AMBEON
CAPITAL PLC

The Power of Ambition

Ambeon Capital PLC
Annual Report 2025/26

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THE POWER OF AMBITION

Ambition is not a declaration. It is a discipline.

At Ambeon Capital, ambition is the steady force that sharpens focus, inspires action, and turns intent into achievement. It guides every decision from strengthening core operations to expanding into new markets ensuring a consistent path of sustainable progress.

In a world of constant change, Ambeon's ambition remains anchored in purpose and driven by discipline. It is this clarity that enables the Group to adapt, grow, and create lasting value for its stakeholders.

At Ambeon, ambition is more than aspiration. It is reflected in every step carefully paved, every plan meticulously laid, every priority clearly defined, and every milestone meaningfully achieved.

It begins with vision.
It advances with focus.
It succeeds through discipline.

And through it all, Ambeon Capital continues to move forward, building a future defined not just by growth, but by meaningful, sustainable achievement on a global stage.

AMBEON
CAPITAL PLC

About This Report

Ambeon Capital PLC welcomes you to the Annual Report for the financial year 2025/26. This Annual Report provides our stakeholders with a comprehensive analysis of the performance of the Company during the period. We have continued our commitment to building efficiencies across the operational value chain, with a special focus on cost and efficiency centered operational restructuring whilst upholding our best practices and values.

REPORTING STANDARDS & PRINCIPLES

The financial statements included in this Annual Report have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs) and have been duly audited by the external auditors of the Group. In addition, all information disclosed in this Annual Report complies with the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange (CSE). Corporate Governance related disclosures adhere to the Code of Best Practice on Corporate Governance 2017 issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

SCOPE AND BOUNDARY

This Report covers the segmental performance of the Group (Refer pages 112 to 113) by setting out a comprehensive analysis of the financial position and future outlook. All the information and data presented in this Annual Report is principally connected to business operations from 1st April 2025 to 31st March 2026.

COMBINED ASSURANCE

We follow a combined assurance approach to establish the credibility of this report, ensuring that there are no material misstatements. Accordingly, the overall reporting process and the reliability and quality of the content are assured internally, by the Senior Management and the Board of Directors. The financial reporting including the financial statements and related notes as well as sustainability reporting have been assured by external and independent auditors, Messrs. Ernst & Young, Chartered Accountants, as set out in page 81 to 84 respectively.

FORWARD LOOKING STATEMENTS

The Annual Report herein contains forward looking statements and information. However, the operational landscape may require the Company to change its business expectations, outlook, plans and forecasts. Shareholders and other stakeholders are advised to be cautious in placing too much emphasis on such statements, as the reality may materially differ with the projected and anticipated information. The Company does not undertake to update publicly the forward looking statements to reflect the changes after the date of this report, except, in compliance with the applicable rules and regulations set by the relevant statutory and regulatory bodies.

FEEDBACK AND QUERIES

We value feedback from our stakeholders and use it to ensure that we respond appropriately to challenges and report on material topics that encapsulate their key concerns. Please contact the undermentioned for any queries on the information provided in any constructive feedback.

Haritha C. Perera
Chief Financial Officer
Ambeon Capital PLC

28 August 2026

Our Vision

Re-Engineering Success

Our Mission

To take the leap that transforms latent opportunities into lucrative ventures that deliver sustained value.

Our Values

Moving First

Catalyzing opportunities through readiness.

Channeling Teamwork

Harnessing the collective strength of our diverse minds.

Actioning Results

Mind, body and soul, we are committed to our investments.

Seeing Beyond

Constantly challenging ourselves to look beyond. Inspiring Each Other - Encouraging each other's success.

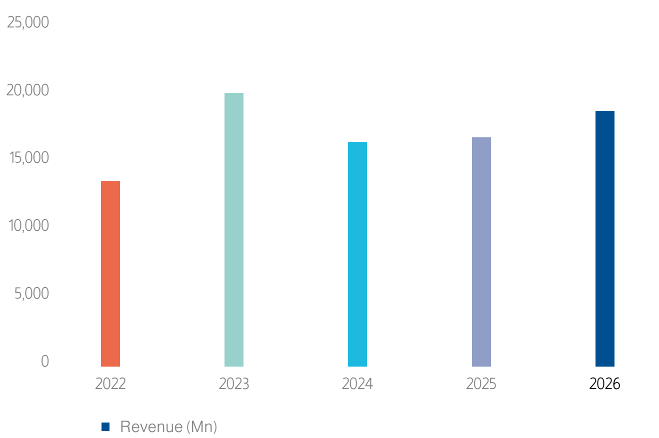
Performance Highlights

	Group		Company	
	2025/26 LKR.	2024/25 LKR.	2025/26 LKR.	2024/25 LKR.
Balance Sheet				
Cash	4,504,326,799	932,552,651	6,544,368	1,296,139
Other Financial Assets	17,251,018,421	13,422,302,704	3,802,679,235	1,176,209,022
Trade & Other Receivables	10,641,023,384	7,125,687,902	2,573,844,611	57,912,702
Total current assets	35,738,046,462	23,986,307,933	6,383,068,213	1,235,417,863
Total long-term assets	4,250,516,644	4,614,409,656	10,532,503,151	9,430,520,982
Total current liabilities	24,555,068,326	17,085,787,587	5,613,360,461	3,643,713,110
Total long-term liabilities	2,677,653,573	1,175,450,659	1,792,320,401	1,468,267,087
Total shareholders' equity	12,755,841,208	10,339,479,343	9,509,890,503	5,553,958,648
Income Statement				
Revenue	19,330,829,029	17,301,634,906	765,616	25,974,562
Gross profit	4,316,030,533	3,894,144,691	765,616	25,974,562
EBITDA	5,496,128,728	4,325,609,807	4,617,842,874	1,007,510,816
Income before taxes	4,062,704,861	1,798,432,088	4,090,621,552	718,608,456
Net income	3,233,545,097	1,592,258,030	4,096,984,399	716,306,768
KEY RATIOS				
Profitability Ratios				
Return on equity	25.35%	15.40%	43%	13%
Return on assets	8.09%	5.57%	24%	7%
Return on sales	16.73%	9.20%	-	-
Gross profit margin	22%	23%	100%	100%
Asset turnover ratio	48%	60%	0%	0%
EPS	2.42	1.02	4.01	0.70
DPS	-	-	1.00	-
Leverage and Liquidity Ratios				
Current ratio	1.46	1.40	1.14	0.34
Quick or acid test ratio	1.32	1.26	1.14	0.34
Long-term debt ratio	0.17	0.10	0.16	0.21
Debt to equity ratio	2.13	1.77	0.78	0.92
NAV	8.47	6.25	9.30	5.43
Interest coverage ratio	4.34	5.94	8.76	2.38

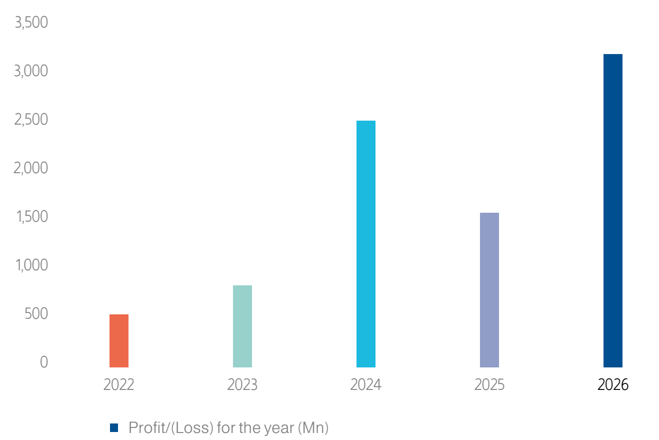
KEY FINANCIAL ABBREVIATIONS

- EBITDA- Earnings Before Interest, Tax, Depreciation & Amortization
- EPS - Earnings Per Share
- DPS - Dividend Per Share
- NAV - Net Assets Value (Per Share)

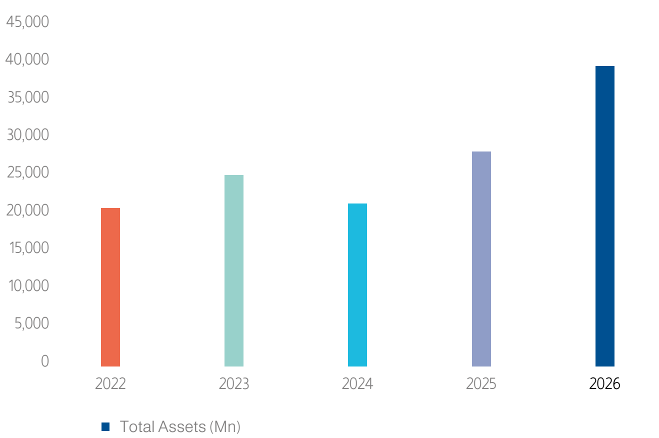
Revenue (LKR)



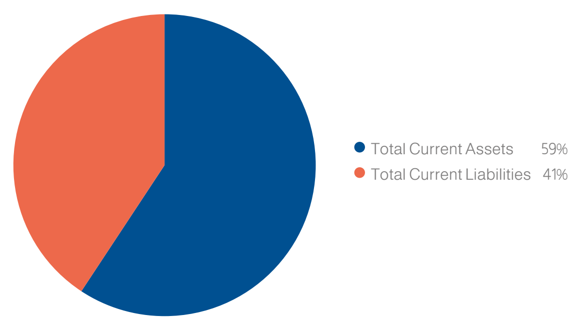
Profit/(Loss) for the year (LKR)



Total Assets (LKR)



Current Assets Vs Current Liabilities



Revenue
19,331 Mn

Net Income
3,234 Mn

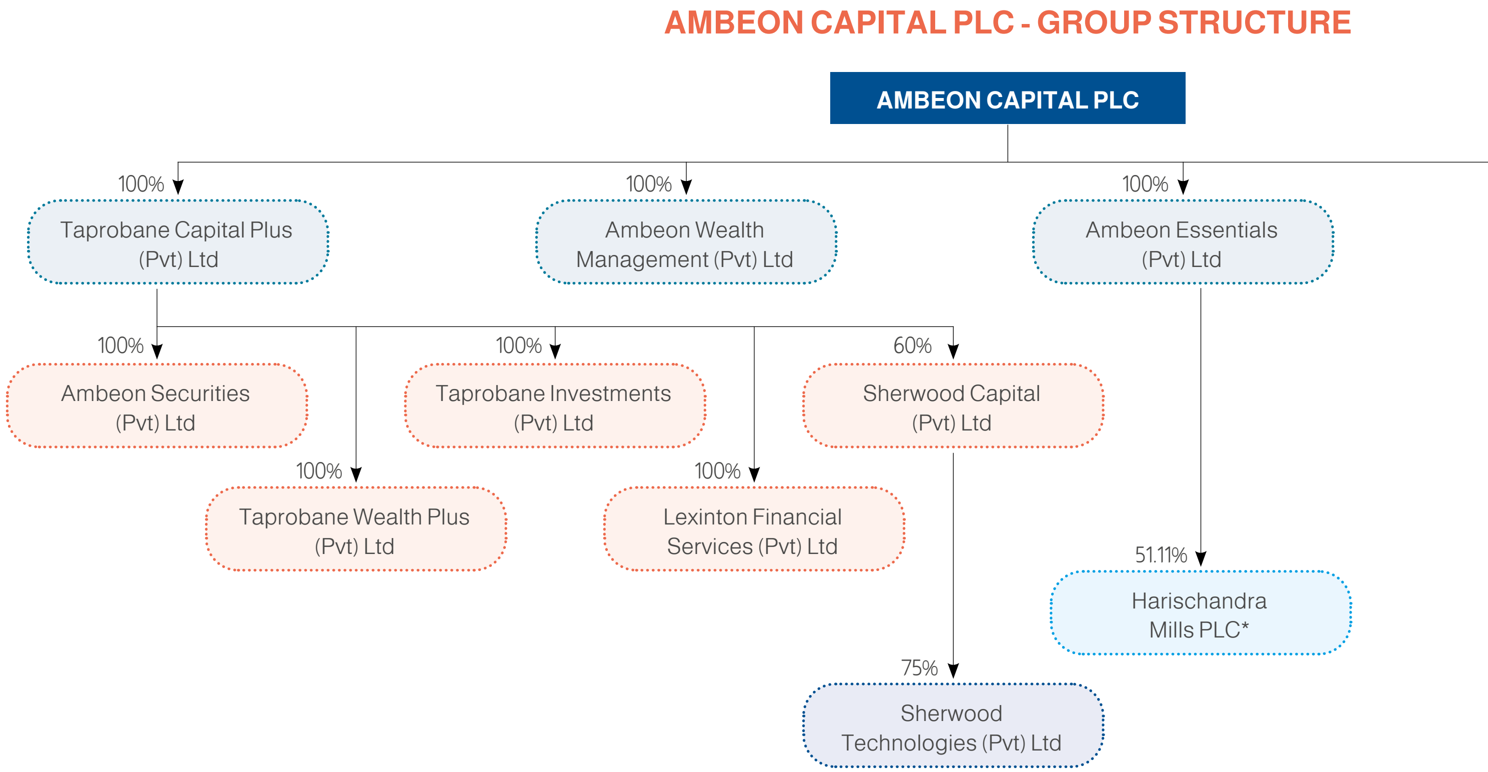
Earnings Per Share
2.42 (LKR.)

Total Assets
39,989 Mn

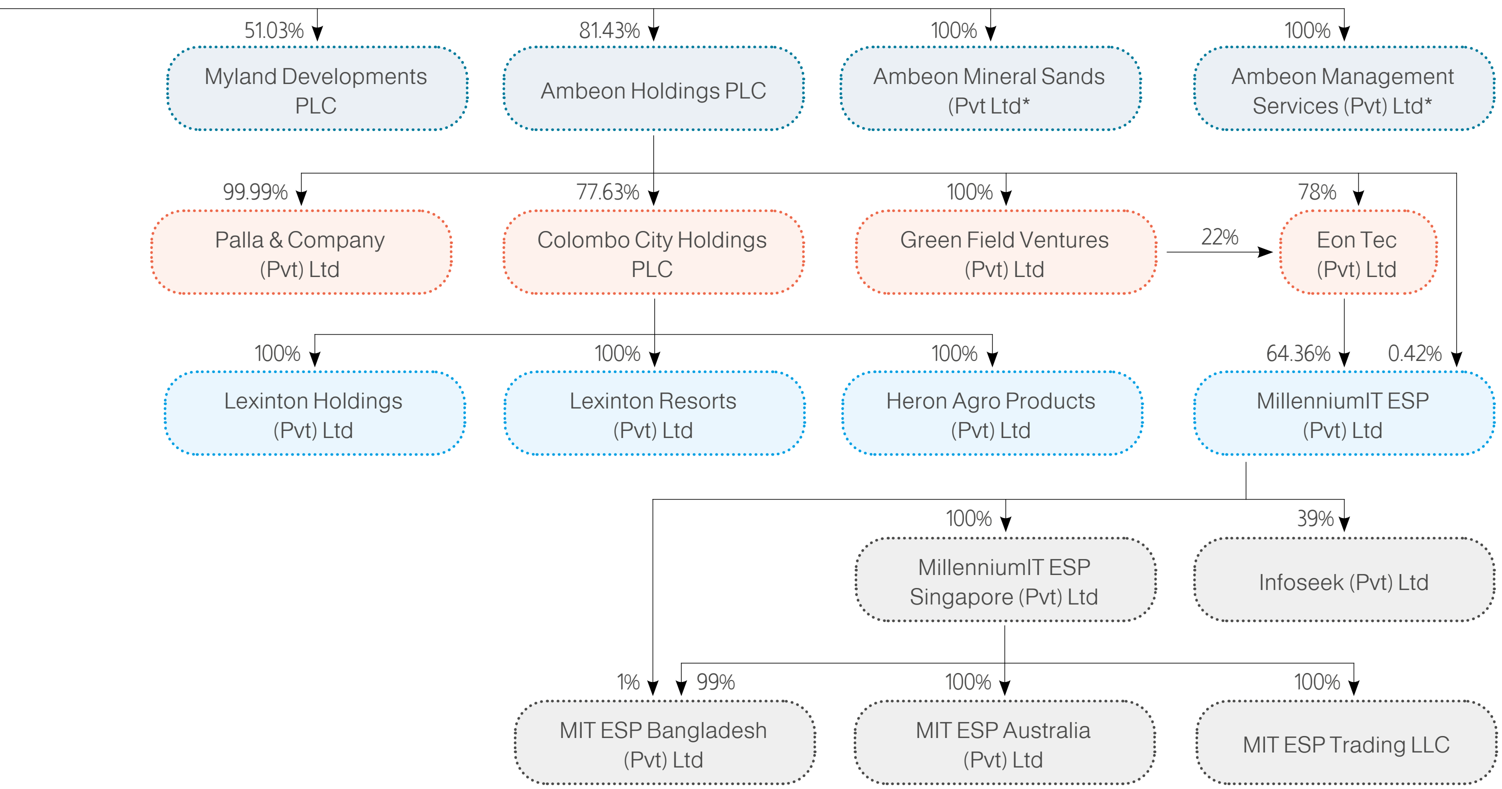
Net Assets Value Per Share
8.47 (LKR.)

Number of Employees
713

Ambeon Group of Companies



** Acquired/ Incorporated after 31.03.2026*



51.03%
Myland Developments PLC
81.43%
Ambeon Holdings PLC
100%
Ambeon Mineral Sands (Pvt Ltd*
100%
Ambeon Management Services (Pvt) Ltd*
99.99%
Palla & Company (Pvt) Ltd
77.63%
Colombo City Holdings PLC
100%
Green Field Ventures (Pvt) Ltd
22%
78%
Eon Tec (Pvt) Ltd
100%
Lexinton Holdings (Pvt) Ltd
100%
Lexinton Resorts (Pvt) Ltd
100%
Heron Agro Products (Pvt) Ltd
64.36%
0.42%
MillenniumIT ESP (Pvt) Ltd
100%
MillenniumIT ESP Singapore (Pvt) Ltd
39%
Infoseek (Pvt) Ltd
1%
99%
MIT ESP Bangladesh (Pvt) Ltd
100%
MIT ESP Australia (Pvt) Ltd
100%
MIT ESP Trading LLC

Group Chairman's Reflections

Our financial performance during the year provides evidence that the strategic direction adopted by the Group over recent years is beginning to deliver the outcomes we anticipated. Stronger earnings, growth in net asset value and the restoration of shareholder distributions are encouraging indicators.

I am pleased to place before you the Annual Report and audited financial statements of Ambeon Capital PLC for the financial year 2025/26. The Group strengthened its position as a diversified investment holding company during the period under consideration, guided by a philosophy of creating value through changing economic cycles.

OPERATING BACKDROP

The financial year unfolded against an environment that demanded both confidence and caution. After several years of economic turbulence, Sri Lanka continued on its path towards recovery, with improving macroeconomic stability, moderating inflation, progress in external debt restructuring and the continuation of International Monetary Fund (IMF)-supported reforms helping to restore confidence among businesses and investors. There was a growing sense that the country had turned an important corner. Investment activity began to strengthen, consumer sentiment gradually improved and businesses were once again able to make decisions with a greater degree of certainty than had been possible in recent years.

Yet, the recovery was neither uniform nor without setbacks, reminding us that rebuilding an economy is a gradual process rather than a single event. At the same time, the global environment became increasingly unpredictable. The reconfiguration of international trade following the introduction of reciprocal tariff measures by the US, heightened geopolitical tensions in the Middle East and the sharp escalation in global energy prices created fresh uncertainties for businesses around the world. For an economy such as Sri Lanka's, which remains closely connected to international trade and imported energy, these developments inevitably had implications for exporters, supply chains, inflation and business confidence.

Closer home, the devastation caused by Cyclone Ditwah served as a stark reminder of the growing influence of climate-related events on economic activity. While reconstruction efforts provided support to several sectors of the economy, the broader impact reinforced the need for businesses to build greater resilience into their strategies and operations.

Where Ambeon Capital PLC is concerned, these developments reaffirmed the importance of the principles that have guided our approach over many years. Economic cycles, geopolitical events and market disruptions will continue to shape the operating landscape, but they do not alter the fundamentals of prudent investing. The Board has consistently believed that long-term value is created not by reacting to short-term events, but by maintaining financial discipline, investing in fundamentally strong businesses and building a diversified portfolio capable of performing across different economic environments. The year under review reinforced that conviction. While uncertainty is likely to remain a defining feature of the global economy into the near future, we believe Sri Lanka's improving economic fundamentals, together with the Group's balanced portfolio and disciplined approach to capital allocation, provide a sound platform from which to pursue sustainable growth and create enduring value for our shareholders.

PERFORMANCE

Our financial performance during the year provides evidence that the strategic direction adopted by the Group over recent years is beginning to deliver the outcomes we anticipated. Stronger earnings, growth in net asset value and the restoration of shareholder distributions are encouraging indicators. Beyond the financial results, the year also marked another step in the continued evolution of the Group's investment portfolio. The strategic decisions taken over recent years have strengthened the quality and diversity of our investments while reinforcing the resilience of the portfolio. The marked improvement in earnings and net asset value therefore represents not simply a stronger financial outcome, but the cumulative benefit of a disciplined long-term investment strategy.

Revenue recorded healthy growth of approximately 12%, while net profit reached LKR 3.2 billion, more than double the performance achieved in the previous financial year. During the year, the Group completed its strategic exit from manufacturing through the divestment of the remaining stake in Dankotuwa Porcelain PLC, bringing to a close a transformation that has repositioned Ambeon towards sectors with stronger long-term growth characteristics. At the same time, presence across Information technology, financial services, real estate and treasury investments was strengthened; while the portfolio was further broadened through the acquisition of Myland Developments PLC. The Group also repositioned its financial cluster, which was previously held under Ambeon Holdings, to Ambeon Capital, further streamlining the structure of the portfolio. These decisions were guided by a clear philosophy of building a balanced portfolio capable of generating sustainable earnings, creating multiple avenues for growth and delivering enduring value to shareholders through changing economic cycles.

Our Information technology, business remained the largest contributor to revenue, continuing to strengthen its international footprint while capitalising on growing demand for digital infrastructure, cybersecurity and technology solutions across regional markets.

The financial services businesses demonstrated resilience, delivering stable earnings while providing a platform for future expansion into complementary financial services.

Our treasury and diversified investment portfolio generated encouraging returns. We were equally encouraged by the progress made across our growth platforms.

Group Chairman's Reflections

The real estate portfolio benefited from improving market conditions and increasing investor confidence, while continuing to build long-term value through the development of strategically located assets.

At the same time, the Board took several important steps to further diversify the Group's earnings base through carefully selected investments that complement our existing portfolio and strengthen our long-term growth prospects. Our continued interest in opportunities within the natural resources space reflect a deliberate strategy of investing in businesses with enduring fundamentals, strong market positions and the capacity to create sustainable value over the long term.

Another milestone was the restoration of shareholder distributions after several years. The declaration of dividends by Ambeon Capital PLC reflected improved financial performance and the Board's confidence in the Group's financial strength, liquidity position and future prospects. While rewarding shareholders remains an important objective, the Board continues to maintain a prudent balance between returns to investors and retaining sufficient financial flexibility to pursue new investment opportunities as they arise.

Over the years, Ambeon Capital has evolved considerably. What was once a company with a relatively narrow investment focus has developed into a diversified group with interests spanning Information technology, financial services, real estate, fast-moving consumer goods and diversified investments. The Board remains committed to preserving its disciplined approach as we evaluate future investment opportunities guided by quality, strategic fit and long-term value creation.

GOOD GOVERNANCE

Long-term value creation today cannot be separated from environmental and social responsibility. Investors, customers and regulators increasingly expect companies to demonstrate how they create value responsibly, not simply how much value they create. This shift is reshaping corporate leadership globally, and rightly so. Our approach to sustainability continues to evolve alongside the Group. Environment, social and governance (ESG) is integrated into the way investment decisions are evaluated, businesses are governed and long-term risks are assessed. We believe responsible business practices strengthen both corporate resilience and shareholder value over time.

Equally important is our responsibility as a corporate citizen and this expectation extends beyond philanthropy to encompass responsible employment practices, ethical supply chains, environmental stewardship and meaningful stakeholder engagement. Across the Group, our companies continue to support a range of community initiatives that reflect the unique nature of their operations and the needs of the communities they serve. We are particularly encouraged by the growing emphasis placed on employee participation in these initiatives, reinforcing the belief that corporate responsibility is most meaningful when it becomes part of an organisation's culture.

Environmental stewardship has likewise become an increasingly important consideration in the way our businesses operate and invest. Although the Group's portfolio spans industries with different environmental footprints, the Board believes that every business has a responsibility to manage resources responsibly and continually improve its environmental performance. We therefore encourage our portfolio companies to identify opportunities to improve resource efficiency, minimise environmental impacts where practicable, and incorporate sustainability considerations into business planning and investment decisions.

Good governance has always been regarded by the Board as fundamental to preserving the confidence of shareholders, regulators, employees and the wider investment community. During the year, the Board continued to strengthen its oversight of strategic planning, enterprise risk management, capital allocation and succession planning, while maintaining a strong emphasis on transparency, accountability and ethical conduct.

In an investment holding company, governance extends beyond the parent entity. It encompasses the oversight of diverse businesses operating across multiple sectors, each with its own opportunities, risks and operating dynamics. This requires a governance framework that encourages entrepreneurial leadership while maintaining consistency in standards, controls and accountability across the Group.

Closely linked to good governance is effective risk oversight. Recent years have demonstrated how quickly operating conditions can change, reinforcing the importance of anticipating emerging risks rather than simply responding to them. Accordingly, the Board continues to review not only financial and operational risks but also strategic risks that could influence the Group's long-term competitiveness and sustainability.

LOOKING AHEAD

One of the encouraging developments over the past year has been the growing confidence returning to Sri Lanka's private sector. While challenges undoubtedly remain, the country appears to have regained an important sense of direction. Realising that potential, however, will require consistency in policy, continued fiscal discipline, institutional strengthening and sustained investment in productivity and innovation. The private sector has an equally important role to play by investing responsibly, creating employment, embracing innovation and maintaining high standards of governance.

For Ambeon Capital PLC, this environment presents opportunities that extend well beyond any single financial year. Businesses that demonstrate strong fundamentals, capable management, sound governance and sustainable competitive advantages will continue to receive our attention.

One of the strengths of any investment holding company lies not only in the quality of its assets but in the quality of the people entrusted with leading them. Talent development, succession planning and leadership continuity therefore remain important priorities across the Group. While each subsidiary operates independently, there is a shared commitment to building organisations that empower people, encourage professional growth and create environments where innovation and responsible decision-making can flourish. Within our business, we continue to encourage a culture that values integrity, accountability, collaboration and innovation. These qualities have become increasingly important as our portfolio expands and our businesses operate in markets that are becoming more interconnected, technology-driven and customer-focused.

The pace of technological change is also reshaping virtually every industry in which we operate. Digital transformation is no longer confined to technology businesses; it is influencing customer behaviour, operational efficiency, governance, risk management and competitive positioning across every sector. Our businesses continue to invest in technology not simply to automate processes, but to improve decision-making, strengthen customer engagement and enhance organisational agility.

One of the defining characteristics of Ambeon has always been its willingness to evolve. Our recent acquisition of a majority stake in Harischandra Mills PLC is a clear reflection of this approach, broadening the Group's footprint into the FMCG sector with strong long-term potential. This philosophy will continue to guide the Group as we evaluate future investment opportunities.

ACKNOWLEDGEMENTS

I wish to record my sincere appreciation to my fellow Directors for their guidance and support throughout the year. Their constructive oversight strengthens the quality of the Board's deliberations and decision-making.

I also extend my gratitude to the management teams across the Group, whose leadership and dedication have enabled our businesses to navigate an evolving business environment with confidence.

Their efforts, together with the commitment of employees across our portfolio companies, continue to shape the Group's progress and future prospects.

I would like to thank our shareholders for their patience and support. Your trust remains the foundation upon which we continue to build.

I remain confident that Ambeon Capital PLC is well equipped to navigate the changing landscape and contribute meaningfully to our stakeholders and the broader economic and social development of Sri Lanka.

Sgd.
Sujeewa Mudalige
Chairman

28 August 2026

Group CEO/Executive Director's Message

During the year under review, Ambeon Capital recorded a significant improvement in both revenue and profitability. Consolidated revenue grew by approximately 12%, while Group profitability increased, with net profit exceeding LKR 3.2 billion

Dear Stakeholders,

The 2025/26 financial year marked another defining chapter in the evolution of Ambeon Capital PLC, as we strengthened our position as a diversified investment holding company with exposure to high-potential sectors aligned to the future trajectory of the Sri Lankan and regional economies. Against a backdrop of gradual macroeconomic recovery, evolving market dynamics and continuing global uncertainty, the Group delivered one of its strongest performances in recent years, reflecting the resilience of our portfolio, the discipline of our investment strategy and the commitment of employees across the organisation.

During the year under review, Ambeon Capital recorded a significant improvement in both revenue and profitability. Consolidated revenue grew by approximately 12%, while Group profitability increased, with net profit exceeding to exceed LKR 3.2 billion compared to approximately LKR 1.6 billion recorded in the previous financial year. This exceptional performance was supported by disciplined capital allocation, improved earnings contributions across several business verticals, and the continued maturation of the Group's strategic transformation initiatives undertaken over the past several years.

The performance was achieved despite multiple external challenges encountered during the latter part of the financial year. Adverse weather conditions arising from Cyclone Ditwah, volatility linked to geopolitical developments in the Middle East and fluctuations in market valuations of certain investments created temporary pressures within segments of the portfolio. The Group's diversified investment structure, prudent treasury management and strong liquidity buffers enabled us to navigate these headwinds with resilience while preserving operational stability and long-term strategic focus.

As we reflect on the year under review, it is evident that the strategic decisions taken over the past decade to reposition the Group away from traditional manufacturing and towards Technology, Financial Services, Real Estate and Diversified Investments are now delivering tangible and sustainable outcomes. Our portfolio today is significantly more balanced, capital efficient and aligned to emerging growth sectors with stronger scalability, recurring earnings potential and regional relevance.

Macroeconomic Landscape: Emerging Stability Amid Global Uncertainty

Sri Lanka's economic environment during the financial year 2025/26 reflected a continuation of the gradual stabilisation process that commenced following one of the most severe economic crises in the country's post-independence history. Inflationary pressures remained comparatively contained, interest rates continued their downward adjustment trajectory and investor confidence across both equity and fixed income markets demonstrated notable improvement. The recovery in tourism, improved remittance inflows and progress in fiscal reforms contributed towards enhancing foreign reserve stability to restore a degree of macroeconomic predictability. Corporate sentiment also improved progressively throughout the year as businesses regained confidence to pursue medium and long-term investment decisions. While structural challenges remain and global uncertainties continue to influence emerging markets, the operating environment during the year presented improved opportunities for capital deployment, expansion and strategic repositioning.

Nevertheless, global geopolitical tensions, particularly developments connected to the Middle East, impacted market sentiment and investment valuations during the latter part of the year. Weather-related disruptions posed operational challenges within certain sectors. In this context, the Group's ability to maintain strategic clarity while balancing growth and risk management was particularly important.

We continued to adopt a measured and forward-looking approach at Ambeon Capital PLC, with a focus on preserving liquidity, maintaining prudent gearing levels, strengthening recurring earnings streams and selectively investing in sectors where we see long-term structural value. Our diversified portfolio and disciplined governance framework enabled us to remain agile while capitalising on opportunities emerging from Sri Lanka's evolving economic landscape.

Strategic Progress and Financial Momentum

The year under review represented another important phase in the Group's long-term transformation journey. Over the past several years, we have steadily repositioned the Group away from legacy manufacturing exposure towards sectors with stronger scalability, recurring income generation and regional growth potential. During 2025/26, this transformation progressed further with several strategic milestones achieved across the portfolio.

One of the most significant developments during the year was the completion of our full divestment from manufacturing operations through the disposal of the remaining stake held in Dankotuwa Porcelain PLC by Ambeon Holdings PLC. This marked the conclusion of a strategic transition initiated several years ago as we deliberately reshaped the Group's investment profile towards future-oriented sectors with greater long-term value creation potential.

Simultaneously, we continued to strengthen our investments across technology, financial services, treasury operations, diversified investments and real estate. The Group's net asset value recorded substantial growth during the year, increasing from approximately LKR 6.4 billion to LKR 8.7 billion, representing growth of nearly 35%. Market capitalisation also improved significantly, reflecting enhanced investor confidence and stronger market recognition of the Group's strategic direction and earnings potential.

Group CEO/Executive Director's Message

Another noteworthy milestone during the year was the declaration of dividends by both Ambeon Capital and Ambeon Holdings PLC after a gap of several years. Ambeon Holdings declared a cash dividend amounting to approximately LKR 3.5 billion, while Ambeon Capital declared a dividend of approximately LKR 1 billion. These distributions reflect the Group's improved financial strength, healthy cash flows and commitment towards delivering value to shareholders while maintaining sufficient capital flexibility for future investments and expansion initiatives.

We continued to manage liquidity conservatively while deploying capital selectively into opportunities capable of generating sustainable long-term returns. Our treasury operations remained disciplined, balancing capital preservation with strategic investment positioning across listed equities, government securities and medium-term instruments.

Cluster Contributions to Growth and Value Creation

The strength of Ambeon Capital PLC lies in the diversity and complementary nature of its business verticals. During the financial year under review, each major cluster contributed meaningfully towards the Group's overall performance, reinforcing the resilience of our investment platform.

Ambeon Holdings PLC clusters, comprising Information Technology, Real Estate, Diversified Investments and Group Treasury, continue to play an important role in strengthening the Group's overall portfolio and supporting its long-term growth ambitions. Together, these clusters provide a strong foundation for resilience, diversification and sustainable value creation, while enabling Ambeon Capital PLC to actively optimise its portfolio and pursue opportunities aligned with its strategic priorities.

Information Technology

MillenniumIT ESP continued to leverage its international footprint to diversify revenue streams and strengthen foreign currency earnings. Singapore remained the Company's principal regional hub and largest overseas operation, generating revenue of LKR 2.09 billion during the year. MillenniumIT ESP further strengthened its channel partner ecosystem across ASEAN, the Middle East, Europe and Australia, supporting broader market penetration and creating opportunities for scalable growth.

For the financial year ended 31st March 2026, the Information Technology Cluster, spearheaded by MillenniumIT ESP, recorded revenue of LKR 16.99 billion, representing a 9% increase over the previous year. Despite continued pressure on profitability arising from vendor price fluctuations, foreign exchange volatility, supply chain disruptions and intense market competition, the Company made significant progress in improving margin quality during the year.

The Platform Cluster emerged as the largest contributor to revenue, generating LKR 6.98 billion, while the Network Cluster contributed LKR 6.51 billion. Managed Network Services generated LKR 1.56 billion.

The MillenniumIT ESP recorded EBITDA of LKR 447 million and Profit After Tax of LKR 59 million.

While profitability remained impacted by vendor pricing fluctuations, foreign exchange volatility, material shortages and intense market competition, the Company's strategic focus on gross profit optimisation contributed to improved margin discipline. Gross margins stood at 12% during the year, reflecting the benefits of a more commercially focused operating model.

Sector-wise, Telecommunications and Banking remained the largest contributors to revenue generation, while growing demand from government institutions and commercial enterprises provided additional support to overall performance. Export revenue amounted to LKR 1.88 billion, highlighting the continued importance of international operations and the Company's contribution to Sri Lanka's foreign currency earnings.

Financial Services

The Group's financial services cluster continued to demonstrate resilience and stability during the year. The cluster, comprising Stockbroking, Government Securities, Money brokering and related Financial Services operations delivered a commendable performance despite challenging market conditions and broader economic uncertainty affecting the sector. Consolidated profit from the Financial Services cluster is approximately LKR 446 million for the year under review. While profitability growth was relatively moderate compared to certain other segments, the cluster maintained strong liquidity positions, operational efficiency and disciplined risk management practices throughout the year. These businesses continue to play an important role within the Group by generating stable earnings while providing strategic optionality for future expansion.

During the latter part of the year, the Financial Services cluster was brought directly under Ambeon Capital PLC, representing a strategic realignment aimed at enhancing operational synergies, improving capital allocation efficiency and creating a more focused financial services platform for future growth. Looking ahead, we intend to further strengthen this vertical by expanding into adjacent financial services areas. We believe the financial services sector in Sri Lanka continues to offer meaningful long-term opportunities as the economy stabilises, capital markets deepen, and investor participation increases.

Treasury and Diversified Investments

The Group Treasury continued to perform strongly during the year, benefiting from the disciplined execution of our centralised treasury strategy. Strategic positioning across short-term and medium-term investments generated solid returns while preserving liquidity and balance sheet flexibility. Our investments within the banking sector also continued to generate encouraging returns through both capital appreciation and dividend flows.

The Group maintained significant positions in DFCC Bank PLC and Seylan Bank PLC, both of which contributed positively towards overall investment performance during the year. Over the years, our treasury operations have developed a strong capability in identifying and managing investment opportunities across listed equities, government securities and strategic financial instruments. This capability has become an increasingly important contributor towards the Group's profitability and financial resilience.

Real Estate

Recovery in Sri Lanka's tourism industry continued to strengthen the outlook for the Company's leisure-related assets and future hospitality developments, supported by increasing international visitor arrivals, renewed airline connectivity and improving occupancy levels. The Company operates across five strategic verticals: Real Estate, Mixed Development/Leisure, Plantations, Warehousing and Diversified Investments while advancing its flagship Kosgoda development. Envisioned as an exclusive coastal lifestyle destination, the project will combine premium residences, luxury villas, resort-style amenities, clubhouse facilities and thoughtfully integrated infrastructure to deliver a distinctive beachfront living experience and create long-term investment value.

Revenue increased from LKR 50 million to LKR 74 million, representing a 47.84% increase over the previous year, supported by stronger asset utilisation and improved operational alignment. Gross profit rose from LKR 47 million to LKR 73 million, with the gross profit margin improving to 98.13% from 94.05%, reflecting enhanced cost discipline and operational efficiencies. Operating profit increased from LKR 196 million to LKR 507 million, while profit after tax grew from LKR 259 million to LKR 435 million, supported by fair value gains on investment properties. Total assets increased to LKR 3.6 billion as at 31 March 2026, driven primarily by investment property appreciation and portfolio expansion. Return on assets improved to 12.06% from 7.66%, while return on equity strengthened to 13.87%, reflecting improved profitability and more efficient capital utilisation. Liquidity remained healthy throughout the year, supported by prudent financial management and disciplined capital allocation, providing the Company with the flexibility to pursue future strategic investments while maintaining a resilient balance sheet.

Looking ahead, Ambeon Capital PLC remains focused on strengthening its real estate portfolio and unlocking value through strategic opportunities in the sector. In line with this strategy, the acquisition of My Land Developments PLC represents an important step in broadening Ambeon Capital PLC's development platform and enhancing its exposure to high-potential real estate opportunities. The acquisition is expected to complement the Group's existing portfolio, create further avenues for sustainable growth and value creation, and strengthen its ability to capitalise on the continued recovery and long-term potential of Sri Lanka's real estate sector.

Strategic Expansion and Future Growth Platforms

During the year under review, the Group also took important steps towards broadening the composition of its investment portfolio. One of the most notable strategic developments was our move towards establishing a presence within the Fast-Moving Consumer Goods sector. For several years, we have sought to build a more balanced portfolio combining high-growth sectors with businesses capable of generating stable and recurring cash flows. In line with this strategy, we moved towards the acquisition of the Harischandra Mills PLC Group of Companies, a brand with a longstanding heritage and strong market presence in Sri Lanka. The acquisition was completed on 15th May 2026. We are particularly excited about the opportunities this acquisition presents, not only from a commercial standpoint but also in terms of long-term brand stewardship and operational synergies. We believe the integration of Harischandra Mills PLC into the broader Ambeon ecosystem will create meaningful opportunities to enhance both top-line growth and operational performance while preserving the legacy and market trust associated with the brand.

Our investment into Taprobane Minerals and related exposure to Capital Metals represents another strategic long-term positioning initiative. While certain regulatory and licensing processes relating to mineral exploration remain ongoing, we remain optimistic regarding the future of Sri Lanka's mineral sector and the potential for policy reforms to create a more structured and investor-friendly framework for responsible resource development.

Building Organisational Capability

As a diversified investment group operating across multiple sectors, we recognise that long-term success depends not only on financial capital, but equally on human capital, institutional capability and organisational adaptability. Across the Group, our subsidiary companies continued to invest in employee development, training, mentoring and leadership progression throughout the year. We encourage cross-industry exposure and provide opportunities for talent mobility across business verticals, enabling our people to broaden their expertise and contribute more dynamically within the organisation.

Operationally, we also continued to enhance our internal systems and digital infrastructure. Beyond incremental ERP enhancements, we have commenced exploring the integration of agentic AI capabilities into selected enterprise systems and operational processes. We believe AI will become increasingly central to enterprise efficiency, decision-making and competitiveness across industries, and we intend to position the Group proactively within this evolving technological landscape.

Group CEO/Executive Director's Message

Outlook

As we look ahead, we remain highly confident regarding the future direction of both Ambeon Capital PLC and Ambeon Holdings PLC. Over the past several years, we have established a diversified and strategically balanced portfolio with exposure to sectors that possess strong long-term growth potential and resilience across economic cycles. Our priorities moving forward will include accelerating profitability growth within the technology cluster, progressing key real estate developments, expanding the financial services vertical into adjacent sectors, strengthening treasury performance and integrating our new FMCG investments effectively into the broader Group structure.

We remain particularly optimistic regarding the future of MIT ESP and the opportunities emerging from AI, enterprise digital transformation, cybersecurity and regional technology demand. Similarly, we believe our real estate and diversified investment portfolios are well positioned to benefit from improving macroeconomic conditions and long-term asset appreciation trends. While external uncertainties will inevitably continue to influence markets and operating environments, we believe the Group today is significantly stronger, more agile and better positioned than at any point in recent years. Our balance sheet remains healthy, our investment portfolio is diversified, and our leadership teams across the Group remain focused on disciplined execution and sustainable long-term value creation.

Acknowledgement

I would like to place on record my sincere appreciation to the Boards of Directors, management teams and employees across Ambeon Capital PLC, Ambeon Holdings PLC and all subsidiary companies for their dedication and commitment throughout the year. The progress achieved during the financial year was made possible through your collective effort, professionalism and unwavering belief in the Group's long-term vision.

I also extend my gratitude to our shareholders, business partners, customers, regulators and other stakeholders for the continued trust and confidence placed in the Group. Your support remains fundamental to our progress and future ambitions.

As we continue to evolve into a more agile, future-focused and diversified investment group, we remain committed to delivering sustainable value responsibly, strengthening the businesses we invest in, and contributing meaningfully towards the country's long-term economic progress.

Sgd
Sajeeva Narangoda (Dr)
Group CEO/Executive Director

28 August 2026

Board of Directors

MR. SUJEEWA MUDALIGE

Chairman/Independent Non-Executive Director

Mr. Mudalige counts over 30 years of experience as a Chartered Accountant and recently retired as the Managing Partner of PwC, Sri Lanka.

He currently serves as the Independent Non-Executive Chairman of Ambeon Capital PLC, Ambeon Holdings PLC, MillenniumIT ESP (Private) Limited and Sherwood Capital (Private) Limited.

He is also an Independent Non-Executive Director at other private and listed companies.

He has also served on many regulatory bodies including Securities and Exchange Commission (SEC), Board of Investment (BOI) and National Medicines Regulatory Agency (NMRA).

Mr. Mudalige has vast experience as an Audit Committee Chair in both public and private sector organisations. He is a past President of ICASL and has been a member of the Council of ICASL and of the governing board of CIMA UK, Sri Lanka Division and held several such other positions locally and globally during the span of his career.

His qualifications are FCA (SL), FCMA (UK), FCCA (UK) and FCPA (Australia).

He was awarded an honorary Doctorate in Business by the University of Plymouth (UK) recognizing his outstanding contribution to accounting and finance.

DR. SAJEEVA NARANGODA

Group CEO/Executive Director

Dr. Sajeeva Narangoda is currently the Group CEO/Executive Director of Ambeon Holdings PLC and Ambeon Capital PLC and Executive Director of Harischandra Mills PLC listed conglomerates under Colombo Stock Exchange. In addition, Dr. Narangoda serves as a Non-Executive Director on the respective Boards of Colombo City Holdings PLC, Eon Tec (Pvt) Ltd, MillenniumIT ESP (Pvt) Ltd, Taprobane Capital Plus (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, Sherwood Capital (Pvt) Ltd, Myland Developments PLC, Ambeon Essentials (Pvt) Ltd and Sherwood Technologies (Pvt) Ltd.

His illustrious career includes serving Colombo City Holdings PLC as its Executive Director/Chief Executive Officer, Dankotuwa Porcelain PLC as its Chief Executive Officer, and Millennium IT ESP as its Executive Director, in addition as a healthcare administrator, he was instrumental in establishing multiple private-sector hospitals in Sri Lanka under Hemas and Browns group of companies.

He has been serving the Australian Council on Healthcare Standards International (ACHSI) as an International Hospital Assessor since 2012 and as the Regional Representative for Sri Lanka, Bangladesh, and Maldives from 2020.

Dr. Narangoda holds a Bachelor of Dental Surgery degree from the University of Peradeniya, Sri Lanka, Master of Science (Finance and Management) from Keele University UK. In addition, he is a Fellow Member of the Chartered Institute of Management Accountants (CIMA) UK and a member of CPA Australia. As an international researcher, he has been an integral member of the research team at the International Research Collaborative - Health and Equity at the University of Western Australia specializing in healthcare pricing and has published several international research publications.

Board of Directors

MR. SAVANTH SEBASTIAN

Independent Non-Executive Director

Mr. Savanth Sebastian is an accomplished capital markets and investment professional with over fifteen years of experience spanning global markets, economic research, international trading, investment strategy, and corporate governance.

He previously served at Commonwealth Bank of Australia as a Senior Economist within the Global Markets Research Team, where he advised Federal and State Governments, institutional investors, high-net-worth clients, and key internal stakeholders, including Colonial First State and senior leadership teams across the bank.

Mr. Sebastian also held a senior role at Commonwealth Securities, the stockbroking division of Commonwealth Bank of Australia, where he managed the international trading desk, facilitating transactions across 31 global markets. In this capacity, he oversaw Strategic Trading Accounts and supported the Treasury division of Commonwealth Bank of Australia in managing risk while identifying alternative revenue opportunities.

He brings a strong combination of economic insight, market expertise, investment acumen, and board-level experience. His exposure across listed and private companies, investment holdings, financial services, agriculture, engineering, and corporate development enables him to contribute effectively to strategic decision-making, governance, risk management, and long-term business planning.

