Colombo Land
& Development Company PLC

BUILDING THE FUTURE, ONE BLOCK AT A TIME

COLOMBO LAND & DEVELOPMENT COMPANY PLC
ANNUAL REPORT 2025



THEME STORY

Cities are not created overnight. They are built gradually, layer by layer, structure by structure, and investment by investment.

At Colombo Land & Development Company PLC, we see our role not simply as developers of space, but as architects of possibility. Through thoughtfully designed commercial environments and enduring urban infrastructure, we create places where businesses grow, people connect, and communities thrive.

Every space we manage and every relationship we cultivate contributes to the rhythm of the city, supporting commerce, enabling movement, and enhancing the everyday experiences of those who live and work within urban Sri Lanka.

As cities continue to transform in response to economic shifts, technological innovation, and changing lifestyles, the need for resilient, adaptable urban spaces has never been greater. CLDC remains committed to shaping environments that evolve with these changes, ensuring that the city remains vibrant, accessible, and future-ready.

With a legacy built on stability and foresight, and guided by a vision of sustainable urban progress, we continue to play our part in shaping a city that grows stronger with every passing year.

The future of urban Sri Lanka is not built in isolation, it is shaped collectively, through the spaces we create and the possibilities they unlock.



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WHO WE ARE AND HOW WE PERFORMED

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ABOUT US

Incorporated on 8 December 1981 and listed on the Colombo Stock Exchange on 19th March 1986, Colombo Land & Development Company PLC (CLDC) has established itself as a key contributor to Sri Lanka's commercial real estate landscape. With over four decades of experience, the Company continues to play a significant role in shaping urban commercial spaces through strategic property development, investment, and management.

CLDC's core operations focus on the development and leasing of investment properties, with its flagship property, Liberty Plaza, serving as one of Colombo's landmark mixed-use developments. The complex integrates retail outlets, office spaces, residential apartments, a vibrant food court, advertising spaces, and parking facilities, creating a dynamic commercial hub that supports businesses and enhances urban connectivity. Complementing this asset, the Company also manages strategically located car park operations in Pettah, catering to the mobility needs of Colombo's busy commercial district.

Beyond its established portfolio, CLDC holds a prime commercial property in Pettah's Central Business District, offering significant potential for future mixed-use development.





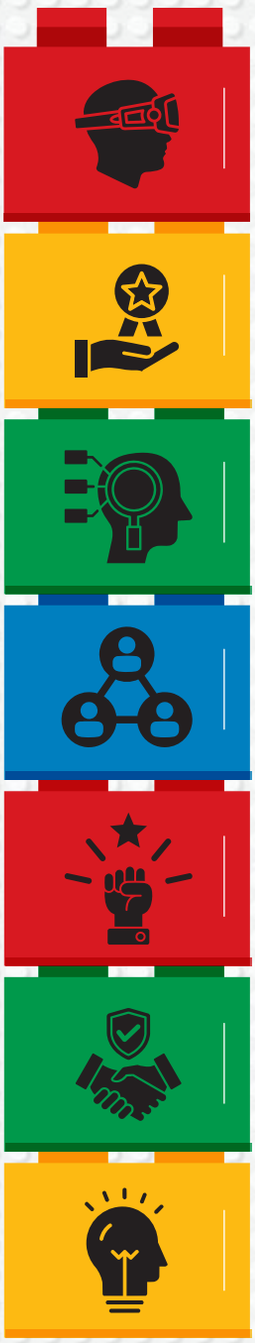
As Colombo continues to evolve as a regional commercial centre, the Company remains committed to unlocking the value of its strategic assets while exploring new opportunities that contribute to the city's urban transformation.

Sustainability is an integral part of CLDC's long-term strategy. Through its fully owned subsidiary, Agri Spice (Pvt) Ltd., the Company manages a 102-acre plantation in Avissawella comprising Mahogany, Rubber, Tea and Alstoniya trees, reflecting its commitment to environmentally responsible growth and diversified asset management.

Guided by a legacy of innovation, strategic investment, and responsible management, Colombo Land and Development Company PLC continues to strengthen its position as a trusted real estate partner. The Company continues to enhance the value of its properties, nurturing long-term tenant relationships, and integrating sustainable practices into its operations, to create enduring value for its stakeholders while contributing to the future development of Sri Lanka's urban landscape.



VALUES



Futuristic
We look beyond the present to deliver future value.

Superior
We aim to exceed expectations in delivering superior quality, value and service.

Knowledgeable
We strive to understand our markets and our customers' needs.

Connected
Relationships mean everything to us; we connect and maintain a good rapport with all our stakeholders.

Passionate
We love what we do. We believe in working with "all heart".

Integrity
We conduct ourselves in the highest ethical standards, demonstrating honesty and sincerity.

Conscious
We respect our social and physical environment around us.

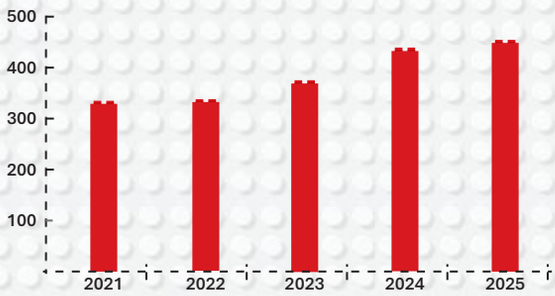
VISION

"To be recognized as a pioneering real estate development and investment property leasing company that benchmarks world-class real estate concepts in building sustainable landscapes and communities thereby creating greater value for our stakeholders"

OPERATIONAL HIGHLIGHTS

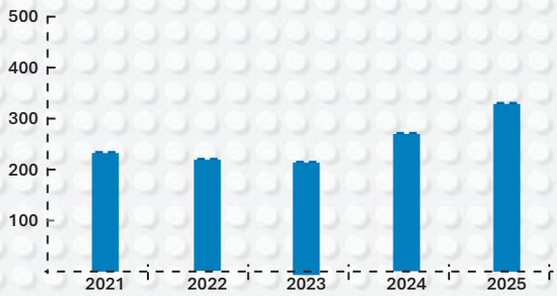
TURNOVER

Rs. Mn



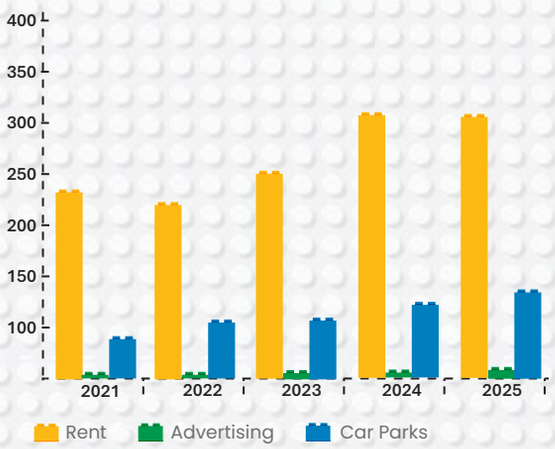
GROSS PROFIT

Rs. Mn

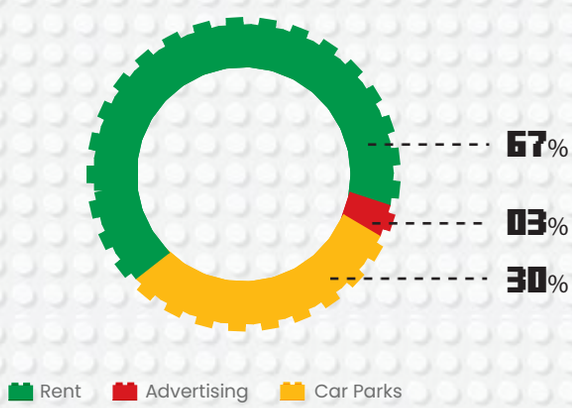


INCOME BY CATEGORIES

Rs. Mn



REVENUE CONTRIBUTION





459
REVENUE (Rs. Mn)

188
PAT (Rs. Mn)

0.93
EPS (Rs.)

325
GROSS PROFIT (Rs. Mn)

14,309
TOTAL ASSETS (Rs. Mn)

8,630
EQUITY (Rs. Mn)

FINANCIAL HIGHLIGHTS

INDICATORS		Group			Company		
		2025	2024	Change %	2025	2024	Change %
OPERATING RESULTS							
Revenue	Rs. Mn	459	443	4	156	187	(17)
Result from Operating Activities	Rs. Mn	325	285	14	103	128	(19)
FV gain from Investment Properties	Rs. Mn	469	393	19	237	104	128
FV gain from Biological Assets	Rs. Mn	(28)	4	(850)	-	-	-
Finance cost	Rs. Mn	125	199	37	-	-	-
Profit before tax	Rs. Mn	368	365	1	240	148	62
Tax	Rs. Mn	179	270	34	136	27	(410)
Profit/(Losses) After tax	Rs. Mn	188	95	97	103	122	(15)
FINANCIAL POSITION							
Total Assets	Rs. Mn	14,309	14,179	1	13,146	11,043	19
Equity	Rs. Mn	8,630	8,415	3	8,502	7,187	18
Stated Capital	Rs. Mn	342	342	-	342	342	-
Net Assets Per share	Rs.	43.17	42.10	3	42.54	35.96	18
SHARE INFORMATION							
Earning/(Losses) per share	Rs.	0.93	0.48	98	0.52	0.61	(15)
Market capitalization	Rs.	3,586	1,781	101	3,586	1,781	101
Price Earnings Ratio	Times	50	48	4	89	48	85
Market Price – High	Rs.	53.80	23.70	127	53.80	23.70	127
Market Price – Low	Rs.	41.40	16.60	149	41.40	16.60	149
Market Price – Last Traded	Rs.	46.50	23.10	101	46.50	23.10	101
RATIOS							
Return on Assets	%	1.31	0.67	95	0.78	1.10	(29)
Return on Equity	%	2.18	1.13	92	1.21	1.70	(29)
Current Asset ratio	Times	0.65	0.37	76	1.19	0.92	30
Debt to Equity	%	13.51	16.76	(19)	13.67	19.54	30
MANUFACTURED CAPITAL							
Investment Property	Rs. Mn	13,759	13,799	(0)	10,742	8,063	33
Biological Assets	Rs. Mn	46	76	(38)	-	-	-
Property, Plant & Equipmentttt	Rs. Mn	220	180	22	131	5	2,468



LEADERSHIP & GOVERNANCE EXCELLENCE

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CHAIRMAN'S REVIEW



The year 2025 marked a period of steady progress for Colombo Land & Development Company PLC, as the Group continued to consolidate its position within Sri Lanka's real estate and property management sector. Despite a still-evolving macroeconomic environment, the Company demonstrated resilience, underpinned by strong asset fundamentals and disciplined financial management.

FINANCIAL PERFORMANCE

During the year under review, the Group recorded a profit before tax of Rs. 368 Mn, reflecting a commendable increase over the previous year, supported by improved operational performance and valuation gains . This performance was achieved against a backdrop of gradually stabilising economic conditions, including easing inflationary pressures and a more predictable interest rate environment, particularly towards the latter part of the year.

OPERATING ENVIRONMENT

Sri Lanka's economic environment showed gradual signs of recovery in 2025, with improving consumer confidence and increased commercial activity. Within this context, the Group benefited from consistently high occupancy levels across its properties and improved footfall, particularly in retail-oriented locations. Demand for well-located commercial real estate remained stable, enabling the Group to sustain its revenue streams while strengthening tenant relationships.

STRATEGIC DEVELOPMENTS

A notable development during the year was the amalgamation of Liberty Holdings Ltd, a wholly owned subsidiary, with the parent company. This strategic initiative reflects the Group's continued focus on enhancing operational efficiency, simplifying its corporate structure, and optimising resource allocation. Additionally, the Group continued to derive value from its investment property portfolio, supported by favourable valuation movements.

FINANCIAL POSITION AND DISCIPLINE

The financial position of the Group remains robust, characterised by a strong asset base and improved earnings performance. The reduction in finance costs, driven by loan repayments and favourable interest rate movements, further strengthened the Group's financial profile and enhanced its flexibility for future strategic initiatives.

FUTURE OUTLOOK

Looking ahead, we remain cautiously optimistic. The improving macroeconomic environment, coupled with sustained occupancy levels and stable rental income streams, provides a solid foundation for continued performance. The Group will continue to focus on enhancing asset utilisation, maintaining operational efficiency, and identifying opportunities for portfolio optimisation while preserving financial discipline.

APPRECIATION

On behalf of the Board, I extend my sincere appreciation to my fellow directors for their unstinted support, our shareholders for their continued trust and confidence. I also wish to thank the management team and employees for their dedication and commitment, which have been instrumental in navigating the challenges of recent years. As we move forward, we remain committed to creating sustainable value while contributing to the broader economic recovery of the country.



M D A Weerasooriya
Chairman - Independent Non Executive Director

"THE GROUP WILL CONTINUE TO FOCUS ON ENHANCING ASSET UTILISATION, MAINTAINING OPERATIONAL EFFICIENCY AND IDENTIFYING OPPORTUNITIES FOR PORTFOLIO OPTIMISATION WHILE PRESERVING FINANCIAL DISCIPLINE."

CEO'S REVIEW



I am pleased to present the performance of Colombo Land & Development Company PLC for the year ended 31st December 2025, a year in which the Group continued to demonstrate resilience and operational strength, while building on the momentum established in the previous year.

FINANCIAL PERFORMANCE

The Group recorded revenue of Rs. 459 Mn, reflecting a year-on-year growth of 4%, while gross profit increased by 14% to Rs. 325 Mn. Profit before tax reached Rs. 368 Mn, marking a 1% improvement over the previous year. This performance reflects both improved operational efficiencies and favourable market dynamics, particularly in the latter part of the year.

OPERATING ENVIRONMENT

Rental income remained stable during the year, supported by strong occupancy levels, which improved to 97% compared to 94% in the previous year. This reflects the continued strength and relevance of the Group's property portfolio, as well as its ability to attract and retain tenants in a competitive environment. Car park operations also performed strongly, recording an 8% increase in revenue, driven by improved utilisation across key locations and increased activity, particularly at Liberty Plaza.

COST MANAGEMENT AND EFFICIENCY

A key highlight of the year was the significant reduction in finance costs, which declined by 37% compared to the previous year. This was primarily driven by the settlement of loan principal and the benefit of more favourable interest rates, reflecting the Group's continued focus on prudent financial management and balance sheet optimisation. Operational efficiencies were further enhanced through disciplined cost management and process improvements across the Group.

STRATEGIC INITIATIVES

During the year, the Group undertook the amalgamation of Liberty Holdings Ltd with the parent company. This strategic initiative is expected to streamline operations, reduce administrative complexity, and enhance overall efficiency, supporting the Group's long-term growth objectives.

FUTURE OUTLOOK

Looking ahead, we expect rental income to continue its upward trajectory, supported by sustained occupancy levels and improving economic conditions. The strong increase in footfall observed during the festive season reinforces our confidence in continued retail activity, while interest rates are expected to stabilise at current levels, supporting financial performance.

APPRECIATION

I would like to extend my sincere appreciation to the Board of Directors for their guidance, and to our employees for their dedication and commitment. I also thank our tenants, partners, and shareholders for their continued support and confidence in the Group. As we move forward, we remain focused on delivering sustainable value while strengthening our operational and financial foundations.



P S Weerasekera
Executive Director/Group CEO

"LOOKING AHEAD, WE EXPECT RENTAL INCOME TO CONTINUE ITS UPWARD TRAJECTORY, SUPPORTED BY SUSTAINED OCCUPANCY LEVELS AND IMPROVING ECONOMIC CONDITIONS."

GOVERNANCE AND LEADERSHIP



Mr. M D A Weerasooriya
Independent Non-Executive Director/
Chairman



Mr. P S Weerasekara
Executive Director /
Group Chief Executive Officer



Mr. S A Ameresekere
Executive Director



Mr. Ng Yao Xing, Eugene
Executive Director



Mr. L B Kumudu Lal
Non - Executive Director



Mr. M C Withanaarachchi
Non - Executive Director



Mr. W A A Perera
Independent Non-Executive Director



Mr. P S Perera
Independent Non-Executive Director

Mr. M D A Weerasooriya
Independent Non-Executive Director/ Chairman

With a legal career spanning nearly 40 years Mr. Weerasooriya admitted to the bar in 1987 as an attorney-at-law. He joined the attorney general's department in 1988 as a state counsel. In 1993, he entered the private bar and successfully established a distinguished legal practice, handling a wide ranging array of cases.

He possesses an extensive experience spanning criminal law, bribery and corruption cases, industrial and labour disputes, customs and tax matters, civil and commercial litigation, arbitration, and human rights law. In his lengthy law career, he has appeared before magistrates' courts, district courts, civil, criminal, and commercial high courts, labour tribunals, the court of appeal, and the supreme court, handling a broad range of complex legal matters.

He played a pivotal role in Sri Lanka's first acquitted money laundering case, and in proceedings involving financial crime and regulatory compliance.

He has represented leading local and global organisations, and private individuals in both criminal and civil litigation, including rights-based cases involving religious liberty and constitutional protections. He has mentored and trained over 100 junior lawyers, many of whom have ascended to prestigious judicial positions across every level of sri lanka's court system, currently serving as magistrates, district judges, high court judges, and justices of the court of appeal.

Mr. Weerasooriya has served on the Executive Committee of the Bar Association of Sri Lanka (BASL) for the terms 2020/21 and 2023/24 and was Chairman of the Lawyer–Police & Prisons Relations Committee from 2021 till 2023. He is a senior resource person for BASL seminars, workshops, and the national law conference, and a member of the Incorporated Council of Legal Education, where he contributes to legal education policy, student conduct, and ethics.
He was also a member of the Criminal Law Reforms Sub-Committee appointed by the cabinet under the Ministry of Justice. Since 2020, he has served as a member of the Disciplinary Committee Appointed by the former Chief of Justice Mr. Jayantha Jayasuriya PC, where he is tasked with conducting preliminary inquiries into complaints against members of the legal profession.Mr. Weerasooriya is a consultant to Reb Mech (Pvt) Ltd, a leader in steel tower manufacturing. He previously served as an Independent Non-Executive Director at Ascot Holdings PLC (now known as Lanka Reality Investments PLC), is a Director at sos children's villages Sri Lanka, and a member of the disciplinary committee of sri lanka cricket. His extensive experience in commercial and regulatory matters provides strategic leadership to Colombo Land & Development Company PLC, ensuring robust governance and growth.

Mr. P S Weerasekera
Executive Director/ Group Chief Executive Officer

Mr. Weerasekera is a business strategist with over 31 years of experience specialising in the areas of corporate strategy, sales, marketing and sustainability. He has worked in a number of industries covering Insurance, FMCG, Advertising,Telecommunications, Automotive, Banking, Logistics, Travel, Hospitality, Real estate operating locally and internationally. He was the Chief Executive Officer at George Steuart Consumer and served in senior leadership capacities in the past at Expolanka Holdings PLC, Janashakthi Insurance and Bates Asia. He is a fellow of the Chartered Institute of Marketing, UK, Certified Management Accountant - CMA Australia and holds a MBA from the University of Wales - UK.

He is a recipient of the brand leadership award at the world brand congress in 2011, CMO Asia award in 2012 and Asia's Best Marketer award in 2016, CMO Asia, Singapore.

DIRECTORSHIPS

Director/Group CEO
Agrispice (Private) Ltd,
Anantya Global Solutions Company Ltd,
Liberty Developers (Pvt) Ltd,
Liberty Holdings Ltd

Independent Non-Executive Director
Amana Takaful PLC,
Wall Art (Pvt) Ltd,

Mr. S A Ameresekere
Executive Director

Mr. Ameresekere is the Group Chairman of George Steuart & Co., Sri Lanka's oldest business entity established in 1835. He plays a pivotal role in the management and strategic planning of the group's diversified sectors including healthcare, tea exports, financial services, travel, leisure, industrial solutions and FMCG. Mr. Ameresekere holds several key positions within the group, including directorships of all its listed entities - Citrus Leisure PLC and its subsidiaries and HVA Foods PLC.

Mr. Ameresekere also served as the Director / CEO of Triad (Pvt) Ltd, one of Sri Lanka's leading integrated communication entities up to early 2024, where he now remains as an Executive Director. The Triad group integrates a cluster of specialized communications companies that offer its clients an unmatched holistic and synchronized communication solution. Qualified in both business and engineering, including extensive local and foreign exposure in diverse areas of business. He holds a Master's degree in Engineering Management from the University of Southern California, Los Angeles and a Bachelor's degree in Industrial and Operations Engineering from the University of Michigan, Ann Arbor.

DIRECTORSHIPS

Executive Chairman
George Steuart and Company Limited

Executive Director
Traid (Pvt) Ltd

Non-Executive Director
Citrus Leisure PLC,
H V A Foods PLC,
Hikkaduwa Beach Resort PLC,
Waskaduwa Beach Resorts PLC,

Director
Adpack Productions (Pvt) Ltd,
Agrispice (Private) Limited,
Anantya Global Solutions Company Limited, Asia Commerce Holdings Ltd,
Ceylon Grid Services (Pvt) Ltd,
Citrus (Pvt) Ltd,
Divasa Equity (Pvt) Ltd,
Divasa Real Estate (Pvt) Ltd,
Emagewise (Pvt) Ltd,
George Steaurt Ethicals (Pvt) Ltd,
George Steuart Aviation (Pvt) Ltd,

George Steuart Capital (Pvt) Ltd,
George Steuart Consumer (Pvt) Ltd,
George Steuart Education (Pvt) Ltd,
George Steuart Health (Pvt) Ltd,
George Steuart Holidays (Pvt) Ltd,
George Steuart Industries (Pvt) Ltd,
George Steuart Insuarance Brokers (Pvt) Ltd, George Steuart Investment (Pvt) Ltd,
George Steuart Recruitments (Pvt) Ltd,
George Steuart Solutions (Pvt) Ltd,
George Steuart Telecom (Pvt) Ltd,
George Steuart Travels Limited,
George Steuat Optimize (Pvt) Ltd,
Gree Lanka (Pvt) Ltd,
H V A Holdings (Pvt) Ltd,
Hardtalk (Pvt) Ltd,
James Steuart (Pvt) Limited,
Kites Global (Pvt) Ltd,
Liberty Developers (Pvt) Ltd,
Liberty Holdings Limited,
Three Fifty At Union (Pvt) Ltd,
Traidhot.com (Pvt) Ltd.

Mr. Ng Yao Xing, Eugene
Executive Director

Ng Yao Xing, Eugene is a Director from Singapore. He is a graduate of the Singapore Management University and is experienced in property development partnerships with governments, property management and investments. He holds several directorships in the parent companies that oversees property development companies in Singapore, and other develop partnerships with government level ventures in Malaysia and in Sri Lanka.

Mr. L B Kumudu Lal
(Non-Executive Director)

Eng. (Mr.) Loku Bogahawattage kumudu Lal, Chairman of the Urban Development Authority (UDA), brings over 28 years of expertise in civil engineering, environmental engineering management, water and wastewater drainage, solid waste management, and project management,
with significant international experience.

Eng. (Mr.) Kumudu Lal holds a master's degree in environmental engineering management and a bachelor's degree in civil engineering from the University of Moratuwa. He has held key positions, including Director and additional Secretary (project monitoring) at the Ministry of Water Supply, where he oversaw large-scale water and drainage projects valued at Rs. 450 Bn. His career also includes important leadership roles at the Colombo Municipal Council, where he served as Chief District Engineer for district office 04, managing administrative, financial, and infrastructure projects, including sewerage systems and road construction.

Eng. Kumudu Lal is a class 1 Engineer, a Chartered Civil Engineer, and a member of the Institute of Engineers, Sri Lanka (IESL). He possesses specialized knowledge in contract administration, procurement, and environmental management. He has made significant contributions to major projects, including the world bank-funded duplication road project and the greater Colombo Wastewater Management Project.

DIRECTORSHIPS

Chairman
Urban Development Authority,
Urban Investment & Development Company (Pvt) Ltd

Non-Executive Director
On'ally Holding PLC

Director
Ocean View Development (Pvt.) Ltd,
Tea, Rubber & Coconut Estates (Control Of Fragmentation) Board,
Urban Settlement Development Authority, Waters Edge Ltd,
Lanka Rest House Ltd

Mr. M C Withanaarachchi
(Non-Executive Director)

Mr. M C Withanaarachchi holds a M.sc. Architecture in human settlements from Katholieke University Belgium and M.sc. Architecture from University of Moratuwa.

He has also completed a B.sc. In built environment in architecture from University of Moratuwa.
Mr. Withanaarachchi has over 21 years of experience in senior management of the Urban Development Authority. In addition, he holds professional experience as an associate member for both the Sri Lanka Institute of Architects and the Institute of Town Planners of Sri Lanka.

Mr. Withanaarachchi was appointed as the Director General / Secretary of the Urban Development Authority (UDA)

DIRECTORSHIPS

Lanka Electricity Company (Pvt) Ltd,
Lanka Rest House Ltd,
Road Development Authority,
Urban Investment & Development Company (Pvt) Ltd,
Waters Edge Ltd

Mr. W A A Perera
Independent Non - Executive Director

Mr. Perera is a Fellow Member of ACCA (UK), fellow member of CIMA (UK), Fellow Member of the CMA of Sri Lanka, Associate Member
of the ICA of Sri Lanka, an Associate Member of the Institute of Bankers of Sri Lanka,Fellow Member of the Certified Professional Managers of Sri Lanka, and he has a MBA
from the post graduate Institute of Management, and he has a post graduate diploma in diplomatic and world affairs.

He was the former Chairman of ACCA Sri Lanka and was a governing council member of the Certified Management Accountants of Sri Lanka and CIMA (UK) Sri Lanka division.

DIRECTORSHIPS

Independent Non-Executive Director
Asia Capital PLC,
Britex Holdings (Pvt) Ltd,
George Stuarts Assets Management Ltd,
Kelsey Developments PLC,
Maskeliya Plantation PLC,
Medisurg International Ltd,
Sascon Holdings Ltd,
Sascon Property Developers Ltd,

He also chairs
The Nominations and Governance Committee - Maskeliya Plantation PLC,

The Audit Committee and The Related Party Transactions Review Committee - Kelsey Development PLC

The Remuneration Committee and The Audit Committee - Asia Capital PLC

Member of
The Audit Committee, The Related Party

Transactions Review Committee and The Remuneration Committee - Maskeliya Plantation PLC,

The Nominations and Governance Committee and The Remuneration Committee - Kelsey Development PLC

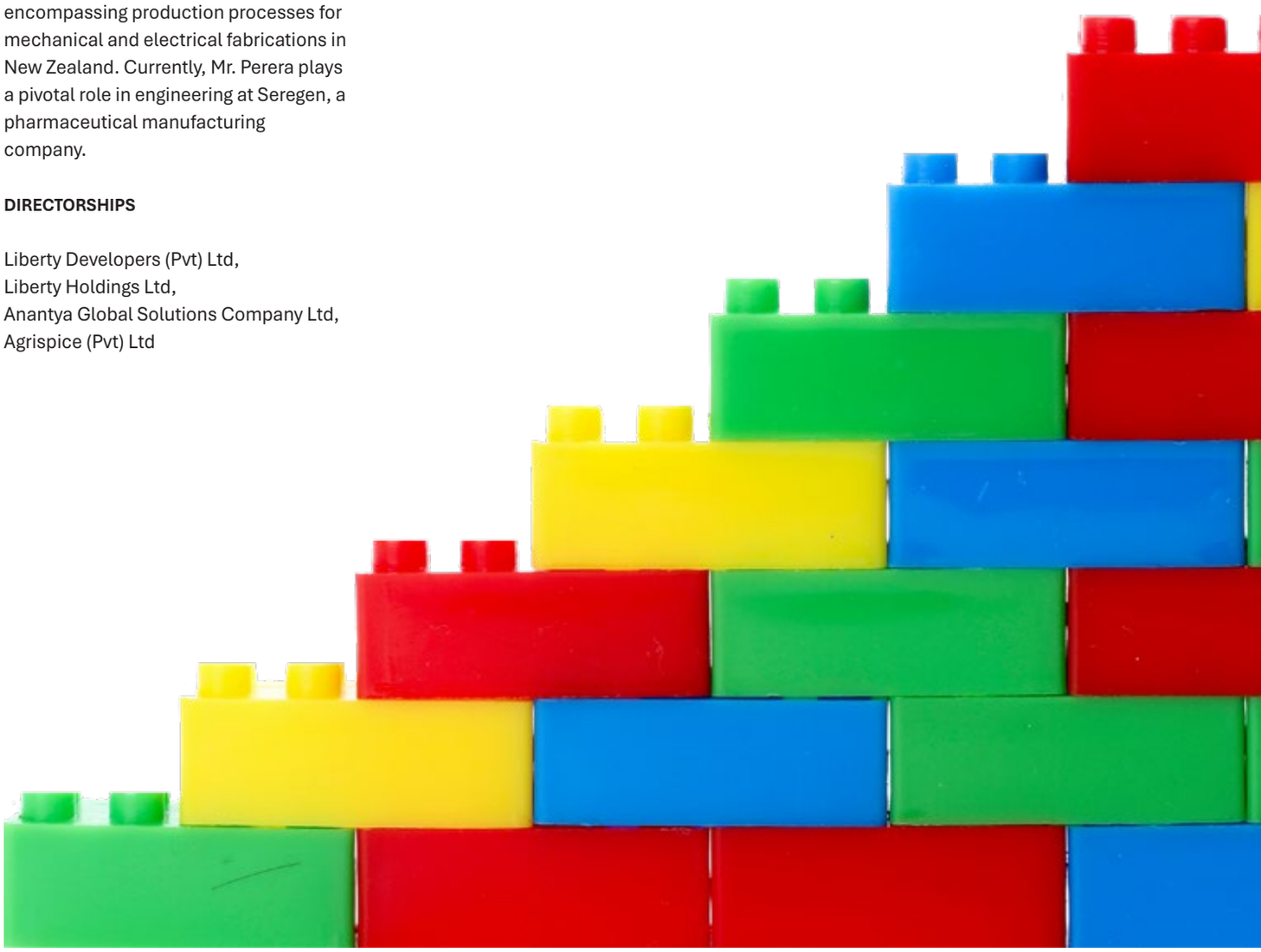
The Related Party Transactions Review Committee and The Nominations and Governance Committee - Asia Capital PLC

Mr. P S Perera
Independent Non - Executive Director

Mr. P S Perera holds a Degree in Bachelor of Mechanical Engineering from the Auckland University of Technology, New Zealand and holds a Master of Business Administration (MBA) from the Postgraduate Institute of Management, University of Jayewardenepura.
Mr. Perera has experience in the telecommunications industry, encompassing production processes for mechanical and electrical fabrications in New Zealand. Currently, Mr. Perera plays a pivotal role in engineering at Seregen, a pharmaceutical manufacturing company.

DIRECTORSHIPS

Liberty Developers (Pvt) Ltd,
Liberty Holdings Ltd,
Anantya Global Solutions Company Ltd,
Agrispice (Pvt) Ltd



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Company aspires to adhere to the best practices in Corporate Governance by ensuring greater transparency, business integrity, professionalism and ethical values in the best interests of all stakeholders.

BOARD OF DIRECTORS

The Board is the highest authority and it provides leadership to achieve the Company's strategic goals and compliance with generally accepted corporate governance practices, the requirements under the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice issued by the Institute of Chartered Accountants of Sri Lanka.

