

enduring
AMBITIONS

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enduring **AMBITIONS**

At Ambeon Holdings, Enduring Ambition reflects our unwavering commitment to sustainable growth, innovation and long-term value creation. Despite an ever evolving economic landscape, our resilience and strategic foresight have enabled us to deliver consistence performance across our diverse portfolio. This ambition is not fleeting, it is a steadfast force that continues to shape our strategies, guide our decisions and propel our businesses forward.

This enduring ambition is deeply embedded in our culture, driving us to reimagine possibilities, adapt with agility, and invest in transformative capabilities. As we move forward we remain steadfast in a pursuit of excellence, guided by a vision that transcends on building a legacy of progress for our stakeholders, communities, and the nation.

About

THIS REPORT



We welcome you to the Annual Report of Ambeon Holdings PLC. This 2024/25 Annual Report presents a comprehensive review of Ambeon Holdings PLC and its subsidiaries. This report details to provide an insightful overview of varied operational and business aspects of the Group.



About This Report

We are pleased to present the Annual Report of Ambeon Holdings PLC for the financial year 2024/25. This report reflects how we continued to drive sustainable growth and innovation across our diversified portfolio, creating value in the short, medium, and long term. At the heart of this journey lies our Enduring Ambition - a guiding principle rooted in resilience, foresight, and long-term value creation. It is the cornerstone of our identity, shaping strategies, influencing decisions, and propelling transformation across the Group. Deeply embedded in our culture, it inspires us to reimagine possibilities, foster agility, and invest in capabilities that secure a lasting legacy of progress for stakeholders, communities, and the nation. Reflecting this journey, the Annual Report provides a comprehensive and transparent account of the Group's performance, combining both quantitative and qualitative insights.

Purpose

In line with all legal and regulatory requirements, this report has been structured to elevate transparency

and clarity of disclosures. It provides stakeholders with accurate, comprehensive, and material information on the Group's corporate strategy, governance framework, financial performance, and future outlook, against the backdrop of prevailing macroeconomic conditions and external developments.

Scope & Boundary

This Annual Report covers the 12-month period from 1 April 2024 to 31 March 2025, encompassing the operations of Ambeon Holdings PLC and its subsidiaries ("the Group"). The scope includes both financial and non-financial performance across all key business segments.

All financial statements are prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) and audited by the Group's external auditors. Disclosures adhere to the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance (2017).

Data and insights were compiled with contributions from departments and subsidiaries, supported by interviews with management and key executives. Financial information is sourced from audited statements and notes, ensuring accuracy and credibility.

Assurance & Responsibility

We acknowledge Messrs. Ernst & Young, Chartered Accountants, for providing assurance on the financial statements.

The Board affirms that this Annual Report addresses all material matters and presents a fair and comprehensive view of the Group's performance and that of its subsidiaries.

Forward-Looking Statements

This report includes forward-looking statements that reflect the Group's strategic direction and intentions. These are not guarantees of future performance and remain subject to risks, uncertainties, and external conditions beyond our control. Actual outcomes may differ from those anticipated.



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Online



Feedback on the Report

We welcome your feedback on this Annual Report. Please email comments to info@ambeongroup.com. Printed copies are available on request.

About US

Ambeon Holdings PLC is a diversified conglomerate with a forward-thinking investment philosophy, operating at the intersection of financial services, technology, strategic investments and manufacturing. Guided by a commitment to value creation, innovation, and operational excellence, the Group plays a vital role in shaping industries and contributing to Sri Lanka's economic and social development.

Our businesses are strategically aligned to unlock synergies across sectors, offering scalable and sustainable growth platforms. With a presence both locally and internationally, the Ambeon Group continues to drive performance by leveraging the strength of its portfolio companies, underpinned by a clear governance framework and an agile operating model.

Vision

Re-Engineering
Success

Mission

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



ABOUT US

FINANCIAL SERVICES SEGMENT

Taprobane Capital Plus (Pvt) Ltd, together with its subsidiaries, forms the Group's Financial Services segment, offering stockbroking, money broking, and fixed-income securities management. It operates through Taprobane Investments, a trusted money broking company with over two decades of expertise; Ambeon Securities, a reputed stockbroker known for its research-driven advisory and client-focused service; and Sherwood Capital, a specialist in trading fixed-income instruments issued by the Government of Sri Lanka. Together, these entities deliver tailored financial solutions to a diverse client base, driving growth and innovation across the sector.

TECHNOLOGY SEGMENT

With over 25 years of expertise, Millennium I.T.E.S.P. (Private) Limited has been a transformative leader in Sri Lanka's IT sector and a trusted enterprise solutions provider. Serving both international and local clients, the company offers a broad portfolio of services, including core infrastructure, cybersecurity, managed services, smart buildings, and enterprise applications. Since joining the Ambeon Holdings portfolio in 2017, it has accelerated its regional expansion, establishing subsidiaries in Singapore, Bangladesh, Dubai, and Australia to serve South Asia, Southeast Asia, the Middle East, and Australia. MillenniumIT ESP's innovative solutions are strengthened through strategic partnerships with global IT leaders such as Cisco, Oracle, Microsoft, and Huawei.

REAL ESTATE / DIVERSIFIED INVESTMENTS SEGMENTS

With a legacy of over a century, Colombo City Holdings PLC (CCH) is a prominent holding and management company listed on the Colombo Stock Exchange. Originally established as Colombo Pharmacy, the Company has evolved into a diversified investment holding entity with interests in real estate, listed equities, and government securities. The CCH Group comprises Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, and Heron Agro (Pvt) Ltd. Key milestones include the acquisition of Lexinton Holdings in 2019 and a prime eight-acre beachfront property in Kosgoda in 2022/23, strengthening CCH's presence in Sri Lanka's high-value real estate sector.

STRATEGIC INVESTMENTS

Ambeon Holdings PLC undertakes strategic investments through a disciplined capital allocation framework, focusing on sectors that offer strong fundamentals, sound governance, and sustainable growth potential. Guided by the Group's centralised Treasury Division, these investments are designed to ensure long-term value creation, robust liquidity management, and portfolio diversification. During FY 2024/25, this approach was demonstrated through the acquisition of a 9.43% stake in DFCC Bank PLC and the increase in shareholding in Seylan Bank PLC to 9%, reinforcing the Group's presence in Sri Lanka's financial services sector. These investments are expected to deliver steady returns through capital appreciation and dividend income while strengthening the Group's long-term strategic positioning.

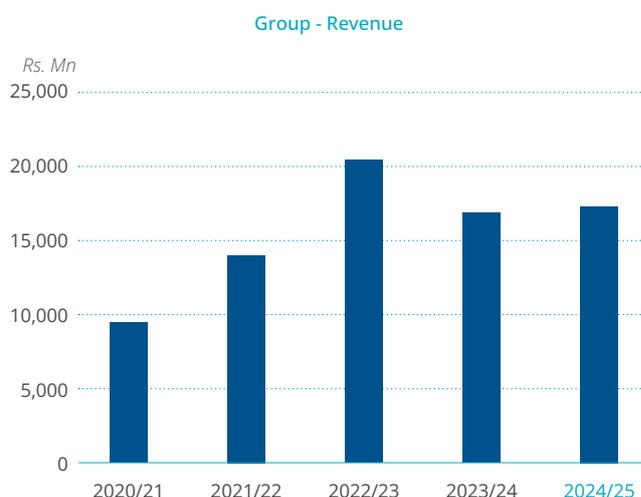
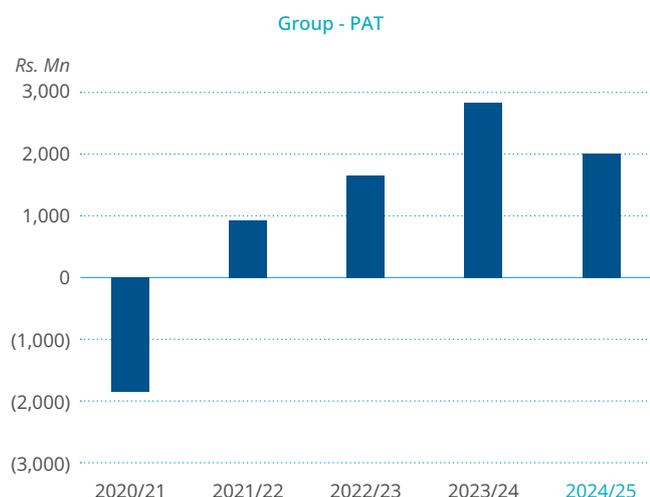
MANUFACTURING SEGMENT

The Dankotuwa Porcelain Group, comprising Dankotuwa Porcelain PLC and Royal Fernwood Porcelain Limited, is a leading force in Sri Lanka's porcelain tableware and giftware industry. Dankotuwa Porcelain PLC has earned a distinguished reputation for crafting high-quality, pristine whiteware and exquisitely decorated tableware, renowned for its timeless elegance and exceptional craftsmanship. Royal Fernwood Porcelain Limited, with its vibrant designs and contemporary appeal, caters to a younger and trend-conscious clientele, offering colourful and dynamic creations. Together, the two companies have achieved international recognition, supplying exclusive collections to prestigious high-end retailers and lifestyle brands around the world.