Mr. Sebastian holds a Bachelor of Commerce in Actuarial Studies and Finance from the University of New South Wales. He is also an Accredited Adviser of the Australian Securities Exchange and a Master Practitioner of the Stockbrokers and Investment Advisers Association.

He currently serves as a director across a diverse portfolio of listed and private companies, including Ambeon Holdings PLC, MillenniumIT ESP (Private) Limited, Capital Metals PLC, Myland Developments PLC, Colombo City Holdings PLC, ICON Engineering Enterprises (Pvt) Ltd, and Good Earth Fertilizers (Pvt) Ltd.

MR. SAMRESH KUMAR

Independent Non-Executive Director

Mr. Samresh Kumar is a seasoned business leader and private equity investor with diverse global experience in multi-billion-dollar companies, investment funds, and high-growth companies. He is currently the Founder, Chairman, and CEO of SkyX Solar in Vietnam, and has previously served as Managing Director at VinaCapital and Executive Vice-President at Masan Group. Mr. Kumar has been instrumental in structuring, negotiating, and closing over 300 transactions and raising more than USD 1.5 billion in capital. He holds an MBA from IIM Calcutta and a B.Tech from IIT Delhi. Known for his good judgment, emotional intelligence, decision-making, and sharp problem-solving skills, Mr. Kumar is a proponent of good corporate governance and is an officially certified independent director in Vietnam.

MR. CHING TAK (JACKY) TSOI

Independent Non-Executive Director

Mr. Jacky Tsoi is the Managing Partner of Syndicate Capital, an international investment conglomerate that focuses on co-investments in mid-market companies alongside core and specialist sponsors, especially in the technology, financial services, green energy, education, healthcare, and industrial sectors.

A qualified accountant with over 20 years of diverse experience in the financial technology and financial services industries, Mr. Tsoi has a proven track record of driving strategic initiatives, leading high-performing teams, and delivering innovative solutions that improve operational efficiency and enhance customer experience. He is adept at navigating complex regulatory environments, managing risk, and leveraging emerging technologies to achieve business objectives.

Mr. Tsoi, currently a Director of Oriental City Group, focuses on card acceptance/payment services for UPI in Thailand, where he drives growth and delivers results in competitive markets. He oversees industry research, future direction, customer adoption, go-to-market strategies, and content-driven marketing. Additionally, he serves as the Convener of the Wealth Tech Group of Practice Committee at the Institute of Financial Technologists Asia and is a committee member of the Institute of ESG and Benchmark. A recognized speaker, Mr. Tsoi has participated as a panelist at the United Nations Economic & Social Commission for Asia and the Pacific on financial inclusivity and MSMEs' access to finance through technology and innovation

Mr. Tsoi graduated from the University of Manchester and is a Qualified Accountant and Certified Management Accountant from Australia.

MR. DUMINDA WEERASEKARE

Independent Non-Executive Director

Mr. Duminda Weerasekare brings over thirty years of extensive experience and expertise to his role as a Non-Executive Director. He is a Fellow of both the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants (UK).

Mr. Weerasekare's career includes leadership roles as CEO and COO across several prominent organizations, and he currently serves on the boards of various companies with diversified interests. He has a proven track record in establishing institutions for emerging businesses and managing complex negotiations. In recognition of his contributions, he has also been honored with a Fellowship from the Netherlands Development Bank.

Board of Directors

MR. RAVI GOONETILLEKE

Independent Non-Executive Director

Mr. Ravi Goonetilleke is an experienced banker with over 30 years of experience across two banks. He has extensive expertise in operational and business functions, including Cash Management, Custody, Trustee and Fund Services, and Trade and Remittances.

During his 26-year tenure at Deutsche Bank AG, Colombo, he was actively involved in landmark business transactions in Cash Management and cross-border Custody, as well as Trustee and Fund Services product offerings. He has undergone extensive training in product, operations, and management across many countries in the region, including conducting country-specific product audits overseas. He was also a member of the local management team (OpCo) and retired as a Vice President.

Presently serves as the Chairman of Taprobane Investments (Private) Limited and Director of Ambeon Holdings PLC, Alpha Fire Services PLC and Ambeon Securities (Private) Limited

Mr. Goonetilleke holds a Master of Business Administration (MBA) from the University of Wales, UK.

Heads of Business Subsidiaries

MR. SOMADASA PALIHAWADENA

Director/Chief Executive Officer
Sherwood Capital (Private) Limited

MR. HARENDRA SAMARASINGHE

Chief Executive Officer
MillenniumIT ESP (Private) Limited

MR. CHARITH KAMALADASA

Director/Chief Executive Officer
Ambeon Securities (Private) Limited

DR. RANJAN DISSABANDARA

Chief Executive Officer
Colombo City Holdings PLC

MR. LASHIKA WEERASINGHE

Director/Chief Executive Officer
Taprobane Investments (Private) Limited

Senior Management

MR. NISHANTHA JAYASOORIYA

Vice President,
Sherwood Capital (Private) Limited

MR. ROSHAN ANTHONY

Vice President,
Sherwood Capital (Private) Limited

MR. CHAMINDA PERERA

Group Vice President - Finance
Ambeon Holdings PLC

MR. CHARITH HETTIARACHCHI

Group Head IT
Ambeon Holdings PLC

MS. SONALI AMUHENGODA

Group Head - Legal
Ambeon Holdings PLC

MR. HARITHA PERERA

Senior General Manager-Finance
Taprobane Capital Plus (Private) Limited

MR. NIROSHAN PRADEEP

Head Human Resources
Ambeon Holdings PLC

MS. GIYANIE FERNANDO

Senior Manager - Corporate Affairs
Ambeon Holdings PLC

MR. THISHAN PERERA

Senior Manager - Risk Controls and
Compliance Ambeon Holdings PLC

MS. SURANJI PATHIRANA

Senior Manager - Finance
Ambeon Holdings PLC

Management Discussion and Analysis

GLOBAL & LOCAL MACROECONOMIC PERFORMANCE

Global Economy

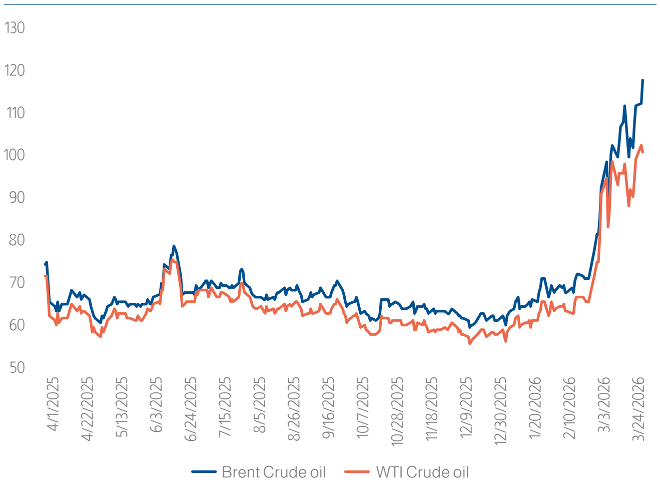
The financial year ended 31st March 2026 unfolded against a complex and evolving global backdrop, characterised by shifting trade dynamics, escalating geopolitical tensions, volatile commodity markets, and changing monetary policy expectations.

A key development during the year was the reconfiguration of global trade following the introduction of U.S. reciprocal tariff measures in April 2025. Sri Lanka initially faced a proposed tariff of 44%, raising significant concerns for export-oriented sectors such as apparel and rubber. Although this was revised down to 20% in July 2025, the adjustment, while providing some relief, continued to exert pressure on exporter margins and competitiveness. As a result, companies were compelled to reassess supply chains, sourcing strategies, and market diversification.

Geopolitical tensions intensified during the year, particularly in the Middle East, with the Israel-Iran conflict escalating in June 2025. Conditions deteriorated further by March 2026, when Israel, alongside the United States, undertook expanded military actions against Iran, raising the risk of a broader regional conflict. This escalation significantly increased global uncertainty and disrupted activity around the Strait of Hormuz (through which nearly 20% of the world's oil supply transits daily), triggering a sharp energy shock and amplifying volatility in global energy markets.

Oil markets reacted sharply to the Middle Eastern conflict, with Brent crude prices rising from the mid-to-high USD 60 per barrel range at the start of the financial year to above USD 120 by March 2026 rising 56%. This marked one of the most significant increases in recent history, placing upward pressure on global inflation through higher transportation, logistics and utility costs. Fuel-importing economies, in particular, experienced increased external sector vulnerabilities.

Crude Oil Prices

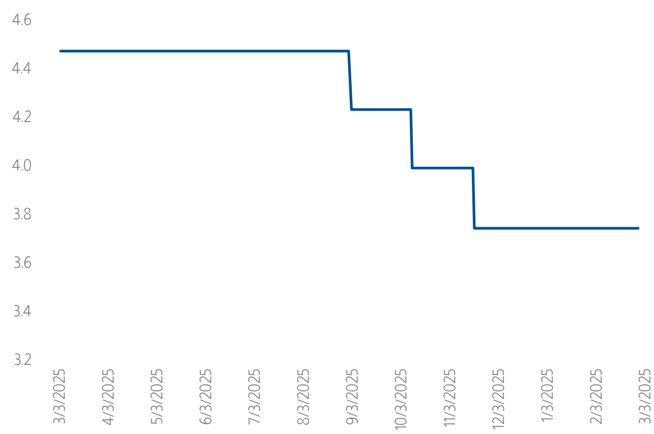


Source: Bloomberg

Despite these headwinds, global growth remained 3.4% for 2025. Growth was supported by steady consumption and investment, but was tempered by policy uncertainty, inflationary pressures and tighter financial conditions.

Global monetary-policy conditions also evolved during the year. While the U.S. Federal Reserve initiated a modest rate cut in December 2025, signalling a shift toward a more accommodative stance amid weakening labour market conditions, the scope for further easing narrowed as the year progressed. Renewed inflationary pressures, largely driven by the sharp increase in energy prices following geopolitical disruptions led to a reassessment of the policy trajectory. Inflation expectations became more entrenched, prompting central banks to adopt a more cautious approach.

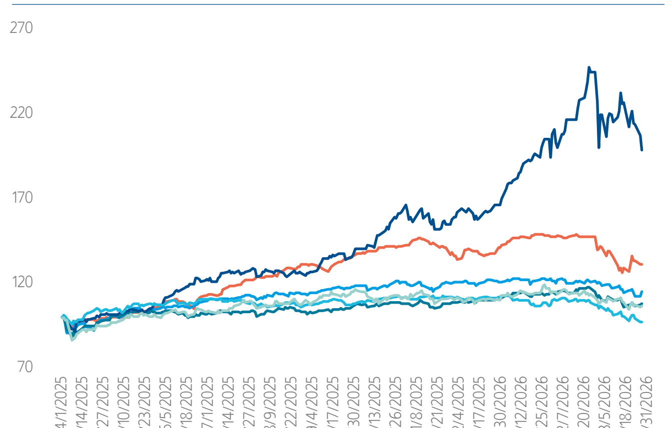
US Fed rate (%)



Source: Bloomberg

Global financial markets mirrored these dynamics. Equity markets experienced periods of resilience supported by earnings growth and policy optimism, but volatility increased toward the latter part of the year as geopolitical risks and energy prices surged.

Global Equity Indices



Source: Bloomberg

Overall, the global environment during the year was defined by overlapping shocks: trade disruptions, geopolitical conflict and energy price volatility. For corporates, including diversified groups such as Ambeon Capital PLC, this environment underscored the importance of cost management, supply chain resilience, liquidity preservation and strategic diversification.

Sri Lanka: Recovery Amid Structural Shifts and External Pressures

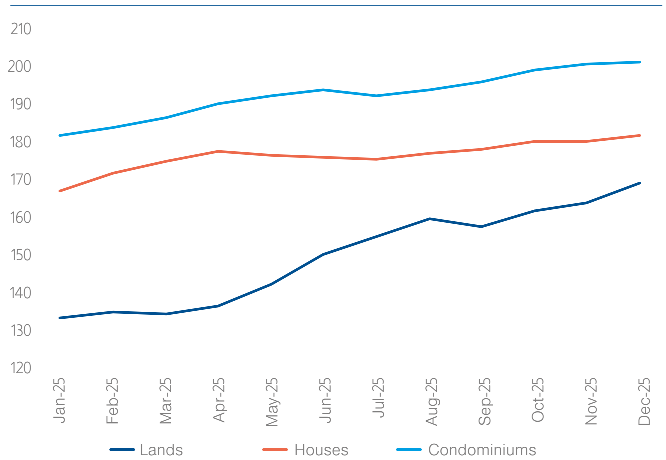
Sri Lanka's economy demonstrated resilience during the year, continuing its recovery trajectory despite both domestic and external challenges.

A major setback occurred in November 2025 with Cyclone Ditwah, one of the most severe natural disasters in recent history. The event caused widespread flooding and landslides, significantly disrupting agriculture, transportation, and livelihoods, with estimated economic losses of approximately USD 4.1 billion. However, reconstruction efforts provided a boost to the construction sector, while international support including financial and humanitarian aid helped mitigate the immediate impact.

Despite these disruptions, the economy recorded a strong real GDP growth of 5.0% in 2025. Growth was broad-based, with industry expanding by 7.8%, services by 3.3%, and agriculture by 1.4%. Key contributors included construction, manufacturing, and mining-related activities, alongside notable improvements in utilities and service sectors. Early indicators for 2026 suggest a continued recovery momentum following the post-disaster rebuilding phase.

Monetary policy remained accommodative and stable throughout the year, supporting economic recovery and underpinning growth momentum. Policy rates were reduced by 25bps to 7.75% in May 2025 and remained unchanged thereafter. However, AWPLR trended upward, increasing ~100 bps coupled with a widening of interest rate spreads. During the year, the Central Bank introduced the Overnight Policy Rate (OPR), strengthening the effectiveness and transparency of the monetary policy framework.

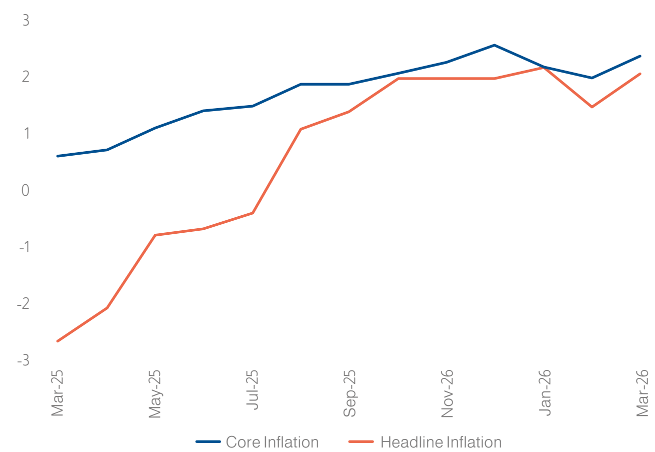
Asking Price Indices



Source: CBSL

At the beginning of the financial year, inflation remained in negative territory, reflecting deflationary conditions. However, it gradually recovered and turned positive by August 2025, reaching 2.5% by March 2026, supported by a rebound in domestic demand and continued expansion in money supply.

Inflation (YoY%) measured by CCPI (%)



Source: CBSL

Sri Lanka's sovereign credit profile also improved, reflecting progress in macroeconomic stabilisation and debt restructuring. Rating upgrades by international agencies (S&P Global: CCC+/C, Fitch: CCC+) signalled increased confidence, although ratings remain within speculative territory, highlighting ongoing structural vulnerabilities.

Sri Lanka also achieved significant milestones in its external debt restructuring process. Agreements were reached with bilateral creditors, including members of the Official Creditor Committee, as well as key lenders such as China, India and Japan. Progress was also made with international sovereign bondholders, bringing the restructuring process close to completion and strengthening the country's medium-term debt sustainability outlook.

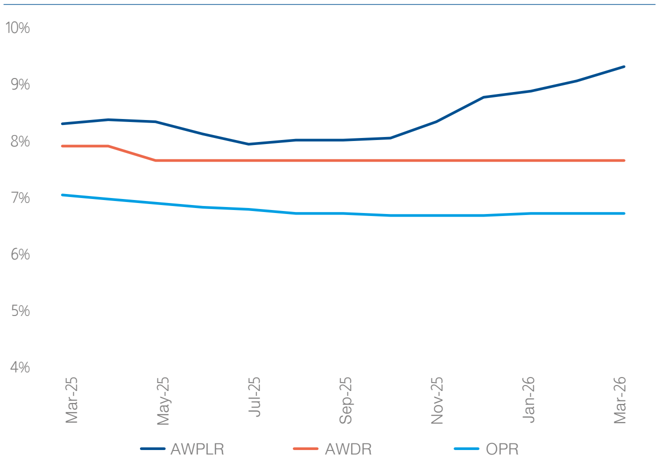
The IMF-supported reform programme continued to play a central role in Sri Lanka's stabilisation efforts. Performance remained broadly on track, with key structural reforms implemented, including cost-reflective energy pricing and strengthened fiscal management measures. Emergency financing provided in the aftermath of Cyclone Ditwah amounting to USD 206 million further reinforced external support and helped cushion the economic impact of the disaster. As of May 2026, cumulative IMF disbursements amounted to USD 2.4 billion out of the total approved Extended Fund Facility (EFF) of USD 3.0 billion, reflecting continued progress under the programme and sustained international support.

Management Discussion and Analysis

Fiscal consolidation progressed during the year, supported by tax reforms, including VAT adjustments, and continued efforts to restructure state-owned enterprises. Measures such as cost-reflective pricing and institutional restructuring, particularly in the energy sector, marked important steps toward improving public sector efficiency.

The construction and real estate sectors demonstrated a notable recovery during the year. The Construction Purchasing Managers' Index (PMI) remained largely above the 50 threshold, signaling sustained expansion despite ongoing cost pressures and logistical bottlenecks. Activity in the condominium segment strengthened significantly, with the property sales volume index recording a marked increase between 4Q2024 and 4Q2025. Land prices led the recovery, rising by approximately 28%, reflecting strong investor interest and expectations of future development. Overall, the broad-based upward trend across real estate segments points to renewed confidence in the sector, underpinned by improving macroeconomic stability, a rebound in tourist arrivals, earlier monetary easing, and continued post-crisis recovery momentum.

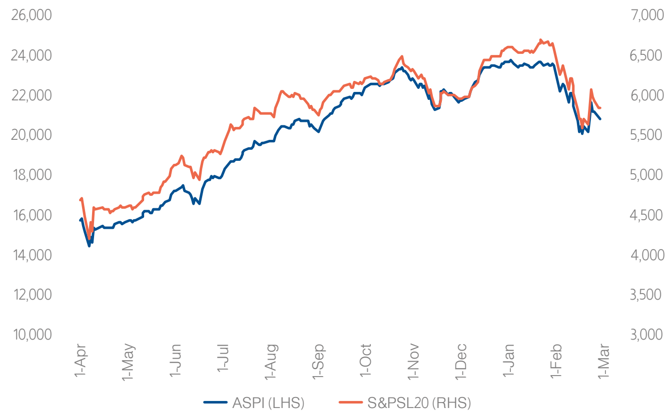
Lending and Deposit Rates



Source: CBSL

The Colombo Stock Exchange recorded a strong performance during the year, with the ASPI reaching multiple all-time highs, peaking at approximately 24,000 in January 2026 and delivering annual returns of over 32%. This reflected improved investor sentiment, supported by macroeconomic stabilisation and earnings recovery.

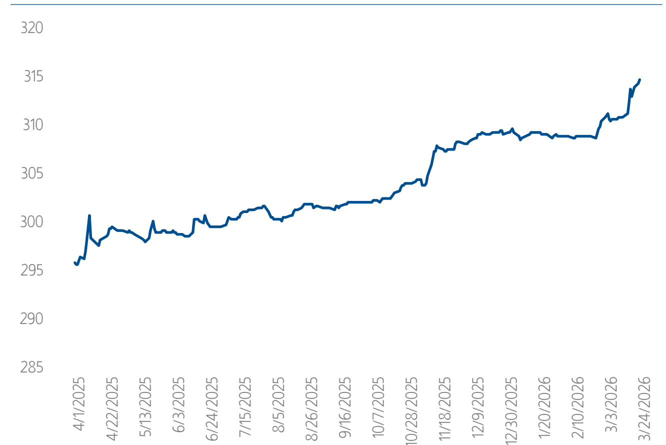
ASPI and S&P SL20 movement



Source: CSE

Sri Lanka's external sector displayed a mixed performance during the year. While the current account recorded a surplus for a considerable part of the period, the trade deficit continued to widen as imports expanded at a faster pace than exports. The Sri Lankan Rupee came under renewed depreciation pressure, weakening by approximately 6% during the financial year under review, largely reflecting the recovery in import demand amid sluggish export growth. Meanwhile, foreign reserves remained relatively stable at around USD 7 billion by March 2026, supported by stronger foreign currency inflows. Tourism earnings increased by 18%, while worker remittances grew by 25%, providing important support to the balance of payments and helping to cushion external sector pressures.

LKR/USD



Source: CBSL

Foreign Reserves

Source: CBSL

Future Outlook: Balancing Recovery with Emerging Risks

The global outlook remains fragile, with downside risks primarily stemming from geopolitical developments and ongoing energy market disruptions. A prolonged or further escalation of the Middle East conflict could sustain elevated energy prices, intensify inflationary pressures, tighten global financial conditions and weigh on global demand.

Conversely, easing geopolitical tensions would support a continuation of moderate global growth, underpinned by technological progress, policy support measures and gradual stabilisation in trade dynamics. According to IMF projections, global growth is expected to moderate to 3.0% in 2026 and 3.4% in 2027, compared to 3.4% in 2025, reflecting a gradual slowdown from recent levels amid persistent uncertainties.

The sharp increase in energy prices has broad macroeconomic implications, driving higher global inflation through increased transportation, logistics and utility costs, while also raising input costs across manufacturing and services sectors. For fuel-importing economies, the impact is more pronounced, leading to higher import bills, widening trade deficits and renewed pressure on exchange rates and external balances. In many cases, this has also constrained fiscal space, as governments face higher subsidy burdens or are required to pass through elevated energy costs to consumers, with implications for growth and household purchasing power.

Against this global backdrop, Sri Lanka's near-term outlook remains cautiously optimistic but exposed to external headwinds. Economic growth is projected to moderate to 3.0% in 2026 and 3.2% in 2027, following a strong expansion of 5.0% in 2025.

Rising fuel and electricity costs are expected to exert upward pressure on inflation, while continued exchange rate depreciation may further increase import costs, particularly given Sri Lanka's heavy reliance on fuel imports. Higher energy prices have already widened the import bill and increased pressure on the trade balance. The Sri Lankan Rupee has also come under renewed pressure, depreciating by approximately 5% against the US dollar within just 2.5 months following the escalation of the Middle East conflict, compared to a total depreciation of around 6% over the full period from April 2025 to March 2026, reflecting a sharp acceleration in currency weakness amid heightened external volatility.

In this context, interest rates may face upward pressure in the period ahead, driven by rising inflation expectations and currency depreciation, which could tighten financial conditions and moderate the pace of economic recovery. Inflation has already increased to 5.4% as of April 2026, exceeding the Central Bank's target range.

Overall, the operating environment is expected to remain challenging. Sustaining growth will depend on preserving price stability, strengthening external buffers, maintaining fiscal discipline, and continuing structural reforms. For corporates, adaptability, financial discipline, and strategic agility will remain essential to navigating an increasingly uncertain economic landscape.

Operational Performance

The financial year 2025/26 marked a significant phase in the continued evolution of Ambeon Capital PLC, as the Group strengthened its position as a diversified investment holding company focused on high-growth, future-oriented sectors. Despite operating amidst global geopolitical uncertainty, market volatility and domestic economic adjustments, the Group demonstrated strong resilience, disciplined execution and enhanced financial performance across its core business verticals.

Building on the strategic repositioning initiatives undertaken over the past several years, the Group continued to consolidate its presence across Information Technology, Financial Services, Real Estate, Leisure, Diversified Investments and Treasury Operations, while also taking strategic steps to expand into the Fast-Moving Consumer Goods sector. These initiatives further strengthened the Group's portfolio balance, recurring earnings capacity, and long-term value creation potential.

Financial Performance

The Group recorded a strong improvement in consolidated financial performance during the year under review. Consolidated revenue increased by approximately 12% year-on-year, supported primarily by continued growth within the Information Technology cluster led by MillenniumIT ESP, alongside stable contributions from Financial Services, Treasury Operations, Real Estate, and

Management Discussion and Analysis

Diversified Investments. Group profitability recorded a substantial increase during the year, with consolidated Profit After Tax (PAT) expected to exceed LKR 3.2 billion compared to approximately LKR 1.6 billion in the previous financial year, representing growth of nearly 100%. This significant improvement reflects the strength of the Group's diversified earnings streams, disciplined capital deployment strategy, and improved investment performance across multiple business verticals.

While top-line growth was primarily driven by the technology cluster, profitability contributions were generated more broadly across Financial Services, Treasury Operations, Real Estate and Diversified Investments, demonstrating the increasing maturity and balance of the Group's portfolio composition. During the latter part of the year, the Group also navigated several external challenges including disruptions linked to Cyclone Ditwah and volatility arising from geopolitical developments in the Middle East, which affected market valuations of certain direct investments. Nevertheless, the Group's prudent risk management framework, strong liquidity position and diversified investment approach enabled it to maintain operational stability while preserving long-term strategic focus.

The Group's financial position strengthened considerably during the year under review, reflecting disciplined capital allocation, asset appreciation and improved profitability. Net Asset Value (NAV) of Ambeon Capital PLC increased significantly from approximately LKR 6.4 billion to LKR 8.7 billion, representing growth of nearly 36%. This improvement was driven by enhanced earnings performance, appreciation in strategic investments, and the strengthening of the Group's underlying asset base. The Group's market capitalisation also recorded substantial growth during the year, reflecting improved investor confidence and stronger market recognition of the Group's long-term strategic direction.

The continued enhancement of shareholder value was further demonstrated through the declaration of dividends by both Ambeon Capital PLC and Ambeon Holdings PLC after several years. Ambeon Holdings declared a cash dividend amounting to approximately LKR 3.5 billion, while Ambeon Capital declared Cash/Scrip dividend of approximately LKR 1 billion. These dividend declarations underscore the Group's improving financial strength, healthy liquidity position and confidence in the sustainability of future earnings generation.

Strategic Transformation and Portfolio Repositioning

Over the past decade, the Group has undertaken a deliberate and disciplined strategic transformation aimed at repositioning its portfolio towards sectors with stronger scalability, recurring earnings potential and regional growth opportunities. Historically, the Group was skewed more towards manufacturing, but a few years ago a strategic decision was taken to balance the Group's key verticals with future-ready sectors. The acquisition and development of MillenniumIT ESP was one of the defining milestones in this transformation journey, significantly reshaping the Group's long-term growth profile.

During the year under review, the Ambeon Holdings PLC completed the final phase of its manufacturing divestment strategy through the disposal of the remaining stake held in Dankotuwa Porcelain PLC. This marked the successful completion of a long-term strategic repositioning exercise designed to optimise capital allocation towards higher-growth and more capital-efficient sectors. Ambeon Capital PLC also expanded its strategic investment portfolio through direct investments into Myland Developments PLC and investment in Capital Metals PLC, reflecting continued interest in diversified and globally connected growth opportunities.

Colombo City Holding PLC, in which Ambeon Holdings PLC holds a 77% stake, reflects the Group's conviction that Sri Lanka's next phase of value creation in real estate will be driven by carefully curated, destination-led developments that combine lifestyle, leisure, wellness and experiential living. Beyond the quality of its existing portfolio, Colombo City Holding PLC offered access to strategically located land assets with strong development potential and the ability to participate in long-term structural trends shaping the sector. The acquisition of Myland Developments PLC - a company engaged in purchase and sale of land complement the real estate development presence of the group.

The investment in Capital Metals PLC reflects the Group's long-standing preference for entering sectors where structural change, regulatory reform and long-term demand dynamics have the potential to create significant value over time. Sri Lanka possesses a globally significant mineral sands resource base and the sector remains materially underdeveloped relative to its potential. The investment was therefore undertaken with a long-term perspective, supported by Sri Lanka's improving policy framework support for the industry and expectations of a more modern and enabling regulatory framework for mineral extraction and processing. Beyond the immediate investment opportunity, Capital Metals provides the Group with exposure to strategic resources that are expected to play an increasingly important role in global industrial supply chains, particularly as demand accelerates for critical minerals linked to advanced manufacturing, clean energy technologies and industrial applications. These investments dovetail with the Group's overall vision to rotate capital out of mature sectors, redeploy into structural growth sectors and build a balanced portfolio with resilient cash flows and multiple earnings streams.

The Group also progressed strategic plans to establish a presence within the Fast-Moving Consumer Goods sector. This initiative culminated in the move towards the acquisition of Harischandra Mills PLC, a well-established Sri Lankan brand with a strong heritage and significant market presence. The addition of an FMCG vertical is expected to further diversify the Group's earnings base while enhancing recurring cash flow generation and operational synergies across the portfolio.

Today, the Group's core portfolio is strategically balanced across Financial Services, Information Technology, Real Estate, Treasury Operations, Diversified Investments and FMCG, providing resilience across economic cycles while positioning the Group for long-term sustainable growth.

Ambeon Holdings PLC

Ambeon Holdings PLC, the principal operating subsidiary of the Group, continued to play a central role in driving operational performance and executing strategic growth initiatives across the portfolio. During the year under review, Ambeon Holdings operated across five primary business verticals comprising Information Technology, Financial Services, Real Estate, Diversified Investments and Group Treasury Operations. While the Financial Services cluster was subsequently repositioned directly under Ambeon Capital PLC during the latter part of the year, the Group maintained strong operational coordination and strategic alignment across all business segments.

The Group Treasury continued to perform strongly through its centralised treasury management model, generating solid returns from carefully managed short-term and medium-term investments while preserving liquidity and financial flexibility.

Strategic investments within the banking sector also continued to generate encouraging returns during the year. The Group maintained its investments in DFCC Bank PLC and Seylan Bank PLC, both of which contributed positively through capital appreciation and dividend income.

The Group's treasury function has evolved into a key strategic capability over the years, enabling the identification and management of opportunities across listed equities, government securities, and medium-term investment instruments while maintaining a prudent risk profile.

SECTOR REVIEW - INFORMATION TECHNOLOGY MILLENNIUMIT ESP (PRIVATE) LIMITED

Operating Environment

The Information Technology sector continued to operate within a rapidly evolving global landscape during FY2025/26, characterised by accelerating digital transformation, increasing cybersecurity threats, expanding cloud adoption and the growing integration of artificial intelligence across enterprise operations. While organisations continued to prioritise technology investments to enhance efficiency, resilience and competitiveness, economic uncertainty, supply chain disruptions and pricing pressures created a challenging operating environment across many markets.

In Sri Lanka, the ICT industry remained an important contributor to economic activity and export earnings. However, enterprise technology spending remained subdued during the year, with organisations exercising caution over capital expenditure decisions amidst evolving economic conditions. Prolonged procurement cycles, delayed project implementation timelines, and slower decision-making particularly within the banking, financial services and public sectors compressed deal velocity and impacted revenue predictability across the industry.

Global supply chain disruptions continued to affect hardware availability, resulting in material shortages and extended lead times across key technology categories. Price volatility from leading technology principals including HP, Dell and Cisco created additional pressure on project margins and procurement planning. These challenges were further compounded by foreign exchange-related import cost fluctuations and intensified competition from regional systems integrators and global hyperscale providers seeking to expand their presence across emerging markets.

Despite these headwinds, enterprise demand remained strong for cybersecurity, digital infrastructure modernisation, managed services, cloud solutions, smart building technologies, enterprise automation, data management and AI-enabled operational transformation, creating significant opportunities for technology providers capable of delivering integrated and outcome-driven solutions.

Business Approach

Against this backdrop, MillenniumIT ESP maintained a disciplined and resilient business approach focused on sustainable growth, operational excellence, profitability enhancement and long-term value creation.

Recognising evolving market dynamics, the Company strategically shifted its performance focus from revenue-led growth towards profit optimisation and margin enhancement. This transition enabled stronger commercial discipline, improved project governance, tighter cost controls and a more selective approach to customer engagement. During the year, management concentrated on strengthening relationships with key strategic customers while enhancing the overall quality of revenue generated across the business.

To mitigate external challenges, the Company strengthened forward procurement planning, negotiated volume-based pricing arrangements with key technology principals and collaborated closely with customers to optimise project timelines and commercial structures where necessary. These initiatives helped preserve delivery commitments, improve cost certainty and protect margins despite continued market volatility.

MillenniumIT ESP also continued to expand its solutions-led and managed services business model, reducing

Management Discussion and Analysis

reliance on transactional hardware sales and creating more predictable revenue streams. Approximately 30% of revenue was generated through recurring managed services and maintenance contracts, while contract renewal rates remained above 90%, reflecting strong customer loyalty, service quality and long-term client relationships.

Strategic Partnerships & International Expansion

Strategic technology partnerships continued to serve as a key enabler of growth and innovation. MillenniumIT ESP maintained strong relationships with leading global technology providers including Cisco, Microsoft, Oracle, Fortinet, Dell Technologies, Huawei and several other strategic principals, enabling the delivery of best-in-class enterprise solutions across multiple technology domains.

The Company continued to leverage its international footprint to diversify revenue streams and strengthen foreign currency earnings. Singapore remained the Company's principal regional hub and largest overseas operation, generating revenue of LKR 2.09 billion during the year

MillenniumIT ESP further strengthened its channel partner ecosystem across ASEAN, the Middle East, Europe and Australia, supporting broader market penetration and creating opportunities for scalable growth. Australia emerged as one of the most promising international markets during the year, while management continued evaluating opportunities to establish strategic partnerships and a stronger physical presence in selected overseas territories.

The channel partner model continued to evolve as a critical component of the Company's international growth strategy, enabling access to new markets while supporting efficient expansion and customer acquisition.

Financial Review

For the financial year ended 31st March 2026, the Information Technology Cluster, spearheaded by MillenniumIT ESP, recorded revenue of LKR 16.99 billion, representing a 9% increase over the previous year.

Despite continued pressure on profitability arising from vendor price fluctuations, foreign exchange volatility, supply chain disruptions and intense market competition, the Company made significant progress in improving margin quality during the year. A strategic shift from revenue-focused growth targets towards a gross profit-driven operating model enabled management to prioritise higher-value opportunities, strengthen commercial discipline and optimise project economics. Enhanced procurement planning, tighter project governance, improved cost management practices and a greater emphasis on key customer relationships contributed to stronger margin resilience across the business. As a result, the Information Technology Cluster maintained a gross margin of 12% during the year, demonstrating the effectiveness of its focus on sustainable value creation rather than purely volume-driven growth.

The Platform segment remained the largest contributor to revenue, generating LKR 6.98 billion, while the Network segment contributed LKR 6.51 billion. Managed Network Services generated LKR 1.56 billion, Smart Building solutions contributed LKR 1.35 billion, the Application segment recorded revenue of LKR 476.6 million, and the Software segment generated LKR 118.3 million.

Among all business segments, Network and Security solutions emerged as the strongest growth driver during the year, supported by increasing demand for cybersecurity, network modernisation, and secure digital infrastructure.

The Information Technology Cluster recorded EBITDA of LKR 447 million and Profit After Tax of LKR 59 million. While profitability remained impacted by vendor pricing fluctuations, foreign exchange volatility, material shortages and intense market competition, the Company's strategic focus on gross profit optimisation contributed to improved margin discipline. Gross margins stood at 12% during the year, reflecting the benefits of a more commercially focused operating model.

Sector-wise, Telecommunications and Banking remained the largest contributors to revenue generation, while growing demand from government institutions and commercial enterprises provided additional support to overall performance.

Export revenue amounted to LKR 1.88 billion, highlighting the continued importance of international operations and the Company's contribution to Sri Lanka's foreign currency earnings.

Technology, Innovation & Digital Transformation

MillenniumIT ESP continued to strengthen its capabilities across emerging technology domains, positioning itself to address rapidly evolving customer requirements while creating new avenues for growth.

Artificial Intelligence remained a key strategic focus area throughout the year. The Company advanced AI-enabled solutions and operational initiatives while integrating AI technologies into various business processes to improve efficiency, decision-making and customer outcomes.

Cybersecurity continued to represent a significant growth opportunity as organisations increasingly prioritised resilience against evolving cyber threats. Demand for security-focused solutions remained robust across both public and private sectors, supporting strong performance within the Network and Security business.

The Company also continued to expand its expertise across cloud technologies, enterprise automation, digital infrastructure modernisation, data management, smart buildings and managed services, enabling customers to accelerate digital transformation and improve operational agility.

Investing In Our People

People development remained central to MillenniumIT ESP's long-term strategy. During FY2025/26, the Company continued to strengthen its people and organisational capability agenda through several strategic initiatives focused on workforce visibility, capability enhancement, succession readiness, governance and digital transformation.

A key milestone during the year was the introduction of a new organisational structure in January 2026, aligned with the Company's enhanced operating model and future growth aspirations. As part of this transformation, MillenniumIT ESP implemented a structured career framework through the identification of key job family groups and role mapping initiatives, providing greater clarity around career progression, workforce planning and talent mobility.

The Company also strengthened talent management through the development of Talent Profiles, competency frameworks, and role-based skill matrices designed to support capability mapping, succession planning, leadership development and targeted employee growth initiatives.

Learning and development remained a significant focus area. During the year, employees completed 996 certifications through Udemy and an additional 116 certifications through recognised external platforms and professional certification providers. Employees collectively completed over 6,295 training hours, reflecting the Company's strong commitment to continuous learning and professional excellence. The Mi Tech Master Class programme continued to facilitate internal knowledge sharing and technical capability development across the organisation.

Leadership development and succession planning were further enhanced through digitised performance management and talent review processes, enabling the identification of high-potential employees, critical talent and future leadership candidates. These efforts formed part of a broader digital HR transformation journey aimed at improving operational efficiency, employee experience and data-driven decision-making.

Within the Mint HRM platform, the Company implemented and enhanced probation evaluation, contract renewal and resignation management modules, while advancing development of employee letter management, performance appraisal, and learning and development modules. Summit AI-powered ticketing capabilities were expanded to streamline employee requests, HR-related queries, service tracking and SLA management, and the Manatal recruitment platform was integrated with Mint HRM to automate hiring approvals and recruitment workflows. Discussions also commenced to integrate Nexus Vision to further strengthen onboarding and employee lifecycle management.

At year-end, the workforce comprised 635 employees, with an overall attrition rate of 20.76%, comprising permanent employee attrition of 22.45% and fixed-term employee attrition of 17.72%.

Employee wellbeing and engagement remained key priorities throughout the year. The Company introduced free counselling and employee support initiatives aimed at promoting mental wellbeing and emotional resilience. Employee recognition programmes were further strengthened through the relaunch of BRAVO Awards as BRAVO 2.0, recognising individuals who exemplify accountability, innovation, teamwork, operational excellence and technology-driven problem solving.

Employee engagement was fostered through numerous cultural and community initiatives including Avurudu celebrations, Vesak competitions, MiMoments engagements, Women's Day celebrations, Dansal programmes and the Company's 30th Anniversary celebrations. MillenniumIT ESP also continued supporting community development through the Ditwa Project conducted in partnership with the Million Paths Foundation.

Governance, ESG & Operational Excellence

MillenniumIT ESP continued to strengthen governance, risk management, compliance, and operational excellence frameworks during the year.

A significant milestone was the achievement of CMMI Level 3 certification and the successful completion of the SOC 2 audit. These accomplishments reinforce the Company's commitment to internationally recognised standards of operational maturity, customer trust, security, compliance and process excellence.

The Company further strengthened governance through enhanced risk management practices, audit compliance initiatives, standardised policy frameworks and ongoing process improvements designed to support scalability and operational resilience.

As part of its environmental sustainability efforts, MillenniumIT ESP continued promoting paperless operations through digital workflows, softcopy-based employee documentation, automated HR processes and digital recruitment practices, reducing paper consumption while improving operational efficiency.

Looking Ahead

As organisations continue to accelerate investments in digital transformation, cybersecurity, artificial intelligence, cloud services, enterprise automation and managed technology solutions, MillenniumIT ESP remains well positioned to capture emerging opportunities across both local and international markets.

To mirror evolving market demands, respond with greater agility, and grow at scale, MillenniumIT ESP realigned its organisational structure around dedicated practices and Centres of Excellence. These include a new AI practice and AI Centre of Excellence, Cybersecurity, and Platform Engineering supporting digital and AI transformation; Digital Platforms spanning Finacle for banking, Salesforce, and ServiceNow; Data and Analytics built on leading data stacks including Cloudera, Databricks, and Snowflake; Managed Services enabled by AIOps and FinOps; and Cloud Engineering across key cloud service providers including AWS, Azure, Google Cloud and Oracle Cloud Infrastructure, alongside emerging platforms such as Tencent Cloud.

This structure enables MillenniumIT ESP to bundle integrated solutions and technology offerings across AI, Data, Cloud and Cybersecurity, delivered through a vertical-focused model providing dedicated solutions to the Banking, Financial Services and Insurance (BFSI), Telecommunications, Healthcare and Manufacturing sectors. The AI Centre of Excellence further strengthens this proposition by offering customers thought leadership, AI readiness assessments and purpose-built solutions, including capabilities to help banks safeguard against emerging AI-driven cyber threats.

The Company will continue strengthening recurring revenue streams, enhancing gross profit margins, expanding international operations and deepening strategic partnerships with global technology leaders. Particular emphasis will be placed on expanding market presence across Australia, Europe and ASEAN through a combination of direct business development initiatives and channel partner expansion.

The management will also continue investing in talent development, organisational capability building, AI-driven innovation, operational excellence and digital transformation initiatives to strengthen competitiveness and support sustainable long-term growth. Armed with a resilient business model, strong technology partnerships, an expanding international footprint and a highly skilled workforce, MillenniumIT ESP remains committed to delivering innovative technology solutions that create lasting value for customers, shareholders, employees and stakeholders while reinforcing its position as a leading regional technology partner.

Financial Services Cluster: Taprobane Capital Plus (Private) Limited

The Financial Services cluster continued to demonstrate resilience and operational stability throughout the year despite evolving market conditions and broader economic challenges affecting the sector. The cluster comprising stockbroking, debt securities management, money brokering and related financial services operations generated consolidated profit of LKR 446 million during the year under review. While profitability growth remained relatively moderate compared to certain other segments, the performance is considered commendable given prevailing market conditions and industry headwinds.

The Group remains focused on further strengthening this vertical through service expansion, enhanced customer engagement and the introduction of additional financial services capabilities including trust services and investment banking activities. With strong liquidity positions, disciplined investment management and growing integration within the broader Group structure, the Financial Services cluster remains well-positioned to capitalise on opportunities emerging within Sri Lanka's evolving capital markets environment.

REAL ESTATE

Colombo City Holdings PLC

Real Estate continued to represent the largest contributor to the Company's overall asset base and long-term growth strategy during the year. Investment properties remained a key driver of profitability, supported by fair value appreciation and improving sentiment across premium real estate segments. Demand patterns within the market continue to evolve beyond conventional residential offerings. Buyers increasingly seek integrated lifestyle environments combining hospitality, wellness, recreation and long-term experiential value. Such structural shifts are reshaping development priorities across the sector and creating opportunities for differentiated premium developments capable of addressing these evolving preferences.

Colombo City Holdings PLC continued to align its development strategy accordingly, focusing on destination-led projects capable of generating both capital appreciation and recurring long-term income streams. The year under review represented an important phase in the evolution of Colombo City Holdings PLC. Historically positioned primarily as an investment and property-holding entity, the Company is now progressively transitioning into a broader, development-oriented and diversified operating platform. The focus during the year centred on unlocking the latent value embedded within the Company's strategic asset base while simultaneously strengthening long-term earnings resilience through sector diversification and recurring income opportunities. Significant emphasis was placed on repositioning historically underutilised assets into commercially productive investments capable of generating long-term capital appreciation and sustainable shareholder returns.

Operationally, the Company now functions across five strategic verticals:

» Real Estate
» Mixed Development / Leisure
» Plantations
» Warehousing
» Diversified Investments

Diversification across these sectors reflects a deliberate effort to reduce concentration risk while creating a more balanced and future-ready portfolio structure capable of sustaining performance across varying economic cycles. Real Estate, Leisure and Mixed Development continue to remain the primary growth drivers within the portfolio, supported by increasing demand for premium lifestyle environments and integrated destination-led experiences. Warehousing and logistics initiatives are expected to contribute greater recurring income stability over the medium term, while plantation assets continue to enhance long-term land value and portfolio resilience.

MIXED DEVELOPMENT & LEISURE

Kosgoda Mixed Development Project

Set along the pristine southern coastline of Sri Lanka, the Kosgoda development represents Colombo City Holdings PLC's most ambitious and transformative lifestyle project to date. Conceived as an exclusive coastal sanctuary integrating premium residences, hospitality-inspired experiences and environmentally conscious design, the development is envisioned as a destination defined by rarity, refinement and emotional connection to place. Positioned strategically between established leisure and residential destinations, Kosgoda has been designed to redefine contemporary coastal living through a carefully curated blend of luxury, privacy, wellness and long-term investment value. The project's masterplan incorporates a striking apartment tower, a collection of exclusive villas, curated recreational spaces, clubhouse facilities, and integrated lifestyle infrastructure, collectively creating a sophisticated resort-style environment along one of Sri Lanka's most naturally captivating beachfront settings.

Unlike conventional high-density developments, Kosgoda adopts a distinctly low-density planning philosophy centred around openness, tranquillity and uninterrupted engagement with the surrounding coastal landscape. Spacious layouts, carefully orientated residences and fluid architectural forms have been intentionally designed to maximise privacy, ocean views, natural light and seamless interaction with the natural environment. Every aspect of the development has been conceptualised to create a sense of calm exclusivity, where contemporary luxury coexists harmoniously with the rhythm and serenity of the coastline.

Leisure

Recovery in Sri Lanka's tourism industry continued to strengthen the outlook for the Company's leisure-related assets and future hospitality developments. Increasing international visitor arrivals, renewed airline connectivity, and improving occupancy levels collectively contributed towards a more favourable tourism operating environment. The Company's leisure strategy remains focused on experience-driven developments aligned with premium tourism and destination-led hospitality trends. Strategic land assets located in Sigiriya continue to present attractive long-term opportunities within the cultural and eco-tourism segment. Demand for environmentally integrated, boutique, and experiential tourism offerings is expected to continue strengthening over the medium term. Leisure developments are also expected to complement the Company's broader real estate strategy by supporting recurring hospitality-related income streams while simultaneously enhancing the overall value proposition of destination-based developments.