COMPOSITION OF THE BOARD

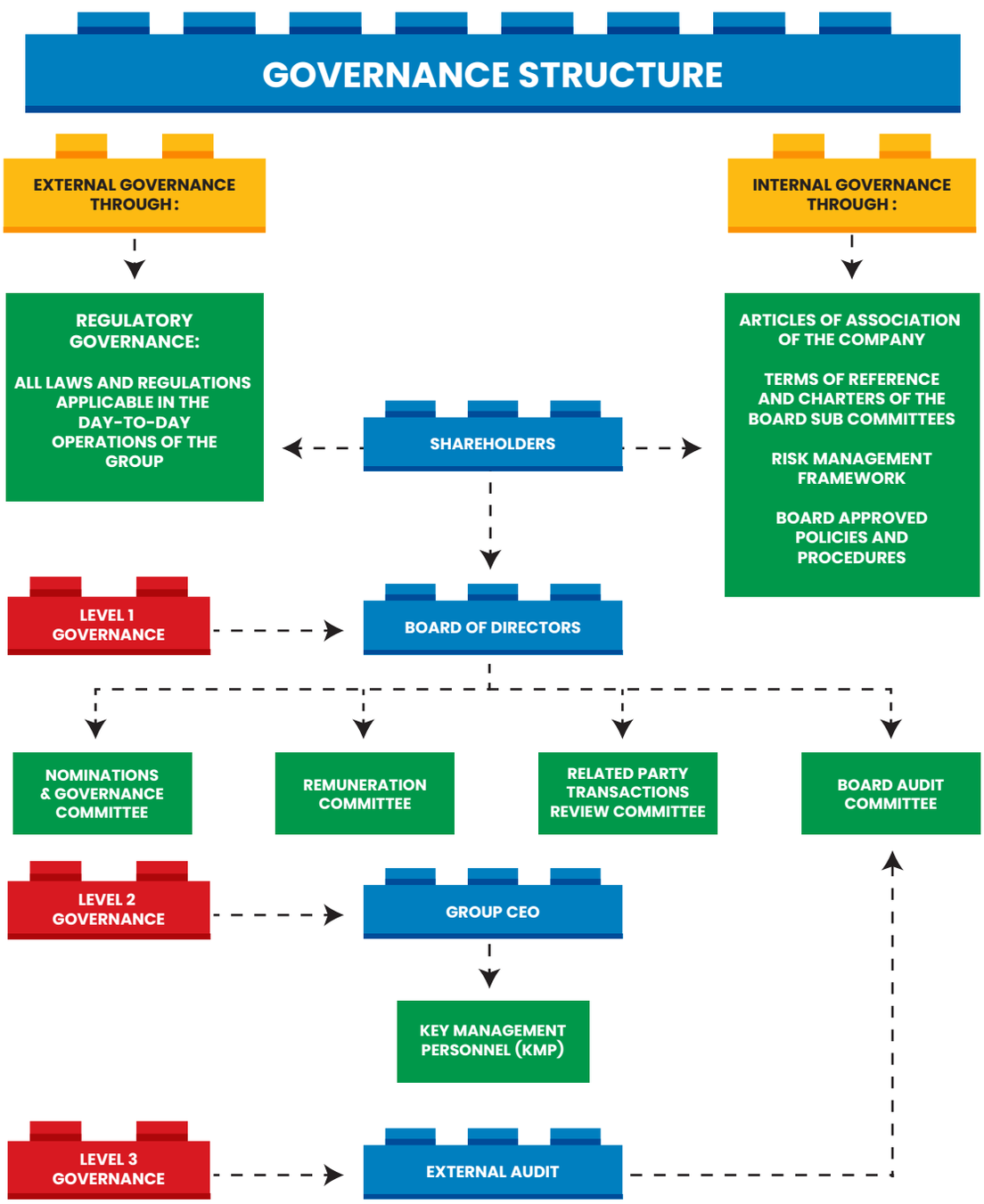
The Board collectively possesses diverse range of skills and competencies, including entrepreneurship, financial, legal, marketing and property development. They are all business leaders and professionals of high repute. Their profiles are given on pages 15 to 18. As at the reporting date, the Board comprised of three (03) Executive and five (05)

Non-Executive Directors three (03) of whom are Independent.

INDEPENDENCE OF DIRECTORS

Each Independent Non-Executive Director has submitted a Declaration of his independence as required under the Listing Rules of the Colombo Stock Exchange.

Based on the declarations submitted by Mr. M D A Weerasooriya, Mr. P S Perera



and Mr. W A A Perera, are determined as 'Independent' in terms of Rule 9.8.5 of the Listing Rules of the Colombo Stock Exchange.

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The functions of the Chairman and the Chief Executive Officer are separate with a clear distinction drawn between responsibilities, which ensure balance of power and authority. Mr M D A Weerasooriya serves as the Chairman and Mr. P S Weerasekera serves as the Group Chief Executive Officer.

BOARD MEETINGS

The Board meets formally every quarter as a matter of routine. Emergency/Special meetings are held as and when necessary to maintain regular communication to discuss relevant business issues and any other matter directed to the Board which can be resolved by circular resolution, is decided by Resolutions in writing.

The Board's functions include the assessment of the adequacy and effectiveness of internal controls, compliance with applicable laws and regulations, review of management and operational information, adoption of annual and interim accounts before they are published, review of exposure to key business risks, strategic direction of business, approval of annual budgets,

The Board met four times during the year under review and the attendance of the Directors are as follows:

					Meeting Attendance					Number of Board Seats held in Listed Companies including CLDC		Number of Board Seats held in Unlisted Companies		Total Director-ships
Name of the Director	Designation	Member-ship Status		Tenure on the Board (Years)	RPTRC	AC	RC	N&GM	Board Meetings	Executive Capacity	Non Executive Capacity	Executive Capacity	Non Executive Capacity	
Mr. M D A Weerasooriya (from 04.03.2021)	Chairman	ED		5+	5/5	5/5	1/1	2/2	6/6	-	-	-	-	-
Mr. P S Weerasekera (from 01.10.2021)	Chief Executive Officer	ED		4+					6/6	1	1	4	1	1
Mr. NG Yao Xing Eugene (from 01.06.2011)	Director	ED		15+					6/6	-	1	-	-	1
Mr. S A Ameresekere (from 04.03.2021)	Director	ED		5+					6/6	1	4	2	37	44
Mr. P S Perera (from 10.10.2023)	Director	NED	ID	2+		5/5	1/1	2/2	6/6	-	1	-	4	5
Mr. M C Withanaarachchi (from 26.08.2024 to 02.10.2025)	Director	NED	ID	1+	3/3				3/3	N/A	N/A	N/A	N/A	N/A
Eng. L B Kumudu Lal (from 20.11.2024 to 06.11.2025)	Director	NED	ID	<1					4/4	N/A	N/A	N/A	N/A	N/A
Mr. W A A Perera (from 16.12.2024)	Director	NED	ID	1+	5/5	5/5	1/1	2/2	6/6	-	3	-	4	7
Mr W T H R Withana (from 02.10.2025 to 17.04.2026)	Director	NED	ID	<1	2/2				2/3	N/A	N/A	N/A	N/A	N/A
Mr. M G Hemachandra (from 23.01.2026)	Director	NED	ID	<1						-	2	1	6	9
Mrs. D M Kiriwattuduwa (from 17.04.2026)	Director			<1						-	1	-	2	3

monitoring progress towards achieving the budgets, approvals relating to key appointments, sanctioning major capital expenditure etc.

BOARD SUB-COMMITTEES

The Board of Directors has formed four mandatory Sub Committees in compliance with the Listing Rules of the Colombo Stock Exchange.

Current composition of Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee and appears on pages 31, 33, 34 and 35 respectively.

MEETINGS OF BOARD SUB COMMITTEES

The Audit Committee and Related Party Transactions Review Committee meet quarterly with provisions to schedule additional meetings if required. The Remuneration Committee meets as and when necessary and the Nominations and Governance Committee to meet at least once a year to review there-appointment/ re-election of current Directors.

The attendance at Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee and appears on page 20.

COMPANY SECRETARY

P W Corporate Secretarial (Pvt) Ltd acts as the Company Secretary.
The Company Secretary maintains minutes of all Board, Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and the Nominations and Governance Committee meetings and attends to Shareholder related matters. The Company Secretary assists in ensuring the Board procedures are followed.

The Company Secretary is also responsible for timely circulation of information and papers related to Board and Sub - Committee meetings and advice on matter relating to corporate governance. Board procedures, rules and regulations. All Directors have access to the advice and services of the Company Secretary.

INTERNAL CONTROLS

The Board is responsible for ensuring that the Company has adequate and effective internal controls in place.

COMPLIANCE WITH LAWS AND REGULATIONS

All necessary steps have been taken by the Board and the Management to ensure compliance with all relevant laws and regulations. The services of Lawyers, Auditors and other Consultants are obtained whenever it is necessary, to provide assurance to the Board in this respect.

GOING CONCERN

The Directors have reviewed the Company's budgets, capital expenditure requirements and future cash flows and are satisfied that the Company has sufficient resources to continue in operations for the foreseeable future. Therefore, the Going concern principle has been adopted in the preparation of the Financial Statements.

FINANCIAL REPORTING

The Board aims to provide and present a balanced assessment of the Company's position and prospects in compliance with the Sri Lanka Accounting Standards (LKAS/SLFRS) and the relevant Statutes and has established formal and transparent processes for financial reporting and internal controls.

The Statement of Directors' Responsibilities for Financial Reporting is given on page 41 of this Report.

CORPORATE DISCLOSURE AND SHAREHOLDER RELATIONSHIP

The Company is committed to providing timely and accurate disclosure of all price sensitive information, financial results and significant developments to all shareholders, the Colombo Stock Exchange and where necessary, to the general public.

Shareholders are provided with Annual Report and, the Company disseminates to the market, Interim Financial Statements in accordance with the Listing Rules of the Colombo Stock Exchange.

The Annual General Meeting provides a platform for shareholders to discuss and seek clarifications on the activities of the Company and its subsidiaries.

COMPLIANCE

The Company has complied with Rule 9 of the Listing Rules of the Colombo Stock Exchange on 'Corporate Governance'

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules		✓
9.2.1	The Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company, on its website. a. Policy on the matters relating to the Board of Directors b. Policy on Board Committees c. Policy on Corporate Governance, Nominations and Re-election d. Policy on Remuneration e. Policy on Internal Code of Business Conduct and Ethics f. Policy on Risk Management and Internal Controls g. Policy on Relations with Shareholders and Investors h. Policy on Environmental, Social and Governance Sustainability i. Policy on Control and Management of Company Assets and Shareholder Investments j. Policy on Corporate Disclosures k. Policy on Whistleblowing l. Policy on Anti-Bribery and Corruption		✓
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted		Not Applicable
9.2.3	a. List of policies in place as per Rule 9.2.1, with reference to website b. Any changes to policies adopted		✓
9.2.4	The Company has a process in place to make available policies referred in Rule 9.2.1 above, to shareholders upon a written request being made for any such Policy.		
9.3.1	The Company shall ensure that the following Board Committees (at a minimum) are established and functioning effectively. The said Board Committees shall include; a. Board Nominations and Governance Committee b. Remuneration Committee c. Audit Committee (To perform Audit and Risk Functions) d. Related Party Transactions Review Committee		✓
9.3.2	The Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board Committees as set out in these Rules	Refer Rules 9.11, 9.12, 9.13 & 9.14 below.	✓
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.		✓
9.4.1	The Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the SEC		✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
	a. The number of shares in respect of which proxy appointments have been validly made; b. The number of votes in favour of the resolution; c. The number of votes against the resolution; and d. The number of shares in respect of which the vote was directed to be abstained.		✓
9.4.2	a. The policy on effective communication and relations with shareholders and investors. (The contact person for such communication, Reffer page 134		✓
	b. Amend the Policy on Relations with Shareholders and Investors, accordingly.		✓
	c. The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders.		✓
9.5.1	The Company shall establish and maintain a formal policy governing matters relating to the Board of Directors.		✓
9.5.2	Compliance with the Board Policy on "Matters relating to the Board of Directors"		✓
9.6.1	The Chairperson of the Company shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a Senior Independent Director (SID) is appointed in terms of Rule 9.6.3 below.	Refer page 15	✓
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a Market Announcement within a period of one (01) month from the date of implementation of these Rules, or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules.	Chairman is an Independent Non-Executive Director, and there is a clear separation of duties between the roles of the Chairman and CEO.	Not Applicable
9.6.3	Report of SID demonstrating the effectiveness of duties Rationale for appointing SID	There is a clear separation of duties between the roles of the Chairman and CEO. Therefore, the requirement for the Company to appoint a SID does not arise.	Not Applicable
9.6.4	The Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:	There is a clear separation of duties between the roles of the Chairman and CEO. Therefore, the requirement for the Company to appoint a SID does not arise.	Not Applicable

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
9.7.1	In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3.		✓
9.7.2	The Company shall ensure that persons recommended by the Board Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.		✓
9.7.3	A Director or the CEO of the Company shall not be considered 'fit and proper' if she or he does not possess the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" in Rule 9.7.3 (a), (b) and (c) respectively.		✓
9.7.4	The Company shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out Rule 9.7.3 during the financial year concerned and satisfies the said criteria as at the date of such confirmation.		✓
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	All Directors have complied with and satisfied the Fit and Proper Assessment Criteria throughout the period under review. No instances of non-compliance were identified. Profiles of the Board of Directors are given on pages 16 to 18.	Not Applicable
9.8.1	The Board of Directors of the Company, at a minimum, consist of five (05) Directors.	The Board of Directors of the Company consist of eight (8) Directors. Profiles of the Board of Directors are given on pages 16 to 18.	✓
9.8.2	Minimum Number of Independent Directors a. The Board of Directors of the Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher.	The Board has three (03) Independent Directors, which is well above the requirement.	✓
	b. Any change occurring to this ratio shall be rectified within ninety (90) days from the change.	Refer page 20	✓
9.8.3	A Director shall not be considered independent if he/she does not fulfil the criteria defining under Rule 9.8.3 of the Listing Rules.	There was no change to this ratio during the year.	✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
9.8.4	All the Independent Directors of the Company fulfil the criteria on independence as defined under Rule 9.8.3 of the Listing Rules.		✓
9.8.5	Process in place for the determination of 'Independence' of the Directors		✓
	a. Each Director to submit a signed and dated declaration annually of his/her independence or non-independence.		✓
	b. Names of Directors determined to be 'independent'. c. Immediate market announcement to be made if the Board determines that the independence of an Independent Director has been impaired.	Refer page15	✓
9.9	Requirements to be complied in relation to "Alternate Directors". There are no Alternate Directors on the Board of the Company.		Not Applicable
9.10.1	The Company shall disclose its policy on the maximum number of directorships its Board Members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	As per the Policy on matters relating to the Board of Directors, the maximum number of directorships the Board Members are permitted to hold.	✓
9.10.2	The Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the brief resume of such Director, his/her capacity of directorship and, Statement by the Entity indicating whether such appointment has been reviewed by the BNGC of the Company.		✓
9.10.3	The Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.		✓
9.10.4	**DIRECTORS DETAILS** a. name, qualifications and brief profile	Profiles of the Board Members are given on pages 15 to 18. Composition of the Board, Board Committees and attendance at meetings" on page 20.	✓
	b. nature of his/her expertise in relevant functional areas		
	c. whether either the Director or Close Family Members has any material business relationships with other Directors		
	d. whether Executive, Non-Executive and/or Independent Director		
	e. total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as Executive or Non-Executive (If the directorships are within the Group names need not be disclosed)		
	f. number of Board meetings attended		
	g. names of Board Committees in which the Director serves as Chairperson or a member		
	h. Attendance of Board Committee meetings		

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
	i. Terms of Reference and powers of SID		Not Applicable
9.11	**Nominations and Governance Committee (NGC)**		
9.11.1	The Company has a NGC that conforms with the requirements.	Refer Report of the BNGC on page 34.	✓
9.11.2	The Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the NGC.	Refer Report of the NGC on page 34.	✓
9.11.3	The NGC shall have a written Terms of Reference clearly defining the scope, authority, duties and matters pertaining to the quorum of meetings		✓
9.11.4	Composition of the NGC 1) The members of the NGC shall; a. comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. b. not comprise of Executive Directors of the Listed Entity. 2) An Independent Director shall be appointed as the Chairperson of the NGC by the Board of Directors. 3) The Chairperson and the members of the NGC shall be identified in the Annual Report of the Listed Entity.	Refer the Composition of the NGC given on page 34.	✓
9.11.5	The functions of the NGC	Refer the Report of the NGC on page 34.	✓
9.11.6	NGC Report a. Names of Chairperson and Members with nature of directorship. b. Date of appointment to the Committee. c. Availability of documented policy and processes when nominating Directors. d. Requirement of re-election at regular intervals at least once in 3 years. e. Board diversity. f. Effective implementation of policies and processes relating to appointment and reappointment of Directors. g. Details of Directors re-appointed. h. Performance of periodic evaluation of Board. i. Process adopted to inform Independent Directors of major issues. j. Induction/orientation programs for new Directors on Corporate Governance, Listing Rules, securities market regulations or negative statement. k. Annual update for all Directors on Corporate Governance, Listing Rules, securities market regulations or negative statement. l. Compliance with independence criteria. m. Statement on compliance with Corporate Governance rules, if non- compliant reasons and remedial actions.	Refer the Report of the Board Nominations and Governance Committee on page 34.	✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
9.12	**Remuneration Committee (RC)**		
9.12.1 9.12.2	The Company has a remuneration committee that conforms to the requirements.		✓
9.12.3	The Company has a remuneration committee that conforms to the requirements. The RC shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	Refer "Directors' and Executive remuneration" on page 118 and Report of the RC given on page 33.	✓
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Refer "Directors' and Executive remuneration" on page 118 and Report of the RC given on page 33.	✓
9.12.5	RC shall have a written Terms of Reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Refer the Report of the RC on page 33.	✓
9.12.6	**Composition of the RC** 1) The members of the RC shall; a. comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. b. not comprise of Executive Directors of the Listed Entity. 2) An Independent Director shall be appointed as the Chairperson of the RC by the Board of Directors.	Refer the composition of the Report of the RC on page 33	✓
9.12.7	**The functions of the RC**	Refer the Report of the RC on pages 33.	✓
9.12.8	RC Report a. Names of chairperson and members with nature of directorship b. Statement regarding the Remuneration Policy c. The aggregate remuneration of the Executive and Non-Executive Directors.	Refer the Report of the RC on pages 33. Refer Note 23 to the Financial Statements on pages 117 & 118 on "Related Party Disclosure"	✓
9.13	**Audit Committee (AC)**		
9.13.1	Perform Audit and Risk functions specified in Rule 9.13.4 of the Listing Rules.	Currently there is no separate Risk Committee formed. The Board has decided to entrust the scope of the Risk Committee to the Audit Committee. There is a written Terms of Reference -	✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
		- for the Audit Committee.	✓
9.13.2	The AC shall have a written Terms of Reference clearly defining its scope, authority and duties.	The AC has a written Terms of Reference clearly defining its scope, authority and duties. Refer Report of the AC on pages 31 & 32.	✓
9.13.3	1) The members of the AC shall; a. comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. b. not comprise of Executive Directors of the Listed Entity. 2) The quorum for a meeting of the AC shall require that the majority of those in attendance to be Independent Directors. 3) The AC may meet as often as required provided that the BAC compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. 4) An Independent Director shall be appointed as the Chairperson of the AC by the Board of Directors. 5) Unless otherwise determined by the AC, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the AC meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation. 6) The Chairperson of the AC shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	Refer the Report of the AC on pages 31 & 32.	✓
9.13.4	The functions of the AC	Refer the Report of the AC on pages 31 & 32.	✓
9.13.5	Disclosures in the Annual Report 1) The Company shall prepare a AC Report which shall be included in the Annual Report 2) The AC Report contain required disclosures.	Refer the Report of the AC on pages 31 & 32.	✓
9.14	**Related Party Transactions Review Committee (RPTRC)**		
9.14.1	The Company shall have a RPTRC that conforms to the requirements set out in Rule 9.14.	The RPTRC of the Company conforms to the requirements	✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
9.14.2	• Composition of the RPTRC • The RPTRC shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include Executive Directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	• The RPTRC of the Company comprises of three (3) INEDs. The CEO also attend the meetings by invitation. The Chairman of the RPTRC is an INED.	✓
9.14.3	• Functions of the RPTRC	• Refer the Report of the RPTRC on page 35.	✓
9.14.4	• General Requirements 1. The RPTRC shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2. The members of the RPTRC should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3. Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4. If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: a. be present while the matter is being considered at the meeting; and, b. vote on the matter.	• Refer the Report of the RPTRC on page 35.	✓
9.14.5	• Review of Related Party Transactions by the RPTRC	• Refer the Report of the RPTRC onpage 35.	✓
9.14.6	• Shareholder Approval • The Company shall obtain shareholder approval by way of a Special Resolution for specified Related Party Transactions.	• The RPTs policy of the Company provides for obtaining shareholder approval by way of a Special Resolution for specified transactions. • There were no RPTs during the year which required Shareholder approval.	✓
9.14.7	• The Company shall make an immediate Market Announcement to the CSE on for RPTs as specified under (a) and (b).	• There were no RPTs during the year, which required immediate Market Announcement.	✓

RULE	PRINCIPLE, COMPLIANCE AND IMPLEMENTATION	REMARK IF ANY	COMPLIED
		• The RPTs policy of the Company provides for making an immediate Market Announcement to the CSE for RPTs falling under the above category.	✓
9.14.8 (1)	• Related Party Disclosures • Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format).	• Refer Note 23 to the Financial Statements on "Related Party Disclosure" on Pages 117 to 118.	✓
9.14.8 (2)	• Recurrent RPT exceeding 10% of the gross revenue/income	• Refer Note 23 to the Financial Statements on "Related Party Disclosure" on Pages 117 to 118.	✓
9.14.8 (3)	• RPTRC Report a. Names of the Directors of the Committee b. Statement that the Committee has reviewed RPTs and communicated comments/observations to the Board c. Policies and procedures adopted by the Committee	• Refer the Report of the RPTRC on page 35.	✓
9.14.8 (4)	• Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect.	• Refer the Annual Report of the Board of Directors on page 30.	✓
9.14.9	• Acquisition and Disposal of assets from/ to Related Parties • Except for transactions set out in Rule 9.14.10, the Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset, to any Related Party of the Entity without obtaining the approval of the shareholders of the Entity by way of a Special Resolution.		✓
9.16	• Additional disclosures by Board of Directors Declaration on following; i. All material interests in contracts involving in the Company and have refrained from voting on matters in which they were materially interested ii. Review of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence, and, if unable to make any of these declarations an explanation on why it is unable to do so; iii. Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions; iv. Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.		✓

REPORT OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee, as approved by the Board of Directors, has its role and responsibilities clearly defined, and these are periodically reviewed and revised by the Board. The Committee is accountable to the Board and reports on its activities regularly. The primary objective of the Board Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to financial reporting, internal controls, and both internal and external audits.

FUNCTIONS OF THE BOARD AUDIT COMMITTEE

The Committee is empowered by the Board to monitor the integrity of the Financial Statements and review of significant reporting judgements contained therein to be in compliance with Sri Lanka Accounting Standards. It also reviews the Interim Financial and Annual Financial Statements, Internal controls and Risk Management measures. Further, the Committee reviews the Company's compliance with legal and regulatory requirements and monitors the effectiveness of the internal audit function. It them makes recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor. It also reviews and monitors the external auditors' independence and objectivity and the effectiveness of the audit process. Finally, the Committee ensures that Company's policies are firmly committed to the highest standards of good Corporate Governance Practices and operations conform to the highest ethical standards, in the best interest of all stakeholders. The Audit Committee's functions and scope are in compliance with the requirements of the Code of Best Practice on Audit Committee and it conducts its affairs in compliance with the requirements of the Code of Best Practice on Audit Committee. It is governed by the Audit Committee Charter. The terms of reference comply with the requirements of the Corporate Governance Rules as per Section 9.13 of the Listing Rules of the Colombo Stock Exchange (CSE).

The Chief Executive Officer and the Accountant participate in meetings by invitation to provide financial information and details required for deliberations. The minutes of the meetings are made available to the Board of Directors for information and necessary action.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of Colombo Land and Development Company PLC comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee is as follows:

Name of the	Position
Mr. W A A Perera	Independent Non-Executive Director - Chairman
Mr. M D A Weerasooriya	Independent Non-Executive Director
Mr. P S Perera	Independent Non-Executive Director

The External Auditors, Messrs Ernst & Young attended the Audit Committee meetings by invitation.

The Company Secretary functions as the Secretary to the Audit Committee.

The Chief Executive Officer and the Accountant participate in meetings by invitation to provide financial information and details required for deliberations. The minutes of the meetings are made available to the Board of Directors for information and necessary action.

MEETING & ATTENDANCE

During the year, Audit Committee met five times and the attendance of members are tabulated below:

Members	Attendance
Mr. W A A Perera	5/5 [from 16.12.2024]
Mr. M D A Weerasooriya	5/5 [from 23.03.2021]
Mr. P S Perera	5/5 [from 01.10.2024]

FINANCIAL REPORTING

The Audit Committee duly assisted the Board of Directors in discharging its responsibility for the preparation of the quarterly and annual Financial Statements, ensuring that they present a true and fair view of the affairs of the Company in full accordance and conformity with applicable regulations. The Committee reviewed the

Company's interim and annual Financial Statements prior to the submission of the same to the Board. The Committee ensures the financial statements presented are reliable, consistent with the accounting policies adopted, free from material misstatements and is compliant with the Sri Lanka Accounting Standards (SLFRS / LKAS) and the provisions of the Companies Act No.7 of 2007.

INTERNAL CONTROLS, RISK MANAGEMENT AND GOING CONCERN

The Board reviews the effectiveness of the system of financial controls for the period up to the date of signing the accounts.

The procedures in place to ensure compliance with mandatory and other regulatory requirements were under close scrutiny by the Committee. Audit Committee is responsible for reviewing the effectiveness of the internal controls as well as risk management procedure adopted by the company. The Committee also assesses the Company's ability to continue as a going concern in the foreseeable future.

REGULATORY COMPLIANCE

Procedures were in place to ensure compliance with statutory regulations. The Committee reviewed the quarterly compliance to ensure that the company has complied with all statutory requirements. Furthermore, the Committee monitors and evaluates letters received from regulatory institutions to ensure compliance.

EXTERNAL AUDIT

The Company appointed Messrs Ernst & Young as the External Auditor and the Committee reviews the Independence, Performance and the Objective of External Auditors. The Committee has discussed all relevant matters arising from the final audits, and the Auditors were provided with the opportunity to independently meet with the Committee without the CEO and Management Personnel being present and express their opinion on any matter. The Auditors have assured that they have no cause to compromise their independence.

Regular communications were carried out with the engagement partner of Messrs Ernst & Young Chartered Accountants during the Audit Committee meetings. Further, the Committee communicates with the engagement partner regarding the matters that were referred to in the management letter, valuations and impairment of investment properties. The Audit Committee at its Meeting held on 08.05.2026 has recommended the re-appointment of Messrs Ernst & Young, Chartered Accountants as Auditors of the Company for the financial year ending on 31st December 2026, subject to the approval of the shareholders at the Annual General Meeting.

INDEPENDENCE OF AUDITORS

To the extent that the Directors are aware and based on the declaration provided by Messrs Ernst & Young Chartered Accountants, the Auditors do not have any relationship with (other than that of the Auditors) or interest in, the Company, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by The Institute of Chartered Accountants of Sri Lanka as at the Reporting Date. The Committee considered aspects such as the periodic rotation of the audit partner, and have also considered the nature and scope of non-audit services provided by Messrs Ernst & Young.



Mr. W. A. A. Perera
Chairman – Audit Committee

25th May 2026

REPORT OF THE BOARD REMUNATION COMMITTEE

Remuneration Committee was established to ensure compliance with the requirements of Section 9.18.5 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee is tasked with establishing and maintaining the remuneration policies of the Company as a whole. The policies have been designed in such a manner to reward, motivate and retain Company's executive team while maximizing the overall profitability of the organization in the long term.

TERMS OF REFERENCE:

The Remuneration Committee functions within agreed terms of reference and is committed to the principles of accountability, transparency and ensuring that remuneration structures are equitable and aligned with the performance of the company and its long-term interests and that of its shareholders.

The Committee determines the basis for revising the remuneration, increments, bonuses and other incentives to ensure that the total remuneration package is competitive.

COMPOSITION OF THE REMUNERATION COMMITTEE

The Remuneration Committee of Colombo Land and Development Company PLC comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee is as follows:

Name of the	Position
Mr. W A A Perera	Independent Non-Executive Director - Chairman
Mr. M D A Weerasooriya	Independent Non-Executive Director
Mr. P S Perera	Independent Non-Executive Director

Both the Chief Executive Officer and the Accountant attend Committee meetings by invitation.

The Company Secretary functions as the Secretary to the Remuneration Committee.

MEETING & ATTENDANCE

During the year, Remuneration Committee met once and the attendance of members are tabulated below:

Members	Attendance
Mr. W A A Perera	1/1 [from 16.12.2024]
Mr. M D A Weerasooriya	1/1 [from 23.03.2021]
Mr. P S Perera	1/1 [from 01.10.2024]

REMUNERATION POLICY

The Remuneration Policy aims to attract, motivate and retain employees with the appropriate professional, managerial and operational expertise, necessary to achieve the objectives of the Company in a competitive environment. The focus of the Committee is to oversee and provide guidance for the implementation of its duties as per Terms of Reference. The Committee ensures that the remuneration structure of the Company is geared towards attracting and retaining talent.

The Remuneration Committee approves and recommends to the Board, the finalised proposals for the granting of increments to key senior level staff. All Non-Executive Directors receive a fee for serving on the Board and on the Sub-Committees as well. They do not receive any performance related incentive payments.

The Committee is satisfied with the salary review process in place. The annual evaluation of the Committee was performed in accordance with the Corporate Governance guidelines to ensure effectiveness and was deemed satisfactory. The aggregate remuneration paid to Executive and Non- Executive Directors is given on page 118.



Mr. W A A Perera
Chairman – Remuneration Committee

25th May 2026

REPORT OF THE BOARD NOMINATIONS AND GOVERNANCE COMMITTEE

COMPOSITION OF THE COMMITTEE

The Nominations and Governance Committee was formed in September 2024 to comply with Rule No. 9.11 of the Listing Rules of the Colombo Stock Exchange. The Nominations and Governance Committee have established and maintained a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.

COMPOSITION OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee of Colombo Land and Development Company PLC comprises of three Non-Executive Directors, all of whom are Independent.

THE COMPOSITION OF THE COMMITTEE IS AS FOLLOWS:

Name of the	Position
Mr. W A A Perera	Independent Non-Executive Director - Chairman
Mr. M D A Weerasooriya	Independent Non-Executive Director
Mr. P S Perera	Independent Non-Executive Director

The Company Secretary acts as the Secretary to the Nominations and Governance Committee.

MEETING & ATTENDANCE

During the year, the Nominations and Governance Committee met two times and the attendance of members are tabulated below:

Members	Attendance
Mr. W A A Perera	2/2 [from 16.12.2024]
Mr. M D A Weerasooriya	2/2 [from 19.09.2024]
Mr. P S Perera	2/2 [from 19.09.2024]

ROLE OF THE COMMITTEE

The primary function of the Nominations and Governance Committee is to assist the Board in making recommendations on Board appointments with a view to maintaining a balance of skills, expertise and diversity on the Board and its Sub-Committees. The Committee ensures compliance with the Code of Best Practice on Corporate Governance jointly set out by the Institute of Chartered Accountants of Sri Lanka and the Security and Exchange Commission of Sri Lanka.

As part of the ongoing succession planning activity, the Committee regularly reviews the structure, size and composition of the Board and its Sub-Committees to ensure that they continue to provide advice and guidance to the Board based on their collective knowledge and experience. To support the succession planning process, the skills requirement is regularly assessed to establish whether the Board and its Sub-Committees possess and maintain the skills required to deliver the strategy and objectives in the longer term, also considering the skills and experience that may potentially be lost with a retiring Non-Executive Director.

Key Functions of the Committee

- Reviewing Board and Board-level Committee structure, composition, and competencies.
- Recommending new appointments and re-election of Directors.
- Ensuring Governance-related legal and regulatory requirements of Directors to hold office.
- Overseeing Board and senior management succession plans.



Mr. W A A Perera
Chairman – Nominations and Governance Committee

25th May 2026

REPORT OF THE BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

ROLE AND RESPONSIBILITIES

The principal function of the Committee is
the review, verification and scrutiny of all transactions with Directors, Key Management Personnel, Shareholders and other Related Parties and to determine and ensure that they have not received more favourable consideration vis a vis the other Shareholders and Customers and that all dealings have been done in conformity with the Terms of Reference.

Wherever necessary, the Committee has the authority to obtain independent legal, financial & technical advice from competent authorities in such fields, to review transactions. Apart from obtaining Independent Specialists' advice wherever necessary, the Committee is empowered to access data and information pertaining to Related Parties as well as call for clarifications from the Management & Auditors (External & Internal) on any allied matter. In addition, the Committee shares information with the Board Audit Committee whenever necessary and appropriate to facilitate the Board Audit Committee to conduct its Statutory and Regulatory responsibilities with regard to Related Party Transactions.

During the year, all provisions contained in the Listing Rules of Colombo Stock Exchange were adhered to. The Minutes of the meetings are submitted to the Board of Directors of the Company to aid decision making.

The objective of the Committee is to ensure that the interests of shareholders as a whole are considered when entering into related party transactions and that the Company is compliant with the requirements of the SEC code and CSE listing rules.

COMPOSITION OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee of Colombo Land and Development Company PLC comprises of three Non-Executive Directors, all of whom are Independent.

The composition of the Committee is as follows:

Name of the	Position
Mr. W A A Perera	Independent Non-Executive Director - Chairman
Mr. M D A Weerasooriya	Independent Non-Executive Director
Mr. P S Perera	Independent Non-Executive Director

The Chief Executive Officer and the Accountant attends meetings by invitation.

The Company Secretary functions as the Secretary to the Related Party Transactions Review Committee.

Name of the	Position
Mr. W A A Perera	5/5 [from 16.12.2024]
Mr. M D A Weerasooriya	5/5 [from 23.03.2021 to 17.12.2024]
Mr. M C Withanaarachchi	3/3 [from 26.08.2024 to 02.10.2025]
Mr. W T H R Withana	2/2 [from 02.10.2025 to 17.04.2026]

TERMS OF REFERENCE

The Related Party Transactions Review Committee is governed by 'Terms of Reference' approved by the Board of Directors and covers aspects relating to matters prescribed in the Listing Rules of the Colombo Stock Exchange.

