager, social media presence and a search engine optimized website.

The Company continued to leverage on key alliances for an improved loyalty program. In recognition for the brand's efforts, in 2024 the Group was awarded with two awards from the Institute of Marketers in Malawi under the following categories; People's Brand of the Year, and Best Customer Service Organisation of the Year.

### **CORPORATE SOCIAL RESPONSIBILITY**

While increasing stakeholder value remains a key strategic priority, Sunbird is equally vested in improving people and planet issues. A detail of the Corporate Social responsibility initiatives undertaken in 2024 is provided in the Sustainability report.

### **MARKET SHARE AND COMPETITION**

Business continued to be on a positive trajectory, with a solid performance in 2024. The brand continued to enjoy market leadership in a highly competitive market through its focus on its critical success factors which include; superior service delivery, implementation of responsive sales and marketing strategies, product improvement and expansion,

continuous investment in its people, operational efficiencies and innovation.

The Company managed to grow its market share to 28% from its previous 27%, while achieving a market penetration index of 1.2. Looking forward, implementation of the company's product improvement plans will remain a priority to counter new and emerging hospitality facilities on the market, and to ensure the product offer aligns with current and future trends. The domestic market will remain robust and position the industry for growth provided policies remain favourable for increased hospitality demand and investment. To retain and grow our market share, sales and marketing activities will be enhanced revolving around our four growth pillars of: market penetration, product development, market development and product diversification.

### **OPERATIONS**

#### **GUEST SATISFACTION**

The company's guest satisfaction score has shown continued improvement. According to the guest satisfaction surveys, the overall score for the year was 89%, which was an increase from last year's score of 88%.



## NET PROMOTER SCORE

A Net Promoter Score measures customer loyalty based on whether customers would recommend our services. The company achieved a score of 67, indicating high customer loyalty compared to the industry benchmark of 50. The score also indicated an improvement in customer loyalty compared to last year's score of 65.

## MYSTERY GUEST

All hotels conducted quarterly mystery guest surveys to assess adherence to standard operating procedures. Areas within the customer journey requiring attention were identified and corrective actions were implemented.

## INNOVATION

The innovations committee implemented several changes focused on cost control, revenue generation, and customer experience enhancement.

## TECHNOLOGY

Our business requires the use of technology and systems for property management, accounting, brand assurance and compliance, procurement, reservation systems, guest engagement, customer loyalty program, booking of hotel accommodation by current and future customers, search engine optimisation and guest amenities. The development and maintenance of these technologies require ongoing investment, which we prioritize. This enables the company to operate efficiently and effectively. Focus is placed on secure and efficient systems when making investment decisions.

The following are some of the technological developments and trends in the industry that we are poised to take advantage of:

- More cost-effective IT business models
- Contactless solutions and technology



- Robust broadband
- Loyalty program management solutions
- Improving employee productivity and reducing costs
- Artificial Intelligence (AI)
- Sustainability and smart energy
- Cyber security solutions
- Digitization
- Data driven solutions to reach out to wider audience

## PEOPLE AND CULTURE

The success of our business is highly attributed to the diligence, commitment and expertise of our people to offer unrivalled service to our valued and esteemed guests.

In 2024, the company continued to invest in staff development programs. Key ones included; international exposure to Cape Town for some operations staff, and trainings in – sales and key account management –leadership development –food safety and hygiene – departmental standard operating procedures.

Intensive chefs' development programs continued in the year spearheaded by our experienced Consultant Chef. These programs are aimed at ensuring that our food offering is consistently tasty and in tandem with modern, emerging and trending dining experience. To ensure that our Chefs cultivate a culture of innovation and creativity, we also conducted a Chefs' competition and the overall Winner was rewarded with a trip to Victoria Falls in Zimbabwe, besides other gifts and rewards for the rest of the Winners in various categories.

Our culture is what separates us from the pack. To this end we continue to inculcate the desired culture through our core values which are; Respect,

Empathy, Teamwork, Integrity, Sustainability and Accountability, coined as RETISA.

Rewarding our star performers is one key initiative within the human capital pillar and so those who emerged as Winners of Employee and Supervisor of the Year accolades were taken on a retreat to Likoma Island.

With a number of employee value proposition initiatives implemented in the year, our annual staff satisfaction survey results showed a significant improvement from the previous year. The Company will continue to build on these achievements.

Believing that a healthy workforce is a productive workforce, the Company introduced weekly aerobics sessions across all its hotels to keep staff healthy and strong, as part of our Wellness program. Furthermore, the company introduced biannual health checks as a proactive way to manage people's health status.

We continued to offer opportunities for internship for students from various colleges and universities across the country as part of our contribution in developing a pool of qualified future human capital for the hospitality industry.

Our Sustainability report provides detail on people and culture initiatives undertaken in the year.



SUNBIRD TOURISM PLC

# FINANCIAL STATEMENTS

For the year ended  
**31 December 2024**

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# FINANCIAL STATEMENTS

For the year ended  
31 December 2024



DIRECTORS’ REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2024.

NATURE OF BUSINESS

Sunbird Tourism Plc (the “Company”) is a leading operator in the hospitality industry in Malawi and has as its main activity, the ownership, operation and management of nine hotel properties in Malawi.

INCORPORATION AND REGISTERED OFFICE

Sunbird Tourism Plc is a Company incorporated in Malawi under the Companies Act, 2013 of Malawi, and is domiciled in Malawi. The Company was listed on the Malawi Stock Exchange on 22 August 2002. The address of its registered office is:

28 Glyn Jones Road  
P.O. Box 376  
Blantyre  
Malawi

SHARE CAPITAL

The share capital for Sunbird Tourism Plc consists of fully paid ordinary shares with a nominal value of 5 tambala each. All shares are equally eligible to receive dividends and repayment of capital and represent one vote at shareholders’ meetings.

	2024	2023
Issued and fully paid share capital (261,582,580 shares)	13,079	13,079
Shareholders and their respective percentage shareholdings	%	%
MDC Limited	71.00	71.00
Press Corporation Plc	15.00	15.00
Members of the public	14.00	14.00
	100.00	100.00



The holding Company is MDC Limited, a dormant Company, which is wholly owned by the Malawi Government.

The share price at the end of the reporting year was **MK240.08** (2023: MK191.07) per share.

## FINANCIAL PERFORMANCE

The results and state of affairs of the Company are set out in the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The profit for the year ended 31 December 2024 was **MK10.6 billion** (2023: MK5.3 billion).

## DIVIDEND

During the year, a final dividend of **MK1.491 billion** representing **MK5.70** per share was paid in respect of the year ended 31 December 2023, making the total dividend for 2023 to be **MK2.014 billion** representing **MK7.70** per share. An interim dividend on **MK654 million**, (interim dividend for 2023: MK523 million), representing **MK2.50** per share (2023: representing MK2.00 per share) was declared and paid relating to the results for the year ended 31 December 2024. Total dividend paid during the year was **MK2.1 billion** (Final dividend for 2023: **MK1.5 billion** and Interim dividend for 2024: **MK654 million**). In 2023, total dividend paid was **MK916 million** representing **MK3.50** per share (Final dividend for 2022: MK393 million and interim dividend for 2023: MK523 million).

## CORPORATE GOVERNANCE

Sunbird Tourism Plc has an overarching governance structure incorporating principles of good governance, to facilitate effective and dynamic management and oversight of the Company as advocated in the code of best practice and conduct contained in Malawi Code II, Code of Best Practice to Corporate Governance in Malawi.

The Board is satisfied that the Company has made every practical effort to adopt all relevant principles of good corporate governance during the year under review in so far as is applicable to the Company.

## RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management framework. The Board established the Finance and Audit Committee, which is responsible for developing and monitoring the Company's financial risk management policies as set out in Note 4 to the financial statements. This committee reports regularly to the Board of Directors on its activities.



DIRECTORATE

The following directors and secretary served in the office during the year:

Name		Position	Duration
Mr. Vilipo Munthali	-	Chairman	Full year
Mr. Gladson Kuyeri	-	Director	Full year
Mr. Chauncy Simwaka	-	Director	Full year
Ms. Moureen Mbeye	-	Director	Full year
Dr. Betchani Tchereni	-	Director	From 2nd February 2024
Ms. Neema Chambalo	-	Director	From 29th May 2024
Ms. Pirira Ndaferankhande	-	Director	From 29th May 2024
Mr. Chipiliro Phiri	-	Director	From 29th May 2024
Mr. Godfrey Mtongola	-	Director	From 29th May 2024
Mr. Barnet Gausi	-	Company Secretary	

All the directors are resident in Malawi.

All directors are subject to retirement by rotation and re-election by the shareholders at least once every three years.

As at 31 December 2024, all directors did not have direct interest in the shares of the company.



BOARD AND COMMITTEES' ATTENDANCE RECORD

The Board meets at least four times a year including sessions devoted to strategy and business planning. It may also meet as and when required to deal with specific matters that may arise between scheduled meetings. Below is the attendance record:

BOARD

MEMBER	18-Jan-24	02-Feb-24	21-Mar-24	22-Apr-24	08-May-24	29-May-24	21-Jun-24	01-Jul-24	02-Sept-24	06-Dec-24	20-Dec-24
Vilipo Munthali (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Moureen Mbeye	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gladson Kuyeri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chauncy Simwaka	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Betchani Tchereni	N	N	✓	A	A	A	✓	A	✓	✓	✓
Neema Chambalo	N	N	N	N	N	N	✓	✓	✓	A	✓
Pirira Ndaferankhande	N	N	N	N	N	N	✓	✓	✓	✓	✓
Chipiliro Phiri	N	N	N	N	N	N	✓	✓	✓	✓	✓
Godfrey Mtongola	N	N	N	N	N	N	✓	✓	✓	✓	✓

BUSINESS SUSTAINABILITY COMMITTEE

MEMBER	09-Apr-24	15-Apr-24	05-Jun-24	14-Aug-24	15-Nov-24
Gladson Kuyeri (Chairperson)	✓	✓	✓	✓	✓
Chauncy Simwaka	✓	✓	✓	✓	✓
Chipiliro Phiri	N	N	✓	✓	✓
Pirira Ndaferankhande	N	N	✓	✓	✓

**FINANCE AND AUDIT COMMITTEE**

MEMBER	10-Apr-24	07-Jun-24	16-Aug-24	13-Nov-24
Moureen Mbeye (Chairperson)	✓	✓	✓	✓
Betchani Tchereni	A	✓	✓	✓
Godfrey Mtongola	N	✓	✓	✓
Pirira Ndaferankhande	N	✓	✓	✓
Chauncy Simwaka	✓	N	N	N
Gladson Kuyeri	✓	N	N	N

**PEOPLE AND CULTURE COMMITTEE**

MEMBER	16-Jan-24	31-Jan-24	18-Mar-24	09-Apr-24	05-Jun-24	27-Jun-24	14-Aug-24	13-Nov-24
Chauncy Simwaka (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓
Moureen Mbeye	✓	✓	✓	✓	✓	✓	✓	✓
Neema Chambalo	N	N	N	N	✓	✓	✓	✓
Chipiliro Phiri	N	N	N	N	✓	✓	✓	✓

**PROJECTS COMMITTEE**

MEMBER	10-Apr-24	02-May-24	06-Jun-24	15-Aug-24	14-Nov-24	19-Dec-24
Neema Chambalo (Chairperson)	N	N	A	✓	✓	✓
Gladson Kuyeri	✓	✓	✓	✓	✓	✓
Betchani Tchereni	N	N	✓	✓	✓	✓
Godfrey Mtongola	N	N	✓	✓	✓	✓
Moureen Mbeye	✓	✓	N	N	N	N

**Key:** ✓ = Attendance    A = Apology    N = Not a member



All directors have access to management including the Company Secretary and to such information as is needed to carry out their duties and responsibilities fully and effectively. The Company Secretary provides support to the Board to ensure effective functioning and proper administration of Board proceedings.

#### **GOING CONCERN**

The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future. The financial statements have accordingly been prepared on a going concern basis.

#### **INDEPENDENT AUDITORS**

Deloitte Chartered Accountants were the auditors for the year ended 31 December 2024. The auditors signified their willingness to continue in office and a resolution is to be passed at the company's Board Meeting in relation to their appointment as auditors in respect of the year ending 31 December 2025.

#### **FOR AND ON BEHALF OF THE BOARD**



AUTHORISED DIRECTOR



AUTHORISED DIRECTOR

**Date: 4th April 2025**





## **DIRECTORS' RESPONSIBILITY STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

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The directors are responsible for the preparation and fair presentation of the financial statements of Sunbird Tourism Plc, comprising the statement of financial position at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes in accordance with IFRS® Accounting standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act. In addition, the directors are responsible for preparing the directors' report.

The Companies Act also requires the directors to ensure that the Company keep proper accounting records which disclose with reasonable accuracy of the financial position of the Company and to ensure the financial statements comply with the Companies Act.

In preparing the financial statements, the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and applying them consistently;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards, when preparing financial statements; and
- Preparation of the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Directors also accept responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to maintain adequate systems of internal control to prevent and detect fraud and other irregularities.

The directors' have made an assessment of the ability of the Company to continue as going concern and have no reason to believe that the business will not be going concern in the year ahead.

The Directors are of the opinion that the consolidated and company financial statements give a true and fair view of the state of the financial affairs of the group and of its operating results.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the IFRS Accounting standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

#### Approval of financial statements

The financial statements of Sunbird Tourism Plc, as identified in the first paragraph were approved by the Board of Directors on 4 April 2025 and were signed on its behalf by:



**AUTHORISED DIRECTOR**



**AUTHORISED DIRECTOR**





## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE SHAREHOLDERS OF SUNBIRD TOURISM PLC**

#### **OPINION**

We have audited the financial statements of Sunbird Tourism Plc (the Company) set out on pages 10 to 44, which comprise the statement of financial position as at 31 December 2024, and the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to performing audits of financial statements in Malawi. We have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **OTHER MATTER**

2023 financial statements audited by another auditor

The financial statements of Sunbird Tourism Plc for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 3 May 2024.

#### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How the matter was addressed in the audit
<p><b>Valuation of property</b></p> <p>As disclosed in Note 6, the fair value measurement of land and buildings amounted to MK86.7 billion as at 31 December 2024, whilst if they were stated on the historical cost basis, the carrying amounts would be MK22.9 billion.</p> <p>The company operates out of various hotels throughout Malawi. The properties including the land on which they are situated are owned by the company and is measured at revaluation using investment method (income approach). The company's policy is to revalue the properties annually to ensure that the carrying amount is not materially different from the fair value.</p> <p>While the Hotels' business has significantly improved (notwithstanding the increased competition) compared to prior year, the macro-economic environment has significantly deteriorated. These factors may result into difficulty in deriving a fairly stated valuation for the company's buildings since the valuation is a significant estimate which involves assumptions, judgement and complex valuation methods.</p> <p>Considering its significant value, the judgements and assumptions involved, the property valuation is considered a Key Audit Matter.</p>	<p>We engaged with management to obtain a detailed understanding of their internal process for determining the fair value of properties.</p> <p>We evaluated the design and implementation of management's controls over the significant estimates and assumptions used in the determination of the company's fair value of properties.</p> <p>We evaluated the competence, independence, and experience of management's external independent valuers with reference to their qualifications and industry experience.</p> <p>We made use of our valuation expert in our assessment of the reasonableness of the valuation methodologies, judgements and assumptions applied by management and their external valuers based on our knowledge of the industry and markets in which the company operates and IFRS Accounting Standards as issued by the International Accounting Standards Board.</p> <p>We performed the following procedures to assess the reasonableness of the inputs into fair value of properties by management and the external valuers:</p> <ul style="list-style-type: none"><li>• Compared the data inputs used in the valuations against the appropriate market and historic information. We made use of our internal valuation expert to determine our own estimates of inputs to assess whether they were within a reasonable range. These inputs included:<ul style="list-style-type: none"><li>- Revenue;</li><li>- Operating costs;</li><li>- Discounts rates; and</li><li>- Capitalisation rates.</li></ul></li></ul> <p>With the help of our valuation expert, we performed independent recalculations using independent data referred above, and comparing the outcome to the values determined by management.</p> <p>We evaluated the appropriateness of the disclosures in terms of the requirements of IAS 16 Property, Plant and Equipment and IFRS 13 Fair Value Measurement.</p> <p>Based on the work done, the assumptions, judgements and valuation method used in the valuation of properties were appropriate and the disclosures pertaining to the properties were found to be appropriate in terms of the relevant accounting standards.</p>



### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, Directors' Responsibility Statement as required by the Companies Act which we obtained prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Deloitte

Chartered Accountants

**Vilengo Beza**  
Partner

**Deloitte.**

30th April 2025

**STATEMENT OF FINANCIAL POSITION****As at 31 December 2024***In thousands of Malawi Kwacha*

	Note	2024	2023
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	6	103 394 586	69 735 208
Intangible assets	7	167 188	221 817
<b>Total non-current assets</b>		<b>103 561 774</b>	<b>69 957 025</b>
<b>CURRENT ASSETS</b>			
Inventories	8	6 248 169	3 878 876
Trade and other receivables	9	4 546 798	4 227 908
Amounts due from related parties	10	2 688 639	1 721 980
Income tax receivable	22(b)	-	103 295
Cash and cash equivalents	11	3 521 284	3 668 107
<b>Total current assets</b>		<b>17 004 890</b>	<b>13 600 166</b>
<b>TOTAL ASSETS</b>		<b>120 566 664</b>	<b>83 557 191</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	12	13 079	13 079
Share premium	12	1 966	1 966
Revaluation reserve		41 314 334	28 737 731
Retained earnings		28 601 126	19 821 157
<b>Total equity</b>		<b>69 930 505</b>	<b>48 573 933</b>
<b>NON CURRENT LIABILITIES</b>			
Corporate bonds	13(a)	11 500 000	4 600 000
Deferred income	18	170 577	176 926
Deferred tax liabilities	22(c)	25 824 225	16 270 724
Loans and borrowings	13(b)	1 723 690	9 656
<b>Total non-current liabilities</b>		<b>39 218 492</b>	<b>21 057 306</b>
<b>CURRENT LIABILITIES</b>			
Bank overdraft	11	-	117 840
Trade and other payables	15(a)	5 801 475	5 573 056
Provisions	15(b)	1 302 533	992 542
Deferred income	18	242 563	269 261
Employee benefits	14(b)	1 150 868	1 102 516
Amounts due to related parties	10	1 420 279	1 016 139
Corporate bonds	13(a)	71 024	4 824 935
Current tax liability	22(b)	929 861	-
Loans and borrowings	13(b)	499 064	29 663
<b>Total current liabilities</b>		<b>11 417 667</b>	<b>13 925 952</b>
<b>Total liabilities</b>		<b>50 636 159</b>	<b>34 983 258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120 566 664</b>	<b>83 557 191</b>

These financial statements were approved for issue by the Board of Directors on 4 April 2025 and were signed on its behalf by:

**AUTHORISED DIRECTOR****AUTHORISED DIRECTOR**



**STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

**For the year ended 31 December 2024**

*In thousands of Malawi Kwacha*

	Note	2024	2023
Revenue	16	54 595 050	34 824 762
Cost of sales	19	(15 723 378)	(10 773 624)
<b>Gross profit</b>		<b>38 871 672</b>	<b>24 051 138</b>
Other income	17	387 358	1 399 154
Impairment losses of financial assets	24.2	(172 368)	-
Administrative and other expenses	20(a)	(20 359 663)	(15 843 984)
<b>Operating profit</b>		<b>18 726 999</b>	<b>9 606 308</b>
Finance income	21(a)	87 707	90 832
Finance costs	21 (b)	(2 223 709)	(2 141 422)
<b>Profit before income tax expense</b>		<b>16 590 997</b>	<b>7 555 718</b>
Income tax expense	22(a)	(5 966 369)	(2 303 814)
<b>Profit for the year</b>		<b>10 624 628</b>	<b>5 251 904</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Net gain on property revaluation		12 876 921	13 550 487
Total other comprehensive income		12 876 921	13 550 487
Total comprehensive income		23 501 549	18 802 391
<b>Profit attributable to:</b>			
Owners of the Company		10 624 628	5 251 904
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		23 501 549	18 802 391
<b>Earnings per share (Kwacha)</b>			
Basic and diluted		40.62	20.08



## STATEMENT OF CHANGES IN EQUITY

As at 31 December 2024

In thousands of Malawi Kwacha

	Share Capital	Share Premium	Revaluation Reserve*	Retained Earnings	Total
<b>2024</b>					
Balance at 1 January 2024	13 079	1 966	28 737 731	19 821 157	48 573 933
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	10 624 628	10 624 628
<b>Other comprehensive income</b>					
Revaluation surplus	-	-	21 874 312	-	21 874 312
Deferred tax on revaluation surplus	-	-	(8 997 391)	-	(8 997 391)
<b>Total comprehensive income for the year</b>	-	-	12 876 921	10 624 628	23 501 549
Transfer of excess depreciation on revaluation surplus	-	-	(300 318)	300 318	-
<b>Transactions with the owners</b>					
Dividend paid	-	-	-	(2 144 977)	(2 144 977)
<b>Balance at 31 December 2024</b>	<b>13 079</b>	<b>1 966</b>	<b>41 314 334</b>	<b>28 601 126</b>	<b>69 930 505</b>
<b>2023</b>					
Balance at 1 January 2023	13 079	1 966	15,409,596	15 262 910	30 687 551
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	5 251 904	5 251 904
<b>Other comprehensive income</b>					
Revaluation surplus	-	-	19 357 838	-	19 357 838
Deferred tax on revaluation surplus	-	-	(5 807 351)	-	(5 807 351)
<b>Total comprehensive income for the year</b>	-	-	13 550 487	5 251 904	18 802 391
<b>Transfer of excess depreciation on revaluation surplus</b>					
revaluation surplus	-	-	(222 352)	222 352	-
<b>Transactions with the owners</b>					
Dividend paid	-	-	-	(916 009)	(916 009)
<b>Balance at 31 December 2023</b>	<b>13 079</b>	<b>1 966</b>	<b>28 737 731</b>	<b>19 821 157</b>	<b>48 573 933</b>

\*Revaluation reserve is a non-distributable reserve which is held for purposes of fluctuation of asset market value. These arise from the property valuation of land and buildings.

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2024**

*In thousands of Malawi Kwacha*

	Note	2024	2023
<b>Cash flows from operating activities</b>			
Cash receipts from customers	21(b)	53 932 028	33 691 384
Cash paid to suppliers and employees	22(b)	(36 360 950)	(23 802 753)
<b>Cash generated from operations</b>		<b>17 571 078</b>	<b>9 888 631</b>
Interest paid		(2 781 954)	(2 221 076)
Income tax paid		(4 377 104)	(1 611 136)
<b>Net cash from operating activities</b>		<b>10 412 020</b>	<b>6 056 419</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	6	(12 723 996)	(3 475 306)
Acquisition of intangible assets	7	(8 809)	(142 704)
Proceeds from sale of property and equipment		39 114	7 819
<b>Net cash used in investing activities</b>		<b>(12 693 691)</b>	<b>(3 610 191)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	13	13 234 222	700 000
Repayment of borrowings	13	(8 910 787)	(1 871 735)
Dividends paid	23(b)	(2 144 977)	(916 009)
<b>Net cash from/ (used in) financing activities</b>		<b>2 178 458</b>	<b>(2 087 744)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(103 213)</b>	<b>358 484</b>
Cash and cash equivalents at beginning of the year		3 550 267	2 156 748
Exchange differences on cash and cash equivalents		74 230	1 035 035
<b>Cash and cash equivalents at end of the year</b>	11	<b>3 521 284</b>	<b>3 550 267</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 1. REPORTING ENTITY

- Sunbird Tourism Plc ('the Company') is a Company incorporated and domiciled in Malawi.
- The Company is a subsidiary of MDC Limited, a dormant Company incorporated in Malawi. The ultimate majority shareholder is the Malawi Government.
- The main business of the Company is the provision of hotel accommodation, catering and related tourist services. The postal address of its principal business and registered office is Sunbird Tourism Plc, P.O. Box 376, Blantyre, Malawi. Sunbird Tourism plc is listed on the Malawi Stock Exchange.