Warehousing and Logistics

Warehousing and logistics emerged as an increasingly important area of strategic focus during the year. Structural changes within supply chains, increasing demand for organised storage infrastructure, and the continued expansion of logistics-related activity continue to support long-term opportunities within the sector. The Company continued evaluating collaborative opportunities and strategic partnerships within warehousing infrastructure, including discussions connected to initiatives with key market players. Development of recurring lease-based income streams remains a key objective within this segment, supporting greater earnings stability and portfolio resilience over time.

Plantation Assets

The Angunukolapalassa plantation primarily comprises mature teak trees, Lunumidella trees and coconut plantations that have been cultivated and maintained over an extended period, contributing both agricultural and long-term asset value to the Group's diversified portfolio. The Group remains committed to the responsible maintenance and preservation of these plantation assets to enhance their long-term value and sustainability. The teak plantations, in particular, represent a valuable appreciating asset with future potential for sustainable timber-related returns, while the coconut plantations continue to support ongoing land and agricultural value.

Building Capacity

As Colombo City Holdings PLC continues to expand across multiple sectors, strengthening organisational capability remains a strategic priority. Development-led growth requires not only financial and operational resources, but also a workforce capable of supporting increasingly sophisticated project execution, stakeholder engagement, customer management and sector-specific expertise. The focus during the year remained centred on strengthening leadership capability, improving operational alignment, and cultivating a performance-driven organisational culture. Training and development initiatives were undertaken across technical, operational, customer engagement, compliance, and management functions to ensure employees remain equipped to operate within an increasingly dynamic business environment.

Employee engagement, collaboration, accountability and long-term capability development are central to the Company's people strategy. Management recognises that sustained success within premium real estate and leisure sectors is closely linked to the quality, professionalism, and commitment of its people.

Customer expectations within premium real estate and leisure sectors continue to evolve rapidly. Buyers and investors increasingly seek developments capable of delivering lifestyle integration, exclusivity, convenience, environmental sensitivity, and long-term experiential value rather than purely transactional offerings. Development planning and customer engagement strategies were increasingly shaped around these evolving expectations during the year. Greater emphasis was placed on understanding behavioural trends, lifestyle preferences, and the growing demand for integrated environments combining residential, hospitality, wellness, and recreational elements.

Marketing, Brand Positioning and Strategic Visibility

Marketing and brand positioning continued to evolve alongside the Company's broader transformation strategy. Earlier positioning centred primarily around selective asset ownership and individual projects. Increasing emphasis is now being placed on establishing Colombo City Holdings PLC as a diversified premium lifestyle and development platform with strong long-term growth potential.

Brand direction associated with future developments, particularly Kosgoda, reflects a more internationally aligned positioning strategy focused on destination-led experiences, environmental integration, and premium coastal living. Strategic marketing initiatives are expected to support investor engagement, project positioning, and international visibility through digital campaigns, investor roadshows, and targeted outreach initiatives. The Company increasingly recognises the importance of storytelling and experiential branding within premium real estate and tourism sectors.

Digital Transformation and Technology Integration

Digital integration continues to assume greater importance across operational and strategic functions. Technology-enabled systems are increasingly being utilised to improve operational visibility, strengthen customer engagement, support data-driven decision-making and enhance overall organisational responsiveness. Going forward, the Group plans to deploy advanced digital solutions across its operations as a key strategic initiative aimed at strengthening digital integration and improving operational efficiency.

Embedded Sustainability Commitment

Environmental, social and governance (ESG) considerations continue to remain closely integrated with the Company's development philosophy and long-term strategic direction. Sustainability principles are increasingly embedded within project planning, design, land use considerations and operational thinking.

Particular emphasis continues to be placed on environmentally sensitive development approaches within coastal and tourism-linked projects. Preservation of natural ecosystems, responsible land utilisation, biodiversity awareness and environmental integration remain central considerations in the conceptualisation of major developments such as Kosgoda.

Social responsibility also continues to form part of the Company's broader long-term value creation approach. Engagement with local communities, support for employment generation and contribution towards regional economic activity remain important considerations in future development planning. As projects progress, the Company expects to further strengthen community engagement initiatives connected to tourism, livelihoods, environmental awareness and sustainable development.

Outlook

The outlook for Colombo City Holdings PLC remains positive. Improving macroeconomic conditions, continued tourism recovery and increasing demand for differentiated lifestyle developments are expected to support future growth momentum across key operating sectors. The Company's priority during the coming years will consist of advancing the Kosgoda development, strengthening recurring income generation, expanding strategic partnerships and enhancing execution capability across the broader portfolio. Diversification across multiple sectors is expected to further strengthen earnings resilience while supporting sustainable growth over the medium to long term for Colombo City Holdings PLC to emerge as a differentiated participant within Sri Lanka's evolving premium real estate and leisure landscape.

Myland Developments PLC

Myland Developments PLC operates as a publicly listed real estate development company in Sri Lanka, with core operations spanning land acquisition, development, and sales. The business model is centred on delivering residential land solutions across the island, targeting both individual homebuyers and property investors seeking long-term value. Its strategic focus remains on identifying and developing well-located land parcels that meet stringent legal and regulatory compliance standards, while incorporating value-adding infrastructure and amenities. This approach is underpinned by a customer-centric operating philosophy, disciplined corporate governance practices, and a commitment to sustainable development principles that align with the Company's long-term stakeholder value creation objectives. Despite challenging market conditions, the Company continues to expand its project portfolio and strengthen its position as an emerging player in the country's property development industry.

Having successfully completed an important phase of organisational strengthening and stabilisation, Myland

Developments PLC enters the 2026/27 financial year with a clear strategic focus centred on growth, operational excellence and value creation. The Company aims to expand its land development portfolio through strategic acquisition of well-located land assets in areas benefitting from infrastructure development and rising investment demand, thereby building a stronger project pipeline and future revenue base. Myland will also strengthen its project execution capabilities through enhanced planning, monitoring, and internal accountability to ensure consistent and efficient delivery. The Company also remains committed to reinforcing its brand positioning and market presence, deepening customer engagement and accelerating digital transformation across its ERP, CRM and reporting systems to support data-driven decision-making and stronger governance. These efforts will be complemented by a continued focus on improving the customer experience through greater transparency, responsiveness and value-oriented offerings. Underpinning all strategic initiatives is its unwavering commitment to financial discipline: through prudent capital allocation, sound risk management and disciplined project selection, ensuring sustainable performance and long-term shareholder value. Collectively, these priorities position Myland Developments PLC to build lasting resilience and create sustainable value for all stakeholders in the year ahead.

DIVERSIFIED INVESTMENTS

DFCC

The investment in DFCC Bank PLC reflects the Group's confidence in the long-term prospects of Sri Lanka's banking sector and its importance as a catalyst for economic growth and capital formation. The acquisition of a strategic stake represented a deliberate re-entry into the domestic banking industry at a time when valuations remained attractive relative to long-term fundamentals and recovery prospects. The investment aligns closely with the Group's capital allocation philosophy of identifying high-quality institutions with strong governance standards, resilient business models, and the ability to generate sustainable returns through both capital appreciation and dividend income.

Seylan Bank

The decision to increase the Group's shareholding in Seylan Bank PLC reflects a strong conviction in the institution's fundamentals, governance standards and long-term growth potential. Well-managed financial institutions will be among the primary beneficiaries of improving business confidence, increased private sector activity and rising credit demand in the country. Beyond the opportunity for capital appreciation, the investment supports the Group's objective of building stable, recurring income streams through dividend-yielding assets while maintaining exposure to one of the most strategically important sectors. The investment therefore represents both a financial opportunity and a long-term strategic position within the evolving banking landscape.

Ceylon Hotels Corporation

The investment in Ceylon Hotels Corporation PLC complements the broader strategy of widening and deepening to leisure, tourism, and lifestyle-oriented sectors alongside its real estate initiatives through Colombo City Holdings. Viewed collectively, these investments position the Group to benefit from multiple themes shaping the future of Sri Lanka's tourism industry, including wellness tourism, premium coastal living, destination-led developments and experiential travel.

Kandy Hotels Corporation (KHC)

The Group's exposure to Kandy Hotels Company (KHC) PLC reflects its broader conviction in the long-term prospects of Sri Lanka's tourism and hospitality sectors. As demand increasingly shifts towards authentic, heritage-rich, and experience-led travel, hospitality assets located within the cultural and tourism corridors are expected to benefit from favourable long-term demand dynamics. The investment complements the Group's wider strategy of building exposure across tourism, leisure, hospitality and lifestyle-related sectors, creating synergies with its real estate and destination development initiatives. This investment is perceived as long-duration asset capable of delivering both capital appreciation and recurring income as Sri Lanka strengthens its position as a premium travel destination.

Group Treasury

A distinguishing feature of the Group's operating model is the strategic role played by its centralised Treasury function, which has evolved well beyond the traditional remit of liquidity management to become a critical driver of capital stewardship and value creation across the portfolio. Acting as the financial nerve centre of the Group, the Treasury is responsible for managing Group-level capital flows, overseeing intercompany funding, optimising asset deployment and maintaining the financial flexibility necessary to support both existing operations and emerging opportunities.

During the year, the Treasury continued to adopt a disciplined and forward-looking approach to capital allocation, deploying surplus liquidity into carefully selected equity investments, government securities and dividend-yielding assets capable of generating attractive risk-adjusted returns while preserving capital and maintaining a conservative risk profile. Its active role in portfolio rebalancing and treasury optimisation enabled the Group to capitalise on favourable opportunities within banking, fixed income and strategic investments, while simultaneously ensuring adequate liquidity to support expansion initiatives across the broader portfolio.

The Treasury also played an instrumental role in facilitating strategic investments, supporting subsidiaries' capital requirements and executing the wider portfolio transformation agenda, including the redeployment of capital from mature or non-core assets towards sectors aligned with long-term structural growth trends.

Management Discussion and Analysis

Supported by strong liquidity buffers, prudent governance and disciplined investment processes, the Treasury has consistently demonstrated its ability to generate recurring income streams, enhance financial resilience and preserve optionality in an increasingly dynamic operating environment.

Mining and Strategic Investments

The Group's investment into Taprobane Minerals and related exposure to Capital Metals PLC represents a strategic long-term initiative aimed at positioning the Group within Sri Lanka's evolving mineral resources sector. During the year, progress continued with exploration-related approvals and regulatory engagement. While certain delays were experienced in obtaining final exploration licences, management remains optimistic regarding the long-term outlook for the sector, particularly in light of anticipated reforms to Sri Lanka's mineral exploitation policy framework.

Digital Transformation and Organisational Capability

Across the Group, management continued to focus on strengthening operational capability, employee development, and digital transformation initiatives. Beyond ongoing enhancements to existing ERP systems, the Group commenced initiatives aimed at integrating agentic AI capabilities into selected enterprise platforms and operational processes. These initiatives are expected to improve operational efficiency, decision-making capability, automation, and overall business agility across the Group.

The Group also continued to invest in staff development through training, mentoring, and cross-functional exposure across industries and business verticals. Management believes that developing adaptable and multi-skilled talent remains critical to sustaining long-term organisational resilience and innovation capability.

Outlook

Looking ahead, Ambeon Capital PLC remains confident regarding the configuration, strategic direction, and long-term growth potential of its business portfolio. The Group enters the new financial year with a stronger balance sheet, improved profitability, diversified earnings streams and multiple strategic growth initiatives underway. Management expects continued growth across the technology cluster, particularly through enhanced AI capabilities and regional expansion initiatives. The real estate vertical is expected to progress towards execution of several key development projects, while the Financial Services cluster will continue expanding into adjacent business segments . The inclusion of the FMCG vertical through the acquisition of Harischandra Mills PLC is also expected to further strengthen portfolio balance, recurring cash flow generation, and long-term value creation potential.

While external uncertainties and market volatility are likely to persist, the Group remains confident that its diversified investment platform, disciplined capital allocation framework, prudent treasury management and long-term strategic orientation will continue to support sustainable growth and shareholder value creation across economic cycles.

Our Value Creation Model

VALUE CREATION MODEL

Ambeon Capital PLC

Inputs

1

Financial Capital
- Treasury
- Funding
- Total Assets LKR 40 Bn
- Equity LKR 13Bn

Human Capital
- Leadership
- Talent
- Governance
- +700 Workforce

Intellectual Capital
- Investment
- Expertise
- Digital
- Capacity
- 6 Digital Solutions

Social and Relationship
- Strategic
- Partners
- Customers
- Investors

Natural and Manufactured
- Over 250Mn Property Plant & Equipments
- 5 Office Locations
- Over 120Mn IT Assets

AMBEON CAITAL PLC

2

Investment Platform

Value Creation Activities

- Strategic Capital Allocation
- Portfolio diversification
- Digital Transformation
- Risk management and governance
- ESD and sustainability integrations
- Mergers, Accuisitions & Asset Optimization

BUSINESS CLUSTERS

3

Technology
MillenniumIT ESP
Sherwood Technologies

Financial Services
Ambeon Securities
Taprobane Investments
Sherwood Capital

Real Estate
Colombo City Holdings
Myland Developments PLC

Diversified Investment
Strategic Bank Stakes

Group Treasury
Short to Medium Term Investments

4

Outputs

- Revenue Growth
- Diversified Earnings Streams
- Enhanced Asset Value
- Strong Liquidity & Capital Strength
- Regional Market Expansion
- Improved Operational Efficiency

5

Outcomes & Impact

Government	Taxes Paid +800Mn
Shareholders	Over 1Bn Dividend / NAV Growth / Value Appreciation
Employees	Skills Development / Career Growth / Staff cost over 3.7Bn
Communities	Economic Development / Responsible Business
Communities	ESG Integration / Sustainable Resource Stewardship

GOVERNANCE • RISK MANAGEMENT • STAKEHOLDER FEEDBACK

Corporate Governance

Good corporate governance facilitates operational efficiency, improves access to capital, mitigates risk and enhances transparency in both processes and reporting. These serve to reassure regulators about the Company's compliance, which in turn increases stakeholder confidence.

Apart from the regulatory requirements, the Company's, and the Group's, policies also take into consideration industry best practices and sustainable business methods - all of which are inculcated across all levels of the Group. Good corporate governance is thereby embedded in every company under the Ambeon umbrella. An internal control system monitors conformance with Company policies and framework. Further, systems and procedures of all business activities are regularly reviewed. This enables proactive amending, when and where necessary, and thus helps to further strengthen internal control and the governance structure.

In order to ensure a high level of good governance, the group complies fully with all the mandatory provisions of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange (CSE) and the Securities and Exchange Commission (SEC) of Sri Lanka Act. The Group also complies with all other legislation and rules applicable to the businesses of the respective companies within the Group and practices voluntary compliance with the Code of Best Practices on Corporate Governance jointly advocated by the SEC and the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

GOVERNANCE FRAMEWORK

The Board

The Board is in control of the affairs of the Company and remains committed to improving governance practices to protect the best interests of shareholders and other stakeholders. The role of the Board includes:

- Providing entrepreneurial leadership to the Group;
- Giving strategic guidance and evaluating, reviewing and approving corporate strategy and the performance objectives of the Group;
- Approving and monitoring financial and other reporting practices adopted by the Group;
- Reviewing management performance in meeting the agreed goals, monitoring the reporting of performance and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.
- Assessing HR processes with emphasis on succession planning for the top management of the Group of Companies.
- Appointing and reviewing the performance of the CEOs of the Group Companies.
- Monitoring the systems of governance and compliance of the Group.
- Overseeing systems of internal control and risk management of the Group.
- Determining discretions/authorities delegated from the Board to the executive levels.
- Evaluating and approving major acquisitions, disposals, and capital expenditure.

THE BOARD COMPOSITION AND BOARD BALANCE

The Board comprises of seven (07) Directors of whom 06 are Independent Non-Executive Directors. The Non-Executive Directors provide a significant depth of knowledge and expertise, collectively gained from having worked across a variety of public and private enterprises in various industries. The Board includes two qualified Chartered Accountants and a Management Accountant who provides the Board with the required financial acumen and knowledge on financial matters.

BOARD SKILLS

The Board collectively embodies a wealth of knowledge gained from diverse experience in the fields of business, finance, economics and marketing, providing the Company with extensive expertise to develop strategies and interpret market trends. Further details of their qualifications and experience are provided under the Board Profiles section of this Annual Report in pages 17 to 20. The Board considers that the composition and expertise of the Board is sufficient to meet the present requirements of the Group. In any event, the Board composition is reviewed regularly to ensure that it aligns with the necessary business needs and intricacy of the Group's operations.

The composition of Board of Directors during the financial year and as at date are as follows:

Mr. D T S H Mudalige - *Chairman/ Independent Non-Executive Director*

Dr. K S Narangoda
Group CEO/ Executive Director

Mr. S L Sebastian
Independent Non-Executive Director

Mr. S Kumar
Independent Non-Executive Director

Mr. C T Tsoi
Independent Non-Executive Director

Mr. D M Weerasekare
Independent Non-Executive Director

Mr. M D J R Goonetilleke
Independent, Non-Executive Director

BOARD INDEPENDENCE

The Board complies with the regulatory requirement for Independent Directors based on the annual declarations made by each of the non-executive directors in accordance with the requirements of the Listing Rules of the CSE, Mr. D T S H Mudalige, Mr. S L Sebastian, Mr. S Kumar, Mr. C T Tsoi, Mr. D M Weerasekare & Mr. M D J R Goonetilleke were considered independent.

BOARD MEETINGS AND ATTENDANCE

An annual calendar of Board meetings is prepared and agreed upon in the final quarter of the preceding financial year. Adequate time is given to the discussion of each agenda item to ensure that well informed decisions are taken. Members of the management and external advisors are invited when required to provide further clarity to the Board. Board meetings are held quarterly and additional Board meetings held whenever felt necessary, to deal with specific matters. A total of 07 meetings were held during the financial year.

The attendance of directors at these meetings is set out in the table below:

Name of Director	Status	Meetings eligible to attend	Meetings Attended	Attendance	As a percentage (%)
Mr. D T S H Mudalige (*Chairman*)	IND NED/ Chairman	7	7	7/7	100
Dr. K S Narangoda	EXD/GROUP CEO	7	7	7/7	100
Mr. S L Sebastian	IND NED	7	6	6/7	85
Mr. S Kumar	IND NED	7	4	4/7	57
Mr. C T Tsoi	IND NED	7	6	6/7	85
Mr. R P Sugathadasa (resigned w.e.f. 16.09.2025)	NON- IND NED	2	2	2/2	100
Mr. D M Weerasekare	IND NED	7	7	7/7	100
Mr. M D J R Goonetilleke (appointed w.e.f. 21.04.2025)	IND NED	7	7	7/7	100

Status of Directorship

NED -Non-Executive Director

IND- Independent Non-Executive Director

EXD - Executive Director

ACCESS TO INFORMATION

The Board is supplied with complete and adequate information in advance for each meeting to enable the Board to make informed decisions. These include the agenda, minutes, financial and operational performance reports and comprehensive board papers supported by all necessary information.

The Board is also regularly presented with details of business development, risk management and new regulatory requirements. Directors can also call for any additional information they feel is required. While the Board has separate and independent access to the Group's Senior Management, all Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

The Directors, especially non-executive directors, may seek independent professional advice in the course of fulfilling their responsibilities, at the Company's expense.

PROFESSIONAL DEVELOPMENT AND PERFORMANCE EVALUATION

Regular training, conducted by both external and in-house facilitators, enable the Directors to update and enhance their existing skills and knowledge. Periodic briefings also keep the Directors aware of amendments or additions to any laws, regulations and accounting standards which impact the Group's business and the directors. The Board's performance is evaluated by the Remuneration Committee & the Nominations & Governance Committee using objective criteria which the Committee has agreed upon.

Corporate Governance

DELEGATION OF AUTHORITY AND BOARD COMMITTEES

For operational efficiency, the Board has delegated certain authority to Board Sub Committees and to Management. Authority is delegated to management through clearly defined limits and is supplemented by Board approved polices which specify the principles by which business is to be conducted. Controls to facilitate accountability are also built in.

Authority is delegated with the view to facilitating timely, effective, and quality decision making at the appropriate level. To enable this, the Board has also appointed the following Board Sub Committees for more effective oversight and control.

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Nominations & Governance Committee
- Investment Committee

All Board Sub Committees have written terms of reference approved by the Board and the Board is kept apprised of their discussions and decisions. Where any Committee feels an issue is outside its scope of authority, the issue will be forwarded to the Board for discussion and resolution.

The Chairpersons of each of the Board Sub Committees report to the Board on the matters discussed at the Sub Committee meeting, and the relevant decisions are incorporated in the minutes of the Board meetings.

Audit Committee

The Audit Committee ensures that the Company and the Group complies with applicable accounting standards, laws and regulations. The Committee aims to ensure that the financial statements, together with relevant corporate disclosures not only provide all stakeholders with an accurate picture of the Company and Group but also convey the high standards of corporate responsibility; transparency and accountability that the Board wishes to maintain appropriate standards of corporate responsibility, integrity and accountability to the shareholders. The appointed members of the Audit Committee are required to exercise independent judgment in carrying out their functions.

The activities conducted by the Audit Committee are set out in the Audit Committee Report is on pages 70 and 71.

Remuneration Committee

The remuneration Committee is responsible for reviewing the remuneration of the Executive and Non-Executive Directors and the key management personnel within the senior management and for making recommendations to the Board. The Remuneration Committee also calls for quarterly reports from the HR Division on staff-related matters.

Remuneration Committee Report is on page 72.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee has been appointed in compliance with Listing Rules of the CSE and reviews and approves any such transactions.

Related Party Transactions Review Committee Report is on page 73.

Nominations & Governance Committee

The Committee ensures that the Board of Directors is appropriately structured, diverse, and equipped to meet the Company's strategic goals while upholding high standards of governance. It oversees Director appointments, succession planning, independence evaluations, and compliance with corporate governance regulations.

Nominations & Governance Committee Report is on pages 74 and 75.

Investment Committee

The Committee operates as a Sub Committee of the Board. The purpose of this Committee is to oversee the Group's investment transactions, management, policies and guidelines of all capital projects of the Group.

Board Committee	Responsibilities
Audit Committee	» Ensure compliance with applicable accounting standards and laws. » Ensures high standards of transparency and corporate disclosure. » Maintain appropriate standards of corporate responsibility, integrity and accountability to the shareholders. » Exercise independent judgment in carrying out their functions.
Remuneration Committee	» Formulate, review, approve and make recommendations to the Board regarding remuneration. » Obtain quarterly updates from the HR Division on staff related matters.
Related Party Transactions Review Committee	» Review related party transactions as prescribed by Section 09 of the Listing Rules of the CSE
Nominations & Governance Committee	» Assess the skills required on the Board given the needs of the businesses. » Prepare a clear description of the role and capabilities required for a particular appointment. » Identify and recommend suitable candidates for appointments to the Board. » Upholding high standards of governance. » All other key functions required under the listing rules of the Colombo Stock Exchange.
Investment Committee	» Develop the Group's investment objectives and corporate policies on investing.

RETIREMENT OF DIRECTORS BY ROTATION AND RE-ELECTION

In terms of the Company's Articles of Association (AOA) , at each Annual General Meeting (AGM) one third (1/3rd) of the Directors for the time being shall retire from office by rotation. The Directors who retire at the AGM shall as far as practicable be those who have been longest in the office since their last election or appointment. Accordingly Mr S. Kumar and Mr C.T.Tsoi retires by rotation in terms of Article 27 (7) of the AOA Of the Company and being eligible, offers themselves for re-election.

REMUNERATION

The remuneration policy of the Company is designed to recognize the skills and expertise of the Directors. It also acknowledges the responsibility the directors undertake in leading a Company of this stature and operational complexity. The remuneration policy for directors is proposed and periodically reviewed by the Remuneration Committee, in keeping with criteria of reasonability.

ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

The Board aims to provide stakeholders with a balanced and understandable assessment of the Group's position potential. Believing that independent verification ensures the integrity of the Group's accounting process and financial reporting, the Board has established a formal and transparent process to facilitate this verification. This process, together with internal control systems, are periodically reviewed and monitored to ensure effectiveness.

Confirmation that the financial statements are prepared in accordance with Sri Lanka Accounting Standards and other applicable laws is found on pages 92 to 107. The auditors' independent Opinion is found on pages 81 to 84.

RECOGNIZE AND MANAGE RISK INTERNAL CONTROL

Recognizing its responsibility to ensure the safeguarding of shareholders' investment and Group's assets. The Board has approved a system of internal controls which takes into account all regulatory requirements and also industry best practices. The effectiveness of the Group's system of internal controls is reviewed by the Audit Committee which reports its findings to the Board. The review includes all material control lapses, including financial, operational and compliance controls and risk management systems.

The Audit Committee also quarterly calls for certificate confirming compliance with all applicable statutory and regulatory requirements. This is provided by the Head of Finance and covers all subsidiary companies too.

ENTERPRISE RISK MANAGEMENT SYSTEM

An Enterprise Risk Management system has been implemented for identifying, assessing, monitoring, and managing material risk throughout the Organization, which includes:

- Oversight of the risk management system;
- Examination of the Company's risk profile and identification of the material risks faced by the Company, both financial and non-financial.
- Assessment of compliance and control measures;
- Assessment of the effectiveness of the Company's risk management system is itself reviewed at least once a year.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

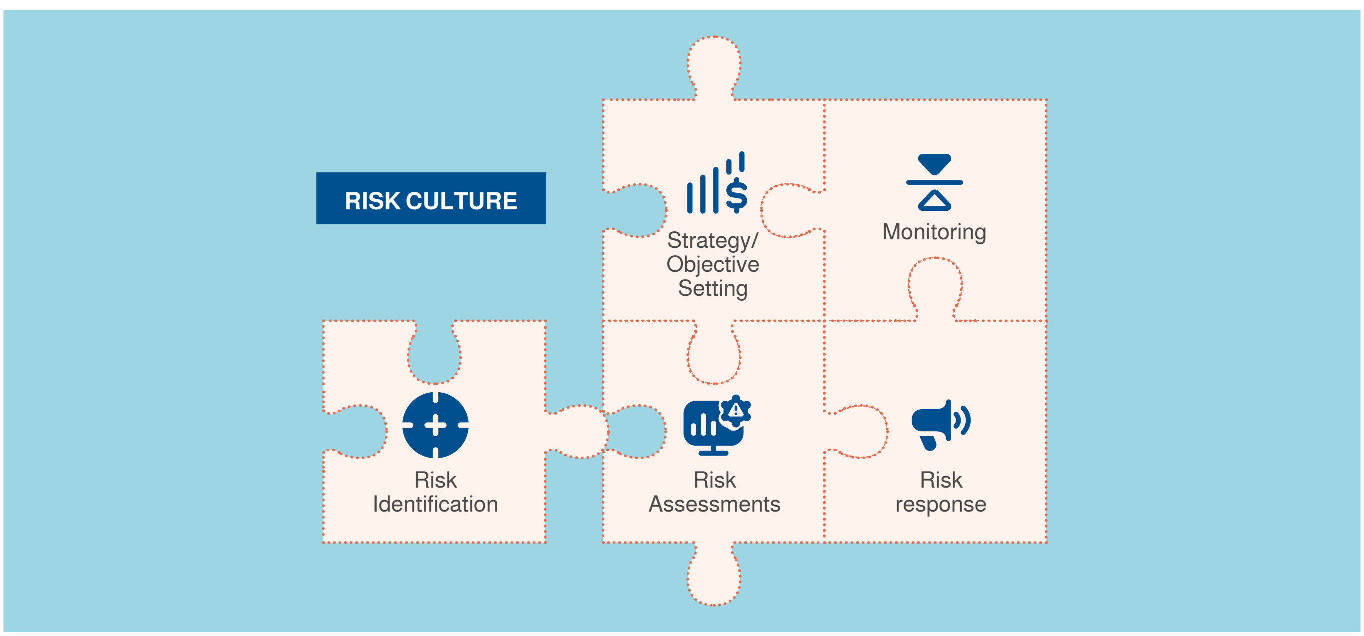
Internal Audit

To facilitate the internal audit function, and ensure independence and objectivity, internal audits are conducted by a reputed audit firm independent of management. This independence is further strengthened by the internal auditors reporting directly to the Audit Committee. The Internal Auditor has access to management and the authority to seek information and review any relevant, records, on completion of the audit review, a report is submitted to the Audit Committee.

The Audit Committee oversees the scope of the internal audit and meet with the internal auditors without any of the management being present.

Further details are in the Audit Committee Report on pages 70 and 71.

RESPONSIBLE DECISION-MAKING



Enterprises Management Framework

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board is keenly aware of their responsibilities as directors and act with prudent responsibility when making decisions relating to the activities of the Company or Group. Ethical and responsible decision making is encouraged at all levels of decision making within the Group and are supported by the Group's Code of Business Ethics and Employee Code of Conduct. The Board believes strongly that these will promote stakeholder confidence in the Group's integrity and to demonstrate the commitment of the Group to ethical business practices.

RESPECT FOR THE RIGHTS OF SHAREHOLDERS

The Company demonstrates its respect of the rights of shareholders and other investors by ensuring they have access to regular information about the Company's position and progress.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with the shareholders through the following means of communication:

Annual General Meeting (AGM)	The AGM is one of the most significant ways by which shareholders can meet with the Board. This also provides them with opportunity to communicate their views on various matters affecting the Company. The AGM is also attended by the Management & External Auditors who can clarify or add to the information provided.
Announcements to the Colombo Stock Exchange (CSE)	In compliance with the Listing Rules of the CSE, announcements of quarterly financial results and announcements on corporate actions are disclosed to the CSE in a prompt and timely manner.
Media Releases	Media releases are made to the media on all significant Group developments and business initiatives through the Group Companies.

INVESTOR RELATIONS

The Group Investor Relations (IR) Team is responsible for disseminating information to the investor community, which includes the institutional fund managers and analysts. The IR team maintains close contact with the investor community through personal meetings, teleconferences and emails. To ensure that the Group's strategies, operational activities and financial performance are well understood and that such information is made available in a timely manner.

MAJOR TRANSACTIONS

During the financial year, there were no transactions which could be deemed "major transactions" as defined in the Companies Act No. 7 of 2007.

Appendix 1: Compliance with Section 7.6 of the Listing Rules of the Colombo Stock Exchange (CSE).

The table below summarises the status of compliance with Section 7.6 of the Listing Rules of the Colombo Stock Exchange on the contents of the Annual Report.

	CSE Rule reference and description	Section reference in the Annual Report
7.6 Contents of the Annual Report		
a)	Names of persons who during the financial year were Directors of the Entity	Annual Report of the Board of Directors on page 76
b)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Annual Report of the Board of Directors on page 76
c)	The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares and the percentage of such shares held	Share information on page 165
d)	The float adjusted market capitalization, the public holding percentage, number of public shareholders and option under which the Company complies with the minimum public holding requirement	Share information on page 165
e)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Annual Report of the Board of Directors on page 76 Share information on page 165
f)	Information pertaining to material foreseeable risk factors of the Entity.	Risk Management Report on page 66
g)	Details of material issues pertaining to employees and industrial relations of the Entity.	Annual Report of the Board of Directors on page 76
h)	Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Details on Group properties on page 169
i)	Number of shares representing the Entity's Stated Capital	Note 21 to the financial statements on page 136
j)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Share information on page 165
k)	Financial ratios and market price information	Share information on page 165
l)	Significant changes in the Entity's or it's subsidiaries fixed assets, and the market value of land, if the value differs substantially from the book value.	Note 12 to the financial statements on page 119
m)	Details of funds raised through a public issue, rights issue and a private placement during the year.	During the year under review, there were no public issues, rights issues or private placements.
n)	Information in respect of Employees Share Ownership or Stock Option Scheme	The Company does not have any Employee Share Option or Share Purchase Schemes at present.
o)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Please refer Appendix 2
p)	Related Party Transactions exceeding 10% of the equity and 5% of the total assets of the Entity as per the audited financial statements, whichever is lower.	Please refer Note No. 32.7

Appendix 2: Compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange (CSE) on Corporate Governance is given below

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.1 9.1.1 9.1.2 9.1.3	Corporate Governance Rules Extent of compliance with Corporate Governance Rules	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
9.2 9.2.1.	Policies Availability of policies	a) Policy on matters relating to the Board of Directors b) Policy on Corporate Governance, Nominations and re-election c) Policy on Shareholder and Investor Communications d) Policy on Remuneration e) Policy on Board Subcommittees f) Policy on Corporate Disclosures g) Policy on Anti-bribery and Corruption h) Policy on Internal Code of Conduct i) Policy on ESG j) Policy on control and management of company assets and shareholder investments k) Policy on whistle blowing l) Policy on risk management and internal controls	✓
9.2.2	Waivers and exemptions from compliance with the Code of Business Conduct and Ethics	At present there are no waivers and exemptions granted.	✓
9.2.3	Disclosures in the Annual Report on policies	All policies have been implemented and the availability of the same have been disclosed on the website.	✓
9.2.4	Requesting of policies by shareholders	The Company shall make available all such policies to shareholders upon a written request being made for any such policy.	✓
9.3 9.3.1	Board Committees Establishment of Board Committees	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓
9.3.2	Board Committees - Composition, Responsibilities and Disclosures	Please refer the Board Subcommittee Reports for details.	✓
9.3.3	Chairperson of Board Committees	The Chairman, does not serve as the Chair in any of the Board Subcommittees.	✓
9.4 9.4.1	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders Record maintenance on resolutions	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.2 a - c	Communication and relations with shareholders and investors	Policy has been implemented and the availability of the same have been disclosed on the website.	✓

Corporate Governance

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.4.2 d	Holding virtual/hybrid General Meetings	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
9.5 9.5.1	Policy on matters relating to the Board of Directors Formal governing policy on matters relating to the Board of Directors	Policy has been implemented and the availability of the same have been disclosed on the website.	✓
9.5.2	Disclosures in the Annual Report relating to 9.5.1	Please refer page 76 Report of the Board of Directors on the affairs of the Company	✓
9.6 9.6.1	Chairperson and CEO Position of Chairperson and CEO	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are held by two individuals.	✓
9.6.2	Disclosure of non-compliance	Not applicable	
9.6.3 a-e and 9.6.4	The requirement for a SID	The need to appoint a SID has not arisen.	✓
9.7 9.7.1	Fitness of Directors and CEO Appointment of fit and proper persons as Directors and CEO	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules.	✓
9.7.2	Appointment	The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/re-appointment at the AGM.	✓
9.7.4	Annual declarations from Directors	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria as at the date of confirmation as set out in Section 9.7.3 (a), (b), and (c) of Listing Rules were obtained.	✓
9.7.5	Disclosures in the Annual Report	Please refer the Corporate Governance Report on page 38 for the disclosure.	✓
9.8 9.8.1	Board Composition Board at minimum to consist of five (5) Directors.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of seven (07) Directors.	✓
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of Six (06) Independent Non-Executive Directors.	✓
9.8.3 & 9.8.4	Criteria for determining independence	The Company complied with the criteria for determining independence of a Director	✓
9.8.5	Declarations	Each Non-Executive Director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules. The names of independent directors are disclosed in the Corporate Governance Report on page 38	✓
9.9 9.9 a-e	Alternate Directors Appointment of alternate director	Not applicable.	

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.10 9.10.1	Disclosures relating to Directors Policy on maximum number of directorships		✓
9.10.2	Appointment of new Directors	Appointments made to the Board which were duly disclosed and market announcement captured the requirements under rule 9.10.2.	✓
9.10.3	Changes to the composition	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in the Annual Report	Please refer the Directors profiles and the Corporate Governance Report for details	✓
9.11 9.11.1	Nominations and Governance Committee Availability of Nominations and Governance Committee	The Board Nominations and Governance Committee was established on 1st July 2024	✓
9.11.2	Formal procedure for appointment and re-election of Directors	The Committee maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	✓
9.11.3	Terms of Reference	The Committee has adopted a Term of Reference which define the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.11.4 (1) - (3)	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Composition of the Committee is in line with the Rules.	✓
9.11.5	Functions	The Committee has documented the functions of the Committee in the Terms of Reference.	✓
9.11.6	Disclosures in the Annual Report	Please refer Nominations and Governance Committee Report on page 74	✓
9.12	Remuneration Committee		
9.12.2	Availability of a Remuneration Committee	A Board Remuneration Committee is in place	✓
9.12.3 and 9.12.4	Remuneration Policy - Executive Directors/Non-Executive Directors	The Committee was established with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for the employees including the CEO.	✓
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which defines the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.12.6 (1) - (3)	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors Remuneration Committee of the subsidiary	Please refer the Board Remuneration Committee Report on page 72 for details on composition. The Board Remuneration Committee does not function as the remuneration committee of the subsidiaries.	✓
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 72	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 72	✓
9.13	Audit Committee		
9.13.1	Audit Committee	Both the risk and audit functions are performed by the Board Audit Committee.	✓
9.13.2	Terms of Reference	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 70	✓
9.13.3	Composition	Please refer Audit Committee Report on page 70 for composition, meetings and other information.	✓
9.13.4	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 70	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on page 70	✓
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of the Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	✓
9.14.2	Composition	Please refer Related Party Transactions Review Committee Report on page 73 The parent company Related Party Transactions Review Committee does not function as the Related Party Transactions Review Committee of the Subsidiaries.	✓
9.14.3	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Related Party Transactions Review Committee Report on page 73	✓
9.14.4 (1)	Quarterly meetings	The Committee met five (05) times during the financial year and the minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	✓
9.14.4 (2)	Access to knowledge or expertise to assess all aspects of proposed related party transactions	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference, the Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
9.14.4 (3)	Approval by the Board of Directors	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.14.4 (4)	Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required. If a Director has a material interest being considered at a Board Meeting to approve a related party transaction as required in Rule 9.14.4 (3) such Director will not, (a) Be present while the matter is being considered at the meeting and; (b) Vote on the matter	✓
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Disclosures in the Annual Report	Please refer Related Party Transactions Review Committee Report on page 73 and the Annual Report of the Board of Directors on the affairs of the Company on page 76 for disclosures.	✓
9.16	Additional disclosures	Please refer page 76 for the Annual Report of the Board of Directors on the affairs of the Company for the disclosures.	✓

Appendix 3: Statement of Compliance of Company's Act No. 07 of 2007

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	92
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	87
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	81
168 (1) (d)	Accounting Policies and any changes made during the accounting period	92
168 (1) (e)	Particulars of the entries made in the Interest Register during the accounting period	76
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Note 9 in Page 115
168 (1) (g)	Corporate donations made by the Company during the accounting period	76
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	170
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Note 9 in Page 115
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	76
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	78

SLFRS Sustainability-Related Financial Disclosures

1.0 BASIS OF PREPARATION

1.1 Reporting Entity, Organization Boundary and Value Chain

SLFRS Sustainability related Financial disclosures cover, unless otherwise specifically stated, entities where the Company held a controlling interest (i.e. more than 50% shareholding) within the financial reporting boundary (refer pages 6 and 7 of this Annual Report for the Group Structure) collectively referred to as "the Group" for the financial year ending 31 March 2026. Any investments which were divested within the period 1 April 2025 to 31 March 2026 have been excluded from this disclosure.

These disclosures are intended to provide decision useful information for the uses of this Annual Report regarding Climate Related Risks and Opportunities that could reasonably be expected to impact the cash flows, access to finance and cost of capital over short-, medium- or long-term horizons (refer 1.6 below for definitions). Prepared under the authority of the Board of Directors of the Company, these disclosures have been approved by the Board for release on 28 August 2026.

Our Value Chain is found in Page 37 of this report.

1.2 Basis of Materiality

SLFRS S1 - "General Requirements for Disclosure of Sustainability-related Financial Information" requires entities to disclose sustainability-related risks and opportunities (SRROs), while SLFRS S2 - "Climate-related Disclosures" focuses on climate-related risks and opportunities (CRROs) that could reasonably be expected to affect an entity's future prospects.

Information becomes material if its omission, misstatement, or obscurity could influence the decisions of users of general-purpose financial reports such as this Annual Report. Accordingly, the Group applies the principle of materiality to ensure that its sustainability related financial disclosures focus on topics which are most pertinent to its prospects through a thorough analysis of the Group's value chain and operating model.

To identify relevant SRROs (limited to CRROs for the first year of disclosure), the Group assessed its entire value chain, including upstream, internal, and downstream activities, its business strategy and business model, and operating segments. A qualitative assessment was then conducted to determine the risks and opportunities most significant to the Group. While SLFRS Sustainability Disclosure Standards are based on financial materiality, the Group also took into cognizance impact materiality into its assessment process.

In assessing climate-related risks and opportunities, their potential impact on revenue, profitability, cashflows, access to finance, investment opportunities, and alignment with long-term strategic objectives of the Group were taken into consideration.

Accordingly, the disclosures herein only covers Risks and Opportunities that have been identified as material for this reporting period based on the selected criteria. It should be noted however that this selection will be reviewed periodically for emerging Risks and opportunities which may cross the materiality thresholds and reassessed as their potential impact, likelihood, or stakeholder relevance evolves over time.

Determination of Financial Materiality

The determination of the materiality indicators and related thresholds was made after careful consideration of the Group's business model, internal performance metrics, and performance indicators that are of material interest to shareholders, while also ensuring a holistic approach to materiality assessment.

In addition to quantitative financial considerations, qualitative factors such as potential reputational impacts, the Group's social license to operate, regulatory and stakeholder expectations, and the strategic priorities of the Group were considered in assessing materiality. Matters that may not meet the quantitative thresholds but could significantly influence stakeholder decision-making or affect the Group's long-term value creation were also considered.

Accordingly, the following indicators and thresholds have been identified as the metrics and materiality thresholds:

Materiality Metric	Threshold	Basis of Determination
Group Revenue	1%	Qualitative determination of metrics and thresholds based on what parameters and values are decision critical to stakeholders.
Group Profit after Tax	5%	

1.3 Functional Currency

The functional currency of the sustainability related financial disclosures presented herein is the Sri Lankan Rupee (LKR), which is consistent with the currency of the financial statements in this Annual Report.

1.4 Sources of Guidance

Preparation of the disclosures presented herein have been primarily guided by the Sri Lanka Financial Reporting Standards pertaining to sustainability reporting which are,

- » SLFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- » SLFRS S2 - Climate-related Disclosures; and
- » Nationally Determined Contributions (NDC 3.0) of Sri Lanka

1.5 Reporting Period

The sustainability related disclosures herein are prepared for the period 1 April 2025 to 31 March 2026 (also referred to as financial year 2025/26) being consistent with the financial reporting period of this Annual Report.

1.6 Time Horizon

In discussing the sustainability related risks and opportunities under the disclosures herein, following are the time horizons used, which are consistent with the strategic planning and risk management frameworks of the Group:

Identification	Time Horizon	Period Reflected
Short Term	1 year	Financial year 2026/27
Medium Term	2 to 5 years	Financial years 2027/28 to 2030/31
Long Term	Over 5 years	Financial Year 2031/32 onwards

1.7 Connected Information

These Sustainability related disclosures should be read in conjunction with other disclosures and discussions provided in this Annual Report, in particular:

Topic	Page Reference
Group Structure	Pages 6 - 7
Corporate Governance	Pages 38 - 48
Risk Management	Pages 66 - 69
Management Discussion and Analysis	Pages 24 - 36
Financial Statements	Pages 85 - 164

1.8 Transitional Relief

In the preparation of Sustainability Reporting under the SLFRS S1 and S2 standards, the disclosures herein have made use of transition reliefs available for first time adoptees. These reliefs are as follows:

Relevant Standard	Transition Relief Obtained	Notes
SLFRS S1 - "General Requirements for Disclosure of Sustainability-related Financial Information"	Information disclosed only on Climate Related Risks and Opportunities (CRROs)	A reporting entity is permitted to disclose only CRROs (which is a subset of SRROs) during the first year of adoption. The following reporting period will require full disclosure of SRROs.
	No comparative information from the past reporting period	As a first time reportee, comparative information from the previous reporting period is not presented. However, the next reporting period will carry the current reporting period's information for comparative purposes
SLFRS S2 - "Climate-related Disclosures"	Scope 3 - "Greenhouse Gas Emissions" not disclosed	An entity is permitted to report only Scope 1 and Scope 2 emissions during the first year of reporting. Scope 3 emissions reporting will become mandatory in two years after the first year of adoption
	Qualitative information on anticipated financial effects from CRROs	A two year relief period is available from the first disclosure period to provide qualitative information on anticipated impacts from selected CRROs
	Disclosures on Climate Resilience	A two year relief period is available from the first disclosure period to provide disclosures on climate resilience.

1.9 Significant Judgements, Uncertainties and Proportionality

The preparation and presentation of these sustainability related disclosures require a significant level of judgement from the part of the reporting entity. This is primarily due to the unpredictable nature of climate-related risks and the uncertainty of their impacts on the reporting entity. Further, the disclosures made during the first year of adoption are subject to further improvements and refinements during subsequent years of reporting as the quality and comprehensiveness of available information and application of knowledge improves.

Hence, while the reporting entity has used all reasonable efforts to compile the supporting information relevant to these disclosures and has applied utmost care and caution to present a true and fair view of the CRROs, the following are subject to assumptions and judgements made by the management to the best of their knowledge and ability:

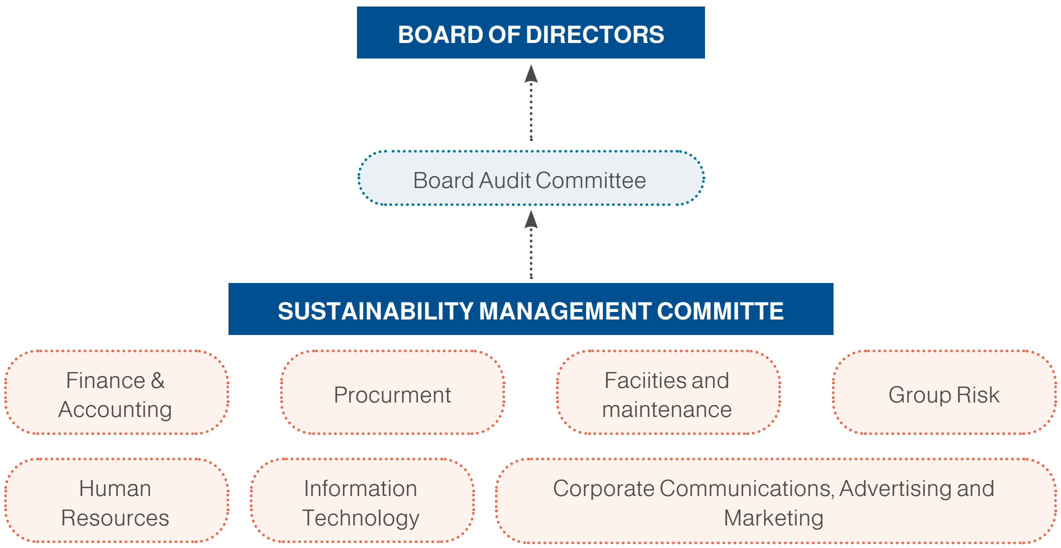
- Identification of CRROs
- Likelihood and impact measurement of CRROs
- Determination of materiality thresholds
- Defining time horizons (short, medium and long term)
- Computations made based on available data, public databases and reasonable assumptions in the case of incomplete data

1.10 Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for Ambeon Capital PLC and its subsidiaries (collectively, "the Group") for the year ended 31 March 2026. The Group's sustainability-related disclosures have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS) S1 - "General Requirements for Disclosure of Sustainability Related Financial Information", and SLFRS S2 - "Climate Related Disclosures" as issued by the Institute of Chartered Accountants of Sri Lanka.