Terms of reference of the Committee include the following:

- Review in advance all proposed Related Party Transactions of the Company except those explicitly exempted by the Code.
- Determine whether Related Party Transactions that are to be entered into by the Company require the approval of the Board or Shareholders of the Company.
- Update the Board of Directors on the Related Party Transactions of the Company on a quarterly basis.
- Review all Related Party Transactions in line with the regulatory requirements.
- Adopt policies and procedures to review Related Party Transactions of the Company and oversee existing policies and procedures.
- Make immediate market disclosure on any applicable Related Party Transactions as required under Section 9 of the Listing Requirements of the Colombo Stock Exchange.
- Make appropriate disclosures in the Annual Report on Related Party Transactions as per the regulatory guidelines in a timely and detailed manner.

DECLARATION

In terms of Rule 9.14.8 (4) of the Listing Rules of the Colombo Stock Exchange, an affirmative declaration by the Board of Directors on compliance with the Listing Rules pertaining to Related Party Transactions is given on pages 117of the Annual Report.



Mr. W. A. A. Perera
Chairman – Related Party Transactions Review Committee

25th May 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Colombo Land & Development Company PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Audited Financial Statements of the Company and the Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31st December 2025, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act, No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and the recommended best practices.

GENERAL

Colombo Land & Development Company PLC is a public limited liability company which was incorporated under the Companies Ordinance (Cap.145) as a limited company on 8th December 1981 and listed on the Colombo Stock Exchange on 19th March 1986 and re-registered as per the Companies Act No.7 of 2007 on 3rd July 2008 under Registration No. PQ 173.

PRINCIPAL ACTIVITIES

The principal activities of the Company were the development and leasing out of investment property under operating leases and renting of vehicle parking.

Principal activities of the subsidiaries are given in Note 1.2 to the Financial Statements on page 86.

This Report together with the Financial Statements, reflect the state of affairs of the Company.

REVIEW OF OPERATIONS

The Management discussion and analysis covers the operations of the Company during the financial year under review on pages 56 to 75.

FINANCIAL STATEMENTS

The complete Financial Statements of the Company and Consolidated Financial Statements of the Company and its subsidiaries, duly signed by two Directors on behalf of the Board are given on pages 78 to 125.

AUDITORS' REPORT

The Report of the Auditors on the Financial Statements of the Company and its subsidiaries is given on pages 78 to 80.

ACCOUNTING POLICIES

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 86 to 95 and are consistent with those of the previous period.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors are responsible for the preparation of the Financial Statements of the Company and the Group, which reflect a true and fair view of the state of affairs.

A further statement in this regard is included on page 41.

DIRECTORS

The Board consists of seven Directors, comprising of three (03) Executive Directors and four (04) Non-Executive Directors, three (03) of whom are Independent;

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 15 to 18.

EXECUTIVE DIRECTORS
Mr. P S Weerasekera (Group Chief Executive Officer)
Mr. S A Ameresekere
Mr. NG Yao Xing, Eugene

NON-EXECUTIVE DIRECTORS
Mr. M C Withanaarachchi
Mr. W T H R Withana

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. M D A Weerasooriya (Chairman)
Mr. W A A Perera
Mr. P S Perera

CHANGES IN THE DIRECTORATE OF THE COMPANY

- Mr. M C Withanaarachchi, Non-Executive Director resigned with effect from 2nd October 2025.
- Mr. W T H R Withana was appointed as a Non-Executive Director with effect from 2nd October 2025 and resigned with effect from 17th April 2026.
- Mr L B Kumudu Lal, Non-Executive Director resigned with effect from 6th November 2025.
- Mr. M G Hemachandra was appointed as a Non-Executive Director with effect from 23rd January 2026.
- Mrs D M Kiriwattuduwa was appointed as a Non-Executive Director with effect from 17th April 2026.

RECOMMENDATION FOR RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION

Mr W A A Perera retires by rotation in terms of Articles 86 and 87 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee are recommended by the Board for re-election.

RECOMMENDATION FOR RE-ELECTION OF DIRECTORS WHO WERE APPOINTED SINCE THE LAST ANNUAL GENERAL MEETING

Mr M G Hemachandra and Mrs D M Kiriwattuduwa, Non-Executive Directors who were appointed to the Board in terms of Article 94 of the Articles of Association of the Company, since the last Annual General Meeting are recommended by the Board for re-election by the shareholders, consequent to review by the Nominations and Governance Committee.

DIRECTORS OF THE SUBSIDIARY COMPANIES AS AT 31ST DECEMBER 2025 AND THE CHANGES IN THE DIRECTORATE

ANANTYA GLOBAL SOLUTIONS COMPANY LIMITED

The Directors of Anantya Global Solutions Company Limited as at 31st December 2025 consisted of the following:

Mr. P S Weerasekera
(Group Chief Executive Officer)
Mr. S A Ameresekere
Mr. P S Perera

There were no changes in the Directorate, during the year under review and upto the date of this report.

AGRISPICE (PRIVATE) LIMITED

The Directors of Agrispice (Private) Limited as at 31st December 2025 consisted of the following:

Mr. P S Weerasekera
(Group Chief Executive Officer)
Mr. S A Ameresekere
Mr. P S Perera

There were no changes in the Directorate, during the year under review and upto the date of this report.

LIBERTY DEVELOPERS (PVT) LTD

The Directors of Liberty Developers (Pvt) Ltd as at 31st December 2025 consisted of the following:

Mr. P S Weerasekera
(Group Chief Executive Officer)
Mr. S A Ameresekere
Mr. P S Perera

There were no changes in the Directorate, during the year under review and upto the date of this report.

DIRECTORS' REMUNERATION

The Company has adopted a Remuneration Policy and established a formal procedure for determination of remuneration of Directors including Executive Directors. No Director is involved in deciding his or her own remuneration.

The Directors' Remuneration is disclosed under Key Management Personnel compensation in Note 23.2 to the Financial Statements on page 118.

INDEPENDENT AUDITORS

Messrs Ernst & Young, Chartered Accountants served as the Auditors of the Company during the year under review. The Auditors do not have any other relationship with the Company other than as Auditors of the Company who have also provided certain non-audit services.

A total amount of Rs.2,801,928/- is payable by the Company to the Auditors for the year under review. Rs.2,316,600/- as audit fees and Rs.485,327/- as non-audit fees respectively.

The Auditors have expressed their will ingness to continue in office. The Audit Committee at a meeting held on 8th May 2026 recommended that they be re-appointed as Auditors. A resolution to re-appoint the Auditors and to authorise the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

GROUP

Messrs Ernst & Young, Chartered Accountants also served as Auditors of all the subsidiary companies except Anantya Global Solutions Company Limited, whose Auditors were Messrs Gunawardhana & Co, Chartered Accountants.

Details of payments to the said Auditors on account of audit fees and for permitted non audit services, are set out in Note 20 to the Financial Statements on page 115.

INDEPENDENCE OF AUDITORS

To the extent that the Directors are aware, the Auditors do not have any relationship with (other than that of the Auditor), or interest in, the Company and the Group, which in the opinion of the Board, may reasonably be considered to have a bearing on their independence within the meaning of the Code of Professional Conduct and Ethics issued by the Institute of Chartered Accountants of Sri Lanka, as applicable on the date of this Report.

STATED CAPITAL

The Stated Capital of the Company as at 31st December 2025 was Rs.341,602,342/- represented by 199,881,008 Ordinary Shares. There were no changes in the Stated Capital of the Company during the year.

DIRECTORS' INTERESTS IN SHARES

The information pertaining to the Directors' Shareholding in the Company is given on page 128.

DIRECTORS' INTERESTS IN CONTRACTS

Except for the transactions referred to in Note 23.2 to the Financial Statements, the Company did not carry out any transaction with any of the Directors. The Company carried out transactions during the year in the ordinary course of its business at commercial rates with the related entities of Directors referred to herein. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company.

INTERESTS REGISTER

The Directors' Interest Register is maintained by the Company.

SHAREHOLDERS

There were 3,119 of shareholders registered as at 31st December 2025. 2,697 shareholders as at 31st December 2024).

MAJOR SHAREHOLDERS, DISTRIBUTION SCHEDULE AND OTHER INFORMATION

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings per share, net assets per share, twenty largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on pages 127 to 129 under Shareholders' Information.

FLOAT ADJUSTED MARKET CAPITALISATION AND PUBLIC HOLDING

Information on float adjusted market capitalisation and public holding in terms of the Listing Rules is given on page 129 under Investor Information.

RESERVES

A summary of the Group's Reserves is given in Note 11 to the Financial Statements on page 108

LAND HOLDINGS

The Company's land holdings are referred to in Note 4 to the Financial Statements on page 100.

PROPERTY, PLANT & EQUIPMENT

Details and movements of property, plant and equipment are given in Note 3 to the Financial Statements on pages 96 to 100.

INVESTMENTS

Details of the Company's and Group's investments as at 31st December 2025 are given in Notes 5 and 8.2 to the Financial Statements on pages 104 and 106.

TAXATION

The tax position of the Company is given in Note 21 to the Financial Statements on page 115.

ENVIRONMENT, HEALTH AND SAFETY

All the laws and regulations in this regard are strictly adhered to.

CONTINGENT LIABILITIES

As disclosed in Note 28.2 to the Financial Statements on page 123, there were no contingent liabilities as at the reporting date.

MATERIAL FORESEEABLE RISK FACTORS

An on-going process is in place to identify and manage the risks that are associated with the business and operations of the Company. The Directors review this process through the Audit Committee.

Risks that the Company and its subsidiaries are exposed to and the specific steps taken by the Company in managing the risks are detailed in the Section on Risk Management on pages 73 to 75.

INTERNAL CONTROLS

The Board through delegation to the Audit Committee ensures that the Company maintains a sound system of Internal Controls to safeguard investments and Company's assets. Therefore, the Audit Committee conducts a review of the effectiveness of the Company's system of internal controls.

EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides career opportunities irrespective of the gender, race or religion.

As at 31st December 2025, 34 persons were in employment (35 persons as at 31st December 2024)

MATERIAL ISSUES PERTAINING TO EMPLOYEES AND INDUSTRIAL RELATIONS PERTAINING TO THE COMPANY

No material issues pertaining to employees or industrial relations of the Company occurred during the year under review which required disclosure under Rule 7.6 (vii) of the Listing Rules.

DONATIONS

During the year, the Company made Rs100k as a donation. There were no donations by the subsidiary Companies.

DIVIDENDS

Directors do not recommend a dividend for the year under review.

STATUTORY PAYMENTS

The Directors confirm that, to the best of their knowledge, all taxes, duties and levies payable by the Company, all contributions, levies and taxes payable on behalf of and in respect of employees of the Company and all other known statutory dues as were due and payable by the Company as at the reporting date have been paid or where relevant provided for, except for certain assessments where appeals have been lodged.

CORPORATE GOVERNANCE

The Board of Directors confirm that the Company is compliant with Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

The corporate governance of the Company is reflected in its strong belief in protecting and enhancing stakeholder value in a sustainable manner, supported by a sound system of policies and practices. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and Employees.
The Corporate Governance Statement on pages 19 to 30 explains the measures adopted by the Company during the year.

POLICIES IN TERMS OF RULE 9.2 OF THE LISTING RULE

In terms of Rule 9.2.1 of the Listing Rules, the Company established, adopted and published on the Company website (www.colomboland.com) the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

a. Policy on the matters relating to the Board of Directors
b. Policy on Board Committees
c. Policy on Corporate Governance, Nominations and Re-election
d. Policy on Remuneration
e. Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
f. Policy on Risk Management and Internal controls
g. Policy on Relations with Shareholders and Investors
h. Policy on Environmental, Social and Governance Sustainability
i. Policy on Control and Management of Company Assets and Shareholder Investments
j. Policy on Corporate Disclosures
k. Policy on Whistleblowing
l. Policy on Anti-Bribery and Corruption

There were no significant changes to the above policies adopted by the Company during the year under review.

FIT AND PROPER ASSESSMENT OF DIRECTORS

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the Financial Year under review and as at the date of such declarations. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

INDEPENDENCE OF DIRECTORS

The Board, based on the Declarations submitted by the Independent Directors declaring their independence against the criteria specified in Rule 9.8.3 of the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the three (3) Independent Directors namely Messrs

M D A Weerasooriya, W A A Perera and P S Perera are 'Independent' in terms of the Listing Rules.

POLICY ON RELATIONS WITH SHAREHOLDERS AND INVESTORS

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out in 9.4.2 on page 23 of this Report.

OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for the Board related matters of the Company decided that a Director of the Company shall not hold more than 10 directorships in Listed Companies.

POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

ADDITIONAL DISCLOSURES BY/PERTAINING TO DIRECTORS

i. **Material Interests in Contracts involving the Company**
The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

ii. **Material Business Relationships with each other**
None of the Directors or close family members have any material business relationships with the other Directors of the Company.

iii. **Other Directorships held by the Directors**
Other Directorships held by Directors are disclosed on pages 16 to 18.

iv. **Review of Internal Controls**
The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

v. **Applicable Laws Rules and Regulations**
The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

There were no material non-compliance with law or regulation or any fines, which are material, imposed by any Government or regulatory authority in any jurisdiction where the Company has operations.

DELEGATION OF AUTHORITY

The Board has delegated the authority of the day to day management of the Company to the Chief Executive Officer who is responsible for delivering services according to the policies and the budgets approved by the Board.

DELEGATION TO BOARD MEMBERS

The Board has delegated certain functions and duties to Sub Committees that comprises of Board members. The functions and duties of each Sub Committee namely, the Audit Committee, the Remuneration Committee, the Related Party Transactions Review Committee and Nominations and Governance Committee are detailed in the respective reports.

The Board is also encouraged to seek independent professional advice when necessary, at the Company's expense and also have access to the Company Secretary to obtain advice and services as and when necessary.

MAJOR TRANSACTIONS

The Board of Directors is required to act in accordance with Section 185 of the Companies Act No. 07 of 2007 with regard to 'major transactions' as per the said Section 185. There were no major transactions entered into by the Company during the year.

BOARD MEETINGS

Six (6) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings is set out on page 20.

BOARD SUB COMMITTEES

The Board of Directors has formed four Board Sub Committees in terms of the Listing Rules of the Colombo Stock Exchange, namely, Audit Committee, Remuneration Committee, Related Party Transactions Review Committee and a Nominations and Governance Committee. The composition of the said Board Sub Committees are as follows:

AUDIT COMMITTEE

The Audit Committee comprises of three (03) Non-Executive Directors, all of whom are Independent and the composition of the Committee is as follows:

- Mr. W A A Perera - Chairman - Independent Non-Executive Director
- Mr. M D A Weerasooriya Independent Non-Executive Director
- Mr. P S Perera Independent Non-Executive Director

The Report of the Audit Committee appears on page 31 & 32.

REMUNERATION COMMITTEE

The Remuneration Committee comprises of three (03) Non-Executive Directors, all of whom are Independent and the composition of the Committee is as follows:

- Mr. W A A Perera - Chairman - Independent Non-Executive Director
- Mr. M D A Weerasooriya Independent Non-Executive Director
- Mr. P S Perera Independent Non-Executive Director

The Report of the Remuneration Committee appears on page 33.

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Related Party Transactions Review Committee comprises of three (03) Non-Executive Directors, two (02) of whom are Independent and the composition of the Committee is as follows:

- Mr. W A A Perera - Chairman - Independent Non-Executive Director
- Mr. M D A Weerasooriya Independent Non-Executive Director
- Mr. P S Perera Independent Non-Executive Director

The Report of the Related Party Transactions Review Committee appears on pages 35.

NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee comprises of three (03) Non-Executive Directors, all of whom are Independent and the composition of the Committee is as follows:

- Mr. W A A Perera - Chairman - Independent Non-Executive Director
- Mr. M D A Weerasooriya Independent Non-Executive Director
- Mr. P S Perera Independent Non-Executive Director

The Report of the Nominations and Governance Committee appears on pages 34.

DECLARATION - COMPLIANCE WITH THE LISTING RULES ON RELATED PARTY TRANSACTIONS

In terms of Rule 9.14.8(4) of the Listing Rules, the Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st December 2025.

NON-RECURRENT RELATED PARTY TRANSACTIONS – DISCLOSURE IN TERMS OF RULE 9.14.8 (1) OF THE LISTING RULES

There were no non-recurrent related party transactions of which the aggregate value exceeds 10% of the equity or 5% of the total assets of the Company (Group), whichever is lower, as per latest Audited Financial Statements as at 31st December 2025, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange 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.

RECURRENT RELATED PARTY TRANSACTIONS – DISCLOSURE IN TERMS OF RULE 9.14.8 (2) OF THE LISTING RULES

Present below are the recurrent related party transactions of which the aggregate value exceeds 10% of the gross revenue/income of the Company (Group), as per latest Audited Financial Statements as at 31st December 2025, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange 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:

Name of the Related Party	Relationship	Nature of the Transactions(s)	Aggregate value of Related Party Transaction(s) entered into during the financial year	Value of Related Party Transaction(s) as a % of Equity and as a % of total Assets	Terms and Conditions of the Related Party Transaction(s)
Liberty Holdings LTD	Subsidiary	Intercompany	212,233,736	Equity 7%, Total Assets 4%	General Terms & Conditions
Liberty Developers (PVT) LTD	Subsidiary	Intercompany	28,240,845	Equity 1%, Total Assets 1%	
Agrispice (PVT) LTD	Subsidiary	Intercompany	2,408,753	Equity 9%, Total Assets 2%	

AMALGAMATION OF LIBERTY HOLDINGS LIMITED WITH COLOMBO LAND & DEVELOPMENT COMPANY PLC

In order to optimize operational efficiencies and prudent financial management the amalgamation of Liberty Holdings Limited (Amalgamating Company) with Colombo Land & Development Company PLC (Amalgamated Company) was completed and the Certificate of Amalgamation was issued by the Registrar General of Companies on 14th January 2026 (effective date 31st December 2025) in terms of Section 244(1)(a) of the Companies Act, No. 7 of 2007.

EVENTS AFTER THE REPORTING DATE

No event of material significance that require adjustments to the Financial Statements, has occurred subsequent to theReporting period other than those disclosed in Note 26 to the Financial Statements on page 122.

GOING CONCERN

The Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it has resources to continue in business for the foreseeable future.

ANNUAL GENERAL MEETING

The Notice of the Forty Fourth (44th) Annual General Meeting appears on page 133.

The Forty Fourth (44th) Annual General Meeting of the Company will be held on 30th June 2026 at Sri Sambuddhathwa Jayanthi Mandiraya, 4th floor, No.32, Sri Sambuddhathwa Jayanthi Mawatha, Colombo 05 and the Notice of Meeting appears on page 133.

ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

As required by the section 168(1)(k) of the Companies Act No. 07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

This Annual Report is signed for and on behalf of the Board of Directors by



M D A Weerasooriya
Chairman



P S Weerasekera
Director/Group CEO



P W Corporate Secretarial (Pvt) Ltd
Secretaries
25th May 2026
Colombo

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The responsibilities of the Directors, in relation to the Financial Statements of the Company and its subsidiaries differ from the responsibilities of the Auditors.

The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Report of the Auditors given on pages 78 to 80 of the Annual Report.

As per the Sections 150(1), 151, 152(1) and (2), 153 (1) and (2) of the Companies Act No. 07 of 2007, the Directors are required to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of the financial year and of the results of its operations for the financial year, ensure that they are completed within six months or such extended period as may be determined by the Registrar General of Companies, certified by the person responsible for the preparation of the Financial Statements that they are in compliance with the said Companies Act and dated and signed on behalf of the Board by two Directors of the Company.

In terms of section 166(1) read together with sections 168(1)(b) and (c) and section 167(1) of the Companies Act, the Directors shall cause a copy of the aforesaid Financial Statements together with the Annual Report of the Board of Directors of the Company prepared as per section 166(1) of the Companies Act to be sent to every shareholder not less than fifteen working days before the date fixed for holding the Annual General Meeting.

The Directors consider that in preparing these Financial Statements set out on pages 81 to 125, appropriate accounting policies have been selected and applied in a consistent manner and supported by reasonable and prudent judgment and that all applicable Accounting Standards, as relevant, have been followed.

The Directors are also confident that the Company has adequate resources to continue in operation and have applied the going concern basis in preparing these Financial Statements. Further, the Directors have a responsibility to ensure that the Company and its subsidiaries maintain sufficient accounting records to disclose with reasonable accuracy, the financial position of the Company and its subsidiaries.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and its subsidiaries and in this regard to give proper consideration to the establishment of appropriate internal control systems to prevent and detect fraud and other irregularities.

Financial Statements prepared and presented in this report have been prepared based on Sri Lanka Accounting Standards (SLFRS/LKAS) and are consistent with the underlying books of accounts and are in conformity with the requirements of Sri Lanka Accounting Standards, Companies Act No. 07 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

COMPLIANCE REPORT

The Directors are of the view, that they have discharged their responsibilities as set out in this statement.

The Directors also confirm that to the best of their knowledge, all statutory payments payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for.

By Order of the Board
Colombo Land & Development Company PLC



P W Corporate Secretarial (Pvt) Ltd
Secretaries
25th May 2026
Colombo

RESPONSIBILITY STATEMENT OF THE CHAIRMAN AND THE ACCOUNTANT

The Accounting Policies used in the preparation of the financial statements of the Colombo Land & Development Company PLC for the year ended 31st December 2025 are appropriate. There are no departures from the prescribed Accounting Standards in their adoption. The Financial Statements of the company are in compliance with the requirements of The Sri Lanka Accounting Standards (SLFRS/ LKAS) issued by The Institute of Chartered Accountants of Sri Lanka; the Companies Act No. 07 of 2007; the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995; The Listing Rules of the Colombo Stock Exchange; and The Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka.

The Board of Directors and the management accept responsibility for the integrity and objectivity of these financial statements. The estimates and judgments relating to the financial statements were made on a prudent and reasonable basis in order that the financial statements reflect a true and fair view, the form and substance of transactions and that the Company's state of affairs are reasonably presented. To ensure this, we have taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets and for preventing and detecting other irregularities, which are reviewed, evaluated and updated on an ongoing basis.

The Board of Directors has carried out an assessment on the ability of the company to continue as a going concern. We confirm that the company has adequate resources to continue operations in the foreseeable future and have adopted the 'going concern' basis in preparing these financial statements.

The financial statements of the Group for the year 2025 were audited by Messrs Ernst & Young, Chartered Accountants, and their report appears on pages 78 to 80 of this Annual Report. The Board Audit Committee meets periodically with the internal audit team and the independent external auditor to review their audit plans, assess the manner in which the auditors are performing their responsibilities and to discuss their reports on internal controls and financial reporting issues. To ensure complete independence, the external auditor and the internal auditor have access to the members of the Board Audit Committee to discuss any matter of substance, details of which are given in the Board Audit Committee Report' on page 31.
We confirm that the company has complied with all applicable laws, regulations and prudential requirements and that are no material non compliances and that the financial statements in this Annual Report and all taxes, duties, levies and all statutory payments payable and all contributions, levies and taxes payable on behalf of and in respect of the employees of the company as at 31st December 2025 have been paid, or where relevant, provided for.

25th May 2026



Chairman



Accountant



CREATING VALUE THROUGH STRATEGY AND INSIGHT

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OPERATING ENVIRONMENT

GLOBAL ECONOMIC OUTLOOK

The global economy continued to navigate a period of adjustment during 2025 amid evolving trade policies, geopolitical uncertainty, and shifting macroeconomic conditions. According to the International Monetary Fund's (IMF) World Economic Outlook, global economic activity remained resilient although growth moderated slightly as temporary drivers of expansion observed earlier began to fade. Global growth was projected to slow marginally from 3.3% in 2024 to 3.2% in 2025, before moderating further to 3.1% in 2026.

Growth prospects remained uneven across regions. Advanced economies were expected to expand by around 1.5%, while emerging market and developing economies were projected to grow at just above 4%. Global inflation was also expected to ease overall, although price pressures were anticipated to remain elevated in certain economies while moderating elsewhere.

Despite these projections, downside risks to the global outlook persisted. Policy uncertainty, rising protectionist tendencies, fiscal vulnerabilities, and potential financial market corrections were identified as risks to economic stability. Policymakers worldwide were therefore encouraged to strengthen macroeconomic frameworks, rebuild fiscal buffers and advance structural reforms to support sustainable long-term growth.

SRI LANKAN MACROECONOMIC ENVIRONMENT

Sri Lanka - Economic Highlights

- GDP Growth (2025): ~5.0% (estimate)
- Overnight Policy Rate: Reduced to 7.75%
- Gross Official Reserves: ~USD 6.8 Billion
- Exchange Rate Range (2025):
- LKR 293 - 310 per USD

Sri Lanka's economy demonstrated a continued recovery trajectory during 2025, supported by sustained macroeconomic stabilisation efforts and ongoing structural reforms implemented under the guidance of international financial institutions. Economic activity strengthened during the year, with Gross Domestic Product (GDP) recording growth of approximately 4.9% in the second quarter, following a similar expansion in the first quarter. This recovery was broad-based, underpinned by improvements across the industrial and services sectors, alongside easing supply constraints and stabilising input costs.

From a real estate and property development perspective, the gradual normalisation of economic conditions contributed to improved market sentiment, with renewed activity observed across residential, commercial, and mixed-use segments. The recovery in domestic demand, coupled with increased investor confidence, supported a gradual uptick in property-related transactions and development activity. Longer-term demand fundamentals remain supported by ongoing urbanisation trends and population growth, which continue to drive housing demand across key urban centres such as Colombo and its suburbs.

Inflation, which had remained elevated in previous periods, moderated significantly during the year, supported by lower energy prices and improved supply-side conditions. Although a modest increase in inflation was observed towards the latter part of the year, primarily due to base effects and food-related pressures, overall price stability improved relative to prior years. In response, the Central Bank adopted a measured easing of monetary policy, leading to a decline in interest rates and improved liquidity conditions.

External sector performance also strengthened during the period, with gross official reserves increasing to approximately USD 6.8 billion, supported by multilateral funding, tourism earnings, and worker remittances. This contributed to relative exchange rate stability and reduced volatility in imported material costs, which are critical for the construction sector. The stabilisation of the Sri Lankan Rupee, alongside improved import conditions, supported cost predictability for ongoing and planned developments.

Despite these positive developments, the recovery remains subject to several risks. External uncertainties, including global economic conditions, geopolitical tension, commodity price volatility, and capital flow fluctuations, continue to pose challenges. Domestically, fiscal constraints and the pace of reform implementation will be critical in determining the sustainability of growth and investor confidence.

Ongoing fiscal reforms, including proposed property-related taxes and capital gains measures, are expected to moderate speculative activity within the real estate sector while encouraging more productive land utilisation.

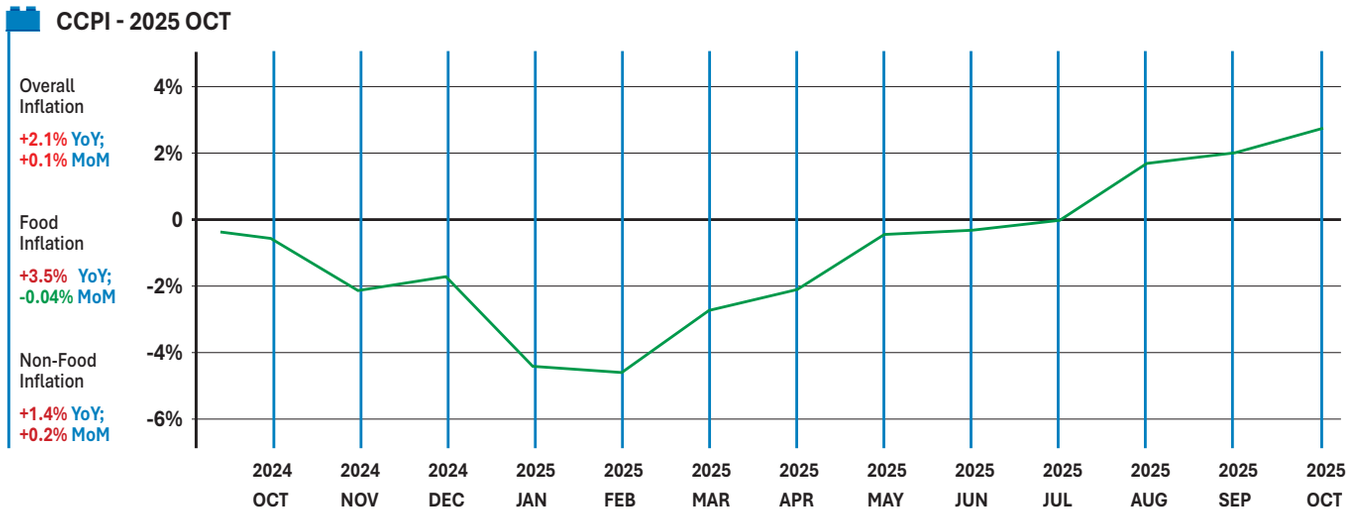
However, housing affordability remains a structural constraint, with household income levels continuing to lag rising living costs, influencing demand towards more affordable and mid-market housing segments.

egions in late 2025, introduced short-term disruptions to economic activity and highlighted the importance of resilient infrastructure and sustainable urban planning.

The event caused widespread damage to residential and commercial assets, disrupting communities and business operations.

In the immediate aftermath, supply chain disruptions, delays in construction activity, and increased material costs posed short-term challenges for the real estate and construction sectors. At the same time, reduced agricultural output and infrastructure constraints contributed to temporary inflationary pressures. However, reconstruction and rehabilitation efforts are expected to support economic activity in the medium term, particularly within construction, engineering, and related industries. This is likely to generate renewed demand for building materials, labour, and development expertise, thereby creating opportunities within the property sector.

Foreign investment is also expected to remain a key driver of sector growth, particularly in mixed-use developments, luxury residential projects, and large-scale initiatives.



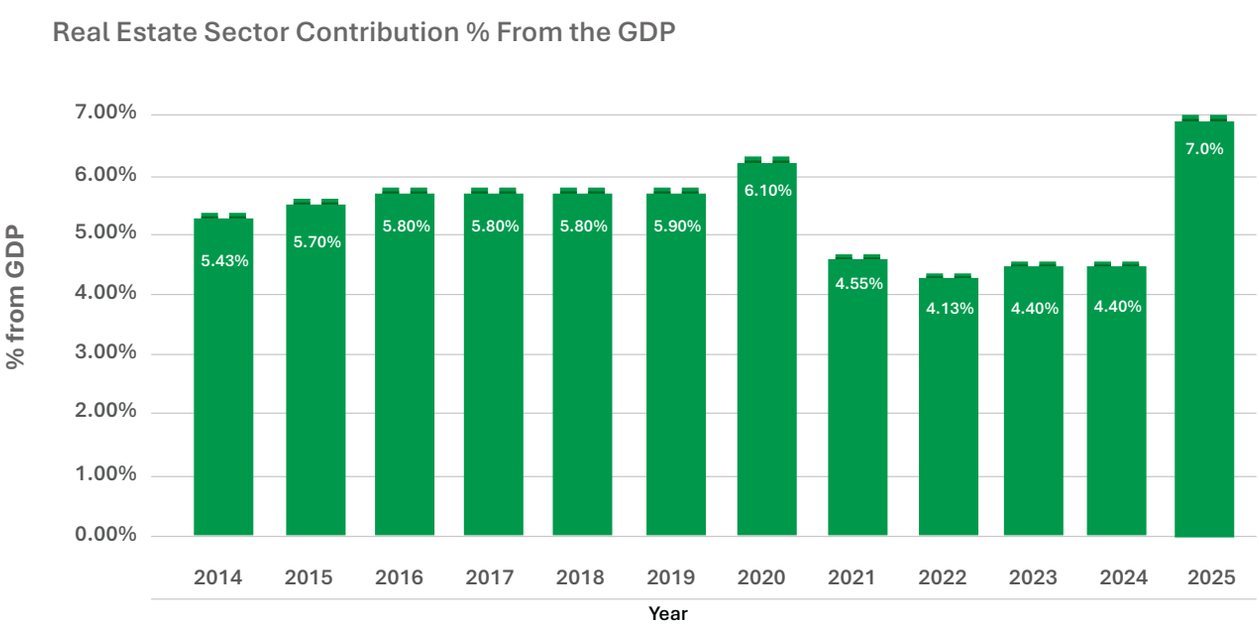
PROPERTY MARKET DYNAMICS

REAL ESTATE SECTOR RECOVERY

Sri Lanka's real estate sector demonstrated renewed signs of recovery during 2025, supported by improving economic conditions, increased investor confidence, and improved access to financing. Market indicators suggest growing activity across the property sector as stabilising macroeconomic conditions and lower borrowing costs supported renewed demand among developers and buyers.
Meanwhile, evolving buyer preferences are shaping market dynamics, with increasing demand for suburban housing and gated communities driven by affordability and lifestyle considerations, while urban apartments continue to attract investors and professionals.