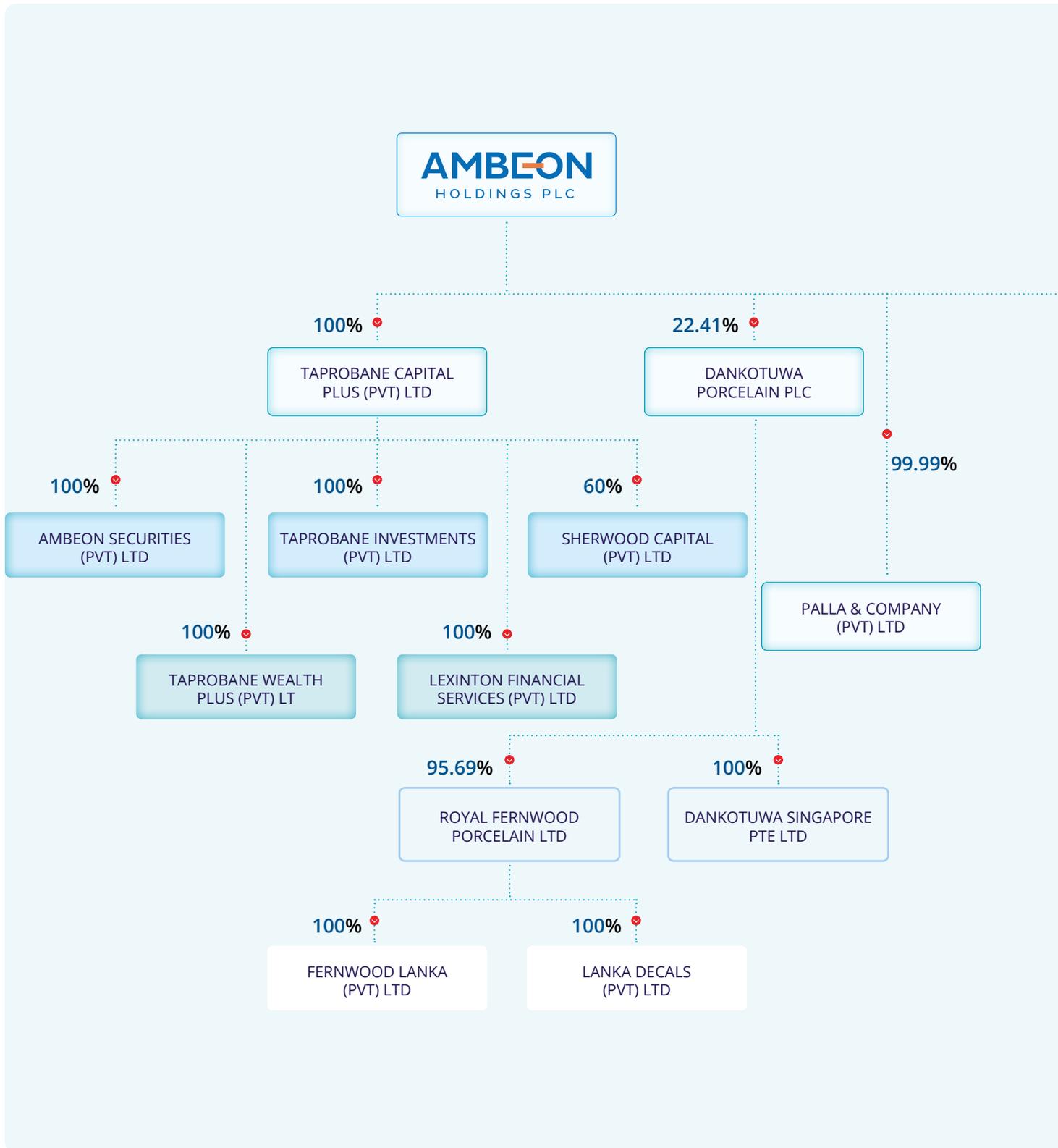
Performance

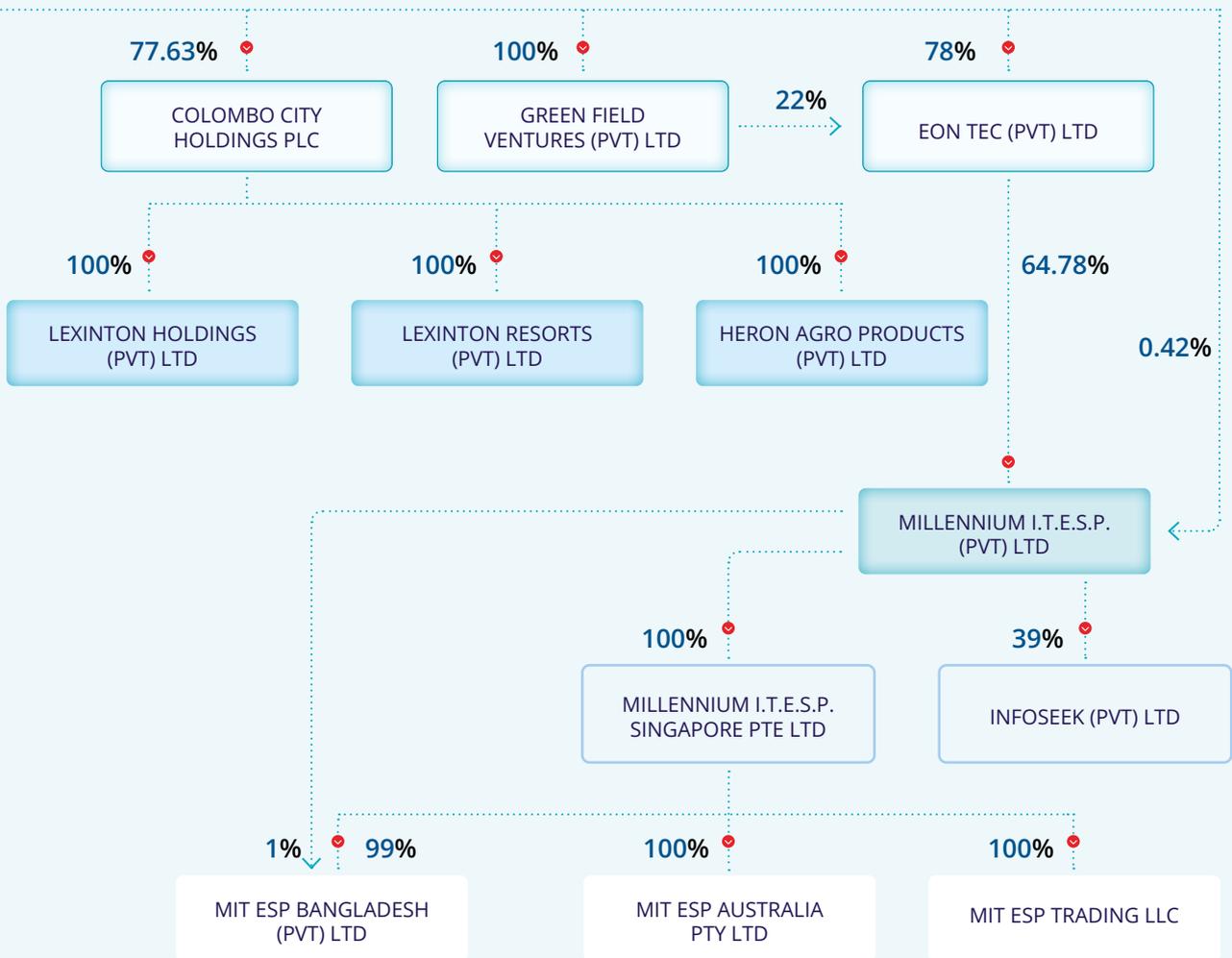
HIGHLIGHTS

	2024/25	2023/24	
	LKR	LKR	
Financial Performance (Continuing Operations)			
Revenue	17,529,943,679	17,154,487,003	2%
Gross Profit	4,122,459,414	5,088,419,267	-19%
Operating Profit/(Loss)	2,752,055,664	3,099,647,770	-11%
Profit/(Loss) before Tax	2,228,808,928	3,596,784,979	-38%
Profit After Tax	2,024,936,559	3,078,853,115	-34%
Profit After Tax - Including Discontinued Operations	2,024,936,559	2,857,031,677	-29%
Interest Cover	4.95	5.76	-14%
Return on Equity	14.29%	22.34%	-36%
Return on Capital Employed	11.88%	25.37%	-53%
Financial Positions			
Total Assets	30,787,894,235	23,545,192,743	31%
Total Debts	9,331,882,788	4,366,007,324	114%
Total Equity	14,167,829,263	12,790,934,269	11%
No of shares in Issue	356,869,666	356,869,666	0%
Net Assets per Share	35.49	30.37	17%
Gearing Ratio	39.71%	25.45%	56%
Debt/Total Assets	30.31%	18.54%	63%
Current Ratio	1.56	1.79	-13%
Quick Asset Ratio	1.36	1.46	-7%
Market Price per Share	81.70	37.40	118%
Market Capitalisation	29,156,251,712	13,346,925,508	118%



Group STRUCTURE





Group Chairman's MESSAGE



Dear Shareholders,

It is with great pleasure that I present to you the Annual Report and Audited Financial Statements of Ambeon Holdings PLC for the financial year ended 31st March 2025. This year marked a critical turning point not only for our Group but also for the broader economic landscape, which is experiencing its most pronounced recovery in over half a decade. Sri Lanka's return to macroeconomic stability and political coherence provided a platform for renewed confidence, while global uncertainties called for measured foresight and agility. Amidst this dual context, Ambeon Holdings reaffirmed its strategic posture of 'Enduring Ambition', taking deliberate steps

to recalibrate its portfolio, reinforce resilience, and seize emerging opportunities.

NAVIGATING A TRANSFORMATIVE MACROECONOMIC LANDSCAPE

The financial year 2024/25 unfolded against a backdrop of historic change for Sri Lanka. Following a prolonged period of fiscal instability, the country demonstrated clear progress towards macroeconomic stabilisation. With the successful conclusion of successive IMF reviews, debt restructuring agreements reaching near completion, and the establishment of a stable majority government, Sri Lanka began laying the groundwork for renewed growth.

A 5% GDP growth in calendar year 2024 marked a strong post-crisis rebound, driven by gains across the industrial, agricultural, and services sectors. Inflation, once as high as 57.2% in late 2022, transitioned into mild deflation by early 2025, while interest rates moderated significantly. Foreign reserves improved from under USD 20 million in mid-2022 to USD 6.5 billion by March 2025, underpinned by stronger remittances, surging tourism earnings, and prudent monetary policy.

The appreciation of the Sri Lankan Rupee and the resurgence of capital markets further signalled rising investor confidence. However, as

global economic risks intensified, driven by geopolitical fragmentation and trade policy shifts, it became increasingly clear that Sri Lanka must stay the course on structural reforms, fiscal discipline, and governance enhancement to sustain its recovery.

STRATEGIC REALIGNMENT: BUILDING FOR THE FUTURE

Within this landscape, Ambeon Holdings executed a purposeful transformation of its portfolio. Aligned with our long-term vision of Enduring Ambition, we moved decisively to divest non-core manufacturing business and redeployed capital into higher growth, strategically aligned sectors such as financial services, technology, real estate and other diversified investments.

In the financial services sector, we strengthened our position through strategic equity acquisitions in Seylan Bank PLC and DFCC Bank PLC, reinforcing our confidence in institutions that are central to the country's economic recovery. These investments are aligned with our long-term capital appreciation strategy and are expected to deliver steady dividend income. Operationally, our Financial Services Cluster continued to demonstrate resilience, with Taprobane Investments maintaining market leadership in money broking and Ambeon Securities achieving notable growth amidst improved investor sentiment. While short-term profitability was impacted by a stabilising interest rate environment, we remain focused on enhancing recurring income streams, digital innovation, and risk-managed expansion.

In the technology space, MillenniumIT ESP achieved a major milestone by surpassing LKR 15.6 billion, driven by its expanding global footprint and deepened capabilities in cybersecurity, AI, and cloud solutions.

Despite a volatile global environment, the Group concluded the year with a 2% year-on-year growth in consolidated revenue, reaching LKR 17.5 billion. Group Profit After Tax (PAT) stood at LKR 2 billion, compared to LKR 2.8 billion in the prior year. The decline was primarily due to the absence of one-off divestment gains and revaluation impacts that were recorded in 2023/24.



The company continued to reinvest in talent, infrastructure, and innovation, prioritising long-term competitiveness over short-term gains. With strong renewal rates, growing international presence, and strategic partnerships with global tech leaders, MillenniumIT ESP remains a key driver of the Group's transformation into a future-ready, globally relevant enterprise.