### 2. BASIS OF PREPARATION

#### a. Statement of compliance

- The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, IAS 29 Directive as issued by the Institute of Chartered Accountants in Malawi (ICAM) and in the manner required by the Companies Act. Details of the Company's material accounting policies, including changes during the year and critical accounting judgements, are included in notes 3 to 5.

#### b. Basis of measurement

- The financial statements have been prepared on the historical cost basis except for land and property which are measured under the revaluation model.

#### c. Functional and presentation currency

- The financial statements are presented in Malawi Kwacha, which is the Company's functional currency. Unless specifically expressed, all financial information is presented in Malawi Kwacha and has been rounded to the nearest thousand.

#### d. Going concern basis of accounting

- The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the repayment of its liabilities and the mandatory repayment terms of the facilities as disclosed in notes 13, 14, 15, 24 and 25.

#### e. Use of estimates and judgements

- The preparation of financial statements in conformity with IFRS Accounting Standards, require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and



liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

- The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the financial statements and estimates with significant risk of material adjustment in the next year are discussed in note 5.

**f. Changes in accounting policies**

- Unless stated otherwise, the Company has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

**g. Adoption of new and revised International Financial Reporting Standards**

- Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements
- In the current year, the Company has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2024.

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2024	Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)  The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
Annual reporting periods beginning on or after 1 January 2024	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)  The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Annual reporting periods beginning on or after 1 January 2024	Non-current Liabilities with Covenants (Amendments to IAS 1)  The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.  Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)



Annual reporting periods beginning on or after 1 January 2024	<p>The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.</p> <p>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</p>
Annual reporting periods beginning on or after 1 January 2024	<p>IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.</p>
Annual reporting periods beginning on or after 1 January 2024	<p>IFRS S2 Climate-related Disclosures</p> <p>IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.</p>

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the Company.

**h. Standards and Interpretations in issue, not yet effective**

- A number of new standards, amendments to standards and interpretations are issued and effective for annual periods beginning on or after 1 January 2025 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

<b>Effective date</b>	<b>Standard, Amendment or Interpretation</b>
Annual reporting periods beginning on or after 1 January 2025	<p>Amendments to the SASB standards to enhance their international applicability.</p> <p>The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.</p>
Annual reporting periods beginning on or after 1 January 2026	<p>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</p>

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.

Annual reporting periods beginning on or after 1 January 2026	<p>Annual Improvements to IFRS Accounting Standards — Volume 11</p> <p>The pronouncement comprises the following amendments:</p> <ul style="list-style-type: none"> <li>• IFRS 1: Hedge accounting by a first-time adopter</li> <li>• IFRS 7: Gain or loss on derecognition</li> <li>• IFRS 7: Disclosure of deferred difference between fair value and transaction price</li> <li>• IFRS 7: Introduction and credit risk disclosures</li> <li>• IFRS 9: Lessee derecognition of lease liabilities</li> <li>• IFRS 9: Transaction price</li> <li>• IFRS 10: Determination of a 'de facto agent'</li> <li>• IAS 7: Cost method</li> </ul>
Annual reporting periods beginning on or after 1 January 2027	<p>IFRS 18 Presentation and Disclosures in Financial Statements</p> <p>IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.</p>
Annual reporting periods beginning on or after 1 January 2027	<p>IFRS 19 Subsidiaries without Public Accountability: Disclosures</p> <p>IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.</p>

The directors anticipate that other than IFRS 18 Presentation and Disclosures in Financial Statements and amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments, these Standards and Interpretations in future periods will have no significant impact on the financial statements of the Company. IFRS 18 will impact the presentation and disclosure of information in financial statements and IFRS 7 and IFRS 9 will impact the classification and measurement of financial instruments. Management is in the process of assessing the impact of these new standards and interpretations on the financial statements.

## i. Comparatives

- Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with IAS 1.41. Refer to Notes 6, 13 and 17 of the financial statements.



### **3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

#### **3.1. Property and equipment**

##### **Recognition and measurement**

Land and buildings for the supply of goods or services, or for administrative purposes, are measured at their re-valued amounts, being the fair value at the date of revaluation, less accumulated depreciation and any impairment losses. Revaluations are performed annually such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Work in progress, being property and equipment in the course of construction for production or administrative purposes are measured at cost, less any recognised impairment loss. Cost includes cost of self-constructed assets including the cost of materials and direct labour and any other costs directly attributable to bring the asset to a working condition and its intended use and the cost of dismantling and carrying the items and restoring the site on which they are located.

Vehicles and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When components of property and equipment have different useful lives are accounted for as separate items (major components) of property and equipment and depreciated based on the components useful lives.

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably and the carrying amount of the replaced part is derecognised. The cost of day-to-day servicing of property and equipment is recognised in profit or loss as incurred. Professional fees directly attributable to qualifying assets and borrowing costs are capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for their intended use.

##### **Revaluation**

Any revaluation increase arising on the revaluation of such property is credited to a non-distributable revaluation reserve through other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such property is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. Depreciation on re-valued property

and equipment is recognised in profit or loss. The difference between depreciation based on the revalued carrying amount of the property and the depreciation based on the property's original cost is transferred annually from the revaluation reserve to retained earnings. On the realisation of re-valued property, either through sale or use, the attributable revaluation surplus in the revaluation reserve is transferred directly to retained earnings. When an item of property and equipment is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Property valuation is conducted annually.

### Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, less estimated residual values, over their current estimated useful lives, using the straight-line method as follows. The estimated useful lives for the current and comparative period are as follows:

Freehold property	33 – 50 years
Leasehold property	33 – 50 years
Vehicles and equipment	3 – 10 years

Useful lives, depreciation methods and residual values are re-assessed at each reporting date. Freehold land, long-term leasehold land and work in progress are not depreciated.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

### Derecognition

The carrying amount of an item of property and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on the sale or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Intangible assets

The intangible assets in the financial statements of the Company are stated at cost less any accumulated amortisation and impairment losses over the period of the asset.



**3.2. Inventories**

Inventories consist of foodstuffs, consumables and merchandise. Inventories are measured at the lower of cost and net realisable value. The carrying amount of inventory is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**3.3. Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income, in which case it is recognised in other comprehensive income.

The current tax is based on the taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or by different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no

longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity or other comprehensive income. Additional income taxes that arise from distribution of dividends are recognised at the same time as a liability to pay the related dividend is recognised.

### 3.4. Foreign currency translations

The results and financial position of the Company are presented in Malawi Kwacha, which is the functional currency of the Company.

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on translation are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

### 3.5. Employee benefits

#### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss as the related service is provided.

#### Short-term benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**3.6. Revenue**

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied

**Accommodation, catering and conferences**

For accommodation, catering and conferences the performance obligations are delivered when services are rendered.

**Guest loyalty program**

Provision is made for the estimated liability arising from the issue of benefits under the Company's customer reward programmes, based on the value of rewards earned by the programme members, and the expected utilisation of these rewards. The value attributed to these awards is deferred as a liability included in deferred income in the statement of financial position, and released to profit or loss as the awards are redeemed. The expected utilisation is determined through consideration of historical usage and forfeiture rates.

**3.7. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs that the Company capitalises during a period shall not exceed the amount of borrowings costs it incurred during the year.

All other borrowing costs are recognised in profit or loss using the effective interest method.

**3.8. Provisions**

Provisions comprise provisions raised for disputes with a specific service provider and are recognised when the Company has a present legal or constructive obligation that can be

estimated reliably and it is probable that the Company will be required to settle that obligation. Provisions are estimated at the directors' best estimate of the expenditure required to settle the obligation at the reporting date.

### 3.9. Financial instruments

Non-derivative financial assets and financial liabilities

#### Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

#### Classification and initial measurement of financial assets

On initial recognition, financial assets are measured at fair value plus directly attributable transaction costs, unless the instrument is classified as at fair value through profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

#### Subsequent measurement of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding



After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

### Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### Derecognition

Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

### Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

The Company has the following financial assets which are all classified as loans and receivables:

### Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent



measurement is at amortised cost using the effective interest method less impairment losses. Appropriate impairment allowances are recognised in the profit or loss when there is objective evidence that the asset is impaired.

#### Amounts due from related parties

Amounts due from related parties are measured on initial recognition at fair value, being the consideration expected to be received on settlement plus directly attributable costs. Subsequent measurement is at amortised cost using the effective interest method less impairment losses. Appropriate impairment allowances are recognised in the profit or loss when there is objective evidence that the asset is impaired.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost which approximates fair value. For the purposes of the statement of cash flows, cash and cash equivalents include bank overdrafts.

#### The Company has the following financial liabilities:

##### Loans and borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

##### Lease liabilities

The Company leases are of low value and are currently being recognised through the profit and loss as an expense for all the lease payments. The asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The leased land is accounted for as per the land that is owned by the company. The leased lands are renewed at the end of the lease period and the depreciation is accounted for as per IAS 16 as guided by IFRS 16 on the depreciation of leased land. (see note 3.9).

##### Corporate bonds

Corporate bonds are initially measured at fair value less transaction costs and are subsequently measured at amortised cost, using the effective interest method.



#### Trade payables and other payables

Trade payables are initially measured at fair value, being the amount expected to be incurred on settlement less transactions costs. Subsequent measurement is at amortised cost using the effective interest method.

#### Amounts due to related parties

Amounts due to related parties are initially measured at fair value, being the amount expected to be incurred on settlement plus directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest method.

### 3.10. Impairment

#### Financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead, the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second and third category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

### Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to the units to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.11. Earnings per share (basic and diluted)

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. The calculation of basic earnings per share is based on the profit or loss attributable to ordinary shareholders for the year and the weighted average number of shares in issue throughout the year. Where new equity shares have been issued by way of capitalisation or share split, the profit is apportioned over the shares in issue after the capitalisation or subdivision and the corresponding figures for all earlier periods are adjusted accordingly. Where there are no dilutive effects to the shares in issue, the basic and dilutive EPS is the same

**3.12. Dividend per share**

The calculation of dividend per share is based on the dividends payable to shareholders (inclusive of the related withholding tax) during the year divided by the number of ordinary shares on the register of shareholders at the date of payment.

**3.13. Operating segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's CEO, who is the chief operating decision maker, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

**3.14. Finance Cost/Income**

Finance cost comprise interest expense on borrowings and impairment losses recognised on financial assets that are recognised in profit or loss. Finance income is recognised in the profit and loss when it is earned.

**3.15. Share capital, share premium and reserves**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are shown in equity as a deduction, net of tax, from the proceeds and are included in the share premium account.

Equity instruments are recorded at the proceeds received, net of direct issue cost.

**3.16. Government grants**

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant.

Grants relating to the cost of an asset are subsequently recognised in profit or loss on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other income on a systematic basis in the periods in which the expenses are recognised.

**3.17. Commitments**

Commitments represent goods/services that have been contracted for, but for which no delivery has taken place at the reporting date. Commitments also include capital expenditure authorised but not contracted for. These amounts are not recognised in the statement of financial position

as a liability or as expenditure in the statement of profit or loss and other comprehensive income but are however disclosed as part of the disclosure notes.

### 3.18. Other income

#### Dividend income

Dividend income is recognised when the right to receive income is established.

#### Management fees

Management fee income is recognised on an accrual basis in accordance with the relevant agreements, as and when services are provided.

#### Sundry Receipts

Sundry income is recognised on an accrual basis when the all the conditions of revenue recognition are satisfied.

### 3.19. Foreign currency gains and losses

Foreign currency gains and losses are reported on a net basis.

### 3.20. Operating results

Operating results is the result generated from the continuing principal revenue producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes. The operating expenses relating to the results are recognised when incurred.

### 3.21. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

## 4. FINANCIAL RISK AND CAPITAL MANAGEMENT

### Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.





The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Committee.

#### **4.1. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and related parties and cash and deposits with financial institutions.

##### **Cash and cash equivalents**

The Company places its cash with banks licensed by the central bank, the Reserve Bank of Malawi.

##### **Amounts due from related parties**

Management assesses the credit quality of a related party taking into account its financial position and past experience. The utilisation of credit limits are regularly monitored with reference to historical information about default rates.

##### **Trade and other receivables**

The Company's credit risk is primarily attributed to credit facilities extended to its customers. No interest is charged on trade receivables for overdue debts. The amounts presented in the statement of financial position are net of allowance for credit losses. The specific allowance is estimated by management based on prior experience and current economic environment. The Company has an established credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes bank and supplier references. Credit limits are established for each customer, and these are reviewed quarterly. Customers who fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash basis.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Detailed financial information is included in note 24.

## 4.2. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses strong cash forecasting systems which assist it in monitoring cash flow requirements. This is further enhanced by reviewing actual cash flows against the forecasts, learning from past trends and preparing updated rolling forecasts to replace earlier less reliable forecasts. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses and servicing of financial obligations. In addition, the Company maintains the following line of credit:

**MK150 million** (2023: MK150 million) overdraft facility with Standard Bank Plc whose interest rate is at the bank's base lending rate plus 100 basis points, currently at 26.3% per annum (2023: 27.1%).

All the above facilities are secured over the Company's property. The overdraft facilities are repayable on demand and are renewed annually.

Detailed financial information is included in note 24.

## 4.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### i. Currency risk

The Company is exposed to currency risk on sales, purchases and administrative expenses that are denominated in a currency other than the functional currencies of Company entities primarily the Malawi Kwacha. The currencies in which these transactions are primarily denominated are Euro, USD, GBP and South African Rand.

All purchases in foreign currency are economically hedged by Foreign Currency Denominated Accounts (FCDAs) in the same currencies. Any purchase in USD is paid for



using funds in a USD account and the same applies to Euro, GBP and South African Rand. Similarly, loans in foreign currency are repaid using funds in an FCDA account of the same currency. The Company generates foreign currency through its normal operations but opts to set aside foreign currency funds in FCDA accounts to cover its foreign currency denominated liabilities as a hedge.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Company, primarily Kwacha, but also USD. This provides an economic hedge, and no derivatives are entered into.

ii. **Interest rate risk**

The Company adopts a policy of ensuring that some borrowings are at fixed rates and others are at variable rates depending on the currency of the borrowings, terms and conditions.

Detailed financial information is included in note 24.

#### **4.4. Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board through its Finance and Audit Committee, monitors its capital adequacy and capital returns to ensure that it remains a going concern while maximising returns to shareholders.

The capital structure of the Company comprises of share capital and share premium, revaluation reserves and retained earnings as disclosed on the statement of changes in equity.

The Finance and Audit Committee reviews the capital structure on a regular basis. As part of this review, the Committee considers the cost of capital and its associated risks. Based on recommendations of the Committee, the Company will balance its overall capital structure through the payment of dividends and revaluations of its assets.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

## **5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

### **5.1. Critical judgements in applying the Company's significant accounting policies**

#### **5.1.1. Valuation of properties**

The Company's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent impairment losses. The fair value measurements of the Company's land and buildings were performed by qualified valuers as detailed below. There has been no change in the valuation technique this year.

Land and buildings for the Company were fair valued as at 31 December 2024 by Mr E. Jambo MSc (Real Estate), MBA; BA (Pub. Admin) a qualified valuer, of MPICO plc considering an income approach basis using the combination of income, cost and comparable market approaches. Key assumptions made for the purpose of the valuation were: that the lease will be renewed by the Malawi Government upon expiry. There is no significant risk that the Government will not renew the lease. The useful life of buildings will exceed 50 years from date of valuation; and allowances were made for age and obsolescence. MPICO Plc and Mr E Jambo are not connected to the company and have recent experience in location and property being valued.

Land and buildings are revalued in accordance with the RICS valuation–professional standards and the international valuation standards considering an income approach basis using the combination of income, cost and comparable market approaches. Independent professional valuers perform valuations annually.

The valuation technique used in measuring the fair values of property as well as the significant unobservable inputs used are presented below:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The valuation expert adopted an income approach basis using the combination of income, cost and comparable market approaches.	<p>To arrive at his opinion the valuer used many factors including some unobservable inputs. The major assumption used in valuation of properties on the hotels included:</p> <ul style="list-style-type: none"><li>• profits generated by the property for the past three years (2022 – 2024);</li><li>• the property yield rates arrived at by taking into account the quality and location of the property among other things. The valuer used yield rates ranging between 4%-11%; and</li><li>• operating environment; state of repair of the properties; and the location of the related hotel property. Capital growth per annum ranging from 15%-25%.</li></ul>	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"><li>• expected profits generated by the property were higher (lower); and</li><li>• the property yield rates were lower (higher)</li></ul> <p>For instance:</p> <ul style="list-style-type: none"><li>• an increase or decrease of 10% of the expected profit will increase the property value by 5.3% or decrease by 14.8%;</li><li>• an increase or decrease of 10% of the property yield will increase property value by 2.8% or decrease by 12.7%.</li></ul>



The fair value measurements have been categorised as Level 3 as defined by IFRS 13: Fair Value Measurements for value based on inputs to the valuation techniques used.

## **5.2. Key sources of estimation and uncertainty**

### **5.2.1. Impairment of trade and other receivables**

Trade and other receivables are substantially denominated in Malawi Kwacha. The carrying amounts of trade and other receivables are presented net of specific allowances for impairment losses. The specific provision is estimated by management based on prior experience and current economic environment.

In making the estimate, management makes an assessment of whether there is objective evidence of impairment loss, taking into consideration all the relevant information available to the entity at the end of the reporting period. This may include information regarding the financial position of the related customers, whether there are any balances disputed by the customers, repayment history and any indication that a debtor experiences financial difficulties or could enter bankruptcy as well as the historical loss experiences.

### **5.2.2. Inventory provisions for obsolete stock**

An estimate of obsolete and slow-moving stock is made taking into consideration existing conditions at the end of the period. In making the estimate, management makes an assessment to identify slow moving inventory items, obsolete products and those nearing expiry.

### **5.2.3. Legal claims**

An estimate of legal claims made against the Company in the ordinary course of business, whose outcome is uncertain has been disclosed in the note on contingent liabilities. The amount disclosed represents an estimated cost to the Company and Company in the event that legal proceedings find the Company to be in the wrong. The estimate is provided by the Company's lawyers.





## 6. PROPERTY AND EQUIPMENT

See accounting policy 3.1

	Freehold property	Leasehold property	Vehicles, Furniture & equipment	Work in Progress	Total
<b>Revaluation/Cost</b>					
<b>2024</b>					
At 1 January 2024	32 923 169	31 259 170	8 438 124	1 280 996	73 901 459
Additions	88 523	40 952	3 893 102	9 261 899	13 284 476
Work in progress capitalised	728 891	128 920	260 885	(1 118 696)	-
Revaluation surplus	5 503 427	16 065 358	-	-	21 568 785
Disposals	-	-	(221 862)	-	(221 862)
At 31 December 2024	39 244 010	47 494 400	12 370 249	9 424 199	108 532 858
<b>2023</b>					
At 1 January 2023	22 567 497	20 771 324	7 619 845	979 081	51 937 747
Adjustment to the opening balance	-	-	(60 868)	60 868	-
Adjusted balance at 1 January 2023	22 567 497	20 771 324	7 558 977	1 039 949	51 937 747
Additions	10 795	-	779 318	2 685 193	3 475 306
Work in progress capitalised	99 913	2,002,627	334 348	(2 436 888)	-
Transferred to intangible assets	-	-	(48 993)	-	(48 993)
Revaluation surplus	10 244 964	8 485 219	-	-	18 730 183
Disposals	-	-	(185 526)	(7258)	(192 784)
At 31 December 2023	32 923 169	31 259 170	8 438 124	1 280 996	73 901 459
<b>Depreciation and impairment</b>					
<b>2024</b>					
At 1 January 2024	-	-	4 166 251	-	4 166 251
Charge for the year	128 363	177 164	1 151 028	-	1 456 555
Released on revaluation	(128 363)	(177 164)	-	-	(305 527)
Eliminated on disposals	-	-	(179 007)	-	(179 007)
At 31 December 2024	-	-	5 138 272	-	5 138 272
<b>2023</b>					
At 1 January 2023	212 300	207 037	3 695 630	-	4 114 967
Charge for the year	104 481	104 365	651 822	-	860 668
Released on revaluation	(316 781)	(311 402)	-	-	(628 183)
Transferred to intangible assets	-	-	(23 217)	-	(23 217)
Eliminated on disposals	-	-	(157 984)	-	(157 984)
At 31 December 2023	-	-	4 166 251	-	4 166 251
<b>Carrying amounts</b>					
At 31 December 2024	39 244.010	47 494 400	7 231 977	9 424 199	103 394 586
At 31 December 2023	32 923 169	31 259 170	4 271 873	1 280 996	69 735 208

The information regarding the revaluation including fair value hierarchy is as per note 5.1.1 and the information regarding the leases is as per note 5.1.1 to the financial statements.

**PROPERTY AND EQUIPMENT (CONTINUED)****SEE ACCOUNTING POLICY 3.1***In thousands of Malawi Kwacha*

	2024	2023
<b>Additions</b>		
Additions to property and equipment comprise the following:		
Assets acquired at cost	12 723 996	3 391 798
Interest capitalised into assets	560 480	83 508
<b>Total asset additions</b>	<b>13 284 476</b>	<b>3 475 306</b>

Land and buildings for the Company were valued as at 31 December 2024 by Mr. E Jambo MSc: Real Estate; MBA; BA (Pub. Admin) a qualified and independent valuer on an open market value basis.

If land and buildings were stated on the historical cost basis the carrying amounts would be as follows:

	2024	2023
Cost	26 104 149	25 116 863
Accumulated depreciation	(3 182 466)	(3 117 257)
<b>Total asset additions</b>	<b>22 921 683</b>	<b>21 939 606</b>

The registers of land and buildings are available for inspection at the registered office of the Company.

The fair value measurement of land and buildings of **MK86.7 billion** (2023: MK64.2 billion) has been categorised as a level three fair value based on the inputs to the valuation techniques – see note 5.1.1.

The freehold property includes freehold land with a carrying amount of **MK12.7 billion** (2023: MK11.2 billion) and the leasehold property includes leasehold land with a carrying amount of **MK7.8 billion** (2023: MK7.8 billion). Land whether leasehold or freehold is not depreciated and is carried at revalued amount.

At 31 December 2024, properties, with a carrying amount of **MK56.1 billion** (2023: MK40.8 billion) were subject to a registered form of security for corporate bond **MK45.2 billion** (2023: MK35.3 billion) and short term facilities such as bank overdraft **MK10.9 billion** (2023: MK5.5 billion). Motor vehicles pledged as security for asset loans amounted to **MK2.2 billion** (2023: MK96.4 million) (see note 11, 13(a) and 13(b)).

In thousands of Malawi Kwacha

**Leasehold Land**

The Company has leasehold land where four hotel buildings and one restaurant were constructed, these are 99-year Malawi Government leasehold land. The expectation is that the lease will be renewed by the Malawi Government at the expiry of the lease period. The leased land has indefinite useful life and has been accounted for as land owned by the company.

The carrying amount of the leased land in 2024 was **MK7.8 billion** (2023: MK7.3 billion).

**Work in progress**

Work in progress represents expenditure incurred on re-development of the Company's properties.

**7. INTANGIBLE ASSETS**

See accounting policy number 3.2

	Concession	Acquired software licenses	Total
<b>Cost</b>			
At 1 January 2024	66 591	462 153	528 744
Additions for the year	8 809	-	8 809
Disposals	-	(15 908)	(15 908)
At 31 December 2024	75 400	446 245	521 645
At 1 January 2023	56 498	280 549	337 047
Additions for the year	10 093	132 611	142 704
Transferred from property plant and equipment	-	48 993	48 993
At 31 December 2023	66 591	462 153	528 744
<b>Amortisation</b>			
At 1 January 2024	8 398	298 529	306 927
Amortisation for the year	5 708	51 555	57 263
Disposal for the year	-	(9733)	(9733)
At 31 December 2024	14 106	340 351	354 457
At 1 January 2023	5 522	207 568	213 090
Amortisation for the year	2 876	67 744	70 620
Transferred from property plant and equipment	-	23 217	23 217
At 31 December 2023	8 398	298 529	306 927
<b>Carrying amounts</b>			
At 31 December 2024	61 294	105 894	167 188
At 31 December 2023	58 193	163 624	221 817

The Company has a concession agreement with the government of Malawi in the operation of Chintheche Inn in Nkhata Bay. The investment in the operation was recognised at cost and is being amortised over the period of the concession. The initial cost of the concession and subsequent investment in property is recognised in the intangible assets.