According to recent market outlook reports, approximately 25 new real estate developments were launched during the year, while over 2,500 new apartment units were introduced to the market. In addition, several projects that had been delayed between 2020 and 2023 were completed during the year, contributing approximately 3,600 new apartment units to the market. These developments signal a gradual return of activity across Sri Lanka's real estate sector as investor sentiment strengthens and the broader economic environment stabilises.

Since 2014, the real estate sector's contribution to GDP has shown an overall upward trend, despite a slowdown following the COVID-19 pandemic and the subsequent economic crisis.



Sources: LPW Research based on Annual Economic Review of CBSL, 2024
Department of Census and Statistics Sri Lanka

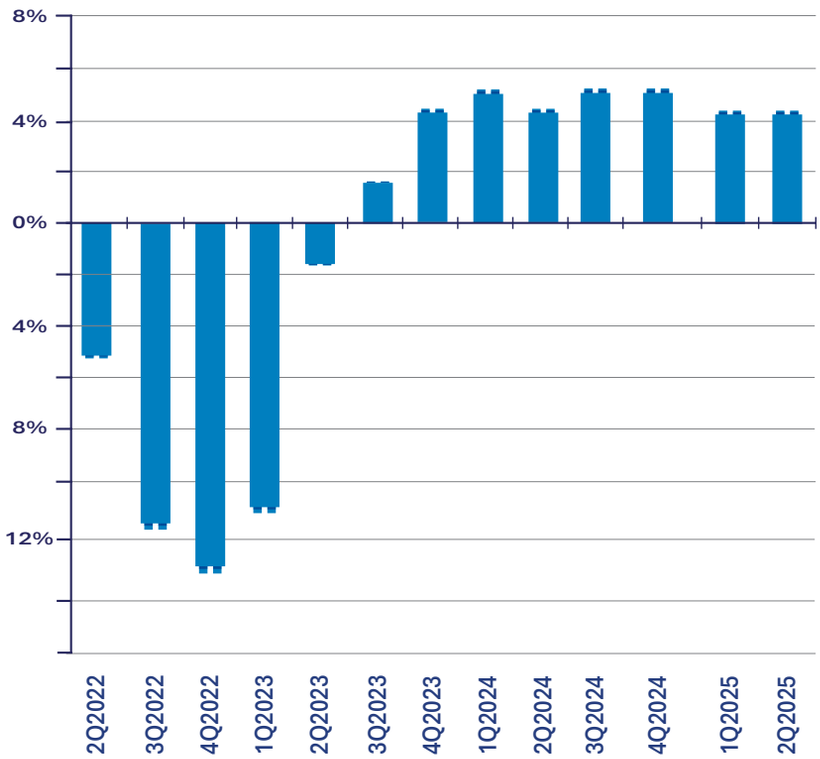
COLOMBO LAND MARKET TRENDS

The Colombo district land market maintained its upward momentum during 2025, reflecting sustained demand for residential, commercial and industrial land in prime urban locations. The Central Bank's Land Valuation Indicator (LVI) recorded continued growth across all segments of the land market.

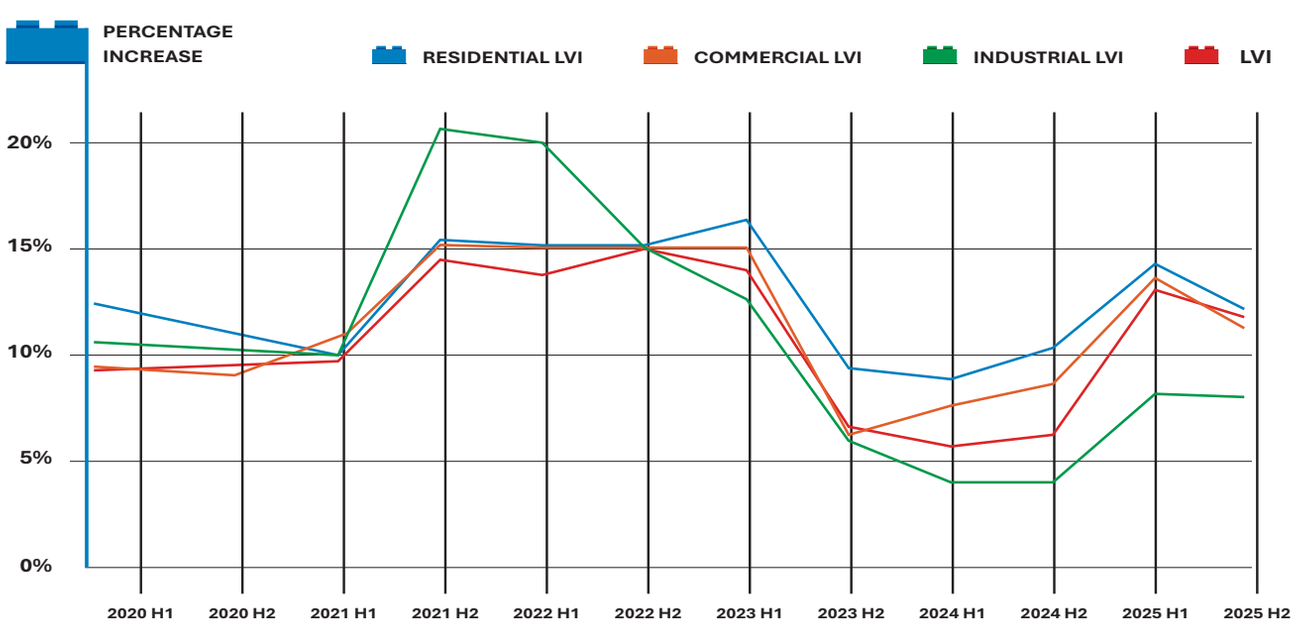
Data for the second half of 2025 indicated that the LVI increased by 10.6% year-on-year following an 11.4% increase recorded in the first half of the year. Residential land values recorded the strongest gains with an annual increase of 12.4%, followed by commercial land which increased by 11.3%, while industrial land prices rose by 8.0%.

Although growth moderated slightly during the latter half of the year, residential and commercial segments continued to record stronger increases compared to earlier periods, reflecting sustained demand in Colombo's residential and commercial hotspots. These trends highlight persistent investor confidence in Colombo's prime land markets despite broader economic challenges.

QUARTERLY GDP GROWTH (% YOY)



LAND VALUATION INDICATOR – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL LAND



REAL ESTATE PRICE TRENDS

Real estate price indicators continued to reflect positive momentum across Colombo's property market during 2025. According to the Central Bank's Real Estate Market Analysis for Q3 2025, the asking price indices for lands, houses and condominiums in the Colombo district recorded year-on-year increases of 22.5%, 7.9% and 8.1%, respectively.

Monthly index data also reflected continued upward trends throughout the third quarter of 2025. Land price indices increased from 155.3 in July to 157.7 by September, while condominium price indices increased from 193.5 to 197.1 during the same period.

These price movements indicate strengthening demand for real estate assets within the Colombo district as market conditions improve.

FINANCING AND INVESTMENT TRENDS

Improved access to financing has also contributed to the revival of the property market. Following reductions in the Central Bank's policy rates, commercial banks began offering home loans at interest rates averaging around 10%, improving affordability and encouraging renewed demand for property ownership.

Lower borrowing costs, combined with improved economic stability, have contributed to increased investment activity within the real estate sector. Developers have resumed projects that were previously delayed, while buyers have increasingly returned to the market as financing conditions improved.

OFFICE AND RETAIL SPACE

In addition to residential and land market trends, Colombo's commercial property sector continues to evolve in response to changing workplace dynamics and consumer behaviour.

Demand for premium office and retail space in Colombo continues to evolve alongside broader urban development trends. As businesses increasingly prioritise quality work environments, there is growing demand for modern Grade A office spaces that offer advanced infrastructure, connectivity, and integrated amenities. Mixed-use developments that combine office, retail, and lifestyle components are becoming more prominent within Colombo's commercial landscape, reflecting changing workplace and consumer preferences. These developments not only support corporate activity but also enhance urban retail ecosystems by attracting higher footfall and strengthening the appeal of strategically located commercial properties.

STRATEGY AND STRATEGIC DIRECTION

Colombo Land & Development Company PLC's strategic direction continues to centre on strengthening the performance of its existing real estate portfolio while exploring opportunities to unlock additional value from its strategic assets. During the year under review, the Company remained focused on enhancing asset utilization, strengthening tenant relationships and maintaining financial discipline in a gradually recovering economic environment.Guided by these priorities, the Company's strategic focus during the year was built around the following core aspects.

OPTIMISING CORE PROPERTY ASSETS

The Company continued to focus on maximizing the performance of its flagship properties, particularly Liberty Plaza and its car park operations. Maintaining strong occupancy levels, improving tenant engagement and ensuring consistent property maintenance remained central to sustaining the commercial relevance of these assets.

STRENGTHENING REVENUE STABILITY

CLDC continued to reinforce its revenue base through diversified income streams including rental income, advertising spaces and parking facilities. Operational improvements and enhanced tenant relationships contributed to sustaining stable revenue generation from its core real estate assets.

UNLOCKING LONG-TERM ASSET VALUE

The Company continued to evaluate opportunities to unlock value from its strategic land holdings, including the Pettah land parcel, which presents significant potential for future development. During the year, discussions and preliminary evaluations continued with relevant stakeholders to explore viable development options for this asset.

STRENGTHENING FINANCIAL DISCIPLINE

Maintaining a prudent financial structure remained an important focus area during the year. The Company continued to monitor financing costs and manage its capital structure carefully to improve financial resilience while supporting long-term asset value creation.

ENHANCING OPERATIONAL EFFICIENCY

CLDC continued to improve operational efficiency across its property management and facility operations through targeted upgrades, improved maintenance practices and the adoption of technology to enhance service delivery and operational reliability.

OUTLOOK

While Sri Lanka's economic environment continues to show signs of gradual recovery, the global landscape remains subject to uncertainty arising from geopolitical tensions, evolving trade dynamics and fluctuations in global financial markets. These developments may influence investor sentiment, capital flows and broader economic stability in emerging economies such as Sri Lanka.

Against this backdrop, CLDC remains focused on strengthening the performance of its core assets, maintaining financial discipline and positioning its strategic properties to capitalize on future opportunities as economic conditions stabilize further. The Company's established asset base, long-standing tenant relationships and strategic locations continue to provide a solid foundation for sustainable value creation in the years ahead.

OUR VALUE CREATION MODEL

INPUTS

FINANCIAL CAPITAL
Shareholders' Funds:
Rs. 8,630 Mn

Long Term Borrowings
Rs. 1,151 Mn

MANUFACTURED CAPITAL
Investment Property:
13,759 Mn

Biological Assets:
Rs. 46 Mn

HUMAN CAPITAL
A Diverse Team Of Skilled And Experienced Professionals, Comprising A Total Of 34 Employees

SOCIAL AND RELATIONSHIP CAPITAL
Strong Engagement With Government Authorities And Regulators, Ensuring Compliance And Contributing To Economic Growth Through Responsible Business Practices.

Fostering Long-Term, Trust-Based Relationships With Tenants, Suppliers, And Business Partners, Driving Mutual Growth And Sustainability.

Additionally, Corporate Social Responsibility Initiatives Reinforce Our Commitment To Community Development, Social Well-Being, And Inclusive Economic Progress.

TECHNOLOGY/ INTELLECTUAL CAPITAL
Liberty Plaza Brand
Our Organizational Values
Tacit Knowledge

NATURAL CAPITAL
Continuous Initiatives To Enhance Energy Efficiency Include The Implementation Of Inverter Air Conditioners, Led Lighting And Active Employee Participation In Energy-Saving Practices.

EXTERNAL PARAMETERS

1. OPPORTUNITIES
Four Decades Of Steady Presence In The Real Estate Landscape And Long-Term Clientele.

Higher Demand For Real Estate Due To Lower Interest Regime

2. TRENDS
Expected Rise In Demand For Real Estate As A Result Of Urbanization, Infrastructure Development And Mixed Developments Covering Residential, Retail And Offices

3. STAKEHOLDER EXPECTATIONS
Return On Investment
Risk Management
Long Term Growth And Stability

VALUE DRIVERS



OUTPUTS

SHAREHOLDERS
PAT Rs. - 188 Mn
EPS Rs. - 0.93

EMPLOYEES
Staff Cost - Rs. 89 Mn

TENANT/ CUSTOMERS
Rental Revenue - Rs. 340 Mn
Property Service Income - Rs. 118 Mn

SUPPLIERS
Premises Maintenance And
Value Related - Rs. 72 Mn

COMMUNITY
Contribution For CSR - Rs. 0.1 Mn

GOVERNMENT
Corporate tax Rs.130 Mn



97%
OCCUPANCY



OVER 120
TENANTS



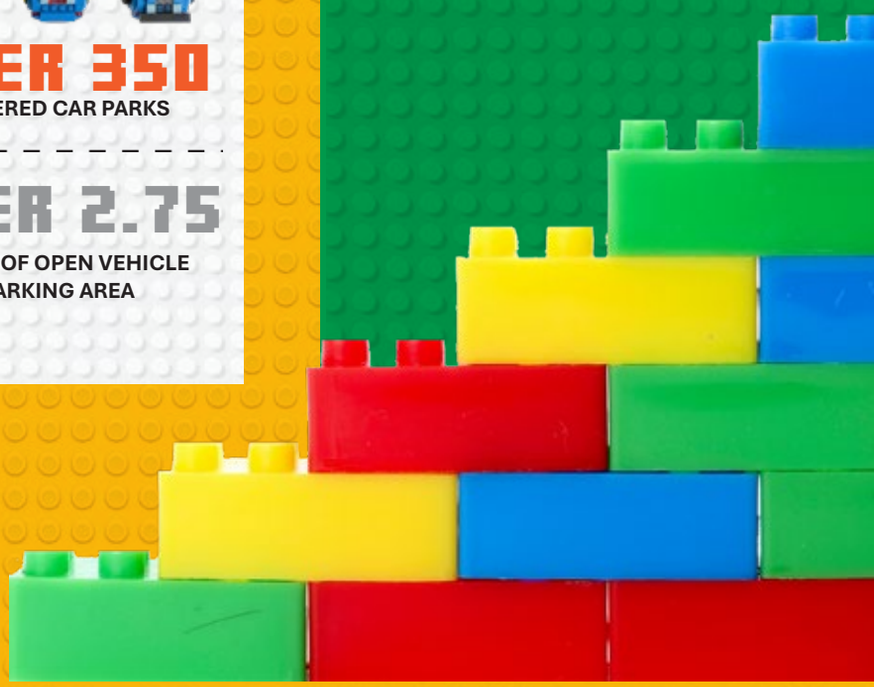
160,333
SQFT. OF
RENTABLE SPACE



OVER 350
COVERED CAR PARKS

OVER 2.75
ACRES OF OPEN VEHICLE
PARKING AREA

EVERY STEP WE TAKE IS DEDICATED TO CREATING LASTING, SUSTAINABLE VALUE FOR EVERYONE WE SERVE



OUR BUSINESS MODEL



KEY ACTIVITIES

Property Development, Management, Maintenance And Car Park Operations

KEY RESOURCES

Equity Rs. 8.6 Bn
Investment Property Rs. 13.8 Bn
Employees 34

Liberty Plaza Brand
Prime Properties Locations

COST STRUCTURE

Finance And Other Overhead Costs

Administrative & Staff Related Costs

Building, Equipment, Plant And Machinery Maintenance Costs

PRODUCTS & SERVICES

Commercial,
Office And
Residential Spaces
Car Parking Spaces
Advertising Spaces

CUSTOMER RELATIONSHIPS

Long-Term & Short
Term Relationships
With Our Customers
To Satisfy Their
Expectations

CHANNELS

Advertising
Internet
Brokering Agency
Postal Service
Personal
Contacts

CUSTOMER SEGMENTS

Banks & Financial
Institutions

Local & International
Retail Brands

Local & International
Restaurant Chains

Major Fmcg Retailers
In The Country

Major Mobile And
Electronic Retailers

Local & Foreign
Start-Ups

REVENUE STREAMS

RENT INCOME

ADVERTISING INCOME

CAR PARK INCOME

AGRICULTURAL INCOME

INTEREST & OTHER INCOME

STAKEHOLDER ENGAGEMENT

Recognising that long-term success is closely linked to the strength of our relationships with stakeholders, Colombo Land & Development PLC places strong emphasis on maintaining open and constructive engagement with all parties connected to our operations. Through structured engagement mechanisms, we seek to understand stakeholder expectations, address concerns proactively and manage the broader impacts of our business activities. This approach supports sustainable value creation while reinforcing the stability and continuity of our operations.

Our stakeholder base is diverse and includes shareholders and investors, tenants, suppliers, employees, government and regulatory authorities, and the wider community. Each of these groups plays a meaningful role in the Company's ability to operate successfully.

As such, we remain committed to fostering relationships founded on transparency, accountability and mutual respect, ensuring that stakeholder perspectives are integrated into our decision-making processes.



STAKEHOLDER IDENTIFICATION AND SEGMENTATION

We identify stakeholders who directly or indirectly influence or are impacted by our operations.

Stakeholders are categorized based on their relevance and significance to our business activities.



STRATEGIC ENGAGEMENT PLANNING

A structured engagement framework is developed to ensure meaningful and consistent interaction.

Engagement strategies are tailored to meet the specific needs and concerns of each stakeholder group.



DIVERSE COMMUNICATION CHANNELS

A combination of formal and informal channels are utilized to enhance accessibility and responsiveness.

These channels include regular meetings, investor briefings, tenant discussions, supplier dialogues, employee forums, regulatory consultations, and CSR initiatives.



PROACTIVE RESPONSIVENESS AND ISSUE RESOLUTION

We prioritize timely responses to stakeholder inquiries and concerns, ensuring prompt action within the shortest possible timeframes.

Constructive feedback mechanisms are in place to support continuous improvement in stakeholder relations.

STAKEHOLDERS	EXPECTATIONS	IMPORTANCE	ENGAGEMENT PROCESS	COMPANY PLATFORMS
Investors / shareholders	ROI, Liquidity Good Governance, Risk Management, Shareholders' Confidence, Transparency	Invest capital in the Company Safeguard the ownership of the Company Help to expand business	Accurate, clear and transparent communication is the key. All requested information is shared with this stakeholder group as deemed necessary and when asked for, in a timely manner	Annual General Meeting Annual Report Interim Financial Statements Web uploading CSE announcements

STAKEHOLDERS	EXPECTATIONS	IMPORTANCE	ENGAGEMENT PROCESS	COMPANY PLATFORMS
			• Strategies to ensure sustainable and ethical business growth • Compliance with regulatory mandates and upholding internal controls and risk mitigation measures	
• Tenants	• Reasonable rentals • High quality service standards • Superior facilities • Considerate credit facilities.	• Salient source of revenue generation for the company	• High quality modern commercial office space at an affordable rates • Extending security, maintenance and customer service • Offering grace periods for rental payments and concessionary rates due to tough business conditions • Longstanding relationships with tenants to maximize shareholder returns	• Customer feedback • Meetings • Resolving complaints and requests
Suppliers	• Accommodate price fluctuations • Transparent procurement process • Payments made on time	• Source of inputs needed to run the business operations	• Adhere to procurement policies • Negotiate with suppliers for best quality and price • Optimal inventory management system to ensure delivery on time	• Supplier registration • Meetings and discussions for better mutual understanding and cooperation
Government, legal and regulatory bodies	• Compliance with laws • Fulfil regulations and formalities	• Regulators and policy makers that need to be complied with for sustainable business operations	• Fulfil compliance norms to the fullest • Ensure good governance • Audits and reviews of compliance and ensure all required standards are met, failing which could lead to loss of reputation	• Ensure staff fulfils business compliance needs by issuing circulars and conducting audits

STAKEHOLDERS	EXPECTATIONS	IMPORTANCE	ENGAGEMENT PROCESS	COMPANY PLATFORMS
Employees	Career progression Remuneration and benefits on par with industry Occupational health and safety	Key pillar of the organization to drive operations	Fair HR policies for employee welfare Equal opportunity employer Extending loans and insurance Rewards and recognition	Staff meetings, notices Engagement with management Employee bonding
Community	Responsible conduct of business Proper waste disposal Prudent use of resources	The Company needs the society's approval to operate its business and run it as a responsible corporate citizen	Responsible operations minimizing inconvenience to community Internal paper recycling, energy saving lighting (LED)to promote efficient use of resources and to minimize waste. Effective maintenance of AC system, generators, water supply etc.	Media coverage CSR activities



DELIVERING PERFORMANCE RESPONSIBLY

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MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL CAPITAL

"Colombo Land & Development Company PLC (CLDC) sustains financial resilience through a robust revenue stream and optimized financial structure. Amid evolving market conditions, CLDC remains committed to financial prudence, ensuring steady value creation for stakeholders."

MANAGEMENT APPROACH

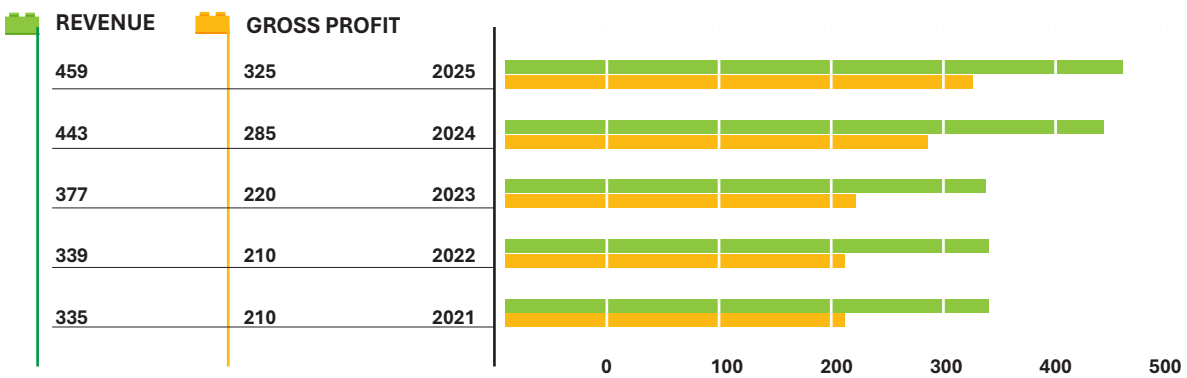
At Colombo Land & Development Company PLC (CLDC), we manage our financial capital with a strong emphasis on sustainability, resilience, and long-term value generation. Our approach is grounded in careful financial planning, responsible cost control, and strategic allocation of resources to drive business expansion
and maximization of shareholder's wealth. By maintaining a robust balance sheet, efficiently managing working capital, and accessing a diverse range of funding channels, we strengthen our financial stability and position ourselves to capitalize on future growth opportunities.

FINANCIAL PERFORMANCE

REVENUE

The Company reported revenue of Rs. 459 Mn for the financial year under review, reflecting a 4% growth over the previous year. This performance was supported by stable income streams from rental properties, car parks, and advertising.

REVENUE AND GROSS PROFIT COMPARISON



GROSS PROFIT AND DIRECT COST

For the year 2025, the Company generated a gross profit of Rs.325Mn, representing a 14% increase compared to Rs.285 Mn in 2024. This growth was achieved alongside a reduction in direct costs, which decreased by 15% to Rs.134Mn in 2025 compared to Rs.157 Mn in the previous year.

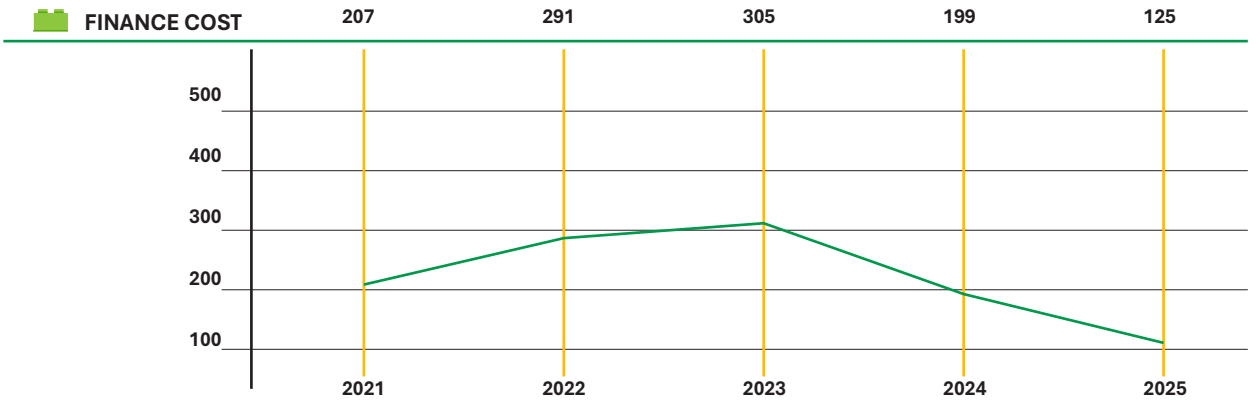
Rs. Mn	% Change	2025	2024
Gross Profit	14	325	285
Direct Cost	15	134	157

This performance reflects improved operational efficiency and effective cost management, contributing positively to the Company's overall profitability and financial strength.

FINANCE COST

Finance costs for the year 2025 amounted to Rs.125Mn, reflecting a significant reduction of 37% compared to Rs.199Mn recorded in the previous year. This decrease was mainly driven by the successful renegotiation of borrowing rates with banking partners, along with the repayment of Rs.200 million in capital during the financial year. The Company remains committed to optimizing its capital structure, with a continued focus on reducing financing costs and enhancing overall financial efficiency.

FINANCE COST COMPARISON



PROFIT BEFORE TAX

Profit before taxation for the year ended 2025 amounted to Rs.368Mn, reflecting a marginal increase compared to Rs.365Mn recorded in 2024. This steady performance demonstrates the Company's resilience and its ability to sustain profitability amid evolving market conditions, supported by prudent financial management and continued operational discipline.

TAXATION

The taxation expense for the year amounted to Rs.179Mn, comprising corporate income tax obligations and other statutory compliance costs. The Company is subject to the standard corporate income tax rate of 30%. The Company remains committed to meeting all regulatory requirements while adopting prudent and compliant tax planning strategies to optimize its overall tax position.

CASH AND BORROWINGS

As of 2025, the Company's total borrowings amounted to Rs1,165Mn, marking a 17% decrease from 2024. At the same time, cash reserves improved significantly to Rs.32Mn, up from Rs.6Mn in the prior year, highlighting a disciplined and strategic approach to liquidity management.

This balanced approach reflects the Company's commitment to maintaining financial flexibility while meeting its debt obligations efficiently. By carefully managing both debt and cash positions, the Company has reinforced its financial resilience, ensuring it remains well positioned to support ongoing operations and capitalize on future growth opportunitiets.

	% Change	2025	2024
Cash and cash Equivalents	433	32	6
Interest Bearing Loans and Borrowings	17	1,165	1,410

TOTAL ASSETS

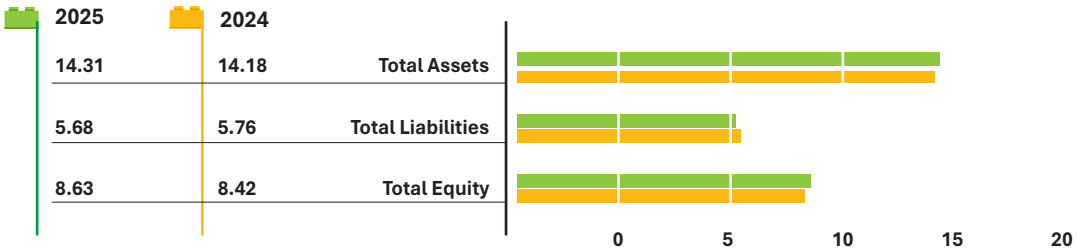
The Company's total assets increased by 1% to Rs. 14.31 billion in 2025 from Rs. 14.18 billion in 2024, reflecting stable growth and continued strengthening of its asset base.

TOTAL LIABILITIES

Total liabilities declined by 1% to Rs. 5.68 billion compared to Rs. 5.76 billion in the previous year, indicating effective management of the Company's obligations and a strengthening of its financial position.

TOTAL EQUITY

This positive shift contributed to a 3% growth in shareholders' equity, which rose to Rs.8.63 billion from Rs.8.42 billion in 2024, reflecting continued strengthening of the Company's financial foundation.



NET ASSETS PER SHARE

Net Assets per Share increased to Rs. 43.17 in 2025, compared to Rs. 42.10 in 2024. This improvement reflects the growth in the Company's net asset base and underscores its continued focus on enhancing shareholder value.

EARNINGS PER SHARE

The Group's Earnings Per Share (EPS) for the financial year ended 31st December 2025 increased significantly to Rs. 0.93, up from Rs. 0.45 in the previous year, representing a growth of Rs. 0.46. This substantial improvement reflects the Company's strong profitability and enhanced returns to shareholders.

RETURN TO EQUITY

Return on Equity (ROE) improved to 2.15% in 2025, compared to 1.13% in 2024. This increase reflects the Company's enhanced ability to generate profits from its equity base, demonstrating improved efficiency in utilizing shareholders' funds and a strengthening in overall financial performance.



MANUFACTURED CAPITAL

> "Manufactured capital Represents the foundation of Colombo Land & Development Company PLC's value creation model, comprising its portfolio of investment properties, commercial infrastructure, and supporting facilities. As a real estate owner, developer, and operator, the Group continuously enhances its asset base to optimise utilisation, improve operational efficiency, and deliver superior tenant and customer experiences."

CAPITAL BASE

As at 31st December 2025, the Group's manufactured capital remained anchored in its property portfolio:

Total assets: LKR 14.3 Bn

Investment properties: LKR 13.8 Bn

This reflects the strategic importance of high-value, income-generating real estate assets in driving long-term value creation.

UTILISATION AND PERFORMANCE

The Group demonstrated strong asset utilisation during the year, underpinned by effective leasing strategies and sustained demand for commercial space. Occupancy levels rose to near-full capacity, reflecting the continued attractiveness of its properties, while revenue growth and improved margins indicate enhanced operational efficiency. Rental income performance was further supported by consistent tenant demand and increased footfall, particularly during peak trading periods. In addition, ancillary infrastructure such as car park facilities contributed positively to overall performance through higher utilisation. Collectively, these outcomes highlight the Group's ability to optimise its manufactured capital base while maintaining operational resilience.

HIGHLIGHTS

- Occupancy levels increased to 97% (2024: 94%), indicating near-full utilisation of available space.
- Revenue reached LKR 458.7 Mn, with gross profit increasing by 14%, reflecting improved operational efficiencies.
- Rental income growth was supported by consistent tenant demand and increased footfall, particularly during peak trading periods.
- Car park income increased by 8%, driven by higher utilisation across key locations.

These indicators demonstrate the Group's ability to maximise returns from its manufactured capital base while maintaining operational resilience.

KEY ASSETS AND INFRASTRUCTURE

LIBERTY PLAZA

Liberty Plaza remains a flagship asset within the Group's portfolio, functioning as a multi-purpose commercial complex that integrates retail, office, and residential spaces. During 2025, the property benefited from increased consumer footfall, particularly during the festive season, which supported tenant performance and contributed to rental stability. Continuous maintenance and proactive operational management further ensured consistent service delivery, reinforcing the asset's reliability and sustained appeal to both tenants and customers.

CAR PARK INFRASTRUCTURE

The Group's parking facilities form a critical component of its urban infrastructure offering, enhancing accessibility and supporting commercial activity across its key locations. During 2025, revenue growth was recorded across major sites, with Liberty Plaza car park achieving a 13% increase and Gas Land recording a 8% rise, while People's Park maintained stable performance. These assets not only contribute to revenue diversification but also play an important role in improving customer convenience and supporting the overall attractiveness of the Group's commercial properties.

INVESTMENT AND ENHANCEMENT

The Group continued to invest in maintaining and strengthening its manufactured capital base through ongoing improvements to its investment properties and supporting infrastructure, alongside capital expenditure on property, plant, and equipment. These initiatives ensured the upkeep, functionality, and long-term value of its asset portfolio. In addition, the amalgamation of Liberty Holdings Ltd during the year streamlined asset ownership and enhanced operational alignment across the portfolio, enabling more efficient management of the Group's resources.

EFFICIENCY AND VALUE OPTIMISATION

Operational efficiency improvements during the year were reflected in a significant reduction in finance costs by 37%, driven by the settlement of loan principal amounts and favourable interest rate movements. At the same time, the Group recorded improved revenue generation from both its core leasing operations and ancillary services, indicating stronger asset performance and utilisation. Together, these outcomes underscore the Group's disciplined approach to capital management and its continued focus on optimising returns from its manufactured capital base.

SUSTAINABILITY AND FUTURE READINESS

The Group continues to integrate sustainability considerations into its manufactured capital strategy, recognising the importance of future-proofing its asset base while enhancing long-term value creation. This includes a growing focus on improving energy efficiency across its properties, optimising resource utilisation, and embedding environmentally responsible practices into day-to-day operations. Efforts are also directed towards modernising infrastructure to support more efficient building management systems, reducing operational costs while enhancing tenant comfort and experience. Meanwhile, the Group is exploring opportunities to incorporate renewable energy solutions and strengthen waste management practices to minimise environmental impact. Through these initiatives, the Group aims to enhance asset resilience, improve operational efficiency, and ensure its properties remain competitive and aligned with evolving stakeholder expectations.