2.0 GOVERNANCE

The company operates with a comprehensive sustainability management framework which is overseen by the Board of Directors of the Company while implementation and supervisory responsibilities have been delegated across board level, management level and functional level through formal arrangements. The sustainability management framework for the Group is as follows:



2.1 Board Oversight Role

2.1.1 Responsibility

The ultimate responsibility for the oversight of Sustainability and Climate-related Risks and Opportunities (SRROs and CRROs) is carried by the Board of Directors, who are vested with the responsibility of ensuring their integration into Ambeon Capital PLC's strategy, risk management, materiality assessments, stakeholder engagement, and long-term value creation objectives. The Board provides strategic direction and oversight of sustainability and ESG-related matters that could materially impact the Group's business model, financial performance, reputation, and resilience.

In evaluating strategic initiatives and significant investments, the Board considers both sustainability-related risks, including regulatory developments, climate transition impacts, and resource constraints, and opportunities such as innovation, operational efficiencies, and enhanced brand positioning. The Board also assesses trade-offs between short-term financial performance and long-term environmental and social outcomes, guiding capital allocation and operating expenditure decisions while being considerate of the expectations of the stakeholders of the Group.

Oversight of sustainability-related risks and ESG related matters is exercised through the Board Audit Committee (BAC), ensuring alignment between sustainability governance and the Group's enterprise risk management framework.

SLFRS Sustainability-Related Financial Disclosures

Following are the responsibilities of the BAC pertaining to identification, addressing and strategizing sustainability related matters as per its Charter:

» Oversee the development and implementation of the Company's sustainability strategy, policies and initiatives, ensuring sustainability is integrated into the business model, culture, operations, environmental practices, and ethical conduct.
» Ensure appropriate strategies, skills, competencies and escalation mechanisms are in place to identify, monitor, manage and oversee sustainability-related risks and opportunities (SRROs), while keeping the Board adequately informed for strategic decisions, major transactions and risk management.
» Oversee the establishment of SRRO-related targets, monitor progress against those targets, support the inclusion of sustainability metrics in remuneration policies, and review management controls and external assurance processes for sustainability disclosures.
» Advise the Board on sustainability trends, risks, opportunities and regulatory developments, oversee statutory and best-practice sustainability reporting and disclosures, engage key stakeholders, and facilitate continuous improvement in sustainability performance and non-financial reporting
» Guide the Board on the development, periodic updates and implementation of the Sustainability Strategy of the Company/Group
» Identify Sustainability Related Risks and Opportunities (SRROs) and applicable Materiality Thresholds on at least an annual basis regarding continuing business operations and assess their reporting requirements
» Evaluate with management and the external consultants/assurance providers the financial quantification of the SRROs and develop strategies and provide guidance to the Sustainability Management Committee on effective management of the SRROs
» Ensure all sustainability-related reporting requirements as per applicable SLFRS standards and/or any other statutory requirements are met in full.

In turn, the Board of Directors reviews the recommendations made to it by the BAC and

» Provide strategic oversight of sustainability and ESG related matters and ensure their integration into the Company's strategy, risk management framework and business model, key business decisions, culture, and operations.
» Review and approve the Company's Sustainability and ESG Strategy and related policies recommended by the Sustainability Management Committee (SMC) through the Board Audit Committee (BAC).
» Monitor performance against sustainability and ESG targets and metrics and make recommendations and directives as necessary to ensure alignment with strategic objectives.
» Support the development of the skills, capabilities, and governance frameworks needed to effectively manage SRROs

The operational implementation of the sustainability strategy of the Group is carried out by the Sustainability Management Committee (SMC) headed by the Group CEO with membership comprising of all functional heads of the group companies (as shown in the image above) and selected invitees. The SMC meets at least on a quarterly basis with its discussions, actions items and decisions/recommendations being minuted and reported to the BAC and where required, escalated to the Board of Directors. These reports include matters such as SRROs, progress against sustainability and ESG related initiatives, regulatory changes and emerging disclosure requirements.

The Board, the BAC and the SMC obtain the support of external consultants and trainers on sustainability and ESG related matters from time to time as required.

2.1.2 Skills and Competencies

The Board of Directors of the company (profiles published in pages 17 - 20 of this Annual Report) are seasoned industry professionals with wide ranging exposure to governance, accountancy, reporting and auditing, capital markets and sustainability. The board members, individually and collectively, understand and appreciate the importance of embedding sustainability in the business strategy of the Group and continuously strive to improve their knowledge and competency levels on relevant matters. The SMC, in turn, will support the board members to improve their proficiency through periodic knowledge gap analysis and organizing relevant and timely training programs and communiques.

The Group is currently in the process of conducting a skills and competency assessment of the Boards of Directors within the Group to further understand areas of knowledge and skills improvements in order to conduct awareness sessions and trainings as required on the role of the Board's oversight on identification, monitoring, managing, responding to and the reporting on SRROs.

2.1.3 How the Board is Informed of SRROs and how it addresses and monitors SRROs

Acting within the governance framework established by its charter, responsibility for overseeing matters relating to climate and sustainability is overseen by the BAC with quarterly reporting to the Board of Directors. The BAC conducts periodic evaluations of SRROs, taking into consideration evolving external developments, emerging risk factors, and their potential implications for the Group. Through this process, the BAC ensures that suitable controls, response measures, and risk management mechanisms are effectively implemented and that the Board is apprised of these developments.

The Committee has endorsed the classification and assessment of material climate and sustainability considerations (as disclosed in the following section of this disclosure report) and facilitated their integration into the Company's enterprise risk management system. These matters are formally incorporated into relevant risk monitoring and governance processes to enable consistent identification, evaluation, tracking, and management across the Group.

In addition, under the direction of the BAC, sustainability-related factors are systematically incorporated into corporate planning, business strategy formulation, and key decision-making activities. This integration will strengthen the alignment of business practices with the disclosure and governance expectations set out in SLFRS S1 and SLFRS S2, while reinforcing the Company's commitment to long-term resilience and sustainable value creation.

2.2 Management Role

2.2.1 Delegation

The Board has assigned the management and execution of sustainability-related initiatives, including the management of Sustainability-Related Risks and Opportunities (SRROs), to the Sustainability Management Committee (SMC). This senior management level committee is led by the Group Chief Executive Officer, and its permanent membership is comprised of key corporate management members representing all the business and functional verticals of the Group (refer to image under Section 2.0). The SMC serves as the primary management body responsible for driving the organization's sustainability agenda and monitoring implementation progress.

Meeting at regular quarterly intervals (or frequently as needed), the SMC reviews sustainability performance, evaluates emerging challenges and opportunities, and provides operational instructions to maintain momentum towards established objectives.

2.2.2 Policies and procedures

The key sustainability governance committees and their respective responsibilities are outlined in the Terms of Reference (ToR) of the SMC. Its governance framework incorporates clearly defined escalation mechanisms to ensure timely management of material issues. Significant or emerging sustainability and risk-related concerns are elevated directly to the BAC whenever necessary. This approach enables swift evaluation and proactive responses to matters that may have strategic or risk implications for the Group.

The standard functions and responsibilities of the SMC include,

» Developing the Group's Sustainability/ESG/CSR strategy and policies and operational integration of Sustainability/ESG/CSR into its business operations
» Providing direction to business units/ functional heads and operational decision making on the implementation of the sustainability strategy
» Provide a platform for inter-business and inter-functional knowledge and capacity exchange pertaining to Sustainability/ESG/CSR matters
» Continuous learning on Sustainability related developments, disclosure requirements, and carry out improvements to reporting and ESG/ CSR Performance
» Carrying out Materiality Assessments and Climate Scenario Analysis and the establishment of Sustainability and ESG targets and development of response plans to address identified SRROs
» Provide timely updates and escalations to the Board/BAC and annual sustainability reporting
» Educating the staff of the Group on Sustainability/ESG and developing a Sustainability oriented organization culture

2.2.3 Reporting and Accountability

The SMC will regularly report to the Board Audit Committee (and to the Board of Directors on a need basis) on the progress of the initiatives, the effectiveness of the strategies, and the achievement of targets. This will include an annual review of its own terms of reference to ensure it remains relevant and effective.

3. STRATEGY

The Company/Group has undertaken a structured approach to identifying, evaluating, and responding to climate-related and sustainability-related risks and opportunities that could affect its operations, portfolio, and long-term strategic objectives. This assessment encompasses both the opportunities and challenges arising from the transition to a lower-carbon economy and the potential consequences of changing physical climate conditions, while also considering opportunities associated with evolving market, regulatory, and stakeholder trends.

This exercise resulted in the identification of three material topics to be disclosed in the form of two climate-related risks (CRR) and one opportunity (CRO) for the reporting period with the greatest potential to influence organizational performance, stakeholder value, business continuity, and future growth prospects. These are:

CRR 1	Extreme weather events (Physical Risk)
CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting (Transition Risk)
CRO 1	Opportunities to invest in climate transition activities (Investment Opportunity)

These material topics will impact how the company prioritizes its capital allocation, investment decisions, and the direction of its overall strategy.

3.1 Strategy Disclosures on Climate Related Risks and Opportunities

CRR 1	Extreme Weather Events	
Impact on Prospects	Description	Increase in severe weather events in the form of frequency and intensity of heavy rains/floods, droughts, strong winds/storms, coastal erosion, and heatwaves and the related economic, social and health risks
	Physical Risk or Transition Risk	Physical Risk
	Time Horizon	Medium and long
	Define time horizon	Refer to "Section 1.6 - Time Horizons" under the "Basis of Preparation" above.
Business Model and Value Chain	Current Effects on Business Model and Value Chain	There were no material impacts identified across the Group's value chain because of extreme weather events during this reporting period.
	Anticipated Effects on Business Model and Value Chain	The increased frequency and intensity of extreme weather events is likely to disrupt regular operations of the Company/Group, impact its revenue, and increase expenses in several ways. Some of the key elements are, » Direct property damages and work disruptions caused by loss of access and transport challenges » Increased insurance premia associated with insurance on Property, Plant and Equipment and on Business Interruption Coverage » Increased expenditure on Work-From-Home related information technology infrastructure » Impairment of the value of investment properties due to damages and/or increased flood risk and coastal erosion » Increased construction costs in the real estate sector to mitigate weather/climate related risks » Reduced capital market activities leading to lower brokerage income » Communication infrastructure failure leading to business downtime » Debtors being unable to meet their obligations on time leading to cashflow disruptions and higher impairment charges » Support services (such as IT technical support) being overwhelmed by the scale of damages to client infrastructure.
	Where is it Concentrated?	The impact of extreme weather events are concentrated on the real estate and resource extraction sectors, investment properties, financial services through market disruptions and impairments in debtors and property values.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	The company has commenced a move to make IT infrastructure cloud based to the extent practical so that work disruptions due to loss of access to workstations and transport difficulties are minimized. It is also carefully reviewing its insurance policies to ensure all relevant covers are in place to recover any property damages caused by extreme weather events. Going forward, investments in property plant and equipment will also be influenced by a climate assessment (e.g. assessment of floods and erosion) prior to investment decisions being made.
	How the Company is Resourcing and Plan to Resource Activities	Increased investments/expenses are being made to the IT infrastructure, insurance premia, and real estate design/development activities to make the Group's operations more climate resilient.
	Progress (qualitative and quantitative)	The IT infrastructure is cloud-capable, and many of the administrative/managerial and trading level staff are capable of working from home or from any other remote location. Any physical damages incurred to Property Plant and Equipment have been sufficiently recovered through insurance, and no specific weather-related impairments have been accounted for under investment properties or debtors.

CRR 1	Extreme Weather Events	
Financial Effects	Current year financial effects to PL, BS and CF	There were no material impacts to the revenue or profitability of the company or the Group during the period under consideration specifically because of extreme weather-related events.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There are no adjustments/impairments to the carrying value of assets of the company or the Group as a result of extreme weather events witnessed during the period under consideration.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Quantification of the financial impact of extreme weather events on the PL, BS and CF of the company/group will be assessed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adoptees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Climate resilience	Resilience Assessment	Resilience assessment will be performed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Scenario Analysis will be carried out in an upcoming reporting period. The Company/Group is making use transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Judgements and Uncertainties	Judgements	Judgements have been applied in the determination of the adequacy and resilience of the remote working model, insurance coverage and insurance providers, and the potential weather/climate related impacts on Property Plant and Equipment and investment properties
	Uncertainties	Key uncertainties include the probability, duration, locations, and magnitude of future extreme weather events.

SLFRS Sustainability-Related Financial Disclosures

CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting	
Impact on Prospects	Description	By virtue of directive TEC/ACC/2024/03/01 issued by the Accounting Standards Committee (ASC) of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) dated 07 March 2024 and amendments to Colombo Stock Exchange listing rules Section 7.1 a (i) b (with effect from 18 February 2025), the Company is required to adopt SLFRS S1 and S2 sustainability disclosure standards commencing from the annual reporting periods beginning on or after 1 January 2025 as a Colombo Stock Exchange listed entity within the top-100 market capitalization as of 01 January 2025.
	Physical Risk or Transition Risk	Transition risk
	Time Horizon	Short to medium term
	Define time horizon	Refer to "1.6 - Time Horizons" under the "Basis of Preparation" above.
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The company is subject to mandatory reporting on SLFRS S1 and S2 compliant reporting commencing from the FY2025/26 (with some transitional provisions). This impacts governance, risk management, disclosures and reporting at the Company and Group levels. Necessary structural changes, particularly with regards to risk, financial reporting and compliance functions have been implemented and capacities strengthened. This compliance adoption reflects additional management time, overheads and expenses at a Group level on an ongoing basis as greater level of compliance and disclosures will be required in the upcoming reporting periods with the gradual expiry of transitional provisions.
	Anticipated Effects on Business Model and Value Chain	As the transitional provisions expire, a greater emphasis on the quantification of identified SRROs including resilience assessments and impact modelling, and emissions quantification will need to be carried out. This requires additional capacity building, data collection and analysis, computations and external validation/ assurances, and closer stakeholder scrutiny of the data so reported.
	Where is it Concentrated?	Finance, Risk, Governance and Regulatory elements, both internal to the Group and externally.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	A comprehensive governance, risk and strategic review of the sustainability related material matters have been undertaken by the Company/Group which includes the identification of relevant SRROs for the Group, creation of governance and management bodies to address the SRROs and to improve the overall sustainability strategy of the Company/Group and setting in place adequate capacity building and reporting compliance mechanisms.
	How the Company is Resourcing and Plan to Resource Activities	The Company/Group possesses adequate financial resources to ensure compliance against the full suite of reporting requirements as the transition provisions are phased out. It will continue to engage with industry professionals and advisory service providers to build the intellectual capacity required to ensure stage-by-stage compliance against the reporting requirement as dictated by the ASC-CA Sri Lanka and the CSE together with any amendments, or additional requirements which may be introduced from time to time.
	Progress (qualitative and quantitative)	The current reporting period reflects the first-time adoption of SLFRS S1 and S2 reporting by the Company/Group. Accordingly, it has made full use of the available transitional provisions as discussed in section 1.8 "Basis of Preparation" above.

CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting	
Financial Effects	Current year financial effects to PL, BS and CF	There are no materially identifiable impact to the company's or the Group's PL, BS or CF because of compliance status with regards to the Sustainability Reporting for the current period under consideration.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There are no adjustments/impairments to the carrying value of assets of the company or the Group because of compliance against the Sustainability Reporting requirement during the period under consideration.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Quantification of the financial impact of compliance with the Sustainability reporting requirement on the PL, BS and CF of the company/group will be assessed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Climate resilience	Resilience Assessment	Resilience assessment will be performed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Scenario Analysis will be carried out in an upcoming reporting period. The Company/ Group is making use transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Judgements and Uncertainties	Judgements	Judgements have been made in the identification of SRROs, materiality thresholds, impact of SRROs on the current financial year and in determining the adequacy of impact reporting for the period under review.
	Uncertainties	Key uncertainties faced as a first time adoptee includes the future challenges in meeting the full computational, modelling and disclosure requirements under the standards as transitional provisions expire, possibility of further evolutions to the standard, stakeholders' reception of the disclosures made and the cross-industry validity of the assumptions and judgments made in the calculations and disclosures.

SLFRS Sustainability-Related Financial Disclosures

CRO 1	Opportunities to invest in climate transition activities	
Impact on Prospects	Description	As domestic and industrial decarbonization in line with the National Adaptation Plan and Net zero by 2050 target gathers pace, growth of environmentally positive business sectors will become an important economic segment. As an investment holding company, Ambeon Capital PLC can benefit from investing in this emerging economic sector.
	Physical Risk or Transition Risk	N/A (transitional opportunity)
	Time Horizon	Medium and long
	Define time horizon	Refer to "1.6 - Time Horizons" under the "Basis of Preparation" above.
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The Group currently does not have any material investments made directly into environmentally positive/green economy investments. However, it is cognizant of the industry potential and is in principle eager to explore investment opportunities in environmentally positive/green economy businesses.
	Anticipated Effects on Business Model and Value Chain	Based on available public information, financial performance of businesses engaged in climate positive/green economic sectors such as renewable energy have been encouraging. Further, there are significant gaps in the investments required to meet Sri Lanka's NDCs and Net Zero targets. Accordingly, it can be envisaged that there will be ample opportunities in the short, medium and long term for investments. These investments, in turn, will benefit asset growth, revenue and profitability and carbon/emissions offset at a group level. It will also make the Group more attractive to investors who seek to invest in organizations with a climate positive/green image.
	Where is it Concentrated?	Asset portfolio and inward investments
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	The company intends to include sustainability and climate positive assessments into its investment decisions. It may also develop its own decarbonization/Net Zero or Carbon Neutral plans in future that would require investments into climate transition activities.
	How the Company is Resourcing and Plan to Resource Activities	The Company can raise the necessary funds to invest in climate transition business activities through its own retained earnings, additional equity raised through rights, secondary issuances or private placements, bank borrowings or through joint ventures.
	Progress (qualitative and quantitative)	While the Group does not have any direct investments in climate transition activities yet, it remains open to such investments when suitable opportunities become available
Financial Effects	Current year financial effects to PL, BS and CF	There are no materially identifiable impact to the company's or the Group's PL, BS or CF because of investments in Climate transition activities for the current period under consideration.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There are no adjustments/impairments to the carrying value of assets of the company or the Group because of Climate transition activities during the period under consideration.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Quantification of the financial impact of potential investments in climate transition activities on the PL, BS and CF of the company/group will be assessed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.

CRO 1	Opportunities to invest in climate transition activities	
Climate resilience	Resilience Assessment	Resilience assessment will be performed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Scenario Analysis will be carried out in an upcoming reporting period. The Company/Group is making use transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Judgements and Uncertainties	Judgements	Judgements in this regard would include the strategic alignment of the sector with the overall strategy of the Company/Group, investment returns and capital appreciation hurdles, partnerships and joint venture possibilities and segmental entry through organic startup versus acquisition-based model.
	Uncertainties	Investing in a new economic vertical will carry a series of uncertainties including long term business and technological viability, managerial competency, continued market appetite for climate positive/green products and services, shifts in the regulatory frameworks and NDCs/Net Zero targets, general investment climate and availability and strategic suitability of the investment opportunities.

4.0 RISK MANAGEMENT

4.1 Processes and Policies Relating to Climate-related Risks

Ambeon Capital PLC and the Group has in place a comprehensive Enterprise Risk Management (ERM) Framework (refer to the section "Risk Management" in pages 66 - 69 in this Annual Report).

This framework is aligned with the principles of the COSO (Committee of Sponsoring Organizations) ERM Framework and ISO 31000 standards, and provides a structured and integrated approach to identifying, assessing, mitigating, monitoring, and reporting risks — including sustainability and climate-related risks - across the Group.

This section should be read together with the Group's Risk Management report (Pages 66 - 69), which details out the ERM framework, governance structure, risk matrix methodology, and principal risks and mitigation strategies.

4.1.1 Identification of Climate Related Risks and Opportunities

(a) Inputs and Parameters Used

Climate related risk identification draws on a range of inputs and parameters including, but not limited to,

- Regulatory changes pertaining to climate change mitigation and adoption including impact on carbon intensive industries
- Business impacts of global warming and changing weather/climate patterns
- Capital market behavior on decarbonization and green/climate positive investments
- Stakeholder expectations from business entities with regards to climate action
- Technological advancements and developments

Once relevant risks with potential impact on the Group's revenue and profitability are identified, they are ranked based on a materiality identification grid based on value at risk and likelihood of occurrence. Prioritization of material risks (as disclosed in the previous section) is the outcome of this exercise.

A centralized risk register is maintained to support the systematic documentation of identified risks across the Group and its Strategic Business Units (SBUs). Risk identification is also undertaken during the evaluation of new projects, investments, and strategic initiatives, enabling climate-related and other exposures to be identified at an early stage.

SLFRS Sustainability-Related Financial Disclosures

(b) Use of Climate-related Scenario Analysis

The Group makes use of available climate-related information in the development of its business strategy and operational decisions on a prudent basis. This is particularly evident in the investment decisions the Group makes, where climate impacts are most critical.

The Group has not conducted a formal Climate Scenario Analysis as of the reporting date. It is making use of the transition provisions available for first time adoptees (refer to section 1.8 "Transitional Relief" under the "Basis of Preparation" above).

4.1.2 Assessment

(a) Nature of Climate Risk

Climate related risks fall into two categories - physical risks, which are physically observable direct impacts of climate events on the company's assets and business operations; and transition risks which arises from the lack of preparedness on regulatory changes pertaining to decarbonization and climate transition.

The Group utilises a comprehensive risk matrix to evaluate climate-related risks, considering both physical and transition-based possibilities in shortlisting at what it considers to be "material" in terms of climate-related risks.

(b) Likelihood of Climate Risk

The likelihood of a Climate event occurring at a given point in time cannot be predicted with scientific certainty and therefore it is estimated on the basis of historical data, geographical correlations, predictions and forecasts made by subject matter experts and for near term events, observable changes in weather/climate.

Risk likelihood is assessed across a defined scale ranging from rare to almost certain. This structured methodology enables the Group to differentiate between low-probability and high-probability climate-related exposures when prioritising mitigation efforts (refer page 66 for the risk matrix)

(c) Magnitude/Exposure of Climate Risk

Impact severity, and therefore the magnitude of exposure, is evaluated on a scale ranging from low to extreme. Risks are evaluated based on their quantitative and qualitative financial, operational and reputational impact, enabling management to focus resources and mitigation efforts on the most significant exposures while monitoring early warning indicators and evolving risk trends.

4.1.3 Prioritization

The Group continuously reviews and prioritises key strategic and operational risks — including climate-related risks — based on their potential impact on business continuity, financial performance, reputation, and long-term strategic objectives. The centralised risk register supports the systematic prioritisation of identified risks, evaluated on a common likelihood-and-impact basis, which allows climate-related risks to be assessed and ranked alongside economic, investment, liquidity, human resources, and cybersecurity risks using a consistent, Group-wide methodology.

The climate related risks which are identified as material to the Group are incorporated into the risk register by the Risk Management division and are reviewed and monitored by the BAC periodically.

4.1.4 Monitoring

Ongoing monitoring processes facilitate the continuous assessment of operational, financial, strategic, regulatory, and external risks, including climate-related risks. The Group undertakes forward-looking assessments to identify emerging trends and macroeconomic developments that may impact future business performance and strategic objectives.

Monitoring is reinforced through the Group's "Five Lines of Defense" model: operational management (first line) undertakes day-to-day risk identification and control implementation; the risk management and compliance functions (second line) provide oversight, policy guidance and monitoring support; independent internal and external assurance providers (third line) assess the adequacy of governance and control processes; and executive management and the Board (fourth and fifth lines) provide strategic oversight and ultimate governance responsibility.

For climate related risks and opportunities (CRROs) specifically, this monitoring is channeled through the Group Sustainability Management Committee (refer Section 2.0 - "Governance") which reports on the effectiveness of its strategies to the Board Audit Committee at least quarterly. Significant CRROs, emerging exposures, and material control weaknesses are escalated by the Committee to the Board Audit Committee on a timely basis and, where significant, further escalated to the Board through established reporting mechanisms.

4.1.5 Changes in the Process

During the period under review, the Board approved the establishment of a Group Sustainability Management Committee. This represents the formalization and structural strengthening of the Group's climate and sustainability management and implementation process.

Rather than climate-related risks and opportunities (CRROs) being addressed solely as an implicit component of the general ERM process, this management level committee — chaired by the Group CEO, with representation from all key functional and business units and supported by a secretary (the Head of Sustainability) — has been mandated to develop and implement the Group's sustainability/ESG strategy, coordinate with the ERM team to integrate CRROs into the Group's overall risk management policies and procedures, conduct the SLFRS S1 materiality assessment and report to the Board Audit Committee at least quarterly.

The Board has also revised the charter of the BAC to encompass governance duties associated with sustainability-related risks, opportunities and the reporting thereof. Accordingly, the BAC has oversight over the functioning of the Sustainability Management Committee, and where relevant, will escalate issues to the Board of Directors as deemed appropriate.

These governance changes formalises and reinforces the Group's existing ERM framework, risk-matrix methodology, and Five Lines of Defense model, embedding climate-related risk management within a formal structure and clearly defined accountability for the parties, rather than constituting a change to the underlying risk-assessment methodology itself.

4.2 Processes and Policies Relating to Climate-related Opportunities

The Group recognizes the importance of CRROs as a critical component of its long-term strategy and resilience. The Group wishes to fall in line with Sri Lanka's climate ambitions including its NDCs and Net Zero roadmap by allocating necessary resources and by making investment decisions which are complementary to these ambitions.

The Group Sustainability Management Committee is responsible for identifying and managing sustainability-related risks and opportunities across the Group's strategy, operations, value chain, and decision-making processes. It works closely with the Enterprise Risk Management (ERM) team to ensure these risks and opportunities are integrated into the Group's risk management framework and resilience assessments.

Risks identified through this process are evaluated using the same risk assessment methodology used for other enterprise risks evaluation and management. They are then prioritized, recorded in the centralized risk register, and monitored by the Committee.

When climate related opportunities, such as improved resource efficiency, access to green and sustainability-linked financing, increased demand for resource-efficient products and services, and growth potential in sectors that benefit from the transition to a low-carbon economy are identified, they are assessed using the Group's standard investment and financial evaluation processes. Relevant targets are established, progress is monitored by the Committee, and opportunities are regularly reviewed as part of the Group's overall investment portfolio.

4.3 Integration to Overall ERM

Climate-related risks and opportunities are managed through the Group's Enterprise Risk Management (ERM) framework rather than through a separate process. Therefore, they automatically become decision relevant considerations in strategic planning, investments, operations, and performance monitoring to ensure they are identified and managed effectively.

The Board of Directors has overall responsibility for risk management, including climate-related risks and opportunities. The Board exercises this oversight through the Board Audit Committee.

The Group Sustainability Management Committee manages the day-to-day implementation of sustainability and climate-related initiatives. Led by the Group CEO and supported by senior managers from key functional and business verticals, the Committee works with the ERM team to ensure climate-related risks and opportunities are integrated into the Group's existing risk management framework, risk register, and assessment processes.

Climate-related risks are assessed and monitored in the same way as other major risks, such as economic, investment, liquidity, human resources, and cybersecurity risks. The Committee meets at least quarterly and reports to the Board Audit Committee on progress, performance, and climate-related targets.

While the Group's central risk and compliance function provides oversight and consistency, individual business units are responsible for identifying and managing risks within their operations. This structure ensures clear accountability and a coordinated approach to managing climate-related and other business risks across the Group.

5. METRICS AND TARGETS

5.1 Cross Industry Metrics

5.1.1 Greenhouse Gas Emissions (GHG)

(a) Basis of Determination of Organizational Boundary and Operational Boundary

The organizational boundary for the purpose of emissions disclosures hereunder is based on Financial Control Approach covering the organizations in which Ambeon Capital PLC held a controlling interest as at the end of the reporting period - 31 March 2026. Emissions from investments disposed of during the financial year as well as from investees in which it holds a non-controlling minority stake are not considered herein.

(b) Methodology used for the measurement and disclosure of GHG Emissions

A comprehensive computation of emissions shall consist of the sum of three emissions scopes - Scope 1 (comprising of stationary combustion, mobile combustion and fugitive emissions), Scope 2 (purchased electricity) and Scope 3 (value chain emissions spread across 15 categories).

In carrying out this disclosure, the value of Scope 1 emissions was negligible as the business model of the Group makes heavy use of outsourcing (rented premises, hired vehicles etc) and as such, no meaningful emissions were reported under Scope 1.

For calculating the CO_2e value for purchased electricity, a conversion factor of 0.42kg of CO_2 equivalent per kWh of electricity consumed was used based on the publication "Sri Lanka Energy Balance 2024" by Sri Lanka Sustainable Energy Authority. The relevant units of electricity was calculated based on monthly electricity bills issued by either the electricity utility or the landlords of the respective business premises.

(C) Summary of GHG Emissions

Scope	FY 2025/26 (mtCO2e)
Scope 1	Negligible
Scope 2	291.74
Scope 3 The Company/Group has not computed its Scope 3 emissions for FY2025/26 under transition provisions available for first time adoptees as discussed in section 1.8 “Transitional Relief” under the “Basis of Preparation” above.	
Not reported for the period under consideration	
Total	291.74

(d) GHG Scope 1 and Scope 2 Emissions

Description	Greenhouse gas emissions (metric tonnes CO2e) 2024/25		
	Scope 1	Scope 2	Total
Consolidated accounting group	Negligible	291.74	291.74
Other investee (investment in associate, joint ventures)	N/A	N/A	N/A
Total (Operational control approach)	N/A	291.74	291.74

(e) Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Negligible. Refer 5.1.1 (b) above			
Scope 1	Mobile combustion				
Scope 1	Process combustion				
Scope 1	Fugitive Emissions				
Scope 2	Electricity Consumption	Consumption of electricity within the business premises of the Group	Monthly electricity bills issued by the electricity utility or the landlord	0.42kg CO2e per kWh	N/A

5.1.2 Climate-related Physical Risks

Ambeon Capital PLC acknowledges that climate change presents material physical risks to the Group’s operations, investments, and stakeholders. The increasing frequency and intensity of climate-related events, including floods, droughts, storms, extreme winds, and associated impacts, have been identified as key physical climate risk for the Company/Group.

The Group will identify, assess and quantify vulnerable assets, potential impact pathways, and the nature of damage and disruption to its assets and business activities as part of its climate vulnerability assessment. The outcomes of this assessment, including relevant quantitative disclosures, will be reported in the next reporting cycle.

5.1.3 Climate-related Transition Risks

Ambeon Capital PLC recognizes that transition risks may arise from group level investments in carbon-intensive sectors or businesses that lack credible transition strategies and effective emissions management practices. These risks may result in adverse financial and market impacts driven by evolving regulations, carbon pricing mechanisms, changing investor preferences, technological shifts, and stakeholder expectations.

Companies within the Group’s investment portfolio may face increased compliance costs, operational disruptions, reduced competitiveness, or stranded asset risks during the transition to a low-carbon economy, which could consequently affect portfolio valuations, earnings performance, and long-term shareholder value.

The Group is currently undertaking an assessment of its exposure to climate-related transition risks and is developing its approach to portfolio emissions measurement and transition planning. Further disclosures on these assessments and related metrics are expected to be provided in future reporting periods.

5.1.4 Climate-related Opportunities

Ambeon Capital PLC recognizes that the global transition to a low-carbon economy presents significant investment opportunities for the Group across sectors that support climate change mitigation, adaptation, and resilience.

These opportunities may arise through investments in renewable energy, energy efficiency, sustainable infrastructure, low-carbon technologies, climate-smart agriculture, resource-efficient business models, and other activities that facilitate the transition to a more sustainable economy.

The Group considers climate-related opportunities as an important potential driver of long-term value creation and portfolio resilience. Companies that successfully adapt to evolving regulatory requirements, technological developments, and stakeholder expectations may benefit from enhanced growth prospects and competitive advantages.

Accordingly, Ambeon Capital PLC is undertaking an assessment of climate-related opportunities across its investment portfolio and broader investment universe. The outcomes of this assessment, including the Group's approach to sustainable and climate-transition investments, will be disclosed in future reporting periods.

5.1.5 Capital Expenditure

The Company has been carrying out capital and operational expenditure related to sustainability, disaster readiness and business continuity although a dedicated "Sustainability Expenditure" budget addressing CRROs was not available for the period under review.

5.1.6 Internal Carbon Pricing

The Company/Group has not implemented an internal carbon pricing mechanism as at the reporting date. A disclosure will be made in this regard once such a mechanism is in place during a future reporting period.

5.1.7 Remuneration

The Company/Group has not linked sustainability related KPIs to the remuneration of Key Management Personnel and Directors as at the date of reporting. Such a mechanism is currently under consideration and will be implemented at a future date. Once implemented, details of the relevant remuneration mechanisms will be disclosed in a future reporting period.

5.2 Industry Specific Metrics

The Group has not adopted any industry specific disclosures based on a Sustainability Accounting Standards Board (SASB) Standards as at the end of the reporting period. Compliance against this (and any other relevant SASB standards as the case maybe) will be adopted in the upcoming reporting period and presented in the next disclosure.

5.3 Climate-related Targets

The Group has not established climate or emissions-related targets as at the end of the reporting period and is currently evaluating relevant metrics and targets for the business units based on impact materiality. Information related to these targets will be disclosed in a future reporting period.

Risk Management

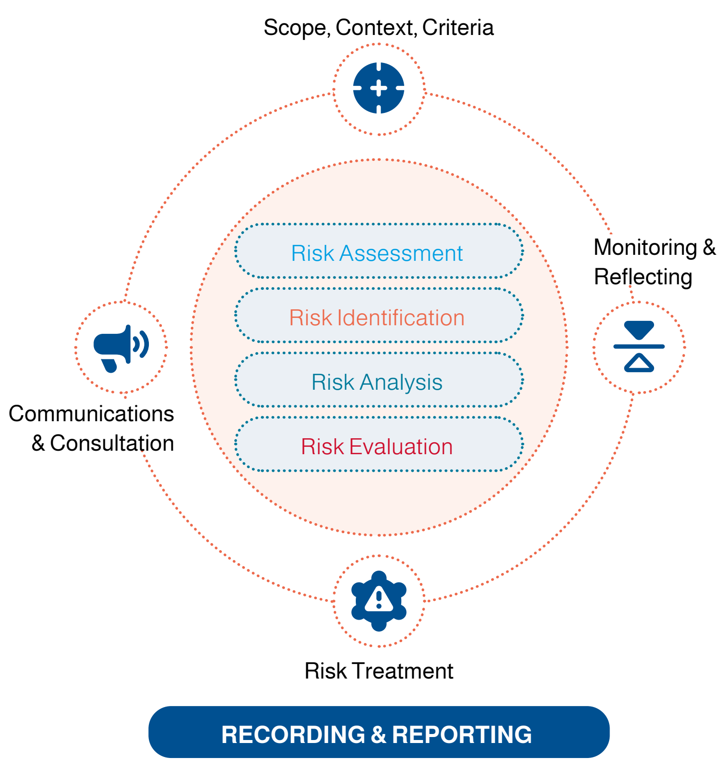
STRENGTHENING RESILIENCE AND SUSTAINABLE VALUE CREATION

During the financial year 2025/26, Ambeon Capital PLC ("the Group") continued to operate within an increasingly dynamic and complex business environment characterized by economic uncertainty, evolving regulatory landscapes, technological disruption, and shifting market conditions. Against this backdrop, effective risk management remained a strategic priority in safeguarding stakeholder value, enhancing organizational resilience, and supporting the successful execution of the Group's long-term objectives.

The Group recognizes risk management not merely as a governance or compliance requirement, but as a critical enabler of informed decision-making, operational stability, and sustainable growth. Accordingly, risk considerations are embedded across strategic planning, investment evaluation, operational management, and performance monitoring processes to ensure that risks and opportunities are proactively identified and effectively managed.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group's Enterprise Risk Management (ERM) framework is aligned with the principles of the COSO ERM Framework and ISO 31000 standards, providing a structured and integrated approach to identifying, assessing, mitigating, monitoring, and reporting risks across the organization.



The framework promotes a proactive and forward-looking risk management culture while enabling consistent risk assessment practices across all business units. It also supports the timely identification of emerging risks and opportunities, thereby enhancing the Group's ability to respond effectively to changing business conditions and evolving stakeholder expectations.

The ERM framework is designed to facilitate:

- Alignment of risk management with strategic objectives;
- Improved decision-making through enhanced risk visibility;
- Strengthened governance and accountability structures;
- Enhanced operational resilience and business continuity; and
- Sustainable long-term value creation.

RISK GOVERNANCE AND OVERSIGHT

The Board of Directors retains ultimate responsibility for overseeing the Group's risk management framework and determining the Group's overall risk appetite and tolerance levels. The Board ensures that appropriate governance structures, policies, and control mechanisms are in place to effectively manage the Group's risk exposures.

Oversight responsibilities are supported by the Group and Strategic Business Unit (SBU) Audit Committees, which regularly review the adequacy and effectiveness of internal controls, compliance processes, and risk mitigation initiatives. Significant risk matters, emerging exposures, and material control weaknesses are escalated to the Board through established reporting mechanisms to ensure timely oversight and decision-making.

The Group's centralized risk and compliance function provides guidance and oversight to ensure consistency in governance practices, policy implementation, and regulatory compliance across the organization. At the operational level, individual SBUs remain accountable for identifying, assessing, and managing risks within their respective areas of responsibility.

This governance structure enables a coordinated and enterprise-wide approach to risk management while ensuring accountability at all levels of the organization.

In line with the Group's evolving regulatory obligations under SLFRS S1 and SLFRS S2, the Board has established a Group Sustainability and ESG Management Committee, chaired by the Group CEO, to manage sustainability-related risks and opportunities (SRROs) and embed ESG considerations into the Group's strategy, business model, and day-to-day operations. The Committee operates under delegated authority from, and reports regularly to, the Board Audit Committee, and works closely with the Enterprise Risk Management function to ensure SRROs are fully integrated into the Group's overall risk management framework.

EMBEDDING A RISK-AWARE CULTURE

The Group continues to foster a strong risk-aware culture by integrating risk management into day-to-day operations and strategic decision-making processes. Employees across all levels are encouraged to proactively identify and manage risks within their respective functions, thereby strengthening accountability, enhancing operational discipline, and supporting sound business practices.

Risk management considerations are embedded into key business processes including strategic planning, capital allocation, investment decisions, project evaluation, and performance management. This integrated approach supports informed decision-making and enhances the Group's ability to respond effectively to both risks and emerging opportunities.

RISK ASSESSMENT AND MONITORING

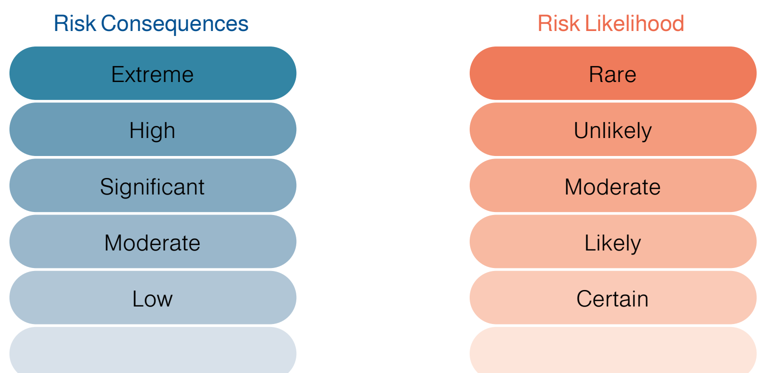
The Group adopts a structured and multi-dimensional approach to risk assessment encompassing current, emerging, and forward-looking risk exposures. Risk assessments are conducted periodically across the organization, including during the evaluation of new projects, investments, and strategic initiatives, enabling potential exposures to be identified and addressed at an early stage.

Ongoing monitoring processes facilitate the continuous assessment of operational, financial, strategic, regulatory, and external risks. In addition, the Group undertakes forward-looking assessments to identify emerging trends and macroeconomic developments that may impact future business performance and strategic objectives.

A centralized risk register is maintained to support the systematic documentation, prioritization, and monitoring of identified risks. Risks are evaluated based on their likelihood and potential impact, enabling management to focus resources and mitigation efforts on the most significant exposures while monitoring early warning indicators and evolving risk trends.

RISK MANAGEMENT METHODOLOGY

The Group utilizes a comprehensive risk matrix to evaluate identified risks based on both probability and potential severity of impact. Risk likelihood is assessed across a defined scale ranging from rare to almost certain, while impact severity is evaluated from low to extreme across financial, operational, strategic, regulatory, and reputational dimensions.

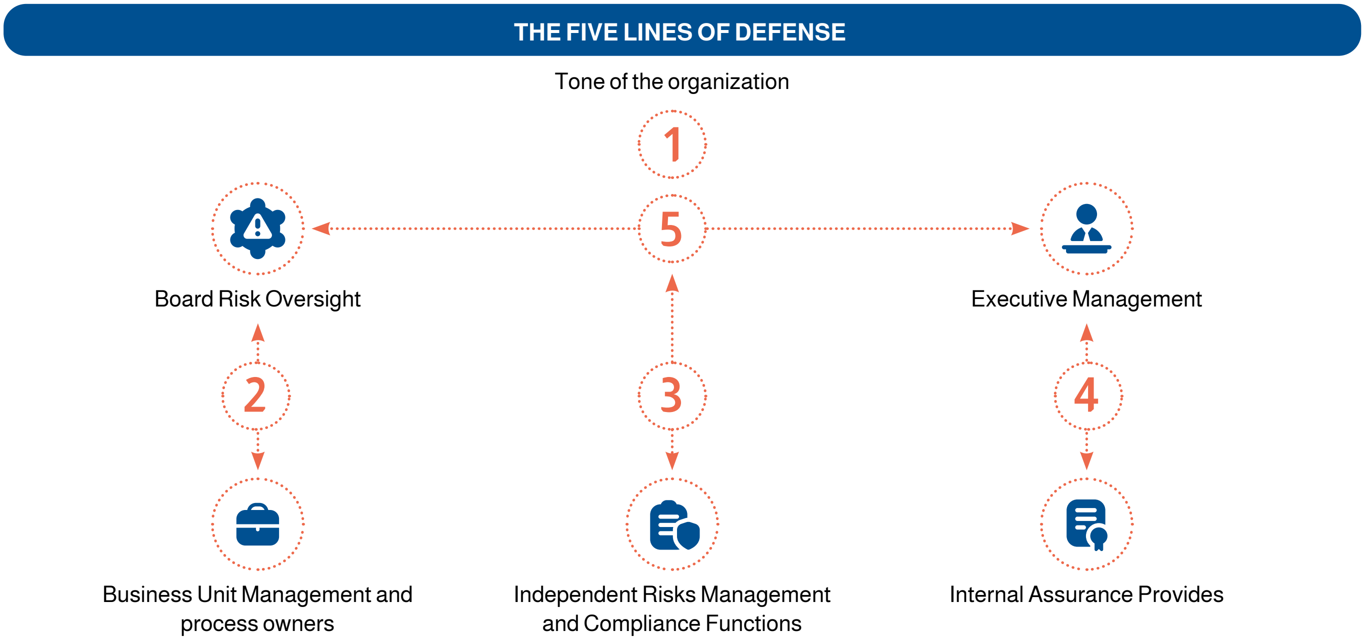


This structured methodology enables the prioritization of key risks and supports the implementation of appropriate mitigation strategies aligned with the Group's defined risk appetite.

The Group also adopts the internationally recognized "Five Lines of Defense" model to strengthen accountability and clarify risk ownership throughout the organization.

- The first line of defense comprises operational management, which is responsible for day-to-day risk identification, control implementation, and operational compliance.
- The second line consists of the risk management and compliance functions, which provide oversight, policy guidance, and monitoring support.
- The third line is represented by independent internal and external assurance providers who assess the adequacy and effectiveness of governance, risk management, and control processes.
- Executive management provides strategic oversight and direction, while the Board of Directors maintains ultimate governance responsibility for the overall effectiveness of the framework.

Risk Management



Through this integrated approach, the Group continues to strengthen its resilience and adaptability within an increasingly evolving business environment.

INDEPENDENT ASSURANCE AND CONTROL ENVIRONMENT

The effectiveness of the Group's risk management framework is further reinforced through independent assurance mechanisms. The internal audit function operates under the oversight of the Board and Audit Committee and executes a risk-based internal audit plan designed to evaluate the adequacy and effectiveness of internal controls, governance structures, and risk management processes.

Audit findings, recommendations, and remediation progress are regularly reported to the Audit Committee to ensure timely resolution of identified control gaps and continuous improvement of the control environment.

In addition, independent external audits provide assurance over the integrity of the Group's financial reporting processes, compliance with applicable regulatory requirements, and the effectiveness of key internal controls. These assurance activities contribute to enhanced transparency, strengthened stakeholder confidence, and improved governance practices across the Group.

STRATEGIC RISK PRIORITIZATION AND MITIGATION

As part of its ongoing commitment to proactive risk management, the Group continuously reviews and prioritizes key strategic and operational risks based on their potential impact on business continuity, financial performance, reputation, and long-term strategic objectives.

Appropriate mitigation strategies and control measures are implemented to maintain risk exposures within acceptable thresholds and to strengthen the Group's preparedness to respond effectively to evolving internal and external challenges.

Risk mitigation initiatives are reviewed periodically to ensure continued relevance and alignment with the Group's strategic priorities, operating environment, and stakeholder expectations. Through this disciplined and forward-looking approach, the Group remains focused on enhancing resilience, supporting sustainable growth, and creating long-term stakeholder value.

A summary of the Group's principal risks, and corresponding mitigation strategies is presented in the following section.

