



Colombo City Holdings PLC
AN AMBEON COMPANY

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ANNUAL REPORT 2024 / 2025

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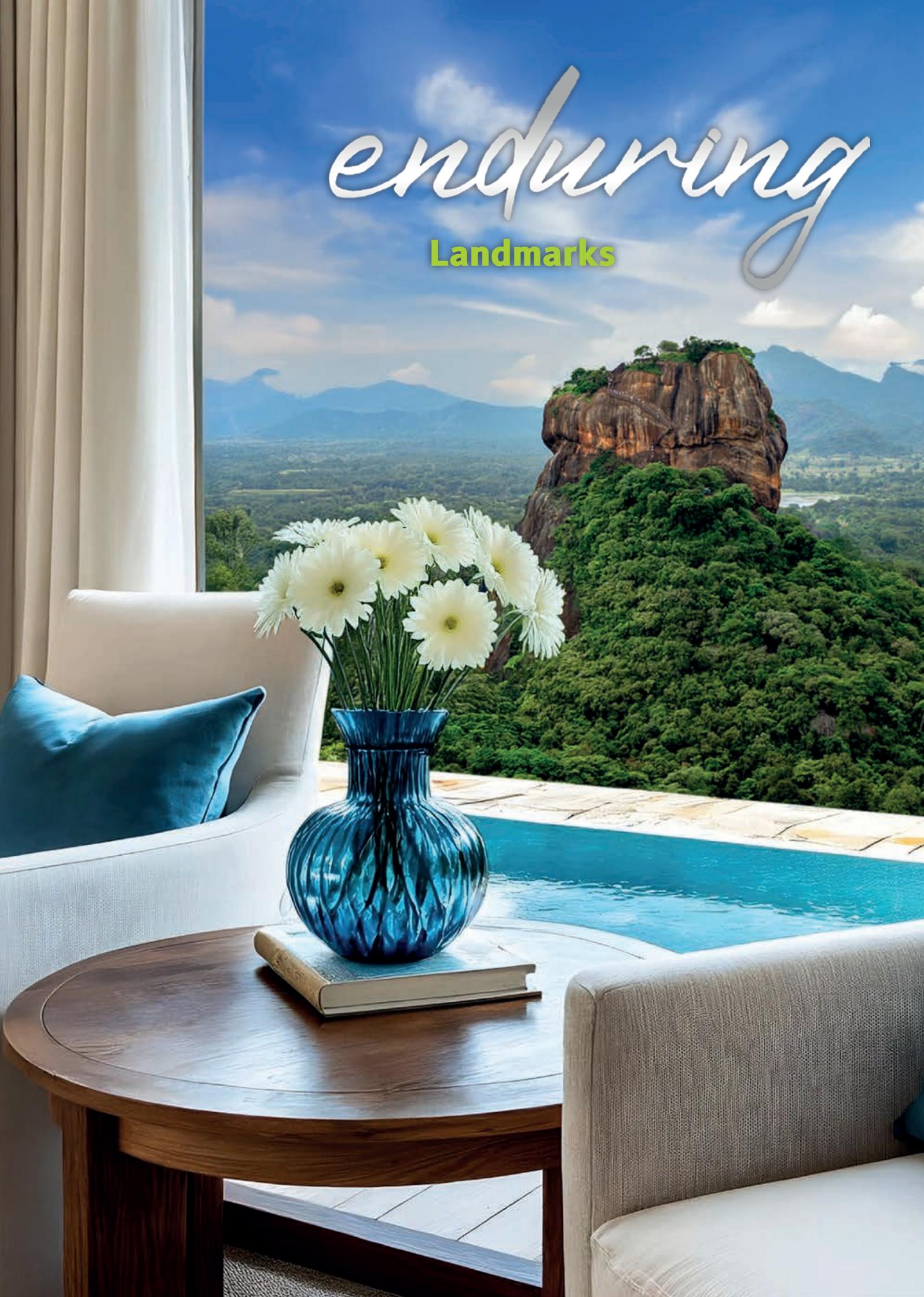
At Colombo City Holdings, we believe in a vision that balances progress with responsibility. As we look to the future of real estate investment and development, our focus is firmly rooted in preserving the environment and building in harmony with nature. Every project we undertake is guided by eco-friendly, sustainable practices that ensure long-term value for communities and the planet alike. Through this approach, we aim to create lasting growth that benefits both people and the environment for generations to come.

PERFORMANCE HIGHLIGHTS

	Group		Company	
	2024/25	2023/24	2024/25	2023/24
Balance Sheet - LKR				
Cash & Cash Equivalents	6,294,781	2,117,834	5,462,928	1,518,982
Other Financial Investments	1,607,994,405	926,978,815	1,490,918,355	863,869,812
Trade & Other Receivables	359,983,426	574,948,816	20,923,097	219,156,513
Total Current Assets	1,986,118,367	1,512,624,738	1,517,304,380	1,084,545,307
Total Non-Current Assets	1,388,661,763	1,268,584,676	1,523,799,710	1,401,692,464
Total Current Liabilities	418,242,997	112,713,387	319,713,259	25,619,469
Total Non-Current Liabilities	256,780,913	227,373,865	159,330,478	142,800,594
Total Shareholders' Equity	2,669,756,220	2,441,122,160	2,562,060,353	2,317,817,708
Income Statement - LKR				
Revenue	50,009,310	77,201,737	-	-
Gross Profit	47,035,934	73,306,647	-	-
EBITDA	332,528,707	676,392,513	316,951,176	505,913,272
Profit/(Loss) Before Taxes	317,494,195	660,125,966	303,973,375	493,100,454
Profit/(Loss) After Taxes	258,630,478	419,333,283	244,239,063	358,979,827
KEY RATIOS				
Profitability Ratios				
Return on Equity	9.58%	17.18%	9.53%	15.49%
Return on Assets	7.66%	15.08%	8.03%	14.44%
Return on Sales	517.16%	543.17%	-	-
Gross Profit Margin	94.05%	94.95%	-	-
Asset Turnover Ratio	1.48%	2.78%	-	-
EPS	10.16	16.47	9.59	14.10
Dividend Per Share	-	-	-	-
Current Ratio				
Current Ratio	4.75	13.42	4.75	42.33
Quick or Acid Test Ratio				
Quick or Acid Test Ratio	4.75	13.42	4.75	42.33
Debt to Equity Ratio				
Debt to Equity Ratio	0.25	0.14	0.19	0.07
NAV				
NAV	106.05	95.89	100.64	91.05
Interest Coverage Ratio				
Interest Coverage Ratio	22.99	42.69	25.34	41.57

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Landmarks



CHAIRMAN'S MESSAGE



CCH remains optimistic about Sri Lanka's long-term prospects as a regional hub for sustainable tourism, premium real estate, and lifestyle-oriented investment. As macroeconomic conditions continue to improve, we recognise the pivotal role the private sector must play in driving national progress, through innovation, strategic collaboration, responsible capital allocation, and collaborative partnerships.

Dear Shareholders,

It is with great pleasure that I present the Annual Report and Audited Financial Statements of Colombo City Holdings PLC ("CCH") for the financial year ended 31st March 2025.

This year marked another significant milestone in our transformation journey, driven by strategic foresight, disciplined capital management, operational resilience and our unwavering commitment to long-term value creation for our stakeholders.

Amidst the backdrop of a gradually stabilising macroeconomic landscape, the Company remained agile and resilient, proactively adapting to changing market conditions while safeguarding the core value of our diversified investment portfolio. As a focused investment holding company, our strategy remains centered on unlocking the potential of our prime real estate assets and pursuing sustainable growth opportunities across property development, capital markets and strategic investments.

Operating Environment: Transition and Opportunity

The year 2024 represented a pivotal phase in Sri Lanka's economic recovery. Inflationary pressures eased, interest rates declined, and investor confidence gradually improved. These developments were supported by the Government's sovereign debt restructuring efforts, IMF-led policy reforms, and a gradual strengthening in foreign exchange reserves.

One of the key drivers of Sri Lanka's economic recovery in 2024 was the tourism sector, which emerged as one of the highest-performing industries during the year. Enhanced global mobility, improved air connectivity and Sri Lanka's enduring appeal as a destination rich in natural beauty, cultural heritage and adventure helped drive tourist arrivals beyond two million marked in 2024. This resurgence played a critical role in boosting foreign exchange inflows and reigniting investor interest in leisure-focused real estate and hospitality infrastructure, laying a strong foundation for renewed growth in both property development and capital markets sectors.

CHAIRMAN'S MESSAGE

Ambitious Growth Trajectory

In this context, CCH has continued to evolve as a forward-looking investment and development platform. Building on a legacy that spans several decades, the Company has strategically repositioned itself as a lean and focused investment entity. Today, our diversified portfolio comprising real estate, listed equities and fixed-income securities, is managed with a view towards sustainable long-term value creation. This transformation has been guided by a disciplined and deliberate approach to capital allocation, asset optimisation and market engagement. Central to our strategy is the identification and development of high-potential real estate holdings that align with evolving macroeconomic trends, demographic shifts and growing investor appetite for sustainable, lifestyle-oriented developments.

During the period under review, we progressed early-stage engagement on two key properties: a beachfront site in Kosgoda and a scenic inland parcel near Sigiriya. Both sites are located within high-demand tourism corridors and have been selected for their significant development potential. These assets are intended to serve as platforms for future value creation through commercially viable, and environmentally responsible projects.

CCH's approach extends beyond passive asset ownership. The Company operates as a master developer, forming strategic partnerships, shaping development concepts and aligning each initiative with environmental sustainability, community interests and market demands. This development-led strategy enables the transformation of underutilised properties into purpose-driven destinations that generate both financial returns and positive social impact.

Financial Performance and Capital Position

CCH maintained a resilient financial position during the year under review, reporting a net profit of LKR 259 million, compared to LKR 419 million recorded in the preceding financial year. This decline reflects lower investment returns due to a softer interest rate environment and the absence of one-off gains recorded in FY2024/25.

Despite the year-on-year decrease in profitability, the Company's core asset base, comprising high-value real estate, listed equities and government securities, remained fundamentally strong and well-positioned to deliver long-term value. Investment property valuations held steady, and the Company anticipates further appreciation as its development pipeline progresses toward implementation. With total assets exceeding LKR 3 billion (excluding available borrowing capacity), the Company has ample flexibility to pursue strategic initiatives without compromising balance sheet strength.

The Company's capital allocation strategy remains focused on maintaining a prudent balance between liquidity preservation and the pursuit of high-yield investment opportunities. CCH is actively exploring joint ventures and foreign partnerships aimed at scaling development projects while maintaining robust financial oversight and operational discipline.

With a solid balance sheet, prudent financial management and a clear development pipeline, CCH is well-positioned to unlock long-term value for shareholders, while simultaneously contributing to the advancement of Sri Lanka's broader real estate and tourism sectors.

Commitment to Environmental, Social, and Governance (ESG) Principles

Environmental, Social, and Governance (ESG) principles are integral to our long-term vision and operational philosophy. We recognise that sustainable value creation extends beyond financial performance. It encompasses the thoughtful management of natural resources, meaningful community engagement, and a steadfast commitment to ethical governance. We approach every investment and development opportunity with an understanding that our properties are part of a broader cultural, ecological, and socio-economic fabric. Accordingly, our projects are shaped by a commitment to sustainability, inclusivity, and transparency, ensuring that each initiative delivers enduring value while respecting the identity and integrity of its location.

We remain committed to:

- * Environmental Responsibility through site-sensitive planning, biodiversity conservation, and sustainable infrastructure.
- * Socioeconomic Empowerment by generating employment, supporting local enterprises, and promoting inclusive, responsible development.
- * Alignment with both international frameworks, such as the United Nations Sustainable Development Goals (SDGs) and national priorities, including Sri Lanka's Sustainable Tourism Strategy; and
- * Governance excellence, embedded through the consistent application of ethical practices, transparency, and the cultivation of stakeholder trust.



CHAIRMAN'S MESSAGE

Responsible investment is regarded not only as a moral duty and a strategic priority, one that safeguards long-term shareholder value, reinforces brand integrity, and enhances organizational resilience in a dynamic market environment. These foundational values guide our approach to partnerships, project development, and stakeholder engagement.

Governance continues to be integral to our organisational framework, with the Board providing strategic oversight and management held accountable for embedding ESG priorities across all operations. Our goal is to deliver socially inclusive, environmentally conscious, and commercially sound developments that reflect both ethical responsibility and business acumen.

Forging into the Future

Looking ahead, CCH remains optimistic about Sri Lanka's long-term prospects as a regional hub for sustainable tourism, premium real estate, and lifestyle-oriented investment. As macroeconomic conditions continue to improve, we recognise the pivotal role the private sector must play in driving national progress, through innovation, strategic collaboration, responsible capital allocation, and collaborative partnerships.

In the year ahead, our focus will be on accelerating our development pipeline by forging partnerships with global operators, institutional investors and experienced developers. These alliances will enable us to harness international expertise and funding while maintaining strong governance, quality assurance, and strategic control at the Group level.

Simultaneously, we are committed to expanding our equity investment base and safeguarding the income-generating strength of our financial portfolio. Amidst global uncertainty, our lean operating model, disciplined investment strategy and robust capital position provide the resilience required to pursue growth with confidence.

Our forward strategy is anchored in three core principles: thoughtful capital deployment, responsible development, and sustainable value creation. By evolving our land assets into high-quality, future-ready destinations, we aim to deliver measurable returns for shareholders while contributing meaningfully to the country's economic renewal. With a clear purpose, solid fundamentals and strategic partnerships, CCH is well-positioned to play a leading role in the region's emergence as a centre for ethical investment and premium real estate development.

Acknowledgements

As we conclude this financial year, I wish to extend my heartfelt appreciation to all those who have supported CCH in its ongoing journey of transformation and value creation.

I am especially grateful to our shareholders for their continued trust long-term perspective, and strategic insight. Your confidence in our vision has been instrumental in enabling us to pursue emerging opportunities while maintaining operational resilience and financial stability.

I would also like to express my profound appreciation to my fellow members of the Board for their unwavering commitment, strategic oversight and sound governance during a period marked by evolving market conditions and renewed ambition for growth. Your guidance has been vital in shaping the direction of the Company and positioning it for sustainable success.

To the management and operational teams at CCH, I commend your unwavering dedication, agility, and professionalism in navigating a complex and dynamic business environment. Your ability to adapt to challenges while maintaining focus on long-term priorities has been key to our continued progress.

In addition, I acknowledge with gratitude the invaluable support of our partners, financial institutions, service providers, and legal and compliance advisors. Your collaboration and shared commitment have significantly contributed to the Company's achievements during the year under review.

As we move forward, our focus remains on leveraging our core strengths to unlock the long-term potential of our asset portfolio, generate consistent value for our stakeholders, and contribute meaningfully to the evolution of Sri Lanka's investment landscape, particularly in the real estate and tourism sectors.

Sgd.
Savanth Sebastian
Chairman

15 August 2025



BOARD OF DIRECTORS



Mr. Savanth Sebastian

Chairman/Independent Non-Executive Director

Mr. Savanth Sebastian has a wealth of experience in economics, financial services and investment management and currently serves on the Boards of Directors of Ambeon Capital PLC, Ambeon Holdings PC, Voguetex Pvt Ltd and ArpicoAtaraxia Asset Management. He also served on the Board of Directors of Nations Trust Bank PLC.

Mr. Sebastian brings with him twenty-one years of industry experience, having carried out responsibilities for nine years as the Senior Economist within the Global Markets research team at Commonwealth Bank in Australia, advising Federal and State Governments, high net worth private and institutional clients, and internal stake holders - including Colonial First State and the Commonwealth Bank senior leadership team.

Prior to this, he spent four years working in and then managing the International trading desk for Commonwealth Securities - the stock broking division of Commonwealth Bank, Australia which transacted across 31 international markets. While in the role he was responsible for the facilitation of Strategic Trading Accounts - allowing CBA Treasury to manage risk and drive an alternative source of revenue.

He holds a Bachelor of Commerce in Actuarial Studies & Finance, is an Accredited Advisor of the Australian Stock Exchange, and a Master Practitioner of the Australian Stockbrokers and Financial Advisers Association.

Mr. Sebastian has published numerous research reports for institutional clients covering domestic and global macroeconomic policy and analysis of equity markets.



Mr. Ananda Atukorala

Non-Executive Director

Mr. Ananda Atukorala currently serves as a Director of Arni Holdings & Investments (Pvt) Ltd., Unawatuna Boutique Resort (Pvt) Ltd.

He was formerly the Independent Non-Executive Chairman of the NAPPP, NDB Bank PLC., and DHPL Ltd. He was also an Independent Non-Executive Director of DFCC Bank PLC., DFCC Vardhana Bank Ltd., Union Bank PLC., UB Finance Company Ltd., Orient Finance PLC, United Motors Lanka PLC., Unimo Enterprises Ltd., NDB Capital Holdings Ltd., NDB Securities (Pvt) Ltd, NDB Zephyr Partners Ltd, Mauritius., and a Non-Executive Director of on the Boards of SriLankan Airlines Ltd. and SriLankan Catering Ltd., TVS Lanka Ltd. and TAJ Lanka Hotels.

He possesses extensive experience in banking extending over 40 years, having been with the ANZ Grindlays Banking Group in Sri Lanka, London. & overseas territories and having served as Deputy General Manager of ANZ Grindlays Bank, Sri Lanka, Country Manager - Sri Lanka of Mashreq Bank PSC,.

He was also a former advisor to the Ministry of Policy Development & Implementation. He has also served as a Member of the Technology Initiative for the Private Sector - an USAID sponsored project with the Ministry of Industrial Development, a Member of the Commercial Banking Sector of the Presidential Commission on Finance and Banking and as a Committee Member of the Banker's Club of Sri Lanka.

He was a former Director of the Sri Lanka Banks Association (Guarantee) Ltd. and the Credit Information Bureau of Sri Lanka (CRIB). He holds a BSc (University of Leeds, UK), MTT (North Carolina State University, USA) and an MBA. He has had extensive training Overseas and recently participated in a Harvard Kennedy School Executive Program.

BOARD OF DIRECTORS



Dr. Sajeewa Narangoda

Non-Executive Director

Dr. Sajeewa Narangoda is currently the Group CEO/Executive Director of Ambeon Holdings PLC and Ambeon Capital PLC. Dr. Narangoda also serves as a Non-Executive Director on the respective Boards of Colombo City Holdings PLC, Eon Tec (Pvt) Ltd, Millennium I. T. E. S. P. (Private) Limited, Taprobane Capital Plus (Pvt) Ltd, Lexington Resorts (Pvt) Ltd, and Sherwood Capital (Pvt) Ltd.

His illustrious career includes serving Dankotuwa Porcelain PLC as its Chief Executive Officer, Colombo City Holdings PLC as its Chief Executive Officer/Executive Director, and Millennium IT ESP as its Executive Director. Further, under his leadership Hemas Holdings PLC and Brown and Company PLC have established multiple secondary care general hospitals in Sri Lanka. He has also been serving the Australian Council on Healthcare Standards International (ACHSI) as an International Hospital Assessor since 2012 and as the Regional Representative for South Asia since 2019.

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



Mr. Sharad Sridharan

Independent Non-Executive Director

Sharad co-founded ACP Asset Management and serves as its Chief Executive Officer and is a member of its Board of Directors and serves on the Investment Committee.

Sharad is responsible for sourcing, executing acquisitions and monitoring several of ACP Asset Management's portfolio companies. He serves on all investee company boards and maintains strong personal relationships with all stakeholders across the investment spectrum.

Prior to founding ACP Asset Management, Sharad trained and practiced as a corporate M&A lawyer in both Sydney and Abu Dhabi and has worked for several global law firms including Linklaters, Allens Arthur Robinson, and DLA Piper.

He holds a Bachelor of Business and a Juris Doctorate from the University of Technology, Sydney.

BOARD OF DIRECTORS



Mr. Revantha Devasurendra

Non-Executive Director

Mr. Revantha Devasurendra is a distinguished board member serving numerous public and private companies. He specializes in driving strategic initiatives and implementing robust systems and processes that foster accountability, with a vision to inspire collective purpose and direction.

Mr. Devasurendra holds a Bachelor of Arts with Honours in Industrial Economics from the University of Nottingham and a certificate in Hotel, Real Estate Investments, and Asset Management from Cornell University's School of Hotel Administration. His educational background complements his extensive experience in the corporate and entrepreneurial landscape.