*In thousands of Malawi Kwacha***8. INVENTORIES**

See accounting policy 3.3

	2024	2023
Merchandise	3 970 955	2 240 060
Consumables	1 286 157	914 578
Food drink and tobacco	991 057	724 238
	<b>6 248 169</b>	<b>3 878 876</b>

Inventories (merchandise and consumables) have been reduced by the following amounts as a result of the write-down to net realisable value. Such write-downs were recognised as an expense.

Impairment of inventories	183 454	133 433

**9. TRADE AND OTHER RECEIVABLES**

See accounting policy 3.11

	2024	2023
Trade receivables from third-party customers	4 099 324	3 464 405
Allowance for expected credit losses	(577 575)	(405 207)
Trade receivables	3 521 749	3 059 198
Other receivables	1 025 049	1 168 710
	<b>4 546 798</b>	<b>4 227 908</b>
Trade receivables from related parties (note 10)	2 688 639	1 721 980
<b>Total Receivables</b>	<b>7 235 437</b>	<b>5 949 888</b>
<b>Other receivables are made up of:</b>		
Staff debtors	188 371	188 262
Other sundry receivables	157 869	-
Claimable Value Added Tax (VAT) *	275 261	320 851
Prepayments *	403 548	659 597
	<b>1 025 049</b>	<b>1 168 710</b>

\*Not a financial asset

Information on financial risk management is included in notes 4 and 24.

## 10. RELATED PARTY TRANSACTIONS

See accounting policy 3.11

*In thousands of Malawi Kwacha*

	2024	2023
<b>Transactions with related parties</b>		
<b>Revenue and other income</b>		
Government department and related entities (shareholder and entities under common shareholding):		
Accommodation, catering and conferences revenue	17 200 354	8 092 308
<b>Administrative and other expenses</b>		
Tevet levy:		
Government department (shareholder and entities under Common shareholding)	75 004	57 955
<b>Electricity and water bills:</b>		
Government departments related entities	2 898 999	1 761 162
	<b>2 974 003</b>	<b>1 819 117</b>
<b>Amounts due from related parties</b>		
Government departments and related parties	2 688 639	1721 980
<b>Amounts due to related parties</b>		
Government departments and related entities		
Advance deposits *	990 676	606 811
Other payables	429 603	409 328
	<b>1 420 279</b>	<b>1 016 139</b>

\* Not a financial liability as these are customer deposits.

These balances arose from the normal course of trading between the Company and related parties at arm's length and are to be settled within a year of the reporting date. None of the balances are secured.

Compensation of key management personnel

The key management personnel comprise the executive officers of the Company.

In addition to salaries, the Company also provides non-cash benefits by way of contribution to a defined contribution pension plan on their behalf. In accordance with the plan, executive officers contribute **5%** (2023: 5%) of their basic pay while the Company contributes **13.3%** (2023: 13.3%) of the basic pay.



In thousands of Malawi Kwacha

	2024	2023
Salary and cash benefits for the year were as follows:		
Short-term benefits (salary)	748 358	656 476
Post-employment benefits (Employer pension contribution)	91 361	75 030
	<b>839 719</b>	<b>731 506</b>
Directors' remuneration	215 094	149 704

Information on financial risk management is included in notes 4 and 24

**11. CASH AND CASH EQUIVALENTS**

See accounting policy 3.11

	2024	2023
Cash at bank	924 298	1 298 716
Short term cash investments	2 596 986	2 369 391
Total Cash	<b>3 521 284</b>	<b>3 668 107</b>
Bank overdrafts	-	(117 840)
	<b>3 521 284</b>	<b>3 550 267</b>

Foreign currency cash equivalent

The cash balance includes the foreign currency as below:

	31 December 2024 Malawi Kwacha equivalent of				31 December 2023 Malawi Kwacha equivalent of			
Currency	USD	ZAR	GBP	Euro	USD	ZAR	GBP	Euro
	1 652 857	22 664	1 842	121	1 631 240	138 794	8 781	10 641

The Company has a bank overdraft facility of **MK150 million** (2023: MK150 million) which is secured by a charge over the Company's assets in favour of Standard Bank Plc. The carrying amount of assets pledged as security as at 31 December 2024 was **MK10.9 billion** (2023: MK5.5 billion). Interest is charged at the bank's base lending rate plus 100 basis points currently at **26.3%** per annum (2023: 25.6%). Deposits on current accounts do not attract interest while short term investments attract average interests of **8%** for the dollar investments and **25%** for kwacha investments (2023: 8% Dollar, 18.0% Kwacha). The short-term investments are for less than 90 days. The facilities are repayable on demand and are renewed annually.

Information on financial risk management is included in notes 4 and 24.



## 12. SHARE CAPITAL AND SHARE PREMIUM

In thousands of Malawi Kwacha

See accounting policy 3.17

### Authorised

280,000,000 (2023: 280,000,000) Ordinary share capital of 5 tambala each

### Issued and fully paid

261,582,580 (2023: 261,582,580) Ordinary shares of 5 tambala each

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### Share Premium

The share premium arose following the issue of 4,270,105 shares at 51 tambala per share.

	2024	2023
Authorised	14 000	14 000
Issued and fully paid	13 079	13 079
Share Premium	1 966	1 966

## 13. LOANS AND BORROWINGS

### CORPORATE BONDS, MEDIUM TERM LOANS AND OTHER BORROWINGS

See accounting policy 3.11

	Corporate bonds	Vehicle and asset finance loan*	Medium term loan	Insurance premium finance loan	Total
	Note 13(a)	Note 13(b)			
<b>2024</b>					
1 January 2024	9 424 935	39 319	-	-	9 464 254
Additions	10 000 000	2 834 384	-	399 838	13 234 222
Interest charged**	2 371 209	339 816	-	49 733	2 760 758
Interest paid	(2 365 120)	(339 816)	-	(49 733)	(2 754 669)
Capital repayments	(7 860 000)	(651 589)	-	(399 198)	(8 910 787)
31 December 2024	11 571 024	2 222 114	-	640	13 793 778
<b>2023</b>					
1 January 2023	10 176 850	63 229	330 975	-	10 571 054
Additions	700 000	-	-	-	700 000
Interest charged*	2 262 354	6 295	-	-	2 268 649
Interest paid*	(2 197 419)	(6 295)	-	-	(2 203 714)
Capital repayments	(1 516 850)	(23 910)	(330 975)	-	(1 871 735)
31 December 2023	9 424 935	39 319	-	-	9 464 254

\*To improve presentation, interest charged, and interest paid previously disclosed net as accrued interest have been included in the loans and borrowings disclosure note. This was not presented as such in the prior year and is now included to enhance understanding of the loans and borrowing disclosure. In addition, the heading which read lease liabilities in 2023 has been revised to read vehicle asset finance loan to also improve presentation.



In thousands of Malawi Kwacha

\*\* Interest charged to statement of profit or loss includes interest on overdraft of MK23 million and excludes interest capitalised into assets of MK560 million as disclosed in note 21b to the financial statements.

### 13.(a) CORPORATE BONDS

See accounting policy 3.11

	Currency	Year of maturity	Amortised cost	
			2024	2023
NBM Capital Markets Limited	MK	2031	10 000 000	-
NBM Capital Markets Limited	MK	2024	-	2 924 935
Old Mutual Investment Group	MK	2024	-	1 900 000
Old Mutual Investment Group	MK	2025	-	2 900 000
Old Mutual Investment Group	MK	2026	500 000	700 000
Old Mutual Investment Group	MK	2027	300 000	300 000
Old Mutual Investment Group	MK	2028	700 000	700 000
<b>TOTAL</b>			<b>11 500 000</b>	<b>9 424 935</b>
<b>At 1 January</b>			<b>9 424 935</b>	<b>10 176 850</b>
Repayments during the year			(7 860 000)	(1 516 850)
Interest charged			2 371 209	2 262 354
Interest paid			(2 365 120)	(2 197 419)
Issued during the year			10 000 000	700 000
<b>At 31 December</b>			<b>11 571 024</b>	<b>9 424 935</b>
<b>Disclosed under:</b>				
Current liabilities			71 024	4 824 935
Non-current liabilities			11 500 000	4 600 000
<b>At 31 December</b>			<b>11 571 024</b>	<b>9 424</b>

The Company issued corporate bonds as a private placement. The notes were offered to investors on a floating rate basis, to be re-priced quarterly with interest rate at an arithmetic average of 182-day and 364 treasury bill yield plus a variable margin of between 2% to 7.4%.

During the year, further subscriptions amounting to **MK10 billion** (2023: MK700 million) were received from NBM Capital Markets. The proceeds were used for various projects within the Company. The bonds are secured over land and buildings of the Company valued at **MK38.5 billion** (2023: MK35.3 billion).

In thousands of Malawi Kwacha

13.(b) OTHER LOANS AND BORROWINGS

See accounting policy 3.11

VEHICLE AND ASSET FINANCE LOAN

The Company has asset finance loan facility of MK3.1 billion from Standard Bank to cater for procurement of motor vehicles and other assets repayable over three to five years. Interest on the facility is charged at 1.9% above the bank reference rate which is currently 25.3% per annum (2023: 15.0% per annum). The motor vehicles are used to secure the loans. The net carrying amount of the motor vehicles was as follows:

	Amortised cost	
	2024	2023
At 1 January	39 319	63 229
Additions	2 834 384	-
Interest charged	339 816	6 295
Interest paid	(339 816)	(6 295)
Repayment during the year	(651 589)	(23 910)
At 31 December	2 222 114	39 319



*In thousands of Malawi Kwacha***INSURANCE PREMIUM FINANCE LOAN**

The Company has insurance premium facility of MK400 million from Standard Bank for financing of insurance premiums. The loan is payable in 12 months. Interest on the facility is charged at 1.0% above the bank reference rate which is currently 25.3% per annum. The loan is secured over land and buildings of the Company valued at MK10.9 billion. The net carrying amount of the loan was as follows:

	Amortised cost	
	2024	2023
At 1 January	-	-
Subscription during the year	399,838	-
Interest charged	49 733	-
Interest paid	(49 733)	-
Repayment during the year	(399 198)	-
At 31 December	640	-
<b>Disclosed under:</b>		
Current liabilities	640	-
Non-current liabilities	-	-
At 31 December	640	-
<b>Disclosed under:</b>		
Current liabilities		
Vehicle and asset finance loan	498 424	29 663
Insurance premium finance loan	640	-
Total	499 064	29 663
Non-current liabilities	1 723 690	9 656
At 31 December	2 222 754	39 319

**13.(c) MEDIUM TERM LOANS**

See accounting policy 3.11

The Company had a medium term loan facility of MK1.875 billion from Export Development Fund (EDF) for cash flow financing of projects and operations as may be required. The interest on the facility is charged at 1% above Reserve Bank Policy Rate, currently at **26.3%** (2023: 24.6%). The loan was fully paid in 2023.

	Amortised cost	
	2024	2023
At 1 January	-	-
Accrued interest	-	330 975
Repayment during the year	-	-
At 31 December	-	330 975

## 14. EMPLOYEE BENEFITS

See accounting policy 3.6

### 14.(a) Pension Plan

The Company operates a defined contribution pension plan for some of its employees. The plan is operated by Old Mutual Individual Life Company.

The total cost charged to profit or loss of **MK853 million** (2023: MK647 million) represents contributions payable to this plan by the Company at rates specified in the rules of the plan. The respective contribution rates for employees and the employer were **5%** (2023: 5%) and **13.3 %** (2023: 13.3%), respectively.

### 14.(b) Short-term employee benefit liabilities

	2024	2023
Short-term employee benefits *	1 150 868	1 102 516

\*Short-term employee benefits relate to gratuity payable at the end of employment contracts and total performance bonus payable for the reporting period. Performance bonus is payable in line with the Bonus Policy upon approval by the Board. Based on the policy the Company has a constructive obligation to pay the amounts accrued.

## 15.

### 15.(a) TRADE AND OTHER PAYABLES

See accounting policy 3.11

	2024	2023
Trade payables	1 986 065	1 561 626
Output VAT*	933 780	724 378
Guest advance deposits*	1 374 137	696 209
Other payables and accruals	1 507 494	2 590 843
	<b>5 801 476</b>	<b>5573 056</b>
<b>Other payables and accruals include the following:</b>		
Audit fees	108 837	111 617
Unclaimed dividend	30 999	386 970
PAYE and Withholding taxes due*	366 548	264 292
Water, electricity and telephone accrued	429 603	333 877
Tourism levy*	56 435	110 693
Pension contributions payable*	104 398	78 602
Other employee obligations	44 429	75 723
Tevet levy*	102 079	375 689
Other accruals	264 166	853 380
	<b>1 507 494</b>	<b>2 590 843</b>

**15.(b) PROVISIONS***In thousands of Malawi Kwacha*

	2024	2023
Provisions made in the year	1 302 533	992 542

Provisions relate to litigation claims for cases underway against the company. The amounts include cases for two former employees which may result in significant settlement, the cases are likely to be concluded in 2025 and payments would be made accordingly.

\* These balances are not financial liabilities.

Information on financial risk management is included in notes 4 and 24

**16. REVENUE**

See accounting policy 3.7

	2024	2023
Rooms revenue	23 305 524	15 049 896
Catering revenue	30 153 819	18 473 268
Other revenue	1 135 707	1 301 598
<b>Total</b>	<b>54 595 050</b>	<b>34 824 762</b>

Other revenue includes revenue from other services provided at the hotel to support rooms and catering segments. These services include business centre water sports guest transport swimming pool health club and other hotel related services.

**17. OTHER INCOME**

See accounting policy 3.7 3.18 and 3.20

	2024	2023
Government grants	226 117	227 646
Insurance claim proceeds	16 792	11 110
Exchange gains	74 114	1 035 035
Other sundry receipts	70 335	125 363
<b>Total</b>	<b>387 358</b>	<b>1 399 154</b>

**18. DEFERRED INCOME/REVENUE**

See accounting policy 3.7 and 3.18

**Government grants****Duty Waiver Grant**

The Malawi Government's Customs and Excise Amendment Order, 2024 under Customs Procedure Codes 4000.442 and 4071.442 extended duty-free status to qualifying Tourism



*In thousands of Malawi Kwacha*

Institutions that directly imported qualifying goods as described in the Customs Procedure Code.

In the course of the construction projects in 2024 the Company did qualify for duty and excise waiver amounting to MK117 million. The Grant is amortised over the estimated useful life of the assets to which it relates.

### Guest loyalty program

The Company has a hotel loyalty programme, Sunbird Premier Club which enables members to earn points, during each qualifying stay at a Sunbird hotel and redeem points at a later date for free accommodation or other benefits. The future redemption liability is calculated by multiplying the number of points expected to be redeemed before they expire by the redemption cost per point.

#### Deferred income

	2024			2023		
	Government Grant	Guest loyalty program	Total	Government Grant	Guest loyalty program	Total
<b>At 1 January</b>	<b>356 674</b>	<b>89 513</b>	<b>446 187</b>	584 320	<b>72 052</b>	<b>656 372</b>
Add: subscription for the year	–	439 981	439 981	–	507 559	507 559
Add: additions during the year	116 998	–	116 998	–	–	–
Less: Amounts recognised in the statement of profit or loss and comprehensive income	(226 117)	(363 909)	(590 026)	(227 646)	(490 098)	(717 744)
<b>At 31 December</b>	<b>247 555</b>	<b>165 585</b>	<b>413 140</b>	<b>356 674</b>	<b>89 513</b>	<b>446 187</b>
<b>Deferred income recognised under:</b>						
Current liabilities	76 978	165 585	242 563	179 748	89 513	269 261
Non-current liabilities	170 577	–	170 577	176 926	–	176 926
	<b>247 555</b>	<b>165 585</b>	<b>413 140</b>	<b>356 674</b>	<b>89 513</b>	<b>446 187</b>

## 19. COST OF SALES

See accounting policy 3.22

	2024	2023
Food	7 941 920	5 063 298
Beverage	1 624 763	1 200 892
Rooms direct expenses	1 340 217	978 485
Catering direct expenses	1 178 377	751 328
Other direct costs	24 985	19 425
Rooms direct labour expenses	1 032 381	820 189
Catering direct labour expenses	2 580 735	1 940 007
<b>Total</b>	<b>15 723 378</b>	<b>10 773 624</b>



## 20.

*In thousands of Malawi Kwacha***20.(a) ADMINISTRATIVE AND OTHER EXPENSES**

See accounting policy 3.22	2024	2023
City and ground rates	74 737	67 802
Computer telephone and internet expenses	496 283	415 385
Depreciation and amortisation	1 513 818	931 288
Directors' remuneration	215 094	149 704
Energy, repairs and maintenance costs	4 502 657	2 848 533
Impairment loss	-	218 318
Insurance expenses	429 980	184 671
Laundry expenses	119 578	123 141
Licenses permits and subscription*	655 386	384 985
* Listing and secretarial expenses	86 893	142 934
Loss on disposal of property and equipment	9 042	19 723
Marketing expenses	622 312	365 524
Motor vehicle expenses	623 658	394 798
Travel and postage expenses*	285 245	197 001
Credit card commission	235 998	148 462
Other administrative expenses*	486 217	568 382
Security	551 019	318 681
Auditors' remuneration: - current year	97 000	68 755
- mid-year review	8 000	10 325
Staff costs: - pension	853 371	647 640
- salaries, wages and other costs	8 493 375	7 637 932
<b>Total</b>	<b>20 359 663</b>	<b>15 843 984</b>

\* These have been disclosed separately in the current year, the amounts were disclosed under other administrative expenses in the comparative year.

\*\* Dues and subscription include K6.9 million relating to non-assurance services offered by the auditors.

**20.(b) Audit fees**

	2024	2023
Annual audit of financial statements	97 000	68 755
Mid-year review	8 000	10 325
<b>Total audit fees</b>	<b>105 000</b>	<b>79 080</b>
Other non-assurance services – Tip offs Anonymous	6 900	-
<b>Total</b>	<b>111 900</b>	<b>79 080</b>

All fees for services paid to the company's auditors were considered and appropriately approved by the company's audit committee in terms of its non-audit policy.

In thousands of Malawi Kwacha

## 21. FINANCE COST/INCOME

See accounting policy 3.16

### 21.(a) Finance income

	2024	2023
Interest income from call account short term investments	87 707	90 832

### 21.(b) Finance costs

	2024	2023
Interest on vehicle asset finance loan	339 816	6 295
Interest on bank overdraft	23 431	17 362
Interest on insurance premium facility loan	49 733	-
Interest on corporate bonds	1 810 729	2 117 765
<b>Total</b>	<b>2 223 709</b>	<b>2 141 422</b>
Reconciliation of interest paid		
Accrued Interest at 1 January	68 789	64 935
Interest charged to statement of profit or loss	2 223 709	2 141 422
Interest capitalised into assets	560 480	83 508
Accrued interest at 31 December	(71 024)	(68 789)
<b>Interest paid</b>	<b>2781 954</b>	<b>2221 076</b>

## 22. INCOME TAX

See accounting policy 3.4

### 22.(a) Income tax

		2024		2023
<b>Income tax charge</b>				
Current tax		5 410 260		1 965 903
Deferred tax		22 914		337 911
Effect of changes in tax rate		533 195		2303 814
<b>Total income tax expense</b>		<b>5 966 369</b>		<b>7 555718</b>
<b>Reconciliation of effective tax rate</b>				
Profit before income tax expense		<b>16 590 997</b>		<b>2 266 716</b>
	%		%	
Income tax charge at 30% (up to K10 billion)	18.0	3 000 000	30	2 266 716
Income tax charge at 40% (over K10 billion)	15.9	2 636 399	-	-
Effect of changes in tax rate	3.2	533 195	-	-
Effects of permanent differences*	-1.2	(203 225)	-	37 098
<b>Effective rate of tax</b>	<b>35.9</b>	<b>5 966 369</b>	<b>30</b>	<b>2 303 814</b>

\*These relate to disallowable income and expenses.

*In thousands of Malawi Kwacha***22.(b)****22.(c) Income tax receivable/(payable)**

	2024	2023
Current tax receivable at 1 January	103 295	458 063
Current year tax charge	(5 410 260)	(1 965 904)
Income tax paid	4 377 104	1 611 136
<b>Current tax (payable)/receivable at 31 December</b>	<b>(929 861)</b>	<b>103 295</b>

**22.(d) Deferred tax liabilities**

See accounting policy 3.4

	2024	2023
<b>At 1 January</b>	<b>16 270 724</b>	<b>10 125 462</b>
Recognised in profit or loss and other comprehensive income:		
Deferred tax on accelerated capital allowances	163 603	706 857
Deferred tax on employment benefits and other provisions	(140 689)	(368 946)
Effect of changes in tax rate	533 195	-
<b>Total recognised in profit or loss</b>	<b>556 109</b>	<b>337 911</b>
Recognised in the other comprehensive income		
Deferred tax on property revaluation surplus	7 415 392	5 807 351
Effects of changes in tax rate	1 581 999	-
Total recognised in other comprehensive income	8 997 391	5 807 351
<b>At 31 December</b>	<b>25 824 225</b>	<b>16 270 724</b>
Analysed as:		
Accelerated capital allowances	5 696 148	4 896 059
Revaluation of property	21 166 614	12 169 223
Deferred tax assets on employment benefits and other provisions	(1 038 537)	(794 558)
<b>Net deferred tax liabilities</b>	<b>25 824 225</b>	<b>16 270 724</b>

Average rate used in determining the deferred tax was 35.9%. This was arrived at after assessing the future average tax rate that are expected to apply to the taxable profits of the periods in which the temporary differences are expected to reverse.

In thousands of Malawi Kwacha

23.

23.(a) EARNINGS PER SHARE (BASIC AND DILUTED)

See accounting policy 3.13

The calculation of basic and diluted earnings per share is based on profit attributable to shareholders of **MK11.0 billion** (2023: Profit of MK5.3 billion) and the weighted average number of ordinary shares outstanding during the year of **261,582,580** (2022: 261,582,580) as below:

	2024	2023
Profit for the year (MK'000)	10 624 628	5 251 904
Weighted average number of shares (*000)	261 583	261 583
<b>Earnings per share - Kwacha</b>	<b>40.62</b>	<b>20.08</b>

There were no potential ordinary shares in issue, therefore diluted earnings per share equates to basic earnings per share.

23.(b) DIVIDEND

See accounting policy 3.20

During the year, a final dividend of MK1.5 billion representing MK5.70 per share was paid in respect of the year ended 31 December 2023, in 2023, an interim dividend of K523 million was paid; making the total dividend for 2023 to be MK2.0 billion representing MK7.70 per share. An interim dividend on MK654 million, representing MK2.50 per share was declared and paid relating to the results for the year ended 31 December 2024. Total dividend paid during the year was MK2.1 billion (Final dividend for 2023: MK1.5 billion and Interim dividend for 2024: MK654 million).



In thousands of Malawi Kwacha

**24. FINANCIAL INSTRUMENTS**

See accounting policy 3.11

**24.1. Accounting classification and fair value measurement**

The following table shows the carrying amounts of financial instruments.

At the reporting date there were no financial instruments measured at fair value through profit or loss and fair value through other comprehensive income.