Description of Risk	Mitigation Strategies
Economic Risk	» Continuously monitor macroeconomic developments and assess their potential impact on Group performance and strategic objectives. » Conduct sensitivity and scenario analyses to evaluate the impact on Group and SBU budgets. » Maintain strong relationships with suppliers and financial institutions to negotiate favorable payment terms, credit facilities, and funding arrangements. » Align investment and operational decisions with long-term economic trends and government policy directions.
Investment Risk	» Undertake comprehensive feasibility studies and financial evaluations prior to investment commitments. » Conduct detailed market research to identify emerging trends, growth sectors, and expansion opportunities. » Monitor post-investment performance against predefined KPIs to ensure expected returns are achieved. » Review portfolio performance periodically and divest underperforming or non-core investments where necessary.
Liquidity Risk	» Maintain a centralized treasury function to optimize cash flow management and monitor funding requirements across the Group. » Regularly review business models and working capital requirements to enhance operational efficiency. » Closely monitor inventory, receivables, and payables to maintain healthy operating cash cycles. » Benchmark liquidity ratios, including current ratio, quick ratio, and cash ratio, against industry standards and best practices.
Human Resources Risk	» Maintain competitive compensation and benefits structures to attract and retain high-calibre talent. » Foster a culture of continuous learning through training and development initiatives aligned with emerging technologies and global best practices. » Implement structured talent review and succession planning frameworks to develop future leadership capabilities. » Promote employee engagement and well-being initiatives to enhance retention and workplace satisfaction.
Cybersecurity Risk	» Strengthen digital infrastructure through robust cybersecurity measures, including firewalls, encryption, anti-virus systems, and secure access controls. » Maintain comprehensive business continuity and disaster recovery plans to mitigate the impact of cyber incidents. » Enhance cybersecurity awareness through employee training, phishing simulations, and internal communication initiatives. » Conduct regular IT audits, penetration testing, and vulnerability assessments to identify and address security gaps.
Sustainability, ESG and Climate-Related Risk	» Oversee sustainability-related risks and opportunities (SRROs) through the Group Sustainability and ESG Management Committee, chaired by the Group CEO and comprising financial and sustainability reporting heads and key functional heads, operating under delegated authority from the Board Audit Committee. » Conduct periodic sustainability materiality assessments in line with SLFRS S1 and climate scenario analyses in line with SLFRS S2 to evaluate the resilience of the Group's strategy and business model to climate-related risks and opportunities. » Coordinate with the Enterprise Risk Management function to integrate SRROs into the Group's overall risk management policies and procedures. » Set clear, measurable sustainability and climate-related targets, monitor progress against them, and build Group-wide skills and competencies to manage SRROs effectively. » Strengthen sustainability disclosures and ESG/CSR performance, supported by regular reporting to the Board Audit Committee.

Report of the Audit Committee

I take this opportunity to present to you the Report of the Audit Committee (the "Committee") for the year ended 31st March 2026 outlining the Committee's roles and responsibilities. The Committee continued to review and report to the Board on the Company's financial reporting, internal control and risk management processes, and the performance, independence and effectiveness of the External Auditors.

COMPOSITION

The Committee consisted of four (4) Independent Non-Executive Directors. The members of the Committee during the year and as at date are as follows:

Mr. Duminda Weerasekare - *Chairman/Independent Non-Executive Director*

Mr. Sujeewa Mudalige - *Independent Non-Executive Director*

Mr. Savanth Sebastian - *Independent Non-Executive Director*

Mr. Samresh Kumar - *Independent Non-Executive Director*

The Chairman of the Committee is a Fellow of the Institute of Chartered Accountants of Sri Lanka. The Board is satisfied that the Committee has an adequate blend of accounting, auditing, legal and commercial experience to carry out their duties. Brief profiles of the Committee members are given in pages 17 to 20 of this Report.

The Company Secretary serves as the Secretary to the Committee.

MEETINGS

The Board Audit Committee met four (04) times during the period under review.

Name of Director	Attendance at meetings
Mr. Duminda Weerasekare	4/4
Mr. Sujeewa Mudalige	4/4
Mr. Savanth Sebastian	3/4
Mr. Samresh Kumar	3/4

The other members of the Executive Management and External Auditors attended the meetings by invitation.

TERMS OF REFERENCE

The Charter of the Committee, which is approved and adopted by the Board of Directors, clearly defines the terms of reference governing the Audit Committee. The 'Rules on Corporate Governance under Listing Rules of the Colombo Stock Exchange' and 'Code of Best Practice on Corporate Governance', issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission, further regulate the composition, roles and functions of the Committee. It also assists the Board of Directors in its general oversight of financial reporting, internal controls and functions relating to internal and external audits.

THE ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee, which has specific terms of reference, is described in the corporate governance report on page 38. The Committee's role is to review on behalf of the Board, the Company's internal financial controls. It is also responsible for oversight and advice to the Board on financial reporting related matters and internal controls over financial reporting and has overseen the work undertaken by the Group's Internal Risk, Internal Audit and External Auditors.

KEY RESPONSIBILITIES OF THE BOARD AUDIT COMMITTEE

Financial Reporting:

The primary role of the Committee in relation to financial reporting is to monitor the integrity of the Company's financial statements and formal announcements, if any, relating to the Company financial performance. The Committee reviewed and discussed the Company's quarterly and annual financial statements prior to publication. The Committee also reviewed matters communicated to the Committee by the External Auditors in their reports to the Audit Committee on the audit for the year under review. The scope of the review included ascertaining compliance with relevant disclosures with the Sri Lanka Accounting Standards, including new Accounting Standards which came into effect during the year, the appropriateness of accounting policies, material judgement matters, alternative accounting treatments, material audit adjustments, going concern assumption, financial reporting controls and compliance with applicable laws and regulations that could impact the integrity of the Company's financial statements, its annual report and its quarterly financial statements prepared for publication.

Internal Control:

The Directors are responsible for maintaining and reviewing the effectiveness of risk management and internal control systems, and for determining the nature and extent of the principal risks, the company is willing to take in achieving its strategic objectives. The Committee has noted the findings from the compliance reviews, their root causes and management responses, and status of implementing remediation. This process assesses the adequacy and effectiveness of the internal controls and the processes for controlling business risks to ensure compliance with laws and regulations.

Internal Audit:

The establishment and maintenance of appropriate systems of risk management and internal control is primarily the responsibility of the Management. The Group's Risk and Internal Audit function provides independent and objective assurance in respect of the adequacy of the design and operating effectiveness of the framework of risk management, control and governance processes across the Group, focusing on the areas of greatest risk.

Executive Management is responsible for ensuring that recommendations made by the Groups' Risk and Internal Audit are implemented within an appropriate and agreed timetable.

External Audit:

The External Auditor's Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and Management prior to commencement of the audit. The Auditors were also provided with the opportunities to discuss and express their opinions on any matter, and for the Committee to have the assurance that the Management has fully - provided all the information and explanations requested by the Auditors. The Committee also reviewed opportunities for improvement, which were observed during the audit and the Letter of Representation issued to the External Auditor to ensure that the representations made were consistent with the understanding of the Committee, as to the Company's operations and plans. The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. The Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be reappointed for the financial year ending 31 March 2027, subject to the approval of shareholders at the next Annual General Meeting.

CONCLUSION

The Committee is satisfied that the Company's internal controls, risk management processes and accounting policies provide reasonable assurance, that the affairs of the Company are managed in accordance with Company policies, and that Company assets are properly accounted for and adequately safeguarded. The Committee believes that the Company's accounting policies are appropriate and have been applied consistently.

Sgd.
Duminda Weerasekare
Chairman
Audit Committee

28 August 2026

Remuneration Committee Report

ROLE OF THE REMUNERATION COMMITTEE

The Committee reviews the performance of the executive staff against the set objectives and goals, and determines the remuneration policy of the company for all levels of employees. The Committee supports and advises the Board on remuneration related matters and makes decisions under delegated authority with a view to aligning the interests of employees and shareholders.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee is a sub - committee of the main Board, to which it is accountable.

The members of the Committee during the year and as at date are as follows:

Mr. Savanth Sebastian - *Chairman/Independent Non-Executive Director*

Mr. Sujeewa Mudalige - *Independent Non-Executive Director*

Mr. Samresh Kumar - *Independent Non-Executive Director*

The company secretary serves as the Secretary of the Committee.

The Committee members possess wide experience in the fields of business management, human resources management & labour relations. Hence the Committee has adequate expertise in remuneration policy and management to deliberate and propose necessary changes, improvements to meet the roles and responsibility of the Committee.

RESPONSIBILITY

The committee is responsible for formulating and recommending a remuneration policy to the Board. This policy aims to attract, retain, and motivate staff, taking into consideration industry norms.

Details of executive remuneration are included under key management personnel compensation as disclosed in Page 156 of Annual report.

The committee has reviewed the remuneration policy of the company and made its recommendations and has also advised on structuring remuneration packages in order to attract, motivate and retain quality staff personnel.

Sgd.
Savanth Sebastian
Chairman - Remuneration Committee

28 August 2026

Related Party Transaction Review Committee Report

PURPOSE OF THE COMMITTEE

The Board established the Related Party Transactions Review Committee as per Listing Rules of the Colombo Stock Exchange (CSE). The purpose of the Related Party Transactions Review Committee (the Committee) is to conduct an appropriate review of the Company's Related Party Transactions (RPTs) and to ensure that the Company complies with the Listing Rules of the CSE. The primary objectives of the said rules are to ensure that the interests of the shareholders as a whole are taken into account when entering into RPTs and to prevent Directors, Key Management Personnel or substantial shareholders taking advantage of their positions.

COMPOSITION

The Committee consists of three (3) Independent Non-Executive Directors. The members of the Committee during the year and as at date are as follows:

Mr. Ravi Goonetilleke	- *(Chairman) - Independent Non-Executive Director (appointed w.e.f. 15.05.2025)*
Mr. Sujeewa Mudalige	- *Independent Non - Executive Director*
Mr. Samresh Kumar	- *Independent Non - Executive Director*
Mr. Savanth Sebastian	- *(former Chairman) Independent Non - Executive Director (resigned w.e.f. 15.05.2025)*

The above composition is in compliance with the provisions of the Listing Rules of the Colombo Stock Exchange. Brief profiles of the members are given on pages 17 to 20 of the Annual Report.

The Company Secretary serves as the Secretary to the Committee.

MEETINGS

The Committee met five (05) times during the financial year.

Name of Director	Attendance at meetings
Mr. Ravi Goonetilleke	5/5
Mr. Sujeewa Mudalige	5/5
Mr. Samresh Kumar	3/5

The meetings were held on a quarterly basis.

Proceedings of the Committee meetings were reported to the Board of Directors.

ROLE AND RESPONSIBILITIES

The mandate of the committee, derived from the Rules includes the following:

a) To develop and recommend a RPT policy
b) To ensure that the Company complies with the Rules
c) To review in advance all proposed RPTs to ensure compliance with the Rules
d) To update the Board of Directors on the RPTs of the Company on a quarterly basis
e) Define and establish the threshold values in setting a benchmark for RPTs and , RPTs which have to be pre-approved by the Board, RPTs which require to be reviewed in advance and annually and similar issues relating to listed Companies.
f) To make immediate market disclosures on applicable RPTs as required by the Rules
g) To include appropriate disclosures on RPTs in the annual report as required by the Rules

Policies and procedures pertaining to RPTs are reviewed and strengthened on an ongoing basis.

Necessary steps have been taken by the Committee to avoid any conflicts of interest that may arise in transacting with related parties.

The Policies and Procedures Adopted by the Committee for Reviewing Related Party Transactions

The Committee formulated and recommended a process for adoption on RPTs for the Company, which is consistent with the operating model and the delegated decision rights.

The Committee in discharging its functions introduced processes and periodic reporting by the relevant entities with a view to ensure that;

- There is compliance with the Rules
- Shareholder interests are protected and
- Fairness and transparency are maintained

Any member of the Committee, who has an interest in RPT under discussion, shall abstain from voting on the approval of such transaction.

All forecasted recurrent RPTs are submitted by Management on a quarterly basis to the Committee for consideration and review. Non-recurrent RPTs are also reviewed and approved by the Committee prior to the transaction being entered into or if the transaction is expressed to be conditional on such review, prior to the completion of the transaction and the recommendation communicated to the Board for consideration.

CONCLUSION

The Committee is satisfied that all RPTs have been reviewed by the Committee during the financial year and have communicated their observations to the Board. The details of RPTs entered into during the financial year are given in Note 32 to the Financial Statements, on pages 155 to 157 of this Annual Report.

Sgd.
Mr. Ravi Goonetilleke
Chairman

28 August 2026

Report of the Nominations and Governance Committee

I am pleased to present the report of the Nominations and Governance Committee for the financial year ended 31st March 2026. This report is presented in compliance with Section 9.11 of the Listing Rules of the Colombo Stock Exchange (CSE).

The Committee supports the Board in fulfilling its responsibilities related to Board composition, nominations, succession planning, governance structures, and ensuring compliance with evolving regulatory frameworks. It plays a critical role in ensuring that the Board remains appropriately constituted to meet the Company's strategic needs while upholding high standards of governance.

COMPOSITION OF THE COMMITTEE

As of 31st March 2026, the Nominations and Governance Committee comprised three (03) Independent Non-Executive Directors, whose profiles reflect a strong mix of governance, legal, and industry experience (detailed profile of each members is given in page 17 to 20)

The Committee composition is as follows:

Name of the Director	Nature of Directorship	Committee Role
Mr. S L Sebastian	Independent Non-Executive Director	Chairman
Mr. D T S H Mudalige	Independent, Non-Executive Director	Member
Mr. S Kumar	Independent, Non-Executive Director	Member

Secretary of the Committee

The Company Secretary served as the Secretary to the Committee during the year under review.

Committee Responsibilities and Governance Framework

The Terms of Reference of the Committee ('TOR'), Policy on Board Committee, Policy on Corporate Governance, Nominations and Re-election which are duly approved by the Board of Directors and documented sets out the authority, composition, scope and responsibilities of the Committee taking into consideration the Corporate Governance requirements set out in the Listing rules of the CSE and recommended best Corporate Governance practices.

Meeting Attendance

During the financial year ended 31st March 2026, the Committee adopted several decisions via Circular Resolutions.

Some of the key tasks that were carried out during the year under review by the Committee are given below;

- Nominating Directors on the Board taking into consideration the board diversity in the range of experience skills, age and gender as an essential factors for effective board performance
- Re-election/Retirement of Directors in terms of the Company's Articles of Association with emphasis on knowledge, performance and strategic contribution.
- Evaluate the Fit and Proper criteria as per the declaration (in line with the CSE requirements Rule 9.7) submitted by each Director.
- Evaluate the declaration of Independence by Directors designated as Independent in compliance with CSE Rule 9.8.3.
- Annual disclosures on Directors' Interest in transactions and share dealing under Section 192 (2) and 200 of the Companies Act no. 7 of 2007 (Act.).
- Carried out periodic evaluations on the performance of the Board of Directors

The following Directors have been proposed for re-election in terms of Article no. 27 of the Articles of Association of the Company.

Description	Mr. Samresh Kumar	Mr. C T Tsoi
Date of first appointment as a Director	28th May 2024	04st June 2024
Date of last re-election as a Director at an AGM	13th Sep 2024	13th Sep 2024
Board Committees served on	- Audit Committee (Member)	None
	- Remuneration Committee (Member)	
	- Related Party Transactions Review (Member)	
	- Nominations and Governance Committee (Member)	
Any relations including close family relationships between the Director proposed for re-lelction and the Directors, the Bank or its shareholders holding more than ten per-centum (10%) of the shares of the Bank.	Nil	Nil

BOARD DIVERSITY AND COMPOSITION

The Committee values diversity as a cornerstone of Board effectiveness. As of 31st March 2026, the Board includes members with expertise in finance, law, operations, and governance, with age representation ranging from early 40s to early/mid 60s. The Committee will continue to foster diversity across all dimensions during future nominations.

DIRECTOR INDUCTION AND CONTINUING GOVERNANCE EDUCATION

As there were no new Directors appointed during the year, the necessity to carry out inductions programs did not arise. There is a clear process adopted to inform the Independent Directors of any major issues relating to the Company.

STATEMENT ON INDEPENDENCE AND COMPLIANCE

The Committee confirms that all Directors designated as Independent meet the criteria outlined in Section 9 of the CSE Listing Rules. Further, the Company has complied with all applicable corporate governance requirements under the CSE Listing Rules as of the reporting date. No instances of non-compliance were observed during the year.

CONCLUSION

The Nominations and Governance Committee continues to play a vital role in maintaining the integrity and effectiveness of the Board. Through its oversight, the Committee ensures that the Board remains strategically aligned, diverse, and equipped to deliver sustained long-term value for the Company and its stakeholders.

Sgd.
Mr. S L Sebastian
Chairman of the - Nominations and Governance Committee

28 August 2026
Colombo

Annual Report of the Board of Directors on the Affairs of the Company

The Directors of Ambeon Capital PLC have pleasure in presenting to the Shareholders their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2026.

GENERAL

Ambeon Capital PLC is a public limited liability Company incorporated and domiciled in Sri Lanka. The registered office and the principal place of business of the company is located at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8.

PRINCIPAL ACTIVITIES

During the year the principal activities of the group were financial services, managing property, IT solutions and investments.

REVIEW OF OPERATIONS

The Chairman's Review on Pages 08 to 11 which forms an integral part of these reports provide an overall assessment of the financial performance and the financial position of the company.

FINANCIAL STATEMENTS

The financial statements of the Group and Company are given on Pages 85 to 164 Summarized Financial Results.

GROUP & COMPANY

Y/E 31 March	Group (Rs'000)		Company (Rs'000)	
	2026	2025	2026	2025
Revenue	19,330,829	17,301,635	766	25,975
Profit/ (Loss) before tax for the year	4,062,705	1,798,432	4,090,622	718,608

AUDITORS' REPORT

The Independent Auditors' Report on the financial statements is given on Page 81.

ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of financial statements are given on Pages from 92 - 107 which are consistent with those of the previous period.

BOARD OF DIRECTORS

a . List of Directors

Names of the Directors of the Company as at 31st March 2026, are given below:

Mr. D T S H Mudalige - *Chairman/Independent, Non - Executive Director*

Dr. K S Narangoda - *Group CEO / Executive Director*

Mr. S L Sebastian - *Independent Non-Executive Director*

Mr. S Kumar - *Independent Non-Executive Director*

Mr. C T Tsoi - *Independent Non-Executive Director*

Mr. D M Weerasekare - *Independent Non-Executive Director*

Mr. M D J R Goonetilleke - *Independent Non-Executive Director*

b. New Appointments

There were no new appointments to the Board of Directors during the financial year under review.

c. Resignations

The information on resignations from the Board of Directors of the Company during the year is given below.

Name of Director	Directorship Status	Date of Resignation
Mr. R.P. Sugathadasa	Non - Independent Non-Executive Director	16.09.2025

The present Directors of the Company and their profiles are shown on pages 17 to 20 of this Annual Report.

INTERESTS REGISTER

In terms of the Companies Act No. 7 of 2007 an Interests register was maintained during the accounting period under review. This Annual Report also contains particulars of entries made in the Interests register.

DIRECTORS' REMUNERATION

The Director's remuneration is disclosed in Note 09 to the financial statements on Page 115.

THE AUDITORS

The financial statements for the year ended 31st March 2026 have been audited by Messrs Ernst & Young (Chartered Accountants). As far as Directors are aware the auditors do not have any relationship (other than that of an Auditor) with the Company except for those disclosed below. The auditors also do not have any interest in the Company.

The audit fee payable to the auditors for the year under review is Rs 1,045,000/- (Group - Rs. 13,858,142/-)

STATED CAPITAL

The Stated Capital of the Company as at 31st March 2026 was Rs. 1,915,314,712 /- (1,022,352,863 Shares).

DIRECTORS' SHAREHOLDING

The shareholdings of the Directors of the Company are as follows.

As at	31.03.2026	31.03.2025
Mr. D T S H Mudalige	9,205,011	9,000,000
Dr. K S Narangoda	Nil	Nil
Mr. S L Sebastian	Nil	Nil
Mr. S Kumar	Nil	Nil
Mr. C T Tsoi	Nil	Nil
Mr. R.P. Sugathadasa (Resigned on 16th September 2025)	-	11,455,863
Mr. D M Weerasekare	2,045,558	2,000,000
Mr. M.D.J.R Goonetilleke	Nil	-

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the twenty largest shareholders of the company, distribution schedule of the number of shareholders, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on Page No 165 under Investor Information.

PUBLIC HOLDING

The percentage of public shareholding as at the 31st March 2026 was 18.01%.

CAPITAL COMMITMENTS

There were no material capital expenditure commitments as at 31st March 2026 other than those disclosed in Note 31

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, are satisfied that all statutory dues have been paid up to date, or have been provided for in the financial statements.

DONATIONS

During the year under review, the Group extended its support to communities islandwide affected by Cyclone Ditwah, one of the most devastating natural disasters to impact Sri Lanka in recent years. In response to the widespread flooding, landslides, and displacement caused by the cyclone, the Group contributed towards relief and rehabilitation efforts, reaffirming its ongoing commitment to corporate social responsibility and the wellbeing of the communities in which it operates.

EVENTS OCCURRING AFTER THE REPORTING PERIOD

No circumstances have arisen after the reporting period which would require adjustment to or disclosure in the financial statements other than those disclosed in Note 33 on Page No 157 of the financial statements.

GOING CONCERN

The Board of Directors is satisfied that the company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared based on the going concern concept.

CORPORATE GOVERNANCE

Corporate Governance practices and principles with respect to the management and operations of the Company are set out on Pages from 38 to 48 of the Corporate Governance Report . The Corporate Governance report also includes the requirements of rules of Section 9 of the CSE listing Rules as applicable.

The Board has declared all material interests in contracts involving in the Entity and refrained from voting on matters in which they were materially interested. Further the Board has made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions.

An Audit Committee, Related Party Transactions Review Committee, Remuneration Committee , Nominations & Governance Committee as well as Investment Committee function as sub-committees of the Board and they are composed of Directors with the requisite qualifications and experience. The composition of the said Committees are as follows:

AUDIT COMMITTEE

Mr. Duminda Weerasekera *(Chairman)*

Mr. Sujeewa Mudalige

Mr. Savanth Sebastian

Mr. Samresh Kumar

REMUNERATION COMMITTEE

Mr. Savanth Sebastian *(Chairman)*

Mr. Sujeewa Mudalige

Mr. Samresh Kumar

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Ravi Goonetilleke *(Chairman)*

Mr. Sujeewa Mudalige

Mr. Samresh Kumar

Annual Report of the Board of Directors on the Affairs of the Company

NOMINATIONS AND GOVERNANCE COMMITTEE

Mr. Savanth Sebastian *(Chairman)*

Mr. Sujeewa Mudalige

Mr. Samresh Kumar

INVESTMENT COMMITTEE

Mr. Sujeewa Mudalige *(Chairman)*

Dr. Sajeeva Narangoda

Mr. Savanth Sebastian

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board of Directors has given the following statement in respect of the related party transactions review committee.

The related party transactions of the Company during the financial year have been reviewed by the Related Party Transactions Review Committee and are in compliance with the Section 09 of the CSE Listing Rules.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held by way of electronic means on 23rd September 2026 at 11.00 a.m. The Notice of the Annual General meeting appears on page 174.

By Order of the Board Ambeon Capital PLC

Sgd.
D T S H Mudalige
Chairman

Sgd.
Dr. K.S. Narangoda.
Group CEO / Executive Director

Sgd.
Managers & Secretaries (Pvt) Ltd
Secretaries

28 August 2026
Colombo

Statement of Directors' Responsibilities

The Directors are required by the Companies Act No. 7 of 2007 and any amendements there to (companies Act) to prepare Financial Statements for each financial year, which give a true and fair view of the statement of affairs of the company as at the end of the financial year and the income and expenditure of the Company for the financial year.

The Directors are also required to ensure that the financial statements comply with any regulations made under the Companies Act which specifies the form and content of financial statements and any other requirements which apply to the company's financial statements under any other law.

The Directors consider that the financial statements presented in this annual report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and in compliance with the Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS), (Companies Act), Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The Directors are responsible to ensure that the company keeps sufficient accounting records, which disclose the financial position of the company with reasonable accuracy and enable them to ensure that the financial statements have been prepared and presented as aforesaid. They are also responsible for taking measures to safeguard the assets of the company and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors continue to adopt the going concern basis in preparing the financial statements. The directors, after making inquiries and review of the company's business plan for the financial year 2026/2027, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

By Order of the Board
Ambeon Capital PLC

Sgd.
Managers & Secretaries (Pvt) Ltd
Secretaries

28 August 2026

Financial Calendar

1st Quarter Interim Report 13th August 2025
2nd Quarter Interim Report 11th November 2025
3rd Quarter Interim Report 13th February 2026
4th Quarter Interim Report 18th May 2026
Annual Report 2025/2026 28th August 2026
Annual General Meeting 23rd September 2026

Financial Report

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Shape the future
with confidence

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Independent Auditor's Report

TO THE SHAREHOLDERS OF AMBEON CAPITAL PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ambeon Capital PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and Income Statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Assessment of fair valuation of investment property</td></tr>
<tr><td>Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group.

This was a key audit matter due to the:
» The materiality of the reported fair value of land and buildings which amounted to Rs. 1.87 Bn representing 5% of the Group's total assets as of the reporting date; and
» The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach.

Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 15 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:
» Estimate of per perch value of the land.
» Estimate of the per square foot value of the buildings.
» Market rent per square foot, occupancy rates and yield.</td><td>Our audit procedures included the following key procedures:
» Assessed the competence, capability and objectivity of the external valuers engaged by the Group.
» Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property.
» Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property.

We also assessed the adequacy of the disclosures made in Note 15 to the financial statements.</td></tr>
<tr><td colspan="2">Annual Impairment assessment of intangible assets with infinite useful life</td></tr>
<tr><td>The Group's Statement of Financial Position includes an amount of LKR 1.4 Bn relating to Goodwill and Brands, as further described in Note 13 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).

Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill and Brand have been allocated. A deficit between the recoverable value and the carrying values of the CGUs including Goodwill would result in an impairment.

Impairment testing of Goodwill was a key audit matter due to:
» the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.

Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 13 to the financial statements.</td><td>Our audit procedures included the following:
» We gained an understanding of how Management has forecasted its discounted future cash flows.
» We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.

We assessed the adequacy of the disclosures made in Note 13 in the financial statements.</td></tr>
</table>

Other information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 4184.

28 August 2026
Colombo

Income Statement

		Group		Company	
Year ended 31 March		2026	2025	2026	2025
Continuing Operations	Notes	LKR	LKR	LKR	LKR
Revenue	5	19,330,829,029	17,301,634,906	765,616	25,974,562
Cost of Sales	6	(15,014,798,496)	(13,407,490,215)	-	-
Gross Profit		**4,316,030,533**	**3,894,144,691**	**765,616**	**25,974,562**
Investment and Other Income	7	708,115,148	365,175,211	3,189,341,581	32,357,653
Selling and Distribution Expenses		(440,050,549)	(429,245,635)	-	-
Administrative Expenses		(2,196,363,760)	(2,230,779,804)	(58,171,692)	(57,067,435)
Gain on Change in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss		2,711,604,386	1,085,834,767	2,215,218,504	7,925,554
Change in Fair Value of Biological Assets	14	3,449,000	1,367,000	-	-
Change in Fair Value of Investment Property	15	335,911,661	29,801,550	-	7,696,000
Change in Fair Value of Investment in Subsidiary	16	-	-	(729,324,625)	1,125,324,503
Finance Cost	8	(1,264,993,717)	(727,744,672)	(527,207,833)	(423,602,383)
Share of Results of Equity Accounted Investee	29	(34,746,795)	(190,121,020)	-	-
(Loss) from disposal of Associate	4.1	(76,251,046)	-	-	-
Gain on Disposal of Subsidiary	4	-	-	-	1
Profit/(Loss) Before Income Tax	9	**4,062,704,861**	**1,798,432,088**	**4,090,621,552**	**718,608,455**
Income Tax Expense	10	(829,159,763)	(206,174,058)	6,362,847	(2,301,687)
Profit/(Loss) for the Year		**3,233,545,097**	**1,592,258,030**	**4,096,984,398**	**716,306,768**
Profit / (Loss) Attributable to:					
Equity Holders of the Company		2,469,612,370	1,043,180,139		
Non - Controlling Interests		763,932,727	549,077,891		
		3,233,545,097	1,592,258,030		
Basic Earnings / (Loss) Per Share	11	2.42	1.02	4.01	0.70

The Notes from pages 92 to 164 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

Statement of Comprehensive Income

Year ended 31 March	Notes	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Profit/(Loss) for the Year		3,233,545,097	1,592,258,030	4,096,984,398	716,306,768
Other Comprehensive Income					
Items that will never be reclassified to profit or loss					
Actuarial gain/(loss) on Defined Benefit Plans	23	(54,176,576)	9,761,935	-	-
Tax on Actuarial gain/(loss) on Defined Benefit Plans	25	13,649,904	(2,661,801)	-	-
Share of Other Comprehensive Income of Equity Accounted Investees	29	-	17,491,255	-	-
		(40,526,672)	24,591,389	-	-
Items that are or may be reclassified to profit or loss					
Functional/Foreign Currency translation Reserve		(4,481,226)	4,008,735	-	-
		(4,481,226)	4,008,735	-	-
Total Other Comprehensive Income		**(45,007,897)**	**28,600,124**	**-**	**-**
Total Comprehensive Income for the Year		**3,188,537,200**	**1,620,858,154**	**4,096,984,398**	**716,306,768**
Total Comprehensive Income Attributable to:					
Equity Holders of the Company		2,443,635,106	1,064,052,184		
Non - Controlling Interests		744,902,094	556,805,970		
		3,188,537,200	1,620,858,154		

The Notes from pages 92 to 164 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

Statement of Financial Position

As at 31 March	Notes	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	12	250,404,378	289,725,931	3,792	17,282
Intangible Assets	13	1,425,694,429	1,344,587,545	-	-
Biological Assets	14	88,340,950	84,891,950	-	-
Investment Property	15	1,867,200,001	1,445,120,550	-	48,196,000
Investment in Subsidiaries	16	-	-	10,532,499,359	9,382,307,700
Investment in Equity Accounted Investee	29	49,688,527	907,700,438	-	-
Other Financial Assets	17	11,530,496	9,249,904	-	-
Right-of-Use Assets	28	367,868,258	405,087,518	-	-
Deferred Tax Asset	25	189,789,605	128,045,820	-	-
		4,250,516,644	4,614,409,656	10,532,503,151	9,430,520,982
Current Assets					
Inventories	18	3,331,425,542	2,493,921,517	-	-
Trade & Other Receivables	19	10,641,023,384	7,125,687,902	2,573,844,611	57,912,702
Other Financial Assets	17	17,251,018,421	13,422,302,704	3,802,679,235	1,176,209,022
Income Tax Recoverable		10,252,316	11,843,159	-	-
Cash & Cash Equivalents	20	4,504,326,799	932,552,651	6,544,368	1,296,139
		35,738,046,462	23,986,307,933	6,383,068,214	1,235,417,863
Total Assets		39,988,563,106	28,600,717,589	16,915,571,365	10,665,938,845
EQUITY AND LIABILITIES					
Equity					
Stated Capital	21	1,915,314,712	1,053,643,405	1,915,314,712	1,053,643,405
Other Components of Equity	21.1	(6,792,925)	(4,429,064)	258,920,263	258,920,263
Retained Earnings		6,750,352,812	5,340,350,961	7,335,655,528	4,241,394,980
Equity Attributable to Equity Holders of the Company		8,658,874,599	6,389,565,302	9,509,890,503	5,553,958,648
Non Controlling Interests		4,096,966,609	3,949,914,041	-	-
Total Equity		12,755,841,208	10,339,479,343	9,509,890,503	5,553,958,648
Non-Current Liabilities					
Other Financial Liabilities	27	347,936	347,936	-	-
Interest Bearing Loans & Borrowings	22	1,906,996,425	492,541,543	1,792,319,263	1,461,903,102
Retirement Benefit Obligation	23	445,535,717	375,855,260	-	-
Deferred Tax Liability	25	324,773,495	306,705,920	1,138	6,363,985
		2,677,653,573	1,175,450,659	1,792,320,401	1,468,267,087
Current Liabilities					
Trade and Other Payables	26	6,916,659,246	4,457,570,068	2,049,815	1,369,689
Income Tax Payable		255,605,203	250,180,273	-	-
Contract Liability	24	1,822,229,459	1,904,072,863	-	-
Interest Bearing Loans & Borrowings	22	15,560,574,418	10,473,964,383	5,611,310,646	3,642,343,421
		24,555,068,326	17,085,787,587	5,613,360,461	3,643,713,110
Total Equity and Liabilities		39,988,563,106	28,600,717,589	16,915,571,365	10,665,938,845
Net Assets Per Share (Rs.)	11	8.47	6.25	9.30	5.43

I certify that the Financial Statements have been prepared in compliance with the requirements of Companies Act No. 07 of 2007.

Haritha C. Perera
Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. Signed for and on behalf of the Board by;

Sujeewa Mudalige
Chairman

Sajeeva Narangoda
Group CEO/Director

The Notes from pages 92 to 164 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

28 August 2026
Colombo

Statement of Changes in Equity - Group

Year ended 31 March		Attributable to Equity Holders of the Group						Non Controlling Interests	Total Equity
		Stated Capital	Fair Value through OCI Reserve	Revaluation Reserve	Foreign/ Functional currency translation Reserve	Retained Earnings	Total		
Group	Notes	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 01 April 2024		1,053,643,405	20,244,739	176,776,723	(6,543,685)	4,081,391,937	5,325,513,118	4,057,054,860	9,382,567,978
Profit for the year		-	-	-	-	1,043,180,139	1,043,180,139	549,077,891	1,592,258,030
Other Comprehensive Income		-	-	-	2,114,622	18,757,424	20,872,045	7,728,078	28,600,124
Total Comprehensive Income for the year		-	-	-	2,114,622	1,061,937,563	1,064,052,184	556,805,970	1,620,858,154
Equity Share Disposal Loss		-	(9,907,277)	-	-	9,907,277	-	-	-
Transfer from FVTOCI to Retained Earnings		-	(10,337,462)	-	-	10,337,462	-	-	-
Reclassification adjustment made to Retained Earnings due to the Investment Property Transfer		-	-	(176,776,723)	-	176,776,723	-	-	-
Transactions with Non controlling Interest		-	-	-	-	-	-	(663,946,789)	(663,946,789)
Balance as at 31 March 2025		1,053,643,405	-	-	(4,429,063)	5,340,350,962	6,389,565,302	3,949,914,041	10,339,479,343
Profit for the year		-	-	-	-	2,469,612,370	2,469,612,370	763,932,727	3,233,545,097
Other Comprehensive Income		-	-	-	(2,363,862)	(23,613,402)	(25,977,265)	(19,030,633)	(45,007,896)
Total Comprehensive Income for the year		-	-	-	(2,363,862)	2,445,998,968	2,443,635,106	744,902,094	3,188,537,200
Dividend - Scrip		861,671,307	-	-	-	(861,671,307)	-	-	-
Dividend - Cash						(141,052,544)	(141,052,544)	-	(141,052,544)
Subsidiary Dividend to Minority Shareholders		-	-	-				(731,272,008)	(731,272,008)
Acquisition of Myland Developments PLC		-	-	-	-	-	-	70,380,727	70,380,727
Transactions with Non controlling Interest		-	-	-	-	(33,273,267)	(33,273,267)	63,041,755	29,768,488
Balance as at 31 March 2026		**1,915,314,712**	**-**	**-**	**(6,792,925)**	**6,750,352,812**	**8,658,874,599**	**4,096,966,609**	**12,755,841,208**

The Notes from pages 92 to 164 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

Statement of Changes in Equity - Company

Year ended 31 March		Stated Capital	Amalgamation Reserve	Retained Earnings	Total Equity
Company	Notes	LKR	LKR	LKR	LKR
Balance as at 01 April 2024		1,053,643,405	258,920,263	3,525,088,213	4,837,651,881
Profit for the year		-	-	716,306,768	716,306,768
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the year		-	-	716,306,768	716,306,768
Balance as at 31 March 2025		1,053,643,405	258,920,263	4,241,394,981	5,553,958,648
Profit for the year		-	-	4,096,984,398	4,096,984,398
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the year		-	-	4,096,984,398	4,096,984,398
Dividend - Cash				(141,052,544)	(141,052,544)
Dividend - Scrip		861,671,307		(861,671,307)	-
Balance as at 31 March 2026		**1,915,314,712**	**258,920,263**	**7,335,655,528**	**9,509,890,503**

The Notes from pages 92 to 164 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

Statement of Cash Flows

Year ended 31st March	Notes	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Cash Flows From Operating Activities					
Profit/(Loss) before Tax from Continuing Operations		4,062,704,861	1,798,432,088	4,090,621,552	718,608,455
Adjustment for					
Depreciation of Property, Plant & Equipment	12	77,321,907	83,751,116	13,489	22,599
Amortization of Right of Use Assets	28	86,188,935	59,853,395	-	1,552,706
Amortization of Intangible Assets	13	4,919,308	2,446,347	-	-
Change in Fair Value of Financial Assets		(2,712,185,138)	(1,085,834,767)	(2,215,218,504)	(7,925,554)
Gain on Disposal of Subsidiary	4.2	-	-	-	(1)
Provision for Retirement Benefit Obligation	23	95,300,115	97,471,961	-	-
Change in Fair Value of Investment Property	15	(335,911,661)	(29,801,550)	-	(7,696,000)
Change in Fair Value of Investment in Subsidiary	16	-	-	729,324,625	(1,125,324,503)
Impairment of Share of Results of Equity Accounted Investee	29	-	43,708,866	-	-
Impairment / (Reversal) of Trade and Other Receivables	19.2	(99,204,297)	(706,115,785)	-	-
Changes in fair value of Biological Assets	14	(3,449,000)	(1,367,000)	-	-
Allowance/ (Reversal) for Obsolete and Slow Moving Inventories	18	1,340,578	2,951,345	-	-
Profit on Disposal of Shares	17	-	-	(101,566,239)	-
Profit from Disposal of Property Plant & Equipment		(1,439,500)	-	-	-
Profit on Disposal of Investment Property		-	-	(3,304,000)	-
Interest Expense	8	1,264,993,717	727,744,672	527,207,833	423,602,383
(Loss) from disposal of Associate	4.1	76,251,046	-	-	-
Share of Results of Equity Accounted Investee	29	34,746,795	190,121,020	-	-
Operating Profit before Working Capital Changes		**2,551,577,665**	**1,183,361,708**	**3,027,078,755**	**2,840,086**
(Increase)/Decrease in Inventories		(587,976,582)	(1,081,179,918)	-	-
Increase in Trade & Other Receivables		(3,404,451,650)	1,734,171,738	(2,515,931,909)	465,709,720
Increase/(Decrease) in Contract Liability		(81,843,404)	222,806,322	-	-
Increase/(Decrease) in Trade & Other Payable		2,405,925,908	779,901,902	680,127	382,437
Cash Generated from Operations		**883,231,936**	**2,839,061,753**	**511,826,972**	**468,932,242**
Retirement Gratuity Paid/Transfers	23	(82,961,952)	(89,517,521)	-	-
Interest Paid		(504,065,906)	(501,656,204)	(461,043,454)	(189,435,002)
Income Tax Paid		(806,074,159)	(373,099,758)	-	-
Net Cash Flow Generated from/ (used in) Operating Activities		**(509,870,081)**	**1,874,788,268**	**50,783,519**	**279,497,240**

		Group		Company	
Year ended 31st March		2026	2025	2026	2025
	Notes	LKR	LKR	LKR	LKR
Cash Flow from Investing Activities					
Acquisition of Property, Plant & Equipment	12	(37,870,158)	(38,726,434)	-	-
Proceeds on disposal of Property, Plant & Equipment		8,084,658	-	-	-
Net Proceed From Disposal of Associate		747,014,271	-	-	-
Investment in Subsidiaries		(153,664,819)	(799,169,176)	(2,274,720,666)	-
Acquisition of Intangible Assets	13	(660,096)	(14,647,993)	-	-
Acquisition of Investment Properties	15	(86,167,789)	(8,969,000)	-	-
Proceeds from disposal of Property		-	-	51,500,000	-
Acquisition of Other Financial Assets		(1,117,111,331)	(5,399,525,535)	(1,184,283,480)	-
Redemption of Preference Shares		-	-	-	30,000,000
Proceeds / (Investment) in Other Financial Assets		(1,699,840)	(443,943)	1,269,802,394	(1,168,283,468)
Net Cash Flow Generated From / (Used) in Investing Activities		**(642,075,105)**	**(6,261,482,082)**	**(2,137,701,752)**	**(1,138,283,468)**
Cash Flow from Financing Activities					
Loan Received		140,868,696,183	158,273,238,926	2,271,630,612	824,174,983
Dividend Paid	36.1	(141,052,544)	-	(141,052,544)	-
Dividend Paid to Non-Controlling Interest		(731,272,008)	-		
Lease Payments	22.1	(66,263,589)	(99,310,615)	-	(1,614,411)
Repayment of Loans		(136,109,489,760)	(153,270,304,342)	-	-
Net Cash Flow Generated from/ (Used) in Financing Activities		**3,820,618,281**	**4,903,623,969**	**2,130,578,068**	**822,560,572**
Net foreign Exchange Difference		(4,481,226)	4,008,735	-	-
Cash & Cash Equivalents					
Net movement during the year		2,664,191,872	520,938,890	43,659,832	(36,225,658)
At the beginning of the year		741,254,357	220,315,468	(37,585,266)	(1,359,609)
At the end of the year (Note A)	20	**3,405,446,230**	**741,254,357**	**6,074,566**	**(37,585,266)**
Note A-Cash and Equivalents are as follows					
Cash in Hand & Bank		4,504,326,799	932,552,651	6,544,368	1,296,139
Bank Overdraft		(1,098,880,569)	(191,298,294)	(469,802)	(38,881,405)
		3,405,446,230	**741,254,357**	**6,074,566**	**(37,585,266)**

The Notes from pages 92 to 164 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

Notes to the Financial Statements

Year ended 31st March 2026

1. CORPORATE INFORMATION

1.1 Reporting Entity

Ambeon Capital PLC is a public limited liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of Business are located at, No 100/1, 02nd Floor, Elvitigala Mawatha, Colombo 08.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2026 comprise "the Company" referring to Ambeon Capital PLC as the holding Company and "the Group" referring to the companies whose accounts have been consolidated therein.

1.3 Parent Entity

The Company's ultimate parent undertaking is Ambeon Consolidated (Pvt) Ltd, a Private Limited Liability Company incorporated and domiciled in Sri Lanka.

1.4 Approval of Financial Statements

The Financial Statements for the year ended 31 March 2026 were authorized for issue in accordance with a resolution by the board of directors on 28 August 2026.

1.5 Principal Activities & Nature of Operations

Holding Company
Ambeon Capital PLC, the Group's holding Company, operated as the Investments holding company of the Group and is presently engaged in carrying out investment related activities.

Subsidiary - Ambeon Holdings PLC
Ambeon Holdings PLC manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the Ambeon Group, and provides function-based services to its subsidiaries. and associate. Subsidiaries of the group were engaged in managing property, IT services, financial services, and investments.

Subsidiary - Myland Developments PLC
On 4 September 2025, Ambeon Capital PLC acquired 51.03% of its issued share capital. During the period the principal activity of the company was real estate development.

Subsidiary- Ambeon Wealth Management (Pvt) Ltd
The company was incorporated during the year, and its principal activity was the holding of an inventory property.

Subsidiary - Ambeon Essentials (Pvt) Ltd
Ambeon Essentials (Pvt) Ltd was incorporated during the year, and its principal activity is investing in FMCG industry.

Subsidiary - Taprobane Capital Plus (Pvt) Ltd
On 27 November 2025, Ambeon Capital PLC acquired 100% of the issued share capital of Taprobane Capital Plus (Pvt) Ltd from Ambeon Holdings PLC.

Taprobane Capital Plus (Private) Limited was incorporated to hold the investments of Ambeon Securities (Private) Limited, Taprobane Investments (Private) Limited, Taprobane Wealth Plus (Private) Limited, Lexinton Financial Services (Pvt) Ltd , Sherwood Capital (Pvt) Ltd & Sherwood Technologies (Pvt) Ltd

Sub Subsidiary - through Colombo City Holdings PLC - Heron Agro Products (Pvt) Ltd
During the period, the principal activity of the company was estate management.

Sub-Subsidiary- through Colombo City Holdings PLC - Lexinton Resorts (Pvt) Ltd
During the year, the principal activity of the Company was managing the real estate.

Sub- Subsidiary - through Ambeon Holdings PLC - Palla & Company (Pvt) Ltd
The principal activity of the Company was manufacturing shoes for exports and the Company ceased operations with effect from 31 August 2015.

Sub-subsidiary through Ambeon Holdings PLC - Colombo City Holdings PLC
During the period, the principal activity of the Company was to engage in Real Estate

Sub-subsidiary - through Colombo City Holdings PLC - Lexinton Holdings (Pvt) Ltd
During the period, the principal activity of the company was lending & maintaining commercial property, dwelling flats for lease.

Sub -subsidiary - through Ambeon Holdings PLC - Olancom (Pvt) Ltd
The Company is the Investment Holding Company of Roomsnet International Limited. However, there were no operations during the year.

Sub -subsidiary - through Ambeon Holdings PLC - Greenfield Ventures (Pvt) Limited
Ambeon Holdings PLC purchased 100% ownership of the Greenfield Ventures Pvt Ltd on 04th April 2024. The principal activities of the Company were to set up an investment holding Company

Sub-Subsidiary through Ambeon Holdings PLC- Eon Tec (Pvt) Limited
The Company was incorporated to acquire shares of Millennium I.T.E.S.P. (Private) Limited.

Sub-subsidiary through Eon Tec (Pvt) Ltd - MillenniumIT ESP (Private) Limited (formerly know as Millennium Information Technologies (Pvt) Limited)
During the period, the principal activity of the Company was specialising in the Integration Business providing a host of specialised, scalable solutions ranging from Core Infrastructure, Information Security, Business Collaboration, Near-Field Communications, Business Productivity. Managed Solutions and Customer Relationship Management.

Sub- Subsidiary Entity - Millennium IT ESP Singapore Pte. Ltd
Millennium IT ESP Singapore Pte. Ltd is a systems integration business provides a host of specialized, scalable solutions ranging from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Singapore.

Sub- Subsidiary Entity - MIT ESP Bangladesh Private Ltd
MIT ESP Bangladesh Private Ltd is a systems integration business provides a host of specialized, scalable solutions ranging from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Bangladesh.

Sub- Subsidiary Entity - MIT ESP Trading L.L.C
MIT ESP Trading L.L.C is a systems integration business provides a host of specialized, scalable solutions ranging from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Dubai.