As a founding board member of the Entrepreneurs Organization (EO) Sri Lanka, Mr. Devasurendra played a pivotal role in the organization's establishment and success. He notably served as the Chapter President for the year 2020/21, where his leadership and vision significantly contributed to fostering a collaborative entrepreneurial community. Additionally, he is a founding board member of the EO Bangkok Metropolitan Chapter.

Guided by principles of gratefulness, positivity, servant leadership, and a beginner's mindset, Mr. Devasurendra continuously challenges the status quo while maintaining humility and a zest for life. His visionary approach and passion for innovative ideas enable him to anticipate and plan for various scenarios, often connecting seemingly unrelated concepts to develop creative solutions.

With strong visualization skills, Mr. Devasurendra has a talent for turning aspirations into reality, providing a calming influence amid chaos. His empathetic nature and high emotional intelligence allow him to adapt swiftly to changing circumstances, ensuring steady and effective leadership.

As a scaling-up coach in certification, Mr. Devasurendra empowers individuals and businesses to unlock their growth potential. He is also the driving force behind British Ceylon Capital, a venture capital company focused on investments in the hospitality and export products sectors in Sri Lanka, supporting their growth and development.

Passionate about connecting with like-minded individuals and organizations, Mr. Devasurendra is always exploring new possibilities for collaboration and meaningful impact. His commitment to excellence and innovation continues to shape the business landscape in Sri Lanka and beyond.



Mr. Samresh Kumar

Independent Non-Executive Director

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

BOARD OF DIRECTORS



Mr. Duminda Weerasekare

Independent Non-Executive Director

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

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





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Horizons

MANAGEMENT DISCUSSION & ANALYSIS



Colombo City Holdings PLC (CCH), with a legacy spanning more than a century, has transformed itself from its origins as Colombo Pharmacy into a resilient, future-ready holding company. Today, CCH operates with a defined dual focus, strategic real estate development and diversified financial investments anchored in a long-term vision of sustainable value creation, capital efficiency, ethical and transparent governance.

This deliberate transformation reflects CCH's ability to adapt its business model in response to shifting market dynamics, while staying true to its core principles of prudent risk management, disciplined capital deployment, and long-term asset stewardship. The company's evolution

from an industrial legacy to a lean, agile investment platform has been shaped by a clear strategic identity and a commitment to building resilience across economic cycles.

With a corporate structure that includes subsidiaries such as Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, and Heron Agro (Pvt) Ltd, CCH has consolidated its efforts around high-conviction, capital-efficient growth opportunities. Its real estate portfolio is strategically positioned to capture long-term value, particularly in emerging segments such as wellness tourism, senior living, and boutique hospitality. In parallel, the Group's diversified financial investments spanning government

securities and listed equities provide a stable income base and mitigate exposure to market volatility.

Operating in a dynamic economic environment, CCH continues to balance short-term resilience with long-term opportunity. Its business model is underpinned by a lean operating structure, a disciplined investment philosophy, and readiness to explore high-return sectors aligned with demographic and macroeconomic shifts. As a trusted and forward-looking investor, CCH remains well-positioned to deliver enduring value for its shareholders while contributing meaningfully to Sri Lanka's evolving investment landscape.

MANAGEMENT DISCUSSION & ANALYSIS

Sri Lanka Macroeconomic Review

The financial year 2024/25 marked a turning point for Sri Lanka's economy, emerging from a prolonged period of instability and progressing steadily toward macroeconomic stability and structural reform. Central to this recovery was the implementation of the International Monetary Fund's (IMF) Extended Fund Facility (EFF), which provided the framework for fiscal consolidation, debt optimisation, and sustainable economic governance. Improvements across key economic indicators including low and stable inflation, downward-trending interest rates, and a strengthening rupee helped restore investor confidence and create a more enabling environment for long-term capital deployment.

This stabilisation had far-reaching implications for capital-intensive sectors, notably real estate and diversified financial investments. Against this landscape, Colombo City Holdings PLC (CCH) operated with increased agility and purpose, positioning its asset base to benefit from renewed investor sentiment, improved liquidity conditions, and growing demand in high-potential segments such as hospitality, wellness tourism, and financial markets.

Real Sector Performance and GDP Growth

Sri Lanka's economy recorded an annual GDP growth rate of 5% in 2024, emphasising a strong rebound following the economic disruptions of the preceding two years. The recovery was led by the industrial and services sectors. Notably, construction activity resumed at scale, both through government-led infrastructure projects and renewed private sector real estate development, fueled by better credit conditions and lower financing costs.

The services sector benefited from increased demand in IT services, tourism, and retail, while the agriculture sector showed moderate gains despite weather-related disruptions. Within

this growth trajectory, real estate-related activity including ownership of dwellings accounted for approximately 4.4% of GDP, highlighting the sector's expanding role in national economic output. These developments supported CCH's continued focus on asset-backed investments and real estate diversification, particularly through projects aligned with wellness tourism, residential development, and premium leisure infrastructure.

Inflation and Monetary Policy Dynamics

Inflation remained within the Central Bank of Sri Lanka's (CBSL) target range throughout 2024, aided by moderating food and energy prices, stable exchange rates, and improved sectoral productivity. This allowed the CBSL to adopt a more accommodative monetary policy stance following the successful completion of the Domestic Debt Optimisation (DDO) programme.

As a result, interest rates declined significantly, reducing the cost of borrowing for businesses and individuals alike. For CCH, this shift not only improved the attractiveness of new real estate development initiatives but also enhanced the performance of its fixed-income financial instruments, particularly Treasury securities. The low-interest-rate environment also supported capital formation in the housing, commercial property, and hospitality sectors, key areas of strategic focus for CCH's future investment pipeline.

Exchange Rate Movement and External Sector Performance

The external sector played a vital role in fortifying Sri Lanka's economic foundation in 2024. Although the trade deficit widened due to higher import volumes, this was partially offset by gains in tourism and worker remittances. Additionally, the suspension of debt service obligations and continued vehicle import restrictions contributed positively to the balance of payments.

The Sri Lankan Rupee appreciated by 9.7% during the year, with the USD/LKR exchange rate improving from LKR 323.99 to LKR 292.58. This currency strength reflected greater market confidence, improved foreign reserves, and increased capital inflows driven by IMF and multilateral support.

While a stronger rupee posed some challenges to export competitiveness, it reinforced confidence in foreign-denominated capital flows into real estate and infrastructure. Foreign investor interest in strategically located tourism and retirement-focused assets such as CCH's beachfront property in Kosgoda was amplified by the perception of greater economic stability. In this context, CCH is well-positioned to explore partnerships with international developers and investors to unlock new value across its real estate holdings.

Interest Rate Trends and Capital Market Conditions

Interest rates underwent significant recalibration throughout 2024. Policy rate reductions by the CBSL led to a decline in both lending and deposit rates, lowering the cost of capital across sectors. While returns on government securities moderated slightly, the reduced risk environment improved the risk-return profile for balanced portfolios. Equity markets responded positively, with increased trading volumes and renewed institutional participation, particularly in banking, construction, and diversified holdings. This environment supported CCH's selective equity investment strategy, which prioritises exposure to resilient, dividend-yielding, and growth-oriented blue-chip stocks. Simultaneously, the Group continued to generate steady income from its fixed-income investments, preserving capital while capturing upside from interest rate movements.

MANAGEMENT DISCUSSION & ANALYSIS

Revival of Global Economy & Tourism

Despite geopolitical uncertainties, the global economy saw gradual recovery, with global GDP growth moderating to 3.2% in 2024 according to the International Monetary Fund (IMF). However, the tourism sector rebounded sharply, returning to 99% of pre-pandemic international arrival levels. The UN World Tourism Organization (UNWTO) reported robust growth across Europe, the Middle East, and Asia, with a renewed focus on experiential, wellness, and eco-friendly travel.

Sri Lanka benefited significantly from these trends, regaining status as a preferred destination for high-spending travellers. This resurgence supported CCH's strategic direction, particularly in relation to its planned leisure development in Kosgoda. By aligning its real estate development model with global trends in wellness and retirement living, CCH aims to cater to emerging lifestyle preferences while contributing to the country's tourism-led growth strategy.

Real Estate Sector Context

The real estate sector recorded a notable resurgence in 2024, supported by declining interest rates, improved credit flows, and stabilised market conditions. Residential, commercial, and mixed-use developments gained traction, with increased activity in both urban centres and tourism-driven coastal zones. Real estate activities contributed 4.4% to national GDP, reinforcing the sector's pivotal role in post-crisis recovery.

For CCH, this sectoral revival validated its long-term focus on high-potential real estate investments. The Group's prime beachfront property, has attracted growing interest from local and international stakeholders. Plans are underway to develop this site into a premium, non-traditional leisure destination incorporating wellness

tourism and retirement living, an approach aligned with demographic shifts and evolving lifestyle demands. In parallel, CCH continued to manage its broader property portfolio strategically, maintaining asset quality and development readiness. These actions, combined with the Group's conservative financial management and focus on liquidity, position CCH to scale responsibly while delivering sustainable returns in a recovering real estate market.

Business Model & Value Creation Strategy

CCH operates with a differentiated and resilient business model anchored on three core pillars: strategic real estate holdings in high-growth corridors, prudent financial investments in low-risk instruments and listed equities, and a capital-efficient operational framework powered by lean governance and external partnerships. This hybrid investment architecture enables the Group to balance risk and return while maintaining the flexibility to adapt to dynamic market conditions.

1. Strategic Real Estate Holdings

Real estate remains the cornerstone of CCH's portfolio strategy. The Group's property holdings are concentrated in high-potential, strategically positioned locations, with a particular emphasis on urban Colombo. These assets are actively managed with a long-term value creation lens, aligned with evolving trends in urbanisation, demographic shifts, and demand for sustainable development.

CCH adopts a measured, future-focused approach to real estate stewardship, ensuring assets are preserved for optimal timing and strategic deployment. The emphasis remains on capital efficiency, value preservation, and readiness for development that aligns with national planning frameworks and emerging sectoral opportunities.

Properties in Colombo continue to serve as core capital preservation assets, offering a dual benefit of income generation and long-term capital appreciation. The Group's disciplined investment philosophy avoids speculative risks, instead favouring projects that blend commercial viability with broader economic and social impact.

2. Prudent Financial Investments

In parallel with its real estate strategy, CCH maintains a strong focus on capital preservation and liquidity management through a diversified financial investment portfolio. The Group continued to allocate a significant portion of its capital to government securities, particularly Treasury Bonds, which provided stable returns and protected against volatility in the broader investment landscape. These low-risk instruments offered attractive risk-adjusted yields, especially in the context of a declining interest rate environment during the year under review.

To complement this fixed-income strategy, the Group also selectively increased its exposure to listed equities, with an emphasis on blue-chip, dividend-paying stocks that offer long-term upside potential. The equity portfolio is managed with discipline and foresight, balancing yield generation with capital growth opportunities. This blended investment approach enhances the Group's financial resilience, providing a stable income stream while preserving the flexibility to seize tactical investment opportunities as they arise.

3. Capital-Efficient Growth through Lean Operations

CCH's business model is deliberately structured to remain lean, capital-efficient and partnership-driven. Rather than relying on vertically integrated operations, the Group leverages external expertise and third-party partnerships for project execution,

MANAGEMENT DISCUSSION & ANALYSIS

Real Estate Valuations and Market Normalisation

Compared to previous years, revaluation gains on investment properties normalised, consistent with a maturing real estate market that is gradually emerging from the post-crisis correction phase. While valuations remained steady, the Group refrained from overleveraging or speculative development, choosing instead to retain its assets in a state of strategic readiness. This conservative posture ensures that long-term capital appreciation remains intact.

Liquidity, Capital Flexibility and Financial Resilience

Throughout the year, CCH maintained healthy cash reserves and a strong liquidity position, enabling it to meet all operational and capital obligations without compromising its investment agility. The Group's conservative capital structure and low gearing provided a solid foundation to weather short-term market volatility while preserving the capacity to invest in strategic initiatives, including potential real estate developments and opportunistic equity purchases. This financial discipline is a hallmark of CCH's business model, allowing the Group to remain resilient amid external headwinds while ensuring it is well-positioned to deploy capital swiftly when value-accretive opportunities arise.

Real Estate Portfolio Highlights

Colombo City Holdings PLC (CCH) continued to strengthen the foundation of its real estate strategy during the financial year 2024/25, focusing on unlocking the long-term value of its strategically located landholdings. With a deliberate emphasis on sustainability, differentiation, and alignment with global lifestyle and tourism trends, the Group's flagship properties represent significant potential for transformational development.

Kosgoda Beachfront Property

Spanning eight acres and offering over 110 feet of uninterrupted ocean frontage, the Kosgoda beachfront property stands as a cornerstone of CCH's long-term real estate portfolio. Located just beyond the vibrant Weligama coastal belt, this pristine land parcel is ideally positioned to benefit from rising demand for wellness, leisure, and retirement living in Sri Lanka's southern region.

Preliminary discussions are underway with select regional partners to structure a joint venture model, which would be complemented by strategic land consolidation in the vicinity to enhance the overall commercial scale, infrastructure readiness, and design flexibility of the project. The conceptual development framework is designed to appeal to both international lifestyle migrants and returning Sri Lankan expatriates seeking premium, health-focused living environments in culturally rich locations.

Sigiriya-Adjacent Inland Property

CCH's inland landholding near Sigiriya presents another compelling long-term development opportunity. Nestled amidst cultural landmarks and natural reserves, the property boasts panoramic views of Pidurangala Rock, access to protected elephant corridors, and close proximity to Sri Lanka's UNESCO World Heritage-listed sites.

This site is being evaluated for a low-footprint boutique eco-resort or a sustainable gated community, targeting high-value, experience-driven travelers and investors. Early-stage feasibility studies and concept planning are underway, with an emphasis on:

- * Environmental preservation
- * Zoning and regulatory alignment
- * Integration with national tourism strategies

The project is envisioned to align with Sri Lanka's growing appeal as a destination for eco-conscious and culturally immersive tourism, tapping into rising demand from both regional and Western markets for unique, sustainable hospitality experiences.

Agunakolapalassa Plantation and other properties

Situated in the heart of the Hambantota District, this 73-acre (29.88-hectare) estate represents a valuable long-term asset within CCH's property portfolio, offering dual potential as a sustainable timber plantation and a strategic land bank. The site features a mature and income-generating timber base, comprising over 17,000 teak trees planted between 1994 and 2008, along with 307 Lunumidella trees planted in 1996.

Located within the rapidly developing Southern Province, the property is well-positioned to benefit from ongoing regional infrastructure investments and national development priorities. In addition to its current use, the site holds future potential for eco-tourism, agroforestry, or low-impact, sustainable development. The Group is actively assessing long-term strategic options for the asset while maintaining and enhancing the value of its established plantation operations.

Six-storied commercial building, located in the high-demand precinct of Colombo 08, occupies 17.5 perches of prime freehold land and offers a built-up area of 17,150 square feet. Designed for flexible commercial use, the property has been developed as a stable, long-term income-generating asset. Its central location, combined with robust construction standards and a functional multi-level layout, supports consistent rental income and underpins strong capital appreciation potential. The property's strategic urban positioning enhances its appeal

MANAGEMENT DISCUSSION & ANALYSIS

for current and future commercial tenancies, making it a significant contributor to the Group's investment property portfolio.



Future Outlook and Way forward

As CCH propels into the new financial year, the Group is strategically positioned to capitalise on a stabilising macroeconomic landscape, a softening yield curve and a growing demand for lifestyle-oriented real estate development. Building on a resilient foundation established through disciplined capital management and a diversified portfolio, CCH remains focused on delivering sustained, long-term value to its stakeholders.

From a financial perspective, the Group's portfolio of liquid assets, predominantly high-yielding Treasury Bonds, continues to offer a stable income stream, particularly advantageous in the context of a declining interest rate environment. This will be complemented by a selective deepening of equity exposure, targeting fundamentally strong, dividend-paying blue-chip companies listed on the Colombo Stock Exchange. By maintaining a strategic balance between low-risk financial instruments and value-oriented equities, CCH aims to optimise returns while preserving capital and ensuring portfolio resilience.

On the real estate front, the Group's forward strategy centres on unlocking embedded value within its high-potential landholdings. CCH is focused on converting these underutilised assets into value-generating developments that reflect evolving market trends in lifestyle, wellness and sustainable living. Future projects are being conceptualized to align with global shifts toward purpose-driven travel, wellness-oriented communities and integrated living environments that serve both local and international demand. The Group aims to pursue these opportunities through joint ventures and strategic collaborations with regional and international partners, ensuring access to best-in-class design, development and operational expertise. All real estate initiatives will be guided by principles of environmental stewardship, cultural sensitivity and alignment with national economic and tourism priorities. Through this approach, CCH seeks to create lasting value both financial and societal, while reinforcing its position as a long-term contributor to Sri Lanka's real estate transformation.

Focusing ahead, the Group will also pursue targeted land acquisitions in emerging corridors with demonstrable demand for wellness-focused, experiential real estate. These may include lifestyle residential enclaves, boutique eco-resorts or mixed-use community developments that blend environmental harmony with modern living. Such strategic expansion efforts are designed to strengthen CCH's long-term development pipeline and support its evolution into a transformational real estate investor.

CCH's business model remains capital-efficient and partnership-driven. The Group will continue to engage with experienced developers and investment partners to ensure world-class project execution while maintaining financial flexibility through a lean governance structure. Its development philosophy is anchored in creating spaces that are not only economically viable but also culturally resonant and environmentally sustainable.

In conclusion, CCH enters the new financial year with confidence and clarity. Backed by a balanced, forward-looking investment strategy and a pipeline of high-impact real estate opportunities, the Group is well placed to deliver consistent financial returns while shaping sustainable destinations that reflect Sri Lanka's evolving socioeconomic landscape. Through transparent governance, disciplined execution, and strategic foresight, CCH remains committed to building a future-ready, diversified investment platform that delivers enduring value for shareholders and society alike.



CORPORATE GOVERNANCE REPORT

The Board is accountable to the shareholders to create and deliver sustainable value through oversight of the management of the Group's business, approving strategic plans, monitoring their implementation, and providing the necessary support for their successful execution. The Board performs its responsibilities within a clearly defined governance framework supported with appropriate monitoring, communication, and reporting mechanisms. Through this framework, the Board, without abdicating its responsibilities, delegates its governance responsibilities to key Committees of the Board and the Management.

The Board retains ultimate accountability and responsibility for the performance and affairs of the Company and ensures that the Group adheres to high standards of ethical behaviour. The Board's commitment to upholding high standards of corporate governance are in compliance with the Listing Rules of the Colombo Stock Exchange (CSE) and other relevant regulations. Thereby the Board confirms that the Company is compliant with the requirements stipulated in the Rules on Corporate Governance contained in the Listing Rules of the CSE and the requirements stipulated in the Companies Act No. 7 of 2007.

This report outlines the Corporate Governance framework, application and practice of the Company for the financial year 2024/25.

1. The Board

The Company's business is managed under the supervision of the Board. The role of the Board includes:

- * Providing entrepreneurial leadership;
- * Providing strategic guidance and evaluating, reviewing and approving corporate strategy;
- * Approving and monitoring financial and other reporting practices adopted;
- * Effectively reviewing and constructively challenging management performance in meeting the agreed goals, monitoring the reporting of performance and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.

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

Name of Director	Position
Mr. S L Sebastian (appointed w.e.f. 17th April 2024)	Independent Non-Executive Director
Mr. A W Atukorala	Non-Independent Non-Executive Director
Dr. K S Narangoda	Non-Independent Non-Executive Director
Mr. Y Kanagasabai (resigned w.e.f. 29th May 2024)	Non-Independent Non-Executive Director
Mr. S Kumar (appointed w.e.f. 29th May 2024)	Independent Non-Executive Director
Mr. S Sridharan (appointed w.e.f. 29th May 2024)	Independent Non-Executive Director
Mr. R T Devasurendra (appointed w.e.f. 29th May 2024)	Non-Independent Non-Executive Director
Mr. D M Weerasekare (appointed w.e.f. 3rd August 2024)	Independent Non-Executive Director

Table 1 - Composition of the Board

The profiles of the Directors are found on pages 07 to 10 of this Report.