	Note	Amortised Cost
<b>2024</b>		
<b>Financial assets</b>		
Trade and other receivables (excluding VAT and prepayments)	9	3 867 989
Amounts due from related parties	10	2 688 639
Cash and cash equivalents (excluding bank overdrafts)	11	3 521 284
		<b>10 077 912</b>
<b>Financial liabilities</b>		
Bank overdraft	11	-
Trade and other payables	15(a)	2 864 099
Corporate bonds	13(a)	11 571 024
Other loans and borrowings	13(b)	2 222 754
		<b>16 657 877</b>
<b>2023</b>		
<b>Financial assets</b>		
Trade and other receivables (excluding VAT and prepayments)	9	3 247 460
Amounts due from related parties	10	1 721 980
Cash and cash equivalents	11	3 668 107
		<b>8 637 547</b>
<b>Financial liabilities</b>		
Bank overdraft	11	117 840
Trade and other payables	15(a)	3 323 193
Corporate bonds	13(a)	9 424 935
Other loans and borrowings	13(b)	39 319
		<b>12 905 287</b>

**24.2. Credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2024	2023
Trade and other receivables	9	3 867 989	3 247 460
Amounts due from related parties	10	2 688 639	1 721 980
Cash and cash equivalents	11	3 521 284	3 668 107
		<b>10 077 912</b>	<b>8 637 547</b>



In thousands of Malawi Kwacha

## Receivables

The maximum exposure to credit risk for receivables category at the reporting date was:

	Note	2024	2023
Trade receivables	9	3 679 618	3 059 198
Amounts due from related parties	10	2 688 639	1 721 980
		<b>6 368 257</b>	<b>4 781 178</b>
Total trade receivables			
Other receivables			
Staff debtors	9	188 371	188 262
<b>Total receivables</b>		<b>6 556 628</b>	<b>4 969 440</b>

The aging of trade and other receivables at the reporting date was:

31 December 2024							
Trade Receivables							
Days past due							
	Current (1-30 days)	31 - 60 days	61 - 90 days	90-120 days	Over 120 days		Total
ECL rates	5%	7%	9%	10%	11%	100%	
Carrying amount	2 769 735	1 479 323	782 458	464 763	1 267 797	23 887	6 787 963
Expected credit loss	138 487	103 553	78 246	55 771	177 631	23 887	577 575
31 December 2023							
Trade Receivables							
Days past due							
	Current (1-30 days)	31 - 60 days	61 - 90 days	90-120 days	Over 120 days		
ECL rates	5%	7%	9%	10%	11%	100%	
Carrying amount	1 967 739	1 021 940	338 303	694 830	1 351 825	-	5 374 637
Expected credit loss	93 702	66 856	30 755	69 883	144 011	-	405 207

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2024	2023
<b>Balance at 1 January</b>	<b>405 207</b>	<b>373 195</b>
Recognised in statement of profit or loss	172 368	32 012
Doubtful debts recovered during the year	-	-
<b>Balance at 31 December</b>	<b>577 575</b>	<b>405 207</b>

Details on how the Company manages its credit risk is included in note 4.



In thousands of Malawi Kwacha

## 24.3. Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Note	Carrying amounts	Contracted cash flows	6 months or less	6-12 months	1-2 years	3-7 years
<b>2024</b>						
<b>Non-derivative financial liabilities</b>						
Corporate bonds 13(a)	11 571 024	28 944 900	1 433 700	1 433 700	6 534 800	19 542 700
Borrowings 13(b)	2 222 754	3 391 620	523 565	523 565	2 014 980	329 510
Trade and other payables 15	2 864 099	2 864 099	2 864 099	-	-	-
	<b>16 657 877</b>	<b>35 200 619</b>	<b>4 821 364</b>	<b>1 957 265</b>	<b>8 549 780</b>	<b>19 872 210</b>
<b>2023</b>						
<b>Non-derivative financial liabilities</b>						
Corporate bonds 13(a)	9 424 935	14 725 908	3 525 300	3 525 300	6 131 475	1 543 833
Other loans and borrowings 13(b)	39 319	45 732	18 413	18 413	8 906	-
Overdraft 11	117 840	117 840	117 840	-	-	-
Trade and other payables 15	3 323 193	3 323 193	3 323 193	-	-	-
	<b>12 905 287</b>	<b>18 212 673</b>	<b>6 984 746</b>	<b>3 543 713</b>	<b>6 140 381</b>	<b>1 543 833</b>

Details on how the Company manages its credit risk is included in note 4.

## 24.4.

### 24.4.1. Exposure to currency risk

The summary quantitative data about the Company's and Company's exposure to currency risk is as follows:

	31 December 2024 Malawi Kwacha equivalent of				31 December 2023 Malawi Kwacha equivalent of			
	USD	ZAR	GBP	Euro	USD	ZAR	GBP	Euro
Cash and cash equivalents	1 652 857	22 664	1 842	121	1 631 240	138 794	8 781	10 641
Trade and other receivables	125 271	-	-	-	46 922	-	-	-
	<b>1 778 128</b>	<b>22 664</b>	<b>1 842</b>	<b>121</b>	<b>1 678 162</b>	<b>138 794</b>	<b>8 781</b>	<b>10 641</b>

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date Spot Rate	
	2024	2023	2024	2023
Kwacha/USD	1 725.42	1 165.41	1 733.83	1 683.33
Kwacha/Rand	96.87	63.92	95.05	93.59
Kwacha/GBP	2 275.34	1 502.61	2 242.13	2 213.59
Kwacha/Euro			1 858. 71	1 919.19

In thousands of Malawi Kwacha

**Sensitivity analysis**

The Company's major foreign currency exposure is in the US Dollar.

A strengthening of the US Dollar, South African Rand, Euro and British Pound by 10 percent against the kwacha at 31 December 2024 would have increased exchange gain by **MK286 million** (2023: exchange gain of MK279 million) which would have been credited to profit or loss. The increase in equity would be **MK199 million** (2023: MK195 million). This analysis is based on foreign exchange rate variations that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables in particular interest rates, remain constant.

Details on how the Company manages its credit risk is included in note 4.

**24.4.2. Interest rate risk**

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Variable rate instruments	Notes	Carrying Amounts	
		2024	2023
Corporate bonds	13(a)	11 571 024	9 424 935
Other loans and borrowings	13(b)	2 222, 754	39 319
		<b>13 793 778</b>	<b>9 464 254</b>

The prevailing interest rates for these interest-bearing facilities are within the region of Reserve Bank of Malawi's Reference rate plus or minus 1-10%. The Reserve Bank of Malawi reference rate currently is at **25.3%** (2023: 23.6%). The commercial banks' base lending rate currently is at **26.0%** (2023: 27.6%).

**Cash flow sensitivity analysis for variable rate instruments**

An increase of 5% in interest rates at the reporting date would have increased interest being charged to the Company's profit or loss by **MK171 million** (2023: MK103 million). The decrease in equity would be **MK120 million** (2023: MK72 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Details on how the Company manages its credit risk is included in note 4.



In thousands of Malawi Kwacha

## 25. CAPITAL MANAGEMENT

See accounting policy 4.4

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the movements in the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as financial liabilities (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	Note	2024	2023
The gearing ratios at 31 December were as follows:			
Corporate bond	13(a)	11 571 024	9 424 935
Borrowings	13(b)	2 222 754	39 319
Less: cash and cash equivalents	11	(3 521 284)	(3 550 257)
<b>Net debt</b>		<b>10 272 494</b>	<b>5 913 997</b>
<b>Total equity</b>		<b>69 930 506</b>	<b>48 574 933</b>
<b>Total capital and net debt</b>		<b>80. 203.300</b>	<b>54 488 930</b>
<b>Gearing ratio</b>		<b>13%</b>	<b>11%</b>

## 26. SEGMENTAL REPORTING

See accounting policy 3.15

### Business segments

The Company has three reportable segments, based on type of products or services being offered. The following summary describes operations of each reportable segment:

Reportable segment	Operations
Room income	Revenue from provision of accommodation to guests.
Catering income	Revenue from sale of food and beverages to guests.
Other income	Revenue from other services provided at the hotel to support rooms and catering segments.

Information provided to the Company's Chief Operating Decision Maker is segmented in room income, catering income and other income.

*In thousands of Malawi Kwacha*

	Rooms income	Catering income	Other services	Total
<b>2024</b>				
Total revenue	23 305 523	30 153 819	1 135 708	54 595 050
Segment contribution	19 832 346	15 535 428	881 831	36 249 605
Other hotel expenses				(17 434 899)
Finance costs				(2 223 709)
<b>Profit before income tax expense</b>				<b>16 590 997</b>
<b>2023</b>				
Total revenue	15 049 896	18 473 268	1 301 598	34 824 762
Segment contribution	12 617 624	8 483 419	1 297 154	22 398 197
Other hotel expenses				(12 701 057)
Finance costs				(2 141 422)
<b>Profit before income tax expense</b>				<b>(2 141 422)</b>

No discrete information about assets and liabilities relating to the segments is provided to the Company's Chief Operating Decision Maker.

#### Profile of the Target Market Segment

The target market segment of the Company is predominantly Commercial, Groups and Conferences, Corporate Organisations and Government Departments.

	2024	2023
	%	%
Leisure individual	19	16
Corporate/Agencies	50	57
Corporate groups	27	22
Leisure groups	0	1
Online	4	4
<b>Total</b>	<b>100</b>	<b>100</b>
<b>Geographical source of business</b>		
The geographical source of business is predominantly domestic:		
Malawi		
Africa	90	92
Europe	6	4
America	2	2
Other	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

*In thousands of Malawi Kwacha***27. COMMITMENTS**

See accounting policy 3.19

	2024	2023
Capital expenditure:		
Authorised and contracted for	16 158 633	54 150
Authorised but not contracted for	8 135 298	14 386 998
	<b>24 293 931</b>	<b>14 441 148</b>

These commitments are to be financed from internal resources and existing facilities.

**28. CONTINGENCIES**

See accounting policy 5.2

	2024	2023
Legal claims	<b>865 000</b>	<b>400 000</b>

The Company is defending various claims against former employees in the Industrial Relations Courts. Although liability has not been admitted, the disclosed amount represents the Company's maximum exposure in awards and legal costs if the defence against the actions is unsuccessful. Based on legal advice, management believes that the defence against the action will be successful.

**29. EXCHANGE RATES AND INFLATION**

The average of the year-end buying and selling rates of the foreign currencies most affecting the performance of the Company are stated below, together with the increase in the National Consumer Price Index, which represents an official measure of inflation.

	2024	2023
Kwacha/US Dollar	1 725.42	1 165.61
Kwacha/Rand	96.87	63.92
Kwacha/GBP	2 275.34	1 502.61
Kwacha/Euro	1 919.37	1 300.84
<b>Inflation rate (%)</b>	<b>32.3</b>	<b>28.8</b>

At the end of the year, the Reserve Bank of Malawi reference base-lending rate was 25.3% (2023: 23.6%). Commercial banks' base lending rates ranged from 25% to 35%.



In thousands of Malawi Kwacha

As at date of signing these financial statements the above exchange rates and inflation had moved as follows:

Kwacha/US Dollar	1 733.83
Kwacha/Rand	2 391.97
Kwacha/GBP	2 031.94
Kwacha/Euro	96.40
<b>Inflation rate (%)</b>	<b>30.5</b>

30. EVENTS AFTER REPORTING PERIOD

During the year, the Company started the process of reorganising its operations with the aim of resuscitating a dormant subsidiary, Catering Solutions Limited. This process was concluded after year end and the subsidiary resumed its operations on 1 January 2025. The reorganisation was approved by the Malawi Revenue Authority.





# 2024 ————— SUSTAINABILITY REPORT

# REPORTING BOUNDARY AND SCOPE

As important as the financial risks and opportunities that influence our long-term performance. Guided by a double materiality approach, we assess both the sustainability-related impacts of our operations and the risks and opportunities that may affect our financial position and resilience.

This 2024 Sustainability Report reflects enhanced data coverage and increased reporting maturity. It includes performance data from across our nine operational properties—comprising four city hotels, three lakeside resorts, one lakeside inn, and one mountain resort. In addition, we consider our upstream and downstream value chains, particularly where they relate to material sustainability topics.

The report covers the period from 1 January 2024 to 31 December 2024 and focuses on the most material matters identified during this reporting cycle.

Its structure is designed to provide a clear and transparent view of our sustainability journey and overall business impact. It includes statements from leadership, an overview of our progress to date, and performance and outlook across our key material topics—spanning environmental, social, governance, and economic dimensions.

We continue to draw on leading international frameworks to guide our reporting. These include the United Nations Sustainable Development Goals (UN SDGs), the Sustainable Hospitality Alliance’s Pathway to Net Positive Hospitality v2.0 Framework, and the Sustainability Accounting Standards Board (SASB) Standards for the Hotels and Lodging and Restaurant industries.

At Sunbird Tourism Plc, we recognise that our impact on the economy, environment, society, and the communities in which we operate is just

As part of our evolving sustainability journey, we plan to incorporate the Global Reporting Initiative (GRI) standards most relevant to our business in our 2025 Sustainability Report.

This year’s report also features expanded disclosures and improved data granularity—particularly in areas such as energy consumption, gender representation, corporate social responsibility, and health and safety.

This report forms part of our integrated suite of annual disclosures and should be read in conjunction with the 2024 Annual Report. introduced weekly aerobics sessions across all its hotels to keep staff healthy and strong, as part of our Wellness program.

We continued to offer opportunities for internship for students from various colleges and universities across the country as part of our contribution in developing a pool of qualified future human capital for the hospitality industry.

Our Sustainability report provides detail on people and culture initiatives undertaken in the year.



## INTRODUCTION

### CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT TO STAKEHOLDERS

#### DEAR STAKEHOLDERS,

We are pleased to present Sunbird Tourism Plc's second Sustainability Report, reflecting another year of purposeful progress, transparency, and shared value. As Chairman and Chief Executive, it brings us immense pride to see how our commitment to sustainable development continues to grow stronger, more structured, and more impactful.

In 2024, we moved from strategy design to implementation. Guided by our Sustainability Roadmap and supported by our action plan, we began embedding sustainability principles into our operations more intentionally. From enhancing data coverage and improving stakeholder engagement, to increasing our focus on fair workplace practices, energy efficiency, and community empowerment, we have made strides in all pillars of sustainability.

During the year, we intensified our supplier engagements with a roadshow from the north to the south of the country, an unprecedented step in Malawi's hospitality sector, connecting directly with local producers to drive more inclusive value chains. We also reinforced our governance structures by activating our management level Sustainability Committee and expanding training on sustainability matters.

We introduced tangible changes across our workforce too, raising minimum wages, expanding employee

wellness initiatives and progressing towards our 2031 gender equity targets. Our ongoing investments in training, succession planning, and recognition are building a workplace where fairness and growth go hand-in-hand.

On the environmental front, we advanced key initiatives in energy, water, waste, and reforestation. Our Zomba Forest Restoration Project continues to grow, with 13,600 trees planted to date and plans for 10,000 more in 2025. We also continue to support reforestation awareness initiatives on the mountain through events such as Run for Reforestation, and other key stakeholder awareness engagements on managing deforestation levels on the mountain. Our water usage management through initiatives such as water and towel talks continue to make a significant impact. Introduction of clean energy solutions in all hotels has resulted in reduction of grid power demand. During the year we started composting our waste and plans are underway to implement the same in all properties. Our commitment to carbon reduction, sustainable procurement and clean energy adoption has laid the foundation for future climate leadership.

While 2023 laid the groundwork, 2024 saw us deepen our commitment. We are on track to complete our Foundational Phase by the end of 2025 and shift into the Embedded Phase, where sustainability becomes fully integrated in our processes.

We remain deeply grateful to our employees, guests, board, communities, partners and government for continued support. Together, we will continue to build a responsible, resilient Sunbird that delivers not only profit, but also purpose.

Sincerely,

**Vilipo Munthali,**  
Chairman of the Board

**Samson Mwale,**  
Chief Executive



# SUNBIRD HOTELS AND RESORTS ON A PAGE

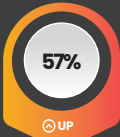




ECONOMIC

1.2 market penetration maintained

Revenue



2024  
MK54.60 B  
2023  
MK34.82 B

Gross Profit



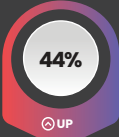
2024  
MK38.9 B  
2023  
MK24.1 B

Profit before tax



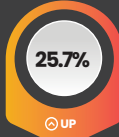
2024  
MK16.6 B  
2023  
MK7.6 B

Total asset growth



2024  
MK120.6 B  
2023  
MK83.6 B

Share rise



2024  
MK240.08  
2023  
MK191.07

Earnings per share



2024  
MK40.62  
2023  
MK20.08

Market share



2024  
28%  
2023  
26%

EBITDA



2024  
37.1%  
2023  
30.3%

Occupancy



2024  
57.5%  
2023  
57.1%

Net Profit  
Margin (NPM)



102.3%

Awards Won

- People’s Brand of the Year
- Best Customer Service Organization

ENVIRONMENT



13,600  
Trees planted by 2024,  
under the Zomba Forest  
Restoration Project



10%  
Energy savings through  
solar energy and efficient  
HVAC, LED lighting and  
energy systems



250 KVA  
Solar system operational  
at Sunbird Waterfro



Solar garden lights  
in all hotels



Composting of  
waste



658,736.98 kl  
Water consumed; new  
conservation initiatives  
rolled out



Zero major findings in  
MS21 food safety and  
hygiene audits



Minimised use of plastic  
bottled water and  
replaced with refillable  
water bottles.

SOCIAL



GOVERNANCE

Compliance with Company's Act and all other laws	Compliance with Malawi Stock Exchange (MSE) regulations	Compliance with all industry licensing requirements	Sustainability reporting
Formalisation of data systems and AI exploration underway for sustainability metrics	33% female board representation	67% board independence	Corporate governance training for directors
Ethical leadership	Management sustainability training	100% compliance with the Malawi Bureau of Standards audit	Sustainability Roadmap on track for completion of Foundational Phase by end-2025





# SUNBIRD'S SUSTAINABILITY STRATEGY

At Sunbird, sustainability is not a standalone initiative – it is an integrated part of our long-term strategy and operational decision-making. Since formally beginning our sustainability journey, we have worked to embed environmental, social, and governance (ESG) principles into the core of our business. Our strategy is built around a robust understanding of our material sustainability topics, guided by a double materiality lens, and driven forward through a clear roadmap and structured action plan. This section outlines the foundational elements of our strategy – from how we identified our most pressing sustainability issues to the progress we've made in operationalising our roadmap.

As discussed in our 2023 inaugural sustainability report, we conducted a double materiality assessment. This approach ensures sustainability topics are assessed through two perspectives. First, the inward perspective considers all sustainability risks and opportunities that may have a material impact on the businesses financial position and ability to create value. Secondly, it considers our outward impact, meaning the external impact our business activities may have on the economy, society and the natural environment. The process also considered various resources including our own business strategy, an analysis of our sustainability dependencies, impacts, risks and opportunities as well as a prioritisation of the UN SDGs. We also consulted international best-practices frameworks and standards, such as the UN SDGs, the Sustainable Hospitality Alliance's Pathway to Net Positive Hospitality v2.0 Framework, and the SASB Standards for the Hotels and Lodging and Restaurant industries.

In our 2023 Sustainability Report, we introduced our prioritisation of material matters through

the lens of the United Nations Sustainable Development Goals (UN SDGs), which we organised into three clusters, as shown below.

Primary Cluster of SDGs



Secondary Cluster of SDGs



Tertiary Cluster of SDGs



2024 PRIORITISATION OF MATERIAL MATTERS  
USING THE UN SDGS

This clustering and categorisation formed the basis for identifying and finalising our material

sustainability matters. That process was concluded in the previous financial year, and Sunbird now formally recognises eight material matters, each of which has been mapped to the relevant SDGs, as illustrated below.

SUNBIRD'S MATERIAL MATTERS







SUNBIRD’S SUSTAINABILITY  
ROADMAP AND PROGRESS

Now in our second year of sustainability reporting, we are proud of the meaningful progress we’ve made. Since initiating our sustainability journey, we’ve achieved several key milestones – including conducting a double materiality assessment, identifying our material sustainability matters, publishing

a formal Sustainability Position Statement and Policy (available on our website), and establishing a clear roadmap and strategic framework. Together, these last four elements form the foundation of our sustainability strategy. To support the implementation of this strategy, we developed a comprehensive action plan that aligns with our roadmap

and guides the rollout of sustainability initiatives across the organisation. We began actively implementing this plan during 2024 – representing a major step forward in embedding sustainability into our operations and decision-making processes.

Foundational		Embedded	Inspiring
	The foundation for sound sustainability is laid	Sustainability is embedded in everything we do	Sunbird is a trusted and inspiring sustainability leader
	Up to 2025	2026 – 2028	2029 and beyond
Critical Success Factors			
 Leadership and Governance	Establish fit-for-purpose sustainability leadership, governance structures (including roles and responsibilities) and ethics Develop stakeholder identification and engagement strategy in line with Sunbird’s Net Positive Framework	A sustainability culture is entrenched in the way things are done at Sunbird Develop and commence implementation of stakeholder engagement strategy	Sunbird is recognised as a sustainability leader and exemplar for other companies Continual improvement of stakeholder engagement
 Strategy and Impact	Identify and assess Sunbird’s dependencies, impacts, risks and opportunities	Sustainability underpins all planning and decision-making Sustainability is embedded in	Regular review of sustainability strategy, continual improvement of performance and greater social impact
	Develop sustainability strategy including action plan that underpins the Sustainability Roadmap, in line with Sunbird’s purpose and core values. The Sustainability Strategy will amplify Sunbird’s strategic pillars, being <ul style="list-style-type: none"><li>• Governance and compliance</li><li>• Operational excellence and innovation</li><li>• Customer centricity</li><li>• Financial management and sustainability</li></ul>	Continuous refinement and implementation of the action plan and sustainability strategy	

 <b>Management</b>	Incorporate sustainability-related risks, opportunities, dependencies and impacts into all management systems	Implement sustainability strategy	Systemic increase in net positive impact
	Establish data management and processes	Automated data management, including the use of appropriate software	Continual review and improvement of data management
	Incorporate innovative technology, AI and machine learning into operations	Identify and implement actions to establish sustainability skills and capabilities across Sunbird	Continual education and improvement of skills and capabilities
	Identify required sustainability skills and capabilities across Sunbird	Develop function and department-specific skills and capability training	Continue rolling out skills and capability training
 <b>Targets</b>	Set sustainability targets for all material sustainability matters with appropriate metrics, and report performance against targets	Measure and report performance against targets consistently and transparently	Review and adjust targets against international best practice Meet targets and report on performance as 'business-as-usual'
	Consider GRI standards and incorporate as appropriate into reporting	Review developments in the sustainability reporting arena and incorporate as may be appropriate to Sunbird	Review developments in the sustainability reporting arena and incorporate as may be appropriate to Sunbird





We continue to strengthen internal governance through the active engagement of our Sustainability Committee. Over the past year, the committee played a key role in maintaining accountability and oversight, supporting the integration of sustainability into Sunbird's operations and decision-making processes.

In 2024, we expanded our stakeholder engagement efforts—most notably through a nationwide supplier engagement roadshow led by our procurement team. These engagements, held across all Sunbird hotels, provided an opportunity to connect with local suppliers directly. The initiative was well-received and delivered constructive outcomes for both suppliers and the surrounding communities.

Looking ahead to 2025, we aim to build on this by developing a formal stakeholder engagement strategy. This will allow us to expand our engagement efforts and better report on stakeholder expectations and how they are being addressed within our business decisions and operations.

We also plan to revisit our sustainability risks, opportunities, dependencies, and impacts. These insights will be mapped to our material topics and validated through targeted stakeholder engagement. This process will help us assess alignment between Sunbird's internal priorities and stakeholder expectations, strengthen our materiality framework, and refine our strategic direction.

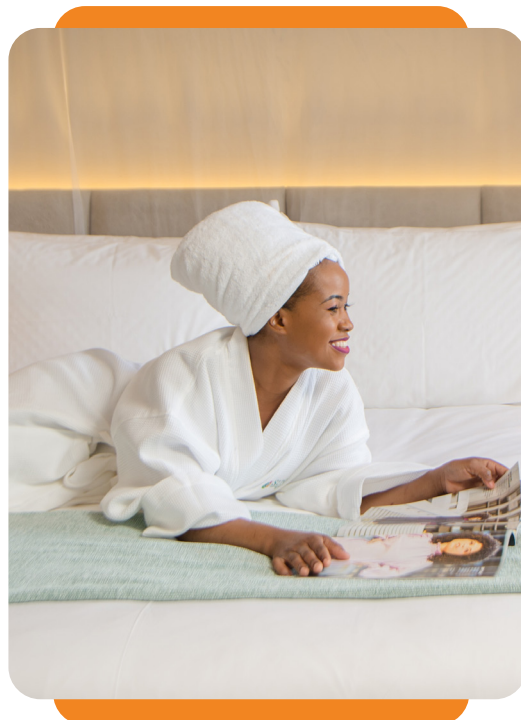
During 2024, we began exploring fit-for-purpose data management systems to help us better track and monitor sustainability performance, while also exploring the potential of emerging technologies such as AI to support our sustainability goals.