Associate Entity - Infoseek (Private) Limited
Principal activity of the company is development of software and other IT related activities. The Company has developed an innovative Cloud based Human Resource Information System named as MintHRM where the investment was a strategic fit for Millennium I.T.E.S.P. (Private) Ltd

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Ambeon Securities (Private) Limited
The principal activity of the company is functioning as a stock broker in the Colombo Stock Exchange.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Taprobane Investments (Private) Limited
The principal activity of the company is conducting Money Broking transactions in the open market.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Taprobane Wealth Plus (Private) Limited
The principal activity of the company is conducting Corporate Finance activities. However, there were no operations during the year.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Lexinton Financial Services (Private) Limited
The principal activity of the company was conducting Margin Trading activities. However, there were no operations during the year.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Sherwood Capital (Private) Limited.
The Company is a proprietary bond trading and treasury management company which invests in fixed income securities issued by the Government of Sri Lanka.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Sherwood Technologies (Private) Limited.
The company was incorporated during the year, and its principal activity was Developing & implementing Integrated Treasury Management System.

1.6 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility report in the Annual report.

2. BASIS OF PREPARATION

2.1 Basis of Measurement

The consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings, retirement benefit obligation actuarially valued using projected unit credit method and fair value through profit or loss financial assets, fair value through OCI financial assets that have been measured at fair value.

2.2 Statement of Compliance

The Financial Statements which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows together with the material accounting policy information and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

2.3 Comparative Information

The presentation and classification of the Financial Statements of the previous years have been amended, where relevant for better presentation and to be comparable with those of the current year.

2.4 Going Concern

The Board of Directors have made an assessment of the Group's ability to continue as a going concern and they do not intend either to liquidate or cease trading.

2.5 Presentation and Functional Currency

The consolidated Financial Statements are presented in Sri Lankan Rupees, the Group's functional and presentation currency, which is the primary economic environment in which the Holding Company operates. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

The subsidiary mentioned below is using functional currency other than Sri Lankan Rupees (LKR.).

Name of the Subsidiary	Functional Currency
Millennium IT ESP Singapore Private Ltd	USD
MIT ESP Bangladesh Private Ltd	BDT
MIT ESP Trading LLC	AED

2.6 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2026. The Financial Statements of the subsidiaries are prepared in compliance with the Group's accounting policies unless otherwise stated.

All intra-Group balances, income and expenses, unrealized gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

2.7 Subsidiary

Control over an investee is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- » Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- » Exposure, or rights, to variable returns from its involvement with the investee
- » The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- » The contractual arrangement with the other vote holders of the investee;
- » Rights arising from other contractual arrangements; and
- » The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

a. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

b. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

c. If the Group loses control over a subsidiary, it:

- » Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- » Derecognizes the carrying amount of any non-controlling interest
- » Derecognizes the cumulative translation differences, recorded in equity
- » Recognizes the fair value of the consideration received
- » Recognizes the fair value of any investment retained
- » Recognizes any surplus or deficit in profit or loss
- » Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

The total profits and losses for the year of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the statement of financial position.

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of profit for the year in the consolidated income statement and statement of comprehensive income and as a component of equity in the consolidated statement of financial position, separately from parent' shareholders' equity.

The consolidated statement of cash flow includes the cash flows of the Company and its subsidiaries.

In the separate financial statement investment in subsidiaries are accounted at Fair Value.

2.8 Transactions with Non-Controlling Interests

The profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by the parent, directly or indirectly through subsidiaries, is disclosed separately under the heading 'Non-Controlling Interest'.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

2.9 Significant Judgments, estimates and assumptions

The preparation of the Financial Statements of the Group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period. In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

» Revenue from IT related Services

Our contracts with customers often include promises to transfer multiple products and services to a customer. Determining whether products and services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. When a multiple element arrangement includes hardware, software and integration component, judgment is required to determine whether the performance obligation is considered distinct and accounted for separately, or not distinct and accounted for together with the other components and recognized over the time. Revenue from long term services and maintenance services is recognized ratably over the period in which the long term services and maintenance services are provided.

» Revaluation of property, plant and equipment and fair valuation of investment properties

The Group measures land and buildings at revalued amounts with changes in fair value being recognized in Other Comprehensive Income and in the Statement of Changes in Equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognized in the statement of profit or loss. The Group engaged independent valuation specialists to determine fair value of investment property and land and buildings as at 31st March 2026.

The valuer has used valuation techniques such as market approach, cost approach and income approach.

The methods used to determine the fair value of the investment property and property plant and equipment's carried at fair value are further explained in Note 12 and Note 15 .

» Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The key assumptions used to determine the value in use (VIU) are further explained in Note 13.2 & 16.

» Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible. Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note No.30 for financial instrument classification and fair value hierarchy.

» Deferred Tax Assets/ Liabilities

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 25.

» Employee benefit liability

The employee benefit liability of the Group determines using actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

» Accounting for investments in Subsidiaries

Investment in Subsidiary are those entities that is controlled by the Company. Investment in subsidiary are accounted at fair value through profit or loss in accordance with SLFRS 9. They are initially recognized at fair value. Subsequent to initial recognition, the fair value gains or losses are recognized in the statement of profit or loss in the separate financial statements until the date on which the control is lost. The dividends received from the Subsidiary are treated as other income in the statement of profit or loss of the separate financial statements.

Details of the key assumptions used in the estimates are contained in Note 16.

2.10 Summary of Material Accounting Policy Information

2.10.1 Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

a. Goods transferred at a point in time

Under SLFRS 15, revenue is recognized upon satisfaction of a performance obligation. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods.

b. Revenue recognition multiple element arrangements

The Group recognizes revenue on multiple element arrangements and design and build software contracts. Multiple element arrangements require management judgment in performance obligation for such arrangement. Design and build software contracts uses percentage of completion method relies on output method, which is the contract milestones, supported by user acceptance confirmation.

c. Rendering of services

Under SLFRS 15, the Group determines, at contract inception, whether it satisfies the performance obligation over time or at a point in time. For each performance obligation satisfied over time, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

d. Dividend

Dividend income is recognized when the Group's right to receive the payment is established.

e. Finance income

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, value gains on the financial assets at fair value through profit or loss, gains on the re-measurement to fair value of any pre-existing interest in an acquiree that are recognized in income statement.

Interest income or expense is recorded as it accrues using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

f. Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

g. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms.

h. Gains and losses

Net gains and losses of a revenue nature arising from the disposal of property, plant and equipment and other noncurrent assets, including investments, are accounted for in the income statement, after deducting from the proceeds on disposal, the carrying amount of such assets and the related selling expenses.

i. Other income

Other income is recognized on an accrual basis.

2.10.2 Expenditure recognition

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to the income statement.

For the purpose of presentation of the income statement, the "function of expenses" method has been adopted, on the basis that it presents fairly the elements of the Company and Group's performance.

2.10.3 Finance costs

Finance costs comprise interest expense on borrowings that are recognized in the income statement.

2.10.4 Property, plant and equipment

Basis of recognition

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, (except for land and building). Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment charged subsequent to the date of the revaluation.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

The fair valuation is performed with every 5 years to ensure that the carrying amount of the revalued assets do not differ materiality from their fair value.

Derecognition

An item of property, plant and equipment are derecognized upon replacement, disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognized.

Depreciation

Depreciation is calculated by using a straight-line method on the cost or valuation of all property, plant and equipment, other than freehold land, in order to write off such amounts over the estimated useful economic life of such assets.

Depreciation methods, useful life values are assessed at the reporting date. The estimated useful lives for the current year are as follows.

Assets Category	2025/26	2024/25
Buildings	10-50 Years	10-50 Years
Tools & Equipment	5-18 Years	5-18 Years
Furniture Fittings & Office Equipment	5-7 Years	5-7 Years
Motor Vehicles	4-6 Years	4-6 Years
Computer Equipment	1-5 Years	1-5 Years

2.10.5 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in the income statement on a straight-line basis over the lease term.

Lease rentals paid in advance (Leasehold Properties)

Prepaid lease rentals paid to acquire land use rights are amortized over the lease term in accordance with the pattern of benefits provided.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognisze right of use assets and lease liability.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group companies recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 28 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Determination of the lease term for lease contracts with renewal and termination options (Group as a lessee)
The Group companies determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group companies applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

Estimating the incremental borrowing rate
The Group companies cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

2.10.6 Biological Assets

The entity recognizes the biological assets when, and only when, the entity controls the assets as a result of a past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value for cost of the assets can be measured reliably, Biological assets are classified into mature biological assets and immature biological assets. Mature biological assets are those that have attained harvestable specifications or are able to sustain regular harvests. Immature biological assets are those that have not yet attained harvestable specifications.

The cost of the land preparation, rehabilitation, new planting, replanting, crop diversifications, inter-planting and fertilizing, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads, including interest attributable to long-term loans used for financing immature plantations. The expenditure incurred on bearer biological assets (Tea, Rubber fields) which comes into bearing during the year, is transferred to mature plantations. Expenditure incurred on consumable biological assets is recorded at cost at initial recognition and thereafter at fair value at the end of each reporting period.

Biological assets are further classified as bearer biological assets and consumable biological assets.

a. Bearer Biological Assets

Bearer biological assets include tea, rubber & coconut trees that are not intended to be sold or harvested, but are grown for harvesting agricultural produce from such biological assets. The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 - Property Plant & Equipment.

b. Consumable Biological Assets

Consumable biological assets include managed timber trees that are to be sold as biological assets. The managed timber trees are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in Income Statement for the period in which it arises.

c. Infilling Cost on Bearer Biological Assets

Where infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance, the costs are capitalized and depreciated over the useful life at rates applicable to mature plantations. Infilling costs that are not capitalized have been charged to the income Statement in the year in which they are incurred.

2.10.7 Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying value of an investment property includes the cost of replacing part of an existing investment property, at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of the investment property. Subsequent to initial recognition, the investment properties are stated at fair values, which reflect market conditions at the reporting date.

Gains or losses arising from changes in fair value are included in the income statement the year in which they arise. Fair values are evaluated at frequent intervals by an accredited external, independent valuer.

The unobservable data of the Investment Property are showing in the note no 15.4

Investment properties are derecognized when disposed, or permanently withdrawn from use because no future economic benefits are expected. Any gains or losses on retirement or disposal are recognized in the income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property or inventory (WIP), the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property or inventory (WIP), the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the Consolidated Financial Statements, and accounted using Group accounting policy for property, plant and equipment

2.10.8 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the income statement when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. (Note No. 13)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

2.10.9 Business combinations and goodwill

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI).

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates as further explained in Note 13.1.1.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion the cash-generating unit retained.

2.10.10 Investments in Subsidiaries (Company)

Investment in Subsidiary are those entities that is controlled by the Company. Investment in subsidiary are accounted at fair value through profit or loss in accordance with LKAS 27 and SLFRS 9. They are initially recognized at fair value, Subsequent to initial recognition, the fair value gains or losses are recognized in the statement of profit or loss in the separate financial statements until the date on which the control is lost. The dividends received from the Subsidiary are treated as income in the statement of profit or loss of the separate financial statements.

2.10.11 Investment in Associate

Associates are those investments over which the Group has significant influence and holds 20% to 50% of the equity and which are neither subsidiaries nor joint ventures of the Group. The Group's investments in its associates are accounted for using the equity method and ceases to use the equity method of accounting on the date from which, it no longer has significant influence in the associate. Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of associate since acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the Group's share of results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group's share of the profit or loss of an associate is shown on the face of the income statement and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The Financial Statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share of losses of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

2.10.12 Common Control Business Combinations

Business combinations between entities under common control are accounted for using pooling of interest method. Accordingly,

» The assets and liabilities of the combining entities are reflected at their carrying amounts.

» No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity.

2.10.13 Foreign currencies

Foreign currency transactions and balances

The Group's consolidated Financial Statements are presented in Sri Lankan Rupees, which is also the parent Company's functional currency. For each entity the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss arises from this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognized in other comprehensive income (OCI) or profit or loss are also recognized in OCI or profit or loss, respectively).

Foreign operations

The statement of financial position and income statement of overseas subsidiaries and the subsidiaries which are have functional currencies other than LKR, which are deemed to be foreign operations are translated to Sri Lanka rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period respectively.

The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the income statement.

The Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

2.10.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.10.15 Taxes

a. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

» When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

» In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

» When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

» In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets and deferred tax liabilities are stated in the Note No. 25

c. Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

» where the sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense item as applicable

and

» receivable and payable that are stated with the amount of sales tax included.

The net amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of receivables and payables in the Statement of Financial Position.

2.10.16 Disposal of Subsidiaries and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Non-current assets and disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortized.

Additional disclosures are provided in Note 04. All other notes to the Financial Statements mainly include amounts for continuing operations, unless otherwise mentioned.

2.10.17 Inventories

Inventories are valued at the lower of cost and net realizable value, after making due allowances for obsolete and slow-moving items. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

The cost incurred in bringing inventories to its present location and condition is accounted using the following cost formula:-

Raw Materials	At purchase cost on weighted average basis
Finished Goods & Work-in-Progress	At the cost of direct materials, direct labour and an appropriate proportion of fixed production overheads based on normal operating capacity, but excluding borrowing Costs on weighted average basis.
Consumables & Spares	At purchase cost on weighted average basis
Goods in Transit	At purchase price

2.10.18 Financial instruments - initial recognition and subsequent measurement

Initial recognition and measurement

Financial assets within the scope of SLFRS 9 are classified as amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. The Group measures financial assets at amortised cost if both of the following conditions are met:

» The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

and

» The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and short term investments.

Financial assets at fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

» The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling.

and

» The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the income statement.

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

a. Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

The Group considers financial assets be defaulted when the borrower/ debtors is unlikely to pay its obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held) or the borrower/debtors Exceeds their credit periods.

b. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

» Using recent arm's length market transactions;
» Reference to the current fair value of another instrument that is substantially the same;
» A discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 30.

2.10.19 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.10.20 Employee benefits liabilities

Defined Benefit Plan - Gratuity:
Gratuity is a defined benefit plan. The Group is liable to pay gratuity in terms of the relevant statute.

The Group measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan with the advice of an independent professional actuary using the Projected Unit Credit Method (PUC) as required by LKAS 19, Employee Benefits.

The item is stated under Defined Benefit Liability in the Statement of Financial Position.

The payments are made based on gratuity Act No12 of 1983.

Recognition of Actuarial Gains and Losses
Any actuarial gains and losses arising are recognized immediately in Other Comprehensive Income.

Defined Contribution Plans:
The group also operates a defined contribution plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to group by the employees and is recorded as an expense. Unpaid contributions are recorded as a liability.

Employees' Provident Fund and Employee' Trust Fund Employees are eligible for Employees' Provident Fund and Employee' Trust Fund contributions, in line with respective statute and regulations. The Group and employee contribute 12%-15% and 8%-10% respectively of the employee's month gross salary (excluding overtime) to the provident fund.

The group contributes 3% of the employee's monthly salary excluding overtime to the Employees' Trust Fund maintained by Employees Trust Fund Board.

The used assumptions and the sensitivity analysis will be state in the Note No. 23.6

2.10.21 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. A contingent liability recognized in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

» The amount that would be recognized in accordance with the general guidance for provisions above (LKAS 37)

Or

» The amount initially recognized less, when appropriate, cumulative amortization Contingent assets are disclosed, where inflow of economic benefit is probable.

Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

Contract liabilities of the Group have been disclosed in current liabilities in note 24.

2.10.22 Segmental Information

The Group's internal organization and management is structured based on individual products and services which are similar in nature and process and where the risk and return are similar. The primary segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

As such for management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments as follows:

Property	Colombo City Holdings PLC, Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, Heron Agro Products (Pvt) Ltd, Ambeon Wealth Management (Pvt) Ltd , My Land Development PLC.
IT and related Services	Millennium I.T.E.S.P (Pvt) Limited, Eon Tec (Pvt) Ltd, Greenfield Ventures (Pvt) Ltd, Sherwood Technologies (Pvt) Ltd.
Investments	Ambeon Holdings PLC, Olancom (Pvt) Ltd, Ambeon Capital PLC, Ambeon Essentials (Pvt) Ltd.
Financial Services	Ambeon Securities (Private) Limited, Taprobane Investments (Private) Limited, Taprobane Wealth Plus (Private) limited. Taprobane Capital Plus (Pvt) Ltd. Lexinton Financial Services (Pvt) Ltd & Sherwood Capital (Pvt) Ltd.
Manufaturing Footwear	Palla & Company

The principal activities of the cash generating units (Companies) related to each segment have been discussed under "Principal activities and nature of operations" section to the Financial Statements.

The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing and presenting consolidated Financial Statements of the Group.

The segment wise performance is state in the Note No.05

3. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

» Variable Fee Approach (VFA): for contracts with direct participation features

» Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations.
In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted

The entity is not eligible to apply SLFRS 19.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The impact of these amendments is currently being identified and evaluated.

Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

4. ACQUISITION AND RESTRUCTURE OF SUBSIDIARIES - GROUP

4.1 (Loss) on Disposal of equity stake in Dankotuwa Porcelain PLC

		LKR
Gross Consideration		752,222,573
Transaction Cost		(5,208,302)
Total Consideration Received		747,014,271
Less		
Investment in Associate Value - as at 31.03.2025	858,852,645	
Share of Loss Up to June 2025	(35,587,328)	
(Rs 158,802,000) *22.41%		823,265,317
		(76,251,046)

Ambeon Holdings PLC (Main Subsidiary Company) disposed thirty-six million four hundred and twenty two thousand five hundred and seventy one (36,422,571) ordinary shares, being the ordinary voting shares representing twenty two decimal four one per centum (22.41%) of the total issued shares of Dankotuwa Porcelain PLC (DPL) for a total net consideration (after applicable brokerage charges) of Sri Lankan Rupees - Seven Hundred and Fourty Seven Million Fourteen Thousand Two Hundred Seventy one (LKR 747,014,271/-) on 3rd September 2025.

Accordingly, the Company recorded a loss of Rs. 76.3 Mn on the disposal of the investment in associate.

4.2 Acquisition of equity stake in Taprobane Capital Plus (Pvt) Ltd

4.2.1 Fair Value of the identifiable assets and liabilities of the acquisition.

	LKR
Non-Current Assets	
Property, Plant and Equipment	10,715,759
Intangible Assets	22,161,458
Investment Property	101,620,550
Other Financial Assets	8,711,307
Deferred Tax Asset	3,145,473
Goodwill	92,017,330
Total Non-Current Assets	**238,371,877**
Current Assets	
Related Party Receivable	-
Trade & Other Receivables	1,060,091,693
Other Receivables	2,720,254,887
Cash and Cash Equivalents	174,094,204
Total Current Assets	3,954,440,783
Total Assets	**4,192,812,660**

	LKR
Non-Current Liabilities	
Employee Benefits Liabilities	24,337,335
Deferred Tax Liability	41,298,253
Total Non-Current Liabilities	**65,635,588**
Current Liabilities	
Other Payables	260,104,328
Income Tax Payable	115,693,010
Interest Bearing Loans & Borrowings	1,224,208,652
Total Current Liabilities	1,600,005,989
Total Liabilities	**1,665,641,578**
Fair Value of Net Assets Acquired	2,527,171,083
Net Consideration paid	**2,016,000,000**

On 11 November 2025, the Company acquired 100% of the issued share capital of Taprobane Capital Plus (Pvt) Ltd from its subsidiary, Ambeon Holdings PLC, for a total consideration of LKR 2,016,000,000. This acquisition formed part of an internal Group restructuring exercise aimed at streamlining the Group's corporate structure. As the transaction represents a common-control acquisition within the Group, no goodwill has been recognized in respect thereof. The consideration was settled entirely in cash, with full payment completed by 28 November 2025. Consequently, there were no outstanding balances in respect of this transaction as at the reporting date.

The transaction was carried out based on an independent valuation using Discounted Cash Flow (DCF) and Net Value of Assets (NVA) methodologies and is considered to be at arm's length.The transaction did not include any contingent consideration, guarantees, or other significant conditions.

4.3 Acquisition of Myland Developments PLC

On 4 September 2025, Ambeon Capital PLC acquired 18,500,000 ordinary shares of Myland Developments PLC, representing 51.03% of its issued share capital, thereby obtaining control over the company. Accordingly, Myland Developments PLC has been consolidated as a subsidiary effective from the date of acquisition.

	LKR
Number of shares acquired	18,500,000
Cost per share (inclusive of CSE charges)	8.58
Purchase Cost	157,250,000
Transaction Cost	1,470,656
Total purchase consideration	**158,720,656**
Net assets of Myland Developments PLC as at 30 June 2025	143,735,287
Group's proportionate share (51.03%)	73,354,560
Goodwill on acquisition	85,366,096

The acquisition was effected through a purchase of shares on the Colombo Stock Exchange (CSE).

Fair value of identifiable assets and liabilities of Myland Developments PLC at the date of acquisition:

	LKR
Non-Current Assets	
Property, Plant and Equipment	61,775,355
Deferred tax Asset	10,776,506
Total Non Current Assets	**72,551,861**
Current Assets	
Inventory Properties	195,868,021
Trade and Other Receivables	8,948,542
Other Current Asset	2,730,992
Cash and Cash Equivalents	5,055,837
Total Current Assets	**212,603,392**
Total Assets	**285,155,253**
Non Current Liabilities	
Interest Bearing Loans & Borrowings	66,302,275
Retirement Benefit Obligations	3,165,717
Total Non Current Liabilities	**69,467,992**
Current Liabilities	
Interest Bearing Loans & Borrowings	18,787,704
Amount Due to Related Party	1,000,000
Trade and Other Payables	14,580,154
Other Current Liabilities	37,583,116
Bank Overdraft	1,000
Total Current Liabilities	**71,951,974**
Total Liabilities	**141,419,966**
Net identifiable assets	**143,735,287**

Non-Controlling Interest (NCI)

Non-controlling interest at the acquisition date has been recognized at the proportionate share of the fair value of net identifiable assets, as follows:

	LKR.
NCI (48.97%)	70,380,727

4.4 Investment in Capital Metals PLC

On 2nd June 2025, Ambeon Capital PLC made an initial investment of LKR 600 million in the Project Holding Company (which will be utilized in Sri Lanka for purposes of the Project) and became a stakeholder of a project for the mining, processing and sale of mineral sand (which contain industrial minerals including ilmenite, rutile, zircon and garnet), in the Eastern Province of Sri Lanka named "the Taprobane Minerals Project" (the "Project"). The Project is one of the highest-grade mineral sand projects globally, with potential for further upgrade and resource expansion.

The Project is promoted by Capital Metals PLC ("Capital Metals") a company incorporated in the United Kingdom and listed on the London Stock Exchange (AIM: CMET). The Project will be carried by Capital Metals through two companies in Sri Lanka that hold exploration and industrial licences to explore for and mine mineral sand and Capital Metals will hold shares in these two companies through its wholly owned subsidiary in Sri Lanka, Redgate Lanka (Private) Limited ("Project Holding Company").

In consideration of the initial investment, Capital Metals issued Ambeon Capital 59,701,000 ordinary shares in Capital Metals representing 14.1% of the total issued ordinary shares thereof.

5. SEGMENTAL INFORMATION

Group	Manufacturing Footwear		Investment	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Total Segment Revenue	-	-	1,130,528,573	845,843,579
Elimination of inter segment revenue	-	-	(222,606,693)	(280,011,680)
External revenue	-	-	907,921,880	565,831,899
Segment Results Gross Profit/(Loss)	-	-	1,130,528,573	845,843,579
Elimination of inter segment Results Gross Profit/(Loss)	-	-	(222,606,693)	(280,011,680)
External Segment Results Gross Profit/(Loss)	-	-	907,921,880	565,831,899
Finance Cost	-	-	(1,017,138,268)	(542,893,548)
Elimination of inter segment finance cost	-	-	287,794,144	263,717,820
External finance cost	-	-	(729,344,124)	(279,175,728)
Change in Fair value of Investment Property	-	-	-	7,696,000
Net Results of the Associate	-	-	(35,587,528)	(196,324,697)
Segment Profit /(Loss) before Income Tax	(133,973)	-	7,610,087,628	2,049,587,839
Eliminations/Adjustments	-	-	(4,833,989,265)	(1,276,292,429)
External Segment Profit /(Loss) before Income Tax	(133,973)	-	2,776,098,363	773,295,411
Income Tax Expense	-	-	97,856,430	3,207,975
Dividend Tax other adjustments	-	-	(329,537,426)	-
Profit/(Loss) for the year	**(133,973)**	**-**	**2,544,417,367**	**776,503,385**
Purchase and construction of Property Plant and Equipment	-	-	3,159,799	514,000
Additions to intangible assets	-	-	660,095	-
Depreciation of Property Plant and Equipment	-	-	870,857	1,363,279
Amortization of intangible assets	-	-	1,066,996	1,008,808
Gratuity provision and related costs	-	-	2,617,561	2,590,054
Assets and Liabilities				
Segment Non-Current Assets	-	-	15,046,527,972	17,743,646,453
Eliminations / adjustments	-	-	(13,617,496,605)	(15,467,921,988)
Total Non-Current Assets *	-	-	1,429,031,367	2,275,724,465
Segment Current Assets	573,215	572,188	21,178,614,684	9,558,350,220
Eliminations / adjustments	-	-	(4,444,253,767)	(78,926,285)
Total Current Assets *	573,215	572,188	16,734,360,917	9,479,423,935
Total assets	**573,215**	**572,188**	**18,163,392,284**	**11,755,148,400**
Segment Non-Current Liabilities	-	-	1,997,136,697	1,961,227,596
Eliminations / adjustments	-	-	(548,892,935)	(1,888,449,704)
Total Non-Current Liabilities	-	-	1,448,243,762	72,777,892
Segment Current Liabilities	76,897,432	76,762,434	12,898,039,041	8,264,857,325
Eliminations / adjustments	(73,094,865)	(73,094,865)	(4,958,838,618)	(2,011,666,014)
Total Current Liabilities	3,802,568	3,667,569	7,939,200,422	6,253,191,311
Total Liabilities **	**3,802,568**	**3,667,569**	**9,387,444,184**	**6,325,969,203**

* *Segment Assets do not include investment in subsidiary and intercompany receivables.*

** *Segment Liabilities do not include intercompany payables including loans.*

Property		IT and related Services		Financial Services		Total	
2026	2025	2026	2025	2026	2025	2026	2025
LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
115,197,805	55,537,928	16,992,650,272	15,643,987,259	1,397,074,821	1,090,759,200	19,635,451,471	17,636,127,965
(37,882,314)	(45,836,033)	(4,012,686)	(1,380,458)	(40,120,749)	(7,264,890)	(304,622,441)	(334,493,060)
77,315,491	9,701,895	16,988,637,586	15,642,606,801	1,356,954,072	1,083,494,310	19,330,829,029	17,301,634,906
88,219,763	52,558,601	2,041,737,742	2,252,500,463	1,360,166,896	1,077,735,106	4,620,652,974	4,228,637,751
(37,882,313)	(45,836,032)	(4,012,686)	(1,380,458)	(40,120,749)	(7,264,890)	(304,622,441)	(334,493,060)
50,337,450	6,722,569	2,037,725,056	2,251,120,005	1,320,046,147	1,070,470,216	4,316,030,533	3,894,144,691
(22,978,794)	(18,298,317)	(397,781,974)	(301,141,360)	(114,888,826)	(129,129,267)	(1,552,787,861)	(991,462,492)
-	-	-	-	-	-	287,794,144	263,717,820
(22,978,794)	(18,298,317)	(397,781,974)	(301,141,360)	(114,888,826)	(129,129,267)	(1,264,993,717)	(727,744,672)
325,932,211	18,335,000	-	-	9,979,450	3,770,550	335,911,661	29,801,550
-	-	840,733	6,203,677	-	-	(34,746,795)	(190,121,020)
852,028,473	389,548,870	59,406,216	115,822,696	1,181,911,434	650,277,188	9,703,299,779	3,205,236,594
(275,212,686)	(68,786,875)	(99,096,328)	(52,126,922)	(432,296,639)	(9,598,279)	(5,640,594,918)	(1,406,804,505)
576,815,787	320,761,995	(39,690,112)	63,695,774	749,614,795	640,678,909	4,062,704,861	1,798,432,089
(224,727,867)	(58,863,718)	(68,804,973)	52,753,214	(165,130,740)	(203,271,528)	(360,807,149)	(206,174,058)
-	-	-	-	(138,815,187)	-	(468,352,613)	-
352,087,920	**261,898,277**	**(108,495,084)**	**116,448,988**	**445,668,868**	**437,407,381**	**3,233,545,098**	**1,592,258,030**
686,760	1,224,316	27,681,330	30,015,168	6,342,269	6,972,950	37,870,158	38,726,434
-	-	-	14,647,993	-	-	660,095	14,647,993
1,670,440	450,574	71,395,564	79,757,149	3,385,046	2,180,114	77,321,907	83,751,116
-	-	3,852,312	1,437,539	-	-	4,919,308	2,446,347
732,464	182,354	87,197,662	89,667,079	4,752,428	5,032,475	95,300,115	97,471,961
4,177,815,399	2,960,589,515	4,240,415,695	3,923,354,590	1,547,186,551	236,913,937	25,011,945,617	24,864,504,496
(2,307,842,345)	(1,571,925,318)	(3,454,415,919)	(3,118,229,800)	(1,381,674,105)	(92,017,734)	(20,761,428,973)	(20,250,094,840)
1,869,973,055	1,388,664,197	785,999,776	805,124,790	165,512,446	144,896,204	4,250,516,645	4,614,409,656
1,781,611,734	2,011,329,049	15,997,419,762	10,726,265,766	3,791,795,224	3,169,018,950	42,750,014,619	25,465,536,173
(12,555,296)	(371,932,385)	(2,530,152,905)	(1,009,367,808)	(25,006,189)	(19,001,762)	(7,011,968,157)	(1,479,228,240)
1,769,056,439	1,639,396,664	13,467,266,857	9,716,897,958	3,766,789,035	3,150,017,188	35,738,046,462	23,986,307,933
3,639,029,494	**3,028,060,861**	**14,253,266,632**	**10,522,022,748**	**3,932,301,481**	**3,294,913,392**	**39,988,563,107**	**28,600,717,589**
651,502,589	443,866,534	1,568,131,975	1,296,910,388	281,567,117	63,762,742	4,498,338,377	3,765,767,260
(269,373,516)	(186,702,490)	(758,109,313)	(515,164,406)	(244,309,040)	-	(1,820,684,805)	(2,590,316,600)
382,129,073	257,164,044	810,022,662	781,745,982	37,258,077	63,762,742	2,677,653,574	1,175,450,660
351,338,925	443,048,142	14,319,274,751	9,123,223,807	2,105,881,683	1,299,227,712	29,751,431,832	19,207,119,420
(155,884,051)	(33,642,648)	(7,375,052)	(2,928,306)	(1,170,920)	-	(5,196,363,506)	(2,121,331,833)
195,454,874	409,405,494	14,311,899,699	9,120,295,501	2,104,710,763	1,299,227,712	24,555,068,326	17,085,787,587
577,583,946	**666,569,538**	**15,121,922,361**	**9,902,041,483**	**2,141,968,840**	**1,362,990,454**	**27,232,721,900**	**18,261,238,247**

5.1 Revenue

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Revenue from Contracts with Customers				
Income from sale of land	36,223,820	-	-	-
IT Services	16,988,637,586	15,643,987,259	-	-
Brokerage Income	905,730,656	494,930,387	-	-
Finance & Investment Income				
Interest Income	489,729,045	557,349,379	765,616	25,974,562
Investment Trading	863,511,633	582,167,937	-	-
Other Income				
Income from staff support fee	300,000	-	-	-
Rent Income	38,654,450	8,067,310	-	-
Sale of Agriculture Produce	8,041,841	15,132,635	-	-
	19,330,829,029	17,301,634,906	765,616	25,974,562

6. COST OF SALES

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Cost of Goods Sold	15,014,798,496	13,407,490,215	-	-
	15,014,798,496	13,407,490,215	-	-

7. INVESTMENT AND OTHER INCOME

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Interest Income	254,704,033	212,615,660	12,477,350	-
Dividend Income	107,291,173	40,388,025	3,071,993,991	3,983,241
Gain on Disposal of Property, Plant & Equipment	1,439,500	-	-	-
Gain on Disposal of Investment Property	-	-	3,304,000	-
Motor Vehicle disposal gain	8,594,613	-	-	-
Other Miscellaneous Income	5,636,580	17,722,921	-	12,386
Gain on Disposal of Investment	330,449,249	94,448,603	101,566,239	28,362,026
	708,115,148	365,175,211	3,189,341,581	32,357,653

8. FINANCE COST

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Loan Interest	1,139,407,057	646,037,261	526,172,664	422,329,807
Lease Interest	74,789,375	69,320,189	-	70,716
Bank Overdraft Interest	50,797,285	12,387,222	1,035,169	1,201,859
	1,264,993,717	727,744,672	527,207,833	423,602,383

9. PROFIT/ (LOSS) BEFORE TAXATION

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Profit before taxation is stated after charging all expenses including the following:				
Auditors' Remuneration - Statutory Audit	13,858,142	8,493,794	1,045,000	950,000
Directors' Fee	26,165,000	34,871,650	-	600,000
Depreciation & Amortization	168,430,150	146,050,858	13,489	1,575,305
Staff Cost (Note 9.1)	3,735,587,018	3,664,377,504	-	-
Impairment of Share of Results of Equity Accounted Investee	-	43,708,866	-	-

9.1 Staff Cost

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Salaries & Other Related Costs	3,377,972,370	3,293,655,712	-	-
Defined Benefit Plan Cost - Retiring Gratuity	95,300,115	97,471,961	-	-
Defined Contribution Plan Cost - EPF & ETF	262,314,533	273,249,831	-	-
	3,735,587,018	3,664,377,504	-	-

10. INCOME TAX

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Current Tax Expense	392,166,409	261,117,567	-	-
Dividend Tax	433,281,373	9,753,213	-	-
Under/ (Over) Provision in Respect of Previous Year	22,713,391	534,377	-	-
	848,161,172	271,405,156	-	-
Deferred Income Tax				
Deferred Taxation Charge / (Reversal) - (Note 25)	(19,001,410)	(65,231,099)	(6,362,847)	2,301,687
	829,159,763	**206,174,058**	**(6,362,847)**	**2,301,687**
Reconciliation of Accounting Profit to Income Tax Expense				
Profit Before Income Tax from Continuing Operations	4,062,704,861	1,798,432,088	4,090,621,552	718,608,456
Income Not Liable for Income Tax	(12,055,335,891)	(4,503,665,112)	(5,404,560,085)	(1,173,295,710)
Disallowable Expenses	2,196,749,062	782,267,171	1,328,433,998	16,093,882
Capital Allowances Claimed & Allowable Expenses	(231,692,858)	(738,920,758)	-	(1,622,311)
Other income included in profit from operation	(754,537)	(174,864,904)	-	-
Consolidated Adjustment	6,004,513,729	1,777,331,320	-	-
Business Profit/(Loss)	(23,815,633)	(1,059,420,194)	14,495,465	(440,215,683)
Assessable Business Profit	1,643,123,442	682,835,189	14,495,465	-
Investment Income	110,401,995	818,518,532	12,477,350	4,387
Less: Net of Tax utilized	(460,116,797)	(550,279,005)	(26,972,815)	(4,387)
Assessable / Taxable Income	**1,293,408,640**	**951,074,716**	**-**	**-**
Minimum rate 1%	1,281,733	140,498	-	-
Income Tax @ 17%	3,198,100	7,000,951	-	-
Income Tax @ 30%	387,686,540	253,976,117	-	-
Taxation on Profit for the Year	392,166,374	261,117,567	-	-
Income Tax Attributable to Continuing Operations	**392,166,374**	**261,117,567**	**-**	**-**

* *Group Companies are taxed at 1% to 30% .*

10.1 Tax Losses

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Tax loss brought forward	4,434,652,094	3,482,932,726	2,803,438,687	3,127,454,164
Adjustment based on returns	(374,471,499)	460,453,069	-	-
Disposal of Subsidiaries	-	63,516,695	-	-
Business acquisition	52,985,894	-	-	-
Loss incurred during the year	954,670,784	1,742,255,384	-	440,215,685
Adjustment in respect of prior years	(4,662,722)	-	-	-
Adjustment of Financial Liability	(2,033,275)	-	-	-
Disallowed tax losses	(1,181,444,460)	(764,226,774)	(1,170,805,708)	(764,226,774)
Loss utilized during the year	(460,116,797)	(550,279,005)	(26,972,815)	(4,387)
Tax loss carried forward	3,419,580,019	4,434,652,094	1,605,660,164	2,803,438,687

10.2 For pending tax matters refer note No. 31.2.5.

11. EARNINGS / (LOSS) PER SHARE

11.1 Basic Earnings / (Loss) Per Share

The calculation of basic earnings / (Loss) per share is based on the profit / (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
For the Year Ended 31st March	2026	2025	2026	2025
Profit / (Loss) attributable to Ordinary Shareholders (Rs.)	2,469,612,371	1,043,180,139	4,096,984,398	716,306,768
Weighted Average Number of Ordinary Shares (11.1.1)	1,022,352,863	1,022,352,863	1,022,352,863	1,022,352,863
Basic Earnings Per Share (Rs.)	2.42	1.02	4.01	0.70

During the year, the Company issued 19,628,048 new ordinary shares by way of a scrip dividend. As this issuance represents the capitalisation of reserves rather than the receipt of new resources, it constitutes a bonus element in substance. Accordingly, in line with the requirements of LKAS 33 - Earnings per Share, the weighted average number of ordinary shares used in the computation of earnings per share has been adjusted retrospectively to reflect this bonus element, and the corresponding comparative figures have been restated accordingly.

11.1.1 Weighted Average Number of Ordinary Shares

	Group		Company	
For the Year Ended 31st March	2026	2025	2026	2025
Issued Ordinary shares at the beginning of the year	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815
Effect of Scrip Dividend in 2025/26	19,628,048	19,628,048	19,628,048	19,628,048
Weighted average number of ordinary shares at the end of the year	1,022,352,863	1,022,352,863	1,022,352,863	1,022,352,863

11.2 Basic Earnings per Share for Continuing Operations

	Group		Company	
For the Year Ended 31st March	2026	2025	2026	2025
Profit attributable to Ordinary Shareholders from Continuing Operating (Rs.)	2,469,612,371	1,043,180,139	4,096,984,398	716,306,768
Weighted Average Number of Ordinary Shares (11.1.1)	1,022,352,863	1,022,352,863	1,022,352,863	1,022,352,863
Basic Earnings Per Share for Continuing Operations (Rs.)	2.42	1.02	4.01	0.70

Basic earnings per share is calculated for continuing operations by dividing the net profit /(loss) from continuing operations for the year attributable to the ordinary shareholders by the weighted average number of shares outstanding during the year.

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to basic earnings per share.

11.3 Net Assets Per Share

	Group		Company	
For the Year Ended 31st March	2026	2025	2026	2025
Equity Attributable to Equity Holders of the Company	8,658,874,599	6,389,565,302	9,509,890,503	5,553,958,648
Weighted Average Number of Ordinary Shares (11.1.1)	1,022,352,863	1,022,352,863	1,022,352,863	1,022,352,863
Net Assets Per Share *	8.47	6.25	9.30	5.43

* *Net assets per share has been calculated for all periods based on the net assets of the Group and number of shares in issue as at 31 March 2026.*

12. PROPERTY, PLANT AND EQUIPMENT

12.1 Group

At Cost or Valuation	Balance as at 01.04.2025	Additions	Acquisition of subsidiary	Transfers	Disposals	Balance as at 31.03.2026
	LKR	LKR	LKR	LKR	LKR	LKR
Freehold Land	-	-	55,000,000	(55,000,000)	-	-
Buildings	793,347	-	2,717,198	-	-	3,510,545
Computer Equipment	391,335,472	36,264,378	1,330,195	-	(27,802,161)	401,127,884
Furniture & Office Equipment	358,350,269	1,605,780	2,814,702	-	(29,789,293)	332,981,458
Motor Vehicles	711,429	-	5,300,274	-	(5,300,274)	711,429
Tools & Equipment	142,037	-	-	-	-	142,037
Total	751,332,554	37,870,158	67,162,369	(55,000,000)	(62,891,728)	738,473,353

Accumulated Depreciation	Balance as at 01.04.2025	Charge for the Year	Acquisition of subsidiary	Transfers	Disposals	Balance as at 31.03.2026
	LKR	LKR	LKR	LKR	LKR	LKR
Freehold Buildings	793,347	592,049	1,580,855	-	-	2,966,251
Computer Equipment	302,762,681	46,570,908	941,090	-	(27,582,617)	322,692,062
Furniture & Office Equipment	157,349,379	29,830,950	2,600,069	-	(28,133,953)	161,646,445
Motor Vehicles	559,179	328,000	265,000	-	(530,000)	622,179
Tools & Equipment	142,037	-	-	-	-	142,037
Total	461,606,623	77,321,907	5,387,014	-	(56,246,570)	488,068,972

Net Book Value	2026	2025
	LKR	LKR
Freehold Buildings	544,293	-
Computer Equipment	78,435,822	88,572,791
Furniture & Office equipment	171,335,013	201,000,890
Motor Vehicles	89,250	152,250
Carrying Amount	250,404,378	289,725,931

12.1.1 During the financial year the Group acquired Property, Plant & Equipment to the aggregate value of LKR 37,870,158/- (2025 - LKR 38,726,434/-) for cash.

12.1.2 During the year Group has fully depreciated assets amounting to LKR 286,336,474/- which are still in use. (2025 - LKR 278,914,189/-).

12.1.3 Details of Property, plant and equipment pledged for borrowings are disclosed in Note 34.

12.1.4 Leasehold rights over the buildings and subsequent improvement.

12.1.5 The carrying amount of revalued assets of the Group that would have been included in the financial statements had it been carried at cost less depreciation as follows

Lexinton Holdings (Pvt) Limited	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount	Net Carrying Amount
Class of Asset			2026	2025
	LKR	LKR	LKR	LKR
Land-Freehold	60,000,000	-	60,000,000	60,000,000
Buildings-Freehold	115,000,000	87,400,000	27,600,000	32,200,000
	175,000,000	87,400,000	87,600,000	92,200,000

During the financial year 2024/2025 , Land and Building was transferred to Investment Property.

12.2 Company

Cost	Balance as at 01.04.2025	Additions	Disposals	Balance as at 31.03.2026
	LKR	LKR	LKR	LKR
Computer Equipment	1,597,615	-	(1,480,315)	117,300
Office Equipment	296,445	-	(200,875)	95,570
Tools & Equipment	17,500	-	(17,500)	-
Office Furniture	488,722	-	(353,722)	135,000
Total	2,400,281	-	(2,052,411)	347,870

Accumulated Depreciation	Balance as at 01.04.2025	Charge for the Year	Disposals	Balance as at 31.03.2026
	LKR	LKR	LKR	LKR
Computer Equipment	1,597,615	-	(1,480,315)	117,300
Office Equipment	291,414	5,031	(200,875)	95,570
Tools & Equipment	17,500	-	(17,500)	-
Office Furniture	476,471	8,458	(353,722)	131,208
Total	2,382,999	13,489	(2,052,411)	344,078

Net Book Value	2026	2025
	LKR	LKR
Office Equipment	-	5,032
Office Furniture	3,792	12,250
Total Carrying Amount of Property, Plant & Equipment	3,792	17,282

13. INTANGIBLE ASSETS (GROUP)

	Software		License Fees		Brand Name		Goodwill		Total	
As at 31st March	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost										
Balance at the beginning of the year	24,971,454	12,769,807	22,161,458	22,161,458	314,920,960	314,920,960	982,533,672	847,041,839	1,344,587,544	1,196,894,065
Acquisition of subsidiary	-	-	-	-	-	-	85,366,096	-	85,366,096	-
Additions during the year	660,096	14,647,993	-	-	-	-	-	135,491,832	660,096	150,139,826
Amortized during the year	(4,919,308)	(2,446,347)	-	-	-	-	-	-	(4,919,308)	(2,446,347)
Balance at the end of the year	20,712,242	24,971,454	22,161,458	22,161,458	314,920,960	314,920,960	1,067,899,768	982,533,672	1,425,694,429	1,344,587,545

13.1 Goodwill represents the excess of an acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities as at the date of acquisition, and is carried at cost less accumulated impairment losses.

Goodwill is not amortized, but is reviewed for impairment annually and if there is an indication Goodwill may be impaired. For the purpose of testing goodwill for impairment, goodwill is allocated to the operating entity level, which is the lowest level at which the goodwill is monitored for internal management purpose.

13.1.1 Impairment Testing of Goodwill and Brand Name with Indefinite Lives

The aggregate carrying amount of Goodwill and Brand Name allocated to each CGU is as follows;

	Goodwill		Brand Name	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
MDL Acquisition	85,366,096	-	-	-
IT and Related Services	982,533,672	982,533,672	314,920,960	314,920,960
	1,067,899,768	982,533,672	314,920,960	314,920,960

13.2 Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, are as follows;

Gross margins

The basis used to determine the value assigned to the budgeted gross margins/contributions is the gross margins/contributions achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates (Weighted average cost of capital)

The discount rate used is the risk free rate which is the long term bond rate as published by Central Bank of Sri Lanka, adjusted by the addition of an appropriate risk premium.

13. INTANGIBLE ASSETS - GROUP CONTD.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions as published by Central Bank of Sri Lanka.

Terminal growth Rate

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to four years immediately subsequent to the budgeted year based on Industry growth rates. Cash flows beyond the five year period are extrapolated using 3% growth rate.

* *Details of Assumptions and related disclosures are further described in the Note 16 of this financial statements.*

The goodwill and the brand name has been allocated to Millennium I.T E.S.P (Pvt) Ltd for the purpose of impairment assessment, where the recoverable amount has been estimated using the discounted cash flow method. No impairment is required as the recoverable amounts exceeded the carrying value of those CGUs including the allocated goodwill and brand name as at 31 March 2026.

13.3 Software of the group represents new ERP system and project related software.

13.4 License fee represents license fee paid for solar power project through sustainable energy authority (Which has been fully impaired) and license cost pertaining to the share broking business license which have an infinite useful life time.

13.5 The management identified the brand name of Millennium I.T.E.S.P (Pvt) Limited as an intangible asset with an indefinite useful life arising from business combination. The management is of the view that the brand name will be a key attraction in the Information Technology Sector. The brand name has been tested for impairment along with other intangible assets of the Millennium I.T.E.S.P (Pvt) Ltd as further explained under note 13.1.1.

14. BIOLOGICAL ASSETS (GROUP)

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Teak	85,535,634	82,279,738	-	-
Lunumidella	2,723,366	2,530,262	-	-
Coconut	81,950	81,950	-	-
	88,340,950	84,891,950	-	-

14.1 Gain on Change in Fair Value of Biological Assets

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Valuation of Teak	3,255,896	1,057,838	-	-
Valuation of Lunumidella	193,104	309,162	-	-
	3,449,000	1,367,000	-	-

Company has leased out a land from Sri Lanka Mahaweli Authority under Government Land Ordinance for 30 years commencing from 18th January 1993. The lease period expired on 17th January 2023. However, the renewal process is currently underway, and the Board is confident in securing an extension of the lease for an additional 30-year period.