* Composition and Balance of the Board

The Board comprises of Seven Directors of whom all are Non-Executive Directors. The Non-Executive Directors bring with them years of experience in managing sustainable business growth and collectively represent an impregnable leadership that supports effective decision making. The Board believes that a truly diverse and inclusive Board will not only be able to leverage the differences in perspectives, industry experience, knowledge and skill, it will also help the Group retain its competitive industry edge.

The Board includes one qualified Chartered Accountant and one Management Accountant who provides the Board with the required financial acumen and knowledge on financial matters.

The Board considers that the composition and expertise of the Board is sufficient to meet the present needs of the Company but will continue to review the composition to enhance the mix of skills and expertise on an ongoing basis to align with the evolving business needs and complexity of environment in which the Company operates.

* Board Independence

Based on the declarations made annually by each of the non-executive directors in accordance with the requirements set out in the Listing Rules of the CSE, Mr. S L Sebastian, Mr. S Kumar, Mr. S Sridharan and Mr. D M Weerasekare are considered independent. These directors are independent of management and free from any business or other relationship, which could materially interfere with the exercise of their judgment.

CORPORATE GOVERNANCE REPORT

The Board considers Dr. K S Narangoda and Mr. R T Devasurendra as non-independent, as they are nominees of Ambeon Holdings PLC, the major shareholder of the Company. Mr. A W Athukorala is considered non independent since he is above 70 years.

* *Division of Responsibilities*

The roles of the Chairman and the CEO are separate with a clear distinction of responsibilities between them, which ensures the balance of accountability and authority between the running of the Board, and the executive responsibility for the running of the business.

The role of the Chairman is to provide leadership to the Board, for the efficient organization and conduct of the Board's function, and to ensure the integrity and effectiveness of the relationship between the non-executive and executive director(s).

The role of the CEO is to implement policies and strategies approved by the Board and develop and recommend to the Board the business plans and budgets that supports long-term strategy and vision that would lead to the maximization of shareholder value.

At the time of compiling this report, the Company did not have a CEO. The Management of the company provided the Board of Directors necessary information required for decision making and where necessary, the Board of Directors obtain independent opinions from legal and accounting professionals in order to bring in wider perspectives on matters of importance.

* *Board Meetings and Attendance*

The Board meetings are scheduled in advance to enable the directors and management to plan accordingly and fit meetings into their respective calendars.

To ensure that Board meetings are conducted effectively and efficiently, members of the management and

external advisors are invited as and when required to attend Board meetings to present proposals and provide further clarity to the Board. All proceedings of the Meetings, including Directors' concerns regarding matters which are not resolved unanimously, are recorded in the Board Minutes.

The Board meets quarterly with a view to discharging its duties. In addition, special Board meetings are also held whenever necessary to deal with specific matters. Where necessary Board approval was obtained for urgent decisions via a resolution in writing which contained several documents in a like form, each signed and assented to by the Directors who were entitled to receive notice of a board meeting. A total of five (04) meetings were held during the financial year. Attendance at Board meetings are given below:

Name of Director	Board Meetings
Mr. S L Sebastian	4/5
Mr. A W Atukorala	5/5
Dr. K S Narangoda	5/5
Mr. S Sridharan	4/4
Mr. S Kumar	3/4
Mr. R T Devasurendra	4/4
Mr. D M Weerasekare	2/2

Table 2 – Attendance of Directors at Board meetings

* *Access to Information*

To enable the Board to make informed decisions, the Board is supplied with complete and adequate information in advance of each meeting, which includes an agenda, minutes, board papers with background or explanatory information, financial and operational performance reports. The Board also receives regular review reports and presentations on business development, risk profiles and regulatory updates. Any additional information may be requested by any director as and when required.

The Board has separate and independent access to the Management. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

* *Independent judgement*

Directors' exercise independent judgment on aspects relating to strategy, resource allocation, performance, key appointments as well as standards of business conduct. The Board composition and representation ensures that there is a sufficient balance of power within the Board, with limited tendency for one or few members to dominate decision making. The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations and present a compliance checklist to the Audit Committee.

In enhancing the effectiveness of the Board's decision making and preserve overall independence, the Company seeks independent professional advice when deemed necessary at the expense of the Company.

CORPORATE GOVERNANCE REPORT

* Professional Development and Performance Evaluation

The directors are provided with the opportunity to update and enhance their skills and knowledge through training conducted by both external and in-house facilitators, and periodically updated with the changes to relevant laws, regulations and accounting standards which may impact the Company's business and the directors.

The Remuneration Committee is responsible for evaluating the Board's performance and decides how the Board's performance may be evaluated and proposes the objective criteria.

* Delegation of Authority and Board Committees

Other than the matters reserved for the Board, the Board has adopted Policies and Limits of Authority, by which the Board has delegated authority to its Board Committees and management. The Policies state the principles and sets out the tone by which business is to be conducted whereas the primary purpose of the Limits of Authority is to set out clear guidance to management as to the matters over which the Board reserves authority and those which it delegates to management. The Limits of Authority has established a sound framework of authority and accountability, which facilitates timely, effective and quality decision making at the appropriate level.

The Board is supported by the following Board Committees which have been delegated with certain specific responsibilities:

- a. Audit Committee
- b. Remuneration Committee
- c. Related Party Transactions Review Committee
- d. Nominations & Governance Committee

All Board Committees have written Terms of Reference approved by the Board. Regular reports are provided to the Board updating the proceedings and deliberations made at the respective Committee meetings. In instances where committees have no authority to make decisions on matters reserved for the Board, recommendations are highlighted for approval by the Board. The Chairpersons of each of the Board Committees report the outcome of the Committee meetings to the Board and the relevant decisions are incorporated into the minutes of the Board meetings. The Company Secretary acts as secretary to all Board Committees.

Given below are the references to each Board Subcommittee report which gives a comprehensive account of each committee.

Committee Name	Page
Audit Committee	33/34
Remuneration Committee	37
Related Party Transactions Review Committee	35/36
Nominations and Governance Committee	38

* Re-appointment and Re-election

In accordance with the Company's Articles of Association, Directors who were appointed during the year must submit themselves to the shareholders for re-election at the first AGM following their appointment and 1/3 of the non-executive directors are subject to retirement and re-appointment by rotation at every AGM. The directors who retire by rotation are those who have been longest in office since their appointment/reappointment.

2. Remuneration

The Company's remuneration policy endeavours to attract, retain and motivate directors of the quality and experience commensurate with the stature and operational complexity of the Company. The remuneration policy for directors is proposed, evaluated and reviewed by the Remuneration Committee, in keeping with criteria of reasonability.

3. Accountability and Audit

* Financial Reporting

The Board believes that independent verification is necessary to safeguard the integrity of the accounting and financial reporting.

The Board aims to provide and present a balanced and understandable assessment of the Company's position and prospects. Therefore, the Board has established a formal and transparent process to independently verify and safeguard the integrity of the Company's accounting and financial reporting and internal control systems which are periodically reviewed and monitored to ensure effectiveness.

The Head of Finance declares in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and that operational results are stated in accordance with relevant accounting standards.

CORPORATE GOVERNANCE REPORT

4. Recognise and Manage Risk

* *Internal Control*

The Board acknowledges its overall responsibility in ensuring that a sound system of internal control is maintained to safeguard shareholders' investment and Company's assets.

The Audit Committee conducts a review of the effectiveness of the system of internal controls and reports its findings to the Board. The review covers all material controls, including financial, operational and compliance controls and risk management systems. The Head of Finance provides the Audit Committee with a certificate of compliance confirming compliance with all applicable statutory and regulatory requirements on a quarterly basis.

* *Risk Management, Compliance & Control*

The Company has established and implemented an Enterprise Risk Management system for identifying, assessing, monitoring and managing material risk throughout the organization, which includes:

- a) Oversight of the risk management system.
- b) Examination of the Company's risk profile which contains a description of the material risks facing the Company including financial and non-financial matters.
- c) Assessment of compliance and control.

Assessment of effectiveness - mechanism to review, at least annually, the effectiveness of the Company's implementation of the risk management system.

Internal Audit

During the financial year internal audits were conducted as and when necessary, by BDO Partners which is independent of management. The Internal Auditors have access to management and the authority to seek information, records, properties and personnel relevant to the subject of audit review. Once an audit review is completed, a report is submitted to the Audit Committee.

To ensure independence, objectivity and enhance performance of the internal audit function, a direct reporting line has been created from the internal audit function to the Audit Committee.

5. Responsible Decision Making

The Code of Business Ethics and Employee Code of Conduct actively promotes ethical and responsible decision-making and endeavours to influence and guide the directors, employees and other stakeholders of the practices necessary to maintain confidence and to demonstrate the commitment to ethical practices.

6. Respect for the Rights of Shareholders

The Company is committed to having regular, proactive and effective communication with the investors and shareholders. The Company respects the rights of the shareholders and seeks to empower them by communicating effectively and providing ready access to balanced information about the Company.

* *Communication with Shareholders*

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

a) Annual General Meeting (AGM)

The AGM is the main event for the shareholders to meet with the Board which allows reasonable opportunity for informed shareholders to communicate their views on various matters affecting the Company and the forthcoming AGM will be used to effectively communicate with shareholders. The AGM is also attended by the Management and External Auditors.

b) Announcements to the Colombo Stock Exchange (CSE)

Announcements of quarterly interim financial results and announcements on corporate actions are disclosed to the CSE in a prompt and timely manner in compliance with the Listing Rules of the CSE.

* *Investor Relations*

The Group Investor Relations (IR) Team proactively disseminates relevant information about the Company to the investor community, specifically the institutional fund managers and analysts. The IR team maintains close contact with the investor community through regular one-on-one meetings, teleconferences, emails etc. to ensure that the strategies, operational activities and financial performance are well understood and that such information is made available to them in a timely manner.

* *Major Transactions*

There were no transactions during the financial year deemed as a "major transaction" as defined by the Companies Act No. 7 of 2007.

CORPORATE GOVERNANCE REPORT

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

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

CSE Rule reference and description		Section reference in the Annual Report
7.6 Contents of the Annual Report		
a)	Names of persons who during the financial year were Directors of the Entity	Annual Report of the Board of Directors on pages 30 to 32.
b)	Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Annual Report of the Board of Directors on pages 30 to 32.
c)	The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares and the percentage of such shares held	Investor Information on pages 87 to 88.
d)	The float adjusted market capitalization, the public holding percentage, number of public shareholders and option under which the Company complies with the minimum public holding requirement	Investor Information on pages 87 to 88.
e)	A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Annual Report of the Board of Directors on pages 30 to 32. Investor Information on pages 87 to 88.
f)	Information pertaining to material foreseeable risk factors of the Entity.	Risk Management Report on pages 28 to 29.
g)	Details of material issues pertaining to employees and industrial relations of the Entity.	Annual Report of the Board of Directors on pages 30 to 32.
h)	Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Note 10.1 to the financial statements on pages 67 to 68.
i)	Number of shares representing the Entity's Stated Capital	Note 11 to the financial statements on page 69.
j)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Investor Information on pages 87 to 88.
k)	Financial ratios and market price information	Investor Information on pages 87 to 88.
l)	Significant changes in the Entity's or its subsidiaries fixed assets, and the market value of land, if the value differs substantially from the book value.	Note 09 to the financial statements on page 66.
m)	Details of funds raised through a public issue, rights issue and a private placement during the year.	During the year under review, there were no public issues, rights issues or private placements.
n)	Information in respect of Employees Share Ownership or Stock Option Scheme	The Company does not have any Employee Share Option or Share Purchase Schemes at present.
o)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Please refer Appendix 2.
p)	Related Party Transactions exceeding 10% of the equity and 5% of the total assets of the Entity as per the audited financial statements, whichever is lower.	Please refer Note No. 28.3 on page 81.

CORPORATE GOVERNANCE REPORT

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

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

CORPORATE GOVERNANCE REPORT

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.4.2 d	Holding virtual/hybrid General Meetings	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
9.5	Policy on matters relating to the Board of Directors	Policy has been implemented and the availability of the same has been disclosed on the website.	✓
9.5.1	Formal governing policy on matters relating to the Board of Directors		
9.5.2	Disclosures in the Annual Report relating to 9.5.1	Please refer pages 30 to 32 Report of the Board of Directors on the affairs of the Company.	✓
9.6	Chairperson and CEO		
9.6.1	Position of Chairperson and CEO	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are held by two individuals.	✓
9.6.2	Disclosure of non-compliance	Not applicable	
9.6.3 a-e and 9.6.4	The requirement for a SID	The need to appoint a SID has not arisen.	✓
9.7	Fitness of Directors and CEO		
9.7.1	Appointment of fit and proper persons as Directors and CEO	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules.	✓
9.7.2		The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/re-appointment at the AGM.	✓
9.7.4	Annual declarations from Directors	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria as at the date of confirmation as set out in Section 9.7.3 (a), (b), and (c) of Listing Rules were obtained.	✓
9.7.5	Disclosures in the Annual Report	Please refer the Corporate Governance Report on pages 18 to 27 for the disclosure.	✓
9.8	Board Composition		
9.8.1	Board at minimum to consist of five (5) Directors.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of seven (7) Directors.	✓
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of four (4) Independent Non-Executive Directors.	✓
9.8.3 & 9.8.4	Criteria for determining independence	The Company complied with the criteria for determining independence of a Director.	✓
9.8.5	Declarations	Each Non-Executive Director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules. The names of independent directors are disclosed in the Corporate Governance Report on page 19.	✓
9.9	Alternate Directors	Not applicable.	
9.9 a-e	Appointment of alternate director		

CORPORATE GOVERNANCE REPORT

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.10	Disclosures relating to Directors		
9.10.1	Policy on maximum number of directorships		✓
9.10.2	Appointment of new Directors	Appointments made to the Board which were duly disclosed and market announcement captured the requirements under rule 9.10.2.	✓
9.10.3	Changes to the composition	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in the Annual Report	Please refer the Directors profiles and the Corporate Governance Report for details.	✓
9.11	Nominations and Governance Committee	The Board Nominations and Governance Committee was established on 1st July 2024.	
9.11.1	Availability of Nominations and Governance Committee		✓
9.11.2	Formal procedure for appointment and re-election of Directors	The Committee maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	✓
9.11.3	Terms of Reference	The Committee has adopted a Term of Reference which define the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.11.4 (1) – (3)	Composition – Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Composition of the Committee is in line with the Rules.	✓
9.11.5	Functions	The Committee has documented the functions of the Committee in the Terms of Reference.	✓
9.11.6	Disclosures in the Annual Report	Please refer Nominations and Governance Committee Report on page 38.	✓
9.12	Remuneration Committee		
9.12.2	Availability of a Remuneration Committee	A Board Remuneration Committee is in place.	✓
9.12.3 and 9.12.4	Remuneration Policy – Executive Directors/Non-Executive Directors	The Committee was established with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for the employees including the CEO.	✓
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which defines the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.12.6 (1) – (3)	Composition – Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Please refer the Board Remuneration Committee Report on page 37 for details on composition.	
	Remuneration Committee of the subsidiary	The Board Remuneration Committee does not function as the remuneration committee of the subsidiaries.	✓

CORPORATE GOVERNANCE REPORT

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 37.	✓
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 37.	✓
9.13	Audit Committee	Both the risk and audit functions are performed by the Board Audit Committee.	✓
9.13.1	Audit Committee		
9.13.2	Terms of Reference	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on pages 33 to 34.	✓
9.13.3	Composition	Please refer Audit Committee Report on pages 33 to 34 for composition, meetings and other information.	✓
9.13.4	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on pages 33 to 34.	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on pages 33 to 34.	✓
9.14	Related Party Transactions Review Committee		
9.14.1	Availability of the Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	
9.14.2	Composition	Please refer Related Party Transactions Review Committee Report on pages 35 to 36 . The parent company Related Party Transactions Review Committee does not function as the Related Party Transactions Review Committee of the Subsidiaries.	✓
9.14.3	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Related Party Transactions Review Committee Report on pages 35 to 36.	✓
9.14.4 (1)	Quarterly meetings	The Committee met four (4) times during the financial year and the minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	✓
9.14.4 (2)	Access to knowledge or expertise to assess all aspects of proposed related party transactions	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference, the Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
9.14.4 (3)	Approval by the Board of Directors	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓

CORPORATE GOVERNANCE REPORT

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.14.4 (4)	Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required. If a Director has a material interest being considered at a Board Meeting to approve a related party transaction as required in Rule 9.14.4 (3) such Director will not, (a) Be present while the matter is being considered at the meeting and; (b) Vote on the matter	✓
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Disclosures in the Annual Report	Please refer Related Party Transactions Review Committee Report on pages 35 to 36 and the Annual Report of the Board of Directors on the affairs of the Company on pages 30 to 32 for disclosures.	✓
9.16	Additional disclosures	Please refer pages 30 to 32 for the Annual Report of the Board of Directors on the affairs of the Company for the disclosures.	✓

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

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	30
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	30
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	42/44
168 (1) (d)	Accounting Policies and any changes made during the accounting period	50/57
168 (1) (e)	Particulars of the entries made in the Interest Register during the accounting period	31
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	31
168 (1) (g)	Corporate donations made by the Company during the accounting period	31
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	30
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	32
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	32
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	32

RISK MANAGEMENT

During the year under review, Colombo City Holdings PLC (“the Company”) operated within an increasingly complex and volatile operating environment, shaped by dynamic economic conditions, evolving regulatory expectations, technological disruption, and broader socio-political developments. Amidst this multifaceted landscape, the Company remained steadfast in its commitment to proactive and structured risk management - an approach fundamental to preserving financial stability, enabling business continuity, and securing long-term value for all stakeholders.

The Company recognizes that calculated risk-taking is intrinsic to business growth. However, risk decisions are governed by responsibility, ethical conduct, and a strong governance mindset. Risk awareness and ownership are deeply embedded in the Company’s culture, with accountability extending across all levels from operational teams to executive leadership. This culture of vigilance is complemented by a robust framework that facilitates the timely identification, evaluation, mitigation, and monitoring of risks within an integrated decision-making process.

Drawing upon globally recognized principles aligned with COSO and ISO 31000 standards, the Company’s risk management approach enhances visibility into emerging risks and improves organizational responsiveness. By continuously refining practices and processes, the Company ensures alignment with its strategic goals, regulatory obligations, and performance expectations, thereby fostering a balanced and forward-looking risk posture.

Strategic and Operational Risk Oversight

The Company’s approach to risk management includes the identification and oversight of both strategic and operational risks. Strategic risks

encompass long-term shifts in the macroeconomic, competitive, and regulatory environment. These are closely monitored by the Board of Directors and executive management to ensure the Company remains resilient and agile in the face of industry transformation, market volatility, and global uncertainty.

Operational risks, on the other hand, arise from internal factors such as process inefficiencies, system failures, human errors, and supply chain disruptions. These are managed at the functional level through routine monitoring, internal controls, and standard operating procedures. Risks are escalated based on severity, with senior management taking ownership for mitigation strategies. The Company also considers project-related risks during the planning and execution phases of key initiatives.

All identified risks are captured and documented in a centrally maintained risk register, which is reviewed quarterly by senior management and the Audit Committee. The risk register provides a consolidated view of risk exposure and tracks the implementation status of risk mitigation actions. Regular reviews ensure that the register reflects current realities and is responsive to changes in the internal and external operating landscape.

Internal Audit and Control Environment

The internal audit function is a key pillar in strengthening the Company’s internal control environment. Throughout the financial year, the internal audit team conducted independent reviews across various operational and financial processes. These audits assessed the adequacy and effectiveness of existing controls and evaluated compliance with policies, procedures, and regulatory requirements.

During the year under review, the Group Risk team objectively assessed and refined the scope assigned to internal auditors, ensuring alignment

with the evolving risk profiles of the business. Based on this updated scope, the internal audit function conducted targeted reviews across operational and financial processes. Audit findings were presented to the Audit Committee and discussed in detail to identify root causes and implement corrective measures. Where significant risks or control gaps were identified, targeted action plans were introduced and monitored for effectiveness. Periodic follow-ups were carried out by both Group Risk team and internal auditors to ensure that these recommendations were not only implemented but sustained over time.

Engagements between the internal audit team, management, and the Audit Committee were held at regular intervals, allowing for continuous dialogue on governance, risk, and compliance priorities. This iterative process helped reinforce accountability and drive a culture of continual improvement.