In real estate and diversified investments, Colombo City Holdings PLC (CCH) continued its transformation into a forward-looking platform geared towards long-term value creation. During the year, CCH expanded its strategic land portfolio with additions in Kosgoda, Sigiriya, and Kosgama, aimed at future integrated lifestyle and hospitality developments aligned with emerging tourism and

wellness trends. Alongside this, the company-maintained a prudent capital allocation strategy, balancing growth with stability through selective investments in listed equities and government securities.

FINANCIAL PERFORMANCE IN CONTEXT

Despite a volatile global environment, the Group concluded the year with a 2% year-on-year growth in consolidated revenue, reaching LKR 17.5 billion. Group Profit After Tax (PAT) stood at LKR 2 billion, compared to LKR 2.8 billion in the prior year. The decline was primarily due to the absence of one-off divestment gains and revaluation impacts that were recorded in 2023/24.

We regard this outcome not as a setback but as a deliberate and disciplined phase within our long-term investment framework. Throughout the year, our focus was on reinvesting capital rather than extracting profits, channelling significant resources into talent development, digital transformation, and innovation. This strategic approach is aimed at strengthening the Group's competitive position and driving superior returns over the medium to long term.

Ambeon Holdings PLC, as the Group's holding and management company, continued to be the principal contributor to profitability, generating approximately LKR 1.3 billion in net earnings. This performance was reinforced by robust treasury management and an asset optimisation strategy that remains central to our value creation.

The Financial Services segment experienced a decline in net profits, falling from LKR 821 million to LKR 455 million. This was influenced by market volatility and timing factors, which we consider temporary and manageable within the broader growth trajectory.

GROUP CHAIRMAN'S MESSAGE

Similarly, the Information Technology segment's profit contribution increased from LKR 36 million to LKR 109 million, reflecting our purposeful reinvestment into research, development, and capacity expansion. These investments are designed to strengthen long-term competitiveness in a rapidly evolving digital landscape, with a focus on building scalable solutions, enhancing service capabilities, and deepening domain expertise to support broader Group objectives.

Following our strategic exit from the Dankotuwa Group, the Manufacturing sector's profit contribution was nominal during the period. However, our diversified investment portfolio continues to advance positively.

Colombo City Holdings (CCH) contributed LKR 259 million to consolidated PAT, reflecting a strategic shift towards land banking and property development alongside diversified investments in listed equities and government securities. Notwithstanding this, the underlying value of CCH's property portfolio saw substantial appreciation, providing a strong platform for sustained growth and capital appreciation. This balanced approach has supported stable income streams and significant asset value appreciation. Overall, the Group's financial results reflect a phase of strategic repositioning and prudent reinvestment, laying the foundation for sustainable long-term value creation for our shareholders.

COMMITMENT TO GOVERNANCE AND RISK OVERSIGHT

In tandem with our evolving business profile, we strengthened Board structures and Group governance frameworks. We undertook a restructuring of our Board composition across the Group to ensure that we are guided by directors with the relevant expertise

to navigate sector-specific challenges. Simultaneously, we reinforced our compliance and risk management frameworks in line with emerging regulations and industry's best practices.

The Board remains fully committed to transparency, accountability, and ethical conduct in every sphere of business. Throughout the year, we complied with all regulatory obligations, including the Code of Best Practice on Corporate Governance (2017), and maintained a clean compliance record with no penalties or significant audit flags.

THE ROAD AHEAD

As we enter FY2025/26, we do so from a position of strength, but also with cautious optimism. We recognise the mounting global risks from protectionist trade shifts to regional conflicts and health crises that could challenge Sri Lanka's nascent recovery. However, we also see unprecedented opportunities arising from the country's reform-driven trajectory, increasing private investment, and sectoral tailwinds in tourism, ICT, construction, and financial services.

Our strategy for the coming year is clear: to remain agile in our response to macroeconomic shifts, while relentlessly executing on our growth agenda across priority sectors. We will continue to optimise our capital structure, enhance operational efficiency, and explore synergistic partnerships that accelerate value creation for shareholders and stakeholders alike.

APPRECIATION

I would like to extend my heartfelt appreciation to all stakeholders who contributed to our progress this year. To our outgoing Board members, I express deep gratitude for your service and strategic guidance during

a critical chapter of our journey. To our newly appointed Directors, welcome to Ambeon Holdings PLC, your insights will be invaluable as we shape the Group's future.

To our shareholders, thank you for your continued confidence and support. Your trust strengthens our resolve to pursue excellence. Finally, to our management teams and employees across the Group led by the Group Chief Executive Officer, your commitment, resilience, and professionalism have been the driving force behind our ability to adapt and grow in an ever-changing environment.

Ambeon Holdings PLC stands today as a leaner, stronger, and more strategically aligned Group. As we move forward, I am confident in our ability to unlock new frontiers of opportunity and deliver enduring value for all stakeholders.

Sgd.

Sujeewa Mudalige
Chairman

15th August 2025

Group CEO

/ EXECUTIVE DIRECTOR'S REVIEW



Dear Stakeholders,

I am pleased to present the Annual Report of Ambeon Holdings PLC for the financial year ended 31st March 2025, a year that marks significant progress in our strategic journey toward sustainable value creation and operational transformation.

Aligning with our theme '*Enduring Ambition*', we maintained a strong focus on future-proofing our core businesses by stabilizing key operating clusters and advancing strategic investments. Simultaneously, we pursued measured expansion both locally and internationally, strengthening our competitive position within an increasingly dynamic and complex business

environment. In addition, we intensified our investments in high-potential growth sectors such as banking and real estate, positioning the Group to deliver sustained long-term value and enhanced returns for shareholders. Reinforced by a disciplined growth strategy and a global perspective, these initiatives reflected our unwavering commitment to resilience, agility, and sustainable value creation, enabling us to deliver impactful outcomes for our stakeholders across all phases of the economic cycle in a rapidly evolving business landscape.

MACROECONOMIC STABILISATION AND STRATEGIC RESPONSE

Sri Lanka's macroeconomic environment exhibited sustained stabilisation throughout the period under review, supported by the implementation of structural reforms and the continued application of sound fiscal and monetary policy frameworks. The economy rebounded to an estimated GDP growth of 5% for the calendar year 2024, signaling a shift towards a more sustainable growth trajectory. The sovereign credit outlook improved with the lifting of the default rating, while greater political stability under the new administration, coupled with policy continuity under the

GROUP CEO / EXECUTIVE DIRECTOR'S REVIEW

International Monetary Fund (IMF) reform programme, contributed to a reduction in uncertainty and the restoration of market confidence. Key macroeconomic indicators reflected this positive momentum, including the rebuilding of foreign exchange reserves, a measured decline in interest rates, the moderation of inflation, and renewed growth in critical sectors such as tourism and exports. Collectively, these developments have strengthened the country's economic fundamentals and reinforced a more favourable environment for investment and long-term strategic planning.

Inflation, which surged to unprecedented levels in 2022, began to reverse into a deflationary trend during the 2024/25 financial year, driven by disciplined monetary tightening, favourable base effects, and a declining global commodity prices. With inflation brought under control, the Central Bank gradually eased policy rates, leading to a decline in market interest rates and a subsequent revival in demand for credit and private sector investment.

Renewed investor confidence further invigorated the capital markets with the Colombo Stock Exchange experiencing a significant resurgence over the year. Both equity and fixed income markets recorded heightened activity as investors sought emerging opportunities in key strategic sectors. Interest notably increased in banking, technology, and export-oriented industries, reflecting their strong growth potential amid Sri Lanka's economic transformation.

On the external front, foreign reserves were gradually rebuilt, supported by a sustained recovery in tourism, stable worker remittances, and the phased disbursement of funds under the IMF's extended fund facility. While these improvements in key

economic indicators have not fully resolved Sri Lanka's longstanding structural challenges, much of the uncertainty that prevailed since the 2022 economic crisis has abated, creating a more stable risk environment conducive to capital allocation and investment planning. Capital-intensive sectors such as real estate, infrastructure, and strategic investments are expected to benefit from this renewed environment of planning and investment predictability.

However, it is important to acknowledge that this economic predictability is contingent upon sustained political stability. The recent changes in the country's political landscape have played a pivotal role in improving business sentiment. The formation of a stable majority government committed to policy continuity and adherence to the IMF programme has alleviated investor concerns over potential policy reversals. This stability has consequently opened new avenues for growth, including increased foreign direct investment and enhanced multilateral support for infrastructure development.

The external debt restructuring programme has progressed steadily during this transitional period, with significant advancements made in negotiations with both bilateral and commercial creditors. These proactive measures to restore investor confidence have enhanced Sri Lanka's sovereign debt profile and international standing, thereby creating additional opportunities for future bilateral and multilateral investments.

Nonetheless, vigilance remains essential in the face of potential risks within both the Sri Lankan and global environments. The global landscape has grown increasingly volatile in

2025, driven in part by the proposed new US tariff regime and escalating armed conflicts in the Middle East and between Russia and Ukraine. These developments have prompted international institutions such as the IMF and World Bank to revise their economic growth forecasts for 2025 and the near term.

Geopolitical tensions and disruptions to global trade systems may adversely affect Sri Lanka's growth prospects by undermining gains in tourism, remittances, and exports, while also contributing to higher energy costs and interruptions in fuel supply chains. Such external challenges could place additional strain on the continuity of the ongoing reform programme.

Despite these risks, it is imperative that key structural reforms, particularly those related to public finance management, state enterprise restructuring, and trade liberalization remain firmly on course to ensure the realisation of their long-term benefits. Policymakers must recognise that, although investor and business sentiments have improved, the trajectory and clarity of reforms will be closely scrutinised, and any policy uncertainty may deter market confidence.

In light of heightened external uncertainties, Ambeon Holdings PLC adopted a prudent yet proactive approach to its short and medium-term expansion plans. Its low gearing position and strong liquidity at the close of the current financial year provide a robust foundation for both growth and diversification.

The Group is committed to optimizing risk-adjusted returns for all stakeholders through targeted investments in high-potential, underexplored economic sectors. Concurrently, it will continue

to expand its existing business operations while actively assessing opportunities for diversification and divestment in response to evolving market conditions and risks.

Supported by the financial acumen of our specialised entities and the strategic oversight and expertise of Group Treasury, all investment decisions will be carefully evaluated and purposefully executed with a focus on sustainable value creation over the short, medium, and long term.

A RESILIENT FINANCIAL PERFORMANCE

The Ambeon Holdings Group recorded consistent growth throughout the year, driven by its commitment to sustainable growth strategies and future-focused investments across its portfolio. For the 2024/25 financial year, the Group's revenue increased by 2% to LKR 17.5 billion, delivering a profit after tax (PAT) of LKR 2,025 million. The decrease of LKR 832 million compared to last year's PAT of LKR 2,857 million primarily reflected the absence of one-off gains related to market fluctuations and the divestment of the majority stake in Dankotuwa Porcelain PLC. As a standalone entity, Ambeon Holdings, as a company, contributed LKR 1,352 million in PAT to the Group. Further, the net asset value per share increased to LKR 35.49 for the financial year 2024/25, compared to LKR 30.37 in the previous year. Earnings Per Share (EPS) declined from LKR 7.51 to LKR 5.08.