As our data collection and performance tracking capabilities improve, we will begin setting measurable targets for all our material matters

during 2025. This will enhance our ability to track progress and report on performance more transparently. As part of our reporting evolution, the most relevant GRI indicators will be incorporated into our next sustainability report, further aligning our disclosures with global best practices.

In 2024, our Board and executive team received sustainability training from our external advisors. In 2025, we aim to extend this training to employees across all levels as we continue embedding sustainability throughout our organisation.

Reflecting on our progress over the past year, it is clear that we are well-positioned to close the remaining gaps and achieve the objectives of the Foundational Phase of our roadmap by the end of 2025. From there, we look forward to entering the Embedded Phase in 2026 — marking a deeper integration of sustainability into our core business strategy and daily operations.





# 2024 ECONOMIC PERFORMANCE

## INCLUSIVE PROSPERITY

At Sunbird, we believe that sustainable growth must create value not only for our business, but also for the people and communities we serve. Our approach to inclusive prosperity is grounded in responsible business practices that drive strong financial performance while supporting local enterprises, promoting fair employment, and strengthening Malawi’s broader hospitality ecosystem.

Sunbird’s Prosperity

In 2024, our continued focus on operational efficiency, profitability, and sustainable growth remained central to our business performance. The

year’s strong results across key financial and market indicators reflect our position as Malawi’s leading hospitality brand. Importantly, they also underscore the compatibility of sustainability and financial success — reinforcing that responsible business practices can drive both impact and growth.

During the year, we executed targeted marketing initiatives that significantly enhanced brand visibility, expanded our distribution reach, and deepened customer engagement. These efforts enabled us to attract new guests while strengthening loyalty among existing clients, contributing to increased market share and a stronger competitive position.

As a result, market share rose from 27% in 2023 to 28% in 2024, while market penetration remained steady at 1.2.

Revenue & Profitability Growth (2023 vs 2024)				
	Unit of Measure	2024	2023	Growth
Occupancy	Percent	57.5%	57.1%	0.8%
Average Room Rate (ARR)	MK	164,735.95	115,198.64	43.0%
REVPAR	MK	94,785.29	65,762.00	44.1%
Net Profit Margin	MK’billion	10.6	5.3	102.3%
Revenue Growth	MK’billion	54.6	35.0	55.9%
EBITDA	Percent	37.1%	30.3%	22.5%
Dividend	MK’billion	3.40	2.02	68.5%
Capital Expenditure	MK’billion	12.7	3.5	266.1%



In parallel, we maintained a strong focus on operational efficiencies to improve margins and profitability. Our EBITDA margin rose to 37.1% in 2024 (30.3% in 2023). This improvement was driven by initiatives such as direct procurement from manufacturers, sourcing produce from local farmers near our hotels, and ongoing process re-engineering to better align operations with cost efficiencies. This reflects our ability to optimise costs while continuing to deliver quality guest experiences.

Sunbird was also honoured with two national recognitions by the Institute of Marketing in Malawi:

- **People's Brand of the Year**
- **Best Customer Service Organisation**

These awards affirm the trust and satisfaction of our customers and are a testament to the dedication of our teams across all properties.

### LOCAL SOURCING AND SMES

At Sunbird, we recognise the critical role that local suppliers and small businesses play in creating inclusive economic growth. Our procurement approach continues to prioritise partnerships with local small and medium enterprises (SMEs), and farmers—supporting job creation, community development, and the broader Malawian economy.

In 2024, our total procurement spend reached MK39.3 billion, (2023: MK22.9 billion) with approximately 70% to local suppliers and 31% to local SMEs, and farmers. This reflects a notable increase from 2023, where total purchases reached MK22.9 billion. These figures highlight the tangible impact of our sourcing strategy and the value we place on nurturing inclusive, local supply chains that promote economic growth and resilience.

Our supplier base now consists of over 400 local businesses, far exceeding the 30–40 international suppliers we engage. The majority of local

procurement is focused on fresh produce and perishables such as fruits, vegetables, meat and dairy—ensuring high-quality, locally sourced ingredients across our properties.

In 2024, we deepened our local sourcing across all hotels and resorts, strengthening long-term partnerships and onboarding new vendors. A key milestone was our first-ever nationwide supplier engagement roadshow, where our procurement team visited various Sunbird properties to meet directly with local vendors. This direct engagement—unprecedented in Malawi's hospitality sector—allowed us to better understand supplier needs, explore new sourcing opportunities, and build stronger, more inclusive supplier relationships.

We continued to support enterprise and supplier development initiatives, including our annual Wedding Expo Series, which provides a platform for SMEs in the events and hospitality sectors to showcase their products and connect with potential clients. These platforms not only stimulate business for local vendors but also enable Sunbird to deliver uniquely Malawian experiences to our guests.

Beyond events, our everyday operations are underpinned by procurement policies that prioritise ethical and inclusive sourcing. We work with over 400 SMEs, and farmers, offering fair and transparent service-level agreements. Of these 400 SMEs, over 100 suppliers are considered formalised, having developed the administrative and operational systems to meet our contracting and quality requirements.

In 2024, we also began developing a new Ethical Procurement and Labour Policy, which will be rolled out in 2025. This policy will formalise our commitment to fair labour practices, transparent



supplier selection, and responsible sourcing in line with international best practices. It will also set the foundation for supplier due diligence processes going forward.

In addition to broader supplier development efforts, we continue to focus intentionally on promoting economic inclusion—particularly for women- and youth-led enterprises. We actively seek out partnerships with entrepreneurs from underrepresented groups and promote local hiring wherever feasible. While we do not yet formally track supplier diversity, our expanding base of small suppliers includes a significant number of women-owned businesses. This is an area we aim to formalise and report on more rigorously in future sustainability disclosures.

A key example of this commitment is our partnership with Kwithu Kitchen, a women-led cooperative based in Mzuzu that now supplies all the honey used across Sunbird's properties. We also continue to source and promote Mzuzu Coffee, a Fair Trade-certified product that is grown and processed entirely within Malawi—supporting local farmers and value chains while offering our guests a premium local product.

Through direct engagement, capacity-building, and deliberate sourcing practices, Sunbird continues to create shared value—strengthening the hospitality ecosystem while supporting sustainable livelihoods across Malawi.

## 2024 SOCIAL PERFORMANCE

### HUMAN RIGHTS, HEALTH, SAFETY AND WELLNESS

At Sunbird, our unwavering commitment to upholding human rights and ensuring the health, safety, and wellness of our employees, guests, and communities remains a cornerstone of our operations. In 2024,

we continued to strengthen initiatives that align with our ethos of creating an inclusive, safe, and empowering environment for all.

### HUMAN RIGHTS AND LABOUR PRACTICES

At Sunbird, we prioritise human rights and ensure our operations and supply chain reflect fair, respectful, and safe labour practices.

We provide formal and accessible channels for both employees and suppliers to raise human rights-related concerns. In line with our commitment to transparency, we work continuously to ensure that all stakeholders are aware of and have access to our grievance mechanisms. These systems enable us to monitor concerns effectively and maintain accountability. In 2024, no human rights grievances or violations were reported.

Our Code of Ethics forms the foundation of workplace conduct and outlines Sunbird's expectations for all employees. It covers the following key areas:

- Sunbird's Core Values and Integrity Charter
- Equal opportunity in employment
- Sexual harassment and misconduct policy
- Employee training and induction
- Access to medical insurance and wellness programs
- Provisions for annual, sick, maternity, paternity, compassionate, and other leave types
- Ethical business conduct, including conflict of interest, fraud prevention, confidentiality, and disciplinary protocols
- Staff grievance and disciplinary procedures
- Wages, benefits, and compensation
- Employee recognition and promotion practices
- Expected workplace behaviours and standards



- A clear commitment to sustainability as a guiding principle in operations

Through these structures, we aim to foster a workplace where human rights are respected, ethical standards are upheld, and all employees are treated with dignity.

We maintain a zero-tolerance policy toward harassment in any form. All proven cases are subject to disciplinary action in line with our Sexual Harassment Policy and broader Code of Ethics. During the year, one case of sexual harassment was reported and addressed through our formal disciplinary process.

## HEALTH AND SAFETY

At Sunbird, we prioritise the safety, health, and well-being of our guests, employees, contractors, and visitors. Maintaining a safe and secure environment is not only a fundamental responsibility but also a core pillar of our sustainability commitment. Our Health and Safety Policy is designed to uphold the highest workplace safety standards, ensuring compliance with local laws and regulations while continuously improving our safety management practices.

To maintain these standards, we conduct both internal and external health and safety audits across all our hotels. Internal audits are conducted quarterly to identify potential hazards and ensure ongoing compliance whilst external audits are carried out periodically, reinforcing adherence to legislation and industry best practices.

In addition, each hotel has a dedicated Health and Safety Champion who meets with management and staff quarterly to monitor safety practices and promote a culture of shared responsibility. These committees play a critical role in identifying risks, reviewing performance, and supporting continuous improvement efforts at the property level.

## EMPLOYEE HEALTH AND SAFETY TRAINING

At Sunbird, we believe that a well-trained workforce is the foundation of a safe and healthy work environment. By equipping employees with the knowledge and skills to identify risks, prevent accidents, and respond effectively to safety concerns, we foster a proactive safety culture across all our properties.

Our commitment extends beyond compliance—we actively cultivate a culture of safety and accountability, ensuring that health and safety remain a shared responsibility at every level of our operations.

To achieve this, we provide employees with:

- Comprehensive health and safety training (induction) for all employees during onboarding.
- Monthly department-specific training led by department heads, focusing on job-specific risks.
- Annual refresher courses to reinforce best practices and update employees on evolving safety protocols.
- A Health and Safety Champion at each hotel and resort, ensuring on-the-ground leadership in promoting workplace safety.

In 2024, 85% of employees participated in training sessions, reflecting strong engagement and a shared commitment to workplace safety. These initiatives form part of our broader efforts to embed accountability and continuous learning across all our operations.

All health and safety incidents, including near misses and accidents, are documented through a formal reporting procedure. This allows us to analyse root causes, prevent recurrence, and identify areas where further training or controls may be needed.

Health and Safety Performance Overview

	2024	2023	Year-on-year Change(%)	
Fatalities	0	0		
Lost Time Injuries	20	25	20%	↓
Lost Time Injury Rate	0.0002%	0.00025%	0.00005%	↓
First Aid Cases (Minor Incidents)	13	16	19%	↓
Near Misses	2	4	50%	↓

In 2024, we saw improvements in our health and safety performance, with reductions in lost time injuries, first aid cases (minor incidents), and near misses, while successfully maintaining zero fatalities throughout the financial year.

These positive outcomes reflect the effectiveness of our proactive safety initiatives, introduced in response to incidents recorded in 2023, along with our continued focus on employee training programs that have enhanced risk awareness and prevention practices across our operations.

EMERGENCY PREPAREDNESS

Emergency response plans are developed for each hotel based on comprehensive risk assessments. These plans identify potential causes of serious or imminent danger to guests and employees and ensure that appropriate control measures are in place.

To support these efforts, Sunbird conducts quarterly fire drills led by trained fire wardens, who play a key role in coordinating the safety of both guests and employees during emergency situations.

As of 2024, 65% of our employees had received

emergency response and first aid training, significantly enhancing our capacity to respond effectively, minimise risk and ensure operational readiness in the event of an emergency

FOOD SAFETY AND HYGIENE

Sunbird maintains high food safety and hygiene standards, with quarterly audits conducted by the Malawi Bureau of Standards to ensure compliance with MS21.

In 2024, all hotels attained excellent scores underscoring the effectiveness of our food safety practices and our commitment to delivering safe dining experiences for guests and staff.

FORWARD LOOKING STATEMENT

As we move into the 2025 financial year, we remain committed to strengthening our health and safety systems across all operations. We will continue to prioritise regular audits, targeted training, and emergency preparedness as essential components of a safe and resilient workplace.



Key focus areas will include increasing employee participation in emergency response and first aid training, enhancing data collection and reporting for incident analysis, and refining risk assessments to address emerging safety challenges.

By reinforcing our culture of accountability and continuous improvement, we aim to maintain our strong safety performance while identifying new opportunities to safeguard the well-being of our guests, employees, and surrounding communities.

**FAIRNESS IN THE WORKPLACE AND EQUAL OPPORTUNITIES**

Fairness, equity, and inclusion are at the core of our workplace culture, fostering an environment where every employee feels valued, motivated, and empowered to thrive. By embedding these principles into our employee engagement, development initiatives, and equitable policies, we aim to create a workplace that drives both individual growth and organisational success.

Our commitment to employee well-being goes beyond meeting basic needs – we actively cultivate a culture that promotes safety, inclusivity, and respect at every level of our organisation. This is reflected in our focus on key areas such as Diversity, Equity and Inclusion (DEI), Talent Development, Employee Recognition, and Fair Compensation, ensuring that our employees are supported throughout their career journey at Sunbird.

Through these efforts, we remain dedicated to building a workplace where employees can thrive, contribute meaningfully, and feel empowered to reach their full potential.

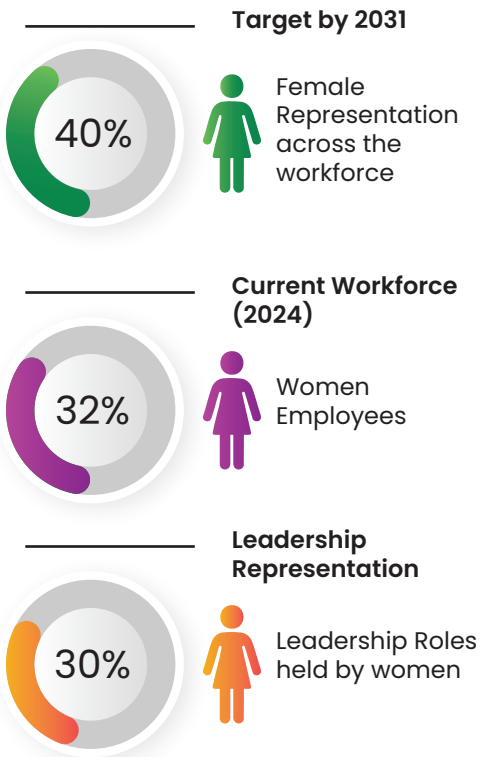
**DIVERSITY, EQUITY AND INCLUSION (DEI)**

As a hospitality business, we recognise the diverse world in which we operate and believe that diversity within our workforce is key to driving innovation, productivity, and employee engagement.

We are committed to maintaining a workplace culture built on diversity, equity, and inclusion (DEI) – an environment that is free from discrimination, harassment, and gender-based violence. To reinforce this commitment, we require all employees to participate in annual DEI training, supported by our DEI Policy, which outlines our principles on diversity, gender equity, and the behaviours and expectations we uphold to foster an inclusive workplace.

We actively promote gender equity and are working towards achieving 40% female representation across our workforce by 2031. As of 2024, women represent 32% of our employee base, the same as in 2023. At the leadership level, 30% of roles are currently held by women.

We have employed initiatives such as targeted recruitment strategies, mentorship programs,



and career development opportunities designed to support women's growth within the organisation. We will continue to implement these strategies as we pursue our target of 40% female representation.

We are also committed to ensuring equal pay for equal work, reinforcing our belief that all employees should be fairly compensated for their contributions regardless of gender.

To further promote gender balance, we will focus on hiring more female school leavers into our apprenticeship program in 2025, ensuring greater representation across all roles within the organisation.

Through these efforts, we remain dedicated to building a workplace that values diversity, promotes equity, and fosters a sense of belonging for all employees.

### **WOMEN'S FORUM HIGH TEA (CASE STUDY)**

At Sunbird, we are committed to promoting diversity, equity, and inclusion (DEI) across our organisation and the communities we serve. As part of this commitment, we actively support initiatives that empower and inspire women to excel/achieve their potential.

In April 2024, we proudly hosted the Sunbird High Tea:

The Hustler's Edition at Sunbird Capital — an inspirational forum dedicated to celebrating successful women and fostering meaningful dialogue and mentorship. The event with over 200 women formed part of our ongoing Sunbird High Tea Series, which provides a platform for leading women to share their achievements, engage with others, and inspire the next generation of female leaders.

This edition, themed "Win, Brick by Brick", celebrated enterprising and determined women who have achieved success in their respective industries, serving as pillars of their communities.

The speakers shared powerful insights into their journeys, highlighting themes of perseverance, strategic growth, and empowerment. The event encouraged attendees to embrace a "brick by brick" mindset — building their success through consistent effort, determination, and innovation.

By bringing together accomplished women and aspiring leaders, the event provided a valuable platform for knowledge-sharing, networking, and empowerment. Initiatives like the Sunbird High Tea Series reflect our ongoing commitment to fostering a workplace and society that is inclusive, supportive, and empowering for women in all spheres of life.





MANAGING SUNBIRD’S TALENT

Our employees are the foundation of our service excellence, which is why we aim to attract, develop, and retain top talent to ensure we deliver outstanding guest experiences while fostering a motivated, engaged workforce. By investing in our people, we aim to build a culture of collaboration, growth, and empowerment that drives both business success and positive social impact.

RECRUITMENT AND GROWTH

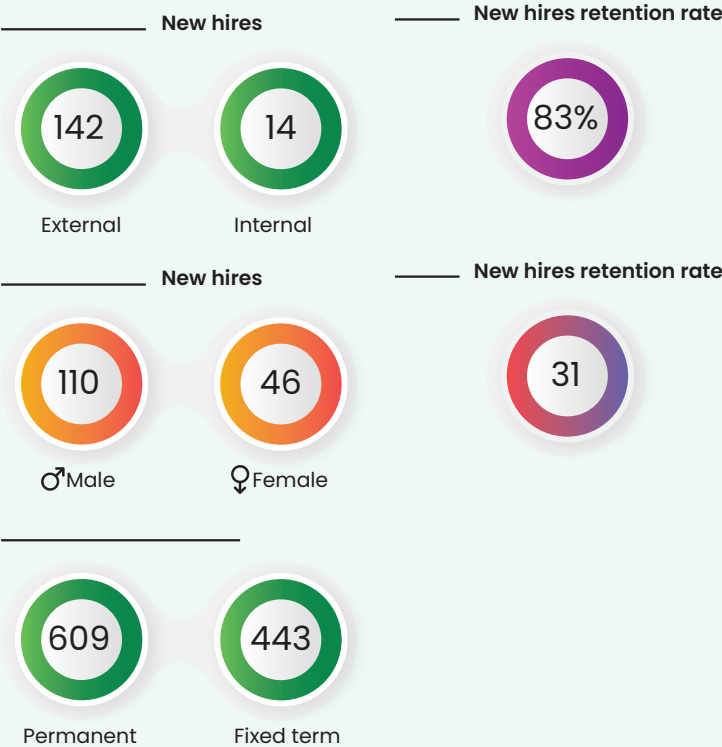
In 2024, our workforce grew to 1,052 employees, up from 959 in 2023. This included 156 new hires, among them two top-performing female graduates from

MIT specialising in food production, who have joined Sunbird Capital and Sunbird Mount Soche respectively.

Since the COVID-19 pandemic, most new employees have been brought on board under contract terms as part of our workforce management strategy.

As part of our recruitment strategy, we continue to balance external recruitment with internal promotions to support career development and retain institutional knowledge. Gender representation across hires is also closely tracked to ensure alignment with our diversity, equity, and inclusion (DEI) commitments.

RECRUITMENT AND GROWTH







## EMPLOYEE ENGAGEMENT AND RETENTION

While we aim to attract top new talent, we recognise that this is only part of the work of building a top-class workforce. Ensuring our current employees feel valued, supported, and engaged is equally important to us.

We actively work to promote the satisfaction of our employees through several initiatives. Monthly staff meetings and internal discussions help ensure transparent communication, while structured career progression, skills development, and employee benefits help drive long-term engagement.

In 2024, Sunbird recorded an employee turnover rate of 6%, compared to 2% in 2023. The increase is attributed to our greater use of fixed-term contracts to help manage business fluctuations during off-peak periods. Despite this, our retention rate remained strong at 94%, reflecting the success of our employee engagement strategies. A total of 63 staff members exited the company during the year for various reasons.

We conduct annual employee satisfaction surveys, which are used to gather feedback, assess workplace

sentiment and guide Sunbird management and the board in determining effective steps forward.

The 2024 survey, finalised in May, showed improvements in some areas but also highlighted key issues for our leadership team to address. Five of our ten hotels improved their overall satisfaction scores, while the remaining four reported slightly lower results than in 2023.

From these results, we found that employees were looking for improvements in the following areas:

- Teamwork
- Career development opportunities (including promotions)
- Remuneration and benefits

In response, we have revised our remuneration and bonus policy, which will take effect in the 2025 financial year. Management is also finalising a comprehensive action plan to address the remaining areas for improvement.





## **MOTIVATING OUR EMPLOYEES TO PERFORM TO THE BEST OF THEIR ABILITY (CASE STUDY)**

At Sunbird, we understand that our employees are at the heart of our success. Recognizing their dedication, hard work, and exceptional contributions is a core part of our efforts to foster a high-performance culture — one where employees feel valued, motivated, and inspired to excel.

To celebrate outstanding performance, we have implemented a series of employee recognition initiatives designed to reward individuals and teams who go above and beyond in their roles at each hotel.



One such example is our Employee of the Month and Supervisor of the Quarter programs, which shine a spotlight on those who consistently demonstrate excellence in their work. These awards celebrate employees who provide exceptional service, show strong leadership, or deliver meaningful contributions to their teams.

For those whose dedication continues to stand out throughout the year, we present our prestigious Employee and Supervisor of the Year awards. This recognition is given to individuals who have consistently demonstrated commitment, innovation, and teamwork.

At an organisational level, we proudly award the

Hotel of the Year title to the property that has achieved outstanding results in guest satisfaction, operational performance, and team engagement. This award not only recognises excellent performance but also strengthens healthy competition, encouraging each hotel to strive for excellence.

These recognition initiatives have become an integral part of our culture — reinforcing our belief that when employees feel appreciated, they are more engaged, motivated, and empowered to deliver the exceptional service that defines the Sunbird experience.



## **TALENT DEVELOPMENT AND SUCCESSION PLANNING**

To retain top talent and support career progression, Sunbird invests heavily in professional development. Employees are sponsored to pursue certifications, diplomas, and degrees at local institutions, such as the Malawi Institute of Tourism and Mzuzu University. Employees with strong potential are also sent for specialized training in countries like South Africa and Kenya.

Succession planning is an integral part of Sunbird's fairness approach. Potential leaders are identified through annual reviews and supported through Individual Development Plans (IDPs), which address skill gaps and prepare employees for future roles.

Additionally, we have informal mentorships, where identified candidates, typically junior staff, are paired with experienced employees whom they will succeed in future. This facilitates skills and knowledge transfer, ensuring smooth implementation of succession plans. Through this process, we aim to ensure that opportunities for growth and advancement are fair and accessible to all employees while aligning with Sunbird's long-term vision and strategic priorities.

### WORK-LIFE BALANCE AND WELL-BEING

While working to create the best workplace environment is crucial to helping our employees perform to the best of their ability and reach their full potential, we also recognize that promoting work-life balance is equally important to ensure employees feel supported, motivated, and productive.

We offer several benefits and programs specifically targeting this including

- Sports and aerobics sessions to encourage physical fitness and mental well-being
- Breastfeeding time for mothers and paternity leave for fathers to support family life
- Remote work arrangements where feasible to accommodate staff needs

In 2024, 90% of employees participated in wellness programs, demonstrating strong engagement in initiatives designed to promote holistic well-being.