Governance and Escalation Structure

The governance of risk management within the Company follows a bottom-up model, where risks are identified and reported from the operational level upwards, allowing for early detection and prompt response. Oversight is exercised by the Board of Directors, with clearly defined roles, responsibilities, and reporting lines. Where risks are material or pose a broader impact, they are escalated through the Group structure - first to the Board of the immediate parent, Ambeon Holdings PLC, and subsequently to the Board of the ultimate parent, Ambeon Capital PLC. This ensures group-wide visibility and coordinated responses where necessary.

The Board of Directors retains overall accountability for the risk management process. It is responsible for determining the Company’s risk appetite, approving risk management policies, and monitoring the effectiveness of

RISK MANAGEMENT

mitigation strategies. The Board also ensures that risk considerations are integrated into corporate strategy and business planning, supporting sustainable value creation.

The Audit Committee, acting under a mandate from the Board, plays a pivotal role in risk oversight. It reviews the Company’s risk profile, assesses the adequacy of internal controls, and evaluates the risk response plans for operational, strategic, and project-related risks. The Committee engages in in-depth discussions with group risk team, management and the internal audit team and provides independent guidance to the Board based on its findings and assessments. Recommendations from the Committee are escalated to the Group Audit Committee for further evaluation where applicable.

Risk Landscape and Mitigation

The Company’s risk landscape during the year reflected both external pressures and internal operational realities. Strategic planning, ongoing monitoring, and timely mitigation efforts were key to navigating the year successfully. The table below outlines the principal risk categories and corresponding mitigation.

Description of risk	Mitigation strategies
Economic and business risk	Review impact to company’s performance and strategic business plans due to volatility in macroeconomic variables.
	Conduct sensitivity analysis to ascertain the impact to the company’s budget.
	Maintain strong relationship with suppliers and banking partners to negotiate on payment terms, credit, and funding to minimize disruptions to operations.
	Align investment decisions with the long-term economic outlook and government policy directions.
Investment Risk	Undertake comprehensive feasibility studies and financial evaluations prior to committing to investments.
	Perform detailed market research to identify emerging trends, new product opportunities, and geographic expansion prospects.
	Monitor post-investment performance regularly against predefined KPIs to ensure return on investment.
	Exit underperforming or non-core investments based on strategic portfolio reviews.
Liquidity Risk	Operate a centralized treasury function to optimize cash flows, manage liquidity, and monitor funding requirements across the Group.
	Continuous reviewing of business models and working capital requirements.
	Benchmark liquidity ratios such as current ratio, quick ratio, and cash ratio to industry best practices.
Human Resources Risk	Benchmark compensation and benefits packages to remain competitive and attract top talent.
	Foster a culture of continuous learning by providing training in emerging technologies, tools, and global best practices.
	Implement a talent review and succession planning framework to identify and develop future leaders
	Invest in employee engagement and well-being initiatives to enhance retention and job satisfaction.
Cyber security risk	Protect critical digital infrastructure through firewalls, anti-virus systems, encryption, and secure access controls.
	Maintain a robust business continuity and disaster recovery plan to mitigate the impact of cyber incidents.
	Raise cybersecurity awareness across the organization through training, phishing simulations, and internal communication.
	Conduct regular IT audits, penetration testing, and vulnerability assessments.



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

The Board of Directors of Colombo City Holdings PLC takes pleasure in presenting their Report on the Affairs of the Company together with the Financial Statements for the year ended 31 March 2025, conforming to the requirements of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards. The report also includes certain disclosures required to be made under Listing Rules of the Colombo Stock Exchange and are guided by the recommended best practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange.

Corporate Profile

Colombo City Holdings PLC is a public quoted company with limited liability incorporated on 04 April 1913, re-registered under the Companies Act No. 07 of 2007 on 13 August 2007 and bears registration number PQ71.

Principal Activities of the Company and review of performance during the year

The principal activity of the company is to operate as an Investment Holding and Management Company in Real Estate.

Financial Statements

The Financial Statements of the Company for the year ended 31 March 2025 are given on page nos. 45 to 86 of this Annual Report.

Summarized Financial Statements

Group	31 March 2025	31 March 2024
	LKR	LKR
Revenue	50,009,310	77,201,737
Profit for the period	258,630,478	419,333,282

Auditors' Report

The Report of the Independent Auditors on the Financial Statements of the Company and its subsidiaries is given on pages 42 to 44.

Accounting Policies and Changes

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 50 to 57 as required by Section 168 (1) (d) of the Companies Act.

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 financial position and the performance of the Company and the Group.

Board of Directors

The names of the Directors who held office during the financial year and as at date are given below;

Name of Director	Position
Mr. A W Atukorala	Non-Independent Non-Executive Director
Dr. K S Narangoda	Non-Independent Non-Executive Director
Mr. Y Kanagasabai (resigned w.e.f. 29th May 2024)	Non-Independent Non-Executive Director
Mr. N H D R Perera (resigned w.e.f. 9th April 2024)	Independent Non-Executive Director
Mr. S L Sebastian (appointed w.e.f. 17th April 2024)	Independent Non-Executive Director
Mr. S Kumar (appointed w.e.f. 29th May 2024)	Independent Non-Executive Director
Mr. S Sridharan (appointed w.e.f. 29th May 2024)	Independent Non-Executive Director
Mr. R T Devasurendra (appointed w.e.f. 29th May 2024)	Non-Independent Non-Executive Director
Mr. D M Weerasekare (appointed w.e.f. 5th August 2024)	Independent Non-Executive Director

The present Directors of the Company and their profiles are shown on page 07 to 10 of the Annual Report.

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

Re-election/re-appointment and retirement of Directors

In accordance with the provisions of Article 24 (iv) of the Articles of Association, Dr. K S Narangoda and Mr. S Sridharan retires by rotation and being eligible offers themselves for re-election with the unanimous support of the Board.

In terms of Section 210 of the Companies Act No. 07 of 2007, Mr. A W Atukorala, who has reached the age of 75 years vacates his office, at the conclusion of the Annual General Meeting. In compliance with Section 211 of the Companies Act No. 7 of 2007, a resolution will be tabled for the re-appointment of Mr. A W Atukorala with the unanimous support of the Board.

Board Sub Committees

The Board, while assuming overall responsibility and accountability for the management of the Company, has appointed four Board Sub-Committees; Audit Committee, Related Party Transactions Review Committee, Remuneration Committee and the Nominations and Governance Committee, to ensure oversight and control over certain affairs of the Company.

The Board approved Terms of References of these Sub Committees conform to the recommendations made by various regulatory bodies such as the Institute of Chartered Accountants of Sri Lanka, The Securities and Exchange Commission of Sri Lanka and the Colombo Stock Exchange.

Interests Register

Directors' Interest in Transactions
The Directors have made general disclosures as provided for in Section 192 (2) of the Companies Act No. 07 of 2007. Arising from this, details of contracts in which they have an interest are disclosed in note 28 to the Financial Statements on pages 80 to 81.

Directors' Remuneration

The Directors' Remuneration is disclosed in note 22 to the Financial Statements on page 77.

Directors' Interest in Shares

The Directors of the Company who have an interest in the shares of the Company have disclosed their shareholdings in compliance with Section 200 of the Companies Act No. 07 of 2007.

Corporate Governance

The Board is committed to maintaining high standards of governance, the process by which the Company is directed and managed. Risks are identified and controlled, and effective accountability assured. The Board of Directors is of the view that it has put in place the resources and processes to ensure that the Company is substantially compliant with the code of best practices on corporate governance issued by Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange. The Corporate Governance Report is given on pages 18 to 27 of the Annual Report.

Risk Management and Internal Controls

The Board of Directors, through the involvement of the internal audit, have taken steps to ensure and have obtained reasonable assurance, that an effective and comprehensive system of internal controls are in place that cover the financial, operational and compliance controls required to carry on the business in an orderly manner, safeguarding the Company's and Group's assets and secure, as far as possible, the accuracy and reliability of the financial records.

The Board is satisfied with the effectiveness of the system of internal controls that were in place during the year under review.

Donations

The Company and the Group haven't made any donations during the year under review.

Taxation

The Company's liability to taxation has been computed according to the provisions of the Inland Revenue Act. No. 10 of 2006 and subsequent amendments thereto and details are given in note 21 to the Financial Statements on pages 75 to 76.

Property, Plant and Equipment

Capital expenditure during the year under review on Property, Plant and Equipment by the Group was LKR 1,224,316/-.

Fair Value of the investment property of the Group is LKR 1,295,304,000/- and disclosed under Investment Property note 10 to the Financial Statements on pages 67 to 68.

Extents, locations, number of buildings and the valuation of the properties of the Group are given in note 10.1 to the Financial Statements on pages 67 to 68.

All freehold land of the Group was revalued by professionally independent valuers and brought into the Financial Statements. The investment properties are accounted for using fair value method.

Details of fair values of investment properties are given on note 10 to the Financial Statements.

Employment

The Company's strength of manpower as at 31 March 2025 is four (04).

There were no material issues pertaining to employees and industrial relations during the year under review.

Employee Share Ownership plans

The Company did not have any employee share ownership/option plans during the year.

Stated Capital

The stated capital of the Company as at 31 March 2025 was LKR 11,137,505/- represented by 25,457,140 fully paid Ordinary Shares.

Share Information

There were 1,223 registered shareholders as at 31 March 2025.

Distribution schedule of shareholders

The distribution of shareholdings is shown on pages 87 to 88 of the Annual Report.

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

Information on Ratios and Market Price Information

Disclosures under section 7.6 (xi) of the Listing Rules of the Colombo Stock Exchange is indicated on pages 87 to 88.

Substantial Shareholdings and Other Share Information

The names of the twenty largest Shareholders, the number of shares held, and the percentages are given on pages 87 to 88 of the Annual Report.

Disclosures required under section 7.6 (iv) of the Listing Rules of the Colombo Stock Exchange is indicated on pages 87 to 88 of the Annual Report.

Equitable Treatment of Shareholders

The Company has made all endeavors to ensure that all shareholders are treated equitably.

Related Party Transactions

The Directors declare that the Company is in compliance with of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31 March 2025.

Additional disclosures 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) 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.

(iii) 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.

Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due in relation to employees and the Government have been made promptly up to date.

Events occurring after the Balance Sheet date

No circumstances have arisen since the balance sheet date which would require adjustments to or disclosure in the accounts as disclosed in note 29 to the Financial Statements.

Going Concern

The Board is satisfied that the company will have adequate resources to continue its operations into the foreseeable future. Therefore, the Company has continued to adopt the going concern basis in preparing the Financial Statements.

Independent Auditors' Report, Remuneration and Appointment

The Financial Statements of the Company for the twelve months ended 31 March 2025 have been audited by M/s. Ernst & Young, Chartered Accountants and the Independent Auditors' Report thereon is given on Pages 42 to 44 of the Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of LKR 507,000/- was paid to them as audit fee during the period under review. Based on the declaration from M/s. Ernst & Young, Chartered Accountants and as far as the Directors are aware, the Auditors do not have any relationship or interest in the Company other than that disclosed herein.

In accordance with the Companies Act No. 07 of 2007 a resolution proposing the re-appointment of M/s Ernst & Young, Chartered Accountants as Auditors to the Company will be tabled at the forthcoming Annual General Meeting of the Company.

Annual General Meeting

The Annual General Meeting of the company will be held on 10 September 2025. The notice of the Annual General Meeting appears on page 90.

Acknowledgement of the contents of the Annual Report

As required by the Companies Act No. 07 of 2007, the Board of Directors hereby acknowledge the contents of this Annual Report.

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

Sgd.
S L Sebastian
Chairman

Sgd.
Dr. K S Narangoda
Director

Nexia Corporate Consultants (Private) Limited
Secretaries

15 August 2025



REPORT OF THE AUDIT COMMITTEE

I take this opportunity to present to you the Report of the Audit Committee (the “Committee”) for the year ended 31st March 2025 outlining the Committee’s roles and responsibilities. The Committee continued to review and report to the Board on the Company’s financial reporting, internal control and risk management processes, and the performance, independence and effectiveness of the External Auditors.

COMPOSITION

The Committee consisted of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The members of the Board Audit Committee during the year and as at date are as follows:

Dr. K S Narangoda - Chairman/Non-Independent Non-Executive Director (appointed w.e.f. 4th June 2024 and resigned w.e.f. 1st October 2024)

Mr. A W Atukorala - Independent Non-Executive Director

Mr. S L Sebastian - Independent Non-Executive Director (appointed w.e.f. 4th June 2024)

Mr. Yudhishtan Kanagasabai - Chairman/Non-Independent Non-Executive Director (resigned w.e.f. 29th May 2024)

Mr. N H D R Perera - Independent Non-Executive Director (resigned w.e.f. 9th April 2024)

Mr. D M Weerasekare - Independent Non-Executive Director (appointed w.e.f. 4th June 2024).

The Chairman of the Committee is a Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants (UK). The Board is satisfied that the Committee has an adequate blend of accounting, auditing and commercial experience to carry out their duties. Brief profiles of the members are given in pages 07 to 10 of this Report.

The Company Secretary serves as the Secretary to the Committee.

MEETINGS

The Audit Committee met four times during the financial year which consisted of a combination of physical and virtual meetings.

Name of the Director	Attendance at Meetings
Mr. Y Kanagasabai (resigned w.e.f. 29th May 2024)	1/1
Mr. A W Atukorala	4/4
Mr. K S Narangoda (appointed w.e.f. 4th June 2024 and resigned w.e.f. 1st October 2024)	2/2
Mr. S L Sebastian (appointed w.e.f. 4th June 2024)	3/3
Mr. D M Weerasekare (appointed w.e.f. 1st October 2024)	2/2

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

TERMS OF REFERENCE

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

THE ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee, which has specific terms of reference, is described in the corporate governance report on page 20. The Committee’s role is to review on behalf of the Board, the Company’s internal financial controls. It is also responsible for oversight and advice to the Board on financial reporting related matters and internal controls over financial reporting and has overseen the work undertaken by the Group’s Internal Audit and External Auditors.

REPORT OF THE AUDIT COMMITTEE

KEY RESPONSIBILITIES OF THE BOARD AUDIT COMMITTEE

Financial Reporting:

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

Internal Control:

The Directors are responsible for maintaining and reviewing the effectiveness of risk management and internal control systems, and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Committee has noted the findings

from the compliance reviews, their root causes and management responses, and status of implementing remediation. This process assesses the adequacy and effectiveness of internal controls and the processes for controlling business risks to ensure compliance with laws and regulations.

Internal Audit:

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

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

External Audit:

The External Auditor's Letter of Engagement, including the scope of the audit, was reviewed and discussed with the External Auditors and Management prior to commencement of the audit. The Auditors were also provided with opportunities to discuss and express their opinions on any matter, and for the Committee to have the assurance that the Management has fully provided all information and explanations requested by the Auditors. The Committee reviewed opportunities for improvement, which were observed during the audit

and the Letter of Representation issued to the External Auditor to ensure that the representations made were consistent with the understanding of the Committee, as to the Company's operations and plans. The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. The Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be reappointed for the financial year ending 31 March 2026, subject to the approval of shareholders at the next Annual General Meeting.

CONCLUSION

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

Sgd.
D M Weerasekare
Chairman
Audit Committee

15 August 2025



REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

I take this opportunity to present to you the Report of the Related Party Transactions Review Committee (the “Committee”) for the year ended 31st March 2025 outlining the Committee’s roles and responsibilities. The Committee continued to ensure that the interests of the shareholders are taken into account when entering into related party transactions (RPTs) and to prevent Directors, Key Management Personnel or substantial shareholders taking advantage of their positions.

Composition

The Committee consists of three members with a combination of Independent Non-Executive Directors and Non-Independent, Non-Executive Directors. The members of the Committee during the year and as at date are as follows;

Mr. A W Atukorala - Chairman/Independent Non-Executive Director (resigned w.e.f. 1st January 2025)
 Mr. Y Kanagasabai - Member/Non-Executive Director (resigned w.e.f. 29th May 2024)
 Mr. N H D R Perera - Member/Independent Non-Executive Director (resigned on 9th April 2024)
 Mr. S L Sebastian - Member/Independent Non-Executive Director (appointed w.e.f. 4th June 2024)
 Mr. R T Devasurendra - Member/Non-Executive Director (appointed w.e.f. 4th June 2024)
 Mr. D M Weerasekare - Chairman/ Independent Non-Executive Director (appointed member/chairman w.e.f. 1st January 2025)

The above composition is in compliance with the provisions of the Listing Rules of the Colombo Stock Exchange. Brief profiles of the members are given on pages 07 to 10 of the Annual Report.

Charter of the Related Party Transactions Review Committee

The Charter of the Related Party Transactions Review Committee clearly sets out the purpose, membership, authority and the duties and responsibilities of the Committee. In order to discharge the duties and responsibilities effectively and efficiently, the Committee has been authorized to;

- Receive regular reports from the management and be provided with any information it requires relating to its responsibilities.
- Establish policies and procedures that provide general pre-approvals to certain types of related party transactions.
- Review and evaluate the terms, conditions, and the advisability of any related party transaction.
- Determine whether the relevant related party transaction is fair, and in the best interest of the Company and its shareholders as a whole.
- Recommend to the Board what action, if any, is required to be taken by the Board with respect to any related party transaction.
- Obtain advice and assistance from legal, technical, financial and other advisors from within or outside the Company as deemed necessary by the Committee in order to carry out its duties.

Meetings

The Committee meets quarterly with a view to discharging its duties. A total of four (04) meetings were held during the financial year. Attendance by the Committee Members at each of these meetings are given below.

Name of the Director	Attendance at Meetings
Mr. A W Atukorala (resigned w.e.f. 1st January 2025)	3/3
Mr. Y Kanagasabai (resigned w.e.f. 29th May 2024)	1/1
Mr. S L Sebastian (appointed w.e.f. 4th June 2024)	4/4
Mr. R T Devasurendra (appointed w.e.f. 4th June 2024)	3/3
Mr. D M Weerasekare (appointed w.e.f. 1st January 2025)	1/1

The other members of the Executive Committee attended all Related Party Transactions Review Committee Meetings by invitation.

REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Policies & Procedures

Declarations are obtained from each Director/Key Management Personnel of the Company for the purpose of identifying parties related to them. Based on the information furnished in these declarations the related party transactions are identified from information maintained with the Company.

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

The Committee is satisfied that all RPTs have been reviewed by the Committee during the financial year and have communicated their observations to the Board. The details of related party transactions entered into during the financial year are given on Note 28 to the Financial Statements, on pages 80 to 81 of this Annual Report.

Declaration

A declaration by the Board of Directors on compliance with the rules pertaining to related party transactions appears on the report of the Board of Directors on page 31 of this Annual Report.

Sgd.

D M Weerasekare

Chairman

Related Party Transactions Review Committee

15 August 2025



REPORT OF THE REMUNERATION COMMITTEE

I take this opportunity to present to you the Report of the Remuneration Committee (the "Committee") for the year ended 31st March 2025 outlining the Committee's roles and responsibilities. The Committee continued to formulate, review, approve and make recommendations to the Board regarding the remuneration of the Executive and Non-Executive Directors and key positions within the Senior Management.

Composition

The Committee consisted of two (2) Independent Non-Executive Directors and one (1) Non-Executive Director. The members of the Committee during the year and as at date are as follows:

Mr. A W Atukorala - Member/Independent Non-Executive Director (resigned w.e.f. 4th June 2024)

Mr. N H D R Perera - Chairman/Independent Non-Executive Director (resigned w.e.f. 9th April 2024).

Mr. Y Kanagasabai - Member/Non-Executive Director (resigned w.e.f. 29th May 2024)

Mr. S L Sebastian - Member/Independent Non-Executive Director (appointed as member/chairman w.e.f. 4th June 2024 resigned as chairman w.e.f. 1st October 2024)

Mr. S Sridharan - Chairman/Independent Non-Executive Director (appointed member w.e.f. 4th June 2024 and Chairman w.e.f. 1st October 2024)

Mr. R T Devasurendra - Member/Non-Executive Director (appointed w.e.f. 4th June 2024)

Policy

The remuneration policy of the Company is designed to attract, motivate and retain staff with the appropriate professional, managerial and operational expertise to achieve the objectives of the company.