14.2 Determination of Market Value

Teak

Market price is mainly obtained from International Market price of Teak Timber, State Timber Corporation and the local market prices. Cost of sawing and other outgoings have been deducted to obtain the net value of sawn timber per mature tree.Value of a cubic decimeter of teak is assumed to be LKR. 31- LKR. 68 based on the girth of trees, for the purpose of valuation as at 31 March 2026.

Lunumidella

Market Price of a mature tree is determined based on local market and State Timber Corporation price. Cost of sawing and other outgoing has been deducted to obtain the net value of sawn timber per mature tree. Value of a cubic decimeter of Lunumidella tree is assumed to be LKR. 6 - LKR 14 based on the girth of trees, for the purpose of valuation as at 31 March 2026.

Methodology

The provisions under LKAS 41 - Agriculture were applied in determining the methodology as well as the approach.

The valuation is carried out using market approach based on the current timber prices, subjected to adjustments considering their year of maturity, location and accessibility to the asset.

Key assumptions

1. The harvesting is approved by the forest Department and other relevant authorities.
2. The prices adopted are net of expenditure.
3. The valuation has been carried out considering the sample details and census.

14.2.1 Sensitivity Analysis

Discount Rate	2026	2025
	LKR.	LKR.
1%	(882,600)	(3,185,740)
-1%	882,600	3,448,663

14.3 Fair Valuation of Biological Assets

The Group uses the fair valuation model of measurement of its biological assets. The Group engaged an independent expert valuer to determine the fair value of its biological assets.

Details of Group's biological assets stated at valuation are indicated below;

Company	Property	Method of Valuation	2026 LKR	2025 LKR	Valuers Details	Effective Date of Valuation
Heron Agro Products (Pvt) Ltd	A timber stumpage in managed timber stand at Agunakolapelessa	Income Approach and Market Approach	88,340,950	84,891,950	KPMG Real Estate & Valuation Services (Pvt) Ltd An Independent Incorporated valuer	31-Mar-26

14.4 Potential Risks Timber Plantations

The Company is exposed to the following risks in relation to timber plantations:

Supply and Demand Risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of time. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand identified.

Regulatory and Environmental Risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Climate and Other Risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

15. INVESTMENT PROPERTIES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Balance at the beginning of the year	1,445,120,550	1,076,350,000	48,196,000	40,500,000
Disposal	-	-	(48,196,000)	-
Transferred from Property Plant and Equipment	-	330,000,000	-	-
Additions	86,167,789	8,969,000	-	-
Change in fair value of Investment Property	335,911,661	29,801,550	-	7,696,000
Balance at the end of the year	**1,867,200,001**	**1,445,120,550**	**-**	**48,196,000**

15.1 Group's Investment Properties are stated at fair value, fair value has been determined on the basis of present value of the future rental income and market value of property. Investment Properties are appraised in accordance with SLFRS 13, LKAS 40 and International Valuation Standards.

15.1.1 The valuation of the Group's investment properties was conducted by an independent professional valuer, USLS Chartered Valuers , as of March 31, 2026.

15.2 The Group has reported rental income amounting to LKR 38,635,800/- (2025 - LKR 15,924,150/-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR LKR 1,378,901/-(2025 - LKR 2,958,614/-).

15.2.1 Change in fair value of Investment property includes

Company	Land	Amount (LKR)	
		2026	2025
Ambeon Capital PLC	Sigiriya	-	7,696,000
Lexinton Holdings (Pvt) Ltd *	Rajagiriya	3,149,211	18,335,000
Lexinton Resorts (Pvt) Ltd	Kosgoda	317,078,000	-
Ambeon Securities (Pvt) Ltd	Kosgama	9,979,450	3,770,550
Colombo City Holdings PLC	Sigiriya	2,401,000	-
		332,607,661	29,801,550

15.3 **The significant assumptions used by the valuer in the years 2026 and 2025 are as follows.**

Company	Property	Method of Valuation	Inputs used for measurement	2026	2025
				LKR	LKR
Ambeon Securities (Pvt) Ltd	Land (Kosgama)	Open Market Value	Per perch rate	120,000	115,000
Lexinton Resorts (Pvt) Ltd	Land (Kosgoda)	Open Market Value	Per perch rate	1,000,000	750,000
Ambeon Capital PLC	Land (Sigiriya)	Open Market Value	Per Acre Rate	-	6,400,000
Colombo City Holdings PLC	Land (Sigiriya)	Open Market value	Per perch rate	48,000	-

15.4 Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026 and 2025 are as shown below;

Investment Property	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of input to Fair value
Ambeon Securities (Pvt) Ltd				
As at 31 March 2026 Land 1,162.5 perches	Open Market value	Per perch rate	LKR 120,000	Positively correlated
As at 31 March 2025 Land 1,162.5 perches	Open Market value	Per perch rate	LKR 115,000	Positively correlated
Lexinton Resorts (Pvt) Ltd				
As at 31 March 2026 Land 1,373.1 perches	Open Market value	Per perch rate	LKR 1,000,000	Positively correlated
As at 31 March 2025 Land 1,345.62 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
Ambeon Capital PLC				
As at 31 March 2026 Land 8 Acres	Open Market value	Per Acre Rate	-	Positively correlated
As at 31 March 2025 Land 8 Acres	Open Market value	Per Acre Rate	LKR 6,400,000	Positively correlated
Colombo City Holdings PLC				
As at 31 March 2026 Land 8 Acres	Open Market value	Per perch rate	LKR 48,000	Positively correlated
As at 31 March 2025 Land 8 Acres	Open Market value	Per perch rate	-	Positively correlated

Lexinton Holdings (Pvt) Ltd

Valuation Technique Discounted Cash Flow (DCF)

Summary of the Inputs for DCF

Description	Note	Note	%
OPEX for the lease tenure	4	3	15%
OPEX for the terminal Period	4	3	25%
Considered Discounted Rate	5	5	13%

Notes of the Discounted Cash Flow (DCF) Analysis

1 Land Valuation Approach

The land value has been determined using a comprehensive comparative analysis based on recent sales and/or listed transactions of similar properties within the vicinity. Key considerations included location, land extent, zoning regulations, and prevailing market conditions. Based on these comparable transactions, an appropriate price per perch was derived to reflect current market trends. Adjustments were made to account for any unique characteristics or limitations of the subject property relative to comparable properties. Accordingly, the valuation reflects a well-supported estimate of market value under prevailing conditions.

2 Occupancy Assumptions

The valuation assumes full occupancy (100%) throughout the initial four-year lease period in line with the existing lease agreement. For the fifth year and terminal period, an occupancy rate of 90% has been assumed based on benchmark analysis of comparable office properties and prevailing market conditions.

3 Operating Expenses (OPEX)

Operating expenses have been estimated at 15% of effective gross rental income during the initial four-year lease period and increased to 25% for the fifth year and terminal period to reflect higher uncertainty and potential variability in operating conditions.

4 Discount Rate

A discount rate of 13% has been applied in determining the present value of future cash flows. This rate has been derived using the Capital Asset Pricing Model (CAPM), taking into account market risk factors and required rates of return.

Maturity Analysis	2026	2025
	LKR	LKR
First Year	38,635,800	38,635,800
Second Year	42,499,380	38,635,800
Third Year	42,499,380	42,499,380
Fourth Year	46,749,318	42,499,380
Fifth Year	49,086,784	46,749,318
After Fifth Year	51,541,123	49,086,784

The value of the subject commercial office building was determined based on the projected future cash flows generated by the property. This analysis was done through the use of undiscounted cash flows.

16. INVESTMENT IN SUBSIDIARIES

Company

16.1 Ordinary shares

As at 31 March	Place of Principal Business	Effective Holdings 2026 %	Effective Holdings 2025 %	Direct Holding 2026 %	Direct Holding 2025 %	No of Shares 2026 Nos.	No of Shares 2025 Nos.	Fair Value 2026 LKR	Fair Value 2025 LKR
Ambeon Holdings PLC*	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	78	81.43	78	81.43	290,597,377	290,597,377	9,143,152,219	9,382,307,700
Myland Developments PLC	143/A/2, Kandy Road, Kadawatha.	51.03	-	51.03	-	18,500,000	-	179,108,666	-
Taprobane Capital Plus (Pvt) Ltd	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	100.00	-	100.00	-	28,770,000	-	1,111,369,000	-
Ambeon Wealth Management (Private) Limited	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	100.00	-	100.00	-	1	-	(588,000)	-
Ambeon Essentials (Private) Limited	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	100.00	-	100.00	-	10,000,000	-	99,457,473	-
								10,532,499,359	9,382,307,700

** During the financial year 2025/26, the Group reclassified a portion of its investment in Ambeon Holdings PLC ("AMH"), representing 3.43% of the company's issued share capital, from "Investment in Subsidiary" to the "Trading Portfolio."*

Consequently, in the separate/company financial statements, the investment in AMH is presented as follows:

78.00% of the issued share capital continues to be classified and disclosed as Investment in Subsidiary (Note 16.1); and 3.43% of the issued share capital is classified and disclosed under Other Financial Assets - Trading Portfolio. (Note 17.1.1)

Notwithstanding this reclassification at the company level, for Group consolidation purposes, the Group continues to hold an aggregate effective interest of 81.43% in Ambeon Holdings PLC

Movement of Investment in Subsidiary	At the beginning of the year LKR	Investment in Subsidiary LKR	Disposal of Subsidiary LKR	Transfer to Trading portfolio LKR	Change in Fair Value LKR	At the end of the Year LKR
2025	8,282,442,767	-	(25,459,570)	-	1,125,324,503	9,382,307,700
2026	9,382,307,700	2,274,720,666	-	(395,204,383)	(729,324,625)	10,532,499,359

Investment in Subsidiaries are stated at fair value, fair value has been determined in accordance with SLFRS 13 . Professional valuation was performed by KPMG for the year ended 31 March 2026 and for 31 March 2025.

16.2 Details of investment in subsidiaries stated at fair value included below.

The subsidiaries of Ambeon Capital PLC were separately valued based on a suitable valuation methodology as at 31st March 2026.

Company	Valuation Techniques	Significant Inputs	FV Level	2026	2025	Effective date
Ambeon Holdings PLC - Group	SOTP	-	Level 3	Note 16.2.1	Note 16.2.1	31-Mar-2026
Taprobane Capital Plus (Pvt) Ltd- Group	SOTP	-	Level 3		-	31-Mar-2026
Myland Developments PLC	Market Approach/MMM	-	Level 3		-	31-Mar-2026
Ambeon Wealth Management (Pvt) Ltd	NAV	-	Level 3		-	31-Mar-2026
Ambeon Essentials (Pvt) Ltd	NAV	-	Level 3		-	31-Mar-2026

SensitivityAnalysis

		2026		2025	
Company	Scenario	Effect on Income Statement	Effect on Statement of Financial Position	Effect on Income Statement	Effect on Statement of Financial Position
Ambeon Holdings PLC - Group	Min Case	(228,203,000)	(228,203,000)	(195,437,200)	(195,437,200)
	Max Case	263,680,000	263,680,000	216,434,000	216,434,000

Valuation Scenarios

The valuation is based on three scenarios, each reflecting different assumptions regarding the terminal growth rate and the terminal weighted average cost of capital (WACC). The table above presents the variance between the base case and the minimum and maximum cases.

(i) Min Case: Represents a downside scenario where adverse macroeconomic conditions and weaker-than-expected company performance result in a lower terminal growth rate and a higher terminal WACC. This reflects increased risk and uncertainty due to economic deterioration and the company's plans not materializing as anticipated.

(ii) Base Case: Reflects the base case based on management's most likely estimates for terminal growth and terminal WACC, representing a balanced outlook on the Company's future prospects and risk.

(iii) Max Case: Represents an optimistic scenario where favorable economic conditions and stronger company performance result in a higher terminal growth rate and a lower terminal WACC, reflecting reduced risk and enhanced growth prospects.

16.2.1 Notably, Ambeon Capital PLC Group's main subsidiary Ambeon Holdings PLC was valued using a SOTP approach as below:

Company	Valuation Techniques	Significant Inputs	Significant Assumption	FV Level	2026	2025	Effective date
Ambeon Holdings PLC	NAV	-	-	Level 3	-	-	31-Mar-26
Millennium I.T.E.S.P. (Pvt) Ltd	DCF	Cash Flow Forecast	WACC	Level 3	14.60%	16.40%	31-Mar-26
			Terminal Growth Rate	Level 3	3.10%	3.00%	
Colombo City Holdings PLC	SOTP	-	-	Level 3	-	-	31-Mar-26
Eon Tech (Pvt) Ltd	SOTP	-	-	Level 3	-	-	31-Mar-26
Green Field Ventures (Pvt) Ltd	SOTP			Level 3			31-Mar-26

SOTP - The Sum Of The Parts (SOTP) method is a valuation methodology which is commonly used to value a Company operating in several industries. SOTP aggregates the independently valued business units of a Company in order to arrive at a single total equity value.

WACC - Weighted Average Cost of Capital

DCF - Discounted Cash Flow and Market Multiple Methodology

NAV - Net Assets Value

16.3 Investments in Sub Subsidiaries/ associate entity effective holdings

Sub Subsidiaries	Investor	Effective Holding % 2026	Effective Holding % 2025	Principal Activity	Place of Principal Business
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	81.43	Carrying out Margin Trading - No operation During the Period	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Palla & Company (Pvt) Ltd	Ambeon Holdings PLC	81.42	81.42	Manufacturing shoes for export market - No operation During the Period	Spur Rd. 4, Lot 25B, Katunayake Export Promotion Zone
Dankotuwa Porcelain PLC	Ambeon Holdings PLC			Manufacturing and selling of porcelain tableware to export and local markets	Factory and the showroom, Kurunegala Road, Dankotuwa
Royal Fernwood Porcelain Ltd	Dankotuwa Porcelain PLC			Manufacturing and selling of porcelain tableware to export and local markets	Werellamandiya Estate, Police station road, Kosgama
Lanka Decals (Pvt) Ltd	Royal Fernwood Porcelain Ltd	-	22.41	Manufacturing Decals - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Fernwood Lanka (Pvt) Ltd	Royal Fernwood Porcelain Ltd			Selling of porcelain tableware to domestic market - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Dankotuwa Singapore Pte	Dankotuwa Porcelain PLC			Dormant	No. 3, Shenton Way,# 10 - 05, Shenton House, Singapore
Colombo City Holdings PLC	Ambeon Holdings PLC	63.21	63.21	Renting out properties	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Olancom (Pvt) Ltd	Ambeon Holdings PLC	75.85	75.85	Engage in networking business solutions - No operations during the period	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Investments (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	81.43	Money Broking	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Ambeon Securities (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	81.43	Share Broking	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	81.43	Corporate Finance - No operations during the period	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	-	81.43	Investment Management	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Eon Tec (Pvt) Ltd	Ambeon Holdings PLC	63.51	63.51	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Lexinton Holdings (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real estate Management	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Millennium I.T.E.S.P (Pvt) Ltd	Eon Tec (Pvt) Ltd	52.75	52.75	IT Solutions	No.450 D, R A De Mel Mawatha, Colombo 3
Infoseek (Private) Ltd	Millennium I.T.E.S.P (Pvt) Ltd	39.00	39.00	An innovative Cloud based Human Resource Information System named as MintHRM	No 16A, Stratford Avenue, Colombo
Millennium I.T.E.S.P Singapore Ltd	Millennium I.T.E.S.P (Pvt) Ltd	52.75	52.75	IT Solutions	531A, Upper Cross Street, Hong Lim Complex, Singapore
M I.T.E.S.P Trading LLC	Millennium I.T.E.S.P (Pvt) Ltd	52.75	52.75	IT Solutions	No 3002-032, Commercial Center, 01 in Bur Dubai , Dubai
M I.T.E.S.P Bangladesh Pte. Ltd	Millennium I.T.E.S.P (Pvt) Ltd	52.75	52.75	IT Solutions	Ka 1/3, North Road, Kalachadpur, Baridhara, , Dhaka ,Bangladesh
Sherwood Capital (Pvt) Limited	Taprobane Capital Plus (Pvt) Ltd	60.00	48.86	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Lexinton Resorts (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real Estate	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Heron Agro Products (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Estate Management	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Greenfield Ventures (Pvt) Ltd	Ambeon Holdings PLC	81.43	81.43	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08

17. OTHER FINANCIAL ASSETS

		Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Non Current Investments					
Deposit with Colombo Stock Exchange		2,699,840	1,000,000	-	-
Investment in Government Securities at Amortized Cost		8,830,656	8,249,904	-	-
		11,530,496	9,249,904	-	-

Current Investments		Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Financial Instrument					
Fair Value through Profits or Losses					
Quoted Equities at Market Value	17.1.1	13,416,519,433	7,692,670,190	3,802,316,150	1,176,209,022
Government Securities		2,354,594,625	5,579,072,116	363,084	-
Financial Instrument - at Amortized cost					
Bank Deposits & Government Securities		1,479,904,362	150,560,397	-	-
		17,251,018,421	13,422,302,704	3,802,679,235	1,176,209,022

17.1 Investment in Equity Securities

Group

As at 31st March	2026			2025		
	No. of Shares	Cost LKR	Market Value LKR	No. of Shares	Cost LKR	Market Value LKR
Incorporated in Sri Lanka						
Access Engineering PLC	200,000	15,200,000	13,400,000	500,000	20,992,652	19,250,000
ACL Cables PLC	475,000	47,427,057	40,375,000			
ACL Plastics PLC	43,630	5,388,353	5,726,438			
Aitken Spence PLC	399	88,785	56,923	399	88,785	53,067
Asian Hotels And Properties Plc	200,000	13,657,371	10,760,000			
C I C Holdings Plc	200,000	6,840,000	5,980,000			
Capital Metal PLC	59,701,000	600,000,000	1,231,195,216			
Ceylon Hotels Corporation PLC	24,425,117	781,450,209	874,419,189			
Colombo Dockyard Plc	600,000	90,219,367	73,350,000			
Commercial Bank Of Ceylon Plc	3,224,109	582,432,857	658,524,263	2,500,000	375,000,000	368,750,000
DFCC Bank PLC	44,569,362	3,960,799,136	6,159,419,237	39,625,750	3,357,051,725	4,218,079,500
Hayleys PLC	115,697	25,763,013	24,874,855	200,000	27,597,647	27,400,000
HNB X	607,538	171,306,730	215,220,337	-	-	-
John Keells Holdings PLC	-	-	-	13,119,728	297,703,104	265,018,506
Kandy Hotel Company PLC	45,904,622	554,736,954	670,207,481	-	-	-
Kelani Cables PLC	45,000	4,545,962	4,612,500			
Lanka Milk Foods (CWE) PLC	250,000	16,277,271	20,025,000			
Melstacorp PLC	-	-	-	264,554	34,743,994	33,598,358
Nations Trust Bank PLC	72,900	21,505,500	21,086,325			
Pan Asia Banking Corporation PLC	200,000	10,600,000	10,100,000			
Pan Asian Power PLC	-	-	-	79,000	513,500	545,100
R I L Property PLC	2,593,741	76,171,841	65,102,899	1,000,000	16,225,000	15,100,000
Renuka Agri Foods PLC	500,000	7,414,606	6,250,000			
Royal Ceramics Lanka PLC	500,000	23,408,267	21,500,000			
Sampath Bank PLC	20,837	1,874,377	3,026,574	5,295,837	612,149,653	648,740,033
Samson International PLC	25,000	12,250,000	12,506,250			
Seylan Bank PLC	30,296,829	2,202,055,274	3,188,740,947	28,561,526	1,799,721,338	2,070,635,626
Swisstek (Ceylon) PLC	600,000	56,883,305	47,700,000			
Teejay Lanka PLC	-	-	-	500,000	26,444,850	25,500,000
Tokyo Cement Company (Lanka) PLC - Non Voting	200,000	17,240,000	14,580,000			
Tokyo Cement Company (Lanka) PLC - Voting	200,000	20,800,000	17,780,000			
Total Carrying Value of Investment		9,326,336,234	13,416,519,433		6,568,232,248	7,692,670,190

17.1.1 Fair Value through Profits or Losses contd.

Company

As at 31st March	2026			2025		
	No. of Shares	Cost LKR	Market Value LKR	No. of Shares	Cost LKR	Market Value LKR
Incorporated in Sri Lanka						
DFCC Bank PLC	-	-	-	997,272	84,662,487	105,710,832
Sampath Bank PLC	-	-	-	4,375,000	526,114,870	535,937,500
Seylan Bank PLC	-	-	-	2,287,044	182,506,111	165,810,690
Commercial Bank PLC	29,109	4,250,000	5,945,513	2,500,000	375,000,000	368,750,000
Ceylon Hotels Corporation PLC	19,425,117	579,717,709	695,419,189			
Capital Metal PLC	59,701,000	600,000,000	1,231,195,216			
Ambeon Holdings PLC	12,240,630	395,204,383	1,869,756,233			
		1,579,172,092	3,802,316,150		1,168,283,468	1,176,209,022

18. INVENTORIES

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Land Stock		380,447,154	-	-	-
Work in Progress/ Project in Progress		2,926,144,330	2,450,493,499	-	-
Inventories held for resale		2,982,345	3,478,695	-	-
Maintenance Inventory		150,745,899	167,502,929	-	-
Less : Allowance for Obsolete & Slow Moving Inventories	18.1	(128,894,185)	(127,553,606)	-	-
		3,331,425,542	2,493,921,517	-	-

18.1 Allowance for Obsolete & Slow Moving Inventories

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Balance at the beginning of the year	127,553,607	124,602,261	-	-
Provision made during the year	1,340,578	2,951,345	-	-
Balance at the end of the year	128,894,185	127,553,606	-	-

19. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade Receivables		10,460,069,474	7,129,546,343	42,219,138	39,411,650
Interest In Suspense		(27,021,409)	(24,213,920)	(27,021,409)	(24,213,920)
Provision for Bad and Doubtful Debts	19.2	(542,607,577)	(549,571,668)	(15,197,730)	(15,197,730)
		9,890,440,488	6,555,760,754	-	-
Loans Granted	19.1	205,509,962	225,034,365	-	-
Other Receivables		130,847,083	220,478,225	133,999,990	-
Other Receivables - Related Parties	19.3	3,258,463	726,848	2,432,628,637	1,183,520
Provision for Bad and Doubtful Debts	19.2	(316,108,405)	(391,049,681)	-	-
		9,913,947,592	6,610,950,511	2,566,628,627	1,183,520
Advances and Prepayments		727,075,792	514,737,391	7,215,984	56,729,181
		10,641,023,384	7,125,687,902	2,573,844,611	57,912,702

* *Details of trade debtors pledged for borrowing are disclosed in Note 34.*

19.1 Loans Granted

	Group		Company	
	2026	2025	2026	2025
Group Companies	LKR	LKR	LKR	LKR
Loans to Company Officers	80,000	297,260	-	-
D.B. Exim (Pvt) Ltd	-	19,307,143	-	-
Ceylon Leather Products Manufactures (Pvt) Ltd	205,429,962	205,429,962	-	-
Loans Granted - Institutions	1,191,674	1,191,674	1,191,674	1,191,674
Provision for Bad and Doubtful Debts	(1,191,674)	(1,191,674)	(1,191,674)	(1,191,674)
	205,509,962	225,034,365	-	-

Loan Balances Receivable from D.B. Exim (Pvt) Limited & Ceylon Leather Products Manufactures (Pvt) Ltd have been fully provided considering the recoverability assessment carried out by the management.

19.2 Provision for Bad and Doubtful Debts

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Balance as at the beginning of the year	940,621,348	1,646,737,133	15,197,730	15,197,730
Provision/(Reversal) made during the year	(24,263,010)	(31,310,176)	-	-
Effect on exchange (gain) / loss	17,298,931	-	-	-
Write off	(74,941,287)	(674,805,609)	-	-
Balance at the end of the year	858,715,982	940,621,348	15,197,730	15,197,730

19.3 Amounts Due From Related Parties

		Group		Company	
		2026	2025	2026	2025
	Relationship	LKR	LKR	LKR	LKR
Ambeon Essentials (Pvt) Ltd	Subsidiary	-		2,430,870,116	
Dankotuwa Porcelain PLC	Associate	363,077	726,848	-	-
Royal Fernwood Porcelain Ltd	Affiliate	2,895,387	-	-	-
Heron Agro Products (Pvt) Ltd	Sub Subsidiary	-	-	433,520	433,520
MillenniumIT (Pvt) Ltd	Sub Subsidiary	-	-	1,325,000	750,000
		3,258,463	726,848	2,432,628,637	1,183,520

* *Terms and Conditions : Rate of interest AWPLR+1.5% per annum. Short term loans are receivable on demand.*

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Cash at Bank	957,790,517	629,034,149	6,544,368	1,296,139
Short Term Investments	3,456,536,282	303,518,502	-	-
	4,504,326,799	932,552,651	6,544,368	1,296,139
Bank Overdrafts used for cash management purposes (Note 22)	(1,098,880,570)	(191,298,295)	(469,802)	(38,881,405)
Cash & Cash Equivalents in the statement of cash flow	3,405,446,228	741,254,355	6,074,566	(37,585,266)

21. STATED CAPITAL

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Issued Capital				
1,022,352,863 Ordinary Shares issued & fully paid	1,915,314,712	1,053,643,405	1,915,314,712	1,053,643,405

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.

21.1 Other Components of Equity

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Foreign Currency Translation Reserve	(6,792,925)	(4,429,064)	-	-
Amalgamation Reserve (Note 21.2)	-	-	258,920,263	258,920,263
	(6,792,925)	(4,429,064)	258,920,263	258,920,263

	Attributable to Equity Holders of Parent
	Foreign Currency Translation Reserve **
	LKR
Beginning of the year	(4,429,064)
During the Year Impact	(2,363,862)
	(6,792,926)

* *As at the reporting date, the assets and liabilities of the Millennium I.T E.S.P (Pvt) Ltd were translated into the presentation currency at the exchange rate prevailing at the reporting date and the Profit or Loss is translated at the average exchange rate for the period. The exchange rate differences arising on the translation were taken directly in to Currency Conversion Reserve, which is classified as a part of equity.*

	Group	
	2026	2025
	LKR	LKR
Net Foreign Exchange Difference		
Loss from Foreign Currency Translation during the year	(4,481,226)	4,008,735
	(4,481,226)	4,008,735

21.2 Amalgamation Reserve

Ambeon Capital PLC obtained a certificate of amalgamation from the Registrar of Companies to amalgamate its wholly owned subsidiary, Taprobane Equities (Private) Limited (TEL) with effective from 30 November 2017. The effect of this amalgamation was LKR 258 Mn.

21.3 Dividend Per Share

	Company			
	2026		2025	
	Per Share/LKR	LKR	Per Share/LKR	LKR
Equity dividend on ordinary shares declared and paid during the year				
Interim Paid - Cash or Scrip	1.00	1,002,723,851	-	-

22. INTEREST BEARING LOANS AND BORROWINGS

		Group		Company	
		2026	2025	2026	2025
		LKR	LKR	LKR	LKR
Repayable after one year					
Lease Liability	22.1	443,174,878	492,541,543	-	-
Bank Loans	22.2	1,463,821,547	-	1,421,321,547	-
Loans granted by Related Parties	22.3	-	-	370,997,715	1,461,903,102
		1,906,996,425	492,541,543	1,792,319,263	1,461,903,102
Repayable within one year					
Lease Liability	22.1	87,898,563	55,078,873	-	-
Short Term Loan	22.4	8,763,623,738	7,622,895,833	-	-
Bank Loans	22.2	5,610,171,547	2,604,691,382	4,079,694,150	1,595,741,740
Loans granted by Related Parties	22.3	-	-	1,531,146,690	1,377,558,949
Interest Payable to Related Parties	22.3	-	-	-	630,161,327
Bank Overdrafts	20	1,098,880,570	191,298,295	469,805	38,881,405
		15,560,574,418	10,473,964,383	5,611,310,646	3,642,343,421
		17,467,570,843	10,966,505,926	7,403,629,909	5,104,246,523

22.1 Lease Liability

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below are the carrying amounts of lease liabilities on leasehold properties and the movements for the year ended 31 March 2026.

Group	Balance as at 01.04.2025	Obtained	Interest	Lease Modification	Repayment	Balance as at 31.03.2026
	LKR	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	547,620,417	51,937,620	74,789,379	(2,221,006)	(141,052,968)	531,073,442
	547,620,417	51,937,620	74,789,379	(2,221,006)	(141,052,968)	531,073,442

	2026			2025		
	Within Year	After I Year	Total	Within Year	After I Year	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Group						
Gross Liability	152,685,390	616,784,144	759,840,969	124,755,202	783,207,040	907,962,241
Finance Charges allocated to future periods	(64,786,826)	(173,609,265)	(237,590,917)	(69,676,329)	(290,665,497)	(360,341,825)
Net liability	87,898,563	443,174,878	522,250,052	55,078,873	492,541,543	547,620,416

22.1.1 This represents the rented office premises lease liabilities as per the SLFRS 16.

22.1.2 Right to Use Assets are shown under Note 28.1

22.2 Bank Loans

Group	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	Acquisition of subsidiary	Exchange Gain / Loss	At the End of the year
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
2026	2,604,691,382	21,983,727,184	(17,857,826,243)	258,310,794	85,089,979	-	7,073,993,095
2025	2,389,132,946	9,352,599,268	(9,290,864,924)	153,824,092	-	-	2,604,691,382

	2026	2025
Repayable after one year	1,463,821,547	-
Repayable within one year	5,610,171,547	2,604,691,382
	7,073,993,095	2,604,691,382

Company	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	At the End of the year
	LKR	LKR	LKR	LKR	LKR
2026	1,595,741,740	17,372,827,258	(13,703,693,333)	236,140,033	5,501,015,698
2025	1,468,605,215	4,331,200,000	(4,358,171,008)	154,107,533	1,595,741,740

	2026	2025
Repayable after one year	1,421,321,547	-
Repayable within one year	4,079,694,150	1,595,741,740
	5,501,015,698	1,595,741,740

22.3 Loans Payable to Related Parties

As at 31st March	Relationship	Interest rate	Repayment Terms	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Taprobane Capital Plus (Pvt) Ltd	Sub Subsidiary	-	On Demand	-	-	3,303,714	921,419
Lexinton Holdings (Pvt) Ltd	Sub Subsidiary	9.87%	On Demand	-	-	370,997,716	346,285,728
Taprobane Wealth Plus (Pvt) Ltd	Sub Subsidiary	-	On Demand	-	-	100,000	6,472,529
Ambeon Holdings PLC	Subsidiary	11.00%	36 Months	-	-	-	2,107,325,895
Millennium I.T.E.S.P. (Pvt) Ltd	Sub Subsidiary	9.91%	On Demand	-	-	1,527,742,976	1,008,617,808
				-	-	1,902,144,406	3,469,623,379
Repayable after one year				-	-	370,997,716	1,461,903,102
Repayable within one year				-	-	1,531,146,690	2,007,720,277
				-	-	1,902,144,406	3,469,623,379

22.3.1 Repayable to related parties

	Group	Company
Balance as at 01.04.2025	-	3,469,623,379
Loan Obtained	-	2,000,000,000
Loan Repayment	-	(3,830,814,551)
Accrued Interest	-	263,335,578
Balance as at 31.03.2026	-	1,902,144,406

22.4 Short Term Loans

	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	Disposal of Subsidiary	At the End of the year
	LKR	LKR	LKR	LKR	LKR	LKR
Group						
2026	7,622,895,833	118,884,968,999	(118,246,858,112)	502,617,017	-	8,763,623,738
2025	2,675,956,283	148,920,639,658	(144,198,125,389)	-	224,425,282	7,622,895,833

22.4.1 Group

Company	Lender/rate of interest (p.a.)	2026	2025	Repayment	Security
		LKR	LKR		
Colombo City Holdings PLC	Seylan Bank PLC - Reverse Repo (Market rate)	-	290,904,232	-	Bond Face Value - Rs:332,000,000/-
Sherwood Capital Pvt Ltd	Seylan Bank PLC -Reverse Repo 9.50% p.a.	524,805,000	16,256,907	Overnight	Bond Face Value - Rs:610,000,000/-
	Union Bank of Colombo PLC - Reverse Repo 8.80% p.a.	-	500,482,192	Repayment - 7 Days	Bond Face Value - Rs:557,000,000/-
	DFCC Bank PLC - Reverse Repo 9% p.a.	501,356,164	250,961,328	One week	Bond Face Value - Rs:617,000,000/-
	Cargills Bank - Reverse Repo 9% p.a.	501,356,164	200,197,260	Two week	Bond Face Value - Rs:575,000,000/-
Ambeon Holdings PLC	Seylan Bank PLC - Short term loan (1 M AWPLR+2% p.a. floor rate 10% p.a.)	149,500,000	500,000,000	Repayment period - 120 Days	8,000,000 Shares of Colombo City Holdings PLC
	- Reverse Repo (Market rate)	-	1,632,000,000	Weekly basis	Bond Face Value - Rs:1,750,000,000
	DFCC Bank PLC - Reverse Repo (Market rate)	-	396,000,000	Weekly Basis	Bond Face Value - Rs:450,000,000
	- Short term loan (Market Rate)	500,000,000	-	Monthly Basis	A corporate guarantee from Ambeon Capital PLC
	Commercial Bank PLC - Short term loan (Market rate)	1,000,000,000	1,500,000,000	Extendable up to 12 months	Pledged 27,000,000 Shares of DFCC Bank PLC
	Sampath Bank PLC - Short term loan (1 M AWPLR)	994,000,000	200,000,000	Repayment period - 180Days	Pledged 25 mn shares of Seylan Bank PLC & 3 mn shares of DFCC
	Nation Trust Bank - Short Term loan (Weekly AWPLR +0.75%)	140,000,000	140,000,000	Repayment period - 90Days	Quoted shares of Colombo City Holdings PLC - no. of shares 2,858,020.

Notes to the Financial Statements

As at 31st March 2026

22.4.1 Group contd.

Company	Lender/rate of interest (p.a.)	2026	2025	Repayment	Security
		LKR	LKR		
Millennium I.T.E.S.P (Pvt) Ltd	Seylan Bank PLC - Short Term Loan (8% p.a)	1,996,173,562	1,002,739,726		
	Hatton National Bank - Short Term Loan (LKR - AWPLR monthly review and USD - 3M SOFR+2 % monthly review)	1,756,895,959	500,876,713		
	DFCC Bank PLC - Short Term Loan (Weekly AWPLR +1%)	502,194,521	492,477,478		
Ambeon Securities (Pvt) Ltd	Seylan Bank PLC - Short Term Loan (AWPLR+ 1.25% p.a)	197,342,370	-		
		8,763,623,738	7,622,895,834		

* *For further details on Asset pledged refer Note 34.*

22.4.2 Bank Loans Group - Terms and Conditions

Company	Lender/rate of interest (p.a.)	2026	2025	Repayment	Security
		LKR	LKR		
Ambeon Capital PLC	National Development Bank PLC - Term- Loan (1WK AWPLR +1.3%+1%)	-	121,596,040	05 year term loan with One Year Grace period for Capital Repayment	145,000,000 Number of shares of Ambeon Holdings PLC
	Term- Loan (1WK AWPLR +1.3%+1%)	-	-	05 year term loan with 10 months Grace period for Capital Repayment	
	Pan Asia Bank PLC - STL (AWPLR+2%)	301,851,616	360,000,000	90 Days	32,809,878 Number of Shares of Ambeon Holdings PLC
	Seylan Bank PLC - Money Market Loan (Market rate)	1,481,340,073	1,114,145,697	180 Days	112,790,122 Number of Shares of Ambeon Holdings PLC
	Commercial Bank PLC Long Term Loan- 10.25%	1,421,321,547	-	36 monthly instalments	51.6 mn shares of Ambeon Holdings PLC & 19 mn shares of Ceylon Hotels corporation shares
	Short Term loan - Market Rate	1,504,184,110	-	04 months & extendable up to 12 months	
	DFCC Bank PLC Short Term loan - Market Rate	792,318,351	-	180 Days	45 mn shares of Ambeon Holdings PLC
Myland Developments PLC	Nations Trust Bank - AWPLR+3%	42,500,000		18 months	Land In Balummahara
	Pan Asia Bank PLC - 14%	4,321,708		18 months	Land in Kadawatha

Company	Lender/rate of interest (p.a.)	2026	2025	Repayment	Security
Millennium I.T.E.S.P (Pvt) Ltd	The Hongkong and Shanghai Banking Corporation Limited - Import Finance loan (Overnight COF+1.25% per annum)	1,315,279,005	825,720,445	Within 180 Days	Mortgage over Inventory and Debtors
	Commercial Bank - Import Finance loan - Monthly AWPLR + 1%	-	97,048,339	Within 180 Days	
	Sampath Bank PLC - Import Finance loan (Month AWPLR+ 1% p.a)	210,876,689	44,860,623	Within 180 Days	
	DFCC Bank PLC - Import Finance loan (Weekly AWPLR+ 1.25% p.a)	-	41,320,239	Within 180 Days	-
		7,073,993,095	2,604,691,382		

* *For further details on Asset pledged refer Note 34.*

23. RETIREMENT BENEFIT OBLIGATION

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Present value of unfunded gratuity	23.1	445,535,717	375,855,260	-	-
		445,535,717	375,855,260	-	-

23.1 Provision for Retiring Gratuity

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Balance at the beginning of the year		375,855,260	377,662,755	-	-
Acquisition of subsidiary		3,165,717			
Current/Past Service Cost	23.2	57,437,813	52,304,671	-	-
Interest Cost	23.2	37,862,302	45,167,290	-	-
Actuarial (gain)/ losses	23.3	54,176,576	(9,761,935)	-	-
Payment made during the year		(82,961,952)	(89,517,521)	-	-
Balance at the end of the year		445,535,717	375,855,260	-	-

23.2 Expenses recognized in Income Statement

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Current/Past service cost	57,437,813	52,304,671	-	-
Interest cost	37,862,302	45,167,290	-	-
	95,300,115	97,471,961	-	-

23.3 Expenses recognized in Other Comprehensive Income

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Actuarial (gain)/ losses	54,176,576	(9,761,935)	-	-
	54,176,576	(9,761,935)	-	-

23.4 The cost of gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2026 by Messrs. Units Actuaries & Consultants (Pvt) Ltd Actuaries.

23.5 Principal actuarial assumptions used are as follows :

	Group	
	2026	2025
Discount Rate	10%	9.5% - 12.70%
Salary Increment rates used	8%	7% - 10%
Staff Turn over Rate	15%	10% - 12%
Retirement Age	60 Years	60 Years

23.6 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affected the defined benefit obligation by the amounts shown below.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Discount Rate - (1% Increase)	(23,672,032)	(16,155,265)	-	-
Discount Rate - (1% Decrease)	26,068,668	17,704,379	-	-
Salary Increment Rate - (1% Increase)	27,742,675	17,716,547	-	-
Salary Increment Rate - (1% Decrease)	(25,625,861)	(16,516,819)	-	-

23.7 Break up of the Actuarial (Gain)/ Loss

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Actuarial (Gain)/ Loss Resulting from Changes in Financial Assumptions	52,900,657	(5,155,911)	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	(1,643,288)	6,137,104	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	2,919,208	(10,743,129)	-	-
	54,176,576	(9,761,935)	-	-

23.8 Maturity Profile of the Retirement Benefit Plan

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Within Next 12 Months	54,674,360	59,302,784	-	-
Between 1 - 2 Years	99,180,201	96,649,965	-	-
Between 2 - 5 Years	119,940,115	99,125,679	-	-
Between 5- 10 Years	99,851,306	88,121,390	-	-
Beyond 10 years	71,889,735	32,655,442	-	-
	445,535,717	375,855,260	-	-

24. CONTRACT LIABILITY-SERVICE AGREEMENTS

	Group	
	2026	2025
	LKR	LKR
Balance at the beginning of the year	1,904,072,863	1,681,266,541
Deferred During the year	9,142,178,614	1,789,824,474
Revenue recognised during the year	(9,224,022,017)	(1,567,018,152)
Balance at the end of the year	1,822,229,459	1,904,072,863

24.1 Contract Liabilities represents the amounts invoiced to customers where control have not been transferred to the buyer as at the statement of financial position date and where services are granted over a period. Service agreements are entered into between MillenniumIT ESP (Pvt) Ltd and its customers.

25. DEFERRED TAX

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Deferred Tax Asset				
Balance as at the beginning of the year	128,045,820	68,483,698	-	-
Business Acquisition	10,776,506	-	-	-
Charge/(Reversal) to the Profit or Loss	77,023,200	59,537,564	-	-
Charge/(Reversal) to Other Comprehensive Income Statement	11,780,124	(1,814,384)	-	-
Transfers between Deferred Tax Liability and (Asset)	(37,836,045)	1,838,942	-	-
Balance as at the end of the year	**189,789,605**	**128,045,820**	**-**	**-**
Deferred Tax Liability				
Balance as at the beginning of the year	306,705,920	303,441,934	6,363,985	4,062,297
Disposal of Subsidiary	-	6,301,623	-	-
Transfers between Deferred Tax Liability and (Asset)	(37,836,045)	1,838,942	-	-
Charge/(Reversal) to the Profit or Loss	57,463,935	(5,723,996)	(6,362,847)	2,301,687
Charge/(Reversal) to Other Comprehensive Income Statement	(1,590,853)	847,417	-	-
Adjustments	30,537	-	-	-
Balance as at the end of the year	**324,773,495**	**306,705,920**	**1,138**	**6,363,985**

25.1 Transfer from/(to) Income Statement

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Transfer from accelerated depreciation and others (Note 10)	19,001,410	65,231,099	6,362,847	(2,301,687)
	19,001,410	**65,231,099**	**6,362,847**	**(2,301,687)**
Transfer from/(to) Other Comprehensive Income				
Tax on Actuarial loss on Defined Benefit Plans	13,649,904	(2,661,801)	-	-
	13,649,904	**(2,661,801)**	**-**	**-**
Composition of deferred tax assets/ (liabilities) as follows;				
Accelerated Depreciation and Amortization for Tax purposes	(362,709,335)	(258,155,050)	(1,138)	(5,184)
Retirement Benefit Liability	130,145,067	97,369,029	-	-
Revaluation of Reserve - Land	(4,500,000)	-	-	-
Fair Valuation of Investment in Government Securities	3,893,760	(72,359,531)	-	-
Fair Value of Land and Buildings	(9,630,000)	(12,994,965)	-	(6,358,800)
Losses available for offset against future Taxable Income	25,330,181	11,302,176	-	-
Others*	82,486,438	56,178,241	-	-
	(134,983,890)	**(178,660,100)**	**(1,138)**	**(6,363,984)**

The above deferred tax asset arising from carried forward tax losses has been determined based on a financial budget approved by management to the extent of sufficient taxable profit are available. The Group has computed deferred tax at the rates based on enacted rate, as of the reporting date.

The above deferred tax arises from timing difference of depreciation, impairment of debtors, unutilized portion of carried forward tax losses and gratuity. The deferred tax arising from the unused tax losses amounting to LKR 3,225 million has not been recognised as the management is not certain whether there will be sufficient taxable profit to utilized.

* *"Others" represent Deferred Tax Asset/Liability recognised on provision for other claims and liabilities related provisions and exchange reserve.*

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Trade Payables	5,863,032,299	3,685,402,135	-	-
Other Payables	202,136,338	594,943,897	-	-
Sundry Creditors Including Accrued Expenses*	851,490,608	177,224,035	2,049,815	1,369,689
	6,916,659,246	4,457,570,068	2,049,815	1,369,689

* *Sundry creditors including accrued expenses : Includes statutory payments, other payable, accrual expenses and other creditors.*

27. OTHER FINANCIAL LIABILITIES

			Group		Company	
			Carrying Value		Carrying Value	
			2026	2025	2026	2025
	Note	No. of Shares	LKR	LKR	LKR	LKR
Preference Shares	27.1	170,625	347,936	347,936	-	-
			347,936	347,936	-	-

27.1 Shareholders of the Non Cumulative Preference Shares are entitled for a mandatory preference dividend annually. They are not entitled to vote at a meeting of the company.

28. RIGHT OF USE ASSETS

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at fair value, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

28.1 Right to Use Assets

Group	As At 01.04.2025	Impact of modification	Amortization	Additions	As At 31.03.2026
	LKR	LKR	LKR	LKR	LKR
Right to Use Asset - Land & Building	405,087,518	(2,967,955)	(86,188,935)	51,937,630	367,868,258
	405,087,518	(2,967,955)	(86,188,935)	51,937,630	367,868,258

Security: Absolute ownership of the assets under lease will be with the lessor until the expiration of the lease period.

28.2 This represents the lease arrangement for rented office premises as per the SLFRS 16.

28.3 Lease liabilities are shown under Note 22.1

29. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Group

Group has invested in Infoseek (Private) Limited, a company providing IT Services and Dankotuwa Porcelain PLC , a company manufacturing porcelain tableware to export and domestic market. The Group's interest in Dankotuwa Porcelain PLC and Infoseek (Private) Limited are accounted for using the equity method in the Consolidated Financial Statements up to the disposal date. The following table illustrates the summarized Financial Information of the Group's investment in equity accounted investments.

	Group			
Company	No of Shares	Effective Holding %	2026 LKR	2025 LKR
Quoted				
Dankotuwa Porcelain PLC	36,422,571	22.41%	-	858,852,645
Un-quoted				
Infoseek (Private) Limited	39	39%	49,688,527	48,847,792
			49,688,527	907,700,438

	Group	
	2026 LKR	2025 LKR
Opening Balance	907,700,438	1,124,039,068
Share of result of equity accounted investee	(34,746,795)	(172,629,764)
Impairment of Investment	-	(43,708,866)
Disposal	(823,265,117)	-
Carrying amount as at the end of the year	49,688,526	907,700,438

29.1 The Associate's Statement of Financial Position

	Group	
	2026	2025
	LKR	LKR
Share of Associates' Statement of Financial Position;		
Total Assets	62,360,298	1,681,642,816
Total Liabilities	(46,567,942)	(1,011,299,421)
Carrying amount of Associates	15,792,356	670,343,395
Share of Revenue, Profit/(Loss) of the Equity Accounted investee		
Share of Revenue	263,064,819	917,525,737
Share of Profit/(Loss)	(34,746,795)	(190,121,020)
Share of the Associate Other Comprehensive Income	-	17,491,255

30. ASSETS AND LIABILITIES

30.1 Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.