### FAIR AND EQUITABLE COMPENSATION

Ensuring our employees feel fairly compensated is central to our approach to ensuring a fair, equitable workplace. During the 2024 financial year, feedback from union meetings and employee surveys highlighted the need to review our remuneration policies to better align with employee needs.

In response, we increased our minimum monthly salary significantly above the national minimum

wage. This change reflects our commitment to ensuring all employees earn a living wage that meets the cost of living in Malawi and improves financial security for our workforce.

In addition to fair pay, we offer a range of additional benefits to our employees, including:

- Free daily meals provided at staff canteens
- Comprehensive medical coverage, fully funded for employees, their spouses, and dependents

These efforts reflect our ongoing commitment to fostering a fair, supportive, and rewarding work environment, ensuring our employees feel valued.

### UNION ENGAGEMENT

Union meetings are also a key aspect in this regard. These meetings are held monthly and quarterly and 100% of planned union meetings were carried out in 2024 (80% in 2023). One of the main topics discussed during the financial year was staff welfare.

### LOOKING AHEAD

As we look to the 2025 financial year, we will continue to embed fairness, equity, and inclusivity into every aspect of our operations – from recruitment and talent development to recognition and compensation. Our goal remains to create a workplace where all employees feel valued, supported, and empowered to reach their full potential.



We will build on the progress made in 2024 by refining our remuneration structures, advancing our gender equity targets, and enhancing employee engagement through open communication and targeted development programs. Initiatives such as our High Tea Series and mentorship efforts will continue to serve as platforms for inspiration, connection, and empowerment.

Succession planning, talent pool development, and structured performance reviews will remain central to our people strategy. These efforts help us nurture future leaders and ensure growth opportunities remain accessible and fair across all levels of the organisation.

Through these continued investments in our people, we aim to strengthen our position as an employer of choice in Malawi's hospitality industry — one that leads with purpose, fosters mutual respect, and champions long-term, inclusive growth.



### COMMUNITY PARTNERSHIPS AND SUPPORT

At Sunbird, we recognise that the strength of our business is deeply connected to the well-being of the communities we serve. As a responsible corporate citizen, we are committed to fostering meaningful partnerships that create lasting socio-economic impact. Our approach to community engagement is built on a foundation of inclusivity, empowerment, and sustainability, ensuring that our contributions drive real change.

Through our Corporate Social Responsibility (CSR) initiatives, supplier development programmes, and the promotion of Malawi's rich cultural heritage, we aim to uplift communities, support local enterprises, and contribute to a thriving, self-sustaining economy. Whether through education and youth development, healthcare support, environmental conservation, or strengthening local supply chains, Sunbird remains dedicated to initiatives that enhance the lives of those around us.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Sunbird has four focus areas of our CSR strategy which it has identified, which include: Health, Education, Youth Development and Environmental Enrichment. Our initiatives across these pillars are not just an act of philanthropy, but a strategic commitment to building a better tomorrow, fostering sustainable growth and enriching the very fabric of the communities we serve. In addition, the CSR initiatives are guided by a donations policy.

In 2024, Sunbird spent **MK 84 million** on its CSR initiatives, representing an 180% increase since the 2023 financial year (**MK30 million**).

### HEALTH

Good health is the foundation of a thriving society. Recognising the role we can play; Sunbird has led various initiatives to support healthcare over the years.





### MLAMBE HOSPITAL RENOVATION

In 2024, we prioritised our support for Blantyre's Mlambe Hospital, investing MK17 million to upgrade the paediatric ward. This investment enabled the upgrade and renovation of the children's ward, which included the installation of new facilities and equipment, all while creating a cleaner, safer, and more comfortable environment for patients. The project was successfully completed and handed over in December 2024.

### CLEAN WATER SUPPLY

Sunbird recognises that access to clean water extends beyond our business operations and is a fundamental necessity for the well-being of local communities. As part of our commitment to social responsibility, we actively support neighbouring communities by providing safe and reliable water access in areas where it is most needed.

At Sunbird Livingstonia and Sunbird Nkopola, we continue to provide fresh, clean water to local communities for drinking, cooking, and household use, reinforcing our long-standing commitment to improving access to safe and reliable water.

By integrating community water support into our operations, we aim to enhance quality of life, promote public health, and contribute to local development, ensuring that our impact extends far beyond our hotels and resorts.



### BLOOD DONATION DRIVE

In August 2024, we partnered with the Malawi Blood Transfusion Services to support efforts to improve national blood supplies. As part of this initiative, we hosted blood donation drives, welcoming both staff and the public to participate. The campaign saw a positive response, with a total of 25 individuals donating blood, contributing to this vital cause and helping to save lives.

### EMPLOYEE AND CUSTOMER WELLNESS

As part of our commitment to health and well-being, we also hosted our first-ever Winter Aerobics Event at the newly opened Sunbird Lilongwe Events Garden. The free event attracted over 500 participants and aimed to promote physical fitness while highlighting the mental and physical benefits of regular exercise.

We were pleased to partner with Universal Industries and MASM, whose support contributed to the event's success. Encouraged by the positive response, we plan to host similar initiatives to further promote active lifestyles and support the well-being of our customers and communities.

### EDUCATION

Education plays a crucial role in driving economic growth and social progress by alleviating poverty, developing a skilled workforce, and equipping individuals with knowledge to make informed decisions.





Recognising its transformative impact, Sunbird has made education a core pillar of our CSR strategy, aiming to empower youth and local communities.



### NUMBER 1 CLUB

In 2024, we continued supporting the Number 1 Club, a merit-based award system at Koche Primary School in Mangochi. We selected 46 outstanding students based on academic excellence, rewarding them with essential school supplies such as uniforms, shoes, and school bags. The children were also hosted for a luncheon at Sunbird Nkopola to celebrate their success.

We are proud to share that all students previously selected through this initiative successfully passed their exams, advanced to the next grade, and continue to excel as top achievers in their respective classes.

### PRESIDENTIAL TOURNAMENT

Sunbird participated in the Presidential Charity Golf Tournament initiative, held in October under the theme "Swing to Serve". We contributed MK5 million towards the fund. The proceeds provide vital support for financially disadvantaged university students, assisting them with living expenses and school fees, while helping to create greater access to education and empower Malawi's future leaders.

### YOUTH DEVELOPMENT

UNICEF highlights that targeted and sustained investment in youth programmes is essential for Malawi to overcome long-term development challenges such as climate change, poverty, and unemployment. In line with this, Sunbird is committed to supporting initiatives that empower young people through entrepreneurship, start-up support, access to funding, and skills development. Our focus is on equipping youth with the tools they need to thrive in the job market and build resilient, sustainable businesses.

### COURAGEOUS ORPHANAGE

In 2024, we supported Courageous Orphanage in Blantyre, an institution that provides care for 100 children and faces significant challenges due to insufficient funding.

Our support was focused on enhancing food security to ensure the children's nutritional needs are met. As part of this effort, we supplied fertilizers to improve the orphanage's garden yield, particularly their corn farm. This initiative enabled the orphanage to have a significant harvest, contributing to a more sustainable food supply and improving the well-being of the children in their care.

### CHILDREN'S BOOK CLUB

To help promote a culture of reading, Sunbird continues to run a book donation drive across its hotels and resorts. Patrons are encouraged to donate books, which are then collected and distributed to under-resourced schools and orphanages.

### FORWARD LOOKING:

In 2025, we will continue to strengthen our commitment to education and youth development by expanding our support for both higher education and primary education initiatives.

As part of this effort, we plan to extend direct support to higher education by providing bursaries to students at the Malawi University of Business and Applied Sciences (MUBAS) and Mzuzu University. While the number and value of these bursaries are yet to be determined, we are committed to prioritising gender equality in education. To support this, bursaries will be awarded with a 2:3 ratio favouring women students, reinforcing our dedication to empowering women and promoting greater inclusivity in higher education.

We are also exploring new ways to expand our reach to more schools and communities, ensuring that more children have access to the resources and support they need to succeed in their studies. This includes identifying opportunities to collaborate with additional schools, particularly those in underserved areas, to provide educational materials, mentorship programs, and other essential resources.

Environmental Enrichment

Our commitment to environmental sustainability is reflected in initiatives that aim to protect and restore Malawi's natural ecosystems.

Our primary environmental CSR initiative is the Zomba Reforestation Project, which is discussed in detail on page X of this report. This initiative underscores our dedication to forest restoration and nature conservation.

In addition to this, we have also taken a proactive approach to addressing the environmental impact of tourism and our operations at our lakefront locations. Recognising the importance of preserving Malawi's iconic lakeshores, we introduced the Clean Senga Bay annual event.

As part of this initiative, we provided cleaning supplies to members of the neighbouring community, who joined us in removing litter and cleaning the beaches of Senga Bay. This collaborative effort not only improved the cleanliness and aesthetics of the area but also helped raise awareness about

environmental responsibility among residents and visitors alike.

By engaging with local communities and promoting sustainable practices, we continue to align our efforts with our broader goal of protecting Malawi's natural heritage.

**CHAMPIONING CULTURAL HERITAGE AND  
LOCAL EMPOWERMENT**

As the Warm Heart of Africa, Malawi boasts a rich and vibrant cultural heritage. Recognising the significance of our nation's traditions, Sunbird is actively integrating cultural experiences into our hospitality offerings, enabling guests to engage more deeply with Malawi's heritage.

At Sunbird Kuchawe, Sunbird Nkopola, and Sunbird Livingstonia, we have established designated vendor stalls and shelters, providing local artisans with dedicated spaces to showcase their craftsmanship. This initiative not only enhances guest experiences but also empowers artisans by creating opportunities for sustainable income generation through the sale of authentic Malawian souvenirs.

Furthermore, we collaborate with cultural dance and musician groups, incorporating their performances into our hospitality experiences. By engaging these talented performers, we not only enrich our guests' stays with immersive cultural entertainment but also contribute to the preservation and appreciation of Malawi's traditional dance, music and artistic expressions.

**SUPPORTING LOCAL SUPPLIERS**

Sunbird is committed to sourcing locally whenever possible, particularly for perishable goods such as vegetables, fruits, and livestock used in our hotels.



Currently, approximately 50% of our supplier base consists of SMEs and small-scale farmers, some of whom employ traditional and organic farming methods as sustainable alternatives to chemical fertilisers.

As part of our commitment to source locally, Sunbird actively seeks opportunities to develop new partnerships that strengthen local supply chains.

CUSTOMER WELFARE

At Sunbird, we place strong emphasis on customer welfare, which we achieve through two main pillars: customer satisfaction and food safety and nutritional content. These pillars drive our efforts to provide guests with exceptional experiences, while ensuring their well-being and satisfaction during their stay.

CUSTOMER SATISFACTION

Customer satisfaction is at the core of Sunbird's service delivery. We gather and analyse feedback through multiple channels to understand guest preferences and address any concerns. In 2024, we continued to use guest satisfaction tracking, mystery guest programs, and engagement on booking platforms, public relations and social media platforms to actively monitor guest experiences and swiftly address inquiries.

Our commitment to customer satisfaction is reflected in our strong ratings and feedback scores. In 2024, we achieved an **89%** customer satisfaction rating, improving upon last year's **88%**. Our mystery guest surveys remain an important tool for assessing guest experiences, and we achieved a **79%** score in 2024, compared to **77%** achieved in 2023.

We pride ourselves on a 100% response rate to TripAdvisor reviews and other online platforms, ensuring that guest concerns are promptly addressed. This demonstrates our dedication to transparency and maintaining open lines of communication with our guests.

By consistently monitoring feedback and making necessary improvements, we aim to not only meet but exceed customer expectations, ensuring that every guest leaves with a lasting positive impression.

FOOD SAFETY AND NUTRITIONAL CONTENT

Ensuring the safety and quality of the food served to our guests is a priority at Sunbird. Our food safety management system follows rigorous standards to ensure that all meals are prepared in compliance with both local and international health and safety regulations.

In 2024, we continued to emphasize the importance of food safety through regular audits, employee training, and the adoption of best practices in food preparation and handling. We maintain high hygiene standards in our kitchens and dining areas, conducting regular food safety audits and hygiene inspections to ensure that our guests can enjoy their meals with confidence.





# 2024 ENVIRONMENTAL PERFORMANCE

## RESOURCE USE AND POLLUTION

### Energy and Carbon Management

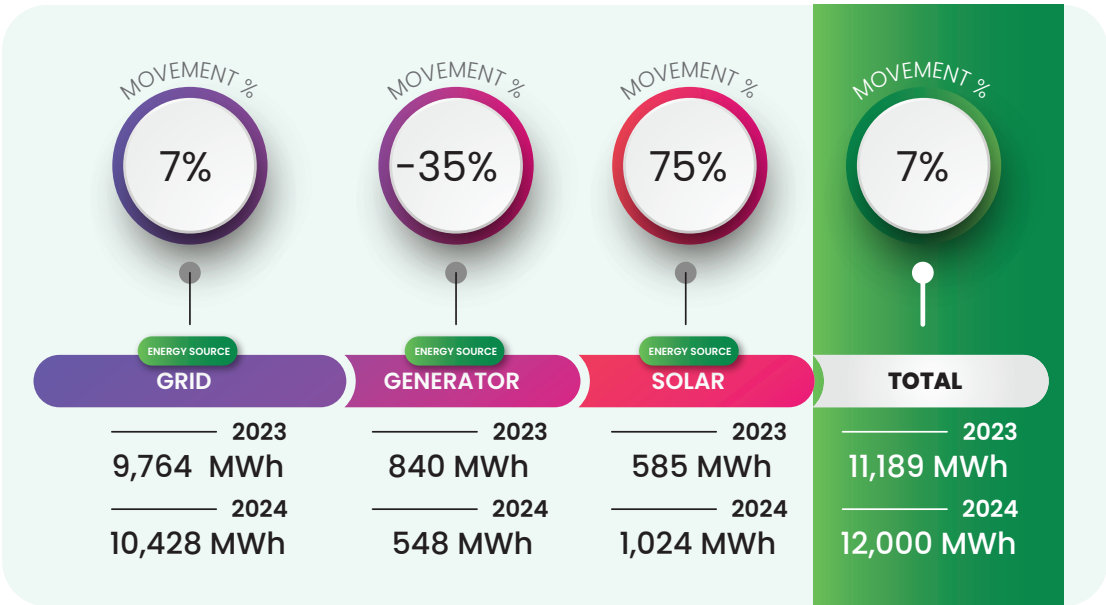
Sunbird remains steadfast in its commitment to environmental stewardship, recognizing the interdependence of energy efficiency and carbon management in addressing climate change.

In 2024, we advanced our energy strategy by enhancing efficiency measures and laying the groundwork for structured carbon management. These initiatives have strengthened our ability to reduce emissions, optimise energy consumption, and progress towards our long-term sustainability goals.

## ENERGY MANAGEMENT

Energy is a cornerstone of Sunbird’s operations; however, the erratic supply and rising costs of electricity and fuel present ongoing challenges. In response, we have implemented impactful efficiency measures and expanded our reliance on renewable energy solutions to ensure a more stable and sustainable energy supply.

In 2024, our total energy usage increased by 7%, rising from 11,189 MWh in 2023 to 12,000 MWh. This increase is attributed to operational growth. Sunbird primarily relies on grid electricity supplied by ESCOM, a state-owned power company which is responsible for transmitting and distributing electricity across Malawi.





Malawi's electricity supply is primarily generated through hydropower, a renewable energy source. For our operations, this benefits us with a significantly lower carbon footprint compared to hotels operating on traditional coal-fired power generation. As a result, Malawi's carbon intensity is notably low. However, despite its environmental benefits, the national grid faces considerable strain due to heightened demand, resulting in frequent power shortages and load shedding. To sustain operations during these outages, Sunbird has had to rely heavily on fuel-powered generators, which remain essential in ensuring uninterrupted service.

In 2024, power consumption from generators was 547 MWh compared to 840 MWh in the previous year, 2023. Our dependency on generators as back up power has further driven our commitment to renewable energy solutions and this has resulted in reduced usage of generators.

## SELF-SUFFICIENT RENEWABLE ENERGY USAGE

To reduce reliance on grid electricity and mitigate fuel dependency, Sunbird has prioritized the integration of solar energy into operations.

Sunbird Waterfront serves as a model for renewable energy, operating primarily on a 250KVA solar power system during the day, with grid and generator backup at night.

Based on the success of this pilot, we are preparing for a phased rollout of solar Photovoltaic installations at Sunbird Mount Soche as part of our future sustainability strategy.

Beyond renewable energy investments, we have implemented power-saving equipment, such as LED lighting, energy management systems and efficient HVAC systems, across hotel operations to improve efficiency. In 2024, these initiatives helped us achieve a 10% reduction in energy consumption, resulting in equivalent cost savings.

To further support our energy efficiency efforts, we will also continue to conduct regular energy audits. These audits will enable us to identify new opportunities for improvement and guide our efforts to implement additional energy-saving measures throughout our operations.

## Carbon Management

We remain committed to managing our carbon footprint, recognising its critical link to energy consumption and the broader impacts of climate change. As a responsible hospitality group, we acknowledge the role we play in either contributing to or mitigating greenhouse gas (GHG) emissions and are taking decisive steps toward a more sustainable future.

In 2024, we initiated a structured approach to measure, manage, and ultimately reduce our carbon footprint across all properties. This effort focuses on Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased energy), ensuring a data-driven pathway to emissions reduction:

- Comprehensive measurement and analysis of emissions across our operations to identify key impact areas.
- Development and implementation of targeted mitigation strategies where feasible, including energy efficiency enhancements and renewable energy integration.

We are committed to transparency and accountability. We aim to disclose our GHG emissions in the 2025 Sunbird Sustainability Report. This will serve as a foundation for setting measurable reduction targets and aligning with global best practices in carbon management.

## LOOKING AHEAD

Sunbird aim to achieve our long-term sustainability goals by integrating energy efficiency and carbon management into core operations. With a strategic roadmap to transition all properties to renewable energy by 2031, alongside ongoing investments in energy efficiency, we are dedicated to reducing our environmental footprint while strengthening operational resilience. Through these efforts, Sunbird aims to align with best practices and global sustainability standards, ensuring a greener future for our business and communities.

## WATER STEWARDSHIP

Water is a critical resource that underpins the effective and efficient operation of all aspects of our hospitality business. Despite 20% of Malawi's surface area being covered in water, it remains a water-stressed region. Considering this, responsible water management is not only an operational priority but a key sustainability commitment for Sunbird. Compounding these challenges, infrastructure limitations further strain water availability, making it imperative that we proactively implement conservation measures to safeguard this vital resource.

## MONITORING AND MANAGING WATER USAGE

To ensure efficient water use and prevent wastage, accurate data collection and analysis are essential. At Sunbird, we closely monitor water consumption through metering systems installed at all hotels, enabling real-time tracking and early detection of inefficiencies. Complemented by strict internal guidelines, this approach allows us to manage water use responsibly and identify areas for conservation improvements.

In 2024, our total water consumption was 485,368m<sup>3</sup> (2023: 491,496 m<sup>3</sup>), and through continuous

monitoring, we are able to detect leaks, optimise efficiency, and refine our conservation strategies to ensure sustainable usage. The reduction in water consumption is due to various water conservation initiatives, some of which are outlined below.

## WATER CONSERVATION AND AWARENESS

As part of our commitment to minimise water wastage, we have implemented a range of internal conservation measures, including:

- Installation of water-efficient fixtures to reduce consumption across our properties.
- Utilisation of groundwater to decrease reliance on municipal supplies.
- Ongoing exploration of water recycling systems, such as repurposing laundry water for landscaping and irrigation, which would significantly enhance water efficiency.

While internal conservation efforts are essential, collective action is key to driving meaningful impact. Sunbird actively engages guests in water conservation by providing educational materials on responsible water use, encouraging them to adopt sustainable practices during their stay. Through this initiative, we aim to foster awareness, promote responsible water usage, and reduce consumption, all while ensuring an enjoyable and memorable experience for our guests.

By integrating data-driven management, efficiency measures, and stakeholder engagement, Sunbird is taking a holistic approach to water stewardship, ensuring that we contribute to a sustainable future for both our business and the communities we serve.



## WATER QUALITY MANAGEMENT

Sunbird is deeply committed to maintaining the highest standards of potable water quality, ensuring the safety and well-being of both guests and staff. At our lakefront hotels and resorts, where water is sourced directly from Lake Malawi, reverse osmosis treatment plants are in place to filter and purify water, making it safe for consumption. Similarly, at properties reliant on municipal water supplies, we employ additional on-site treatment systems to further enhance water quality and maintain consistent, high standards across all locations.

Our commitment extends beyond regulatory compliance. Regular water testing, conducted in partnership with the Ministry of Water and Sanitation and Malawi Bureau of Standards, ensures that we exceed stringent quality standards, reinforcing our dedication to guest safety, operational excellence, and environmental responsibility.

## CLIMATE CHANGE AND WATER

Climate change has intensified water-related challenges in Malawi, with rising water levels in Lake Malawi posing a significant threat to infrastructure at our beachfront hotels and resorts. To mitigate these risks while ensuring an enjoyable guest experience, Sunbird has implemented measures to safeguard existing buildings and established strict guidelines for future waterfront developments to enhance resilience and sustainability.

## LOOKING AHEAD

As part of our long-term commitment to sustainable water management, Sunbird is continuously exploring advanced technologies and innovative practices to enhance water recycling and further reduce consumption. Through these efforts, we aim to strengthen resilience against water scarcity and climate-related challenges, both for Sunbird and the communities we operate in.

## RESPONSIBLE RESOURCE USE AND WASTE

Building a sustainable hospitality business requires a holistic approach to resource management. Sunbird recognises the importance of considering the entire lifecycle of goods—from procurement to disposal—ensuring that every decision supports our sustainability, efficiency, and waste reduction ambitions.

## SUSTAINABLE AND RESPONSIBLE SOURCING

As part of our commitment to environmental stewardship, Sunbird's procurement processes prioritise sustainable and ethical sourcing, ensuring that responsible resource use is embedded at every stage of our operations.

While balancing cost-effectiveness, we actively seek suppliers who align with our sustainability values. This commitment has been formalised in our Procurement Policy and Waste Management Policy, which mandates that all suppliers adhere to sustainable practices, reinforcing our role in minimising environmental impact from the outset.

A key initiative in this area has been our strategic reduction in use of plastic bottled water. In conference halls and guest rooms, plastic bottles have been replaced with reusable, refillable glass bottles. Additionally, we have transitioned from single-use shampoo and lotion dispensers to refillable alternatives, significantly reducing plastic waste and supporting a circular economy.

Sustainable food sourcing is a key priority at Sunbird. We actively partner with local farmers, food producers, and artisans to promote local and organic sourcing, ensuring our guests enjoy fresh, seasonal, and sustainable produce. This approach not only enhances the dining experience but also supports local communities and helps to reduce transportation emissions,

reinforcing our commitment to sustainable and responsible sourcing/procurement.

In addition, Sunbird prioritises the procurement of products with recognised eco-label certifications, such as SME Eco-Label, Energy Star, Fair Trade, and organic certifications. A notable example is the Mzuzu Coffee served throughout our hotels — an ethically sourced, Fair Trade-certified coffee that is grown and processed within Malawi. This initiative supports a network of 3,000 smallholder farmers, 25% of whom are women, reinforcing our dedication to economic empowerment and sustainable farming through responsible sourcing.

Additionally, our restaurant menus feature diverse meat-free meal options, catering to varied dietary preferences while providing guests with the choice of a more sustainable dining experience.

## WASTE MANAGEMENT

In 2024, Sunbird formalized its commitment to waste reduction by developing a Waste Management Policy, which was implemented with effect from 1 January 2025. This document sets our guidelines on waste reduction, segregation, collection and disposal practices in accordance with international and national best practices, to avoid, reduce or minimize deterioration of the natural environment and potential negative impacts on the health and safety of surrounding communities.

Recognizing that effective waste management requires a multi-faceted approach, we have targeted initiatives and processes in place to address food and non-food waste, grease and oil management, and electronic waste disposal. These efforts align with our aim to promote sustainable resource use with the goal of fostering a circular economy throughout our operations.

## FOOD WASTE

To control food resources and minimize excess,

surplus food from our hotels is donated to local charities. Organic food waste from kitchens is provided to composting facilities, which is used to regenerate soil quality for local agricultural projects, thereby promoting circularity.