Scope

The scope and responsibility of the remuneration committee include;

- * To consider internal as well as external remuneration factors and to ensure that the remuneration policy of the company recognizes and addresses the short and long-term needs of the organization in relation to performance, talent retention and reward.
- * To recommend to the Board a competitive remuneration and reward structure which is linked to performance.
- * To decide on the remuneration packages of Key Management Personnel.
- * To evaluate the performance of the Key Management Personnel, management development plans and succession planning.
- * To approve annual salary increments, bonuses, changes on perquisites and incentives.

Remuneration

All Non-Executive Directors receive a fee reflecting the time, commitment and responsibility of their role and is based on industry and market surveys. They do not receive any performance or incentive payments.

Meetings

The Committee meets at least once a year with a view to discharging its duties. However, due to the economic situation which prevailed during the year, in the country, the need did not arise for the Committee to meet.

Professional Advice

The committee has the authority to seek external independent professional advice on matters within the purview of the committee and to invite professional advisors with relevant experience to assist in various duties.

Sgd.

Sharad Sridharan

Chairman

Remuneration Committee

15 August 2025

REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

I take this opportunity to present to you the Report of the Nominations and Governance Committee (the “Committee”) outlining the Committee’s roles and responsibilities. The Board established the Nominations and Governance Committee on 1st July 2024 as per the Listing Rules of the Colombo Stock Exchange (CSE) to perform an assessment on Board composition as and when the need for the appointment of new Independent Non-Executive Board members arise.

COMPOSITION

The Committee consisted of two (2) Independent Non-Executive Directors and one (1) Non-Executive Director. The members of the Committee are;

Mr. S Sridharan - Chairman/Independent Non-Executive Director
Mr. S L Sebastian - Member/Independent Non-Executive Director
Mr. R T Devasurendra - Member/Non-Executive Director

Brief profiles of the Committee members are given in pages 07 to 09 of this Report.

TERMS OF REFERENCE

The Terms of Reference of the Committee include the following:

- * Propose a suitable Charter for the appointment and the re-appointment of Independent Non-Executive Directors to the Board.
- * Provide advice and recommendation to the Board or the Chairman on appointing Independent Non-Executive Directors.
- * Select and appoint Independent Non-Executive Directors as required.
- * Regularly review the structure, size, and composition (including the skills, knowledge, and experience) of the Board, and make recommendations to the Board with regard to any suitable changes.

MEETINGS

The Nominations and Governance Committee met once during the year to consider and recommend the appointment of Mr. Duminda Mahali Weerasekare to the Board of Directors.

Sgd.
Sharad Sridharan
Chairman
Nominations & Governance Committee

15 August 2025



STATEMENT OF DIRECTORS' RESPONSIBILITY

The following statement which should be read in conjunction with the Auditor's statement of responsibilities has been made with a view to distinguish between the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

Section 150, 152 (1) and 153 (1) of the Companies Act No. 07 of 2007 requires that the Directors prepare the financial statements and circulate it among the shareholders. These financial statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company for its financial year as well as a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company as at the end of its financial year.

As the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a going concern basis.

In preparing the Financial Statements as disclosed on pages 45 to 86 the Directors consider that the Company and its subsidiaries have used appropriate accounting policies that have been applied consistently and supported by reasonable and prudent judgment and estimates, while all accounting standards considered to be applicable and relevant have been followed.

The Directors are responsible for ensuring that the Company and its subsidiaries maintain accounting records which disclose with reasonable accuracy, the financial position of the Company and its subsidiaries while complying with the provisions of the Companies Act No. 07 of 2007.

The Directors have a general responsibility to take reasonable steps in safeguarding the assets of the Company and its subsidiaries, provide proper consideration towards the establishment of appropriate internal control systems with a view to detecting and preventing frauds and other irregularities.

Compliance Report

The Directors confirm to the best of their knowledge that all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries, all other known statutory dues which were due and payable by the Company and its subsidiaries as at the reporting date have been paid or where relevant provided for in arriving at the financial results for the year under review.

By order of the Board of

Sgd.
Nexia Corporate Consultants (Pvt) Ltd
Secretaries

15 August 2025



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF COLOMBO CITY HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Colombo City Holdings PLC (the "Company"), and the consolidated Financial Statements of the company and its subsidiaries (the "Group") which comprise the statement of financial position as at 31 March 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 31 March 2025, and of its 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 Company 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 valuation of investment property	
<p>Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group.</p> <p>This was a key audit matter due to the:</p> <ul style="list-style-type: none"> * The materiality of the reported fair value of land and buildings which amounted to Rs. 1.3Bn representing 38% of the Group's total assets as of the reporting date; and * The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach. <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 10 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> * Estimate of per perch value of the land. * Estimate of the per square foot value of the buildings. * Market rent per square foot, occupancy rates and yield. 	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> * Assessed the competence, capability and objectivity of the external valuers engaged by the Group. * Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property. * Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property. <p>We also assessed the adequacy of the disclosures made in Note 10 to the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

Other information included in the 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. The Management is responsible for the other information. Other information is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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 in the financial statement

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 control of the Company and the Group.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- * 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 performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

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

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

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

Report on Other Legal and Regulatory Requirements

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

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



15 August 2025
Colombo

INCOME STATEMENT

Year Ended 31 March 2025

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	4	50,009,310	77,201,737	-	-
Direct Operating Expenses		(2,973,376)	(3,895,090)	-	-
Gross Profit		47,035,934	73,306,647	-	-
Change in Fair Value of Investment Property	10	18,335,000	303,000,000	-	-
Gain on Change in Fair Value of Biological Assets	6	1,367,000	-	-	-
Change in Fair Value of Financial Assets Measured at Fair Value through Profit /Loss		112,270,714	119,615,143	111,491,738	119,310,088
Change in Fair Value of Investment in Subsidiaries	9	-	-	47,646,682	200,499,782
Capital Gain on Disposal of Shares		29,483,851	580,712	29,483,851	580,712
Capital Gain/(Loss) on Disposal of Government Securities		(13,975)	23,956,051	(13,975)	23,956,051
Other Income	18	35,204,845	3,171,180	35,117,939	3,049,500
Administrative Expenses		(48,110,029)	(34,035,022)	(39,428,042)	(29,371,358)
Finance Income	19	141,610,015	195,963,185	132,162,364	187,231,425
Finance Cost	20	(14,438,783)	(15,834,532)	(12,487,182)	(12,155,747)
Operating Profit Before Taxes on Financial Services	22	322,744,572	669,723,364	303,973,375	493,100,453
Value Added Taxes on Financial Services		(5,250,377)	(9,597,398)	-	-
Profit Before Income Tax		317,494,195	660,125,966	303,973,375	493,100,453
Income Tax Expense	21	(58,863,717)	(240,792,683)	(59,734,312)	(134,120,626)
Profit for the Year		258,630,478	419,333,283	244,239,063	358,979,827
Earnings per Share	23	10.16	16.47	9.59	14.10

The accounting policies and notes on pages 50 through 86 form an integral part of the Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 March 2025

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit for the Year		258,630,478	419,333,283	244,239,063	358,979,827
Other Comprehensive Income					
<i>Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax):</i>					
Actuarial Gain/(Loss) on Defined Benefit Plans	14	5,117	(5,065)	5,117	(5,065)
Income tax effect on Other Comprehensive Income	12	(1,535)	1,520	(1,535)	1,520
Net other comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods		3,582	(3,545)	3,582	(3,545)
Other Comprehensive Income/(Loss) for the Year, Net of Tax		3,582	(3,545)	3,582	(3,545)
Total Comprehensive Income for the Year, Net of Tax		258,634,060	419,329,738	244,242,645	358,976,282

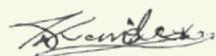
The accounting policies and notes on pages 50 through 86 form an integral part of the Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31st March 2025

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	5	1,406,756	584,676	856,142	7,893
Right of Use Assets	13	7,059,057	-	-	511,386
Investment Property	10	1,295,304,000	1,268,000,000	-	-
Investment in Subsidiaries	9	-	-	1,522,943,568	1,401,173,185
Biological Assets	6	84,891,950	-	-	-
		1,388,661,763	1,268,584,676	1,523,799,710	1,401,692,464
Current Assets					
Trade and Other Receivables	7	359,983,426	574,948,816	20,923,097	219,156,513
Other Financial Investments	8	1,607,994,405	926,978,815	1,490,918,355	863,869,812
Income Tax Recoverable		11,845,755	8,579,273	-	-
Cash in Hand and at Bank	24	6,294,781	2,117,834	5,462,928	1,518,982
		1,986,118,367	1,512,624,738	1,517,304,380	1,084,545,307
TOTAL ASSETS		3,374,780,130	2,781,209,412	3,041,104,090	2,486,237,771
EQUITY AND LIABILITIES					
Equity					
Stated Capital	11	11,137,505	11,137,505	11,137,505	11,137,505
Retained Earnings		2,688,618,715	2,429,984,655	2,550,922,848	2,306,680,203
Total Equity		2,699,756,220	2,441,122,160	2,562,060,353	2,317,817,708
Non-Current Liabilities					
Employee Benefit Liability	14	505,024	1,260,186	505,024	1,260,186
Deferred Tax Liability	12	247,913,228	226,113,679	158,825,454	141,540,408
Lease Liability	15	8,362,661	-	-	-
		256,780,913	227,373,865	159,330,478	142,800,594
Current Liabilities					
Trade and Other Payables	16	37,671,131	27,073,296	16,548,435	15,528,386
Lease Liability	15	1,421,550	-	-	436,488
Interest Bearing Loans and Borrowings	17	290,904,232	-	290,904,232	-
Income Tax Payable		88,246,084	85,640,091	12,260,592	9,654,595
		418,242,997	112,713,387	319,713,259	25,619,469
TOTAL EQUITY & LIABILITIES		3,374,780,130	2,781,209,412	3,041,104,090	2,486,237,771

I certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.



A. Kanishka Chathuranga
Accountant

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



Savanth Sebastian
Chairman



Sajeeva Narangoda (Dr)
Director

The accounting policies and notes on pages 50 through 86 form an integral part of the Financial Statements.

15 August 2025
Colombo

STATEMENT OF CHANGES IN EQUITY

Year Ended 31 March 2025

Group	Stated Capital LKR	Retained Earnings LKR	Total LKR
Balance as at 01.04.2023	11,137,505	2,010,654,917	2,021,792,422
Profit for the Year	-	419,333,283	419,333,283
Other Comprehensive Income	-	(3,545)	(3,545)
Total Comprehensive Income	-	419,329,738	419,329,738
Balance as at 31.03.2024	11,137,505	2,429,984,655	2,441,122,160
Profit for the Year	-	258,630,478	258,630,478
Other Comprehensive Income	-	3,582	3,582
Total Comprehensive Income	-	258,634,060	258,634,060
Balance as at 31.03.2025	11,137,505	2,688,618,715	2,699,756,220

Company	Stated Capital LKR	Retained Earnings LKR	Total LKR
Balance as at 01.04.2023	11,137,505	1,947,703,921	1,958,841,427
Profit for the period	-	358,979,827	358,979,827
Other Comprehensive Income	-	(3,545)	(3,545)
Total Comprehensive Income	-	358,976,282	358,976,282
Balance as at 31.03.2024	11,137,505	2,306,680,203	2,317,817,708
Profit for the period	-	244,239,063	244,239,063
Other Comprehensive Income	-	3,582	3,582
Total Comprehensive Income	-	244,242,645	244,242,645
Balance as at 31.03.2025	11,137,505	2,550,922,848	2,562,060,353

The accounting policies and notes on pages 50 through 86 form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS

Year Ended 31 March 2025

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash flows from operating activities					
Profit before tax		317,494,195	660,125,966	303,973,375	493,100,453
Adjustments for;					
Depreciation	5	450,583	432,015	92,867	4,457
Change in Fair Value of Investment Property	10	(18,335,000)	(303,000,000)	-	-
Gain on Change in Fair Value of Biological Assets	6	(1,367,000)	-	-	-
Fair Value Gain on Investment In Subsidiaries		-	-	(47,646,682)	(200,499,784)
Provision for Defined Benefit Plans		182,355	281,463	182,355	281,463
Dividend Income	18	(35,115,909)	(3,051,096)	(35,114,213)	(3,049,500)
Interest Income	19	(141,610,015)	(195,963,185)	(132,162,364)	(187,231,425)
Gain/Loss on Disposal of Government Securities		13,975	(23,956,051)	13,975	(23,956,051)
Gain on Disposal of Shares		(29,483,851)	(580,712)	(29,483,851)	(580,712)
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		(112,270,714)	(119,615,143)	(111,491,738)	(119,310,088)
Amortisation of Right of Use Assets	13	161,582	-	511,386	528,350
Finance Cost	20	14,438,783	15,834,532	12,487,182	12,155,747
Operating Profit/(Loss) Before Working Capital Adjustments		(5,457,456)	30,507,790	(38,637,708)	(28,557,087)
Changes in Working Capital					
(Increase)/ Decrease in Trade & Other Receivables		(3,922,397)	5,092,226	(14,808,453)	(2,437,593)
Increase/ (Decrease) in Trade & Other Payables		9,164,311	(37,031,620)	1,020,048	(143,991)
Cash Generated (Used In) from Operating Activities		(199,102)	(1,431,604)	(52,426,113)	(31,138,671)
Interest Paid		(11,379,461)	(15,834,532)	(10,582,950)	(12,155,747)
Income Tax Paid		(39,844,770)	(71,938,031)	(39,844,770)	(68,113,140)
Rental Paid	15	(1,421,550)	-	(436,488)	(371,812)
Gratuity Payment		(932,401)	-	(932,400)	-
Net Cash Flow (Used In) Operating Activities		(53,777,284)	(89,204,168)	(104,222,721)	(111,779,370)
Cash flows from investing activities					
Acquisition of Property, Plant & Equipments	5	(1,224,316)	(105,100)	(941,116)	-
Acquisition of Investment Property		(8,969,000)	-	-	-
Repayment of Loan from Related Party		215,604,871	327,778,441	213,041,872	278,219,129
Investment of Subsidiaries		215,461	-	(74,123,700)	-
Investments Financial Assets		(539,275,000)	(499,020,205)	(486,086,966)	(475,655,609)
Proceeds from Financial Assets Measured at Fair Value Through Profit or Loss		-	272,699,297	-	272,699,199
Dividend Received	18	35,115,909	3,051,096	35,114,213	3,049,500
Interest Received		141,610,015	75,437,077	132,162,364	130,223,505
Net Cash Flows from (Used in) Investing Activities		(156,922,060)	179,840,606	(180,833,333)	208,535,724
Cash Flows from Financing Activities					
Proceed from Interest Bearing Loans and Borrowings	17	749,000,000	450,000,000	749,000,000	450,000,000
Repayment of Loan Borrowings	17	(460,000,000)	(548,000,000)	(460,000,000)	(548,000,000)
Repayment of Related Party Loans & Borrowings		(74,123,709)	-	-	-
Net Cash Flows from (Used in) Financing Activities		214,876,291	(98,000,000)	289,000,000	(98,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents		4,176,947	(7,363,562)	3,943,946	(1,243,646)
Cash & Cash Equivalents at the Beginning of the Year		2,117,834	9,481,396	1,518,982	2,762,628
Cash & Cash Equivalents at the end of the Period		6,294,781	2,117,834	5,462,928	1,518,982

The accounting policies and notes on pages 50 through 86 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1 Reporting Entity

Colombo City Holdings PLC, (“Company”) is a Limited Liability Company Incorporated in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the Company is located at No.100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2025, comprise “the Company” referring to Colombo City Holdings PLC as the holding Company and “the Group” referring to the companies whose accounts have been consolidated therein.

1.3 Parent Entity and Ultimate Parent Entity

In the opinion of the directors, the Company’s parent entity is Ambeon Holdings PLC and the Company’s ultimate parent is Ambeon Consolidated (Pvt) Ltd. Ambeon Holdings PLC and Ambeon Consolidated (Pvt) Ltd are companies incorporated and domiciled in Sri Lanka. The name of CHC Investment (Pvt) Ltd was changed to “Ambeon Consolidated (Pvt) Ltd.” with effect from 17 January 2024

1.4 Approval of Financial Statements by Directors

The Financial Statements for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 15 August 2025.

1.5 Principal Activities

Holding Company

The principal activity of the Company is engaging in Real Estate through renting out the Investment Property. Accordingly, the Company will continue to engage in Real Estate by purchasing, developing and selling of land.

Subsidiary - Lexinton Holdings (Pvt) Ltd
During the year, the principal activities of the Company were lending and maintaining of commercial property, leasing of dwelling flats.

Subsidiary - Lexinton Resorts (Pvt) Ltd
During the year, the principal activities of the Company was managing real estate.

Subsidiary - Heron Agro Products (Pvt) Ltd
During the year, the principal activities of the Company were to carry on the business of Estate Management.

1.6 Responsibility for Financial Statements

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

2. BASIS OF PREPARATION

2.1 Basis of Measurement

The Consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for investment property and financial assets measured at fair value through profit and loss.

2.2 Statement of Compliance

The Consolidated Financial Statements which comprise the Income Statement the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows together with the Material Accounting Policy Information and Notes have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

2.3 Going Concern

The Directors have made an assessment of the Group’s ability to continue as a going concern and being satisfied that it has the resources to continue in business

for the foreseeable future, confirm that they do not intend either to liquidate or to cease operations of the Group.

2.4 Comparative Information

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

2.5 Presentation and Functional Currency

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

2.6 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiary as at 31 March 2025. The Financial Statements of the subsidiary are prepared in compliance with the Group’s accounting policies unless otherwise stated.

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

2.7 Subsidiary

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

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

- * Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).

NOTES TO THE FINANCIAL STATEMENTS

- * Exposure, or rights, to variable returns from its involvement with the investee.
- * The ability to use its power over the investee to affect its returns.

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Financial Statements of the subsidiaries are prepared for the same reporting period as the parent Company, which is 12 months ending 31 March 2025, using consistent accounting policies.

- a. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.
- b. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
- c. If the Group loses control over a subsidiary, it:
 - * Derecognizes the assets (including goodwill) and liabilities of the subsidiary
 - * Derecognizes the carrying amount of any non-controlling interest
 - * Derecognizes the cumulative translation differences, recorded in equity
 - * Recognizes the fair value of the consideration received
 - * Recognizes the fair value of any investment retained
 - * Recognizes any surplus or deficit in profit or loss
 - * Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

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

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

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

2.8 Significant Accounting Judgements, Estimates and Assumptions

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

Judgements Estimates and Assumptions *Fair value of investment property*

The Group measures its investment property at fair value, with changes in fair value being recognized in the income statement. The Group engaged an independent valuation specialist to determine fair value of investment property as at 31 March 2025.

The valuer has used valuation techniques such as Contractor's method and Investment method where there was lack of comparable market data available based on the nature of the Property.

The methods used to determine the fair value of the investment properties and the Sensitivity of input to Fair value, are further explained in Note 10.

Taxes
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

NOTES TO THE FINANCIAL STATEMENTS

be utilised. Significant management judgement is required to determine the amount of deferred tax that can be recognised based upon the likely timing and the levels of future taxable profits. More information regarding deferred tax assets is given in Note 12.

2.9 Summary Of Material Accounting Policies Information

2.9.1 Revenue recognition

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.

a) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

b) Interest income

For all financial instruments measured at amortised cost and fair value through profit or loss and interest bearing financial assets classified as loans & receivables, 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) Others

Other income is recognised on an accrual basis.

2.9.2 Expenditure recognition

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

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

2.9.3 Finance costs

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

2.9.4 Taxes

Current income tax

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

Current income tax relating to items recognised 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.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences except where the deferred 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 the taxable profit or loss.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred 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 date of reporting Statement of Financial Position. Deferred tax relating to items recognized directly in equity is recognized in Statement of Changes in Equity and not in the Statement of Comprehensive Income.

2.9.5 Cash and Cash Equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

2.9.6 Financial Instruments - initial recognition and subsequent measurement

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

Financial assets at amortised cost

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

- * The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- * The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at fair value through OCI

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

- * The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling. and
- * The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets designated at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the

NOTES TO THE FINANCIAL STATEMENTS

purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

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

Derecognition

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

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by SLFRS 9, which requires expected lifetime losses to be recognised from

initial recognition of the receivables. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

a. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the Income Statement.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

d. Offsetting of financial instruments

Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

e. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

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For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- * Using recent arm's length market transactions;
- * Reference to the current fair value of another instrument that is substantially the same;
- * A discounted cash flow analysis or other valuation models.