OUTLOOK

Looking ahead, the Group is well-positioned to further strengthen its manufactured capital by sustaining high occupancy levels and driving continued growth in rental income, supported by strategic investments in infrastructure upgrades and enhancements to tenant experience. The focus will remain on maximising asset utilisation, modernising existing facilities, and leveraging technology to improve operational performance, thereby supporting long-term value creation and maintaining the competitiveness of its property portfolio.







SOCIAL AND RELATIONSHIP CAPITAL

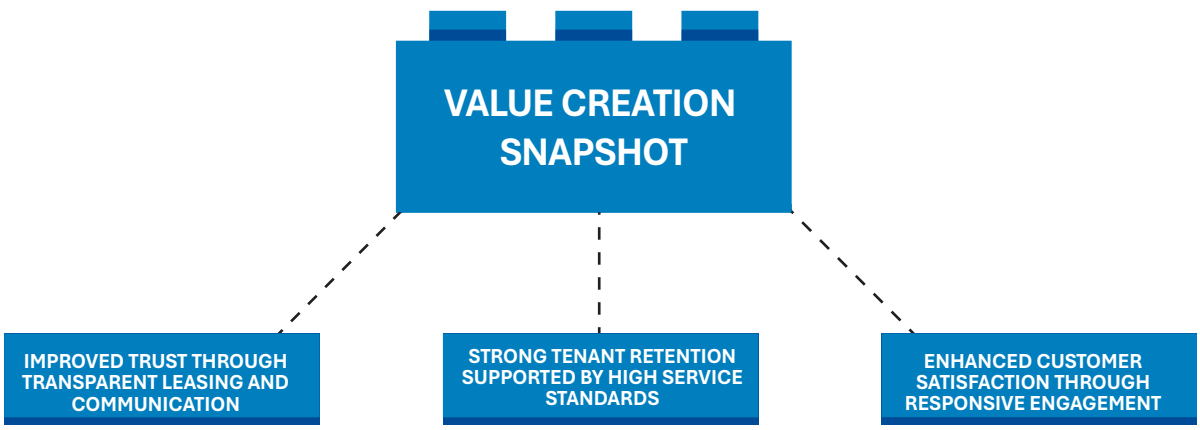
> "Social and relationship capital remains a vital component of Colombo Land & Development Company PLC's value creation model, encompassing the relationships the Group maintains with its tenants, customers, suppliers, business partners, and the wider community. Through consistent engagement, transparency, and service excellence, the Group continues to build trust, strengthen its reputation, and support long-term sustainability."

CUSTOMER AND TENANT RELATIONSHIPS

At the core of the Group's operations is a strong commitment to delivering a superior customer and tenant experience. By maintaining close engagement with tenants and visitors, the Group ensures that its properties remain attractive, functional, and responsive to evolving expectations.

Customer engagement is supported through structured service delivery mechanisms, including dedicated support teams, continuous availability of assistance, and clear communication of leasing terms. Emphasis is also placed on safeguarding customer privacy and maintaining transparency in all interactions, reinforcing trust and long-term relationships.

The Group's approach to grievance management ensures that feedback is actively encouraged and addressed promptly through multiple channels. This continuous feedback loop supports service improvement and enhances overall tenant satisfaction.



PROPERTY EXPERIENCE, MAINTENANCE AND SAFETY

Ensuring well-maintained, safe, and efficient properties remains central to the Group's stakeholder value proposition. A structured maintenance approach, supported by both in-house teams and third-party service providers, ensures consistent operational performance across all locations.

Round-the-clock security, professional janitorial services, and strict adherence to safety standards contribute to a secure and comfortable environment for tenants, employees, and visitors. Annual maintenance contracts and comprehensive insurance coverage further reinforce operational reliability and risk management.

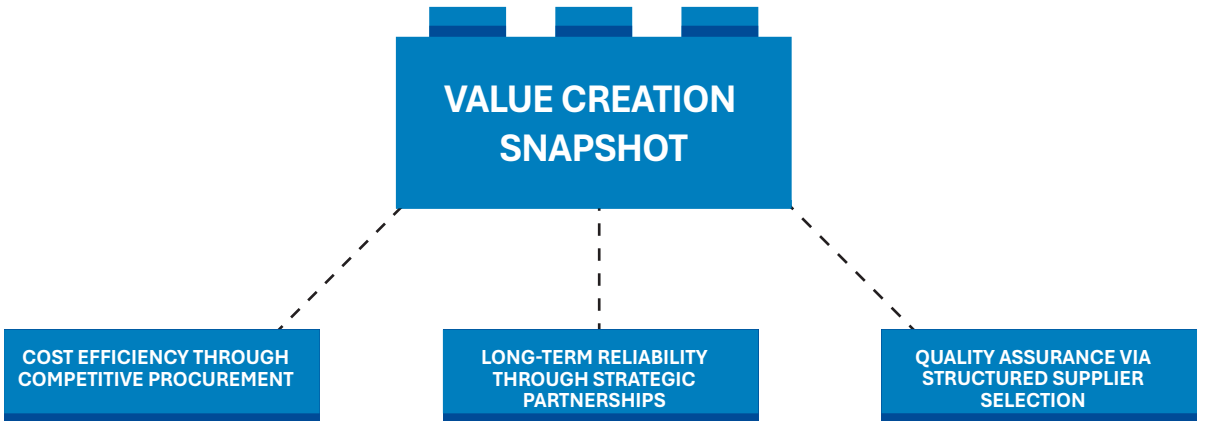
WHAT THIS MEANS TO STAKEHOLDERS



SUPPLIER AND BUSINESS PARTNER RELATIONSHIPS

The Group maintains ethical, transparent, and mutually beneficial relationships with its suppliers and service providers. Procurement practices are guided by principles of fairness, cost efficiency, and quality assurance.

Suppliers are selected through rigorous evaluation processes, with competitive bidding ensuring value for money. Long-term partnerships are established through annual service agreements, enabling consistency in service delivery and operational continuity.

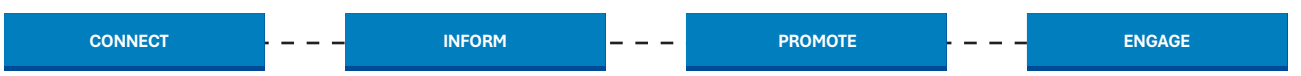


MARKETING AND STAKEHOLDER COMMUNICATION

The Group continues to leverage both traditional and digital platforms to maintain strong connections with customers, investors, and the broader stakeholder base. Social media platforms and digital channels play a key role in promoting tenant offerings, events, and brand visibility, particularly for Liberty Plaza.

The Company website remains a central communication hub, providing access to investor information, corporate updates, and disclosures, ensuring transparency and accessibility

HOW WE ENGAGE



TENANT GOVERNANCE AND COMPLIANCE

To maintain a structured and harmonious commercial environment, the Group enforces a comprehensive tenant code of conduct. This framework ensures responsible use of shared spaces, adherence to safety standards, and professional conduct across all properties.Clear guidelines on renovations, operational conduct, and use of utilities support smooth day-to-day operations while preserving the quality and integrity of the Group's assets.

COMMUNITY ENGAGEMENT

The Group continues to play an active role in supporting community well-being through initiatives that foster social connection and collective participation.

COMMUNITY CAMPAIGNS IN 2025

Conducted a Vesak Dansela in collaboration with the Liberty Plaza Management Corporation, providing meals and refreshments to over 1,200 individuals, with contributions from staff, tenants, and partners.

Continued its long-standing support to the Sri Dharmakeerthiyaramaya temple, contributing to the annual religious procession attended by over 600 participants.

These initiatives reflect the Group's commitment to creating a positive social impact and strengthening relationships beyond its immediate business operations.

VALUE CREATION OUTCOMES

The below illustration presents the outcomes of the Group's Social and Relationship capital efforts in 2025:

- STRONG TENANT AND CUSTOMER RELATIONSHIPS SUPPORTING HIGH OCCUPANCY LEVELS.
- ENHANCED BRAND REPUTATION AND STAKEHOLDER TRUST.
- RELIABLE SUPPLIER NETWORKS ENSURING OPERATIONAL CONTINUITY.
- POSITIVE COMMUNITY IMPACT THROUGH MEANINGFUL ENGAGEMENT INITIATIVES.

OUTLOOK

Looking ahead, CLDC will continue to strengthen its social and relationship capital by enhancing customer experience through digital engagement, improving responsiveness to stakeholder feedback, and deepening tenant relationships through upgraded facilities and services. The Group also aims to expand strategic supplier partnerships and further leverage digital platforms to strengthen brand visibility and stakeholder connectivity.

By continuing to invest in relationships, communication, and community engagement, CLDC is well-positioned to sustain long-term value creation and reinforce its role as a responsible corporate citizen.







NATURAL CAPITAL

"Colombo Land & Development Company PLC recognises that natural capital, comprising air, water, land, and other environmental resources, is fundamental to sustainable value creation. As a real estate developer and operator, the Group's activities are closely linked to the built environment, making responsible resource management and environmental stewardship essential to long-term resilience.The Group remains committed to minimising its environmental footprint through efficient resource utilisation, pollution mitigation, and the gradual integration of sustainable practices across itsoperations. These efforts support both environmental preservation and operational efficiency."

ENVIRONMENTAL STEWARDSHIP AND CARBON CONSIDERATIONS

The Group's environmental strategy is supported by its plantation assets, which contribute to carbon sequestration and biodiversity conservation.

The 103-acre plantation, comprising Mahogany, Rubber, and Alstonia trees, acts as a natural carbon sink, supporting emissions offsetting
and sustainable land use.

ENVIRONMENTAL CONTRIBUTION

CARBON SEQUESTRATION - - - - BIODIVERSITY SUPPORT - - - - - SUSTAINABLE LAND USE

ENERGY MANAGEMENT

Energy efficiency remains a key focus area in managing the environmental impact of operations. The Group continues to implement measures aimed at reducing electricity consumption and improving energy performance across its properties.

Key initiatives include:

- Optimisation of air-conditioning systems to minimise energy waste
- Transition to energy-efficient LED lighting
- Replacement of inefficient machinery with energy-saving alternatives
- Exploration of renewable energy solutions, including solar power feasibility

These initiatives contribute to both cost efficiency and reduced environmental impact.

ENERGY APPROACH

REDUCE - - - OPTIMIZE - - - TRANSITION - - - EXPLORE RENEWABLES

WASTE MANAGEMENT AND RESOURCE EFFICIENCY

The Group adopts a structured approach to waste management, guided by the principles of reduce, reuse, and recycle. Waste segregation and responsible disposal practices are implemented across its operations to minimise environmental impact.

Key practices include:

- Use of colour-coded waste segregation systems
- Partnerships with third-party recyclers for responsible waste disposal
- Reduction of plastic usage through sustainable alternatives
- Engagement of tenants and employees in waste minimisation efforts

These measures promote responsible consumption and support circular resource use.

WASTE MANAGEMENT FOCUS

REDUCE - - - REUSE - - - RECYCLE - - - RESPONSIBLE DISPOSAL

POLLUTION CONTROL AND ENVIRONMENTAL COMFORT

Maintaining a safe and comfortable environment for tenants, visitors, and employees remains a priority. The Group actively manages noise and air quality to ensure a healthy built environment.

Key initiatives include:

- Noise reduction measures, including soundproofing of operational areas
- Tenant guidelines to minimise noise disturbances
- Enhanced ventilation systems to improve indoor air quality

These efforts contribute to improved well-being and overall property experience

WATER MANAGEMENT

Recognising water as a critical resource, the Group continues to promote responsible water usage across its operations.

Key initiatives include:

- Regular maintenance to prevent leaks and water wastage
- Tenant awareness programmes encouraging responsible consumption
- Exploration of water-saving technologies such as low-flow fixtures and rainwater harvesting

WATER STEWARDSHIP

CONSERVE - - - MONITOR - - - OPTIMIZE - - - INNOVATE



DIGITALISATION AND PAPER REDUCTION

As part of its environmental strategy, the Group continues to reduce paper consumption through digital transformation initiatives.

Key measures include:

- Adoption of electronic communication across operations
- Promotion of digital invoicing and reportingUse of digital systems to reduce reliance on physical documentation
- These initiatives contribute to improved efficiency while reducing resource consumption.

VALUE CREATION OUTCOMES

The below illustration presents the outcomes of the Group's Natural capital efforts in 2025:



OUTLOOK

Looking ahead, CLDC remains committed to strengthening its environmental performance by advancing renewable energy adoption, particularly solar power integration, and expanding waste reduction and recycling initiatives. The Group also aims to enhance water conservation practices through the adoption of smart technologies, while continuing its transition towards a fully digital, paperless operating model.

By embedding sustainability into its operations, CLDC seeks to ensure that its growth remains aligned with environmental responsibility, contributing to a more resource-efficient and sustainable future.

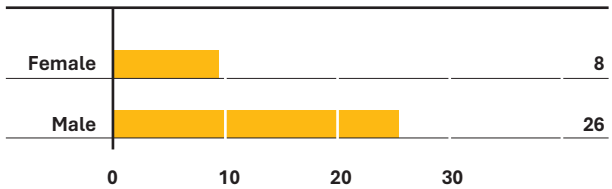
HUMAN CAPITAL

"Human capital remains central to Colombo Land and Development Company PLC's ability to deliver sustainable value, maintain strong stakeholder relationships, and drive operational excellence. The Group continues to invest in developing a skilled, engaged, and resilient workforce, with a focus on talent development, employee well-being, inclusivity, and performance-driven culture."

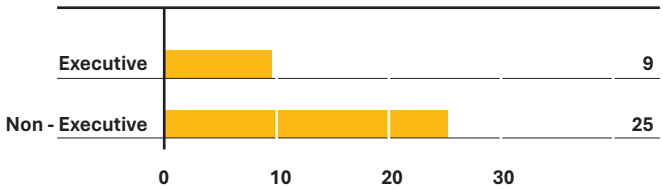
WORKFORCE COMPOSITION

CLDC maintains a diverse and experienced workforce, comprising individuals across multiple age groups, professional disciplines, and tenure levels. This diversity supports a dynamic organisational culture and enables the Group to respond effectively to evolving business needs.Employee retention and workforce stability remain key priorities, supported by structured career development pathways and a focus on job satisfaction.

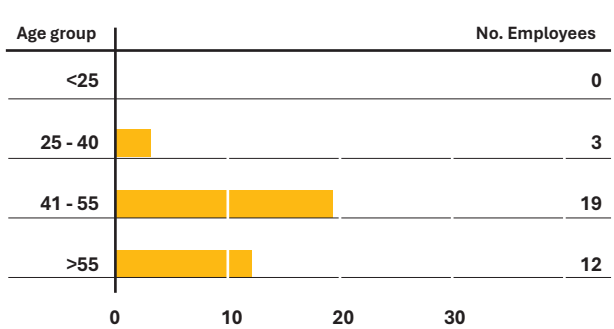
GENDER WISE



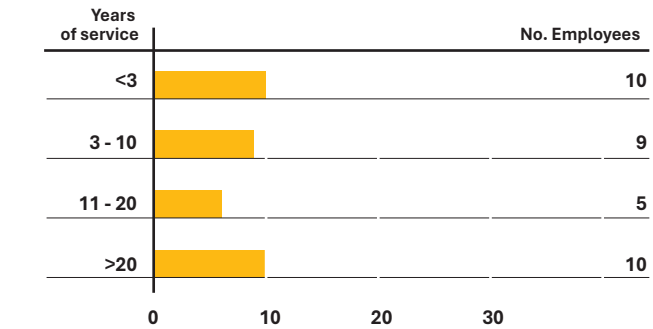
CADRE WISE



AGE DISTRIBUTION



YEARS OF SERVICE



HUMAN RESOURCE FRAMEWORK AND POLICIES

The Group continues to strengthen its human resource framework to address evolving economic and industry conditions. Policies are designed to promote employee well-being, inclusivity, and professional growth, while ensuring a supportive and resilient workplace.

KEY FOCUS AREAS INCLUDE :

- EMPLOYEE WELLBEING INCLUDING MENTAL HEALTH SUPPORT
- DIVERSITY, EQUITY AND INCLUSION
- STRUCTURED BENEFITS AND SUPPORT MECHANISMS

These policies ensure that employees are equipped to perform effectively while maintaining a balanced and supportive work environment.

TALENT ACQUISITION AND RETENTION

CLDC's strong reputation in the real estate sector enables it to attract and retain high-quality talent. Recruitment and onboarding processes are aligned with business needs, ensuring employees are equipped with the necessary tools, guidance, and opportunities to succeed.
Retention strategies focus on career progression, mentorship, and continuous engagement, enabling the Group to maintain institutional knowledge and workforce stability.

EMPLOYEE ENGAGEMENT AND PERFORMANCE MANAGEMENT

The Group fosters an engaged workforce by aligning individual roles with organisational goals and creating a transparent and performance-driven culture. Meanwhile, clear communication of corporate strategy ensures employees understand their contribution to the Group's success, strengthening engagement and accountability.

The below illustration presents the Group's Performance Management approach:

- STRUCTURED PERFORMANCE MANAGEMENT SYSTEMS COVERING BOTH PERMANENT AND CONTRACT EMPLOYEES
- ANNUAL PERFORMANCE APPRAISALS LINKED TO DEVELOPMENT PLANNING
- MERIT-BASED SALARY INCREMENTS AND PERFORMANCE BONUSES

LEARNING AND DEVELOPMENT

Continuous learning remains a cornerstone of CLDC's human capital strategy. The Group provides opportunities for both professional and personal development, enabling employees to enhance their skills and adapt to industry trends

The below illustration presents the Group's approach to learning and development support extended to employees:

- TRAINING AND DEVELOPMENT PROGRAMMES ALIGNED WITH BUSINESS NEEDS
- CAREER GUIDANCE AND MENTORING
- EDUCATIONAL LOANS AND SPONSORSHIPS FOR FURTHER STUDIES

This approach supports long-term capability building and strengthens organisational resilience.

EMPLOYEE WELL-BEING AND BENEFITS

CLDC offers a comprehensive range of benefits designed to support employee well-being, financial security, and work-life balance, as presented below:

FINANCIAL PROVISIONS

- COMPETITIVE ALIGNED WITH INDUSTRY STANDARDS.
- EPF (14%) AND ETF (3%) CONTRIBUTIONS
- GRATUITY IN LINE WITH REGULATORY REQUIREMENTS
- MEDICAL INSURANCE COVERING EMPLOYEES AND DEPENDENTS.
- STAFF LOANS, FESTIVAL ADVANCES AND OTHER FINANCIAL SUPPORT MECHANISMS (WITH LOANS GRANTED AT NOMINAL INTEREST RATES UPTO 24 MONTHS)

EMOTIONAL WELLBEING PROVISIOSNS

- FIVE-DAY WORK WEEKS
- FLEXIBLE WORKING ARRANGEMENTS.
- BEREAVEMENT LEAVE PROVISIONS.

Additionally, Female employees at CLDC are entitled to 84 working days of paid maternity leave, ensuring a supportive work environment for working mothers.

These initiatives contribute to a supportive and rewarding work environment.

ETHICAL LABOUR PRACTICES AND GOVERNANCE

The group maintains a strong commitment to ethical labour practices and regulatory compliance. A zero-tolerance approach is adopted towards forced and child labour, with no reported incidents during the year.

All suppliers and outsourced partners are required to comply with these standards, reinforcing the Group's commitment to responsible business practices.

Additionally, a structured grievance management system ensures transparency, fairness, and timely resolution of employee concerns, with no labour-related grievances reported during the year.

VALUE CREATION OUTCOMES

The below illustration presents the outcomes of the Group's Human capital efforts in 2025:

- HIGH EMPLOYEE ENGAGEMENT AND RETENTION
- STRONG ALIGNMENT BETWEEN WORKFORCE CAPABILITIES AND BUSINESS NEEDS
- ENHANCED PRODUCTIVITY AND OPERATIONAL EFFICIENCY
- A STABLE AND ETHICAL WORKPLACE ENVIRONMENT

These outcomes reinforce the role of human capital as a critical driver of long-term value creation.

OUTLOOK

Looking ahead, CLDC will continue to strengthen its human capital by investing in talent development, enhancing employee well-being, and fostering an inclusive and performance-driven culture. The Group remains committed to creating opportunities for growth, improving employee engagement, and building a resilient workforce capable of supporting long-term strategic objectives.





INTELLECTUAL CAPITAL

"Intellectual capital remains a key enabler of Colombo Land & Development Company PLC's ability to sustain competitive advantage, drive operational excellence, and adapt to evolving market dynamics. The Group's intellectual capital comprises its brand strength, institutional knowledge, data-driven decision-making capabilities, innovation initiatives, and the expertise of its people, all of which contribute to long-term value creation."

BRAND STRENGTH AND MARKET POSITIONING

CLDC's established reputation as a pioneer in Sri Lanka's mixed-use real estate sector continues to be a critical component of its intellectual capital. The Liberty Plaza brand remains synonymous with premium retail, office, and residential space, attracting a diverse tenant base and consistent customer footfall.

Through sustained marketing efforts, tenant engagement, and consistent service delivery, the Group continues to reinforce its market positioning and brand equity, supporting occupancy levels and revenue stability.

HIGHLIGHTS

CLDC was honored with the Compliance Award in the Land and Property category at the esteemed TAGS Awards hosted by the Institute of Chartered Accountants of Sri Lanka, reflecting the company's commitment to exemplary transparency, governance, and regulatory compliance in the real estate sector.

INNOVATION AND DIGITAL TRANSFORMATION

In response to evolving customer expectations and increasing operational demands, the Group continued to invest in digitalisation and technology-driven improvements aimed at enhancing efficiency, strengthening service delivery, and improving overall asset management. These initiatives enabled greater operational control, streamlined processes, and enhanced customer and tenant experiences, while supporting more efficient utilisation of resources across the Group's property portfolio.

HIGHLIGHTS

- Enhancements to internal systems to improve security and resource utilisation
- Continued digitisation of tenant and customer engagement processes
- Ongoing modernisation of car park management systems to improve operational efficiency and user experience

KNOWLEDGE MANAGEMENT AND HUMAN EXPERTISE

The Group continues to cultivate a knowledge-driven culture, recognising that human expertise and institutional knowledge are critical to sustaining performance, driving innovation, and maintaining operational excellence. By fostering continuous learning and leveraging collective experience, the Group e effectively to evolving market conditions while improving decision-making and overall business outcomes.

HIGHLIGHTS

- Employee development and capability building initiatives
- Strengthening strategic partnerships to enhance knowledge sharing and industry insight
- Increased use of data-driven decision-making to support operational and strategic planning

VALUE CREATION OUTCOMES

The below illustration presents the outcomes of the Group's intellectual capital efforts in 2025:

- IMPROVED OPERATIONAL EFFICIENCY ACROSS ASSETS
- ENHANCED TENANT AND CUSTOMER EXPERIENCE
- STRONGER BRAND POSITIONING SUPPORTING HIGH OCCUPANCY LEVELS
- INCREASED INTEGRATION OF TECHNOLOGY INTO CORE OPERATIONS

These outcomes reinforce the role of intellectual capital as a driver of both financial performance and long-term sustainability.

OUTLOOK

Looking ahead, the Group will continue to strengthen its intellectual capital by investing in innovation, digital transformation, and brand development. Emphasis will be placed on leveraging data and technology to enhance decision-making, improving customer and tenant engagement, and fostering a culture of continuous learning and adaptability. Through these initiatives, CLDC aims to reinforce its leadership position in Sri Lanka's real estate sector while ensuring sustained value creation in an increasingly dynamic operating environment.



SUSTAINABILITY AND ESG INTEGRATION

Sustainability remains a core consideration in Colombo Land & Development Company PLC's approach to long-term value creation. While the scale and scope of initiatives continue to evolve, the Company remains committed to aligning its business practices with Environmental, Social, and Governance (ESG) principles, ensuring responsible operations and stakeholder-focused outcomes.

CLDC continues to apply its Six Capital Management framework to guide decision-making across financial, manufactured, intellectual, human, social and relationship, and natural capital. This integrated approach supports balanced performance while strengthening resilience and long-term sustainability.

ENVIRONMENT

The Company maintains a pragmatic approach to environmental stewardship, focusing on improving operational efficiency and promoting responsible resource use. Efforts continue to optimise energy consumption through efficient technologies and operational controls, alongside gradual exploration of renewable energy opportunities where feasible.

Environmental considerations are incorporated into property management practices, with ongoing engagement of tenants to encourage responsible consumption patterns. Waste management, including reduction and recycling practices, remains an area of focus, supported by a gradual shift towards digital processes to minimise paper usage.

SOCIAL

CLDC continues to prioritise the well-being of its employees, tenants, and wider community. The Company maintains fair and equitable human resource practices, supporting employee development through training, engagement, and inclusive workplace policies.

Customer and tenant relationships remain central to operations, with emphasis on maintaining service quality, transparency, and effective communication. Social responsibility initiatives are undertaken on a selective basis, aligned with community needs and the Company's capacity to contribute meaningfully.

Through these efforts, CLDC seeks to sustain positive stakeholder relationships while contributing to a stable and inclusive operating environment.

GOVERNANCE

The Company remains committed to upholding sound corporate governance practices, guided by principles of integrity, transparency, and accountability. Established policies and frameworks continue to support ethical conduct across all levels of the organisation.

CLDC enforces a zero-tolerance stance on bribery and corruption, supported by internal controls, reporting mechanisms, and awareness initiatives. Governance structures are periodically reviewed to ensure alignment with regulatory requirements and evolving best practices.
This continued focus on governance provides a strong foundation for responsible business conduct and long-term stakeholder confidence.

RISK MANAGEMENT AND INTERNAL CONTROL

Colombo Land & Development Company PLC maintains a structured and disciplined approach to risk management and internal control, recognising these as fundamental to safeguarding shareholder value and ensuring the sustainability of operations.

RISK MANAGEMENT PROCESS

The Company follows an ongoing process of identifying, evaluating, and managing significant risks. This process is embedded within business operations and is subject to regular review by both management and the Board.

The system is designed to:

- Manage rather than eliminate risks
- Provide reasonable (not absolute) assurance against material misstatements, fraud, and operational failures
- Support the achievement of strategic and operational objectives

GOVERNANCE AND OVERSIGHT

The Board of Directors bears ultimate responsibility for ensuring that an effective system of risk management and internal control is in place. This includes continuously identifying principal risks faced by the Company and ensuring that appropriate mechanisms are implemented to evaluate, monitor, and manage such risks. In fulfilling this role, the Board considers:

- The nature and extent of risks impacting the business
- The adequacy and effectiveness of the overall risk management framework
- The Company's capacity to mitigate both the likelihood and impact of risk event

The Board also ensures that a comprehensive internal control system is established and periodically reviewed for design and operational effectiveness. This includes management information systems and compliance mechanisms aligned with applicable laws, regulations, and guidelines.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee supports the Board in discharging its responsibilities related to risk management and internal control. It provides independent oversight to ensure that systems and processes are robust and aligned with Sri Lanka Auditing Standards.
Key responsibilities of the Audit Committee include:

- Reviewing the adequacy and effectiveness of internal control systems
- Monitoring the Company's risk management processes and policies
- Evaluating controls over areas of significant risk
- Taking prompt corrective action where risk exposure exceeds acceptable thresholds
- Reviewing internal controls related to safeguarding sensitive and material information
- Obtaining assurance from the CEO, Accountant, and key management on:
  - The integrity of financial records and reporting
  - The effectiveness of risk management and internal control systems

The Committee regularly reports its findings to the Board, highlighting material concerns and recommending improvements where necessary.

MANAGEMENT RESPONSIBILITY

Corporate Management, led by the Chief Executive Officer, is responsible for implementing the risk management and internal control policies set by the Board. Management plays a critical role in:

- Identifying and evaluating risks across operations
- Designing and implementing appropriate control mechanisms
- Monitoring risk exposure and reporting to the Board
- Ensuring that internal control systems operate effectively on an ongoing basis

INTERNAL CONTROL ENVIRONMENT

The Company maintains a strong internal control environment supported by clearly defined governance structures and organisational practices. Key elements include:

- Documented corporate values, code of conduct, and policies covering operations, compliance, HR, and customer management
- Clearly defined roles, responsibilities, and authority structures
- An organisational framework that promotes accountability and transparency
- Management's operating philosophy and ethical standards

All employees are accountable for maintaining effective internal controls within their respective functions. They are provided with the necessary knowledge, authority, and resources to support this responsibility.

MONITORING AND REVIEW

The Board conducts periodic reviews of the effectiveness of the risk management and internal control systems. These reviews are supported by:

- External audit observations
- Management reports and certifications

Any significant deficiencies identified are addressed promptly, with corrective measures implemented and monitored for effectiveness.

REPORTING AND DISCLOSURE

In line with the Code of Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka, the Board confirms that:

- There is an ongoing process for identifying, evaluating, and managing significant risks
- The process has been in place throughout the financial year and is regularly reviewed
- The internal control system provides reasonable assurance regarding the reliability of financial reporting and compliance with applicable accounting standards and regulatory requirements

The Board also acknowledges its responsibility for maintaining and reviewing the effectiveness of the system of internal control and ensures that disclosures are transparent, balanced, and meaningful.

RISK RATING & MITIGATING STRATEGIES

Likelihood Key	C = Certain	L = Likely	P = Possible	U = Unlikely	R =Rare
Impact Key	V = Very high	H = High	M = Medium	L = Low	

Risk	Risk Rating Likelihood	Impact	Mitigation strategies
STRATEGIC RISK			
Failure to meet strategic goals	U	M	• Function as per the business plan approved by the Board of Directors • Annual budget is approved by the Board of Directors prior to commencement of respective financial year • Variances are reviewed regularly
NATURAL DISASTERS AND FIRES			
Credit risk arises mainly when the company is unable to collect the rental dues from tenants on time	P	L	• Function as per the business plan approved by the Board of Directors • Annual budget is approved by the Board of Directors prior to commencement of respective financial year • Variances are reviewed regularly
CREDIT RISK			
Credit risk arises mainly when the company is unable to collect the rental dues from tenants on time	P	L	• A dedicated officer is in place to monitor the debtors regularly which will minimise the risk of default
HUMAN CAPITAL RISK			
Company will not be able to attract and retain qualified, experienced key staff	U	L	• Incorporate better working environment • Continuous training and development relating to staff
LOSS OF KEY CUSTOMERS			
Loss of key customers may have a significant impact on the performance of the company	L	H	• Established a better relationship with the tenants. • Strong marketing team to attract new customers
RISK OF COMPETITION			
Risk arising from new commercial and residential developments	L	H	• Monitor the existing and new supply of commercial and residential developments • Attract and retain customers by providing modern facilities and regular upgrading
RISK OF FRAUD			
Risk arising from new commercial and residential developments	R	L	• Implement different levels of authorisation and cross department recommendation process to eliminate fraud risk
INTEREST RATES			
Risk of increasing the borrowing cost	R	L	• Monitoring and managing cash flows on a daily basis • Negotiation of favorable rates and terms regarding the borrowings

Risk	Risk Rating		Mitigation strategies
	Likelihood	Impact	
HEALTH & SAFETY			
Risk from threats to personnel, staff, tenants and general public at Liberty Plaza shopping	U	M	• he company complies with all Industrial Safety Requirements. • The company performs proper training programmes and workplace safety practices. The company has obtained all required insurance covers reference to industrial safety by considering the safety of its employees, tenants and general public. During the current year, there were no workplace accidents recorded. • Preventive maintenance programmes, potable water quality testinga nd air quality testing etc. are regularly carried out.
BRAND & REPUTATION RISK			
Risk relating to the timely delivery and service standards	L	L	• Managing high quality service standards • Regular reviews of customer comments and feedback
KEY SUPPLIERS			
Loss of reputation due to delay in essential services managed by the group.	U	M	• Entered into comprehensive maintenance agreement for elevators, generators, chillers and other services, which are key.



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1ST QUARTER - MAY 15TH 2025

2ND QUARTER - AUGUST 13TH 2025

3RD QUARTER - NOVEMBER 07TH 2025

4TH QUARTER - FEBRUARY 12TH 2026

ANNUAL REPORTS

2024 (ANNUAL REPORT) 29TH MAY 2025

2023 (ANNUAL REPORT) 3RD JUNE 2024

MEETINGS

43RD ANNUAL GENERAL MEETING 29TH MAY 2025

42ND ANNUAL GENERAL MEETING -28TH JUNE 2024

INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

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TO THE SHAREHOLDERS OF COLOMBO LAND & DEVELOPMENT COMPANY PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Colombo Land & Development Company 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 31st December 2025, and the statement of profit or loss, 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 31st December 2025, 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Assessment of fair value of Investment Property As at 31st December 2025, the Group's Investment Properties carried at fair value amounted to Rs. 13,758 Mn, which represents 96% of the Group's total assets. Further, the fair value gain recognized in the statement of profit or loss for the year, amounted to Rs. 469 Mn. The fair value of such properties was determined by an external valuer engaged by the Group. This was a key audit matter due to: 1. The materiality of the reported fair value of investment properties and the significance of the fair value gain for the financial performance of the year; and 2. The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the Income Approach and Market Approach.	**Our audit procedures included the following,** 1. We evaluated the competence, capability and objectivity of the external valuer engaged by the Group. 2. We read the valuation reports and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. 3. Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as value per perch of land held, rental yield rates, rental rates and anticipated maintenance costs and valuation techniques as relevant in assessing the fair value of each property.