PERFORMANCE ACROSS BUSINESS CLUSTERS

Our flagship technology company, MillenniumIT ESP, successfully expanded its footprint across the ASEAN region via its Singapore subsidiary, entered the Australian market, and secured multiple projects

internationally. Collectively, the IT cluster delivered revenue of LKR 15,644 million, primarily driven by MillenniumIT ESP and its subsidiaries in Singapore and Bangladesh. The IT sector reported a PAT of LKR 109 million for the year.

The financial services cluster under Taprobane Capital Plus sustained steady progress during the year, generating revenue of LKR 1100 million and a PAT of LKR 455 million. This cluster is anchored by three specialised entities, namely: Taprobane Investments, a market leader in money broking; Ambeon Securities, a trusted stockbroking firm with over two decades of experience; and Sherwood Capital, a specialist in fixed-income trading in the secondary market. Together, they continue to provide comprehensive financial services, strengthening the Group's market position and contributing significantly to its overall performance.

Colombo City Holdings PLC (CCH), a listed entity on the Colombo Stock Exchange, reported a PAT of LKR 259 million for the year, primarily generated through its diversified investment portfolio encompassing real estate, equities, and government securities. Evolving over the years, CCH has strategically expanded its footprint in high-value real estate, demonstrated by its acquisition of Lexington Holdings in 2019 and a premium beachfront property in Kosgoda during FY 2022/23. Despite macroeconomic challenges, including interest rate volatility and shifts in monetary policy, the company has successfully preserved asset value and maintained portfolio resilience. Meanwhile, Dankotuwa Porcelain Group, an associate company of the Ambeon Group with a 22.41% equity stake, recorded revenue of LKR 3,850 million and a net loss of LKR 876 million.

Throughout the year, the Group Treasury played a pivotal role in upholding financial resilience and operational readiness, maintaining a strategic liquidity buffer to support future investments. In addition, Group Treasury sustained a prudent investment and borrowing capacity, enabling swift responses to emerging market opportunities and supporting potential expansion initiatives. This disciplined approach to liquidity and capital management ensured the Group's agility in navigating economic fluctuations while optimising capital deployment.

DRIVING GROWTH THROUGH STRATEGIC INVESTMENTS

A significant strategic initiative during the year was the expansion of our presence in Sri Lanka's banking sector, which we regard as a key enabler of long-term economic growth and a segment with strong potential for sustained performance. In November 2024, we increased our shareholding in Seylan Bank to 9% and acquired a 9.43% stake in DFCC Bank, marking a decisive first step in strengthening our position within this critical segment of the financial services landscape.

We continued to strengthen our presence in Sri Lanka's property sector, which is well-positioned to benefit from the anticipated growth in tourism and real estate. Through Colombo City Holdings (CCH), we strategically identified high-potential locations and acquired prime properties with strong prospects for long-term value appreciation. Discussions are currently underway with several prospective investment partners to develop these assets in alignment with evolving global trends in leisure and tourism, reinforcing our commitment to unlocking future growth in this sector.

GROUP CEO / EXECUTIVE DIRECTOR'S REVIEW

In parallel with expanding our investment portfolio, we remained focused on strengthening operational capacity and capability across the Group. This was achieved through targeted investments in intellectual capital, with a strong emphasis on talent development and the enhancement of technology infrastructure and digital competencies. At MillenniumIT ESP, employee costs increased by 30%–40%, reflecting our strategic decision to retain top talent and onboard specialists in high-demand areas such as artificial intelligence, cloud computing, and cybersecurity. Concurrently, capital expenditure on technology upgrades also rose significantly. To ensure sustained market leadership in their respective domains, Sherwood Capital and Ambeon Securities prioritised the development of a strong leadership pipeline, combining institutional knowledge with initiatives that foster innovative thinking and strategic agility.

FORGING AHEAD: CONFIDENCE IN THE JOURNEY

As we continue to build on this momentum of sustainable growth, we anticipate a favourable operating environment in the short to medium term, supported by fiscal discipline, steady growth in foreign reserves, and exchange rate stability. While global uncertainties present challenges for our overseas operations, we remain confident that our investments in emerging technologies and strategic partnerships will drive continued growth. Through CCH, we will further expand our real estate portfolio, a sector attracting robust global interest. Concurrently, we plan to deepen our presence in the banking sector and are actively exploring opportunities within the insurance industry.

APPRECIATION

As we conclude yet another highly successful year, I wish to express my sincere gratitude to the Chairman and Board of Directors for their unwavering trust and valuable guidance throughout the year. I also extend my appreciation to the Subsidiary Boards and senior management teams across the Group for their collaboration and effective implementation of our strategic objectives.

I am deeply thankful to all our teams across the Group for their dedication and commitment in driving our strategic vision at every level. Additionally, I acknowledge the continued support of our business partners, financial service providers, and auditors, whose cooperation remains integral to our success.

Finally, I am grateful to our shareholders for their confidence in our vision and look forward to your continued support as we embark on the new financial year.

Sgd.

Sajeeva Narangoda(Dr)
Group CEO/Executive Director

15 August 2025

Board of **DIRECTORS**



Mr. Sujeewa Mudalige

*Chairman/Independent
Non-Executive Director*

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

He currently serves as the Independent Non-Executive Chairman of Ambeon Capital PLC, Ambeon Holdings PLC, Millennium I. T. E. S. P. (Private) Limited and Sherwood Capital (Private) Limited and as a Non-Executive Chairman of Mercantile Services Provident Society (MSPS). He is also an Independent Non-Executive Director at National Development Bank PLC, Chemical Industries Colombo PLC and subsidiaries, NSBM Green University and Mahindra Ideal Finance Ltd. He was appointed as a Commissioner of the Securities and Exchange Commission, Sri Lanka in March 2023. He is also a committee member of the Ceylon Chamber of Commerce.

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

Mr. Mudalige was an Independent Non-Executive Director of Hatton National Bank PLC from 2012 to 2019 and was a Chair and member of several of its board subcommittees during his tenure. He was also the Deputy Chairman of the Financial System Stability Consultative Committee of the CBSL and a member of the Advisory Committee to advise the National Economic Council and the Advisory Committee for Revival of Failed Licensed Finance Companies.

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

BOARD OF DIRECTORS



Dr. Sajeeva Narangoda
Group CEO/Executive Director

Dr. Sajeeva Narangoda is currently the Group CEO/Executive Director of Ambeon Holdings PLC and Ambeon Capital PLC. 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. Mangala Boyagoda
Non-Executive Director

Mr. Mangala Boyagoda has many years of experience in the fields of Banking and Treasury Management having worked at DFCC Bank, Standard Chartered Bank, Union Bank and Bank of Ceylon.

Mr. Boyagoda is the Chairman of Ambeon Securities (Private) Limited, Taprobane Capital Plus (Private) Limited and Wealth Lanka Management (Pvt) Limited. He is also a Director of Asset Trust Management (Pvt) Limited, Ceylon Hotel Corporation PLC, Royal Fernwood Porcelain Limited, Faber Capital (Pvt) Limited, United Hotel (Pvt) Limited, Sherwood Capital (Private) Limited, Asset Holding Pvt Ltd and Wise World (Private) Limited.

Mr. Boyagoda holds a MBA from Irish University – European Union.



Mr. Savanth Sebastian

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. 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. Ching Tak (Jacky) Tsoi
Independent Non-Executive Director

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

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

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

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



Mr. Ruwan Sugathadasa
Non-Executive Director

Mr. Ruwan Sugathadasa is a highly accomplished professional with over twenty years of experience in the capital markets, specializing in Government and Corporate Debt Markets. He has made notable contributions through his roles at leading financial institutions such as First Capital Ltd and Taprobane Capital Plus. Renowned for his expertise, Mr. Sugathadasa has adeptly navigated the complexities of debt markets, offering strategic insights that have driven growth and delivered substantial value to clients and stakeholders.

Mr. Sugathadasa, a founding Director at Browns Investments PLC, was instrumental in shaping the company's strategy and driving early acquisitions that spurred significant expansion. Additionally, as a Director at Ambeon Holding PLC and its subsidiaries from 2013 to 2021, he led strategic initiatives that diversified the conglomerate's portfolio and ensured sustainable growth across various sectors.

Mr. Sugathadasa earned his Master of Business Administration (MBA) from the University of Preston, USA.



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.



Mr. Ravi Goonetilleke

Independent Non-Executive Director

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

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

Presently serves as the Chairman of Taprobane Investments (Private) Limited and Director of Ambeon Capital PLC and Ambeon Securities (Private) Limited

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

Heads of

BUSINESS SUBSIDIARIES



Mr. Somadasa Palihawadena
Director/Chief Executive Officer
Sherwood Capital (Private) Limited



Mr. Shevan Goonetilleke
Director/Chief Executive Officer
Millennium I. T. E. S. P. (Private) Limited



Mr. Charith Kamaladasa
Director/Chief Executive Officer
Ambeon Securities (Private) Limited



Mr. Lashika Weerasinghe
Director/Chief Executive Officer
Taprobane Investments (Private) Limited

Senior MANAGEMENT



Mr. Nishantha Jayasooriya
Vice President,
Sherwood Capital (Private) Limited



Mr. Roshan Anthony
Vice President,
Sherwood Capital (Private) Limited



Mr. Chaminda Perera
Group Vice President – Finance
Ambeon Holdings PLC



Mr. Charith Hettiarachchi
Group Head IT
Ambeon Holdings PLC



Ms. Sonali Amuhengoda
Group Head - Legal
Ambeon Holdings PLC



Mr. Haritha Perera
General Manager-Finance
Taprobane Capital Plus (Private) Limited

SENIOR MANAGEMENT



Mr. Rohan Pathirage
Head of Supply Chain
Ambeon Holdings PLC



Mr. Niroshan Pradeep
Head Human Resources
Ambeon Holdings PLC



Mr. Branavan Balendran
Senior Manager Risk and Internal Audit
Ambeon Holdings PLC



Ms. Giyanie Fernando
Senior Manager – Corporate Affairs
Ambeon Holdings PLC

Macroeconomic REVIEW

With stability restored and confidence renewed, Sri Lanka stands poised for sustained growth



GLOBAL ECONOMIC ENVIRONMENT: VOLATILITY AMID GEOPOLITICAL AND POLICY SHOCKS

During the financial year from April 1, 2024, to March 31, 2025, the global economy faced heightened volatility driven by a series of escalating geopolitical events. The Russia-Ukraine war continued to disrupt global energy and food supplies, contributing to persistent inflation and market turbulence. Simultaneously, the intensifying conflict in the Middle East pushed oil and gold prices higher, amplifying investor anxiety and uncertainty across financial markets. The volatility continued to April 2025 when the introduction of “Liberation Day tariffs” by U.S. President Donald Trump sparked fears of a renewed trade war, raising concerns over the potential relocation of global manufacturing and further straining international supply chains. Together, these developments fueled commodity price surges, weakened investor confidence, and added downward pressure on global growth.