2.9.6.1 Financial Instrument Default and Write Off

Definition of Default

In accordance with the requirements of SLFRS 9 and the disclosure requirements under paragraph 35F of SLFRS 7, the Group/Company defines "default" for the purpose of assessing expected credit losses (ECL) as follows:

- * The debtor is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realizing security (if any held) or
- * The financial asset is more than one year past due

Reason for selecting this definition:

- * **IFRS Compliance:** The definition is consistent with the principles of SLFRS 9 and the application guidance in Appendix A of SLFRS 9, which allows entities to define default in a manner consistent with internal credit risk management practices.
- * **Relevance to Risk Management:** The combination of quantitative (90 days past due) and qualitative (unlikelihood to pay) criteria reflects the Group's internal credit risk assessment processes and provides a robust basis for identifying significant increases in credit risk and calculating expected credit losses.

* Comparability and Transparency:

Using a consistent and transparent default definition enhances the comparability of credit risk disclosures across reporting periods and with other institutions.

Write-offs

The gross carrying amount of a financial asset is written off when the Group/Company has no reasonable expectation of recovering the asset in full or in part.

For individual customers, the Group/Company applies a write-off policy based on historical experience of recoveries on similar financial assets.

For corporate customers, the Group assesses the timing and amount of write-off on a case-by-case basis, taking into consideration whether there is a reasonable expectation of recovery.

In both cases, the Group/Company does not expect any significant recovery in the amounts that have been written off. However, financial assets that are written off may still be subject to enforcement activities in line with the Group's recovery procedures.

2.9.7 Property, Plant and Equipment

Basis of recognition

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

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Such cost includes the cost of replacing component parts of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

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

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.

Derecognition

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

Depreciation

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

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2.9.8 Investment Property

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

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

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

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

2.9.9 Business combinations and goodwill

Acquisition of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business

combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 09 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value either in profit or loss or as a change to other comprehensive income (OCI). If the contingent consideration is not within the scope of SLFRS 09, it is measured in accordance with the appropriate SLFRS.

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

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

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

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

2.9.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a 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.

2.9.11 Retirement Benefit Obligations

(a) Defined Benefit Plan - Gratuity:

Gratuity is a defined benefit plan. The Group is liable to pay gratuity in terms of the relevant statute.

The Group measures the present value of the promised retirement benefit for gratuity, which is a defined benefit plan using the projected unit credit method (PUC) as required by LKAS No. 19, Employee Benefits.

The item is stated under Defined Benefit Liability in the Statement of Financial Position.

Recognition of Actuarial Gains and Losses

Any actuarial gains and losses arising are recognized immediately in Other Comprehensive Income.

Recognition of Interest Cost and Current Service Cost

Interest cost and current service cost are recognized immediately in Income Statement.

(b) Defined Contribution Plans - Employees' Provident Fund and Employees' Trust Fund

Employees are eligible for Employees' Provident Fund contributions and Employees' Trust Fund contributions

in line with respective statutes and regulations. The companies contribute the defined percentages of gross emoluments of employees to an approved Employees' Provident Fund and to the Employees' Trust Fund respectively, which are externally funded.

2.9.12 Segmental Information

The Group's internal organization and management is structured based on services which are similar in nature and process and where the risk and return are similar.

As such for management purposes, the Group is organized into engaging in Real Estate through renting out the Investment Property business unit based on their services and reported as one business segment.

3. 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 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 and measurement, presentation and disclosure. Once effective, SLFRS 17 will replace SLFRS 4 Insurance Contracts (SLFRS 4) that was issued in 2005. SLFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The core of SLFRS 17 is the general model, supplemented by:

- * A specific adaptation for contracts with direct participation features (the variable fee approach)
- * A simplified approach (the premium allocation approach) mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early application is permitted, provided the entity also applies SLFRS 9 and SLFRS 15 on or before the date it first applies SLFRS 17

However, SLFRS 17 will be neither affected nor applied to the Group since Group has not been engaged in Insurance contracts.

Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

4.1 Summary

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Rental Income	15,567,958	18,886,341	-	-
Finance Income	34,199,759	58,315,396	-	-
Sale of Fruits and Other Products	241,593	-	-	-
	50,009,310	77,201,737	-	-

4.2 Segment Information

Group

Group engage only in the real estate and lending. There are no separate activities other than the real estate and lending segments in the Group.

5. PROPERTY, PLANT & EQUIPMENT

5.1 Gross Carrying Amounts

Group

At Cost	Balance as at	Acquisition	Additions	Balance as at
	01.04.2024 LKR			31.03.2025 LKR
Description				
Furniture & Fittings	3,336,942	-	-	3,336,942
Farm Building	-	562,425	-	562,425
Computer Equipment	905,400	-	941,116	1,846,516
Office & Electrical Equipment	2,180,043	10,198	-	2,190,241
Motor Vehicles	-	102,150	-	102,150
Generator	2,327,155	-	-	2,327,155
Air Conditioner	4,448,451	-	283,200	4,731,651
Tools & Equipment	67,710	34,000	-	101,710
Farm Equipment	-	90,537	-	90,537
Wells	-	230,922	-	230,922
Total Assets	13,265,701	1,030,232	1,224,316	15,520,249

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT (Contd..)

Accumulated Depreciation and Impairment

	Balance as at 01.04.2024 LKR	Acquisition LKR	Depreciation for the year LKR	Balance as at 31.03.2025 LKR
At Cost				
Description				
Furniture & Fittings	3,336,932	-	10	3,336,942
Farm Building	-	528,679	22,497	551,176
Computer Equipment	905,400	-	88,422	993,822
Office & Electrical Equipment	2,039,506	9,451	37,732	2,086,689
Motor Vehicles	-	102,150	-	102,150
Generator	2,327,156	-	-	2,327,156
Air Conditioner	4,004,322	-	292,685	4,297,007
Tools & Equipment	67,710	34,000	-	101,710
Farm Equipment	-	90,537	-	90,537
Wells	-	217,067	9,237	226,304
Total Depreciation	12,681,026	981,884	450,583	14,113,493

Net Book Values	As at 31.03.2025 LKR	As at 31.03.2024 LKR
At Cost		
Description		
Furniture & Fittings	-	11
Farm Building	11,248	-
Computer Equipment	852,694	-
Office & Electrical Equipment	103,552	140,537
Air Conditioner	434,644	444,128
Wells	4,618	-
Total Carrying Amount of Property, Plant and Equipment	1,406,756	584,676

5.1.1 During the financial year the Group acquired Property, Plant & Equipment to the aggregate value of LKR 1,224,316/- (2024- LKR 105,100/-)

5.1.2 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of LKR 11,835,615/- (2024 - LKR 11,825,417/-)

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT (Contd..)

5.2 Gross Carrying Amounts

Company

At Cost	Balance as at	Additions	Disposals	Balance as at
	01.04.2024			31.03.2025
	LKR	LKR	LKR	LKR
Description				
Furniture & Fittings	196,327	-	-	196,327
Computer Equipment	905,400	941,116	-	1,846,516
Office & Electrical Equipment	321,093	-	-	321,093
Total Assets	1,422,820	941,116	-	2,363,936

At Cost	Balance as at	Depreciation	Disposals	Balance as at
	01.04.2024	for the year		31.03.2025
	LKR	LKR	LKR	LKR
Description				
Furniture & Fittings	196,327	-	-	196,327
Computer Equipment	905,400	88,422	-	993,822
Office & Electrical Equipment	313,200	4,445	-	317,645
Total Depreciation	1,414,927	92,867	-	1,507,794

At Cost	As at	As at
	31.03.2025	31.03.2024
	LKR	LKR
Description		
Furniture & Fittings	-	-
Computer Equipment	852,694	-
Office & Electrical Equipment	3,448	7,893
Total Carrying Amount of Property, Plant and Equipment	856,142	7,893

5.2.1 During the financial year the company acquired Property, Plant & Equipment to the aggregate value of LKR 941,116/-, (2024 - Nil)

5.2.2 Property, Plant and Equipment includes fully depreciated assets having a gross carrying amount of LKR 1,393,170/- (2024 - LKR 1,393,170/-)

NOTES TO THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT & EQUIPMENT (Contd..)

5.3 The useful lives of the assets are estimated as follows.

	Group		Company	
	2025	2024	2025	2024
Furniture & Fittings	8-10 Years	8-10 Years	8 Years	8 Years
Computer Equipment	4 Years	4 Years	4 Years	4 Years
Office & Electrical Equipment	5 - 6.6 Years	5 - 6.6 Years	6.6 Years	6.6 Years
Generator	5 Years	5 Years	-	-
Air Conditioner	4 Years	4 Years	-	-
Tools & Equipment	5 Years	5 Years	-	-

6. BIOLOGICAL ASSETS

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Teak	82,279,738	-	-	-
Lunumidella	2,530,262	-	-	-
Coconut	81,950	-	-	-
	84,891,950	-	-	-

6.1.1 Gain on Change in Fair Value of Biological Assets

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Valuation of Teak	1,367,000	-	-	-
	1,367,000	-	-	-

Company has leased out a land from Sri Lanka Mahaweli Authority under Government Land Ordinance for 30 years commencing from 18th January 1993. The lease period expired on 17th January 2023. However, the renewal process is currently underway, and the Board is confident in securing an extension of the lease for an additional 30-year period.

6.1.2 Gain on Change in Fair Value of Biological Assets

	Balance as at 01.04.2024	Acquisition	Gain on Changes in Fair Value Less Cost to Sell	Balance as at 31.03.2025
	LKR	LKR	LKR	LKR
Teak	-	81,221,900	1,057,838	82,279,738
Lunumidella	-	2,221,100	309,162	2,530,262
	-	83,443,000	1,367,000	84,810,000
Coconut	-	81,950	-	81,950
	-	83,524,950	1,367,000	84,891,950

NOTES TO THE FINANCIAL STATEMENTS

6. BIOLOGICAL ASSETS (Contd..)

6.2 Determination of Market Value

Teak

Market price is mainly obtained from International Market price of Teak Timber, State Timber Corporation and the local market prices. Cost of sawing and other outgoings have been deducted to obtain the net value of sawn timber per mature tree. Value of a cubic decimeter of teak is assumed to be LKR. 36.02 - LKR. 193.13 based on the girth of trees, for the purpose of valuation as at 31 March 2025.

Lunumidella

Market Price of a mature tree is determined based on local market and State Timber Corporation price. Cost of sawing and other outgoing has been deducted to obtain the net value of sawn timber per mature tree. Value of a cubic decimeter of Lunumidella tree is assumed to be LKR. 8.91 - LKR. 16.02 based on the girth of trees, for the purpose of valuation as at 31 March 2025

Discount Rate

Discounting Rate used is 13.5%.

Methodology

The provisions under LKAS 41 - Agriculture were applied in determining the methodology as well as the approach.

The valuation is carried out using market approach and income approach based on the current timber prices, subjected to adjustments considering their year of maturity, location and accessibility to the asset.

Key assumptions

1. The harvesting is approved by the Forest Department and other relevant authorities.
2. The prices adopted are net of expenditure.
3. Discount rate is 13.5%
4. The valuation has been carried out considering the sample details and census.

6.2.1 Sensitivity Analysis

Discount Rate	2025	2024
+1%	(3,185,740)	-
-1%	3,448,663	-

6.3 Fair Valuation of Biological Assets

The Group uses the fair valuation model of measurement of its biological assets. The Group engaged an independent expert valuer to determine the fair value of its biological assets.

Details of Group's biological assets stated at valuation are indicated below;

Company	Property	Method of Valuation	2025 LKR	2024 Valuers LKR Details	Effective Date of Valuation
Heron Agro Products (Pvt) Ltd	A timber stumpage in managed timber stand at Agunakolapelessa	Income and Market Approach	84,891,950	- KPMG Real Estate & Valuation Services (Pvt) Ltd An Independent Incorporated Valuer	31-Mar-25

NOTES TO THE FINANCIAL STATEMENTS

6. BIOLOGICAL ASSETS (Contd..)

6.4 Potential Risks Timber Plantations

The Company is exposed to the following risks in relation to timber plantations:

Supply and Demand Risk

The Company is exposed to risks arising from fluctuations in the price and sales volume of time. When possible, the Company manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses to ensure that the Company's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand identified.

Regulatory and Environmental Risks

The Company is subject to laws and regulations in Sri Lanka. The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

Climate and Other Risks

The Company's timber plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry pest and disease surveys.

7. TRADE AND OTHER RECEIVABLES

7.1 Summary

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Receivables - Related Parties (Note: 7.2)	693	693	693	693
- Other	56,143	56,143	56,143	56,143
	56,836	56,836	56,836	56,836
Loan Receivables (Note : 7.3)	346,285,727	561,890,598	-	213,041,874
Other Receivables - Related Parties (Note: 7.5)	106,891	146,635	20,112,253	5,174,626
Advances, Prepayments and Other	21,657,954	20,978,729	2,627,990	2,757,159
Less: Provision for Impairment (Note: 7.4)	(8,123,982)	(8,123,982)	(1,873,982)	(1,873,982)
	359,983,426	574,948,816	20,923,097	219,156,513

7.2 Trade Receivables - Related Parties

	Relationship	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Royal Fernwood Porcelain Ltd	Affiliate	693	693	693	693
		693	693	693	693

NOTES TO THE FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES (Contd..)

7.3 Loan Receivables - Group

	Relationship	As at 01.04.2024 LKR	Reclassification LKR	Repayments LKR	Accrued Interest LKR	As at 31.03.2025 LKR
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	213,041,874	-	(213,041,874)	-	-
Ambeon Capital PLC	Intermediate Parent	348,848,724	-	(35,327,469)	32,764,472	346,285,727
		561,890,598	-	(248,369,343)	32,764,472	346,285,727

7.3.1 Loan Receivables - Company

	Relationship	As at 01.04.2024 LKR	Reclassification LKR	Repayments LKR	Accrued Interest LKR	As at 31.03.2025 LKR
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	213,041,874	-	(213,041,874)	-	-
		213,041,874	-	(213,041,874)	-	-

Terms and Conditions

Ambeon Consolidated (Pvt) Ltd

The name of CHC Investment (Pvt) Ltd. was changed to 'Ambeon Consolidated (Pvt) Ltd.' with effect from 17 January 2024.

The entire loan capital and interest was settled by Ambeon Consolidated (Pvt) Ltd on April 2024.

(Interest Rate AWPLR +1.5% p.a)

Period of the Loan - 36 Months

Ambeon Capital PLC

Loans are payables on demand

(Interest Rate AWPLR+0.5%)

7.4 Provision for Impairment

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the Beginning of the Year	8,123,982	8,123,982	1,873,982	1,873,982
Writeoff of Debtors	-	-	-	-
Balance at the end of the Year	8,123,982	8,123,982	1,873,982	1,873,982

NOTES TO THE FINANCIAL STATEMENTS

7. TRADE AND OTHER RECEIVABLES (Contd..)

7.5 Other Receivables - Related Parties

		Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Heron Agro Products (Pvt) Ltd	Subsidiary	-	-	2,526,786	-
Lexinton Resorts (Pvt) Ltd	Subsidiary	-	-	17,585,467	5,174,626
Ambeon Holdings PLC	Immediate Parent	-	39,739	-	-
Royal Fernwood Porcelain Ltd	Affiliate	106,891	106,896	-	-
		106,891	146,635	20,112,253	5,174,626

8. OTHER FINANCIAL INVESTMENTS

8.1 Amortized Cost

Financial Instrument	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Investments in Commercial Paper	41,387,373	41,387,373	41,387,373	41,387,373
Provision for Commercial Paper	(41,387,373)	(41,387,373)	(41,387,373)	(41,387,373)
Investments In NDB Wealth	42,610,173	27,921,586	17,356,904	25,771,040
Investment In Treasury Bills	-	243,468,570	-	204,751,170
Investment In Repo	70,260,105	1,501,151	-	-
	112,870,278	272,891,307	17,356,904	230,522,210
8.2 Fair Value through Profits or Losses				
Investment In Treasury Bonds	947,289,928	548,133,681	925,781,647	527,446,074
Quoted Equities at Market Value (Note: 8.3)	547,834,199	105,953,827	547,779,804	105,901,528
	1,607,994,405	926,978,815	1,490,918,355	863,869,812

8.3 Investments in Equity Securities - Quoted

Group

	2025			2024		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
Fair Value through Profits or Losses						
Aitken Spence PLC	399	-	53,067	399	88,785	51,970
Ambeon Capital PLC	45	-	1,328	45	-	328
Hayleys PLC	-	-	-	1,289,909	102,711,207	105,901,529
DFCC Bank PLC	5,167,734	445,332,788	547,779,804	-	-	-
	5,168,178	445,332,788	547,834,199	1,290,353	102,799,992	105,953,827

As at the Reporting date Commercial Paper receivable balance from Ceylon Leather Products Manufactures (Pvt) Ltd has been fully provided considering the recoverability assessment carried out by the Management.

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER FINANCIAL INVESTMENTS (Contd..)

8.3 Investments in Equity Securities - Quoted (Contd..)

Company

	2025			2024		
	No. of Shares	Cost	Market Value	No. of Shares	Cost	Market Value
Fair Value through Profits or Losses						
Hayleys PLC	-	-	-	1,289,909	102,711,207	105,901,528
DFCC Bank PLC	5,167,734	445,332,788	547,779,804	-	-	-
	5,167,734	445,332,788	547,779,804	1,289,909	102,711,207	105,901,528

9. INVESTMENT IN SUBSIDIARIES

Non-Quoted	Country of Incorporation	No of Ordinary Shares	Effective Holding % 2025	Effective Holding % 2024	2025	2024
					LKR	LKR
Lexinton Holdings (Pvt) Ltd	Sri Lanka	68,911,528	100%	100%	709,783,671	644,677,314
Lexinton Resorts (Pvt) Ltd	Sri Lanka	229,000,000	100%	100%	748,312,004	756,495,871
Heron Agro Products (Pvt) Ltd	Sri Lanka	1,481,237	100%	-	64,847,893	-
					1,522,943,568	1,401,173,185

Investment in Subsidiaries Movement

	At the Beginning of the Year	At the end of the Year	Fair Value Gain	Investment
2025	1,401,173,185	1,522,943,568	47,646,682	74,123,701
2024	1,200,673,403	1,401,173,185	200,499,782	-

On 7th October 2024, Colombo City Holdings PLC acquired the entirety of the issued shares of Heron Agro Products (Private) Limited

On 31st December 2024, Colombo City Holdings PLC converted its receivable balance of LKR 74.1 million from Heron Agro Products (Private) Limited into equity as a further investment following the acquisition.

Investments in Subsidiaries are stated at fair value, fair value has been determined based on the net assets value. Professional valuation was performed by KPMG for the year ended 31 March 2025.

The company uses the fair valuation model of measurement for investment in subsidiaries

Details of investments in subsidiaries stated at fair value included below.

Company

	Valuation Techniques	Level
Lexinton Holdings (Pvt) Limited	Net Assets Value	Level 3
Lexinton Resorts (Pvt) Ltd	Net Assets Value	Level 3
Heron Agro Products (Pvt) Ltd	Net Assets Value	Level 3

The valuer has confirmed in their report that the value reflected as of 31 March 2025 represents the best estimate of fair value as of the reporting date, which in the valuer's opinion meets the requirements in SLFRS 13 Fair Value Measurement.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT PROPERTY

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at the beginning of the year	1,268,000,000	965,000,000	-	-
Acquired during the period	8,969,000	-	-	-
Gain from fair value change	18,335,000	303,000,000	-	-
Balance as at the end of the year	1,295,304,000	1,268,000,000	-	-

10.1 Group's Investment Property comprises that of Lexinton Holdings (Pvt) Ltd (Located at Colombo 08) and Lexinton Resorts (Pvt) Ltd (Located in Kosgoda).

Investment properties are stated at fair value, which have been determined on the basis of present value of the future rental income and market price of the investment property. Investment property is appraised in accordance with SLFRS 13, LKAS 40 and International Valuation Standards. Professional valuation was performed on the investment property of the Lexinton Holdings (Pvt) Ltd and Lexinton Resorts (Pvt) Ltd as at 31 March 2025 by KPMG Real Estate & Valuation Services (Pvt) Ltd.