At city hotels, oils are processed through oil traps to prevent environmental contamination. For resorts, we make use of grease traps which are integrated with soak ways and filtration systems to ensure responsible disposal and minimal impact on the ecosystem.

In 2024, the Sunbird Sustainability Steering Committee visited South Africa to engage with hotels excelling in converting organic food waste into compost. The valuable insights gained will guide the implementation of similar initiatives within the Sunbird supply chain in the next financial period.

Additionally, the team has begun exploring the possibility of introducing more environmentally friendly cleaning solutions, covering aspects such as grease and oil management, laundry operations, floor washing, and other cleaning processes.

## E-WASTE MANAGEMENT

We recognise the environmental impact of electronic appliances and devices in waste management. In line with regulatory requirements and our sustainability standards, we ensure that all outdated equipment is either safely disposed of or recycled through responsible channels.

When replacing e-waste items such as washing machines, refrigerators, and other appliances, we prioritise purchasing energy-efficient models to reduce our environmental footprint and improve operational efficiency.



## LOOKING FORWARD:

Looking ahead to 2025 and beyond, we will look to expand our waste reduction and recycling efforts as part of our ongoing journey toward responsible resource use and sustainable operations. Our main focus is to develop a comprehensive action plan to integrate various waste reduction solutions across our hotel operations, ensuring that our initiatives are both practical and impactful.

To measure our progress effectively, we will establish Key Performance Indicators (KPIs) to track metrics such as waste type, waste volume, and waste diverted from landfill. This data will guide our efforts to implement targeted strategies that further reduce waste generation and minimize landfill contributions. Through these initiatives, we remain dedicated to continuous improvement, ensuring that our waste management practices contribute meaningfully to both our environmental goals and the well-being of the communities we serve.

## PROTECTION AND REGENERATION OF NATURE

Sunbird recognises nature as a vital stakeholder in our business and acknowledges the impact our operations can have on the natural environment. As a responsible hospitality group, we are committed to conserving, protecting, and regenerating the ecosystems in which we operate.

With three of our hotels located on the shores of Lake Malawi—a UNESCO World Heritage site—and one within the Zomba Nature Reserve, we are acutely aware of our presence in high-biodiversity and ecologically sensitive areas. This unique positioning amplifies both our responsibility and opportunity to play a role in preserving Malawi's rich natural heritage.

While a formal strategy in this area is still under development, we aim to establish one during the

2025 financial year, with the goal of implementing initial initiatives from 2026 onwards. However, we are already taking proactive steps to support environmental restoration through our CSR initiatives.

One such initiative is our tree replanting project in Zomba, near Sunbird Kuchawe, where we are working to restore forested areas and enhance biodiversity. This effort reflects our commitment to sustainability and our role in protecting Malawi's natural landscapes for future generations.



### ZOMBA FOREST RESTORATION (CASE STUDY)

According to Global Forest Watch, "From 2001 to 2023, Zomba City lost 131 ha of tree cover, equivalent to a 22% decrease in tree cover since 2000, and 70.4 kt of Core emissions."

In Malawi, this decline is largely driven by land conversion for agriculture, while on Zomba Plateau, forests are frequently cut down for firewood, accelerating environmental degradation.

With Sunbird Kuchawe situated at the peak of the plateau, we have witnessed firsthand the negative consequences of deforestation—not only on our business operations but also on the local ecosystem and surrounding communities.



Recognising the urgent need for conservation and restoration, we took decisive action to protect this high-biodiversity area.

### **OUR COMMITMENT TO REFORESTING ZOMBA PLATEAU**

As part of our long-term conservation efforts, Sunbird adopted 10 hectares of land on Zomba Mountain, launching a reforestation initiative in collaboration with the local community, students, traditional leaders, and our employees.

To date, we have planted 13,600 trees, and in the 2025 financial year, Sunbird Kuchawe aims to plant an additional 10,000 trees, reinforcing our dedication to restoring this vital ecosystem.

Recognising the importance of planting at the right time, trees are ideally planted during or just after the rainy season to ensure optimal survival rates and long-term forest regeneration.

Our commitment extends beyond short-term planting efforts—this is a 10-year initiative with a track record of planting approximately 5,000 trees annually. By the end of the decade, we aim to have planted upwards of 50,000 trees, significantly contributing to the regeneration of Zomba’s forest cover.

### **ENGAGING THE ZOMBA COMMUNITY AND STAKEHOLDERS**

To ensure the success and longevity of this initiative, we actively engage local stakeholders:

- **Primary School Involvement:** Students from Chawe Primary School have taken a keen interest in the initiative, with full school participation in tree-planting activities.
- **Guest Participation:** Visitors to Sunbird Kuchawe are encouraged to plant trees during their stay, allowing them to play a direct role in conservation efforts.
- **Traditional Leaders and Government Support:** Chiefs and the District Commissioner—

appointed by the government—have endorsed and actively participated in the initiative, strengthening its long-term impact.

### **BEYOND ZOMBA: SCALING UP OUR CONSERVATION EFFORTS**

Our commitment to forest restoration extends beyond Zomba Plateau. At Sunbird Livingstonia, we have previously collaborated with UNICEF to plant trees around the resort after training sessions with the local community. Moving forward, we aim to expand our reforestation initiatives to other Sunbird resorts and hotels, focusing on areas where restoration is most needed or where new opportunities arise.

Through these efforts, Sunbird is not only restoring forests but also fostering environmental stewardship, ensuring that Malawi’s rich natural heritage is preserved for future generations.



2024 GOVERNANCE  
PERFORMANCE



NET POSITIVE GOVERNANCE

STAKEHOLDER ENGAGEMENT

At Sunbird, we recognise that strong, transparent relationships with our stakeholders are essential to long-term success. Our ability to understand and respond to stakeholder expectations not only supports trust and accountability but also informs strategic decisions across our business. In 2024, we continued to strengthen these relationships through targeted engagement, clear communication, and actions that reflect our commitment to shared value.

Employees and Unions

Our employees power the Sunbird experience. We value their contributions and maintain open, constructive engagement with staff and unions to foster a fair, inclusive, and supportive workplace.

Methods of engagement	Key concerns or expectations	Actions to address	Sunbird’s Value-add
<ul style="list-style-type: none"><li>Monthly meetings</li><li>Ongoing training</li><li>Annual Employee Satisfaction Survey</li><li>Quarterly Management and Union meetings</li></ul>	<ul style="list-style-type: none"><li>Declining Union membership due to staff turnovers,</li><li>The changing world of work brought about by the gig economy</li><li>Communication breakdown between staff and management can lead to misunderstanding as well as mistrust</li></ul>	<ul style="list-style-type: none"><li>Holding regular general staff meetings as well as Union meetings to update staff on various developments happening in the company</li><li>Encourage staff to share their concerns with Management</li><li>Carrying out annual staff satisfaction surveys</li></ul>	<ul style="list-style-type: none"><li>Job security</li><li>Offering competitive and decent wages</li><li>Offering opportunities for growth and development</li><li>Promoting work – life balance</li><li>Sunbird Employee recognition and reward programme</li><li>Ongoing training and development</li><li>Ongoing talent management</li></ul>

<div>Shareholders and Financial Advisors or Institutions</div> <div>Our shareholders are key partners in our growth. We prioritise transparency, regular communication, and long-term value creation to maintain their trust and confidence.</div>			
Methods of engagement	Key concerns or expectations	Actions to address	Sunbird's Value-add
<ul style="list-style-type: none"><li>Annual General meetings (AGM)</li><li>Extra ordinary General Meeting (EGM)</li><li>Stakeholder Meetings</li><li>Written correspondence</li><li>Conferences</li><li>Regular submissions to lenders</li><li>In-person presentations</li><li>Media statements</li><li>Publication of financial statements</li></ul>	<ul style="list-style-type: none"><li>The group's long-term business sustainability and return on investment and ensuring an acceptable dividend flow</li><li>Short- and long-term funding requirements</li><li>Compliance with debt covenants</li></ul>	<ul style="list-style-type: none"><li>Strategic planning, implementation, monitoring and review</li><li>Compliance with corporate governance requirements, laws, regulations and contracts</li><li>Enhancement of investor returns</li><li>Balance between short- and long-term investor returns</li><li>Payment of dividend</li><li>Ensuring short- and long-term capital requirements are met</li></ul>	<ul style="list-style-type: none"><li>Business opportunities for project financing</li><li>Ensuring acceptable shareholder returns on investments</li><li>Ensuring short-term liquidity and optimal capital structures</li><li>Ensuring sound corporate governance</li><li>Improving insights into the Company's financial and ESG performance, risks, opportunities and strategy</li></ul>



**Government, Regulators and Industry Bodies**

We work closely with government entities, regulators, and industry bodies to ensure compliance, support policy goals, and contribute to sector-wide improvements. Their oversight and collaboration help us operate responsibly and sustainably.

**Methods of  
engagement**

**Key concerns or  
expectations**

**Actions to  
address**

**Sunbird’s  
Value-add**

- Face to face meetings
- Written submissions
- Conferences

- High inflation
- High tax rates and incentives for the industry
- Non-compliance with relevant legislation
- Ongoing sustainability of the industry

- Ongoing monitoring of legislative changes directly impacting the Company
- Ongoing lobbying with relevant Government departments and industry bodies to inform and shape our regulatory landscape
- Internal and external compliance audits on relevant legislative aspects

- Contributions through taxes and levies
- Contributions of income through obtaining licenses
- Remaining up to date with all legislative and regulatory changes.
- Compliance with all regulations

<div>Guests and Customers</div> <div>Our guests are at the centre of everything we do. Their expectations guide our service standards, and we actively seek their feedback to continuously improve the Sunbird experience.</div>			
Methods of engagement	Key concerns or expectations	Actions to address	Sunbird's Value-add
<ul style="list-style-type: none"><li>Customer surveys</li><li>Website</li><li>Social media</li><li>Sunbird Loyalty Program</li><li>Face-to-face engagements</li></ul>	<ul style="list-style-type: none"><li>Prompt action on reported shortfalls</li><li>Seamless web experience</li><li>Up to date social media pages</li><li>Easy reward redemption</li><li>Management visibility</li></ul>	<ul style="list-style-type: none"><li>Daily issue ticketing to ensure timely resolution.</li><li>Constant website improvements</li><li>Dedicated social media page managers</li><li>Automation of reward program</li><li>Duty Manager program</li></ul>	<ul style="list-style-type: none"><li>Enhancing customer experience through innovative products and service improvements.</li><li>Rewarding loyal customers through Sunbird Premier Club</li><li>Streamlined customer interface via the Sunbird App</li></ul>





Suppliers and Partnerships

Our suppliers and partners are critical to delivering consistent, high-quality service. We foster transparent, mutually beneficial relationships that support local enterprises and long-term value creation.

Methods of engagement	Key concerns or expectations	Actions to address	Sunbird’s Value-add
<ul style="list-style-type: none"><li>• Roadshows</li><li>• Indabas</li><li>• Email communication</li><li>• Face to face meetings</li><li>• Media statements</li></ul>	<ul style="list-style-type: none"><li>• Limited work and tender opportunities</li><li>• Climate change affecting produce</li><li>• Delays in payments for goods and services</li><li>• Sustainability of operations and supply opportunities</li><li>• Cash flow challenges with SMEs</li><li>• Quality of products and services</li></ul>	<ul style="list-style-type: none"><li>• 60% Cash advances</li><li>• Ongoing unit-specific engagements with relevant local suppliers</li><li>• Hosting supplier conferences to help capacitate local SMMEs</li><li>• Ongoing work to improve functionality of current supplier portal for more efficient searching of suppliers</li></ul>	<ul style="list-style-type: none"><li>• Ongoing enterprise supplier development (ESD) contributions (monetary and non-monetary) to empower smaller businesses and service providers</li><li>• Creating a pipeline of suitable businesses in the Company’s supply chain</li><li>• Partnering with local business to leverage synergies</li><li>• Providing market linkage opportunities for suppliers to obtain additional procurement opportunities from other corporates</li></ul>



<div>Communities</div> <div>We are part of the communities where we operate. By investing in local development, supporting education and health, and engaging openly, we aim to build trust and contribute to lasting positive impact.</div>			
Methods of engagement	Key concerns or expectations	Actions to address	Sunbird's Value-add
<ul style="list-style-type: none"><li>Community outreach initiatives</li><li>Meetings with chiefs</li></ul>	<ul style="list-style-type: none"><li>Low literacy levels</li><li>Cultural beliefs limiting levels of brand experience and interaction</li></ul>	<ul style="list-style-type: none"><li>Number 1 club</li><li>Creation of employment opportunities</li></ul>	<ul style="list-style-type: none"><li>Economic growth</li><li>Corporate Social Investment initiatives</li></ul>





## COMPLIANCE

We maintain rigorous oversight across all areas of legal, regulatory, and internal policy compliance to ensure that our operations are transparent, responsible, and aligned with national requirements and international standards.

In 2024, we recorded no incidents of legal non-compliance and paid no penalties or fines—a reflection of our continued commitment to managing risk and meeting obligations. We retained our Malawi Stock Exchange (MSE) Compliance Certificate, and while no formal audit was conducted against the Malawi Corporate Governance Code, internal systems remain in place to ensure alignment.

We undergo regular audits that support robust governance across our operations, including:

- Internal audits, conducted quarterly, focusing on financial controls and adherence to internal policies
- Regulatory audits by relevant authorities
- Malawi Revenue Authority audits
- External audits
- Quarterly Occupational Safety and Health audits
- Malawi Bureau of Standards hygiene audits

Compliance is also reinforced through our internal policies covering ethics, anti-fraud, procurement, human rights, and health and safety—each reviewed regularly to reflect evolving requirements.

In 2023, we published our first sustainability report as part of our disclosure approach, in line with the Malawi Stock Exchange's updated listing requirements. This commitment to transparency continues, with plans to incorporate relevant Global Reporting Initiative (GRI) indicators in the 2025 reporting cycle.

Through consistent adherence to both mandatory and voluntary compliance frameworks, Sunbird

continues to strengthen its governance and accountability, while supporting long-term business resilience and stakeholder trust.

### Transparency and Reporting

Transparency is central to how we build trust, drive accountability, and track progress across our sustainability commitments. In 2024, we continued strengthening our approach to data management and reporting, with a focus on improving the accuracy, reliability, and accessibility of our disclosures.

We voluntarily published our first sustainability report for the 2023 financial year. Our 2024 disclosures continue to be guided by international frameworks, including GRI, SASB, and the Sustainable Hospitality Alliance's Net Positive Hospitality pathway. While not yet formally adopted, selected GRI indicators are targeted for inclusion in the 2025 report to strengthen alignment with global standards.

In terms of data collection for reporting, this is still managed through internal systems and spreadsheets, structured processes are in place to ensure consistency. All data is reviewed and verified by Sunbird's Internal Audit team, supporting internal credibility and oversight.

To enhance performance tracking, we plan to implement a fit-for-purpose sustainability data management system in the upcoming years. This will improve auditability and allow for more efficient, real-time reporting across our operations.

### Risk Management

A proactive approach to risk is essential to ensuring Sunbird's long-term sustainability and resilience. Our Enterprise Risk Management (ERM) framework enables us to identify, assess, manage, and monitor risks across all areas of

our business — including operational, financial, environmental, and social dimensions.

The Board, through its Business Sustainability Committee, provides oversight of risk management. It is supported by management teams responsible for embedding risk awareness into day-to-day operations, guided by our formal ERM framework.

The ERM framework is designed to provide a

structured and consistent approach to risk. It integrates risk identification, analysis, mitigation, and reporting into strategic decision-making. Risks are assessed across multiple categories and prioritised based on likelihood and potential impact.

### Enterprise risk management process

#### Elements for inclusion:



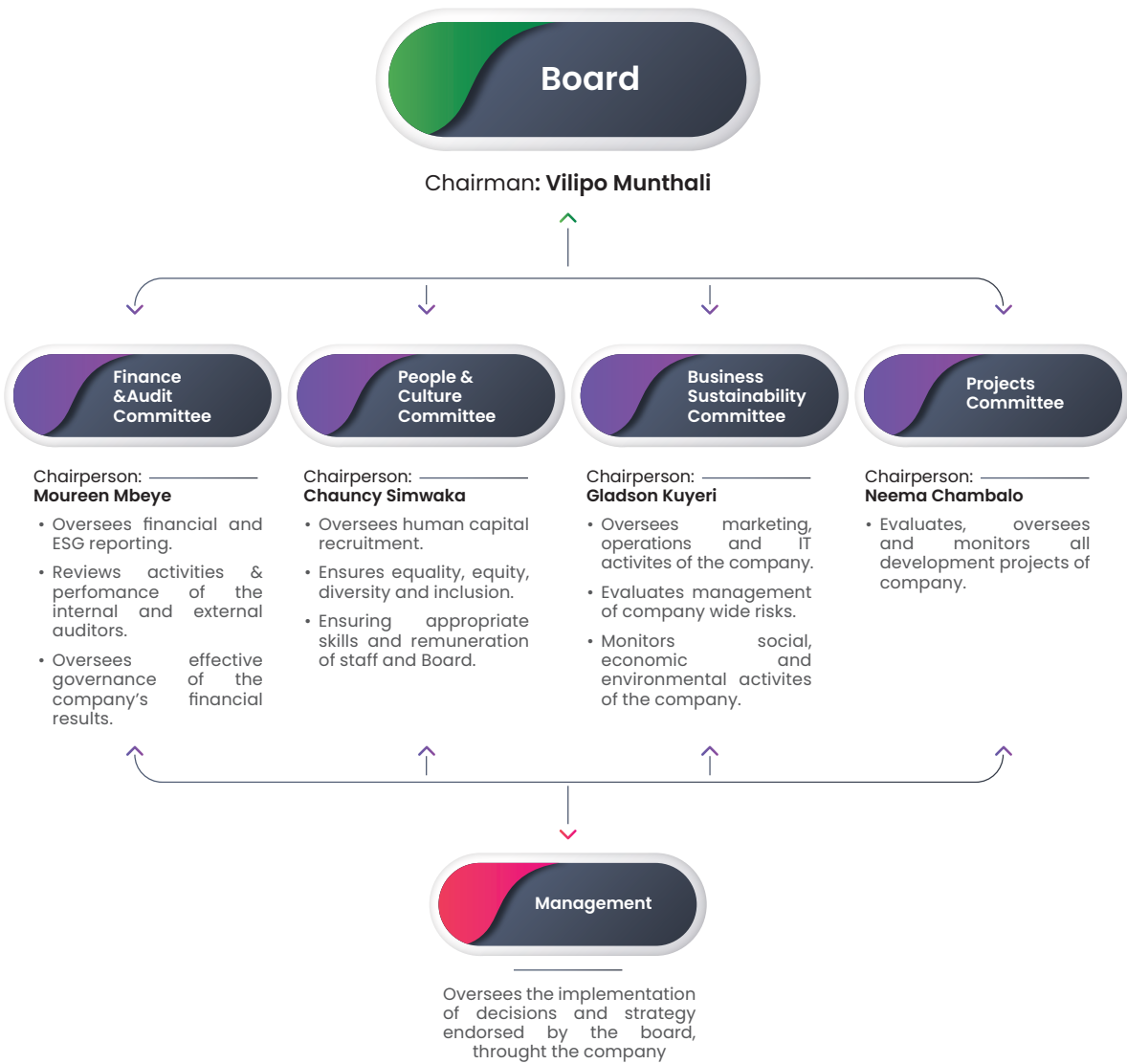
### SUNBIRD'S NET POSITIVE GOVERNANCE FRAMEWORK

Sunbird's governance framework provides clear direction for embedding sound governance practices in line with the Companies Act, MSE Listings Requirements, Malawi Code II, and other applicable codes, as well as our Memorandum and Articles of Association (MEMARTs).

This framework is supported by a set of corporate governance, ethics, and human rights policies that guide behaviour across the business. Together, they reinforce a culture of integrity

and accountability, ensuring we uphold our values while striving for long-term, sustainable growth in the best interests of all stakeholders.

The board maintains full and effective control over the company and remains accountable for its performance and compliance. It provides ethical and strategic leadership by reviewing the company's priorities, approving investment policies, and delegating operational planning and execution to management within defined risk tolerance levels.



BOARD CHARTER

The board is guided by a formal Board Charter, which outlines its collective responsibilities and the duties of individual directors. This charter is grounded in the principles of Malawi Code II and informed by international frameworks such as King IV.

The Board Charter is reviewed periodically—or as needed—to ensure it remains relevant and aligned with evolving governance standards. For the reporting period, the board is satisfied that it has met its obligations in line with the charter.

BOARD AND COMMITTEE ATTENDANCE

During the year, the board convened eleven times. In addition, the following committee meetings were held: four Finance and Audit Committee meetings, eight People and Culture Committee meetings, five Business Sustainability Committee meetings, and six Projects Committee meetings.

Individual director attendance at board and committee meetings, as well as at the Annual General Meeting (AGM), is detailed in the table below:

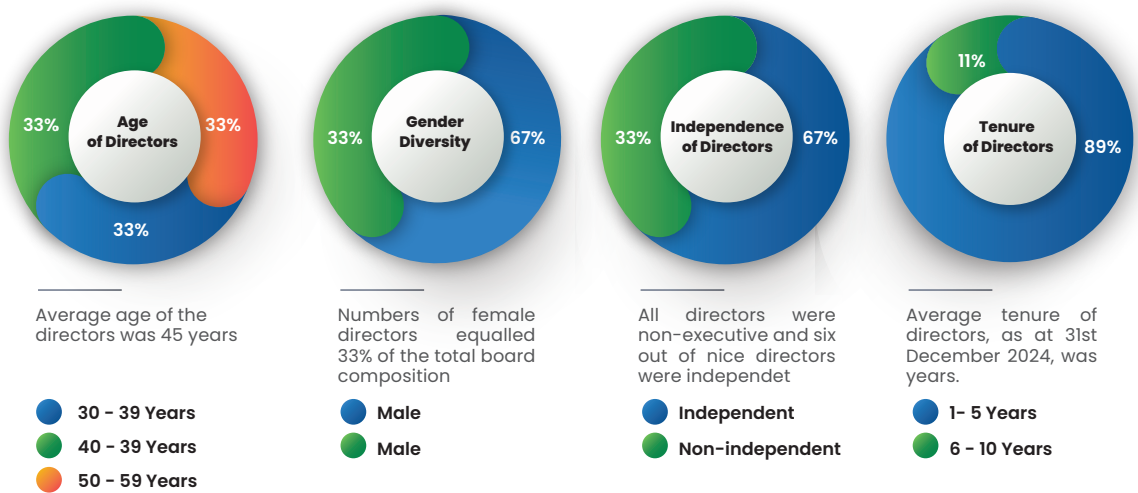
	Board	AGM	Strategy Session	Financy Audit Committee	People & Culture Committee	Business Sustainability Committee	Projects Committe
Vilipo Munthali	11/11	Y	Y	-	-	-	-
Moureen Mbeye	11/11	Y	Y	4/4	8/8	-	2/2
Gladson Kuyeri	11/11	Y	Y	1/1	-	5/5	6/6
Chauncy Simwaka	11/11	Y	Y	1/1	8/8	5/5	-
Betchani Tchereni	5/9	Y	Y	3/4	-	-	4/6
Neema Chambalo	4/5	Y	Y	-	4/4	-	3/4
Pirira Ndaferankhande	5/5	Y	Y	3/3	-	3/3	-
Chipiliro Phiri	5/5	Y	Y	-	4/4	3/3	-
Godfrey Mtongola	5/5	Y	Y	3/3	-	-	4/4



BOARD COMPOSITION

The Board has 9 directors. Vacancies on the Board were filled early in the year, and the Board operated with a full complement of directors for the rest of the year.

According to the company’s MEMARTs, the board is required to comprise an appropriate balance of knowledge, skills, experience, diversity and independence in order for it to discharge its governance role and responsibilities ethically, objectively and effectively.