SRI LANKAN ECONOMY: RETURN TO GROWTH AND POLICY STABILITY

In sharp contrast to the turbulent global backdrop, Sri Lanka demonstrated significant signs of macroeconomic stabilisation. The formation of a stable majority government in 2024 brought much-needed political clarity, bolstering confidence in the country's reform agenda. Under the guidance of the International Monetary Fund (IMF) and its Extended Fund Facility (EFF) programme, Sri Lanka maintained supportive fiscal and monetary policies aimed at addressing structural inefficiencies and rebalancing the economy.

Gross Official Reserves



\$6.5Bn

+ \$ 1.1Bn
\$ 5.4Bn - 2024

ASPI



\$6.5Bn

+ \$ 1.1 Bn
\$ 5.4Bn - 2024

Revenue to GDP Ratio



13.5%

\$ 5.4Bn - 2024

Market capitalisation



\$5.69Tn

As a result, the Sri Lankan economy rebounded strongly, recording real GDP growth of 5.0% in 2024 after two consecutive years of contraction. This marked a crucial turning point in the country's recovery trajectory. Improvements in revenue mobilisation and public finance management drove the revenue-to-GDP ratio up to 13.5% from a pandemic-era low of 8.2% in 2022, reflecting enhanced fiscal discipline and policy consistency. The government's focus on prudent spending and improved tax compliance played a central role in this achievement. Concurrently, gross official reserves rose steadily, reaching USD 6.5 billion by the end of March 2025, reinforcing external sector stability and restoring investor confidence.

MACROECONOMIC REVIEW



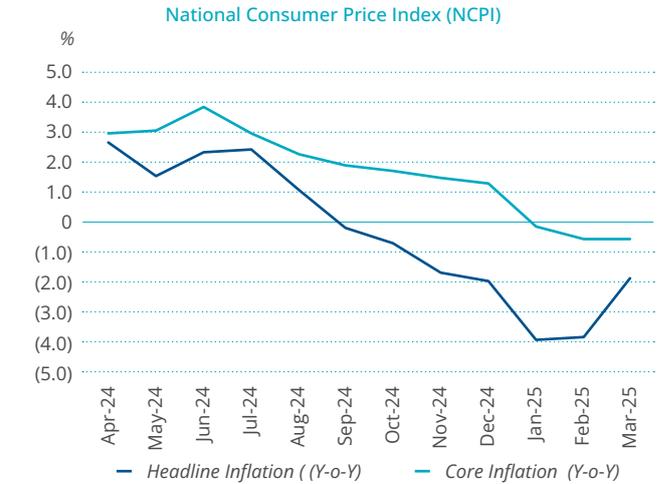
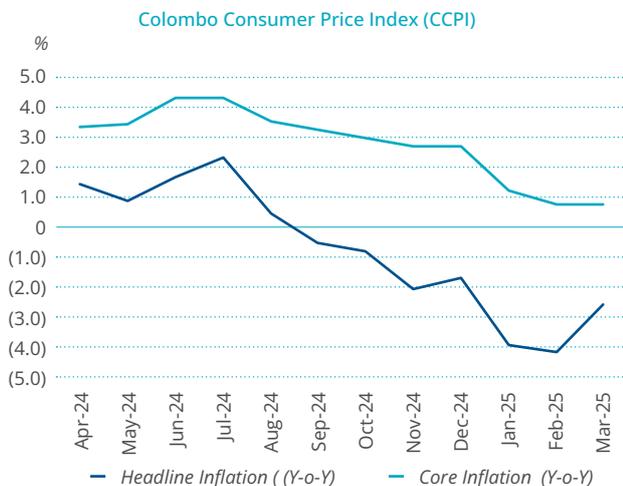
Source: CBSL – External Sector Indicators

This bar graph captures the upward trajectory in foreign reserves, which rose from USD 5.4 Bn to USD 6.5 Bn during the period, supported by multilateral inflows and external account improvements.

INFLATION AND MONETARY POLICY: FROM TIGHTENING TO EASING

Sri Lanka's inflation dynamics shifted dramatically over the financial year. After a prolonged period of surging prices in 2022 and early 2023, the country entered a phase of disinflation, which evolved into deflation by late 2024. Headline inflation began declining rapidly due to a combination of base effects, reductions in electricity tariffs, and falling global commodity prices. In September 2024, Sri Lanka recorded deflation for the first time at -0.5%. The trend deepened to a peak deflationary reading of -4.2% in February 2025 before gradually reversing to -0.6% by June 2025. This sharp turnaround in price levels significantly enhanced consumer purchasing power and improved real income dynamics.

Inflation Trends – CCPI vs NCPI (YoY %)

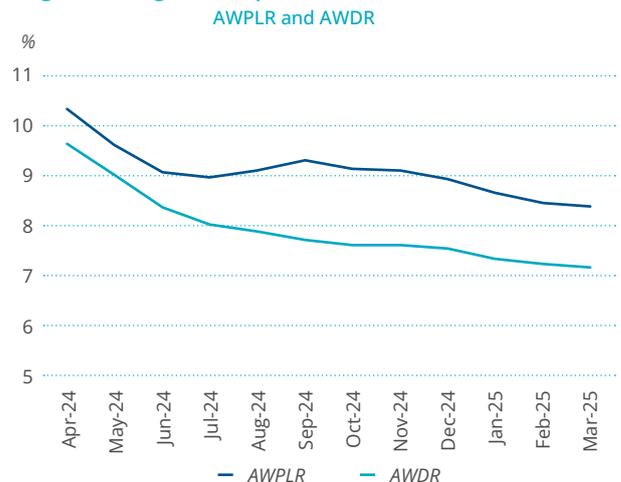


Source: CBSL – Inflation Indicators

The above graphs show the sharp deceleration in year-on-year inflation, moving from low positive rates to mild deflation by late 2024. It reflects the success of supply-side stabilisation measures and reduced energy tariffs.

this stance. One of the most significant reforms during the year was the introduction of a unified Overnight Policy Rate (OPR) in November 2024, replacing the prior dual-corridor rate system to improve transparency and policy transmission. Initially set at 8.0%, the OPR was further reduced to 7.75% in May 2025 as inflationary pressures remained contained. This policy easing led to a gradual decline in both lending and deposit rates. The Average Weighted Prime Lending Rate (AWPLR) fell to 9.65% by May 2025, lowering the cost of capital across the economy.

Average Lending and Deposit Rates



Source: CBSL – Weekly Economic Indicators

This line chart illustrates the gradual easing of interest rates in response to CBSL's accommodative monetary policy. Lending rates fell below 10% by May 2025, improving the affordability of credit across sectors.

The impact of monetary easing was visible in credit markets. Credit extended to the private sector grew by 10.7% year-on-year in 2024, reflecting a resurgence in business and consumer borrowing, and signaling growing confidence in the real economy. This revival in credit activity was vital for supporting investment, production, and consumption, thereby sustaining the growth momentum.

EXTERNAL SECTOR PERFORMANCE: STRENGTHENING RESILIENCE

The country's external sector also saw a notable turnaround. Balance-of-payments stability was restored as current account surpluses re-emerged from January 2025 onward. This was driven by robust growth in tourism earnings and worker remittances, along with narrowing trade deficits. In April 2025, despite an increase in merchandise imports (up 17.5% year-on-year), the current account remained in surplus due to stronger service exports and capital inflows.

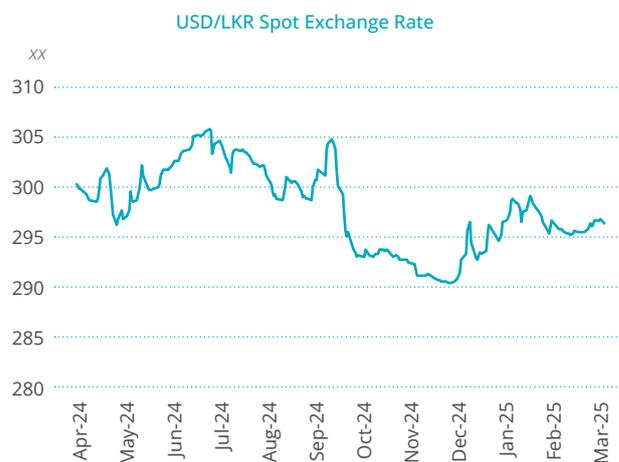
The country recorded a strong 38% growth of tourist arrivals for 2024 which crossed 2Mn arrivals. The first 6 months of 2025 continued to record a 15% growth, crossing 1.1Mn tourist arrivals. Tourism earnings improved by 53% in 2024 to USD 3.1Bn while the first 5 months of 2025 recorded USD 1.5Bn of tourism earnings. Worker remittances also increased by 10% to USD 6.6 Bn in 2024 while the first 5 months of 2025 recorded remittances of USD 3.1 Bn indicating a growth of 18%. As a result, the overall balance of payments recorded a surplus of USD 1.36 billion by May 2024.



Source: SLTDA & CBSL

This dual axis chart visualises the increase in tourist arrivals (left-hand axis) and tourism earnings in USD Mn (right-hand axis), a key driver of Sri Lanka's current account surplus.

The Sri Lankan Rupee remained broadly stable throughout the period. From a peak depreciation of LKR 369 per USD in late 2022, the currency appreciated to approximately LKR 299 by May 2025. This was supported by the Central Bank's active management of forex markets and increased foreign exchange inflows.



Source: CBSL – Daily Indicators

The exchange rate graph shows the Sri Lankan Rupee's movement throughout the financial year, indicating currency stability and improved foreign investor sentiment.

DEBT RESTRUCTURING AND IMF SUPPORT: A PATH TO SUSTAINABILITY

A critical milestone was Sri Lanka's declaration in June 2024 that it had exited "bankruptcy status," just over two years after its April 2022 default. This followed successful debt restructuring negotiations with bilateral and private creditors, including Japan, France, China, and the Paris Club. Notably, 98% of International Sovereign Bond (ISB) holders agreed to exchange their bonds, totaling USD 12.55 billion, for new instruments aligned with Sri Lanka's debt servicing capacity.

The IMF acknowledged the progress by completing its fourth review of the EFF programme in April 2025. With three tranches totaling USD 1.3 billion already disbursed, another USD 350 million has been approved. Debt sustainability indicators also improved, with external debt servicing projected at around 3.7% of GDP from 2028 and gross financing needs expected to remain below 13% of GDP between 2027 and 2032—just within the IMF's thresholds.

MACROECONOMIC REVIEW

CAPITAL MARKETS: SURGE IN INVESTOR SENTIMENT

The Colombo Stock Exchange (CSE) experienced a record-setting year in 2024, buoyed by macroeconomic stability, improved liquidity, and renewed investor interest. The All-Share Price Index (ASPI) climbed to 49.7%, closing at 15,944.61 points by end-2024. The S&P SL20 Index also surged by 58.5% to 4,862.10 as of end-2024, with market capitalisation reaching an unprecedented LKR 5.69 trillion. Foreign investor sentiment also turned positive, with net inflows recorded in the first half of 2025. These developments highlighted a marked improvement in the risk appetite for Sri Lankan equities and fixed income instruments, given the political stability and improving macroeconomic indicators.