The Company has reported rental income amounting to LKR 15,924,150/- (2024- LKR 19,460,419/-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR 2,958,614/- (2024- LKR 3,895,090/-).

Lexinton Holdings (Pvt) Ltd

2025

Valuation Technique: Income Approach

Summary of the Inputs for DCF		
Description	Note	%
Estimated Rent Escalation at the Beginning of the Terminal Period	1	5% YoY
OPEX for the lease tenure	3	15%
OPEX for the terminal Period	3	25%
Exit Yield Rate	4	8%
Considered Discounted Rate	5	13%

Notes of the Discounted Cash Flow (DCF) Analysis

1. Lease Agreement and Rental Assumptions

The annualized passing rent adopted in the DCF analysis is based on the lease agreement No. 201 dated 25th February 2025, attested by N. O. Athuriliya - Notary Public. This lease agreement was provided by the client. An independent market rental analysis was conducted for comparable commercial properties in the vicinity, and the rent stipulated in the lease agreement was found to be within the prevailing market range. Accordingly, the lease rent and contractual escalation terms have been applied in the analysis. As per the agreement, rent is subject to a 10% escalation every two years during the lease term. For the terminal period, a year-on-year rent escalation of 5% has been assumed.

2. Occupancy Assumptions

It is assumed that the property will remain fully occupied (100% occupancy) during the five-year lease term, in line with the current lease agreement. For the terminal period, based on a benchmark analysis of similar office buildings in the market, a 90% occupancy rate has been applied.

NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENT PROPERTY (Contd..)

3. Operating Expenses (OPEX)

Operating expenses have been estimated at 15% of the effective gross passing rent during the lease term and 25% during the terminal period, based on industry benchmarks and comparable property performance.

4. Terminal Value

The terminal value has been estimated using the Exit Multiple Method, with an assumed exit yield of 8%. This yield reflects the capitalization rates observed in benchmark transactions of comparable commercial buildings in the market.

5. Discount Rate

A discount rate of 13% has been applied in the DCF analysis. This rate was determined using the Capital Asset Pricing Model (CAPM) approach, taking into account market risk premiums and comparable investment return expectations.

Maturity Analysis

	2025 LKR
First Year	38,635,800
Second Year	38,635,800
Third Year	42,499,380
Fourth Year	42,499,380
Fifth Year	46,749,318
After Fifth Year	49,086,784

The value of the subject commercial office building was determined based on the projected future cash flows generated by the property. This analysis was done through the use of undiscounted cash flows.

2024

Property	Valuation Technique	Significant Unobservable Inputs	2024	Correlation to Fair Value
Land and Buildings (Gothami Road, Colombo 08)	Investment Method 2024	Estimated Market Rent per sq. ft	LKR 190	Positive
		Rate of Growth in Future Rentals	Positive correlation: 7% p.a. after the lease period.	Positive

Lexinton Resorts (Pvt) Ltd

Property		Method of Valuation	Inputs used for Measurement	Area	Range	Sensitivity of Fair Value to unobservable inputs
2025						
Freehold Land	Kosgoda	Market Approach	Per perch rate	1364.62 Perches	LKR 700,000 - 800,000	Positively correlated
2024						
Freehold Land	Kosgoda	Market Approach	Per perch rate	1345.62 Perches	LKR 700,000 - 800,000	Positively correlated

*During the financial year 2024/25, the company acquired 19 perches.

NOTES TO THE FINANCIAL STATEMENTS

11. STATED CAPITAL

	2025		2024	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares	25,457,140	11,137,505	25,457,140	11,137,505
	25,457,140	11,137,505	25,457,140	11,137,505

12. DEFERRED TAX (ASSET) / LIABILITY

12.1 Group

	2025 LKR	2024 LKR
At the Beginning of the Year	226,113,679	116,779,073
Acquisition of Subsidiary	5,385,098	-
Transfer from/(to) Income Statement (Note 12.2)		
Due to change in temporary difference	16,412,916	109,336,126
Transfer from/(to) Other Comprehensive Income (Note 12.2)		
Due to change in temporary difference	1,535	(1,520)
At the End of the Year	247,913,228	226,113,679

12.2 Deferred Tax (Asset)/Liability

	Statement of Financial Position		Income Statement		Other Comprehensive Income	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred Tax Liability						
Accumulated Depreciation	25,478,622	2,369	428,851	378	-	-
Fair Valuation of Land and Building	213,455,681	207,952,643	5,503,037	90,883,464	-	-
Fair Valuation of Treasury Bonds	21,250,140	18,536,723	2,713,417	18,536,723	-	-
	260,184,443	226,491,735	8,645,305	109,420,565	-	-
Deferred Tax Assets						
Defined Benefit Plans	(151,507)	(378,056)	225,014	(84,439)	1,535	(1,520)
Right of Use Assets	(817,532)	-	(171,760)	-	-	-
Carried Forward Tax Losses	(11,302,176)	-	7,714,357	-	-	-
	(12,271,215)	(378,056)	7,767,611	(84,439)	1,535	(1,520)
Deferred Income Tax Charge / (Reversal)			16,412,916	109,336,126	1,535	(1,520)
Tax Expenses						
Net Deferred Tax Liability	247,913,228	226,113,679				

The effective Tax rate used is 30% in 2025.

NOTES TO THE FINANCIAL STATEMENTS

12. DEFERRED TAX (ASSET) / LIABILITY (Contd..)

12.3 Company

	2025 LKR	2024 LKR
At the Beginning of the Year	141,540,408	62,892,365
Transfer from/(to) Income Statement (Note 12.4)		
Due to change in temporary difference	17,283,511	78,649,562
Transfer from/(to) Other Comprehensive Income (Note 12.4)		
Due to changes in temporary differences	1,535	(1,520)
At the End of the Year	158,825,454	141,540,408

12.4 Deferred Tax (Asset)/Liability

	Statement of Financial Position		Income Statement		Other Comprehensive Income	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deferred Tax Liability						
Accumulated depreciation	30,975	2,368	28,607	378	-	-
Fair Valuation of Investment in Subsidiaries	137,695,846	123,401,843	14,294,005	60,149,935	-	-
Fair Valuation of Treasury Bonds	21,250,140	18,536,723	2,713,416	18,536,723		
	158,976,961	141,940,934	17,036,028	78,687,035	-	-
Deferred Tax Assets						
Defined Benefit Plans	(151,507)	(378,056)	225,014	(84,439)	1,535	(1,520)
Right of Use Asset *	-	(22,469)	22,469	46,966	-	-
	(151,507)	(400,525)	247,483	(37,473)	1,535	(1,520)
Deferred Income Tax Charge / (Reversal)			17,283,511	78,649,562	1,535	(1,520)
Net Deferred Tax Liability	158,825,454	141,540,408				

* Deferred Tax for Intercompany Right of Use Assets has been eliminated in Consolidation.

NOTES TO THE FINANCIAL STATEMENTS

13. RIGHT OF USE ASSET

Assets held under lease have been recognised as Right of Use Assets under SLFRS 16.

13.1 Right of use Asset - Group

Group

	2025 LKR	2024 LKR
Assets as at 01 April	-	-
Acquisition	4,162,795	-
Amortisation Charge for the Year	(261,447)	-
Impact of Modification	3,157,709	-
Assets as at 31 March	7,059,057	-

* Amortised over the lease term.

13.2 Right of use Asset - Company

Company

	2025 LKR	2024 LKR
Assets as at 01 April	511,386	1,039,736
Amortisation Charge for the Year	(397,752)	(652,614)
Reassessment of Asset	-	124,264
Lease Termination	(113,634)	-
Assets as at 31 March	-	511,386

* Amortised over the lease term.

14. EMPLOYEE BENEFIT LIABILITIES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
As at 1 April	1,260,186	973,658	1,260,186	973,658
Current Service Cost	151,834	175,055	151,834	175,055
Interest Cost on Benefit Obligations	30,520	106,408	30,520	106,408
Actuarial Loss /(Gain) on Obligation	(5,117)	5,065	(5,117)	5,065
Payments Made During the Year	(932,400)	-	(932,400)	-
As at 31 March	505,025	1,260,186	505,025	1,260,186

The retirement benefit gratuity of the Company is based on the Projected unit cost method.

NOTES TO THE FINANCIAL STATEMENTS

14. EMPLOYEE BENEFIT LIABILITIES (Contd..)

The principal assumptions used in determining the cost of employee benefits were ;

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Salary Increment Rate	7.0%	10.0%	7.0%	10.0%
Discount Rate	9.5%	12.0%	9.5%	12.0%

A quantitative sensitivity analysis for significant assumption as at 31 March 2025 and 2024 is shown below;

Sensitivity Level		Salary Increment Rate		Discount rate	
		Increase	Decrease	Increase	Decrease
		1%	1%	1%	1%
2025	Impact on Defined Benefit Obligation - LKR	12,596	(12,403)	(12,014)	12,421
2024	Impact on Defined Benefit Obligation - LKR	22,804	(22,598)	(22,001)	22,597

Maturity Profile of the Retirement Benefit Plan

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Within Next 12 Months	-	-	-	-
Between 1 - 2 Years	-	-	-	-
Between 2 - 5 Years	-	938,918	-	938,918
Between 5- 10 Years	239,117	191,763	239,117	191,763
Beyond 10 years	265,908	129,505	265,908	129,505
	505,025	1,260,186	505,025	1,260,186

15. LEASE LIABILITY

Corresponding lease liability for the Right of Use Asset has been recognised.

15.1 Lease Liability - Group

	Group	
	2025 LKR	2024 LKR
Lease Liability as at 01 April	-	-
Acquisition	6,315,417	-
Accretion of Interest	1,732,635	-
Rentals paid during the year	(1,421,549)	-
Impact of modification	3,157,709	-
Lease Liability	9,784,211	-
After One year	8,362,661	-
Within one Year	1,421,550	-
	9,784,211	-

NOTES TO THE FINANCIAL STATEMENTS

15. LEASE LIABILITY (Contd..)

	2025			2024		
	Within 1 Year LKR	After 1 Year LKR	Total LKR	Within 1 Year LKR	After 1 Year LKR	Total LKR
Gross Liability	1,421,550	64,893,189	66,314,739	-	-	-
Finance Charges allocated to future periods	-	(56,530,528)	(56,530,528)	-	-	-
Net Liability	1,421,550	8,362,661	9,784,211	-	-	-

15.2 Lease Liability - Company

	Company	
	2025 LKR	2024 LKR
Lease Liability as at 01 April	436,488	808,300
Accretion of Interest	19,750	78,021
Impact of Modification	-	124,264
Rentals paid during the year	(356,192)	(574,097)
Lease Termination	(100,046)	-
Lease Liability	-	436,488
After One year	-	-
Within one Year	-	436,488
	-	436,488

	2025			2024		
	Within 1 Year LKR	After 1 Year LKR	Total LKR	Within 1 Year LKR	After 1 Year LKR	Total LKR
Gross Liability	-	-	-	457,683	-	457,683
Finance Charges allocated to future periods	-	-	-	(21,195)	-	(21,195)
Net Liability	-	-	-	436,488	-	436,488

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Payable - Other	565,873	565,883	565,873	565,884
Other Payables - Sundry Creditors Including Accrued Expenses	28,242,030	18,985,317	15,982,562	14,962,502
- Related Parties (Note 16.1)	8,863,228	7,522,096	-	-
	37,671,131	27,073,296	16,548,435	15,528,386

NOTES TO THE FINANCIAL STATEMENTS

16. TRADE AND OTHER PAYABLES (Contd..)

16.1 Other Payables - Related Parties

	Relationship	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Lexinton Financial Services (Pvt) Ltd	Group Company	8,429,708	6,890,096	-	-
Ambeon Capital PLC	Intermediate Parent	433,520	-	-	-
Ambeon Holdings PLC	Immediate Parent	-	632,000	-	-
		8,863,228	7,522,096	-	-

17. INTEREST BEARING LOANS AND BORROWINGS

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Repurchase Agreements (REPOs) (Note 17.1)	290,904,232	-	290,904,232	-
	290,904,232	-	290,904,232	-

17.1 Movement in Short Term Loan

Short Term Loan	At the beginning of the Year 01 April 2024	Loans Obtained	Repayment	Accrued Interest	At the end of the Year 31 March 2025
Seylan Bank PLC	-	460,000,000	(460,000,000)	-	-
DFCC Bank PLC	-	289,000,000	-	1,904,232	290,904,232

18. OTHER INCOME

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Dividend Income	35,115,909	3,051,096	35,114,213	3,049,500
Other Income	3,726	-	3,726	-
Sundry Income	85,210	120,084	-	-
	35,204,845	3,171,180	35,117,939	3,049,500

NOTES TO THE FINANCIAL STATEMENTS

19. FINANCE INCOME

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest Income on REPO Investment	14,410,561	1,409,509	12,527,128	1,143,335
Interest Income on Fixed Deposits	-	445,036	-	445,036
Interest Income on Loan Granted	-	57,007,920	-	57,007,920
Interest Income on Savings Account	2,539	56,020	2,539	56,020
Interest Income on Treasury Bill	16,716,055	39,246,636	14,498,355	34,919,216
Interest Income on Treasury Bond	105,572,273	88,957,856	103,228,478	88,670,236
Interest Income on NDB Wealth	4,908,587	8,840,208	1,905,864	4,989,662
	141,610,015	195,963,185	132,162,364	187,231,425

20. FINANCE COST

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest Expenses	13,283,693	15,834,532	12,467,432	12,077,726
Lease Interest	1,155,090	-	19,750	78,021
	14,438,783	15,834,532	12,487,182	12,155,747

21. INCOME TAX EXPENSE

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current Income Tax				
Current Tax Expense on Ordinary Activities for the Year (Note 21.1)	39,625,017	56,900,388	39,625,017	56,900,388
(Over) / Under Provision of Current Taxes in respect of Prior Years	2,825,784	74,556,169	2,825,784	(1,429,324)
Deferred Income Tax				
Deferred Taxation Charge / (Reversal) (Note 12)	16,412,916	109,336,126	17,283,511	78,649,562
Income Tax Expense Reported in the Income Statement	58,863,717	240,792,683	59,734,312	134,120,626

NOTES TO THE FINANCIAL STATEMENTS

21. INCOME TAX EXPENSE (Contd..)

21.1 Reconciliation between Current Tax Expense and the Accounting Profit.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Accounting Profit Before Income Tax	322,744,572	660,125,966	303,973,375	493,100,453
Aggregate Disallowable Expenses	10,860,072	37,265,816	771,323	24,232,357
Aggregate Allowable Expenses	(1,834,329)	(1,073,424)	(1,476,816)	(580,027)
Income not Subject to Tax	(382,749,198)	(846,666,342)	(352,818,877)	(534,627,559)
Business Loss	(50,978,883)	(150,347,983)	(49,550,995)	(17,874,776)
Business Profit	47,271,662	75,406,479	-	-
Income from Investment	141,531,039	189,667,961	132,083,389	189,667,961
Less: Carried Forward Tax Loss Utilized	(56,719,312)	(75,406,479)	-	-
Taxable Income	132,083,389	189,667,961	132,083,389	189,667,961
Statutory Tax Rate	30%	30%	30%	30%
Income Tax on Dividend Income				
Income Tax on Taxable Income	39,625,017	56,900,388	39,625,017	56,900,388
Current Income Tax Expenses	39,625,017	56,900,388	39,625,017	56,900,388

The Company is liable for 30% income tax.

21.2 Tax Losses Carried Forward

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Tax Losses Brought Forward	268,670,798	335,589,442	61,718,151	43,843,375
Tax Loss Arising from Acquired Company	63,516,695	-	-	-
Disallowable Tax Losses	(189,099,324)	-	(61,718,151)	-
Tax Losses Arising During the Year	5,011,318	25,411,236	-	17,874,776
Utilization of Tax Losses	(80,528,813)	(75,406,479)	-	-
Adjustments on Finalisation of Liabilities	-	(16,923,402)	-	-
Tax Losses Carried Forward	67,570,674	268,670,798	-	61,718,151

The Group recognizes a deferred tax asset on the unused tax losses which is expected to reduce the future tax expense based on the Group's forecasted business plans. LKR 5,157,092 of the unused tax losses is set to expire during the 2025/26 financial year

NOTES TO THE FINANCIAL STATEMENTS

22. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

Stated after Charging/(Crediting)

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
- Included under Administration Expenses				
- Depreciation of Property, Plant & Equipment	450,583	432,015	92,867	-
- Directors' Remuneration	2,533,100	2,410,000	2,533,100	2,410,000
- Salaries	5,561,101	3,954,917	4,906,201	3,954,917
- Defined Benefit Plan Costs - Gratuity	182,355	281,463	182,355	281,463
- Defined Contribution Plan Costs - EPF & ETF	773,730	593,238	735,930	593,238
- Auditors Remuneration	1,035,300	871,171	498,300	542,671

23. EARNINGS PER SHARE

23.1 Basic Earnings Per Share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

23.2 The following reflects the income and share data used in the basic Earnings Per Share computations.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Amount Used as the Numerator:				
Net profit from operations attributable to equity holders for basic earnings per share	258,630,478	419,333,283	244,239,063	358,979,827

	Group		Company	
	2025 Number	2024 Number	2025 Number	2024 Number
Number of Ordinary Shares Used as Denominator:				
Number of ordinary shares for basic earnings per share	25,457,140	25,457,140	25,457,140	25,457,140
Weighted average number of ordinary shares adjusted for the effect of dilution	25,457,140	25,457,140	25,457,140	25,457,140

NOTES TO THE FINANCIAL STATEMENTS

24. CASH AND CASH EQUIVALENTS

24.1 Favourable Cash and Cash Equivalents Balance

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash and Bank Balances	6,294,781	2,117,834	5,462,928	1,518,982
Cash & Cash Equivalents at the end of the year for the Purpose of Cash Flow Statement	6,294,781	2,117,834	5,462,928	1,518,982

25. FAIR VALUE MEASUREMENT

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The Group held the following financial instruments carried at fair value in the statement of financial position:

Group

Notes	Level 1		Level 2		Level 3	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Assets Measured at Fair Value						
Investment Property	10	-	-	-	1,295,304,000	1,268,000,000
Investment in Quoted Shares	8.2	547,834,199	105,953,827	-	-	-
Investment In Treasury Bonds	8.2	947,289,928	548,133,681	-	-	-
Total		1,495,124,128	654,087,508	-	1,295,304,000	1,268,000,000

NOTES TO THE FINANCIAL STATEMENTS

25. FAIR VALUE MEASUREMENT (Contd..)

Company	Notes	Level 1		Level 2		Level 3	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Assets Measured at Fair Value							
Investment in Quoted Shares	8.2	547,779,804	105,901,528	-	-	-	-
Investment in Subsidiary	9	-	-	-	-	1,522,943,568	1,401,173,185
Investment In Treasury Bonds	8.2	925,781,647	527,446,074	-	-	-	-
Total		1,473,561,451	633,347,602	-	-	1,522,943,568	1,401,173,185

Financial Assets and Liabilities measured or disclosed at Fair Value

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.

Those assumptions for assets categorised as Level 3 has been described under respective note numbers

During the reporting period ended 31 March 24/25, there were no transfers between Level 2 and Level 2 fair value measurement

26. ASSETS PLEDGED

The Company has pledged investment in treasury bond as security to obtaining a reverse REPO from DFCC Bank PLC.

Lexinton Holdings (Pvt) Ltd has pledged the following asset to Sampath Bank PLC on behalf of Ambeon Holdings PLC to obtain a facility of LKR 240 million

Nature of Assets	Nature of Liability	2025 LKR	2024 LKR
		Carrying Amount of the Property	Carrying Amount of the Property
Investment Property	Short term Loan	348,335,000	330,000,000

27. COMMITMENTS AND CONTINGENCIES

The Company does not have significant commitments and contingencies as at the reporting date.

Lexinton Holdings (Pvt) Ltd has filed following petitions of appeal to Tax appeals commission against the assessments.

1. Assessments No. - ITA 14281100120 - IV. Total Tax Assessed was LKR 75,985,492/-.

Under payment of TAX	50,656,995
Penalty on late payments	25,328,497
	75,985,492

Tax matter of 2011/2012 has been determined by the Tax Appeal Commission in favour of the Department of Inland Revenue. Company has now appealed against the determination in the Court of Appeal. The tax assessed amount is LKR. 75,985,492, which has been fully provided.