30.1 Accounting Classification and Fair Values contd.

Group

31 March 2026	Notes	Carrying Amount LKR: Fair value through P&L	Carrying Amount LKR: Fair value through OCI	Carrying Amount LKR: Amortized Cost	Carrying Amount LKR: Financial Liabilities	Carrying Amount LKR: Total	Fair Value LKR: Level 1	Fair Value LKR: Level 2	Fair Value LKR: Level 3	Fair Value LKR: Total
Financial Assets and Non Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	13,416,519,433	-	-	-	13,416,519,433	13,416,519,433	-	-	13,416,519,433
Investment in Government Securities	17	2,354,594,625	-	-	-	2,354,594,625	2,354,594,625	-	-	2,354,594,625
Investment Property	15	-	-	-	-	-	-	-	1,867,200,001	1,867,200,001
Biological Assets	14	-	-	-	-	-	-	-	88,340,950	88,340,950
		15,771,114,059	-	-	-	15,771,114,059	15,771,114,059	-	1,955,540,951	17,726,655,010
Financial Assets not measured at fair value										
Bank Deposits & Government Securities	17	-	-	1,488,735,018	-	1,488,735,018	-	-	-	-
Trade Receivables	19	-	-	9.913.947.592	-	9,913,947,592	-	-	-	-
Cash & Cash Equivalents	20	-	-	4,504,326,799	-	4,504,326,799	-	-	-	-
		-	-	15,907,009,409	-	15,907,009,409	-	-	-	-
Financial Liabilities not measured at fair value										
Finance Leases	22.1	-	-	-	531,073,441	531,073,441	-	-	-	-
Bank Loans	22.2	-	-	-	7,073,993,095	7,073,993,095	-	-	-	-
Short Term Loan	22.4	-	-	-	8,763,623,738	8,763,623,738	-	-	-	-
Trade and Other Payables	26	-	-	-	6,065,168,637	6,065,168,637	-	-	-	-
Bank Overdraft	20	-	-	-	1,098,880,570	1,098,880,570	-	-	-	-
		-	-	-	23,532,739,481	23,532,739,481	-	-	-	-

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

For other receivables the carrying value has been considered as the fair value due to uncertainty of the timing of the cash flows.

30.1 Accounting Classification and Fair Values contd.

31 March 2025	Notes	Carrying Amount LKR: Fair value through P&L	Fair value through OCI	Amortized Cost	Financial Liabilities	Total	Fair Value LKR: Level 1	Level 2	Level 3	Total
Financial Assets and Non Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	7,692,670,190	-	-	-	7,692,670,190	7,692,670,190	-	-	7,692,670,190
Investment in Government Securities	17	5,579,072,116	-	-	-	5,579,072,116	5,579,072,116	-	-	5,579,072,116
Investment Property	15	-	-	-	-	-	-	-	1,445,120,550	1,445,120,550
Biological Assets	14	-	-	-	-	-	-	-	84,891,950	84,891,950
		13,271,742,306	-	-	-	13,271,742,306	13,271,742,306	-	1,530,012,500	14,801,754,806
Financial Assets not measured at fair value										
Bank Deposits & Government Securities	17	-	-	158,810,301	-	158,810,301	-	-	-	-
Trade Receivables	19	-	-	6,610,950,511	-	6,610,950,511	-	-	-	-
Cash & Cash Equivalents	20	-	-	932,552,651	-	932,552,651	-	-	-	-
		-	-	7,702,313,463	-	7,702,313,463	-	-	-	-
Financial Liabilities not measured at fair value										
Finance Leases	22.1	-	-	-	547,620,417	547,620,417	-	-	-	-
Bank Loans	22.2	-	-	-	2,604,691,382	2,604,691,382	-	-	-	-
Short Term Loan	22.4	-	-	-	7,622,895,833	7,622,895,833	-	-	-	-
Trade and Other Payables	26	-	-	-	4,280,346,032	4,280,346,032	-	-	-	-
Bank Overdraft	20	-	-	-	191,298,295	191,298,295	-	-	-	-
		-	-	-	15,246,851,959	15,246,851,959	-	-	-	-

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

Carrying values of financial liabilities have been considered as the fair value, due to uncertainty of the timing of the cash flow.

30.2 Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Company		Carrying Amount LKR					Fair Value LKR			
31 March 2026	Notes	Fair value through P&L	Fair value through OCI	Amortized Cost	Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	3,802,316,150	-	-	-	3,802,316,150	3,802,316,150	-	-	3,802,316,150
Investment in subsidiaries	16	10,532,499,359	-	-	-	10,532,499,359	-	-	10,532,499,359	10,532,499,359
		14,334,815,509	-	-	-	14,334,815,509	3,802,316,150	-	10,532,499,359	14,334,815,509
Financial Assets not measured at fair value										
Trade Receivables	19	-	-	2,566,628,627	-	2,566,628,627	-	-	-	-
Cash & Cash Equivalents	20	-	-	6,544,368	-	6,544,368	-	-	-	-
		-	-	2,573,172,995	-	2,573,172,995	-	-	-	-
Financial Liabilities not measured at fair value										
Bank Loans	22.2	-	-	-	5,501,015,698	5,501,015,698	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	1,902,144,406	1,902,144,406	-	-	-	-
Bank Overdraft	20	-	-	-	469,802	469,802	-	-	-	-
		-	-	-	7,403,629,905	7,403,629,905	-	-	-	-

Investment in subsidiaries fair valuation does not include subsidiary valued at net book value basis.

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

For other receivables the carrying value has been considered as the fair value due to uncertainty of the timing of the cash flows.

30.2 Accounting Classification and Fair Values contd.

31 March 2025	Notes	Carrying Amount LKR: Fair value through P&L	Fair value through OCI	Amortized Cost	Financial Liabilities	Total	Fair Value LKR: Level 1	Level 2	Level 3	Total
Financial Assets measured at fair value										
Investment in Quoted Securities	17.1	1,176,209,022	-	-	-	1,176,209,022	1,176,209,022	-	-	1,176,209,022
Investment in subsidiaries	16	9.382.307.700	-	-	-	9,382,307,700	-	-	9,382,307,700	9,382,307,700
Investment Property	15	48,196,000	-	-	-	48,196,000	-	-	48,196,000	48,196,000
		10,606,712,722	-	-	-	10,606,712,722	1,176,209,022	-	9,430,503,700	10,606,712,722
Financial Assets not measured at fair value										
Trade Receivables	19	-	-	1,183,520	-	1,183,520	-	-	-	-
Cash & Cash Equivalents	20	-	-	1,296,139	-	1,296,139	-	-	-	-
		-	-	2,479,659	-	2,479,659	-	-	-	-
Financial Liabilities not measured at fair value										
Bank Loans	22.2	-	-	-	1,595,741,740	1,595,741,740	-	-	-	-
Loans granted by Related Parties	22.3	-	-	-	3,469,623,379	3,469,623,379	-	-	-	-
Bank Overdraft	20	-	-	-	38,881,405	38,881,405	-	-	-	-
		-	-	-	5,104,246,524	5,104,246,524	-	-	-	-

Investment in subsidiaries fair valuation does not include subsidiary valued at net book value basis.

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

For other receivables the carrying value has been considered as the fair value due to uncertainty of the timing of the cash flows.

31. COMMITMENTS AND CONTINGENT LIABILITIES

31.1 Commitments and Contingent Liabilities - Company

The company does not have significant capital commitment and contingent liabilities as at the reporting date except the following.

Bank Guarantees	2026	2025
	LKR Mn	LKR Mn
Guarantee given to following facility on behalf of Ambeon Holdings PLC		
DFCC Bank PLC	1,000	-

31.2 Commitments and Contingent Liabilities - Group

31.2.1 Millennium I.T.E.S.P (Pvt) Limited

	2026	2025
	LKR Mn	LKR Mn
Bank Guarantee		
Performance Bonds	858	795
Tender Bonds	412	217
Advance payment guarantees	335	89
Custom guarantee	42	61
Retention Bond	-	14

31.2.2 Ambeon Securities (Pvt) Ltd

Bank guarantee given to CSE Clear (Pvt) Ltd by Seylan Bank PLC on behalf of the company (LKR 10 Mn).

31.2.3 Taprobane Capital Plus (Pvt) Ltd

Corporate Guarantee Bond given by the company to Ambeon Securities (Pvt) Ltd amounted to LKR. 75 Mn/-(for NTB facility)

31.2.4 There are no material issues pertaining to employees and industrial relations of the Group during the financial year.

31.2.5 Tax Assessments

Ambeon Holdings PLC

The Department of Inland Revenue has raised an assessment for Y/A 2017/18, against which the Company has appealed. The Tax Appeals Commission has determined the appeal in favour of the Department of Inland Revenue, and the Company has subsequently appealed to the Court of Appeal. The assessed tax liability amounts to Rs. 122 million, including penalties. A provision has been made for 75% of the total liability.

Lexinton Holdings (Pvt) Ltd

Lexinton Holdings (Pvt) Ltd has filed following petitions of appeal to Tax appeals commission against the assessments.

1. Assessments No. - ITA 14281100120 - IV. Total Tax Assessed was Rs. 75,985,492/-.

Under payment of TAX	50,656,995
Penalty on late payments	25,328,497
	75,985,492

Tax matter of 2011/2012 has been determined by the Tax Appeal Commission in favour of the Department of Inland Revenue.

Company has now appealed against the determination in the Court of Appeal. The tax assessed amount is LKR. 75,985,492, which has been fully provided.

32. RELATED PARTY DISCLOSURE

32.1 The Company has related party relationship with its subsidiaries, associates, affiliate companies.

32.2 Transaction with / between subsidiaries

Company	Relationship	Nature of transaction	Amount	Balance (due)/ from as at 31/3/2026	Balance (due)/ from as at 31/3/2025	Aggregate Value of RPT exceeds 10% of the Gross Revenue *	Terms & Conditions of the RPT exceeds 10% of Gross Revenue
Taprobane Investments (Pvt) Ltd	Sub subsidiary	Common expenses - allocation	539,872	-	-	-	-
		Settlement - Fund Transfers	(539,872)	-	-	-	-
Lexinton Holdings (Pvt) Ltd.	Sub subsidiary	Loan settlement	5,159,893	-	-	-	-
		Interest charged	(29,871,881)	(370,997,715)	(346,285,727)	-	-
Ambeon Securities (Pvt) Ltd	Sub subsidiary	Common expenses - allocation	(3,103,303)	-	-	-	-
		Settlement - Fund Transfers	3,103,303	-	-	-	-
Taprobane Wealth Plus (Pvt) Ltd	Sub subsidiary	Advance	100,000	-	-	-	-
		Loan settlement	6,859,433	-	-	-	-
		Interest charged	(386,904)	100,000	(6,472,529)	-	-
Heron Agro Products (Pvt) Ltd	Sub subsidiary	Current Account	-	433,520	433,520	-	-
Taprobane Capital Plus (Pvt) Ltd	Subsidiary	Shared service & consultancy fees	14,241,144	-	-	-	-
		Shared service settlement	(16,623,439)	(3,303,714)	(921,419)	-	-
Ambeon Holdings PLC	Subsidiary	Settlement - Fund Transfers	49,513,200	-	(49,513,200)	-	-
		Loan repayment	2,201,309,294	-	-	-	-
		Interest charged	(143,496,599)	-	(2,057,812,695)	-	-
Millennium I.T.E.S.P. (Private) Ltd	Sub subsidiary	Common expenses - allocation	575,000	-	-	-	-
		Loan obtained	(2,000,000,000)	-	-	-	-
		Loan repayment	1,570,355,026	-	-	-	-
		Interest expenses on loans and borrowings	(89,480,188)	(1,526,417,970)	(1,007,867,808)	-	-
Ambeon Essentials (Pvt)Ltd	Subsidiary	Common expenses - allocation	104,500	-	-	-	-
		Loan granted	2,430,000,000	-	-	-	-
		Interest income	765,616	2,430,870,116	-	-	-

* *There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2026 audited financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.*

32.3 Transaction with / between Parent - Group

	Group		Company	
	2026	2025	2026	2025
Ultimate Parent	LKR	LKR	LKR	LKR
Loan Granted	-	-	-	-
Loan Settled	-	(502,978,019)	-	(492,778,019)
Interest on Loans	-	7,902,192	-	4,102,788

Long Term Loans - AWPLR+ 1.5% & Re payment Period- 27 Months./ Short Term Loans - AWPLR+2% & Re payment On Demand.

32.4 Other Related Parties - Group

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate Value of recurrent RPT exceeds 10% of the Gross Revenue*	Value of the related party Transaction as a % of Group consolidated revenue	Terms and Conditions of the related party Transaction
Sherwood Capital (Private) Limited	Sub Subsidiary	Investment in Government Securities by Ambeon Holdings PLC	2,396,824,434	13.00%	Market Rate

* *Above value of the related party transaction represents the total investment value exchanged between the related parties.*

Transaction, arrangements and agreements involving Key Management Personnel (KMPs) and their Close Family Members (CFMs), and Entities which are controlled, jointly controlled or significantly influenced by the KMP's and their CFMs or shareholders who have either control, jointly control or significant influence over the entity.

32.5 Transactions with Key Management Personnel

Key management personnel include members of the Board of directors of Ambeon Capital PLC and its subsidiary companies. The transactions with key management personnel are carried out on an arms length basis.

32.5.1 Key Management Personnel Compensation

As at 31 March	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Short-term employee benefits	252,436,868	255,558,436	-	600,000
	252,436,868	255,558,436	-	600,000

32.6 Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

32.7 Disclosure in terms of Section 9.3.2 of the listing Rules of the Colombo Stock Exchange

Non Recurrent Related Party Transactions - Group

There were no non-recurrent related party transactions incurred during the year other than the following.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the financial Year	Value of the Related Party Transactions as a % of Equity & as a % of Total Assets	Terms & the Conditions of the Related Party Transactions	The rationale for entering in to the transactions
Millennium I.T.E.S.P.(Private) Ltd	Sub Subsidiary	Rs. 2 Bn	On Equity- 47.15% On Total Asset - 18.75%	At 10.60% for a 3 months Period	Working Capital requirement
Ambeon Essentials (Pvt) Ltd	Subsidiary	Rs. 2.43 Bn	On Equity- 57.29% On Total Asset - 22.78%	At 11.5% for a 3 months Period	Working Capital requirement

Recurrent Related Party Transactions - Group

Aggregate value of recurrent related party transactions that exceed 10% of the group consolidated revenue - Refer Note 32.4

33. EVENTS OCCURRING AFTER REPORTING PERIOD

No circumstances have arisen since the reporting date which would require to be disclosed in the financial statements. Except for ;

Ambeon Capital PLC

a) Acquisition of Controlling Interest in Harischandra Mills PLC

On 14th May 2026, Ambeon Essentials (Private) Limited, a subsidiary of Ambeon Capital PLC, acquired 51.11% of the issued ordinary shares of Harischandra Mills PLC for a total consideration of Rs. 3,335,801,200/-, thereby obtaining a controlling interest in the company. Consequently, Harischandra Mills PLC became a subsidiary of Ambeon Essentials (Private) Limited, and indirectly of Ambeon Capital PLC, with effect from the aforesaid date.

b) Rights Issue

The Board of Directors, at its meeting held on 16th July 2026, resolved to raise up to Sri Lankan Rupees Three Billion Two Hundred Million (LKR 3,200,000,000) by way of a Rights Issue of up to One Hundred Million (100,000,000) new ordinary voting shares, in the proportion of one (1) new share for every 10.22352863 existing shares held, at an issue price of LKR 32/- per share. This was formally communicated to the Colombo Stock Exchange on 17th July 2026 and remains subject to CSE approval-in-principle and shareholder approval by ordinary resolution at a General Meeting.

(c) Private Placement of Shares

On the same date, the Board also resolved to issue, at its option, up to Twenty Five Million (25,000,000) ordinary voting shares by way of a Private Placement at LKR 32/- per share, to raise up to LKR 800,000,000. This issue is contingent on the Rights Issue referred to above being fully subscribed and applicants specifically applying for Private Placement shares, and is subject to CSE approval-in-principle and shareholder approval by special resolution at a General Meeting.

Since both proposed issues relate to conditions arising after the reporting date and had not been completed as at the date of authorisation of these financial statements (20th August 2026), no adjustment has been made to the amounts recognised in the financial statements for the year ended 31st March 2026. The financial effect of these transactions, if concluded, will be reflected in the financial statements for the year ending 31st March 2027.

Ambeon Holdings PLC

The ordinary voting shares of the company were subdivided on 13th May 2026 by splitting each issued ordinary voting share into four (4) ordinary shares. Accordingly, the total number of existing issued Ordinary Voting Shares were increased from 356,869,666 to 1,427,478,664 without any change to the Stated Capital of the Company which remains as Rs. 5,331,775,177/-.

34. ASSETS PLEDGED

Nature of Assets	Nature of Liability	Carrying Amount Pledged 2026 LKR Mn	Carrying Amount Pledged 2025 LKR Mn	Included under
34.1 Assets Pledged by Ambeon Capital PLC				
Investment in Shares - 290.6 Mn Ambeon Holdings PLC Shares	Pledge for Facility Granted by Seylan DFCC , Commercial & PABC	9,143	9,382	Investments in Subsidiaries
34.2 Assets Pledged by Ambeon Holdings PLC				
Quoted Equity Investments	Overdraft Facility Revolving Loan for Loans and Borrowings	8,180	2,848	Investments in Subsidiaries and Other Current Financial Assets
Property - Lexinton - lot B plan no 184/2001	Term loan	-	348	Property, Plant & Equipment
		8,180	3,196	
34.3 Assets Pledged by Colombo City Holdings PLC				
Quoted Equity Investments - 4.1 mn Shares	Short Term Loan	565	-	Other Financial Investments

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. All the Group level risks are escalated to the parent company and the Board. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Enterprise Risk Management Committee, established in 2018, identifies risks, assesses their impact and likelihood and develops risk mitigation procedures. These are reported in a Risk Grid.

The ERMC made its first presentation of the Risk Grid to the Audit Committee in November 2018 and it has been doing once a quarter

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

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

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

(i) Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its financial assets which consist principally of bank balance, due from related parties, trade and certain other receivables.

Exposure to credit risk
The Group limits its exposure to credit risk by investing only in liquid debt securities.

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

		Group		Company	
As at 31st March		2026	2025	2026	2025
	Note	LKR	LKR	LKR	LKR
Fair Value Through Profit & Loss Government Securities	17	2,354,594,625	5,579,072,116	-	-
Fair Value through Profits or Loss - Equity	17.1.1	13,416,519,433	7,692,670,190	3,802,316,150	1,176,209,022
Investment in Government Securities - Amortized Cost	17	1,488,735,018	158,810,301	-	-
Trade & Other Receivables	19	10,641,023,384	7,125,687,902	2,573,844,611	57,912,702
Cash & Cash Equivalents	20	4,504,326,799	932,552,651	6,544,368	1,296,139
		32,405,199,259	21,488,793,160	6,382,705,129	1,235,417,863

The financial assets that are past due and but not impaired and neither past due or impaired as follows:

	Group			Company		
As at 31st March 2026	Neither past due or impaired	Past due and but not impaired	Total	Neither past due nor impaired	Past due and but not impaired	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Fair Value Through Profit & Loss	13,059,509,673	-	13,059,509,673	1,587,097,646	-	1,587,097,646
- Change in fair value of investments	2,711,604,386	-	2,711,604,386	2,215,218,504	-	2,215,218,504
	15,771,114,059	-	15,771,114,059	3,802,316,150	-	3,802,316,150
Investments in other financial assets	-	1,488,735,018	1,488,735,018	-	-	-
Trade and other receivables	-	11,526,760,774	11,526,760,774	-	2,616,063,750	2,616,063,750
- Impairment of trade receivables	-	(885,737,391)	(885,737,391)	-	(42,219,139)	(42,219,139)
	-	10,641,023,384	10,641,023,384	-	2,573,844,611	2,573,844,611
Cash and cash equivalents	4,504,326,799	-	4,504,326,799	6,544,368	-	6,544,368
	20,275,440,858	12,129,758,401	32,405,199,259	3,808,860,518	2,573,844,611	6,382,705,129

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTD.

	Group			Company		
As at 31st March 2025	Neither past due or impaired LKR	Past due and but not impaired LKR	Total LKR	Neither past due nor impaired LKR	Past due and but not impaired LKR	Total LKR
Fair Value Through Profit & Loss	12,185,907,539	-	12,185,907,539	1,168,283,468	-	1,168,283,468
- Change in fair value of investments	1,085,834,767	-	1,085,834,767	7,925,554	-	7,925,554
	13,271,742,306	-	13,271,742,306	1,176,209,022	-	1,176,209,022
Investments in other financial assets	-	158,810,301	158,810,301	-	-	-
Trade and other receivables	-	8,090,523,172	8,090,523,172	-	97,324,352	97,324,352
- Impairment of trade receivables	-	(964,835,270)	(964,835,270)	-	(39,411,650)	(39,411,650)
	-	7,125,687,902	7,125,687,902	-	57,912,702	57,912,702
Cash and cash equivalents	932,552,651	-	932,552,651	1,296,139	-	1,296,139
	14,204,294,957	7,284,498,203	21,488,793,160	1,177,505,161	57,912,702	1,235,417,863

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTD.

(ii) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Group manages its liquidity needs by carefully monitoring scheduled payments for financial liabilities as well as cash-outflows due in day-to-day business.

The following are the contractual maturities of non-derivative financial liabilities:

	Group							Company				
	Carrying Amounts	Contractual cash out flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Carrying Amounts	Contractual cash out flows	On demand/ Less than 3 months	Less than 12 months	1 to 5 years
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
As at 31 March 2026												
Non-derivative financial liabilities												
Loans and borrowings	16,368,690,273	16,596,699,047	-	13,018,141,274	1,975,701,165	1,602,856,608	-	7,403,160,103	7,631,168,877	6,080,305,077	387,410,150	1,163,453,650
Trade & Other payables	6,916,659,246	6,916,659,246	-	353,712,877	6,540,732,339	7,483,541	14,730,489	2,049,815	2,049,815	2,049,815	-	-
Bank Overdraft	1,098,880,570	1,098,880,570	-	1,098,880,570	-	-	-	469,805	469,805	469,805	-	-
	24,384,230,089	24,612,238,863	-	14,470,734,721	8,516,433,504	1,610,340,148	14,730,489	7,405,679,724	7,633,688,498	6,082,824,698	387,410,150	1,163,453,650
As at 31 March 2025												
Non-derivative financial liabilities												
Loans and borrowings	10,775,207,632	10,779,857,089	-	7,775,312,724	2,510,471,365	492,541,542	347,936	5,065,365,119	5,437,040,503	2,836,443,184	358,051,346	2,242,545,973
Trade & Other payables	4,457,570,068	4,457,570,068	-	159,832,584	4,086,725,840	195,956,062	16,239,104	1,369,689	1,369,689	1,369,689	-	-
Bank Overdraft	191,298,295	191,298,295	-	191,298,295				38,881,405	38,881,405	38,881,405		
	15,424,075,994	15,428,725,452		8,126,443,603	6,597,197,205	688,497,604	16,587,040	5,105,616,213	5,477,291,597	2,876,694,279	358,051,346	2,242,545,973

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT CONTD.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group'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 optimizing the return.

Foreign Currency Risk

Hedge summary

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the profit before tax

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2026	5%	(72,294,206)	-
	-5%	72,294,206	-
2025	5%	(75,877,358)	-
	-5%	75,877,358	-

The assumed spread of the interest rate is based on the current observable market environment.

The spot exchange rates used for value the USD denominated Assets and Liabilities as at the reporting period were Rs. 315.54 USD

Interest Rate Risk

Interest rate risk is the risk to earnings or capital arising from movement of interest rates. The Group has negotiated overdrafts at a fixed interest rate basis, hence not subject to the interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax (through the impact on floating rate on long term bank borrowings)

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2026	+100	(14,638,215)	(17,923,193)
	-100	14,638,215	17,923,193
2025	+100	-	(14,619,031)
	-100	-	14,619,031

Capital management

The capital management strategy adopted by the Group is aimed at maintaining sufficient and adequate levels of working capital for day to day operations and long term capital for investment and growth. A suitability structured capital base is essential in order to maintain investor confidence in the Group, and ensures that it achieves sustained long term growth while maintaining the capability to withstand fluctuating economic fortunes. The capital of the Group consists of equity and debt. The components of the equity capital are the stated capital, retained earnings and reserves while the debt capital consist of short term debt sources.

36. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below;

36.1 Proportion of equity interest held by non-controlling interests:

Name	Proportion of NCI		Accumulated Balances of NCI		Profit allocated to NCI	
	2026	2025	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Non-Controlling Interests material individually						
Myland Developments PLC	48.97%	-	75,850,395	-	5,255,991	-
Ambeon Holdings PLC	18.57%	18.57%	2,506,602,234	2,630,965,894	525,011,922	376,030,719
Colombo City Holdings PLC	36.79%	36.79%	1,153,159,795	993,129,380	159,985,309	95,139,526
Millennium I.T.E.S.P (Private) Limited	47.25%	47.25%	775,627,980	766,730,654	(27,879,249)	51,685,332
Taprobane Capital Plus (Pvt) Limited	-	18.57%	-	379,374,571	-	84,519,605
Non-controlling interest material in aggregate			(414,273,794)	(820,286,459)	45,800,255	(1,156,453,074)
Total			4,096,966,609	3,949,914,041	763,932,727	549,077,891

Dividend Paid to NCI Shareholders	2026	2025
Ambeon Holdings PLC	646,154,811	-
Sherwood Capital (Pvt) Ltd	85,117,197	-
	731,272,008	-

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Myland Developments PLC		Ambeon Holdings PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
36.2 Summarized statement of Profit or Loss for the period ending 31 March										
Revenue	36,223,820	-	18,129,933,471	16,439,184,479	73,932,278	50,009,310	16,992,650,271	15,643,987,258	-	1,090,759,200
Operating Income/(Costs)	(23,164,205)	-	(14,363,844,100)	(14,400,144,462)	426,483,781	145,564,028	(16,677,863,921)	(15,343,542,615)		(303,217,827)
Finance Costs	(2,799,178)	-	(909,796,646)	(434,820,342)	(20,178,966)	(14,438,783)	(397,291,399)	(301,141,360)	-	(129,129,267)
Finance Income	-	-	208,252,565	164,433,082	101,714,982	141,610,015	106,350,970	51,014,877	-	-
Share of result of equity account investee	-	-	(34,746,795)	(190,121,020)	-	-	840,733	6,203,677	-	-
Tax Expense	472,647	-	(202,593,743)	(600,838)	(147,042,644)	(64,114,092)	34,317,490	52,865,929	-	(203,271,528)
Profit or Loss from Continuing Operations	10,733,083	-	2,827,204,752	1,577,930,900	434,909,431	258,630,478	59,004,144	109,387,766	-	455,140,578
Gain/(Loss) after Tax from Discontinued	-	-	493,572,150	447,005,659	-	-	-	-	-	-
Other Comprehensive Income	423,186	-	(41,537,333)	28,600,124	122,617	3,582	(40,173,682)	8,425,427	-	2,099,968
Total Comprehensive Income	11,156,269	-	3,279,239,569	2,053,536,683	435,032,048	258,634,060	18,830,462	117,813,193	-	457,240,545
36.3 Summarized Statement of Financial Position for the period 31 March										
Current Assets	257,895,713	-	28,621,459,160	24,163,885,602	1,377,825,383	1,986,118,367	15,983,684,011	10,722,151,209	-	3,116,046,669
Non-current Assets	12,074,163	-	4,348,588,866	6,624,008,633	2,228,578,903	1,388,661,763	776,348,458	805,124,790	-	235,913,534
Total Assets	269,969,876	-	32,970,048,026	30,787,894,235	3,606,404,286	3,374,780,130	16,760,032,469	11,527,276,000	-	3,351,960,203
Current Liabilities	69,540,704	-	18,302,157,477	15,450,978,290	135,002,195	418,242,997	14,312,228,729	9,122,777,149	-	1,245,254,151
Non-current Liabilities	45,537,617	-	1,169,763,282	1,169,086,683	336,613,823	256,780,913	806,250,744	781,776,314	-	63,762,751
Total Liabilities	115,078,321	-	19,471,920,758	16,620,064,973	471,616,018	675,023,910	15,118,479,473	9,904,553,463	-	1,309,016,902

* *Cumulative impact of fair valuation gain from investment in subsidiaries and respective deferred tax impact has been eliminated from non current asset and non current liabilities.*

	Myland Developments PLC		Ambeon Holdings PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
36.4 Summarized Cash Flow Information for the year ending 31 March	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Operating	28,490,448	-	(1,655,841,836)	1,439,055,099	(135,003,505)	(53,777,284)	(1,093,388,938)	96,074,515	-	1,123,941,008
Investing	13,268,886	-	3,426,779,209	(5,597,722,237)	427,581,108	(156,922,060)	(1,229,478,342)	(1,011,845,445)	-	(13,332,313)
Financing	(39,268,270)	-	(2,839,359,382)	4,711,909,005	(290,904,232)	214,876,291	2,643,838,477	797,547,654	-	(573,551,448)
Net increase/(decrease) in cash and cash equivalents	2,491,064	-	(1,068,422,009)	557,250,601	1,673,371	4,176,947	320,971,197	(118,223,276)	-	537,057,247

Investor Information

STOCK EXCHANGE LISTING

The issued Ordinary Shares of Ambeon Capital PLC are listed with the Colombo Stock Exchange

SHARE INFORMATION

Share Structure as at 31 March 2026	No. of Holders	Total Holding	% Holding
Range of Shareholdings			
1 to 1,000 Shares	2378	683,264	0.07
1,001 to 10,000 Shares	1404	5,692,763	0.56
10,001 to 100,000 Shares	644	20,150,564	1.97
100,001 to 1,000,000 Shares	134	39,106,143	3.83
1,000,001 to 10,000,000 Shares	21	54,099,864	5.29
Over 10,000,001 Shares	9	902,620,265	88.29
	4,590	1,022,352,863	100.00
Categories of Shareholders			
Local Individuals	4272	71,815,798	7.02
Local Institutions	291	910,738,856	89.08
Foreign Individuals	24	3,335,084	0.33
Foreign Institutions	3	36,463,125	3.57
	4,590	1,022,352,863	100.00

Investor Information

The Twenty Largest Shareholders of the Company as at 31 March 2026 were;

		No. of Shares	%
1	Ambeon Consolidated (Private) Limited	512,849,051	50.16
2	Seylan Bank PLC/ARRC Capital (Pvt) Ltd	83,383,423	8.16
	DFCC Bank PLC /ARRC Capital (Private) Limited	52,356,167	5.12
	Total	135,739,590	13.28
3	DFCC Bank PLC/ATX Partners (Pvt) Ltd	100,172,486	9.80
4	Seylan Bank PLC/Arcasia Investments & Trading (Pvt) Ltd	78,166,110	7.65
5	EMFI Capital Limited	35,882,745	3.51
6	Aluthgama I.T. (Private) Limited	16,365,180	1.60
7	Commercial Bank of Ceylon PLC/Metrocorp (Pvt) Ltd	11,728,287	1.15
8	Hatton National Bank PLC/Ruwan Prassana Sugathadasa	11,716,816	1.15
9	Mr. D T S H Mudalige	9,205,011	0.90
10	Mrs. Saumya Amarasekera	5,973,862	0.58
11	Asia Securities (Pvt) Ltd (Trading Account)	4,531,885	0.44
12	Mr. Somadasa Palihawadana	3,431,991	0.34
13	Mr. Shiran Harsha Amarasekera	2,761,503	0.27
14	PMF Finance PLC/M.S.Hamzadeen	2,750,000	0.27
15	Seylan Bank PLC/Gladstone Capital (Private) Limited	2,458,752	0.24
16	Seylan Bank PLC/K.L.G.Udayananda	2,448,125	0.24
17	DFCC Bank PLC/I.K.De Silva	2,200,000	0.22
18	Mr. Deeptha Darshana Wathudura	2,060,000	0.20
19	Mr. Duminda Mahali Weerasekare	2,045,558	0.20
20	Hatton National Bank PLC/Almas Holdings (Private) Limited	1,758,100	0.17
	Sub Total	944,245,052	92.36
	Others	78,107,811	7.64
	Grand Total	1,022,352,863	100.00

PUBLIC HOLDINGS

Percentage of Shares held by the Public	18.01%
No of public share holders as at 31st March 2026	4,582

a. Existing Float adjusted Market Capitalisation - Rs. 5,985,687,890.00

b. Public Holding Percentage - 18.01%
(minimum requirement 7.5%)

c. Option for Compliance - Option 1 of 7.13.1 (i)(b)(1) of the listing rules.

The Market Value of Ambeon Capital PLC Ordinary Shares:	2026	2025
Highest during the year	52.00	34.00
Lowest during the year	22.10	5.50
As at end of the year	32.50	26.60

Five Year Summary

FIVE YEAR SUMMARY OF PROFIT OR LOSS

For the year ended 31st March,	2026	2025	2024	2023	2022
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue	19,330,829	17,301,635	16,965,439	20,658,634	14,013,564
Cost of Sales	(15,014,798)	(13,407,490)	(12,066,118)	(14,931,685)	(10,259,679)
Investment and Other Income	708,115	365,175	402,381	500,289	443,816
Finance Cost	(1,264,994)	(727,745)	(1,079,380)	(1,788,702)	(459,924)
Profit /(Loss) Before Income Tax from Continuing Operations	4,062,705	1,798,432	3,064,605	1,431,829	884,473
Income Tax Expense	(829,160)	(206,174)	(517,124)	(590,779)	(342,082)
Profit/(Loss) for the Year from Continuing Operations	3,233,545	1,592,258	2,547,481	841,050	542,391
Profit/(Loss) after tax from discontinued operations for the year	-	-	(180,517)	-	1,404,087
Profit/(Loss) for the year	3,233,545	1,592,258	2,366,964	841,050	1,946,479

Five Year Summary

FIVE YEAR SUMMARY OF FINANCIAL POSITION

As at 31st March,	2026	2025	2024	2023	2022
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	250,404	289,726	664,750	2,948,294	2,534,549
Intangible Assets	1,425,694	1,344,588	1,196,894	1,214,142	1,225,902
Biological Assets	88,341	84,892	83,525	79,128	55,383
Investment Property	1,867,200	1,445,121	1,076,350	2,815,796	2,662,743
Investment in Equity Accounted Investee	49,689	907,700	1,124,039	41,874	35,929
Other Financial Assets	11,530	9,250	8,806	646,486	261,041
Right of Use Assets	367,868	405,088	381,355	467,420	529,442
Deferred Tax Asset	189,790	128,046	68,484	272,218	132,225
	4,250,517	4,614,410	4,604,202	8,485,358	7,437,213
Current Assets					
Inventories	3,331,426	2,493,922	1,415,693	3,222,233	2,904,385
Other Financial Assets	17,251,018	13,422,303	6,936,942	4,114,503	1,847,699
Trade & Other Receivables	10,641,023	7,125,688	8,153,097	8,267,869	6,795,955
Income Tax Recoverable	10,252	11,843	17,959	30,214	35,698
Cash & Cash Equivalents	4,504,327	932,553	501,770	1,272,860	2,142,461
	35,738,046	23,986,308	17,025,462	16,907,679	13,726,198
Total Assets	**39,988,563**	**28,600,718**	**21,629,664**	**25,393,037**	**21,163,411**
EQUITY AND LIABILITIES					
Equity					
Stated Capital	1,915,315	1,053,643	1,053,643	1,053,643	1,053,643
Other Components of Equity	(6,793)	(4,429)	190,478	998,506	982,119
Retained Earnings	6,750,353	5,340,351	4,081,392	1,582,596	1,779,038
Equity Attributable to Equity Holders of the Company	8,658,875	6,389,565	5,325,513	3,634,746	3,814,801
Non Controlling Interests	4,096,967	3,949,914	4,057,055	4,404,806	3,413,549
Total Equity	**12,755,841**	**10,339,479**	**9,382,568**	**8,039,552**	**7,228,349**
Non-Current Liabilities					
Other Financial Liabilities	348	348	348	969	969
Interest Bearing Loans & Borrowings	1,906,996	492,542	597,519	1,284,090	1,483,019
Retirement Benefit Obligation	445,536	375,855	377,663	493,235	383,230
Deferred Tax Liability	324,773	306,706	303,442	1,241,292	650,176
	2,677,654	1,175,451	1,278,971	3,019,585	2,517,394
Current Liabilities					
Trade and Other Payables	6,916,659	4,457,570	3,677,668	4,556,294	4,792,276
Income Tax Payable	255,605	250,180	363,345	476,350	265,546
Contract Liability	1,822,229	1,904,073	1,681,267	2,703,967	2,079,003
Interest Bearing Loans & Borrowings	15,560,574	10,473,964	5,245,845	6,597,288	4,280,842
	24,555,068	17,085,788	10,968,125	14,333,899	11,417,668
Total Equity and Liabilities	**39,988,563**	**28,600,718**	**21,629,664**	**25,393,037**	**21,163,411**

Details of Group Properties

Company	Property	Location	Extent	No of Building	Cost/Valuation
Lexinton Holdings (Pvt) Ltd	Freehold Land	Rajagiriya	17.15 Perches	-	145,675,000
	Freehold Building	Rajagiriya	17.15 Perches	1	215,125,000
Lexinton Resorts (Pvt) Ltd	Freehold Land	Kosgoda	Land 1,364 Perches	-	1,337,000,000
Colombo City Holdings PLC	Freehold Land	Sigiriya	1,277 Perches	-	57,800,000
Ambeon Securities (Pvt) Ltd	Freehold Land	Kosgama	1,162.37 Perches	-	111,600,000

Subsidiary and Associate Companies

SUBSIDIARIES OF AMBEON CAPITAL PLC

Subsidiary Companies	Directors
Taprobane Capital Plus (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Mr. E M M Boyagoda (*Chairman*) Mr. A G Weerasinghe Dr. K S Narangoda
Ambeon Wealth Management (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Mr. K C P Perera
Ambeon Essentials (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Dr. K S Narangoda Mr. K C P Perera
Myland Developments PLC No. 143/A/2, Kandy Road, Kadawatha	Mr. S L Sebastian (*Chairman*) Dr. K S Narangoda Mr. M D J R Goonetilleke Dr. D R Dissabandara Ms. R D Fernando
Ambeon Holdings PLC No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige (*Chairman*) Dr. K S Narangoda (*Group CEO*) Mr. E M M Boyagoda Mr. S L Sebastian Mr. C T Tsoi Mr. D M Weerasekare Mr. M D J R Goonetilleke Mr. R Keragala
Ambeon Mineral Sands (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Mr. K C P Perera
Ambeon Management Services (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Mr. K C P Perera Mr. K D H C J Perera

Sub-Subsidiary Companies	Directors
Colombo City Holdings PLC No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 700 000 Fax: 011 2 680 225 E-mail: info@ambeongroup.com	Mr. S L Sebastian (*Chairman*) Mr. A W Atukorala Dr. K S Narangoda Mr. R T Devasurendra Mr. S Sridharan Mr. D M Weerasekare Mr. N Haturusinha
Eon Tec (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige Dr. K S Narangoda
Palla & Company (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. A G Weerasinghe
Green Field Ventures (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. S Sridharan
MillenniumIT ESP (Private) Limited No. 450 D, R A De Mel Mawatha, Colombo 3. Tel: 011 7 484 000 Fax: 011 2 691 322 Email: info@millenniumitesp.com	Mr. D T S H Mudalige (*Chairman*) Mr. S L Sebastian Mr. S Sridharan Mr. R T Devasurendra Mr. D M Weerasekare Mr. L V B D Mendis Mr. J A S Jayasundara Dr. K S Narangoda
MillenniumIT ESP Singapore (Private) Limited 531 A, Upper Cross Street, # 04-95, Hong Lim Complex, Singapore (051531)	Mr. S Sridharan Mr. Y I S Premarathne Mr. L Hao Dr. K S Narangoda
MIT ESP Bangladesh Private Ltd. Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka	Mr. M I Wijenayake
MIT ESP TRADING L.L.C. #3002-032, Al Moosa Tower 2 30th Floor - Sheikh Zayed Road, Dubai, United Arab Emirates	Mr. P D D Perera Mr. L V B De Mendis

Sub-Subsidiary Companies	Directors
Taprobane Investments (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109 E-mail: contact@taprobane.lk	Mr. M D J R Goonetilleke (*Chairman*) Mr. L A Weerasinghe Mr. K D H C J Perera
Taprobane Wealth Plus (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109	Mr. A G Weerasinghe
Ambeon Securities (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. E M M Boyagoda (*Chairman*) Mr. C A Kamaladasa Mr. M D J R Goonetilleke Mr. N S Niles
Lexinton Holdings (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda Mr. A G Weerasinghe Mr. H M R C Wijesinghe
Lexinton Resorts (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda Mr. H M R C Wijesinghe
Heron Ago Products (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda

Sub-Subsidiary Companies	Directors
Lexinton Financial Services (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. A G Weerasinghe Mr. H M R C Wijesinghe
Sherwood Capital (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige (*Chairman*) Mr. S Palihawadana Dr. K S Narangoda Mr. L S Jayawardena Mr. A S Sebastian Mr. R P Sugathadasa Mr. E M M Boyagoda
Sherwood Technologies (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda Mr. S Palihawadana Mr. L S Jayawardena Mr. G M Karunaratne
Harischandra Mills PLC No. 11, C. A. Harischandra Mawatha, Matara	Mr. T K Bandaranayake Mr. S N Samarasinghe Mr. L L S Wickremasinghe Mr. S A S Jayasundara Mr. D T S H Mudalige Mr. P A De Silva Mr. S L Sebastian Dr. K S Narangoda

Notes

Notice of Meeting

Notice is hereby given that the Fifteenth Annual General Meeting of Ambeon Capital PLC (“the Company”) will be held by way of electronic means on 23rd September 2026 at 11.00 a.m. centered at the Boardroom of the Company No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8., via Audio/Video (Virtual AGM) Sri Lanka, for the following business:

AGENDA

1. To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31st March 2026 and the Report of the Auditors thereon.
2. To re-elect as a Director, Mr. Samresh Kumar who retires by rotation in terms of Article 27 (7) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director. (Resolution 1)
3. To re-elect as a Director, Mr. C T Tsoi who retires by rotation in terms of Article 27 (7) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director. (Resolution 2)
4. To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration. (Resolution 3)
5. To authorise the Directors to determine donations for charitable and other purposes for the year 2026/2027 as set out in the Companies’ Donation Act [CAP147] (Resolution 4)
6. To consider any other business of which due notice has been given.

By Order of the Board AMBEON CAPITAL PLC

(Sgd.)
MANAGERS & SECRETARIES (PRIVATE) LIMITED
Director/Secretaries

28th August 2026
Colombo.

Notes:

1. Below mentioned documents can be now downloaded via the corporate website https://ambeoncapital.com/resources/ or the Colombo Stock Exchange website on https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=TAP.N0000
   a) Annual Report
   b) Notice of Meeting
   c) Circular to Shareholders
   d) Form of Proxy
   e) Guidelines and Registration Process to join the AGM virtually
   f) Registration Form for the AGM
   g) Request Form for the printed copy of the Annual Report
2. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy which can be downloaded as above.
3. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
4. A proxy need not be a shareholder of the Company.
5. For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process which can be downloaded as above.

Form of Proxy

I/We ....

holder of NIC/ Company Registration No.. of ....

.... being a Shareholder of Ambeon Capital PLC, do hereby appoint

....

.... holder of NIC No. .... of ....

.... or failing him/her

Mr. D. T. S. H. Mudalige	or failing him,
Dr. K.S. Narangoda	or failing him,
Mr. S. L. Sebastian	or failing him,
Mr. S. Kumar	or failing him,
Mr. C. T. Tsoi	or failing him,
Mr. D M Weerasekare	or failing him,
Mr. M D J R Goonetilleke	

As my/our Proxy to represent me/us and vote on my/ our behalf at the Fifteenth Annual General Meeting of Ambeon Capital PLC to be held by way of electronic means on 23rd September 2026 at 11 a.m. centered at the Boardroom, No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 and visual technology and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage;

	For	Against	Abstain
Resolution 1 . To re-elect as a Director, Mr. Samresh Kumar who retires by rotation in terms of Article 27 (7) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.			
Resolution 2 . To re-elect as a Director, Mr. C T Tsoi who retires by rotation in terms of Article 27 (7) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.			
Resolution 3 . To re- appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.			
Resolution 4 .To authorise the Directors to determine donations for charitable and other purposes for the year 2026/2027 as set out in the Companies' Donation Act [CAP147]			

Signed this .... day of .... Two Thousand and Twenty- Six.

Signature of Shareholder/s

Note:

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

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall -
   a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
   b. In the case of a company or corporate/statutory body either be under its common seal or signed by its Attorneys or by an Officer on behalf of the company or corporate/statutory body in accordance with its Articles of Association or the Constitution or the Statutes (as applicable).
3. Please indicate with a "X" how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
4. To be valid, the completed Form of Proxy should be deposited with the Registered Office of the Company at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8, Sri Lanka or must be emailed to acagm2026@ambeongroup. com or by facsimile to +94 11 2680225 by 48 hours before the AGM.

Corporate Information

THE COMPANY

Ambeon Capital PLC

LEGAL FORM

The company was incorporated in Sri Lanka on 20th September 2006 as a public limited liability company and re-registered under the Company's Act No. 07 of 2007 on 3rd August 2009. On 17th May 2012 the company was successfully listed on the Diri Savi Board of Colombo Stock Exchange.

COMPANY REGISTRATION NO

PB 1090 PQ

Registered & Business Office

No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8.

Tel : +94115328100

Fax : +94115328109

E-mail : info@ambeongroup.com

Website : www.ambeoncapital.com

BOARD OF DIRECTORS

Mr. D T S H Mudalige	- *Chairman/ Independent, Non-Executive Director*
Dr. K S Narangoda	- *Executive Director/Group CEO*
Mr. S L Sebastian	- *Independent, Non-Executive Director*
Mr. Samresh Kumar	- *Independent Non-Executive Director*
Mr. C T Tsoi	- *Independent Non-Executive Director*
Mr. D M Weerasekare	- *Independent Non-Executive Director*
Mr. M D J R Goonetilleke	- *Independent, Non-Executive Director*

COMPANY SECRETARY

Managers & Secretaries (Pvt) Ltd.

No. 10, Gothami Road, Colombo 08,

Tel : +94112015900

E-mail : ms@msl.lk

AUDITORS TO THE COMPANY

Messer's Ernst & Young Chartered Accountants

Rotunda Towers, No. 109, Galle Road, Colombo -03,

BANKERS TO THE COMPANY

Seylan Bank PLC

No. 90, Galle Road, Colombo 03.

Commercial Bank PLC

Corporate branch, 21, Sir Razik Fareed Mawatha, Colombo 01.

DFCC Bank PLC

No. 73/5, Galle Road, Colombo 03.

Pan Asia Banking Corporation PLC

No. 450, Galle Road, Colombo 03

Concept & Designed by

Copyline a great equation

AMBEON
CAPITAL PLC