ETHICAL LEADERSHIP AND BUSINESS PRACTICES

Sunbird’s approach to ethical leadership is rooted in strong governance, clear accountability, and principled decision-making. We ensure that roles and responsibilities across the organisation—from board to management—are clearly defined and exercised with integrity. Through robust ethical frameworks, continuous oversight, and regular training, we embed responsible conduct into the way we lead, operate, and grow our business.

ROLE OF THE CHAIRMAN

The Chairman ensures the effectiveness of the board in implementing company strategy. The Chairman is responsible for leading the board and

- focusing it on strategic matters, overseeing the company’s business, and setting high governance standards. He achieves this by fostering the effectiveness of the board and individual directors, both inside and outside the board room. The duties of the Chairman include:
- Providing leadership to the board
  - Being responsible for the Board’s composition and development
  - Conducting board meetings
  - Involving and facilitating all directors in board meetings
  - Giving focus to the board on critical tasks
  - Engaging the board in assessing and improving its performance
  - Reviewing the development and induction of directors
  - Supporting the Chief Executive



## ROLE OF THE CHIEF EXECUTIVE

The Chief Executive (CE) is responsible for the overall strategic direction and management of the company. He defines the company's vision and mission, set long-term goals, and makes crucial strategic decisions impacting the company's trajectory. The CE also oversees day-to-day operations and manages the executive team.

## ROLE OF THE COMPANY SECRETARY

The Company Secretary is not a director of the Company but ensures board and committee processes and procedures are implemented. Directors have unrestricted access to the Company Secretary's advice and services.

The appointment and removal of the Company Secretary is a matter for the board. The board is satisfied that the Company Secretary, Barnet Gausi, has the requisite competence, qualifications, and experience to carry out the duties of the role. The board also believes that in each instance, the Company Secretary has maintained an arm's-length relationship with the board and its directors.

The Company Secretary's responsibilities include:

- Guiding the board and committees on discharging their responsibilities in the company's best interests
- Providing ongoing secretarial and corporate

governance support and advice

- Ensuring appropriate induction for new board and committee members
- Facilitating ongoing director training on legislation, codes, and frameworks
- Distributing board packs, minutes, and annual financial statements
- Certifying that statutory filings and regulatory compliance obligations are met

## ETHICAL BUSINESS PRACTICES

At Sunbird, we uphold a strong culture of integrity, transparency, and accountability across all areas of our business. Our Code of Ethics outlines expected behaviours and guides employees in acting responsibly and ethically in line with our values.

We maintain a zero-tolerance policy for corruption and bribery, and this is reinforced through our Anti-Corruption Policy and Whistle-blowing Mechanism, which allows employees and stakeholders to report concerns confidentially and without fear of retaliation.

All employees undergo regular training on ethics, anti-corruption, and whistle-blower protections, ensuring continued awareness and alignment with Sunbird's commitment to responsible business conduct.





## Vilipo Munthali (52), Chairman

Appointed: Sept 2020

### Qualification

- MBA, Management College of Southern Africa, Botswana
- Fellow, Association of Chartered Certified Accountants (FCCA), Association of Chartered Certified Accountants (ACCA)
- Fellow, Chartered Professional Accountant (FCPA), Botswana Institute of Chartered Accountants
- Bachelor of Accountancy degree, University of Malawi

### Experience

- Managing Consultant – Swift Resources, a firm specialising in business, financial and tax advisory.
- Previously held position of Chief Finance Officer for First Capital Bank in Malawi and Botswana
- Over 20 years' experience in banking



## Chauncy Simwaka (59), Board Member

Appointed: Sept 2020

### Qualification

- BSc in Social Science (Economics), University of Malawi
- Postgraduate Diploma in Development Economics, University of Bradford, UK
- MSc in Economics, University of Wales, UK

### Experience

- Secretary for Tourism, responsible for national policy guidance in the tourism sector and advancing Malawi's strategy to position itself as a leading international tourist destination.
- Previously served as Secretary to Treasury and has served the Government of Malawi in various other senior roles.
- Undertaken research and consultancy work in areas such as:
  - Legal and institutional frameworks for Local Government and Rural Development
  - Local Government planning and budgeting



## Moureen Mbeye (43), Board Member

Appointed: April 2022

### Qualification

- Bachelor of Accountancy, University of Malawi
- Executive MBA, University of Cape Town
- Fellow, Association of Chartered Certified Accountants (FCCA), Association of Chartered Certified Accountants (ACCA)

### Experience

- Finance specialist with over 19 years' experience in financial operations and strategic business management.
- Expertise in: Strategic planning and execution, financial performance monitoring and reporting, budgeting and budgetary control, internal controls design and implementation, auditing and tax planning, mergers and acquisitions evaluations
- Currently serves as Chief Finance and Administration Executive and Company Secretary for Press Corporation Plc.
- Serves as a Director for several PCL Group companies.



**Gladson Kuyeri (55), Board Member**

Appointed: June 2017

**Qualification**

- Master of Communications Management, University of Strathclyde, UK
- Bachelor of Business Administration, University of Malawi
- Fellow and Chartered Marketer

**Experience**

- Experienced professional in electronic payment systems, telecommunications, and retail management.
- Currently serves as Chief Commercial Officer at Malawi Telecommunications Limited.
- Previously held senior roles in Business Development at:
  - Malawi Switch Centre Limited
  - Telekom Networks Malawi Limited
- Has extensive board experience with both state-owned enterprises and publicly listed companies.



**Dr. Betchani Tchereni (44), Board Member**

Appointed: February 2024

**Qualification**

- PhD in Economics, North-West University, South Africa
- MA in Economics, University of Malawi
- Advanced Certificate in Econometrics, University of Pretoria
- Bachelor of Social Science, University of Malawi

**Experience**

- Currently serves as Secretary to the Treasury in the Ministry of Finance and Economic Affairs.
- Previously held senior leadership roles including:
  - Executive Dean, Malawi University of Business and Applied Studies (MUBAS)
  - Vice President, Economics Association of Malawi (ECAMA)
- In addition to his academic and professional work, he is also a public speaker, author, minister, and community leader.



**Neema Chambalo (32), Board Member**

Appointed: May 2024

**Qualification**

- Bachelor of Laws (LLB) (Hons), University of Malawi

**Experience**

- Legal Services Manager and Company Secretary, National Economic Empowerment Fund Limited
- Former Legal and Compliance Officer, United General Insurance Company Limited
- Practising legal professional with experience in legal advisory, compliance, and corporate governance



**Pirira Ndaferankhande (49), Board Member**

Appointed: May 2024

**Qualification**

- MSc in Leadership and Change Management, Leeds Metropolitan University (via MIM Campus)
- BSc in Information Systems, London Metropolitan University

**Experience**

- Executive Director, Malawi Interfaith AIDS Association
- Former roles with Malawi Telecommunications Limited (MTL), Johns Hopkins University, and the University of North Carolina (UNC)
- Specialist in Information Technology, Leadership, and Change Management
- Expert in Monitoring and Evaluation with 5 years of experience
- Extensive experience working with donor agencies, local and national organisations, and international funding partners



**Chipiliro Phiri (39), Board Member**

Appointed: May 2024

**Qualification**

- Bachelor's Degree in Social Work and Development Studies, University of Africa
- Postgraduate Certificate in Sustainable Development, The DO School (Germany)
- Diploma in Monitoring and Evaluation, Catholic University of Malawi

**Experience**

- Executive Director, Development Concept
- Leads programming across sectors including environment, education, governance, economic empowerment, and health
- Extensive experience in resource mobilisation, project management, people management, and monitoring and evaluation
- Has served on various boards for non-governmental organisations



**Godfrey Mtongola (34), Board Member**

Appointed: May 2024

**Qualification**

- Bachelor of Science in Irrigation Engineering, Lilongwe University of Agriculture and Natural Resources (LUANAR), Bunda College

**Experience**

- Irrigation Engineer with expertise in agricultural extension services, construction, and maintenance of irrigation systems
- Former Irrigation Manager, East Africa Plantations Limited – Mchezi Hill Estates, Kasungu
- Currently runs Aqua-tech Irrigation and Sanitation, a private consulting firm specialising in irrigation and water management solutions





**Barnet Gausi (43), Company Secretary**

Appointed: January 2023

**Qualification**

- MBA, University of Leicester, UK
- Fellow, Association of Chartered Certified Accountants (FCCA), Association of Chartered Certified Accountants (ACCA)
- Bachelor of Accountancy degree, University of Malawi
- Certified Internal Auditor (CIA)

**Experience**

- Chartered Accountant with over 19 years' experience spanning accounting, finance, risk management, auditing, corporate strategy, and governance
- Extensive expertise in internal controls and business management





EXECUTIVE MANAGEMENT TEAM

The Chief Executive is responsible for overseeing the implementation of decisions and strategy endorsed by the board, throughout the company, with the assistance of the executive management team.



**Samson Mwale**  
Chief Executive

Qualification

MBA, FCCA , BAcc, CIA,  
Hospitality Strategic  
Management

Experience

- Business Management
- Corporate Strategy
- Hotel operations
- Financial Management
- Accounting
- Budgeting
- Risk Management
- Leadership
- External and Internal Audit



**Barnet Gausi**  
Head of Finance &  
Company Secretary

Qualification

MBA, FCCA , BAcc, CIA

Experience

- Financial Reporting
- Financial Management
- Budgeting
- Company Secretarial
- Corporate Governance
- Corporate Strategy
- Risk Management
- Internal Audit
- Hotel operations



**Proud Chalira**  
Head of Operations

Qualification

MBA, BBA, Adv. Dip in  
Travel, Tourism and  
Hospitality

Experience

- Business Management
- Corporate Strategy
- Food and Beverage management
- Front Office operations
- General hotel operations
- Revenue management



**Edward Chunga**  
Head of  
Corporate Services

Qualification

MSc Strategic  
Management, BBA

Experience

- HR Strategy
- People Development
- Performance Management
- Talent Management
- Industrial Relations
- Remuneration and Benefits Management
- Corporate Strategy
- Hotel operations



**Temwa Kanjadza**  
Head of Sales,  
Marketing & Distribution

Qualification

Msc Strategic  
Management,  
BBA(Accounting),  
MCIM

Experience

- Sales, Marketing & Distribution
- Brand Management
- Public Relations Management
- Revenue Management
- Corporate Strategy
- Financial Management
- Hotel operations



**Mthusani Zungu**  
Division Manager,  
Internal Audit &  
Risk Management

Qualification

BAcc, CIA, CFSA

Experience

- Internal Audit
- Corporate Governance
- Risk Management
- Hotel operations



SENIOR MANAGERS

Senior management assists executive management in directing and supporting organisational goals by developing and implementing strategies, leading teams, and

ensuring compliance while fostering a positive work environment. Some of the senior managers are responsible for management of business units.



**Thumbiko Kondowe**  
Senior Manager,  
Customer Experience &  
New Business



**Joshua Shaba**  
General Manager,  
Sunbird Capital



**Ellard Savala**  
General Manager,  
Sunbird Waterfront  
and Livingstonia



**Edward Kafundu**  
Group Finance  
Manager



**Yason Pondamali**  
General Manager,  
Sunbird Mzuzu



**Benedict Mndala**  
General Manager,  
Sunbird Mount Soche



**Nedson Chikuta**  
Organizational  
and Individual  
Learning Manager



**Felix Murotho**  
General Manager  
Sunbird Nkopola



**Gershom Chirwa**  
General Manager,  
Sunbird Lilongwe



**Richard Mwase**  
General Manager,  
Sunbird Kuchawe



**Patricia Kambalame**  
Procurement Manager



**Tony M'mbweza**  
Lodge Manager,  
Sunbird Chintheche



**Felisters Francisco**  
Legal Services  
Manager



**Charles Chafachatha**  
Training Chef



FINANCE AND AUDIT COMMITTEE

Committee Objective:

The key objective of the Finance and Audit Committee is to assist the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, financial management, financial reporting, sustainability and ESG (Environmental, Social and Governance) reporting, the internal and external audit processes, the system of financial controls and

risk management, and when required, to make recommendations to the Board for approval.

Attendance:

During the year, the committee held four meetings, with an overall attendance rate of 94%. Independent members accounted for 44% of the committee’s composition. The Company Secretary serves as the secretary of the committee.

		Number of Meetings	Attendance
Committee Members	Moureen Mbeye (Chairperson)	4	4
	Betchani Tchereni (Member)	4	3
	Godfrey Mtongola (Member)1	3	3
	Pirira Ndaferankhande(Member)1	3	3
	Gladson Kuyeri (Member)2	1	1
	Chauncy Simwaka (Member)2	1	1
In Attendance	Samson Mwale (Chief Executive)	4	4
	Barnet Gausi (Head of Finance & Company Secretary	4	4
	Proud Chalira (Head of Operations)	4	4
	Edward Chunga (Head of Corporate Services	4	4
	Temwa Kanjadza (Head of Sales, Marketing and Distribution)	4	4
	Mthusani Zungu (Division Manager, Internal Audit & Risk Management)	4	4
	Edward Kafundu (Group Finance Manager)	4	3

Notes

- 1- Godfrey Mtongola and Pirira Ndaferankhande joined the Committee on 29th May 2024
- 2-Gladson Kuyeri and Chauncy Simwaka attended the first quarter meeting only

In addition to the above, Deloitte (external auditors) attended some meetings of the Finance and Audit committee by right of attendance.

Focus areas in 2024

The scope of the finance and audit committee's work during the year included the following matters:

- 01 Considering all significant transactional and accounting matters that occurred during the year;
- 02 Considering and reviewing the effectiveness of the company's internal controls over its interim and annual financial reporting;
- 03 Evaluating the company's financial reporting procedures;
- 04 Overseeing the management of financial and other risks that affect the integrity of external reports issued by the company, including fraud and theft, whistle-blowing systems and organisational resilience;
- 05 Reviewing and approving for recommendation to the board, the half year and full year results and announcements, the annual financial statements and annual report;
- 06 Reviewing insurance, treasury and taxation matters;
- 07 Reviewing and monitoring the independence and objectivity of the external auditors;
- 08 Reviewing the scope of the external audit, the effectiveness of the audit process, risk areas of operations covered in the scope, planned levels of materiality, resourcing and the terms of the external auditor's engagement letter;
- 09 Receiving and reviewing the external auditors report, including the management letter for the 2023 financial year
- 10 Receiving and reviewing the quarterly financial performance updates and forecasts
- 11 Reviewing and recommending to the board the 2025 operating and capital expenditure budget
- 12 Reviewing the scope of the internal audit being performed, and evaluating the effectiveness of the internal audit function;
- 13 Reviewing and approving the risk-based internal audit annual plan
- 14 Reviewing developments in corporate governance and better practices and considered their impact and implication on the company's processes and structures;
- 15 Recommending to the board the appointment of Deloitte, with Vilengo Beza being audit partner
- 16 Reviewing the compliance with applicable laws, regulations and policies including securities trading practices and any other matters that have a significant, adverse impact on operations and financial statements.



Focus areas in 2024

Monitoring material legal, legislative and regulatory developments affecting the company's businesses;

Reviewing a report from management and financial advisors on capital structure of the company and considering and recommending capital mobilization proposals;

Reviewing developments in corporate governance and better practices and considered their impact and implication on the company's processes and structures;

Recommending to the board the appointment of Deloitte, with Vilengo Beza being audit partner

Reviewing a report from management and financial advisors on capital structure of the company and considering and recommending capital mobilization proposals;

Reviewing the scope of the internal audit being performed, and evaluating the effectiveness of the internal audit function;

Receiving reports and reviewed management's actions taken to ensure compliance with any code or standards of conduct for the company, which may be established by the Board

Reviewing the company's code of conduct to ensure that best practices on corporate governance code and ethical standards are incorporated in the code of conduct

Reviewing and recommending to the board the 2025 operating and capital expenditure budget

Reviewing and approving the risk-based internal audit annual plan

Reviewing management's actions to limit internal irregularities and fraud as well as actions taken in reported cases.

Reviewing dividend payout proposals and recommending to the board and shareholders for approval

Reviewing the Committee's Charter and the Internal Audit Charter

The finance and audit committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its mandate as prescribed in the Companies Act and in compliance with the MSE listings requirements and with its terms of reference.

PEOPLE AND CULTURE COMMITTEE:

Committee Objective:

The key objective of the committee is to assist the board in monitoring relevant key human capital issues by reviewing workplace culture and engagement strategies and strategies and programs that advance equity, diversity and inclusion throughout the company; ensuring that the appropriate human resource culture, structures, policies and strategies are in place to enable the

company source and maintain staff with the appropriate skills; ensuring reward packages are fair and equitable in accord with market forces to reward initiative and also motivate the work force; and reviewing and recommending to the board the establishment and maintenance of appropriate structures, processes and policies required by the company to address governance issues.

**Attendance:**

During the year, the committee held eight meetings, achieving 100% attendance by committee members. Independent members accounted for 33% of the committee’s composition. The Company Secretary

serves as the secretary of the committee.

		Number of Meetings	Attendance
Committee Members	Chauncy Simwaka (Chairperson)	8	8
	Moureen Mbeye(Member)	8	8
	Chipiliro Phiri (Member)1	4	4
	Neema Chambalo (Member)1	4	4
In Attendance	Samson Mwale (Chief Executive)	4	4
	Barnet Gausi (Head of Finance & Company Secretary	4	4
	Proud Chalira (Head of Operations)	4	4
	Edward Chunga (Head of Corporate Services	4	4
	Temwa Kanjadza (Head of Sales, Marketing and Distribution)	4	4
	Mthusani Zungu (Division Manager, Internal Audit & Risk Management)	4	4

**Notes**

1-Chipiliro Phiri and Neema Chambalo joined the Committee on 29th May 2024



Focus areas in 2024

The scope of the people and culture committee's work during the year included the following matters:

01	Reviewing the Terms of Reference (TORs) of the Committee	04	Monitoring appointments, terminations and retirements;	08	Assessing and approving the remuneration mandate for the company, including salary increases, short-term incentives and bonuses;
02	Considering and recommending directors appointments and board committee memberships;	05	Monitoring material litigation and disputes;	09	Strategic oversight in relation to group life and retirement benefits;
03	Reviewing succession and developmental planning throughout the company to ensure talent is retained and/or sourced, particularly females and other disadvantaged groups;	06	Monitoring industrial relations and union activity;	10	Assessing and proposing director's fees;
		07	Strategic oversight in relation to the company's broad remuneration strategy and policy and the execution and implementation thereof;	11	Strategic oversight in relation to changes to the terms and conditions of employment and policies;

The people and culture committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its terms of reference.

BUSINESS SUSTAINABILITY COMMITTEE

Committee Objective:

The key objective of the committee is to assist the board in monitoring the adequacy, effectiveness and integrity of the company's risk management and internal controls, and assists the board to discharge its functions in terms of the management, assurance and reporting of risks. The Committee is also responsible for monitoring operational excellence, customer centricity, sustainability and technology processes in the company.

Attendance:

The committee held five meetings during the year, with a 100% attendance rate by committee members. Independent members accounted for 69% of the committee's composition. The Company Secretary serves as the secretary of the committee.



		Number of Meetings	Attendance
Committee Members	Gladson Kuyeri (Chairperson)	5	5
	Chauncy Simwaka (Member)	5	5
	Chipiliro Phiri (Member) <sup>1</sup>	3	3
	Pirira Ndaferankhande (Member) <sup>1</sup>	3	3
In Attendance	Samson Mwale (Chief Executive)	5	5
	Barnet Gausi (Head of Finance & Company Secretary)	5	5
	Proud Chalira (Head of Operations)	5	4
	Edward Chunga (Head of Corporate Services)	5	4
	Temwa Kanjadza (Head of Sales, Marketing and Distribution)	5	4
	Thumbiko Kondowe (Senior Manager-Customer Experience & New Business)	5	4
	Mthusani Zungu (Division Manager, Internal Audit & Risk Management) <sup>2</sup>	5	4
	Edward Kafundu (Group Finance Manager)	4	4

Notes

1-Chipiliro Phiri and Pirira Ndaferankhande joined the Committee on 29th May 2024



Focus areas in 2024

The scope of the people and culture committee’s work during the year included the following matters:

- |    |  |    |   |    |  |
|----|--|----|---|----|--|
| 01 | Monitoring the company’s marketing strategies for the year 2024 and reviewing the marketing plan for 2025;                     | 05 | Monitoring the impact of Lake Malawi water rise on properties and business performance;                             | 09 | Monitoring the company’s CSR and sustainability activities               |
| 02 | Reviewing operational reports for the company and managed operations;  | 06 | Monitoring performance of enterprise resource planning (ERP) software, property management system and connectivity; | 10 | Reviewing the Company’s Sustainability framework and implementation plan |
| 03 | Reviewing the company’s risks and opportunities and risk responses identified in the risk management report;                   | 07 | Reviewing IT governance structures  | 11 | Reviewing the company’s Business Continuity Management strategy.         |
| 04 | Monitoring ongoing impact of weak economic conditions, utility supply and efficiencies, as well as political and civil unrest; | 08 | Monitoring continued relationship building with stakeholders including minority shareholders.                       | 12 | Monitored legislation impacting the company.                             |
|    |  |    |   | 13 | Reviewing cyber security controls as cyber threats increase.             |

The people and culture committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its terms of reference.

PROJECTS COMMITTEE:

Committee Objective:

The key objective of the committee is to assist the board in ensuring that the appropriate systems, processes and controls for managing projects are in place to support the achievement of project objectives while mitigating any potential risks.

Attendance:

During the year, the committee held six meetings, with an overall attendance rate of 86%. Independent members accounted for 59% of the committee’s composition. The Company Secretary serves as the secretary of the committee.

		Number of Meetings	Attendance
Committee Members	Neema Chambalo (Chairperson) <sup>1</sup>	4	3
	Gladson Kuyeri (Member)	6	6
	Betchani tchereni (Member) <sup>1</sup>	6	4
	Godfrey Mtongola Mwale (Member) <sup>1</sup>	4	4
	Moureen Mbeye (Member) <sup>2</sup>	2	2
In Attendance	Samson Mwale (Chief Executive)	6	6
	Barnet Gausi (Head of Finance & Company Secretary)	6	6
	Proud Chalira (Head of Operations)	6	6
	Edward Chunga (Head of Corporate Services)	6	6
	Temwa Kanjadza (Head of Sales, Marketing and Distribution)	6	6
	Thumbiko Kondowe (Senior Manager-Customer Experience & New Business)	6	6
	Mthusani Zungu (Division Manager, Internal Audit & Risk Management) <sup>2</sup>	6	6
	Edward Kafundu (Group Finance Manager)	6	5

Notes

1-Neema Chambalo and Godfrey Mtongola joined the Committee on 29th May 2024

2-Moureen Mbeye attended the first quarter meeting only



Focus areas in 2024

The scope of the people and culture committee’s work during the year included the following matters:

- 01

Committee

Reviewing the Terms of Reference (TORs) of the
- 02

money;

Monitoring implementation of projects and providing advice to management in line with approved budget so that the projects achieve value for
- 03

consultants for the projects;

Approving contracts for goods and services including any
- 04

timelines for completion;

Providing project direction, especially in areas of project deliverables, outcome indicators, cost, quality and
- 05

available;

Working with management to ensure that resources necessary to complete projects are timeously
- 06

goods and services

Approving methods of procurement of projects’
- 07

decision making;

Providing the board with regular reports on the progress of projects and other pertinent issues either for information or

The Projects committee is satisfied that it has fulfilled its responsibilities for the year in compliance with its terms of reference.









## ADMINISTRATION & CORPORATE INFORMATION

### TRANSFER SECRETARIES

National Bank of Malawi  
Legal Department  
P.O. Box 945

BLANTYRE, Malawi

☎ +265 (0) 1 820 622

✉ [sunbirdshareholders@  
natbankmw.com](mailto:sunbirdshareholders@natbankmw.com)

### COMPANY SECRETARY

Barnet Gausi  
28 Glyn Jones Road  
P.O. Box 376

Blantyre, Malawi

☎ +265 (0) 1 820 815

✉ [barnet@sunbirdmalawi.com](mailto:barnet@sunbirdmalawi.com)

### AUDITORS

Deloitte Chartered Accountants  
Registered Auditors  
First Floor, PCL House  
P.O. Box 187

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