ASPI and S&P SL20 Performance (Index Points)



Source: Colombo Stock Exchange

This graph showcases the strong equity market rally. ASPI surged nearly 50%, while S&P SL20 climbed 58%, a clear signal of revived investor confidence amid macroeconomic stabilisations.

NEAR-TERM OUTLOOK: CAUTIOUS OPTIMISM WITH GLOBAL RISKS

Looking ahead, Sri Lanka's economy is projected to moderate after its strong rebound. The World Bank forecasts GDP growth of 3.5% in 2025, tapering to 3.1% in 2026–27, citing a slowdown in investment activity and persistent structural challenges. The IMF has flagged potential downside risks including the possible reinstatement of U.S. tariffs on Sri Lankan exports, which could contract GDP by up to 1.5% if enacted. As of mid-July 2025, US has imposed a revised tariff rate of 30% (down from original 44%) to Sri Lanka for its exposed, with further negotiations going on by Sri Lankan government to negotiate a better tariff. The continuation of reform programmes, along with targeted investments and trade diversification strategies, are expected to cushion some of these external shocks.

On a global scale, as a response to the global geopolitical uncertainties, multilateral agencies such as the World Bank revised their global growth forecasts. The Bank's Global Economic Prospects report issued in June 2025 projected global GDP growth at just 2.3% for the year, down from earlier expectations citing policy uncertainty and protectionist trade movements. Although a global recession was not projected, the report indicated that almost 70% of economies had seen their growth outlook revised downward. The South Asian region, while more resilient, was also expected to decelerate to 5.8% growth in 2025, averaging 6.2% in the following two years.

IMPLICATIONS FOR AMBEON HOLDINGS PLC

Amidst this complex and evolving macroeconomic environment, Ambeon Holdings PLC is strategically positioned to benefit from the positive domestic momentum. The Group's strong liquidity position and low gearing have enabled it to capitalise on emerging investment opportunities. The easing of interest rates has reduced borrowing costs, supporting capital deployment across strategic initiatives in banking, technology, and real estate.

The stock market resurgence has not only enhanced valuations across Ambeon's listed entities but also improved the Group's ability to raise capital, attract foreign interest, and execute timely exits from non-core investments. The stabilisation of the Rupee and the return of foreign capital flows have reinforced the Group's cross-border investment strategy and de-risked its exposure to forex volatility.

Moreover, the upturn in tourism and property market sentiment is expected to positively influence Ambeon's real estate portfolio. The overall recovery in investor and consumer confidence, paired with ongoing policy stability, creates a conducive environment for long-term growth, innovation, and shareholder value creation.

In conclusion, while global uncertainties persist, the resilient performance of Sri Lanka's economy has created a stable foundation for sustained expansion. Ambeon Holdings PLC remains confident in its ability to navigate emerging challenges, guided by a prudent, agile, and forward-looking strategy that continues to unlock value across economic cycles.

Management

DISCUSSION AND ANALYSIS

Group Performance

Ambeon Group maintained a strong financial position during the year under review. Total assets increased significantly to LKR 30,788 million, up from LKR 23,545 million in the previous year, primarily driven by growth in investment portfolios and expansion in financial services assets.



The theme of this year's Annual Report, Enduring Ambition, encapsulates our steadfast commitment to sustainable growth, innovation, and long-term value creation, which has driven our performance throughout the financial year. Through prudent and forward-looking decision-making, we have consistently delivered strong returns by optimising risk-return outcomes across our diversified portfolio.

Our Group business model is strategically diversified, with targeted investments in high-growth, future-oriented sectors such as technology, financial services, property development, and manufacturing.

Selective investments in high growth sectors and emerging industries continue to drive long-term value to shareholders at the same time, we are expanding our international footprint in key growth markets across Southeast Asia and the Middle East, while enhancing operational efficiency across all Group subsidiaries and their respective value chains. All organisations within the Group are guided by an experienced Board of Directors and a shared long-term vision to position each subsidiary as a leader within its respective industries. This ambition is already being realised, particularly within our technology enterprises and financial services specialists. Notably, MillenniumIT ESP, our technology subsidiary and one of Sri Lanka's leading end-to-end solutions provider surpassed the USD 50 million revenue milestone for the first time in its 29-year history during the current financial year, reflecting the success of its international expansion strategy.

As we close this financial year, the Group's strong and stable financial position, characterised by a low gearing balance sheet and robust liquidity, provides us with the agility to capitalise swiftly on emerging market opportunities. This solid foundation positions the Ambeon Holdings Group for accelerated growth as Sri Lanka's post-recovery economic landscape evolves into its next phase.

CONSOLIDATED GROUP PERFORMANCE

During the year under review, Ambeon Holdings Group maintained its diversified presence across key sectors, including financial services,

information technology, real estate and diversified investments through Colombo City Holdings PLC, strategic investments through the Group Treasury, and porcelain tableware manufacturing. This diversification enabled the reallocation of capital towards higher-return opportunities aligned with the Group's long-term growth objectives

Aligned with this strategic vision and expansion blueprint, the Group expanded its footprint in Sri Lanka's financial sector by increasing its stake in Seylan Bank PLC to 9% and acquiring an additional 9.43% equity interest in DFCC Bank PLC. These investments were made based on the banks' strong fundamentals and promising growth outlooks, reinforcing Ambeon's position within the country's dynamic banking landscape. This measured expansion carefully balances potential risks against the national economic environment and is poised to generate sustainable value through capital appreciation and dividend income, enhancing shareholder returns.

TOP-LINE PERFORMANCE

During the financial year under review, the Group achieved consolidated revenue of LKR 17,530 Mn, resulting a 2% increase over the LKR 17,154 Mn recorded in the previous year. This growth was primarily supported by robust contributions from the Group's strategic investments through Group Treasury, Financial Services and CCH Group. For more information, please refer to the sector reviews.

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MANAGEMENT DISCUSSION AND ANALYSIS

BOTTOM-LINE PERFORMANCE

The Group reported a Profit After Tax (PAT) of LKR 2,025 million for the year, representing a decrease of LKR 832 million compared to the previous year. This decline is primarily due to one-off gains recognised in the prior year, notably from the divestment of the 51% stake in Dankotuwa Porcelain PLC. As a standalone entity, Ambeon Holdings PLC remained the largest contributor to Group profits, delivering LKR 1,352 million, approximately 66.7% of the Group's consolidated PAT.

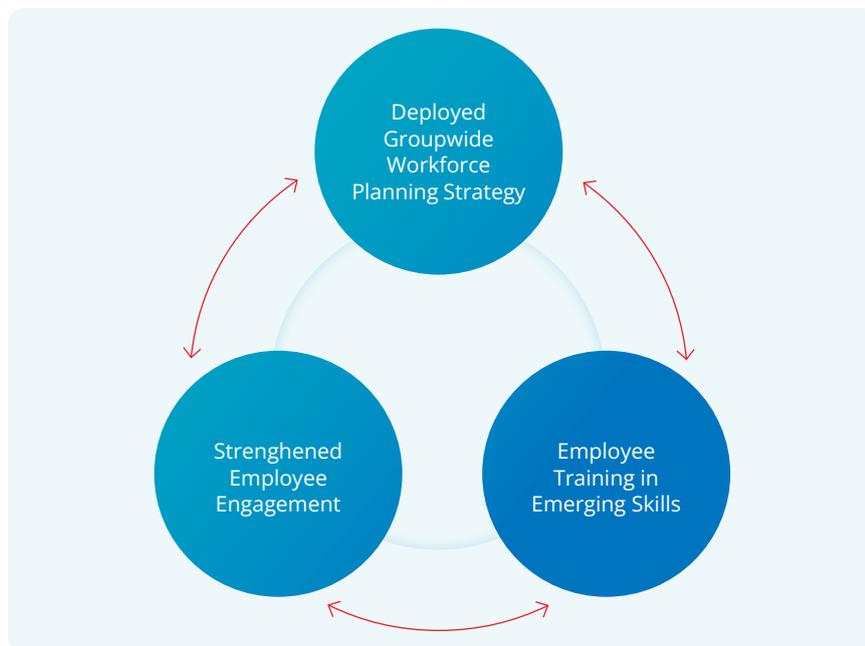
FINANCIAL POSITION

The Group maintained a strong financial position during the year under review. Total assets increased significantly to LKR 30,788 million, up from LKR 23,545 million in the previous year, primarily driven by growth in investment portfolios and expansion in financial services assets.

Total liabilities rose to LKR 16,620 million from LKR 10,754 million in the prior year, reflecting increased borrowings to support strategic investments and working capital requirements. Group equity strengthened to LKR 14,167 million, up from LKR 12,791 million, supported by retained earnings and capital injections.

Net Asset Value (NAV) per share improved to LKR 35.49 from LKR 30.37 a year earlier, indicating enhanced intrinsic value for shareholders. Earnings Per Share (EPS) stood at LKR 5.08 compared to LKR 7.51 in the previous year, with the decrease mainly due to the absence of one-off gains recognised in the prior period.

Group HR strategy 2024/25



INVESTING IN OUR PEOPLE

At the core of Ambeon Holdings' ethos of Enduring Ambition lies a steadfast commitment to investing in our people. As a diversified Group, we strive to cultivate a culture of innovation, accountability, and continuous progress

throughout the Ambeon Group. To enhance cohesion, collaboration, and productivity, we introduced a comprehensive, Group-wide workforce planning strategy during the financial year, implementing a unified, forward-looking framework across all business units. This initiative is designed to anticipate talent needs, address capability gaps, and ensure the right talent is aligned with the right roles to drive performance across the Group.

Our focus on workforce development included targeted upskilling initiatives, particularly in emerging technologies such as Artificial Intelligence (AI), aimed at future-proofing the Group's capabilities and positioning us to meet evolving industry demands.

Employee engagement and organisational culture were further strengthened through meaningful initiatives, including the Annual Get-Together 2024, which fostered team cohesion, recognition, and a strong sense of belonging across the Group.

HR STRATEGIES FOR 2025/26

Building on these foundations, the upcoming financial year will prioritise leveraging synergies across our diversified sectors by streamlining human resource management systems and incentives. Key initiatives include upgrading our Human Resource Information System (HRIS) and automating Learning & Development (L&D) processes. These enhancements will drive operational efficiency and enable data-driven decision-making, ensuring employee growth is closely aligned with the Group's strategic objectives.

We will also launch a comprehensive recognition and rewards programme designed to reinforce organisational values and promote performance excellence. Parallel efforts will focus on aligning individual performance with business goals through clearly defined KPIs and structured,



regular evaluations that cultivate accountability and merit-based rewards.

Our overarching goal remains the development of a future-ready workforce. To this end, we will continue to invest in personalised learning opportunities, targeted talent development, and strategic workforce planning, ensuring our teams remain highly competitive in rapidly evolving markets. Recognising the critical role of employee well-being in sustaining high performance, we will offer holistic wellness programmes supporting physical, mental, and financial health. Engagement initiatives and events will further foster morale, team bonding, and a strong sense of community.