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KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Notes 2.3.11 and 4 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as market value per perch of land held, rental yield rates, rental rates and anticipated maintenance costs.	We also assessed the adequacy of the related financial statement disclosures in notes 2.3.11 and note 4.

Other information included in the Group's 2025 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 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.

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However, future events or conditions may cause the Group to cease tocontinue as a going concern.

- Evaluate the overall presentation, structure and content of the financialstatements, 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 activities within the Group to express 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.

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.

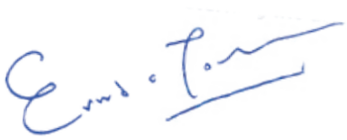
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken 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 4169.



22nd May 2026
Colombo

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STATEMENT OF FINANCIAL POSITION

As at 31st December 2025	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	3a	219,739,015	179,926,420	130,919,263	5,098,208
Biological Assets	3b	46,466,555	75,516,930	-	-
Investment Properties	4	13,758,550,502	13,799,402,502	10,742,150,500	8,062,500,000
Investments in Subsidiaries	5	-	-	1,923,675,861	2,820,575,560
		14,024,756,072	14,054,845,852	12,796,745,624	10,888,173,768
Current Assets					
Inventories	7	13,165	-	-	-
Trade and Other Receivables	6	149,432,967	117,743,274	227,235,268	150,087,865
Financial Assets	8	103,268,781	271,546	103,268,781	225,952
Cash and Balances with Banks	9	31,682,501	6,252,483	18,895,827	4,029,192
		284,397,414	124,267,303	349,399,876	154,343,009
Total Assets		14,309,153,486	14,179,113,155	13,146,145,500	11,042,516,778
EQUITY AND LIABILITIES					
Equity					
Stated Capital	10	341,602,342	341,602,342	341,602,342	341,602,342
Revaluation Reserve	11	141,562,871	114,142,625	-	-
Retained Earnings		8,146,685,477	7,961,866,082	6,948,156,283	6,845,530,081
Amalgamation Reserve		-	-	1,212,398,188	-
Equity Attributable to Equity Holders of the Parent		8,629,850,690	8,417,611,049	8,502,156,813	7,187,132,423
Non - Controlling Interest		-	(2,501,523)	-	-
Total Equity		8,629,850,690	8,415,109,526	8,502,156,813	7,187,132,423
Non-Current Liabilities					
Interest Bearing Loans and Borrowings	12	1,106,502,580	1,351,000,000	1,106,502,580	1,351,000,000
Deferred Tax Liabilities	13	4,127,235,576	4,066,420,957	3,233,823,678	2,328,455,377
Defined Benefit Obligations	14	11,279,444	8,650,174	11,037,707	7,973,245
Tenant Deposits	16	3,050,000	3,083,100	1,050,000	-
		5,248,067,600	5,429,154,231	4,352,413,965	3,687,428,623
Current Liabilities					
Trade and Other Payables	15	80,756,295	115,046,881	55,593,813	101,317,357
Income Tax Liabilities		126,630,364	33,689,494	126,630,364	6,586,319
Interest Bearing Loans and Borrowings	12	59,306,852	59,363,127	55,893,164	53,481,198
Tenant Deposits	16	164,541,685	126,749,896	53,457,381	6,570,859
		431,235,196	334,849,398	291,574,722	167,955,733
Total Equity and Liabilities		**14,309,153,486**	**14,179,113,155**	**13,146,145,500**	**11,042,516,778**

These Financial Statements are in compliance with the requirements of the Companies Act No : 07 of 2007.



G K P S Perera
Accountant

The Board of Directors are responsible for these Financial Statements. Signed for and on behalf of the Board by :



P S Weerasekera
Director / Group CEO



W A A Perera
Director

The accounting policies and notes on pages 86 through 125 form an integral part of the Financial Statements.

22nd May 2026
Colombo

STATEMENT OF PROFIT OR LOSS

Year Ended 31st December 2025	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
CONTINUING OPERATIONS					
Revenue	17	458,732,909	442,756,126	155,602,241	187,358,393
Direct Expenses		(134,056,117)	(157,607,060)	(52,299,325)	(59,588,527)
Net Rental Income		**324,676,792**	**285,149,066**	**103,302,916**	**127,769,866**
Other Income and Gains	18	6,164,180	29,085,767	1,855,354	4,970,575
Change in value of Investment Properties	4	468,793,355	393,171,635	236,765,476	103,902,624
Loss on Disposal of Investment Property		(160,063,000)	-	-	-
Fair Valuation of Biological Assets		(28,231,134)	3,761,190	-	-
Selling and Distribution Costs		(2,461,304)	(223,448)	(800,350)	(205,948)
Administrative Expenses		(116,338,749)	(146,716,286)	(101,556,961)	(87,941,021)
Finance Cost	19	(124,973,702)	(199,154,159)	(2,930)	-
Profit/(Loss) Before tax Continuing operations	20	**367,566,438**	**365,073,765**	**239,563,506**	**148,496,097**
Income Tax Reversal/(Expense)	21	(179,328,093)	(269,772,258)	(136,102,964)	(26,654,038)
Profit /(Loss) for the year Continuing operations		**188,238,345**	**95,301,507**	**103,460,542**	**121,842,059**
Discontinued operations					
Loss after Tax from Discontinued Operations for the year	31	(2,501,523)	-	-	-
Profit /(Loss) for the year		**185,736,822**	**95,301,507**	**103,460,542**	**121,842,059**
Attributable to:					
Equity Holders of the Parent		185,736,822	95,310,507	103,460,542	121,842,059
Non-Controlling Interests		-	(9,000)	-	-
Earnings/(Loss) Per Share	22	**0.93**	**0.48**	**0.52**	**0.61**
Earnings/(Loss) Per Share from continuing operations		**0.94**	**0.48**	**0.52**	**0.61**

The accounting policies and notes on pages 86 through 125 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31st December 2025	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit/ (Loss) for the year		185,736,822	95,301,507	103,460,542	121,842,059
Other Comprehensive Income					
Other compressive income not to be classified to profit or loss in the subsequent period					
Actuarial Gain/(loss) on Defined Benefit Plans	14	(1,309,410)	(237,023)	(1,190,716)	(262,578)
Net Gain/(Loss) on Financial Assets classified under FVOCI		(840)	(4,620)	(840)	(4,620)
Deferred Tax attributable to actuarial gains on defined benefit obligations		392,823	92,723	357,215	78,773
Revaluation Gain / (Loss) of the Property Plant and Equipment's		39,171,780	8,202,600	-	-
Tax effects on Revaluation of the Property Plant and Equipment's		(11,751,534)	(2,460,780)	-	-
Total of Other Comprehensive Income		**26,502,819**	**5,592,900**	**(834,341)**	**(188,425)**
Total Comprehensive income for the year, net of tax		**212,239,641**	**100,894,407**	**102,626,201**	**121,653,635**
Attributable to:					
Equity Holders of the Parent		212,239,641	100,903,407	102,626,201	121,653,635
Non-Controlling Interests		-	(9,000)	-	-

The accounting policies and notes on pages 86 through 125 form an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITYT

Year Ended 31st December 2025	Stated Capital LKR	Revaluation Reserve LKR	Retained Earnings LKR	Non-Controlling Interest LKR	Total LKR
Group					
As at 31st December 2023	341,602,342	108,400,805	7,866,713,495	(2,492,523)	8,314,224,119
Profit / (Loss) for the Year	-	-	95,301,507	(9,000)	95,292,507
Other Comprehensive Income for the Year	-	5,741,820	(148,920)	-	- 5,592,900
Total Comprehensive Income For the Year	-	5,741,820	95,152,587	(9,000)	100,885,407
As at 31st December 2024	341,602,342	114,142,625	7,961,866,082	(2,501,523)	8,415,109,526
Profit / (Loss) for the Year	-	-	185,736,822	-	185,736,822
Other Comprehensive Income for the Year	-	27,420,246	(917,427)	-	- 26,502,819
Total Comprehensive Income For the Year	-	27,420,246	184,819,395	-	212,239,641
Derecognition of Non-Controlling Interest	-	-	-	2,501,523	2,501,523
As at 31st December 2025	**341,602,342**	**141,562,871**	**8,146,685,477**	**-**	**8,629,850,690**

Year Ended 31st December 2025	Stated Capital LKR	Retained Earnings LKR	Amalgamtion Reserve LKR	Total LKR
Company				
As at 31st December 2023	341,602,342	6,723,876,447	-	7,065,478,789
Profit / (Loss) for the Year	-	121,842,059	-	121,842,059
Other Comprehensive Income for the Year	-	(188,425)	-	(188,425)
Total Comprehensive Income For the Year	-	121,653,635	-	121,653,635
As at 31st December 2024	341,602,342	6,845,530,082	-	7,187,132,424
Profit / (Loss) for the Year	-	103,460,542	-	103,460,542
Other Comprehensive Income for the Year	-	(834,341)	-	(834,341)
Total Comprehensive Income For the Year	-	102,626,201	-	102,626,201
Addition arising from Amalgamation of subsidiary	-	-	1,212,398,188	1,212,398,188
As at 31st December 2025	**341,602,342**	**6,948,156,283**	**1,212,398,188**	**8,502,156,813**

The accounting policies and notes on pages 86 through 125 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year Ended 31st December 2025	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash Flows From / (Used in) Operating Activities					
Profit/(Loss) before Tax		367,566,438	365,073,765	239,563,506	148,496,097
Adjustments for					
Depreciation	3	3,816,899	4,596,952	1,280,835	2,173,753
Dividend Income from Investments	18	-	-	(1,239,246)	(2,974,191)
Increase in fair value of Investments Property	4	(468,793,355)	(393,171,635)	(236,765,476)	(103,902,624)
Profit) / Loss on disposal of Property, Plant & Equipment	18	250,435	(19,999)	250,435	-
Profit) / Loss on disposal of Investment Property	18	160,063,000	(21,659,661)	-	-
Increase in fair value of Biological Assets	3b	28,231,134	(3,761,190)	-	-
Finance Costs	19	124,973,702	199,154,159	2,930	-
Allowance for Doubtful Debts	18	(943,078)	(5,112,349)	-	(450,767)
Provision for Defined Benefit Plans	14	2,402,705	2,227,768	2,307,646	2,064,160
Loss on disposal of subsidiary		-	-	700	-
Operating Profit before Working Capital Changes		**217,567,880**	**147,327,809**	**5,401,330**	**45,406,428**
(Increase) / Decrease in Inventories		(13,165)	1,155,730	-	-
Increase) / Decreas in Trade and Other Receivables		(30,746,615)	(2,262,988)	(20,484,864)	(58,733,084)
Increase / (Decrease) in Tenant Deposits		37,758,689	2,835,603	949,752	(11,777,713)
Increase / (Decrease) in Trade and Other Payables		(34,290,591)	54,242,220	216,774,452	69,867,934
Cash Generated from Operations		**190,276,198**	**203,298,373**	**202,640,666**	**44,763,565**
Finance Cost Paid		(124,973,702)	(199,154,159)	(2,930)	-
Income tax paid		(36,931,313)	(21,708,988)	(7,421,573)	(2,970,825)
Defined Benefit Plan Costs Paid	14	(1,082,845)	(519,709)	(433,900)	(194,709)
Net Cash From / (Used in) Operating Activities		**27,288,338**	**(18,084,483)**	**194,782,263**	**41,598,031**
Cash Flows from / (Used in) Investing Activities					
Acquisition of Property, Plant & Equipment	3a.	(4,729,647)	(1,082,792)	(473,824)	(1,082,792)
Improvement of Biological Assets	3b	-	(446,633)	-	-
Proceeds from Sale of Property, Plant & Equipment		21,500	19,999	21,500	-
Subsequent expenditure on Investment Property	4	(5,417,645)	(9,131,364)	(749,524)	(348,376)
Acquisition of Equity Shares	5	-	-	-	-
Investment Made in Unit Trust	8.2	(102,998,075)	8,800,852	(16,103)	(136,578)
Dividend Received on Investment	18	-	-	1,239,246	2,974,191
Disposal of investment Properties		355,000,000	58,779,661	-	-
Disposal of Biological Assets	3b	819,241	3,130,892	-	-
Net Cash Flows from / (Used in) Investing Activities		**242,695,374**	**60,070,615**	**21,295**	**1,406,445**
Cash Flows from/ (Used in) Financing Activities					
Repayment of Interest Bearing Loans & Borrowings	12	(242,225,227)	(42,225,227)	(242,225,227)	(42,225,227)
Redemption of Preference shares	5	-	-	63,687,163	-
Net Cash Flows from / (Used in) Financing Activities		**(242,225,227)**	**(42,225,227)**	**(178,538,064)**	**(42,225,227)**
Net Decrease in Cash and Cash Equivalents		**27,758,485**	**(239,095)**	**16,265,495**	**779,249**
Cash and Cash Equivalents at the beginning of the Year	9	(10,885,416)	(10,646,321)	(7,226,779)	(8,006,028)
Addition arising from Amalgamation of subsidiary				(1,538,633)	-
Cash and Cash Equivalents at the end of the Year	9	**16,873,069**	**(10,885,416)**	**7,500,083**	**(7,226,779)**

The accounting policies and notes on pages 86 through 125 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 GENERAL

Colombo Land and Development Company PLC ("Company") is a public limited liability Company listed on the Colombo Stock Exchange and incorporated and domiciled in Sri Lanka. The registered office and principal place of business of the Company is located at No. 250 - 3/8, (3rd Floor) Liberty Plaza, R. A. De Mel Mawatha, Colombo 3.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

During the year, the principal activities of the Company were the development and leasing out of investment property under operating leases and renting of vehicle parking. The principal activities of the Subsidiaries are disclosed in Note 29.1 to the financial statements.

1.3 CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Group as at and for the year ended 31st December 2025 comprise the Colombo Land and Development Company PLC (Parent Company) and its subsidiaries (collectively, the "Group"), namely Liberty Holdings Limited, Liberty Developers (Private) Limited and Agrispice (Private) Limited.

1.4 PARENT ENTITY AND ULTIMATE PARENT ENTITY

Colombo Land and Development Company PLC does not have an identifiable parent of its own.

1.5 DATE OF AUTHORIZATION FOR ISSUE

The Consolidated Financial Statements of Colombo Land and Development Company PLC for the year ended 31st December 2025 were authorized for issue in accordance with a resolution of the board of directors on 30th April 2026.

2. BASIS OF PREPARATION AND OTHER MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPERATION

The Financial Statements have been prepared on a historical cost basis, except for investment properties and financial instruments FVOCI, that have been measured at fair value. Biological assets have been measured at fair value less cost to sell.

The Consolidated Financial Statements are presented in Sri Lanka Rupees (Rs.), except when otherwise indicated. Each entity in the Group uses the currency of the primary economic environment in which they operate as their functional currency.

2.1.1 Statement of compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka. The preparation and presentation of these Financial Statements are in compliance with the Companies Act No. 07 of 2007.

2.1.2 Comparative Information

The accounting policies have been consistently applied by the Company and the Group and are consistent with those used in the previous year. The previous year figures and phrases have been rearranged wherever necessary to conform to current year presentation.

2.1.3 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Group and its subsidiaries as at 31st December 2025. Control 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

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and 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
- 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 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity,income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The consolidated financial statements of the Group include:

	Country of Incorporation	Year of Incorporation	% of equity Interest 2025	2024
Liberty Holdings Limited	Sri Lanka	1994	-	100%
Liberty Developers (Pvt) Ltd	Sri Lanka	2012	100%	100%
Agrispice (Pvt) Ltd	Sri Lanka	2000	100%	100%
Anantaya Global Solutions (Pvt) Ltd	Sri Lanka	2012	-	70%

During the year, the Group's subsidiary Anantaya Global Solutions (Private) Limited, in which the Company previously held a 70% equity interest, was struck off with effect from 31st December 2025.

Accordingly, the Group lost control of the subsidiary as at that date, and the entity is no longer included in the consolidation as at 31st December 2025.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 25
- Financial risk management and policies Note 25
- Sensitivity analyses disclosures Notes 14 and 25

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 judgment that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

ii. Going Concern:

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group, continue in operational existence for the foreseeable future.

The management has considered the potential downsides that the economic recession could bring to the business operations of the Group, in making this assessment. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Group.

Therefore, the Consolidated Financial Statements continue to be prepared on the going concern basis.

ii. Owner Occupied Properties and Investment Property:

In determining if a property qualifies as Investment Property the Company makes a judgment whether the property generates independent cash flows rather than cash flows that are attributable not only to the property but also other assets. Judgment is also applied in determining if ancillary services are significant, so that a property does not quality as investment property.

iii. Fair value of Property, Plant and Equipment and Investment Property:

The Group carries its investment properties at fair value, with changes in fair value being recognized in the income statement. The Group engaged an independent valuation specialist to assess fair value as at 31st December 2025 for investment properties and land and buildings. For investment properties, a valuation methodology based on a discounted cash flow (DCF) model and market-based evidence was used, using comparable prices adjusted for specific market factors such as nature, location and condition of the property and comparable market data because of the nature of the properties. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognized in OCI.

Land and buildings were valued by reference to market-based evidence, the key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 4 and 27.

iv. Fair Valuation of Biological Assets

The fair value of managed timber determined based on discounted cash flow method using various financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact to the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the Note 3b.3 and 3b.4.

v. Defined benefit plans (pension benefits):

The Group is liable to pay gratuity in terms of the Gratuity Act No.12 of 1983.

The Group measures the present value of the promised retirement benefits of gratuity, which is a defined benefit plan with the advice of an independent actuary.

For the purpose of determining the charge for any period before the next regular actuarial valuation falls due, an approximate estimation provided by the qualified actuary is used.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, excluding net interest (not applicable to the Group), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under 'administration expenses' in the Statement of Profit or Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

The gratuity liability is not externally funded. This item is stated under Defined Benefit Obligations in the Statement of Financial Position.

vi. Deferred Tax Assets:

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 recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.3 MATERIAL ACCOUNTING POLICIY INFORMATION

2.3.1 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- It does not have a right at reporting date to defer the settlement of the liability by transfer of cash or other assets for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 Fair value measurement

The Group measures financial instruments such as non-financial assets such as investment properties, at fair value at each reporting date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Notes 4 and 25
- Quantitative disclosures of fair value measurement hierarchy Note 25 and Note 27
- Property, plant and equipment under revaluation model Note 3a
- Investment properties Note 4
- Biological Assets Note 3b

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's Board of Directors determines the policies and procedures for both recurring fair value

measurement, such as investment properties and unquoted financial assets classified under FVOCI.

External valuers are involved for valuation of properties. Involvement of external valuers is decided upon annually by the Board of Directors after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board of Directors decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use
for each case.

At each reporting date, the Board of Directors analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Board of Directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Board of Directors, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.3.3 Foreign currencies

The Group's consolidated financial statements are presented in Sri Lanka Rupees, which is also the parent Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. Differences are taken to profit or loss. 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 was determined.

2.3.4 Taxation

a. Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the relevant tax legislations. Current income tax relating to items recognised directly in equity statement
is recognized in equity and not in the statement of comprehensive income.

Current income tax relating to items recognized directly in equity is recognised 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.

The provision for income tax is based on the elements of income and expenditure as reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and subsequent amendments there on.

Liberty Developers (Private) Limited qualifies for a tax exemption period of 6 years under Sec 17 (A) of the Inland Revenue Act No. 10 of 2006 as amended by Inland Revenue (Amendment) Act No. 10 of 2012 subject to the condition that Rs. 300 Million investment is made in the project with in the project implementation period. For the above purpose, the years of Assessment shall be reckoned from the year in which the enterprise commences to make profits or any year of assessment not later than 2 years reckoned from the date of commencement of commercial operations whichever is earlier as determined by the commissioner of Inland Revenue. The first year of commercial operations of Liberty Developers (Private) Limited began from September 2015.

Statutory tax rate applicable for Colombo Land and Developments Company PLC, Liberty Developers (Private) Limited, Liberty Holdings Limited and Agrispice (Private) Limited is 30% for the year ended 3st1 December 2025. (30% - 2024).

b. Deferred tax

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

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- where the deferred income tax liability 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries except where 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 income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets 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 assets and unused tax losses can be utilised except;

i. where the deferred income 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; and
ii. In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised 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 utilised.

The carrying amount of deferred income 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 income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised 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 recognised outside the income statement is recognised outside the income statement. Deferred tax relating to items recognised 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.

c. Turnover Based Taxes

Turnover based taxes include Value Added Tax (VAT) and Social Security Contribution Levy (SSCL). The Company/Group pays such taxes in accordance with the respective statutes.

Revenue, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred on a purchase of assets or services 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 items as applicable and receivable and payable are stated with the amount of sales tax included. The amount of sales tax recoverable and payable in respect of taxation authorities is included as a part of other receivables and other payables in the Statement of Financial Position.

2.3.5 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.6 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.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished goods: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.3.7 Financial Instruments - Initial Recognition and Subsequent Measurement

i. Financial Assets

Initial Recognition and Measurement

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent Measurement

From 1 January 2018, the Group classifies all of these financial assets in the measurement category of financial assets at amortised cost and financial assets at fair value through OCI.

a. Financial assets 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 bank balances and short term deposits under current financial assets.

b. Financial Assets classified under Fair Value through Other Comprehensive Income

The Financial Assets are reclassified under Equity Investments at Fair Value through OCI (FVOCI) under SLFRS 9 after assessing the business model that applies to the financial assets held by the Group. This category only includes the equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to classify upon transition. There

is no recycling of gains or losses to profit or loss on derecognition and the dividend received as a result of holding this investment will be recognized to profit or loss.

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 based on an income approach that estimates the fair value by discounting projected cash flows in a discrete projection period to present value.

De-recognition

A financial asset is de-recognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of the Group's continuing involvement in it.

Impairment of Financial Assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 365 days past due.

ii. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of SLFRS 9 remain broadly the same as LKAS 39, are classified as financial liabilities at fair value through profit or loss, or at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs. The Group's financial liabilities include other payables, bank overdrafts, interest-bearing loans and borrowings and tenant deposits.

Subsequent Measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of 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 in finance costs in the Statement of Profit or Loss.

De-recognition

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.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

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

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 exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2.3.8 Cash and Balances with Banks

Cash and Balances with Banks are cash in hand, demand deposits and short-term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

2.3.9 Property, Plant and Equipment and Biological Assets

i. Property, Plant and Equipment

a. Initial Recognition

All items of property, plant and equipment are initially recorded at cost.

The cost of property, plant and equipment is the cost of acquisition or construction together with any expenses incurred in bringing the asset to its working condition for its intended use. Subsequent to the initial recognition as an asset at cost, revalued assets are carried at revalued amounts less any subsequent deprecation thereon. All other property, plant and equipment are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any. Accumulated depreciation is provided for, on the bases specified in (d) below.

Property, plant and equipment transferred from customers is initially measured at fair value at the date on which control is obtained.

b. Subsequent Expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure incurred on repairs or maintenance of property, plant and equipment in order to restore or maintain the future economic benefits expected from the originally assessed standard of performance, is recognised as an expense when incurred.

c. Revaluation

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. At the date of revaluation, valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differmaterially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, 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.

d. Depreciation

Depreciation is calculated on straight line basis over the estimated useful lives of all Property, Plant and Equipment.

The principal annual rates of depreciation used by the Group are as follows;

Buildings	- 2%
Plant and Machinery	- 25%
agricultural	
Furnitures, Fixtures	- 25% - 12.5%
and Fittings	
Office Equipment	- 25% - 12.5%
Motor Vehicles	- 25%
Media Wall	- 25%

e. Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii. Biological Assets

Biological assets include Mahogani trees, rubber trees and Attonia tress, which that are intended to harvest at the end of maturity, but are however used to grow for harvesting agricultural produce from such Biological assets. Those Biological assets include managed timber trees.

Recognition and Measurement

The entity recognizes the Biological assets when, and only when, the entity controls the assets as a result of past events, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

The managed timber trees are measured on initial recognition and at the end of each reporting period at 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 fair value of timber trees are measured using Discounted Cash Flow (DCF) method taking in to consideration the current market prices of timber, applied to expected timber content of a tree at the maturity and various non-financial assumptions by an independent professional valuer.

The growth of the trees is determined by various biological features that are highly unpredictable. Any change to the assumptions will impact the fair value of biological assets. Key assumptions and sensitivity analysis of the biological assets are given in the note 3.b.

The main variables in DCF model concerns

Variable	Comment
Currency valuation	Sri Lankan Rupees
Timber content	Estimate based on physical verification of girth, height and considering the growth of each spice.Factor all the prevailing statutory regulations enforced against harvesting of timber coupled with the forestry plan of the Group.
Economic useful life	Estimated based on the normal life span of each species by factoring the forestry plan of the Group
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees into saleable condition.
Discount Rate	Discount rate reflects the possible variations in the Cash flows and the risk related to the biological assets.

2.3.10 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, or contains, a lease if fulfilment 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.

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group considered whether;

The contract involves the use of an identified asset. This may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substation right,then the asset in not identified.

The Group has right to obtain substantially all of the economic benefits of asset throughout the period of use; and

The Group has the right to direct the use of the asset. The Group has this right when it has decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either;

- The Group has right to operate the asset; or
- The Group designated the asset in a way that predetermines how and for what purpose it will be used.

a. Group as the 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.

i. Right-of-use assets

The Group 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. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the lease term. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.3.7 Impairment of non-financial assets.

ii. 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 (including in-substance 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 the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also

applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

b. Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.3.11 Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

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, 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, 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.

2.3.12 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, where 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. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate assets 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, 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 finance cost.

All contingent liabilities are disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

2.3.13 Retirement Benefit Obligations

a) Defined Benefit Plan – Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The defined benefit is calculated by independent actuaries using Projected Unit Credit (PUC) method as recommended by revised LKAS 19 – "Employee benefits" and resulting actuarial gain/ loss was recognized in full in the Other Comprehensive Income (OCI).

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions about discount rate, expected rates of return on assets, future salary increases and mortality rates. Key assumptions used in determining the defined retirement benefit obligations are given in Note 14 Any changes in these assumptions will impact the carrying amount of defined benefit obligations and all assumptions are reviewed at each reporting date. Interest expense and the current service cost related to the liability is recognized in profit or loss and actuarial gain or loss is recognized in other comprehensive income.

Accordingly, the employee benefit liability is based on the actuarial valuation as of 31st December 2025 carried out by Messrs Actuarial and Management Consultants (Private) Limited, actuaries.

However, as per the payment of Gratuity Act No. 12 of 1983 this liability only arises upon completion of 5 years of continued service.

Funding Arrangements

The gratuity liability is not externally funded.

b) Defined Contribution Plans – Employees' Provident Fund & Employees' Trust Fund

Employees are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions in line with respective statutes and regulations. These are recognized as an expense in the Statement of Profit or Loss as incurred.

The Group contributes 14% and 3% of gross emoluments of the employees to Employees' Provident Fund and Employees' Trust Fund respectively.

2.4 STATEMENT OF PROFIT OR LOSS

Revenue from contracts with customers

The Group is primarily involved in the development and leasing out of investment property under operating leases and renting of vehicle parking as detailed in Note 17. Revenue from contracts with customers is recognised when the service is provided to the customer at an amount that reflects the consideration to which the Group expects to be entitled in providing for those services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific criteria are used for the purpose of recognition of revenue.

a) Rental income

Rental income includes rental income from properties leased out to tenants under operating leases and income from providing car parking facilities. Rental income from operating leases is recognised on a straight-line basis over the lease term while car park income is recognised on an earned basis.

b) Interest Income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded 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.

c) Revenue in plantation industry

Revenue and profit or loss on sale of timber is recognised in the financial period of harvesting. Revenue is recorded at invoiced value net of brokerage, selling expenses and other levies related to turnover.

d) Dividends

Revenue is recognized when the Group's/Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Others

Other income is recognized on an accrual basis.

2.5 OPERATING SEGMENT AND SEGMENT INFORMATION

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

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors collectively, who make strategic decisions.

The reportable segments derive their revenue primarily from the rental income which consists of "commercial unit income" and "car park income".

2.6 CASH FLOWS STATEMENT

The Cash Flows Statement has been prepared by using the 'In direct Method' in accordance with LKAS 7 on Statement of Cash Flows, whereby gross cash receipts and gross cash payments of operating activities, financing activities and investing activities have been recognized. Cash and cash equivalents comprise mainly cash balances and highly liquid investments of which original maturity of 3 months or less and net amount due from banks.

2.7 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Group's 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 01st 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 01st January 2027. Early application is permitted

- **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 01st January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements.

3a. PROPERTY, PLANT & EQUIPMENT

3a.1 GROUP

3a.1.1 Gross Carrying Amounts

	Balance As at 01.01.2025 LKR	Additions LKR	Revaluation LKR	Transfers (from revaluation adjustment) LKR	Disposals / Write-offs LKR	Balance As at 31.12.2025 LKR
At Cost/Valuation						
Freehold land	50,450,000	-	32,850,000	-	-	83,300,000
Buildings on Leasehold Land	123,039,000	-	6,321,780	(2,460,780)	-	126,900,000
Buildings on Freehold Land	1,234,756				-	1,234,756
Plant & Machinery	81,250	-	-	-	-	81,250
Furniture and Fittings	6,201,364	97,755	-	-	(374,987)	5,924,132
Motor Vehicles	533,384	-	-	-	-	533,384
Office Equipment	35,751,975	4,631,892	-	-	(989,931)	39,393,936
Tools and Utensils	1,095,551	-	-	-	-	1,095,551
Media Wall	34,268,474	-	-	-	-	34,268,474
Total Gross Carrying Amount	**252,655,754**	**4,729,647**	**39,171,780**		**(1,364,918)**	**292,731,483**

3a.1.2 Depreciation and Impairment

	Balance As at 01.01.2025 LKR	Charge LKR	Transfers (from revaluation adjustment) LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2025 LKR
At Cost/Valuation					
Buildings on Leasehold Land	-	2,460,780	(2,460,780)	-	-
Buildings on Freehold Land	177,572	24,000	-	-	201,572
Plant & Machinery	81,250	-	-	-	81,250
Furniture and Fittings	5,246,640	71,295	-	(221,445)	5,096,491
Motor Vehicles	533,384	-	-	-	533,384
Office Equipment	31,326,462	1,260,824	-	(871,539)	31,715,747
Tools and Utensils	1,015,917	-	-	-	1,015,917
Media Wall	34,268,474	-	-	-	34,268,474
	72,649,699	3,816,899	(2,460,780)	(1,092,984)	72,912,834

3a.1.3 Net Book Values

	2025 LKR	2024 LKR
At Cost		
Freehold land	83,300,000	50,450,000
Buildings on Leasehold Land	126,900,000	123,039,000
Buildings on Freehold Land	1,033,184	1,057,184
Plant & Machinery	-	-
Furniture and Fittings	827,642	954,724
Motor Vehicles	-	-
Office Equipment	7,678,189	4,425,513
Tools and Utensils	-	-
Media Wall	-	-
Total Carrying Amount of Property, Plant & Equipment	**219,739,015**	**179,926,420**

3a. PROPERTY, PLANT & EQUIPMENT

3a.2 COMPANY

3a.2.1 Gross Carrying Amounts

At Cost	Balance As at 01.01.2025 LKR	Additions LKR	Addition arising from Amalgamation of subsidiary LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2025 LKR
Fixtures and Fittings	-	-	2,162,357	-	2,162,357
Furniture and Fittings	3,200,368	97,755	175,358	(374,987)	3,098,494
Office Equipment	32,974,993	376,069	2,427,135	(989,931)	34,788,267
	36,175,361	473,824	4,764,850	(1,364,918)	40,049,118
At Valuation					
Buildings on Leasehold Land	-		126,900,000	-	126,900,000
Total Value of Depreciable Assets	**36,175,361**	**473,824**	**131,664,850**	**(1,364,918)**	**166,949,118**

3a.2.2 Depreciation and Impairment

At Cost	Balance As at 01.01.2025 LKR	Charge LKR	Addition arising from Amalgamation of subsidiary LKR	Disposals/ Write-offs LKR	Balance As at 31.12.2025 LKR
Fixtures and Fittings	-	-	2,162,357	-	2,162,357
Furniture and Fittings	2,814,406	67,549	175,358	(221,445)	2,835,869
Office Equipment	28,262,747	1,213,286	2,427,135	(871,539)	31,031,629
	31,077,153	1,280,835	4,764,851	(1,092,984)	36,029,855
Buildings on Leasehold Land	-	-	-	-	-
Total Value of Depreciable Assets	**31,077,153**	**1,280,835**	**4,764,851**	**(1,092,984)**	**36,029,855**

3a.2.3 Net Book Values

At Cost or Valuation	2025 LKR	2024 LKR
Fixtures and Fittings	-	-
Furniture and Fittings	262,625	385,962
Office Equipment	3,756,638	4,712,245
Buildings on Leasehold Land	126,900,000	-
Total Carrying Amount of Property, Plant & Equipment	**130,919,263**	**5,098,207**

3a.3

The fair value of land and buildings in the group was determined by means of a revaluation during the financial year 2025 by KPMG Real Estate & Valuation Services (Private) Limited, an independent valuer in reference to Market based evidence and DCF Model respectively. The results of such revaluation were incorporated in these Financial Statements from its effective date which is 31st December 2025. The surplus arising from the revvaluation net of deferred taxes, was transferred to a revaluation reserve.