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTY DISCLOSURES

Details of significant related party disclosures are as follows:

28.1 Transaction with Parent and related entities

28.1.1 Ultimate Parent - Ambeon Consolidated (Pvt) Ltd

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	213,041,875	170,338,080	213,041,875	170,338,080
Loans Granted	-	43,703,795	-	43,703,795
Interest Settlement on Loan	(213,041,875)	(1,000,000)	(213,041,875)	(1,000,000)
Balance as at 31 March	-	213,041,875	-	213,041,875

Terms & Conditions: Rate of Interest Rate AWPLR +1.5% per annum.

28.1.2 Transactions With Subsidiaries

	Company	
	2025 LKR	2024 LKR
Balance as at 01 April	-	-
Purchase of Services	356,192	574,078
Settlement of Dues	(356,192)	(574,078)
Balance as at 31 March	-	-

28.1.3 Transaction with/between related parties

Nature of Transaction	Group		Company	
	**Other Related Parties		**Other Related Parties	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at 01 April	333,631,157	586,637,674	(21,474,020)	257,440,075
Receipt of Rental Income	8,933,895	16,823,781	-	-
Staff Support and Asset Utilisation Fees	(15,249,226)	(14,246,151)	(15,249,226)	(14,246,151)
Interest Income on Loans	47,002,633	120,526,107	12,395,282	57,007,920
Interest Expencess on Loan	(816,261)	-	-	-
Repayments of Loans and Interest	(248,369,343)	(327,778,441)	(213,041,874)	(278,219,129)
Interest received/Settlement	3,726	-	3,726	-
Recalssification of Related party balances	-	(45,222,773)	-	(45,222,773)
Reimbursement of Expenses	-	(3,109,041)	-	(1,185,892)
Investment in Subsidiary	-	-	74,123,700	-
Receivable on Subsidiaries	106,891	-	20,112,253	2,951,930
Balance as at 31 March	125,243,472	333,631,156	(143,130,159)	(21,474,020)

NOTES TO THE FINANCIAL STATEMENTS

28. RELATED PARTY DISCLOSURES (Contd..)

** Other Related Parties include the following companies

Ambeon Capital PLC
Ambeon Holdings PLC
Dankotuwa Porcelain PLC
Ambeon Securities Pvt Ltd
ARRC Capital (Pvt) Ltd
Taprobane Investments Ltd
Lexinton Financial Services (Pvt) Ltd

“Other Related Parties are companies controlled /jointly controlled by Key Management Personnel.”

Terms and conditions :

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms. Rental Income is at pre-determined rates and terms.

28.2 Transactions with Key Management Personnel of the Company

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

Key Management Personnel Compensation

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Short-term employee benefits	2,533,100	2,410,000	2,533,100	2,410,000

28.3 Disclosure Section 9.3.2 of the Listing Rules of Colombo Stocks Exchange - Company

Non Recurrent

The Company has not entered in to non-recurrent related party transactions during the financial year.

Recurrent

Name of the Related Party	Sherwood Capital (Pvt) Ltd
Relationship	Group Company
Nature of the Transaction	Purchased Treasury Bond, Sell Treasury Bill and Sell/Buy Investment
Value of Related Party Transactions entered into during the financial year (LKR)	1,323,817,475
Aggregate value of Related Party Transactions as a % of net Revenue/Income	2647%
Terms and Conditions of the Related Party Transactions	Market Rate

* Above value of the related party transaction represents the total investment value exchanged between the related parties.

29. EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the Reporting Date

1. Lexinton Resorts (Pvt) Ltd, a subsidiary of Colombo City Holdings PLC, acquired 63.5 perches of land in Kosgoda for a total consideration of LKR 55 million.
2. Colombo City Holdings PLC converted its receivable balance of Rs. 80 Million from Lexinton Resorts (Private) Limited into equity as a further investment.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL ASSETS AND LIABILITIES

30.1 Financial Assets and Liabilities for which Fair Value Approximates Carrying Value

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 is a list of financial assets and liabilities whose carrying amount is a reasonable approximation of fair value due to short-term maturities of these instruments.

Assets

Trade and Other Receivables
Other Financial Investments
Cash in Hand and at Bank

Liabilities

Trade and Other Payables

Methods and assumptions used to estimate fair value are disclosed under note 25 to the Financial Statements.

Reclassification of financial assets

There were no reclassifications during 2025 & 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

Risk management is overseen by the Group, in close cooperation with the Board of Directors and the parent company. It focuses on actively securing the Group's short- to medium-term cash flows by minimizing exposure to financial markets. Long term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

31.1 Credit Risk

Credit risk is the risk that 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 trade receivables) and from its financing activities, including deposits with banks and financial institutions.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

31.2 Trade and Other Receivables

Customers credit risk is managed through established policies and procedures relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with the assessment.

The requirement for impairment is analyzed at each reporting date on an individual basis for major customers. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

Trade receivables	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Neither past due, not impaired	-	-	-	-
Past due but not impaired				
31-60 days	-	-	-	-
61-90 days	-	-	-	-
>90 days	56,836	56,836	56,836	56,836
Past due and impaired	-	-	-	-
Total	56,836	56,836	56,836	56,836

Investments

Credit risk from invested balances with the financial institutions are managed by the Group's management in accordance with the Group's policy. Investments of surplus funds are made only with the approved counterparties and within credit limits assigned to each counterparty. The limits are set out to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

31.3 Liquidity Risk

The Group's policy is to hold cash and undrawn committed facilities at a level sufficient to ensure that the Group has available funds to meet its medium term capital and funding obligations, including organic growth and acquisition activities, and to meet any unforeseen obligations and opportunities. The Group holds cash and undrawn committed facilities to enable the Group to manage its liquidity risk.

The Group monitors its risk to a shortage of funds using a daily cash management process. This process considers the maturity of both the Group's financial investments and financial assets (e.g. accounts receivable, other financial assets) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of multiple sources of funding including bank loans and overdrafts.

Liquidity risk management

The business units attempt to match contracted cash outflows in each time bucket using a combination of operational cash inflows and other inflows that can be generated through the liquidation of short term investments, repurchase agreements or other secured borrowings.

Contractual maturity analysis

The table below summarizes the maturity profile of the Group's financial liabilities at 31 March 2025 and 31 March 2024 based on contractual undiscounted payments.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

31.3 Liquidity Risk (Contd..)

Group	Less than 3 Months LKR	3 to 12 Months LKR	1 to 5 Years LKR	> 5 Years LKR	Total LKR
2025					
Trade and Other Payables	1,162,366	14,860,613	6,917,667	14,730,485	37,671,131
Interest Bearing Loans and Borrowings	290,904,232	-	-	-	290,904,232
	292,066,598	14,860,613	6,917,667	14,730,485	328,575,363

2024					
Trade and Other Payables	2,655,564	(191,069)	300,001	24,308,790	27,073,296
	2,655,564	(191,069)	300,001	24,308,790	27,073,296

Company	Less than 3 Months LKR	3 to 12 Months LKR	1 to 5 Years LKR	> 5 Years LKR	Total LKR
2025					
Trade and Other Payables	213,100	1,604,832	-	14,730,503	16,548,435
Interest Bearing Loans and Borrowings	290,904,232	-	-	-	290,904,232
	291,117,332	1,604,832	-	14,730,503	307,452,667

2024					
Trade and Other Payables	433,668	438,931	-	14,655,787	15,528,386
	433,668	438,931	-	14,655,787	15,528,386

31.4 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 (specially due to currency risk and interest rate risk).

The objective of market risk management is to manage and control market risk exposures within the acceptable parameters while optimising the return.

The analysis excludes the impact of movements in market variables on the carrying value of other post-retirement obligations, provisions and the non-financial assets and liabilities.

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 31 March 2025 and 2024.

NOTES TO THE FINANCIAL STATEMENTS

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

31.5 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 investment in financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax (through the impact on floating rate borrowings)

	Increase/(Decrease) in basic points	Effect on Profit before Tax LKR	
		Group	Company
2025	+100	(1,347,830)	(1,347,830)
	-100	1,347,830	1,347,830
2024	+100	(694,521)	(694,521)
	-100	694,521	694,521

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has no significant exposure to foreign currency risk.

32. INVESTMENT IN SUBSIDIARY

Purchase of shares of Heron Agro Products (Pvt) Ltd by Colombo City Holdings PLC

Colombo City Holdings PLC purchased 740,000 ordinary shares of Heron Agro Products (Pvt) Ltd on 7th October 2024. This purchase represents 100% of the total issued ordinary shares of Heron Agro Products (Pvt) Ltd.

On 31st December 2024, Colombo City Holdings PLC converted its receivable balance of LKR 74.1 million from Heron Agro Products (Private) Limited into equity as a further investment following the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

32. INVESTMENT IN SUBSIDIARY (Contd..)

Fair values of the identifiable assets and liabilities of the acquired Subsidiary;

Heron Agro Products (Pvt) Ltd	30.09.2024
	LKR
Non-Current Assets	
Property, Plant & Equipment	31,922
Right of Use Assets	3,589,083
Biological Assets	83,524,950
Total Non-Current Assets	87,145,955
Current Assets	
Cash and Short Term Deposits	215,461
Total Current Assets	215,461
Total Assets	87,361,416
Non-Current Liabilities	
Deferred Tax Liabilities	5,385,085
Lease Liability	6,324,644
Total Non-Current Liabilities	11,709,729
Current Liabilities	
Trade and Other Payables	1,433,520
Amounts due to Related Companies	74,123,701
Lease Liability	94,466
Total Current Liabilities	75,651,687
Total Liabilities	87,361,416
Fair value of Net Assets Acquired	-
Purchase Consideration	1

INVESTOR INFORMATION

The issued ordinary shares of Colombo City Holdings PLC are listed with the Colombo Stock Exchange (CSE).

Ordinary Shareholders as at 31 March 2025

Range of Shareholding	No. of Shareholders	No. of Shares	%
1 upto 1,000 shares	874	152,361	0.59
1,001 to 10,000 shares	270	914,521	3.59
10,001 to 100,000 shares	66	1,788,915	7.03
100,001 to 1,000,000 shares	11	2,840,143	11.16
Above 1,000,000 shares	2	19,761,200	77.63
TOTAL	1,223	25,457,140	100.00

Public Shareholding

Information pertaining to public shareholding is as follows;

	2024/2025	2023/2024
Number of public shares	5,695,940	5,695,940
Public holding percentage	22.37%	22.37%
Number of public shareholders	1,221	1,124
Float adjusted market capitalization (LKR)	370,159,544.17	281,321,253.57

The Company is compliant with the Minimum Public Holding requirement under option 5 of rule 7.13.1 (a) of the Listing Rules of the Colombo Stock Exchange.

Market Values (traded dates)

Market value per share as at last traded date (LKR)	65.00 (28.03.2025)	49.40 (28.03.2024)
Highest value per share recorded during the period (LKR)	88.00 (10.02.2025)	1,190.00 (03.04.2023)
Lowest value per share recorded during the period (LKR)	43.00 (03.09.2024)	40.30 (27.06.2023)

The ordinary shares of the company were subdivided on 18th April 2023 by splitting each issued ordinary share into twenty (20) ordinary shares. Accordingly, the total number of existing issued Ordinary Shares increased from 1,272,857 to 25,457,140 without any change to the Stated Capital of the Company which remains as LKR 11,137,505/-.

Share Trading

No. of transactions	3,509	1,869
No. of shares traded	1,509,637	333,194
Value of shares traded (LKR)	98,045,860.30	17,066,928.65

There were 1,223 registered shareholders as at 31 March 2025 (1,126 as at 31 March 2024).

INVESTOR INFORMATION

Twenty largest shareholders as at

Name of shareholder	31 March 2025		31 March 2024	
	No. of shares	%	No. of shares	%
1. Seylan Bank PLC/Ambeon Holdings PLC (Collateral)	16,903,180	66.40	16,903,180	66.40
Ambeon Holdings PLC	2,858,020	11.23	2,858,020	11.23
TOTAL	19,761,200	77.63	19,761,200	77.63
2. Est. of Late J E Costa	511,180	2.01	511,180	2.01
3. Capital Land and General (Private) Limited	424,361	1.67	523,240	2.06
4. Laugfs Gas PLC	381,340	1.50	381,340	1.50
5. Mr. H E B De Mel	312,260	1.23	312,260	1.23
6. Thurston Investments Limited	185,240	0.73	185,240	0.73
7. MBSL/K S Devshankar	182,180	0.72	182,180	0.72
8. Mrs. I A Goonetilleke	176,000	0.69	176,000	0.69
9. Mr. S N C W M B C Kandegedara	175,082	0.69	218,711	0.86
10. Mrs. M M Misso	169,840	0.67	169,840	0.67
11. Mrs. E De Silva	168,660	0.66	168,660	0.66
12. Mrs. S C Fernando	154,000	0.60	154,000	0.60
13. Sea Consortium Lanka (Private) Limited	92,000	0.36	92,000	0.36
14. Mr. M T Rajabkhan	65,383	0.26	78,000	0.31
15. Mr. G Bawa Estate of Deceased	65,360	0.26	65,360	0.26
16. Miss G W M Jansen	61,600	0.24	61,600	0.24
17. Mr. K A N L Ratnasekera	60,000	0.24	111,500	0.44
18. Mr. C N Pakianathan	59,100	0.23	58,100	0.23
19. Mrs. H C Dias	52,800	0.21	52,800	0.21
20. Mr. A R Ephraums	51,040	0.20	51,040	0.20

Director's Shareholdings as at

Name	31 March 2025	31 March 2024
Mr. S L Sebastian (appointed w.e.f. 17 April 2024)	Nil	N/A
Mr. A W Atukorala	Nil	Nil
Dr. K S Narangoda	Nil	Nil
Mr. S Kumar (appointed w.e.f. 29 May 2024)	Nil	N/A
Mr. S Sharad (appointed w.e.f. 29 May 2024)	Nil	N/A
Mr. R T Devasurendra (appointed w.e.f. 29 May 2024)	Nil	N/A
Mr. D M Weerasekare (appointed w.e.f. 16 August 2024)	Nil	N/A

FIVE YEAR FINANCIAL SUMMARY

Year Ended 31 March 2025

LKR ('000)	Group				
	2025	2024	2023	2022	2021
Revenue	50,009	77,202	88,206	38,467	56,024
Profit/ (Loss) Before Tax	317,494	660,126	222,160	57,435	(309,034)
Taxation (Expense)/Reversal	(58,864)	(240,793)	(136,081)	(24,820)	3,345
Profit/(Loss) After Tax	258,630	419,333	86,079	32,615	(305,689)
Equity					
Stated Capital	11,138	11,138	11,138	11,138	11,138
Retained Earnings	2,688,619	2,429,985	2,010,655	1,924,448	1,891,641
Total equity	2,699,756	2,441,122	2,021,792	1,935,585	1,902,778
Assets Employed					
Non Current Assets	1,388,662	1,268,585	1,011,134	392,474	1,086,478
Current Assets	1,986,118	1,512,625	1,312,812	1,620,756	1,021,355
Non Current Liabilities	256,781	227,374	117,753	25,837	15,302
Current Liabilities	418,243	112,713	184,402	51,808	189,752
Capital Employed	2,956,537	2,668,496	2,139,545	1,961,422	1,902,778

NOTICE OF MEETING

Notice is hereby given that the 112th Annual General Meeting of the Company will be held by way of electronic means on Wednesday, 10 September 2025 at 9.00 a.m. centered at the Boardroom of the Company at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8, Sri Lanka, for the following business:

- a) To lay before the meeting, the Annual Report of the Directors and the Financial Statement of the Company for the year ended 31 March 2025 together with the Report of the Auditors thereon.
- b) To re-elect Dr. Kanchana Sajeeva Narangoda, Director who retires in terms of Article No. 24 (vi) of the Articles of Association (Resolution 1).
- c) To re-elect Mr. S Sridharan, Director who retires in terms of Article No. 24 (vi) of the Articles of Association (Resolution 2).
- d) To pass the ordinary resolution set out below to appoint Mr. A W Atukorala, who has reached 75 years of age, as a Director of the Company in terms of Section 211 of Companies Act No. 7 of 2007 (Resolution 3).
“IT IS HEREBY RESOLVED THAT the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. A W Athukorala, who has reached 75 years of age and that he be and is hereby appointed as a Director of the Company in terms of Section 211 of the Companies Act No. 7 of 2007.”
- e) To re-appoint M/s. Ernst & Young, Chartered Accountants, the retiring auditors and to authorize the Directors to determine their remuneration (Resolution 4).
- f) To authorise the Directors to determine donations for the year 2025/2026 (Resolution 5).

By Order of the Board
Nexia Corporate Consultants (Pvt) Ltd
Secretaries to the Company

Sgd.
Mrs. C R Weragala
Director

Colombo
15 August 2025

Notes:

1. A shareholder entitled to attend and vote at the above virtual meeting is entitled to appoint a proxy to attend and vote on behalf of him/her by electronic means.
2. A proxy need not be a shareholder of the Company.
3. Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
4. The Form of Proxy is enclosed for this purpose.
5. Shareholders are advised to follow the Guidelines for Registration and the Registration Form for the Annual General Meeting which are made available on the Company's official website and the CSE website.

FORM OF PROXY

I/We
holder of NIC No. of
..... being a
Shareholder/Shareholders of Colombo City Holdings PLC, do hereby appoint
..... holder of NIC
No. of or failing him/her

- Mr. S L Sebastian or failing him
- Mr. A. W. Atukorala or failing him
- Dr. K. S. Narangoda or failing him
- Mr. S Sridharan or failing him
- Mr. S Kumar or failing him
- Mr. R T Devasurendra or failing him
- Mr. D M Weerasekare

as *my/our proxy to represent me/us and to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 10 September 2025 and any adjournment thereof and at every poll which may be taken in consequence thereof.

Agenda Items

1. To lay before the meeting, financial statements for the year ended 31st March 2025.

Resolutions	For	Against	Abstain
1. To re-elect Dr. K S Narangoda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. re-elect Mr. Sharad Sridharan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-appoint Mr. A. W. Atukorala	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-appoint auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorize Directors to make donations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Mark your preference with "X"

Signed on this day of 2025.
Signature

- a) * Please delete the inappropriate words.
- b) Instructions as to completion are noted on the reverse thereof.

FORM OF PROXY

Instructions as to the completion of Proxy

1. The full name, national identity card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall -
 - a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an Attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - b. In the case of a company or corporate/statutory body either be under its Common Seal or signed by its 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).
3. Please indicate with “X” how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
4. To be valid, the completed Form of Proxy must be deposited with the Registered Office of the Company at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8, Sri Lanka or must be emailed to cchagm2025@colombocityholdings.com by 9.00 a.m. on Monday, 8 September 2025.

CORPORATE INFORMATION

Name of Company	- Colombo City Holdings PLC
Registered Office	- No. 100/1, 2nd Floor Elvitigala Mawatha Colombo 8, Sri Lanka Tele: 011 5 700 700
Legal Form	- A Public Quoted Company with limited liability incorporated on 04 April 1913, re-registered under the Companies Act No. 07 of 2007 on 13 August 2007.
Company Registration No.	- PQ 71
Directors	- Mr. S L Sebastian (Chairman) Mr. A W Atukorala Dr. K S Narangoda Mr. S Sridharan Mr. S Kumar Mr. R T Devasurendra Mr. D M Weerasekare
Secretaries	- Nexia Corporate Consultants (Private) Limited No. 130, Level 2, Nawala Road Narahenpita, Colombo 5, Sri Lanka Tele: 011-4 510 709
Registrars	- S S P Corporate Services (Private) Limited 101, Inner Flower Road Colombo 3, Sri Lanka Tele: 011-2573894
Auditors	- Ernst & Young Chartered Accountants 109, Rotunda Towers, Galle Road Colombo 03, Sri Lanka Tele: 011 2015900 Fax: 011 2015950, 2015360
Bankers	- National Development Bank PLC Pan Asia Banking Corporation PLC Sampath Bank PLC Seylan Bank PLC Nations Trust Bank PLC Hatton National Bank PLC DFCC Bank PLC



Colombo City Holdings PLC

AN AMBEON COMPANY