Regular employee engagement surveys will be conducted to identify areas for improvement, complemented by targeted action plans to enhance workplace satisfaction and productivity. We also aim to strengthen our employer brand and optimise talent acquisition

through data-driven sourcing strategies and enhancement to candidate experience.

PROGRESSING FORWARD

As we move forward, our Human Resources strategy will continue to play a pivotal role in supporting Ambeon Holdings' overarching business objectives. Our focus will be on strengthening workforce capabilities, enhancing employee engagement, and fostering a culture of innovation and accountability across the Group.

We will intensify efforts to develop a future-ready workforce by expanding targeted upskilling initiatives, with a focus on emerging technologies and leadership development. This will ensure our employees are equipped to adapt to evolving industry demands and contribute meaningfully to the Group's growth.

To sustain high performance and employee well-being, we will roll out comprehensive wellness programmes

that address physical, mental, and financial health. Regular employee engagement surveys and responsive action plans will remain central to fostering a supportive and inclusive workplace culture.

Furthermore, we will enhance our talent acquisition strategies through data-driven sourcing, improved candidate experience, and employer branding initiatives to attract and retain top-tier talent. By aligning HR strategies closely with business goals, we are committed to building a motivated, agile, and high-performing workforce that drives Ambeon Holdings' enduring ambition and long-term success.

Ambeon Holdings PLC Background

As the Parent and strategic hub of the Ambeon Group, Ambeon Holdings PLC plays a pivotal role in guiding and overseeing the Group's diversified operations. The Company provides strategic leadership, financial stewardship, and operational

MANAGEMENT DISCUSSION AND ANALYSIS

alignment across subsidiaries engaged in financial services, information technology, real estate/ diversified investments, strategic investments, and porcelain tableware manufacturing. In addition to its oversight role, Ambeon Holdings PLC through its centralized group treasury engages in strategic investments which has contributed substantially to the group's overall profitability.

Amid recent periods of economic volatility, the Company, supported by the specialised capabilities of its centralized Treasury, has effectively navigated market challenges, leveraging its financial acumen to protect and enhance shareholder value. This has included the strategic rebalancing of the Group's portfolio through the divestment of non-core or underperforming assets and the pursuit of targeted investments in high-growth sectors. These proactive measures have strengthened the Group's financial position and laid the foundation for sustained expansion.

Operating Environment

Sri Lanka's economic environment showed continued signs of recovery and stabilisation during 2024 and into early 2025, following a period of severe macroeconomic disruption. According to the latest reports from the Central Bank of Sri Lanka, the economy recorded a moderate rebound, supported by fiscal consolidation, external sector improvements, and a broadly stable monetary environment.

Real GDP growth reached approximately 5.0% in 2024, driven by a resurgence in services, tourism, and industrial activity. The government's focus on structural reforms and prudent fiscal management contributed to a rise in the revenue-to-GDP ratio, which improved to 13.5%, a significant increase from pandemic-era lows.



External sector stability also strengthened. Gross official reserves rose to USD 6.5 billion by March 2025, aided by improved foreign inflows, including remittances, tourism earnings, and multilateral support. The Sri Lankan rupee remained relatively stable during the period, with measured depreciation offset by the Central Bank's active intervention and continued net foreign exchange purchases.

Monetary policy remained accommodative to support economic activity. The Central Bank introduced the Overnight Policy Rate (OPR) in late 2024, currently maintained at 8.00% to enhance clarity and consistency in policy signaling. Interest rates trended downward throughout the year, supporting the expansion of credit to the private sector, which grew by 14% year-on-year in FY2024/25.

Inflation saw a notable deceleration, with several months of mild deflation recorded from late 2024 through early 2025, reflecting improved supply conditions and the high base effect from the previous year. Headline inflation remained within single digits, supporting consumer purchasing power and broader economic confidence.

Improved governance, institutional continuity, and a more stable policy environment contributed to the overall restoration of investor sentiment, setting the stage for a more resilient and growth-oriented economic trajectory in the medium term.

Financial review

Ambeon Holdings PLC continued to play a pivotal role as the largest contributor to the Group's consolidated revenue and profitability. As a standalone entity, the Company reported total revenue of LKR 820 million for the financial year 2024/25, compared to LKR 854 million in the previous year. This slight year-on-year decline of 4% was primarily driven by a reduction in interest income, reflecting the prevailing market environment of declining interest rates. The Company's revenue was predominantly generated from dividend income and interest earnings from intercompany loans and strategic investment holdings.

Despite the contraction in top-line revenue, Ambeon Holdings delivered a strong bottom-line performance, recording a PAT of LKR 1,352 million, an increase of 36% compared to LKR 996 million in FY 2023/24.

The Company's ability to maintain profitability in a lower interest rate environment highlights its financial resilience and strategic discipline. Supported by a strong balance sheet, low gearing, and high liquidity, Ambeon Holdings continues to be

well-positioned to pursue growth opportunities while delivering consistent value to shareholders. Its performance in FY 2024/25 reaffirms the strength of its investment-led operating model and its critical role in guiding the broader group's financial and strategic direction.

Group Treasury and Related Investments

Ambeon Holdings PLC continued to adopt a prudent, future-focused approach to strategic investments and capital allocation during the financial year 2024/25. As a diversified investment holding and management company, the Group leveraged the capabilities of its centralised Treasury Division to ensure robust liquidity, optimal asset deployment, and long-term value creation. The Treasury plays a critical role in managing Group-level capital flows, overseeing intercompany lending, and guiding investment decisions in alignment with the broader strategic direction.

Working in close collaboration with the Financial Services cluster, the Treasury provides vital oversight of liquidity management and financial investments across the Group. During the year, the unit also facilitated the deployment of surplus funds into income-generating opportunities, supporting the Group's overall financial performance while maintaining a conservative risk profile.

Strategic Investments

In line with its capital allocation strategy, Ambeon Holdings PLC executed several key investments during FY 2024/25, aimed at strengthening its portfolio and expanding exposure to growth-oriented sectors.

A significant highlight was the Group's expansion in Sri Lanka's financial services sector. The acquisition of a 9.43% stake in DFCC Bank PLC marked a strategic re-entry into the

domestic banking industry. This was complemented by the increase in shareholding in Seylan Bank PLC to 9%, reinforcing the Group's presence in the financial services space. Both institutions were selected based on robust fundamentals, sound governance, and potential for long-term capital appreciation and dividend income. These investments are expected to deliver steady returns while enhancing the Group's financial sector footprint.

Liquidity Management

Effective liquidity management remains a cornerstone of Ambeon Holdings PLC's financial strategy. The Group Treasury is responsible for the continuous monitoring and balancing of assets and liabilities, ensuring both operational efficiency and financial resilience. A key priority is maintaining high levels of liquidity to respond quickly to investment opportunities and support subsidiaries' capital requirements. As at 31 March 2025, the Treasury managed total liquid assets amounting to LKR 8,161 million, reflecting a well-balanced and diversified asset base. This comprised of Equity Investments which amounted to LKR 5,817 million (71%), Treasury Bonds amounting to LKR 2,306 million (28%) and Fixed Deposits for the value of LKR 38 million (1%)

This asset allocation strategy reflects the Group's focus on capital preservation, income generation, and flexibility. By maintaining exposure to both marketable securities and stable income-generating assets, the Group ensures ongoing financial strength while retaining the agility to pivot as market conditions evolve. In addition to investment activities, the Group's intercompany lending function, which is also managed by the centralised Treasury, continued to support operational efficiency and internal capital utilisation.

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MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Technology

Millennium I. T. E. S. P. (Private) Limited



with global technology giants such as Cisco, Oracle, Microsoft, and Huawei, enabling the delivery of cutting-edge, industry-specific solutions to clients across diverse markets.

Building on this foundation, MillenniumIT ESP harnesses deep domain expertise across computing, storage, networking, data management, cybersecurity, and middleware, complemented by advanced capabilities in emerging technologies such as cloud computing, the Internet of Things (IoT), and data engineering. This broad technological competence enables the company to deliver industry-specific, transformative solutions tailored to the complex needs of modern enterprises. By driving digital modernisation, custom application development, and intelligent automation, MillenniumIT ESP enhances client productivity and agility. In parallel, its robust service delivery model ensures operational excellence through both remote and on-site management of infrastructure, applications, security, and DevOps environments, positioning the company as a trusted partner in end-to-end digital transformation.

Operating environment

Sri Lanka's ICT industry continues to play a vital role in the national economy, generating approximately USD 1.5 billion in foreign exchange earnings and employing a skilled workforce of around 175,000 professionals. As reported by the International Trade Administration, the sector ranks as the country's fourth-largest export earner, with over 300 companies delivering services across a wide range of industry verticals.

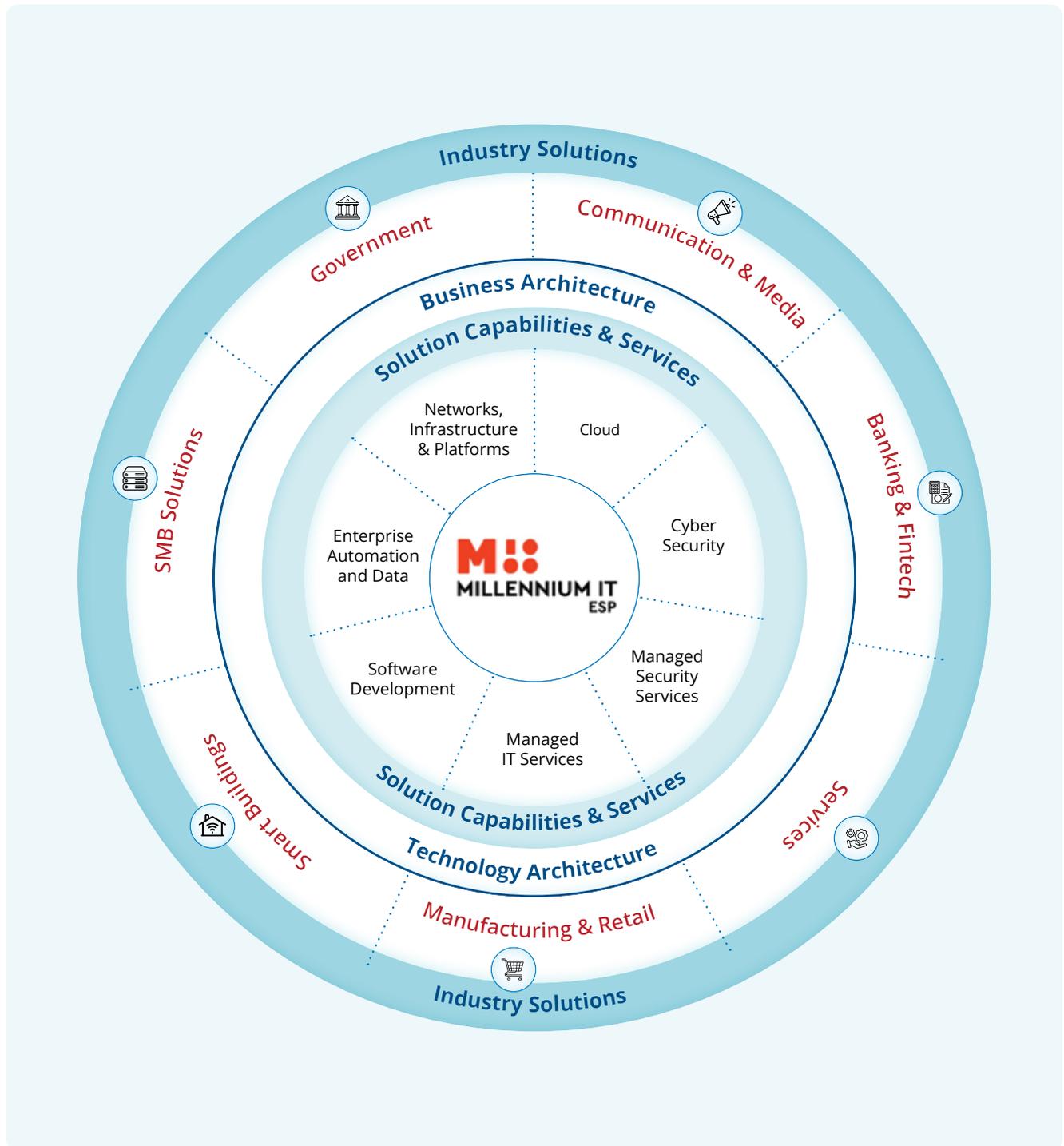
According to the Central Bank of Sri Lanka, the IT and business process outsourcing (BPO) sector remained a key contributor to services exports in