The carrying amount of revalued assets that would have been included in the financial statements had the assets been carried at cost less depreciation is as follows:

Class of Asset	Cost LKR	Cumulative Depreciation If assets were carried at cost LKR	Net Carrying Amount 2025 LKR	Net Carrying Amount 2024 LKR
Land	50,450,000	-	50,450,000	50,450,000
Buildings	43,041,000	(15,205,560)	27,835,440	28,696,260

3a.4

The significant assumptions used by the valuer are as follows :

Key assumptions used in valuation	2025	2024
Rental rates used	Rs. 225 p. sq.ft	Rs. 221 p. sq.ft
Anticipated maintenance cost	35% of rentals	35% of rentals
Yield / Discount rate	6.5% p.a	6.5% p.a

3a.5

During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of LKR.4,729,647/- (2024 - LKR.1,082,792/-). Cash payments amounting to LKR. 4,729,647/- (2024 - LKR. 1,082,792/-) were made during the year for purchase of Property, Plant & Equipment.

3a.6

During the financial year, the Company acquired Property, Plant & Equipment to the aggregate value of LKR.473,824./- (2024 - Rs.1,082,792/-). Cash payments amounting to LKR.473,824/- (2024 - Rs.1,082,792/-) were made during the year for purchase of Property, Plant & Equipment.

3a.7

Property, Plant and Equipment of the Group includes fully depreciated assets having a gross carrying amounts of LKR.71,474,218/- (2024 - LKR.50,626,139 /-) which are still in use.

3a.6

Property, Plant and Equipment of the Company includes fully depreciated assets having a gross carrying amounts of LKR.36,756,251/- (2024 - LKR. 29,046,326/-) which are still in use.

3b. BIOLOGICAL ASSET (GROUP)

Disposal during the year	Mahogany 2025 LKR	Attoniya 2025 LKR	Rubber 2025 LKR	Total 2025 LKR
Carrying value as at 01st January	56,261,892	18,908,166	346,872	75,516,930
Additions during the year	-	-	-	-
Disposal during the year	-	(819,241)	-	(819,241)
Carrying value as at 31st December	56,261,892	18,088,925	346,872	74,697,689
Fair value gain/(loss)	(28,892,089)	434,279	226,676	(28,231,134)
Carrying value as at 31st December	27,369,803	18,523,204	573,548	46,466,555

3b.1

Under LKAS 41, group has obtained a valuation for biological assets held by Agrispice Private Limited (Subsidiary) , by KPMG Real Estate & Valuation Services (Private) Limited. As per the valuer's report, the estimated value of the biological assets as at 31st December 2025 is Rs. 46,466,555/-.

3b.2 BASIS OF VALUATION

The group has valued its timber plantation at fair value less cost to sell. Timber plantations as at 31st December 2025 have been cultivated on the Land to the extent of approximately 40.4977 hectares.

The biological assets were valued by KPMG Real Estate & Valuation Services (Private) Limited using Discounted Cash Flow (DCF) method in ascertaining the fair value of timber.

3b.3 KEY ASSUMPTIONS USED IN VALUATION	2025	2024
Discounted rates used by the Valuer	13%	13%
Timber volume discount	-30%	-30%

Prices Per Cubic Decimeter (LKR)	2025	2024
Mahogany	Rs.7-Rs.56	Rs.11-Rs.141
Alastoniya	Rs.16-Rs.29	Rs.17-Rs.33
Rubber (Class III)	Rs.7-Rs.17	Rs.5-Rs.11

The valuation, as presented in the external valuation model based on the DCF, takes into accounts the long term exploitation of the timber plantation. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisation value.

The biological assets of the group are mainly cultivated in owned lands. Timber content expects to be realised in future and is included in the calculation of the fair value that takes into account the age of the timber plants.

3b.4 SENSITIVITY ANALYSIS

Sensitivity Variation on Sales Price

Net Present Value of the Biological Assets as appearing in the Statement of Financial Position are sensitive to changes in the average sales price applied. Simulations made for timber show that an increase or decrease by 10% of the estimated future selling price has the following effect on the Net Present Value of the Biological assets.

	-10%	10%
Value of Timber	41,820,000	51,110,000

Sensitivity Variation on Discount Rate

Net Present Value of the Biological Assets as appearing in the Statement of Financial Position are very sensitive to changes in the discount rate applied. Simulations made for timber show that an increase or decrease by 1% of the estimated future discount rate has the following effect on the Net Present Value of the Biological assets.

	-1%	1%
Value of Timber	46,800,000	46,140,000

4. INVESTMENT PROPERTY

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1st January	13,799,402,502	13,434,219,502	8,062,500,000	7,958,249,000
Additions				
- Subsequent expenditure on investment property	5,417,645	9,131,364	749,524	348,376
Net gain / (loss) from fair value adjustment	468,793,355	393,171,635	236,765,476	103,902,624
Addition arising from Amalgamation of subsidiary	-	-	2,442,135,500	-
De-recognition of the Investment Properties	-	-	-	-
Disposal of the Investment Properties	(515,063,000)	(37,120,000)	-	-
As at 31st December	**13,758,550,502**	**13,799,402,502**	**10,742,150,500**	**8,062,500,000**

4.1

Investment property consists of leasehold land and unsold commercial units given on Operating leases in buildings constructed on leasehold land at Pettah and Kolpetty which have been obtained from the Urban Development Authority under 99 year lease agreement commencing from the year 1981.

4.2 DETAILS OF INVESTMENT PROPERTIES - GROUP

Property	Extent	Value	Valuation Date	Method	Number of Buildings
Liberty Plaza	154,782 Sq. Ft	Rs. 6,705.7 Mn	31.12.2025	Income	1
GAS Land	2A - 3R - 13.25 P	Rs. 6,912.1 Mn	31.12.2025	Market Value	-
Peoples Park	51,735 Sq. Ft	Rs. 267.6 Mn	31.12.2025	Income	1

Property	Extent	Value	Valuation Date	Method	Number of Buildings
Liberty Plaza	174,698 Sq. Ft	Rs. 6,901.5 Mn	31.12.2024	Income	1
GAS Land	2A - 3R - 13.25 P	Rs. 6,753.4 Mn	31.12.2024	Market Value	-
Peoples Park	51,735 Sq. Ft	Rs. 267.6 Mn	31.12.2024	Income / Market Value	1

DETAILS OF INVESTMENT PROPERTIES - COMPANY

Property	Extent	Value	Valuation Date	Method	Number of Buildings
Liberty Plaza	46,972 Sq. Ft	Rs. 1,141 Mn	31.12.2025	Income	1
GAS Land	2A - 3R - 13.25 P	Rs. 6,912.1 Mn	31.12.2025	Market Value	-
Peoples Park	51,517 Sq. Ft	Rs. 246.9 Mn	31.12.2025	Income	1

Property	Extent	Value	Valuation Date	Method	Number of Buildings
Liberty Plaza	46,972 Sq. Ft	Rs. 1,062.3 Mn	31.12.2024	Income	1
GAS Land	2A - 3R - 13.25 P	Rs. 6,753.4 Mn	31.12.2024	Market Value	-
Peoples Park	51,717 Sq. Ft	Rs. 246.9 Mn	31.12.2024	Income / Market Value	1

4.3 THE SIGNIFICANT ASSUMPTIONS USED BY THE VALUER ARE AS FOLLOWS :

	2025	2024
Rental rates used - for shop units	Rs. 130 – Rs. 1695 p. sq.ft per month	Rs. 125 – Rs. 1695 p. sq.ft per month
- for parking area	Rs.36 - 491 p. sq.ft	Rs.36 - 491 p. sq.ft
Anticipated maintenance cost:	20% - 35% of rentals	20% - 35% of rentals
Yield rate : for shop units & apartments	6% - 6.5% p.a.	6% - 6.5% p.a.
Yield rate : car park	7% - 10%	7% - 10%
Per Perch Value (Gas Land):	15.25 Mn	14.9 Mn

4.4

Fair value of the investment property is ascertained by annual independent valuations carried out by KPMG Real Estate & Valuation Services (Private) Limited. In determining the fair value the capitalisation of net income method, which is based upon assumptions including future rental income, anticipated maintenance costs, appropriate discount rate and make reference to market evidence of transaction prices for similar properties, with appropriate adjustments for size and location.

4.5

The Company also has a legal right to receive the balance land 9A-2R-2P which the Company has no physical possession. The fair value of such land has not been accounted as land held for development under investment property due to the Company's inability to have physical possession of the land for development. The Company intends to recognise the fair value of any part of the land for which alternative land will be provided for development by the Urban Development Authority, as investment property.

4.6

Using the DCF method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

4.7

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behavior that is a characteristic of the class of real estate property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

4.8

The valuer determined the per-perch value of Gas Land property based on observable market evidence for comparable properties within the locality, taking into account variations in location, land characteristics and market trends during 2025. In performing the valuation, the valuer has assumed that the Company is in full compliance with all conditions of the 99-year lease agreement entered into with the Urban Development Authority (UDA) under the Pettah Development Project. The valuation further assumes that the Company holds a valid leasehold interest for the full 99-year term, with no restrictions affecting the renewal rights stipulated in the UDA lease agreement.

4.9

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and discount rate (and exit yield), and an opposite change in the long term vacancy rate.

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of Investment Property, in respect of the year 2025.

The sensitivity of the Statement of Profit or Loss and Statement of Financial Position is the effect of the assumed changes in discount rate, growth rate and rate of maintenance cost (taken individually, while other variables are held constant) on the profit or loss and carrying value of Investment Property for the year.

Group				2025	2024
Increase /Decrease					
Capitalization Rate	Future rentals change	Maintenance cost	Per Perch value of Gas Land	Fair Value/Gain or (Loss) on Investment Property	Fair Value/Gain or (Loss) on Investment Property
-0.50%				540,400,000	591,400,000
0.50%				(465,000,000)	(508,000,000)
	-5%			(73,300,000)	(73,600,000)
	5%			73,300,000	73,400,000
		-5%		490,600,000	506,900,000
		5%		(490,700,000)	(507,000,000)
			-5%	(345,600,000)	(334,270,000)
			5%	345,600,000	334,270,000

Company				2025	2024
Increase /Decrease					
Capitalization Rate	Future rentals change	Maintenance cost	Per Perch value of Gas Land	Fair Value/Gain or (Loss) on Investment Property	Fair Value/Gain or (Loss) on Investment Property
-0.50%				111,600,000	101,500,000
0.50%				(95,800,000)	(87,900,000)
	-5%			(8,900,000)	(33,100,000)
	5%			8,800,000	32,900,000
		-5%		88,300,000	76,500,000
		5%		(88,300,000)	(76,700,000)
			-5%	(345,600,000)	(337,600,000)
			5%	345,600,000	337,700,000

4.10 RENTAL INCOME RECEIVABLE UNDER THE OPERATING LEASE AGREEMENT OF INVESTMENT PROPERTY AS FOLLOWS,

	Rental income Receivable			
Group	<1 year	1-2 Year	2-3 Year	3-4 Year
2025	120,415,839	546,392	-	-
2024	186,046,791	8,674,600	1,482,250	-

	Rental income Receivable*			
Company	<1 year	1-2 Year	2-3 Year	3-4 Year
2025	75,914,300	179,667	-	-
2024	38,630,703	-	-	-

*As per Note 30 to the financial statements, the amalgamation with a subsidiary during the year resulted in an increase in rental income receivable under operating lease agreements.

4.11 RENTAL INCOME EARNED AND DIRECT OPERATING EXPENSES RELATING TO INVESTMENT PROPERTY IS TABULATED BELOW

	Group		Company	
	2025 LKR	**2024 LKR**	**2025 LKR**	**2024 LKR**
Rental income	458,402,909	441,029,626	155,602,241	187,358,393
Direct operating expenses	(133,236,876)	(154,476,168)	(52,299,325)	(59,588,527)

5. INVESTMENTS IN SUBSIDIARIES

	Holding % 2025	**Holding % 2024**	**At Cost 2025 LKR**	**At Cost 2024 LKR**
Investments In Ordinary Shares				
Liberty Holdings Limited	100%	100%	-	1,805,717,568
Agrispice (Private) Limited	100%	100%	8,299,110	8,299,110
Anantaya Global Solutions (Private) Limited	70%	70%	-	700
Liberty Developers (Private) Limited	100%	49%	1,915,376,751	942,871,019
			1,923,675,861	**2,756,888,397**
Investment In Preference shares				
Liberty Holdings Limited (5.2)			-	63,687,163
Total Investments in Subsidiaries			**1,923,675,861**	**2,820,575,560**

5.1

Investment in subsidiaries is initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries is immediately recognised in the income statement. After the initial recognition, investments in subsidiaries are carried at cost less any accumulated impairment losses.

5.2

The company has invested in 22,000,000 preference shares which are non cumulative and redemable or non redemable with a par value of Rs.10 per share at the option of the issuer /holder.

6. TRADE AND OTHER RECEIVABLES

6.1 SUMMARY

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Debtors	88,102,581	65,182,992	15,134,837	6,465,701
Less: Allowances for Doubtful Debts (Note 6.2)	(7,500,485)	(8,603,811)	(4,131,872)	(1,817,139)
	80,602,096	56,579,181	11,002,965	4,648,562
Other Debtors - Related Parties (Note 6.3)	-	-	206,759,554	133,646,339
Prepayments	2,215,505	3,816,472	2,177,339	2,348,943
Staff Loans	1,091,099	1,049,868	1,091,099	979,559
Other Receivables	65,524,266	56,297,753	6,204,311	8,464,463
	149,432,967	**117,743,274**	**227,235,268**	**150,087,865**

6.2 Allowance for Doubtful Debts

	8,603,811	21,519,968	1,817,139	2,245,222
As at 1st January	-	-	2,314,733	-
Provision for Impairment	(1,103,326)	(12,916,157)	-	(428,083)
Write off	-	-	-	
As at 31st December	**7,500,485**	**8,603,811**	**4,131,872**	**1,817,139**

6.3 OTHER DEBTORS - RELATED PARTIES

		Company	
	Relationship	2025 LKR	2024 LKR
Liberty Developers (Pvt) Ltd.	Subsidiary	125,702,355	75,445,552
Agrispice (Private) Limited	Subsidiary	81,057,199	55,139,755
Anantaya Global Solutions (Private) Limited	Subsidiary	-	3,061,032
		206,759,554	**133,646,339**

6.4

Colombo Land & Development Company PLC obtained a loan facility from the National Development Bank on behalf of Liberty Developers (Pvt) Ltd for the purpose of financing the construction of a new retail podium. Although the loan was obtained in the name of the Company, the related interest costs were serviced directly by Liberty Developers (Pvt) Ltd.

During the year, interest amounting to Rs. 124,970,772/- (2024: Rs. 199,154,159/-) relating to this loan was paid directly by Liberty Developers (Pvt) Ltd. Accordingly, the total interest paid in respect of the said loan for the year amounted to Rs. 124,970,772/- (2024: Rs. 199,154,159/-).

6.5

Staff loans are due at the date of statement of financial position represent loans given to staff on fixed repayment terms and are unsecured. These loans are given at a concessionary rate of 5% - 7% (2024 - 11%). Fair value of loans given to staff equals their carrying amount, as the impact of discounting is not significant.

6.6 GROUP

As at 31st December, the Age Analysis of Trade Receivables is as follows,

		Past due but not impaired			
	Total	Current	31-60 days	61-90 days	> 90 days
2025	80,602,095	27,639,683	11,642,804	453,701	40,865,907
2024	56,579,181	27,242,021	14,883,531	3,788,891	10,664,738

6.6 COMPANY

As at 31st December, the Age Analysis of Trade Receivables is as follows,

		Past due but not impaired			
	Total	Current	31-60 days	61-90 days	> 90 days
2025	11,002,965	11,002,965	-	-	-
2024	4,648,562	2,870,070	1,080,610	12,139	685,744

7. INVENTORIES - Group

	2025 LKR	2024 LKR
Inventories	13,165	-
	13,165	-

8. FINANCIAL ASSETS CLASSIFIED UNDER FVOCI AND OTHER INVETMENTS

8.1 FINANCIAL ASSETS CLASSIFIED UNDER FVOCI

Quoted Shares - Group/Company

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1st January	18,900	23,520	18,900	23,520
Disposals	-	-	-	-
Share Investment	-	-	-	-
Fair Value (Loss) / Gain	(840)	(4,620)	(840)	(4,620)
As at 31st December	**18,060**	**18,900**	**18,060**	**18,900**

8.2 OTHER INVETMENTS

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Investment in Unit trusts	103,250,721	252,646	103,250,721	207,052
	103,250,721	252,646	103,250,721	207,052
Total	**103,268,781**	**271,546**	**103,268,781**	**225,952**

9 CASH AND BALANCES WITH BANKS

	Group		Company	
9.1	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Favourable Cash and Balances with Banks				
Cash and Bank Balances	31,682,501	6,252,483	18,895,827	4,029,192
	31,682,501	**6,252,483**	**18,895,827**	**4,029,192**

9.2

Unavourable Cash and Balances with Banks				
Bank Overdraft	(14,809,432)	(17,137,899)	(11,395,744)	(11,255,971)
Total Cash and Cash Equivalents For the Purpose of Cash Flow Statement	**16,873,069**	**(10,885,416)**	**7,500,083**	**(7,226,779)**

10 STATED CAPITAL

	2025		2024	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares	**199,881,008**	**341,602,342**	**199,881,008**	**341,602,342**

11. REVALUATION RESERVE

	Group	
	2025 LKR	2024 LKR
As at 1st January	114,142,625	108,400,805
Fair value increase on Property, Plant & Equipment	39,171,780	8,202,600
Deferred Tax effect	(11,751,534)	(2,460,780)
As at 31st December	**141,562,871**	**114,142,625**

Revaluation reserve of the group includes revaluation of land owned by the subsidiary of Agrispice (Private) Limited valued on 31st December 2025 and building of the subsidiary of Liberty Holdings (Private) Limited valued on 31st December 2025 by an independent professional valuer.

12. INTEREST BEARING LOANS & BORROWINGS

12.1 GROUP

	2025 Amount Repayable Within 1 Year LKR	2025 Amount Repayable After 1 Year LKR	2025 Total LKR	2024 Amount Repayable Within 1 Year LKR	2024 Amount Repayable After 1 Year LKR	2024 Total LKR
Bank Loans (12.3)	44,497,420	1,106,502,580	1,151,000,000	42,225,227	1,351,000,000	1,393,225,227
Bank Overdrafts (9.2)	14,809,432	-	14,809,432	17,137,899	-	17,137,899
	59,306,852	**1,106,502,580**	**1,165,809,432**	**59,363,127**	**1,351,000,000**	**1,410,363,126**

12.2 COMPANY

	2025 Amount Repayable Within 1 Year LKR	2025 Amount Repayable After 1 Year LKR	2025 Total LKR	2024 Amount Repayable Within 1 Year LKR	2024 Amount Repayable After 1 Year LKR	2024 Total LKR
Bank Loans (12.3)	44,497,420	1,106,502,580	1,151,000,000	42,225,227	1,351,000,000	1,393,225,227
Bank Overdrafts (9.2)	11,395,744	-	11,395,744	11,255,971	-	11,255,971
	55,893,164	**1,106,502,580**	**1,162,395,744**	**53,481,198**	**1,351,000,000**	**1,404,481,198**

12.3 BANK LOANS

	Balance As At 01.01.2025 LKR	Loan Obtained LKR	Capital on Due LKR	Over Provision of Interest LKR	Repayment LKR	Balance As At 31.12.2025 LKR	Current LKR	Non current LKR
National Development Bank	1,393,225,227	-	-	-	242,225,227)	1,151,000,000	44,497,420	1,106,502,580
	1,393,225,227	-	-	-	**(242,225,227)**	**1,151,000,000**	**44,497,420**	**1,106,502,580**

12.4 DETAILS OF LONG TERM LOANS

Bank	Purpose	Revised Facility Amount	Interest	Grace Period	Repayment Terms	Security
NDB	Bank Loan Facility-Settlement of loans obtained from People's Bank, BOC & MBSL	1,151,000,000	AWPLR + 2% p.a. subject to flow of 15% p.a. from Jan 2025 to June 2025 and AWPLR + 1% p.a. from July to December.	16 Installments	Mar 2026 - Feb 2027 53Mn , Mar 2027 - Feb 2028 74Mn , Mar 2028 - Feb 2029 94Mn , Mar 2029 - Feb 2030 121Mn , Mar 2030 - Feb 2031 148 Mn , Mar 2031 - Feb 2032 180 Mn , Mar 2032 - Feb 2033 219 Mn , Mar 2033 - Jan 2034 258 Mn ,	"1. Primary mortgage over the freeholdcondominium units(03 units including G90) at Liberty Plaza owned by Colombo Land 2. Primary mortgage over the freehold condominium units (86 units) at Liberty Plaza owned by Liberty Hodings. 3. Additional Mortage over leasehold rights to unit 802 held by Colombo Land. 4. Primary mortagge over leasehold rights to condominiumunit (G90) held by liberty developers. 5. Deeds of Renunciation for the above Mortgage Bonds

13. DEFERRED TAX LIABILITIES

13.1 GROSS MOVEMENT ON THE DEFERRED TAX LIABILITIES IS AS FOLLOWS:

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1st January	4,066,420,957	3,813,196,355	2,328,455,376	2,301,880,112
Deferred Tax impact on depreciation of Revalued	11,751,534	2,460,780	-	-
Assets Income Statement charge	-	-		
Due to change in rate difference	-	-	-	-
Due to change in temporary difference	49,455,908	250,856,546	135,590,475	26,654,038
Deferred tax liability / (asset) on merger with subsidiary	-	-	770,135,041	-
Deferred Tax impact on actuarial Gain on retirement benefit obligations	(392,823)	(92,723)	(357,215)	(78,773)
As at 31st December	**4,127,235,576**	**4,066,420,957**	**3,233,823,678**	**2,328,455,376**

13.2 DEFERRED TAX ASSETS, LIABILITIES

Group

Deferred Tax Liabilities	Revaluation of Land and Building LKR	Capital Allowances for Tax purposes LKR	Fair Valuation of Investment Property LKR	Revaluation of Biologicle Asset LKR	Total LKR
At Cost/Valuation					
As of 31st December 2023	27,487,880	8,273,137	3,858,674,647	-	3,894,435,664
Charged to income statement	-	(740,412)	257,973,237	-	257,232,826
Charged to Other Comprehensive Income	2,460,780	-	-	-	2,460,780
As of 31st December 2024	29,948,660	7,532,725	4,116,647,884	-	4,154,129,270
Charged to income statement	-	(694,507)	(31,914,007)	13,939,967	(18,668,548)
Charged to Other Comprehensive Income	11,751,534	-	-	-	11,751,534
As of 31st December 2025	**41,700,195**	**6,838,218**	**4,084,733,877**	**13,939,967**	**4,147,212,257**

Deferred Tax Assets	Tax losses LKR	Defined Benefit Obligation LKR	Total LKR
As of 31st December 2023	(85,157,028)	3,917,721	(81,239,308)
Charged to income statement	-	(6,376,281)	(6,376,281)
Charged to Other Comprehensive Income	-	(92,723)	(92,723)
As of 31st December 2024	(85,157,028)	(2,551,284)	(87,708,312)
Charged to income statement	68,564,182	(439,726)	68,124,456
Charged to Other Comprehensive Income	-	(392,823)	(392,823)
As of 31st December 2025	**(16,592,846)**	**(3,383,833)**	**(19,976,679)**

13.3 DEFERRED TAX ASSETS, LIABILITIES

Company

Deferred Tax Liabilities	Revaluation of Land and Building	Capital Allowances for Tax purposes LKR	Fair Valuation of Investment Property LKR	Total LKR
At Cost/Valuation				
As of 31stDecember 2023	-	988,594	2,387,459,999	2,388,448,593
(Reversed) / Charged to income statement	-	(120,398)	30,840,000	30,719,602
As of 31st December 2024	-	868,196	2,418,299,999	2,419,168,195
(Reversed) / Charged to income statement	-	(29,553)	47,861,309	47,831,756
Deferred tax liability / (asset) on Amalgamation with subsidiary	31,845,195	5,649,196	732,640,650	770,135,041
As of 31st December 2025	**31,845,195**	**6,487,839**	**3,198,801,958**	**3,237,134,991**

Deferred Tax Assets	Tax losses LKR	Defined Benefit Obligation LKR	Total LKR
As of 31st December 2023	(88,320,843)	1,752,365	(86,568,479)
Credited to income statement	-	(4,065,564)	(4,065,564)
Charged to Other Comprehensive Income	-	(78,773)	(78,773)
As of 31st December 2024	(88,320,843)	(2,391,973)	(90,712,817)
Credited to income statement	88,320,843	(562,124)	87,758,719
Charged to Other Comprehensive Income	-	(357,215)	(357,215)
Deferred tax liability / (asset) on Amalgamation with subsidiary	-	-	-
As of 31st December 2025	**-**	**(3,311,312)**	**(3,311,313)**

The Group has not recognized deferred tax assets amounting to Rs. 295,655,519 /- (2024- Rs. 227,698,486/-), arising from carried forward tax losses as at 31st December 2025 amounting to Rs.985,518,396/- (2024 - Rs. 758,994,953/-), due to the Group being unable to assess with reasonable certainty that taxable profits would be available to recover the asset in the foreseeable future.

14. DEFINED BENEFIT OBLIGATION

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1st January	8,650,174	6,705,092	7,973,245	5,841,216
Current service cost	1,451,185	1,289,055	1,430,589	1,246,390
Interest cost	951,519	938,713	877,057	817,770
Actuarial (Gain)/ Losses	1,309,410	237,023	1,190,716	262,578
Liability Transfer Between Parent and Subsidiary	-	-	-	-
Payments Made During The Year	(1,082,845)	(519,709)	(433,900)	(194,709)
As at 31st December	**11,279,444**	**8,650,174**	**11,037,707**	**7,973,245**

14.1 POST EMPLOYEE BENEFIT EXPENSE FOR

Current service cost	1,451,185	1,289,055	1,430,589	1,246,390
Interest cost	951,519	938,713	877,057	817,770
	2,402,705	**2,227,768**	**2,307,646**	**2,064,160**

14.2

The employee retirement benefit liability of the Company is based on the actuarial valuation carried out by Messrs. Acturial and management consultants (private) Limited, Independent actuarial specialists as at 31st December 2025. The principal assumptions used are as follows:

	2025	2024
Discount rate assumed (%)	9.0%	11.0%
Salary increase (%)	15.0%	10.0%
Staff turnover factor (%)	5.0%	5.0%
Expected Average Future Working Life of Employees	3.2 Years	5.3 Years

14.3 SENSITIVITY OF ASSUMPTIONS USED IN THE ACTUARIAL VALUATION

The Following table demonstrates the sensitivity to a reasonably possible changes in the key assumptions used along with all other variables which held constant in the employment benefit liability measurement.

The sensitivity reflected the sensitivity adjusted balance in Statement of Financial Position with the effect of the assumed keyassumptions as,

14.3.1

	Group		Company	
2025	**1% Increase LKR**	**1% Decrease LKR**	**1% Increase LKR**	**1% Decrease LKR**
Discount rate assumed	10,951,331	11,631,890	10,723,299	11,375,360
Further salary increase	11,666,577	10,911,829	11,409,908	10,684,182

	Group		Company	
2024	**1% Increase LKR**	**1% Decrease LKR**	**1% Increase LKR**	**1% Decrease LKR**
Discount rate assumed	8,321,477	9,006,223	7,697,716	8,269,592
Further salary increase	9,043,354	8,280,874	8,304,199	7,660,204

14.4 MATURITY ANALYSIS OF THE PAYMENT

The following payments are expected on employee benefit plan - Gratuity in future years.

As at 31st December	Group	Company
	2025 LKR	**2025 LKR**
Within the next 12 month	1,888,372	1,875,861
Between 2-5 years	5,880,095	5,834,058
Beyond 5 years	3,510,978	3,327,789
Total Expected payments	**11,279,445**	**11,037,708**

15. TRADE AND OTHER PAYABLES

	Group		Company	
Summary	**2025 LKR**	**2024 LKR**	**2025 LKR**	**2024 LKR**
Trade Payables	21,320,423	39,593,690	21,320,423	-
Other Payables - Related Parties (15.1)	-	-	-	53,337,948
- Others(15.2)	40,892,112	57,272,618	22,215,636	36,856,675
Sundry Creditors Including Accrued Expenses	18,543,760	18,180,573	12,057,754	11,122,734
	80,756,295	**115,046,881**	**55,593,813**	**101,317,357**

15.1 OTHER PAYABLES - RELATIONSHIP

	Relationship	**2025 LKR**	**2024 LKR**
Liberty Holdings Limited	Subsidiary	-	53,337,948
		-	**53,337,948**

15.2 OTHER PAYABLE

	Group		Company	
	2025 LKR	**2024 LKR**	**2025 LKR**	**2024 LKR**
Other Payable	40,892,112	57,272,618	22,215,636	36,856,675
	40,892,112	**57,272,618**	**22,215,636**	**36,856,675**

16. TENANT DEPOSITS

	Group		Company	
	2025 LKR	**2024 LKR**	**2025 LKR**	**2024 LKR**
As at 1st January	129,832,996	126,997,393	6,570,861	18,348,572
Deposits received during the period	45,346,272	27,088,737	1,687,050	1,769,090
Repayments made during the period	(7,587,583)	(24,253,134)	(737,300)	(13,546,801)
Addition arising from Amalgamation of subsidiary	-	-	46,986,770	-
As at 31st December (16,1)	**167,591,685**	**129,832,996**	**54,507,381**	**6,570,861**

16.1 TENANT DEPOSITS

	Group		Company	
	2025 Amount Repayable Within 1 Year LKR	2025 Amount Repayable After 1 Year LKR	2025 Amount Repayable Within 1 Year LKR	2025 Amount Repayable After 1 Year LKR
Tenant Deposits	164,541,685	3,050,000	53,457,381	1,050,000
	164,541,685	**3,050,000**	**53,457,381**	**1,050,000**

17. REVENUE

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Income from Investment Properties(17.1)	458,402,909	441,029,626	155,602,241	187,358,393
Income from Biological Assets	330,000	1,726,500	-	-
	458,732,909	**442,756,126**	**155,602,241**	**187,358,393**

17.1 INCOME FROM INVESTMENT PROPERTIES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Liberty Plaza	353,097,031	341,491,200	50,296,363	87,819,967
GAS Land	83,449,274	77,829,570	83,449,274	77,829,570
Peoples Park	21,856,604	21,708,857	21,856,604	21,708,857
	458,402,909	**441,029,626**	**155,602,241**	**187,358,394**

18 OTHER INCOME AND GAINS

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Dividend Income	-	-	1,239,246	2,974,191
Interest on Staff Loans	67,647	144,600	67,647	130,968
Overdue Interest on rentals due past	-	21,401	-	-
Sundry Income	991,270	650,656	44,024	100,118
Gain on disposal of Property Plant and Equipment's	-	60,490		60,490
Exchange Gain	3,906,488	1,416,611	504,437	1,254,041
Interest on Unit trust and Treasury Bills	-	21,659,661	-	-
Gain/(Loss) on investment property	943,078	5,112,349	-	450,767
Reversal of bad debt provision	255,698	-	-	-
	6,164,180	**29,085,767**	**1,855,354**	**4,970,575**

19 FINANCE COST

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest on Overdrafts	2,930	-	2,930	-
Interest on Loans & Borrowings	124,970,772	199,154,159	-	-
Loans Expenses	-	-	-	-
	124,973,702	**199,154,159**	**2,930**	-

20. PROFIT/(LOSS) FROM CONTINUING OPERATIONS

STATED AFTER CHARGING / (CREDITING)

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Included in Direct Expense				
Depreciation	646,962	978,623	646,882	978,623
Included in Administrative Expenses				
Employees Benefits including the following	73,869,246	62,362,768	68,694,554	58,148,970
- Defined Benefit Plan Costs - Gratuity	2,402,705	2,227,768	2,307,646	2,064,160
- Defined Contribution Plan Costs - EPF & ETF	7,500,298	6,748,568	6,869,604	6,273,848
Depreciation	3,156,312	3,618,329	633,953	1,195,130
Auditor's Fees	4,375,864	3,853,143	2,316,600	1,712,052
Included in Selling and Distribution Costs				
Advertising and Promotional Expenses	2,438,605	223,448	800,350	205,948
Allowance for Doubtful Debts	22,699	-	-	-

21 INCOME TAX

	Group		Company	
Income Statement				
Current Income Tax	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current Income Tax charge	129,872,185	18,915,712	512,489	-
	129,872,185	18,915,712	512,489	-
Deferred Income Tax				
Deferred Taxation Charge (Note 13.1)	49,455,908	250,856,546	135,590,475	26,654,038
Income tax expense reported in the Income	**179,328,093**	**269,772,258**	**136,102,964**	**26,654,038**

21.1 A RECONCILIATION BETWEEN TAX EXPENSE AND THE PRODUCT OF ACCOUNTING PROFIT MULTIPLIED BY THE STATUTORY TAX RATE IS AS FOLLOWS :

Accounting Profit before Tax from continuing operations	367,566,437	365,073,765	239,563,506	148,496,097
Other Income	3,630,752	1,561,211	504,437	1,385,009
Disallowed Expenses	558,773,511	300,881,014	6,670,964	4,829,583
Allowable Expenses	(486,653,287)	(787,477,616)	(245,030,611)	(116,428,453)
Statutory Profit/(Loss)	443,317,414	(119,961,626)	1,708,296	38,282,236
Statutory Income	440,082,308	100,883,843	1,708,296	38,282,236
Tax Losses utilized during the Year	(7,175,025)	(37,831,468)	-	(38,282,236)
Taxable Profit/(Loss)	432,907,283	63,052,375	1,708,296	-
Tax at 30%	129,872,185	18,915,712	512,489	-
Tax Effect on Accounting PBT	**129,872,185**	**18,915,712**	**512,489**	**-**

21.2

Tax Losses				
Tax Losses Brought Forward	1,042,851,714	859,407,959	-	38,282,236
Adjustments on Finalisation of Brought Forward Tax Losses	-	-	-	-
Tax Losses Incurred During the Year	5,151,194	214,167,083	-	-
Tax Losses Utilised	(7,175,025)	(37,831,468)	-	(38,282,236)
Tax Losses Carried Forward	**1,040,827,883**	**1,042,851,714**	**-**	**-**

21.3

In terms of the Inland Revenue Act No 24 of 2017 The Colombo Land and Development Company PLC and It's subsidiaries are liable to pay tax at 30% with effect from 01st July 2023, According to the Inland Revenue (Amendment) Act, No. 45 Of 2023. Furthermore, in relation to deferred tax which is calculated on the liability method as per LKAS 12 "Income Taxes", Deferred tax expenses of LKR.49,455,908 /-and LKR.135,590,475/- have been recognized for the Group and the Company respectively as at 31st

22 EARNINGS / (LOSS) PER SHARE

22.1

Basic Earnings/(loss) Per Share is calculated by dividing the net profit/(Loss) for the year attributable to ordinary shareholders (after deducting preference share dividends) by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year and the previous year are adjusted for events that have changed the number of ordinary shares outstanding, without a corresponding change in the resources such as a bonus issue.

22.2 THE FOLLOWING REFLECTS THE INCOME AND SHARE DATA USED IN THE BASIC EARNINGS PER SHARE COMPUTATION.

	Group		Company	
Amount Used as the Numerator:	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit/(Loss) for the Year	185,736,822	95,301,507	103,460,542	90,991,141
Net Profit(Loss) Attributable to Ordinary Shareholders for Basic Earnings/(Loss) Per Share	185,736,822	95,310,507	103,460,542	90,991,141
Number of Ordinary Shares Used as Denominator:	2025 Number	2024 Number	2025 Number	2024 Number
Number of Shares at the Beginning of the Year	199,881,008	199,881,008	199,881,008	199,881,008
Number of Shares at the End of the Year	**199,881,008**	**199,881,008**	**199,881,008**	**199,881,008**

23 RELATED PARTY DISCLOSURES

23.1 TRANSACTION WITH THE PARENT AND RELATED ENTITIES

	Subsidiaries		Total	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Nature of Transaction				
As at 1st January	80,308,390	61,584,320	80,308,390	61,584,320
Central Cost Allocated	55,808,676	64,334,061	55,808,676	64,334,061
Finance Charges	124,970,772	199,154,159	124,970,772	199,154,159
Expenses paid by others on behalf of the Company	-	(242,702,000)	-	(242,702,000)
Fund Transfers	(362,835,837)	8,391,420	(362,835,837)	8,391,420
Settlement of Liabilities	(766,994)	(13,427,760)	(766,994)	(13,427,760)
Preference share dividend	1,239,246	2,974,190	1,239,246	2,974,190
Subsidiary Balance write off	(3,061,032)	-	(3,061,032)	-
Addition arising from Amalgamation of subsidiary	311,096,342	-	311,096,342	-
As at 31st December	**206,759,564**	**80,308,390**	**206,759,564**	**80,308,390**

Terms and Conditions

Purchase/sales of services to related parties were made on the basis of the price lists in force with non related parties. Management Fees were made at agreed prices. Outstanding balance with related parties at balance sheet date are unsecured and interest free. Settlement will take place in cash.

The loan obtained on behalf of Liberty Developers (Private) Limited and interest reimbursement arrangement is as follows :

	2025 LKR	2024 LKR
Loan amount as at 31st December (Note 12.3)	1,151,000,000	1,393,225,227
Finance cost recorded under Related Party**	124,970,772	199,154,159

** Loan was obtained by Colombo Land and Development Company PLC on behalf of Liberty Developers (Private) Limited, and the interest pertaining to loan is reimbursed from the Liberty Developers (Private) Limited.

23.2 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY OR ITS SUBSIDIARIES

The key management personnel of the Company are the members of its Board of Directors and that of its Subsidiaries.

Key Management Personnel Compensation	2025 LKR	2024 LKR
Short-term employee benefits	37,569,500	31,650,000
Post-employment benefits	3,887,730	3,534,300
	41,457,230	**35,361,800**

Loans obtained from Related Parties have been disclosed in Note 12.4 in these financial statements.

Other Transactions with Key Management Personnel Loans to Key Management Personnel	2025 LKR	2024 LKR
As at 1st January	-	-
Loans repayments received	-	-
As at 31st December	-	-

24 ASSETS PLEDGED

The assets pledged as at 31.12.2025 have been disclosed in Note 12.4 to these financial statements.

25 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, and tenant deposits. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables and cash and short-term deposits that arrive directly from its operations. The Group also holds available-for-sale investments.

The Group is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the finance department under the policies approved by the Board of Directors. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include: loans and borrowings, deposits and AFS investments.

The sensitivity analyses in the following sections relate to the position as at 31st December in 2025.
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates of the debt and all other factors remain constant as at 31st December 2025.

The analyses exclude the impact of movements in market variables on the carrying value of post-retirement obligations, provisions and the non-financial assets.

The following assumptions have been made in calculating the sensitivity analyses:
The statement of financial position sensitivity relates to derivatives and available-for-sale debt instruments.
The sensitivity of the relevant income statement item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st December 2025.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's exposure to the risk of changes in market interest rates relates to primarily to the Company's long-term debt obligations with floating rates. The Group manages its interest rate risk by daily monitoring and managing cash flows, keeping borrowings to a minimum, negotiating favourable rates on borrowings and deposits.

INTEREST RATE SENSITIVITY

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / decrease in basis points	Effect on profit before tax
2025 Borrowings	+10/-10	14,923,297
2024 Borrowing	+10/-10	20,889,782

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

EQUITY PRICE RISK

The Group's listed equity securities are susceptible to market-price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

TRADE RECEIVABLES

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. The Company has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Company does not monitor the credit quality of receivables on an on going basis.

Deposits refundable to tenants may be withheld by the Company in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

FINANCIAL INSTRUMENTS AND CASH DEPOSITS

The fair value of cash and cash equivalents at 31st December 2025 approximates the carrying value. There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Company holds accounts in a number of financial institutions.

LIQUIDITY RISK

The Company's finance department aims to maintain flexibility in funding by keeping committed credit lines available.

The Company's liquidity position is monitored on a monthly basis by the management and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial liabilities is presented below. The amounts disclosed below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position as the impact of discounting is not significant.

The table below summarises the maturity profile of financial liabilities based on contractual undiscounted payments.

Group Year ended 31st December 2025	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12.1)	14,809,432	44,497,420	162,148,590		683,321,444	1,165,809,432
Tenant Deposits (Note 16)	-	164,591,685	3,050,000	261,032,546	-	167,591,685
Trade and Other Payables (Note 15)	80,756,295	-	-	-	-	80,756,295
				-		
Year ended 31st December 2024						
Interest Bearing Loans and Borrowings (Note 12.1)	17,137,899	42,225,227	260,000,000	143,000,000	948,000,000	1,410,363,127
Tenant Deposits (Note 16)	-	126,749,896	3,083,100	-	-	129,832,996
Trade and Other Payables (Note 15)	115,046,881	-	-	-	-	115,046,881

Company Year ended 31st December 2025	On demand	1 to 12 Months	From 2 to 3 years	From 4 to 5 years	More than 5 Years	Total
Interest Bearing Loans and Borrowings (Note 12.1)	11,395,744	44,497,420	162,148,590	261,032,546	683,321,444	1,162,395,744
Tenant Deposits (Note 16)	-	53,457,381	1,050,000	-	-	54,507,381
Trade and Other Payables (Note 15)	55,593,813	-	-	-	-	55,593,813
Year ended 31st December 2024						
Interest Bearing Loans and Borrowings (Note 12.1)	11,255,971	42,225,227	260,000,000	143,000,000	948,000,000	1,404,481,198
Tenant Deposits (Note 16)	-	6,570,859	-	-	-	6,570,859
Trade and Other Payables (Note 15)	101,317,357	-	-	-	-	101,317,357

	2025 LKR	2024 LKR
Interest Bearing Loans and Borrowings (Note 12) Trade and Other Payables (Note 15)	1,165,809,432	1,410,363,126
Less: Cash and Cash Equivalents (Note 09)	80,756,295	115,046,881
Net debt	(31,682,501)	(6,252,483)
	1,214,883,227	1,519,157,524
Equity		
Capital and net debt	8,629,850,690	8,415,109,526
Gearing ratio	9,844,733,917	9,934,267,050
	12%	15%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st December 2025 and 2024.

26. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the reporting date, no circumstances have arisen, which would require adjustments or disclosures in the Financial Statements.

27. FAIR VALUES

27.1

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

- The fair values of the remaining financial assets classified under fair value through OCI are derived from quoted market prices in active markets.

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st December 2025 was assessed to be insignificant.

27.2 THE FOLLOWING TABLE PROVIDES THE FAIR VALUE MEASUREMENT HIERARCHY OF THE GROUP'S ASSETS AND LIABILITIES

The fair value measurement hierarchy for assets as at 31st December 2025

			Fair value measurement using		
Assets measured at fair value	**Date of valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Investment Properties (Note 4)					
Properties	31-Dec-25	13,758,550,502	-	-	13,758,550,502
Financial Assets classified under FVOCI				-	
Quoted Equity Shares	31-Dec-25	18,060	18,060		-
Revalued Property, Plant and Equipment				-	
Land and Buildings	31-Dec-25	211,434,756	-		211,434,756
Biological Assets				-	
Plantation	31-Dec-25	46,466,555	-		46,466,555

The fair value measurement hierarchy for assets as at 31st December 2024:

Assets measured at fair value	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment Properties (Note 4)					
Properties	31-Dec-24	13,799,402,502	-	-	13,799,402,502
Financial Assets classified under FVOCI					
Quoted Equity Shares	31-Dec-24	18,900	18,900	-	-
Revalued Property, Plant and Equipment					
Land and Buildings	31-Dec-24	174,723,756	-	-	174,723,756
Biological Assets					
Plantation	31-Dec-24	75,516,930	-	-	75,516,930

There have been no transfers from level 1 and level 2 during the period.

28. COMMITMENTS AND CONTINGENCIES

28.1 FINANCIAL COMMITMENTS

The Company and Group do not have material financial commitments or contingent asset as of reporting date other than disclosures in note 12.4.

28.2 CONTINGENCIES

The Company and Group do not have significant contingencies as at the reporting date.

29. GROUP INFORMATION

29.1 THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP INCLUDE:

Name	Group Holding	Company Holding	Principal Activity
Liberty Holdings Limited	100%	100%	Renting out developed property
Agrispice (Private) Limited	100%	100%	Cultivating plantation of teak and mahogany trees
Anantaya Global Solutions (Private)Limited	70%	70%	IT solutions, software development and e-marketing
Liberty Developers (Private) Limited	100%	100%	Renting out developed property

The above companies have been incorporated in Sri Lanka.

29.2 SUMMARISED FINANCIAL INFORMATION OF SUBSIDIARIES

Agrispice (Private) Limited carries on, inter-alia, the business of cultivating plantations of teak and mahogany trees. The results, assets and liabilities of Agrispice (Private) Limited have been included in the consolidated financial statements of the Group using the purchase method. Anantaya Global Solutions (Private) Limited is in the business of providing IT solutions to the group.

Set out below are the summarised financial information for each subsidiary

	Liberty Holdings Limited		Agrispice (Private) Limited		Anantaya Global Solutions (Private) Limited		Liberty Developers (Private) Limited	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current								
Assets	-	125,278,943	102,406	384,994	-	1,000	144,146,179	95,118,084
Liabilities	-	175,712,363	84,646,059	80,614,319	-	8,400,923	266,265,413	219,795,687
Total current net assets	**-**	**(50,433,419)**	**(84,543,653)**	**(80,229,325)**	**-**	**(8,399,923)**	**(122,119,235)**	**(124,677,602)**
Non-current	-							
Assets	-	4,167,563,681	130,952,110	127,187,498	-	-	3,020,737,125	2,874,228,837
Liabilities	-	895,819,366	20,636,762	145,894	-	-	873,016,875	842,677,251
Total non-current net assets	**-**	**3,271,744,315**	**110,315,348**	**127,041,604**	**-**	**-**	**2,147,720,250**	**2,031,551,587**
Net assets	**-**	**3,221,310,896**	**25,771,695**	**46,812,279**	**-**	**(8,399,923)**	**2,025,601,015**	**1,906,873,984**
Revenue	131,459,234	109,435,511	330,000	1,726,500	-	-	180,463,166	153,239,952
Profit/(Loss) before income tax	3,986,342	546,625,574	(43,994,148)	(3,450,499)	-	(30,000)	149,066,653	(326,576,392)
Income Tax	(2,327,721)	(159,442,305)	(10,557,784)	-	-	-	(30,339,624)	(83,692,886)
Profit/(Loss) after income tax	1,658,621	387,183,270	(33,436,364)	(3,450,498)	-	(30,000)	118,727,030	(410,269,278)
Other Comprehensive income/ (expense)	4,383,600	5,709,270	22,953,561	72,055	-	-	-	-
Total comprehensive(loss)/ income	6,042,221	392,892,540	(10,482,804)	(3,378,443)	-	(30,000)	118,727,030	(410,269,278)

30 AMALGAMATION

With effect from 31st December 2025, Liberty Holdings Limited, which is a fully owned subsidiary of Colombo Land and Development Company PLC, was amalgamated with Colombo Land and Development Company PLC which and continues its business operation under the name of Colombo Land and Development Company PLC. The company has selected the “Short Form Amalgamation” as per section 242(1) of the Companies Act No.07 of 2007. As a result of the amalgamation, the assets and liabilities of Liberty Holdings Limited were transferred to Colombo Land and Development Company PLC.

As at 31st December 2025	Notes	Group		Company	
		Colombo Land and Development Company PLC	Liberty Holdings Limited	Adjustments due to amalgamation	Total
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	3a	4,019,263	126,900,000		130,919,263
Investment Properties	4	8,300,015,000	2,442,135,500		10,742,150,500
Investments in Subsidiaries	5	2,756,887,717	972,505,732	(1,805,717,588)	1,923,675,861
		11,060,921,980	**3,541,541,232**		**12,796,745,624**
Current Assets					
Trade and Other Receivables	6	170,572,729	322,234,233	(265,571,694)	227,235,268
Financial Assets	8	241,215	103,027,566		103,268,781
Cash and Cash Equivalents	9	9,266,908	9,629,919		18,895,827
		180,080,853	434,891,717		349,399,876
Total Assets		**11,241,002,833**	**3,976,432,949**		**13,146,145,500**
					-
EQUITY AND LIABILITIES					-
Equity					-
Stated Capital	10	341,602,342	1,805,717,588	(1,805,717,588)	341,602,342
Revaluation Reserve	11	-	78,139,146	(78,139,146)	-
Retained Earnings		6,948,156,283	1,134,259,041	(1,134,259,041)	6,948,156,283
Amalgamation Reserve		-	-	1,212,398,188	1,212,398,188
Equity Attributable to Equity Holders of the Parent		**7,289,758,625**	**3,018,115,776**		**8,502,156,813**
Total Equity		**7,289,758,625**	**3,018,115,776**		**8,502,156,813**
					-
Non-Current Liabilities					-
Interest Bearing Loans and Borrowings	12	1,151,000,000			1,151,000,000
Deferred Tax Liabilities	13	2,463,688,637	770,135,041		3,233,823,678
Defined Benefit Obligations	14	11,037,707	-		11,037,707
		3,625,726,344	**770,135,041**		**4,395,861,385**
Current Liabilities					-
Trade and Other Payables	15	318,091,809	3,074,699	(265,571,694)	55,593,813
Income Tax Liabilities		(321,748)	126,952,112		126,630,364
Interest Bearing Loans and Borrowings	12	227,192	11,168,552		11,395,744
Tenant Deposits	16	7,520,611	46,986,770		54,507,381
		325,517,864	**188,182,132**		**248,127,302**
Total Equity and Liabilities		**11,241,002,833**	**3,976,432,949**		**13,146,145,500**

31 DERECOGNITION OF SUBSIDIARY (ANANTAYA GLOBAL SOLUTIONS (PVT) LTD)

During the year, the Group's 70%-owned subsidiary, Anantaya Global Solutions (Private) Limited, was struck off from the register of companies. As a result, the Group lost control of the subsidiary with effect from 31st December 2025. In accordance with SLFRS 10, the Group derecognised the assets, liabilities, and non-controlling interest relating to the subsidiary on the date control was lost.

The following payments are expected on employee benefit plan - Gratuity in future years.

Description	Amount (Rs.)
Consideration received	-
Fair value of retained interest	-
Gain/(Loss) for the year from Discontnued operations	-
Derecognition of NCI	2,501,523
Loss after Tax from Discontinued Operations for the year	**2,501,523**

DECADE AT A GLANCE

TEN YEAR SUMMARY (RS.'000)

YEAR	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Turnover	422,435	445,909	481,952	476,852	438,406	335,218	339,155	376,776	442,756	458,732
Operating Income	311,842	318,302	360,467	341,021	329,917	232,415	227,762	220,439	285,149	324,677
Operating Expenses	(122,321)	(101,051)	(107,266)	(127,029)	(125,088)	(109,215)	(111,485)	(108,020)	(146,940)	(118,800)
Operating Profit/(Loss)	745,287	4,096,402	726,069	807,372	407,897	269,115	326,047	734,817	564,228	492,540
Non Operating Income	7,567	16,627	4,786	1,479	2,211	7,135	3,947	4,773	3,761	(28,231)
Net Finance Income/(Cost)	(234,312)	(243,367)	(215,061)	(235,510)	(232,371)	(207,492)	(291,922)	(305,780)	(199,154)	(124,974)
Profit/(Loss) Before tax	510,975	3,853,035	511,008	571,862	175,526	61,624	34,125	429,037	365,074	367,566
Income Tax	(203,730)	(1,110,643)	(82,673)	(239,357)	(116,320)	562,336	(765,259)	(108,253)	(269,772)	(179,328)
Profit/(Loss) after tax	307,244	2,742,393	328,334	332,505	59,205	623,960	(731,134)	320,783	95,302	188,238
Minority Interest	(105)	(894)	(617)	(20)	(21)	(9)	(9)	(9)	(9)	-
Profit for the year	307,139	2,741,499	327,717	332,485	59,184	623,969	(731,125)	320,792	95,311	188,238

INVESTOR INFORMATION

COLOMBO LAND AND DEVELOPMENT COMPANY PLC
LIST OF 20 MAJOR SHAREHOLDERS BASED ON THEIR SHAREHOLDINGS AS AT 31ST DECEMBER 2025

	NAME	NO. OF SHARES	%
1	MR. E.G. NG	47,390,516	23.71
2	HIKKADUWA BEACH RESORT PLC	40,413,200	20.22
3	MES URBAN DEVELOPMENT AUTHORITY OF SRI LANKA	34,872,675	17.45
4	BANK OF CEYLON A/C CEYBANK UNIT TRUST	6,750,709	3.38
5	MR. Y.T. NG	6,006,876	3.01
6	MR. E.S. NG	4,945,716	2.47
7	MR. Y..C. NG	4,715,502	2.36
8	MES K.P. HONG (DECEASED)	2,251,625	1.13
9	MR. K.V. HEWAVITARNE	2,000,000	1.00
10	MR. Y.H. NG	1,920,000	0.96
11	AMANA BANK PLC/MR. M.Z. MOHAMED GHOUSE	1,805,000	0.90
12	MR. T.G. THORADENIYA	1,616,518	0.81
13	MR. Y.K.D. NG	1,605,600	0.80
14	RANAVAV HOLDINGS (PVT) LTD	1,500,000	0.75
15	SEYLAN BANK PLC/MOHAMED MUSHTAQ FUAD	1,348,602	0.68
16	MR. C.W. VANDORT	1,335,554	0.67
17	PEOPLE S LEASING AND FINANCE PLC/NAGOYA CEYLON TRADING (PVT) LTD	992,041	0.50
18	DEUTSCHE BANK AG-NATIONAL EQUITY FUND	968,933	0.49
19	SENKADAGALA FINANCE PLC/D.V.GOONETILLEKE	829,530	0.42
20	CAPT. W. BAPTISTA	818,989	0.41
		164,087,586	82.09
OTHERS		35,793,42	17.91
TOTAL		**199,881,008**	**100.00**

ANALYSIS OF SHAREHOLDING AS AT 31ST DECEMBER 2025

RESIDENT

TYPE	NO. OF SHARE HOLDERS (RESIDENT)	HOLDING (RESIDENT)	% (RESIDENT)
Individuals	2,880	28,771,826	14.3945
Institutions	196	100,662,890	50.3614
Total	**3,076**	**129,434,716**	**64.7559**

NON RESIDENT

TYPE	NO. OF SHARE HOLDERS (NON RESIDENT)	HOLDING (NON RESIDENT)	% (NON RESIDENT)
Individuals	42	70,446,192	35.2441
Institutions	1	100	0.0001
Total	**43**	**70,446,292**	**35.2441**

ANALYSIS OF SHAREHOLDERS AS 31ST DECEMBER 2025

SHAREHOLDINGS	NUMBER OF SHAREHOLDERS (RESIDENT)	NO.OF SHARES (RESIDENT)	% (RESIDENT)
1-1,000	1,839	545,463	0.2729
1,001-10,000	804	2,989,911	1.4958
10,001-100,000	342	11,119,845	5.5632
100,001-1,000,000	82	23,137,239	11.5755
1,000,001 & Over	9	91,642,258	45.8484
Total	**3,076**	**129,434,716**	**64.7559**

SHAREHOLDINGS	NUMBER OF SHAREHOLDERS (NON RESIDENT)	NO.OF SHARES (NON RESIDENT)	% (NON RESIDENT)
1-1,000	11	4,861	0.0024
1,001-10,000	13	33,970	0.0170
10,001-100,000	9	259,287	0.1297
100,001-1,000,000	3	1,312,339	0.6566
1,000,001 & Over	7	68,835,835	34.4384
Total	**43**	**70,446,292**	35.2441

SHAREHOLDINGS	NUMBER OF SHAREHOLDERS (TOTAL)	NO.OF SHARES (TOTAL)	% (TOTAL)
1-1,000	1,850	550,324	0.2753
1,001-10,000	817	3,023,881	1.5128
10,001-100,000	351	11,379,132	5.6930
100,001-1,000,000	85	24,449,578	12.2321
1,000,001 & Over	16	160,478,093	80.2868
Total	**3,119**	199,881,008	**100.0000**

DIRECTORS' SHAREHOLDING AS AT 31ST DECEMBER 2025

	NAME	NO. OF SHARES	%
1	**Mr.M.D.A.Weerasooriya**	Nil	Nil
2	**Mr.P S Weerasekera**		
	held shares in the following manner		
	People's Leasing and Finance PLC/P S Weerasekera	80,342	0.040%
3	**Mr.Ng Yao Xing, Eugene**	Nil	Nil
4	**Mr.S A Ameresekere**	Nil	Nil
5	**Mr.P S Perera**	Nil	Nil
6	**Eng. L B Kumudu Lal**	Nil	Nil
7	**Mr.W A A Perera**	Nil	Nil
8	**Mr.W T H R Withana (appointed w.e.f. 02.10.2025)**	Nil	Nil
9	**Mr.M C Withanaarachchi (resigned w.e.f. 02.10.2025)**		

SHARE PRICES FOR THE YEAR

MARKET PRICE PER SHARE	AS AT 31.12.2025	DATE	AS AT 31.12.2024	DATE
1 Highest during the year	53.80	30/11/2025	23.70	30/12/2024
2 Lowest during the year	20.00	20/01/2025	16.60	30/01/2024
3 As at end of year (Closing Price)	46.50	31/12/2025	23.10	31/12/2024

	AS AT 31.12.2025	AS AT 31.12.2024
Number of Transactions during the year	16521	4,098
Number of Shares Traded during the year	62,051,457	10,482,135
Value of Shares Traded during the year	2,320,990,807.50	212,178,658.20

PUBLIC HOLDING

Public Holding percentage as at 31st December 2025	-	38.5851%
Number of shareholders representing the above Percentage	-	3,115

Float adjusted market capitalization as at 31st December 2025 – Rs.3,586,278,787.50

The Float adjusted market capitalization of the Company falls under Option 4 of Rule 7.13.1 (i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option.

GLOSSARY OF FINANCIAL TERMS

EARNINGS PER SHARE
Profit/(Loss) attribute to ordinary shareholders for the year divided by the weighted average number of ordinary shares outstanding during the year.

NET ASSET
Total Asset minus Liabilities

NET ASSET PER SHARE
Net Asset divided by number of shares

DIVIDEND PER SHARE
Total dividend divided by number of shares

MARKET CAPITALISATION
Number of ordinary shares in issue multiplied by market value per share

ASSET TURNOVER RATIO
Total revenue divided by Total Assets

CAPITAL EMPLOYED
Stated capital plus Reserves

RETURN ON CAPITAL EMPLOYED
Profit/(Loss) for the year divided by Capital Employed

FORM OF PROXY

I/We*.....(NIC/Passport/Cto. Reg. No. .....) of..... .....being a shareholder / shareholders of Colombo Land & Development Company PLC hereby appoint ..... (NIC/Passport No.....) of..... or failing him/her*,

Mr. M D A Weerasooriya	or failing him*
Mr. P S Weerasekera	or failing him*
Mr. NG Yao Xing	or failing him*
Mr. S A Ameresekere	or failing him*
Mr. P S Perera	or failing him*
Mr. W A A Perera	or failing him*
Mr. M G Hemachandra	or failing him*
Mrs. D M Kiriwattuduwa	

as my/our* proxy to represent and speak and vote as indicated hereunder for me/us* and on my/our* behalf at the Forty Fourth (44th) Annual General Meeting of the Company to be held on 30th June 2026 at 10.30 a.m. and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

		For	Against
1	To re-elect Mr Weerakoone Arachchige Adrian Perera, who retires by rotation in terms of Articles 86 and 87 of the Articles of Association, as a Director of the Company.		
2	To re-elect as a Director, Mr Manachchi Gamage Hemachandra, who was appointed to the Board since the last Annual General Meeting, in terms of Article 94 of the Articles of Association.		
3	To re-elect as a Director, Mrs. D M Kiriwattuduwa, who was appointed to the Board since the last Annual General Meeting, in terms of Article 94 of the Articles of Association.		
4	To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.		
5	To authorize the Directors to determine donations for the year 2026 and up to the date of the next Annual General Meeting.		

Signed this..... day of ..... Two Thousand and Twenty Six

.....
Signature of Shareholder/s

NOTES:

1. A proxy need not be a shareholder of the Company
2. Instructions as to completion appear overleaf.

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 completed Proxy should be deposited at the Registered Office of the Company, 3rd Floor, Liberty Plaza, 250, R A De Mel Mawatha, Colombo 03 by 10.30 a.m on 28th June 2026.

3. The Proxy shall –

   a. In the case of an individual be signed by the shareholder or by his 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 Attorney 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 Statute. (as applicable)

4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.

5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his tdiscretion will vote as he thinks fit.

6. In the case of joint holders the Form of Proxy must be signed by the first holder.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT

The Forty Fourth (44th) Annual General Meeting of Colombo Land & Development Company PLC will be held at Sri Sambuddhathwa Jayanthi Mandiraya, 4th floor, No.32, Sri Sambuddhathwa Jayanthi Mawatha, Colombo 05 on 30th June 2026 at 10.30 a.m for the following purposes :

1. To receive the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31st December 2025 and the Report of the Auditors thereon.

2. To re-elect Mr Weerakoone Arachchige Adrian Perera, who retires by rotation in terms of Articles 86 and 87 of the Articles of Association, as a Director of the Company.

3. To re-elect as a Director, Mr Manachchi Gamage Hemachandra, who was appointed to the Board since the last Annual General Meeting, in terms of Article 94 of the Articles of Association.

4. To re-elect as a Director, Mrs. Dayani Malkanthi Kiriwattuduwa who was appointed to the Board since the last Annual General Meeting, in terms of Article 94 of the Articles of Association.

5. To re-appoint Messrs Ernst & Young, Chartered Accountants, the retiring Auditors and to authorize the Directors to determine their remuneration.

6. To authorize the Directors to determine donations for the year 2026 and up to the date of the next Annual General Meeting.

By Order of the Board
COLOMBO LAND & DEVELOPMENT COMPANY PLC



P W CORPORATE SECRETARIAL (PVT) LTD
Secretaries
25th May 2026
Colombo

NOTES:

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend, speak and vote on behalf of him/her.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.

CORPORATE INFORMATION

NAME OF THE COMPANY
Colombo Land and Development Company PLC
(Reg. No. PQ173)

REGISTERED OFFICE
3rd Floor, Liberty Plaza,
250, R. A. De Mel Mawatha,
Colombo 03.
Tel No. 011-2575935-7 Fax: 011-2573111
E-mail: info@colomboland.com

BOARD OF DIRECTORS
Mr. M D A Weerasooriya
Mr. P S Weerasekera
Mr. S A Ameresekere
Mr. Ng Yao Xing Eugene
Mr. L B Kumudu Lal
(Resigned with effect from 6th November 2025)
Mr. M C Withanaarachchi
(Resigned with effect from 2nd October 2025)
Mr. W A A Perera
Mr. P S Perera
Ms. D M Kiriwattuduwa
(Appointed as a Non-Executive Director
with effect from 17th April 2026.)
Mr. M G Hemachandra
(Appointed as a Non-Executive Director
with effect from 23rd January 2026)
Mr. W T H R Withana
(Appointed as a Non-Executive Director
with effect from 2nd October 2025 and
Resigned with effect from 17th April 2026.)

SECRETARIES
P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road, Colombo 08
Tel: 4640360

LAWYERS
Capital Law Chambers & Corporate
Attorneys-at-law, Notaries Public,
11, Arcadia Gardens, Rosmead Place,
Colombo 07.

AUDITORS
Ernst & Young
Chartered Accountants
Rotunda Towers, No.109, Galle Road, Colombo 03, Sri Lanka

BANKERS
National Development Bank PLC
People's Bank
Nations Trust Bank PLC
Sampath Bank PLC
Commercial Bank of Ceylon PLC
Bank of Ceylon

SUBSIDIARY COMPANIES
Liberty Holdings Limited
Liberty Developers (Pvt) Limited
Agrispice (Pvt) Limited
Anantya Global Solutions Company Limited

REGISTRARS
Central Depository Systems (Pvt) Limited
Ground floor, M&M Centre,
341/5, Kotte Road,
Rajagiriya

FOR INVESTOR RELATIONS AND CLARIFICATIONS
Accountant
Colombo Land & Development Company Plc ,
Liberty Plaza,
No. 250-3/8,R A De Mel Mawatha,
Colombo 3, Sri Lanka.
Telephone: +94 11275935
Email: info@colomboland.com
Web : www.colomboland.com

Concept & Designed by
MIRACLE
BEYOND IMAGINATION

Colombo Land
& Development Company PLC

COLOMBO LAND & DEVELOPMENT COMPANY PLC
ANNUAL REPORT 2025

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