Background

With a legacy of over 25 years, MillenniumIT ESP has been a pioneering force in shaping Sri Lanka's IT landscape, establishing itself as a leading provider of enterprise technology solutions. Since its integration into the Ambeon Holdings portfolio in 2017, the company has accelerated its growth trajectory and significantly expanded its international presence. Today, MillenniumIT ESP delivers a comprehensive range of services, including core IT infrastructure, cybersecurity, managed services, smart building solutions, and enterprise applications, tailored to meet evolving industry demands.

The company's strategic expansion across South Asia, Southeast Asia, and the Middle East reflects its commitment to achieving global relevance and delivering measurable impact. Its success is underpinned by strong alliances

2024. Data from the International Transactions Reporting System (ITRS) indicates that foreign exchange inflows from IT/BPO-related services reached approximately USD 800 million in 2024, accounting for a substantial share of the total USD 3.7 billion in non-tourism services inflows. As a result, the services account surplus increased to USD 3.4 billion in 2024, up from USD 3.1 billion in 2023—primarily driven by the sustained growth in IT/BPO exports. This positive momentum is expected to continue into 2025, with the sector poised to remain a key driver of export earnings and economic resilience.

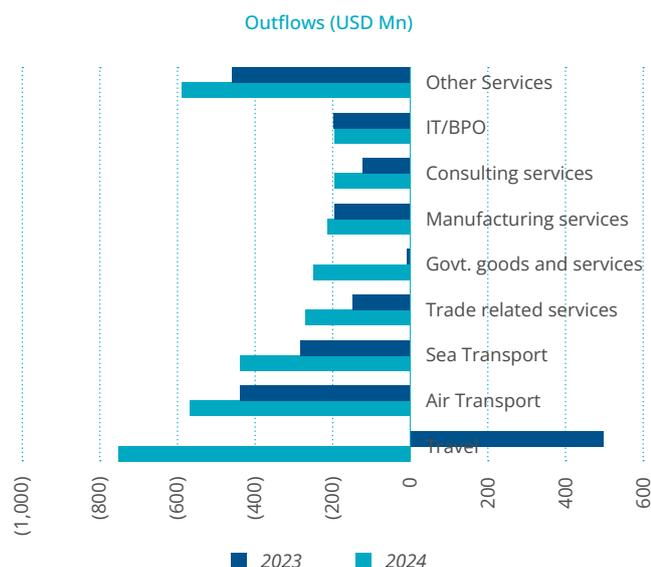


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MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Technology



Business Approach

During the financial year, MillenniumIT ESP maintained a strategic focus on expanding its domestic footprint in alignment with Sri Lanka's accelerating economic recovery, while simultaneously consolidating its international operations. The Company effectively leveraged its subsidiaries in Singapore and Bangladesh to generate foreign currency inflows and diversify its revenue base. A significant portion of revenue continued to be derived from recurring income streams, particularly through annual maintenance and managed services contracts, which are characterised by high renewal rates. MillenniumIT ESP has consistently sustained a contract renewal rate exceeding 90%, underscoring its strong customer retention and service excellence. In addition, the Company continues to generate substantial revenue through its well-established network of channel partners, further reinforcing its market presence and operational resilience.

Strategic Partnerships and Market Expansion

Strategic partnerships remain a cornerstone of MillenniumIT ESP's growth strategy, enabling the Company to expand its regional presence across Southeast Asia, the SAARC region, and the Middle East. Anchored by its central operational hub in Singapore, MillenniumIT ESP also maintains a strong presence in Bangladesh and Dubai to support its offshore initiatives. During the year, the Company continued its long-standing collaborations with global technology leaders such as Cisco, Oracle, Microsoft, Fortinet, Dell Technologies, and Huawei, partnerships that

collectively account for approximately 90% of its business. In parallel, the Company deepened its alliance with Salesforce, the world's leading CRM platform, leveraging advanced customer relationship solutions to enhance client value and elevate the customer experience.

An integral element of the Company's go-to-market strategy has been the effective combination of direct business development with an expanding network of channel partners. In 2024/25, MillenniumIT ESP significantly extended its channel ecosystem across the Middle East, ASEAN, and SAARC regions, driving improved market penetration and reinforcing its capacity to deliver scalable, region-specific solutions.



Bangladesh

Unleashing Potential in Manufacturing and Banking
Tapping into untapped potential, our technical and domain knowledge fuels growth in Bangladesh's manufacturing and banking sectors.

Australia

Gateway to APAC
Catering to APAC's technology needs, we collaborate with our regional partners

UAE

Gateway to MEA
Through the implementation of Oracle ERP, CRM, and Microsoft services to streamline operational efficiency across multiple industries

Singapore

Gateway to ASEAN
Meeting ASEAN's growing demand and beyond, we leverage regional partnerships for global services.

Sri Lanka

Global Delivery Center, Local Expertise
Empowering global customers, our majority workforce operates from Sri Lanka



Overseas Projects

-  Austria
-  Cambodia
-  Germany
-  Madagascar
-  Malaysia
-  Maldives
-  Morocco
-  New Zealand
-  Oman
-  Qatar
-  Saudi Arabia
-  Tanzania
-  Togo
-  UK
-  USA

Physical offices

-  Singapore
-  Bangladesh
-  UAE
-  Sri Lanka
-  Australia

A global company

Financial Review

For the financial year 2024/25, the Technology Cluster, spearheaded by MillenniumIT ESP achieved a PAT of LKR 109 million and recorded a robust 18% year-on-year revenue growth, reaching LKR 15,644 million, an increase from LKR 13,228 million in the previous year. Revenue expansion was primarily driven by traditional infrastructure segments, including platforms, networks, and smart building technologies. Other technology segments posted relatively flat performance during the period.

Despite these gains, profitability continued to be impacted by industry-wide headwinds such as pricing pressures, heightened competition particularly in the telecommunications sector, collection delays, and internal operational inefficiencies. Addressing these challenges remains a strategic priority in the year ahead.

Sector-wise, revenue from telecommunications and banking, financial services, and insurance (BFSI) was below expectations when compared to the previous year. However, this shortfall was mitigated by strong growth in the commercial and new business segments, along with rising demand from the manufacturing and government sectors, contributing to overall revenue resilience.

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MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Technology



Capability Building and Continuous Learning



- Launched the UdeMy Online Training Platform, providing access to over 4,000 hours of on-demand training content to support continuous professional development.
- Completed foundational work and rolled out a Learning Management System (LMS) to centralise and streamline learning across the organisation.
- Introduced the “Mi Tech Master Class”, a high-impact initiative to build deep technical expertise across key areas.
- Facilitated technical certification programmes to strengthen specialised knowledge and professional growth.
- Built an internal trainer pool to deliver in-house training programmes focused on productivity, process optimisation, communication, and other essential skills.



Employee Well-being and Support



- Focused on holistic well-being with initiatives across financial, physical, psychological, and social dimensions, including quarterly well-being sessions in multiple languages
- A comprehensive health check campaign for all employees
- Self-defense training for women
- Access to free professional counselling through the “Happy Mind” initiative.



Communication and Leadership Development



- Partnered with Mi Academy through our Toastmasters Club to deliver Speech Craft and related communication development programmes, boosting public speaking and leadership skills across the organisation.



Talent Development and Academic Partnerships



- Rolled out a tiered university engagement strategy to build and strengthen future talent pipelines by facilitating industry visits at MIT ESP for students from multiple universities and delivering soft skills and functional training sessions by MIT ESP’s internal talent pool to university students.
- We also launched “MiTern”, a proactive internship development programme focused on cultivating future talent through structured exposure to technical, leadership, and essential skill development.



Talent Acquisition and Onboarding



- Achieved a fully paperless Talent Acquisition process in alignment with universal ESG principles, supported by the rollout of the Manataal system.
- Enhanced candidate experience from initial contact through joining with a strengthened pre-boarding and onboarding journey, including the implementation of the in-house developed “People Zone” onboarding platform.



HR Systems and Digital Enablement



- Initiated groundwork for “Summit AI”, an AI-driven HR support system to enhance employee service and responsiveness
- Implemented the enhanced HRIS platform “Mint HRM”, offering improved functionality and integrated HR modules



Performance and Recognition



- Revamped the Performance Management System to create a simplified, outcome-focused, and action-oriented performance framework
- Continued the “Bravo” employee recognition programme, reinforcing core organisational values and recognising employee contributions across all levels.



Project Management Capability Building



- Strengthened internal project delivery through a customised project management development programme, enhancing cross-functional capability and execution excellence



Investing in Our People

As a technology-driven organisation, enhancing the skills, engagement, and productivity of our workforce remains fundamental to sustaining our competitive edge. During the 2024/25 financial year, we continued to invest in comprehensive employee development initiatives while also strengthening our human resource management systems. These efforts are aimed at fostering a motivated, high-performing team aligned with the Company's long-term strategic objectives.

Progressing Forward

In the upcoming financial year, we will undertake a comprehensive overhaul of our recruitment processes and optimise variable reward structures to better align incentives with performance. Close collaboration with business units and functional teams will be prioritised to drive efficiency and enhance productivity. The ongoing implementation of our revamped performance management framework will continue, with an emphasis on delivering measurable results.

Talent development will be accelerated, focusing on building critical skills and strengthening our leadership and succession pipelines. Additionally, we aim to complete the deployment of the Summit AI system to further empower our workforce through advanced technology-enabled support services. Employee wellbeing will remain a central focus, addressing physical, psychological, financial, and social dimensions.

On the operational front, we will persist in expanding our international footprint. The channel partner model will be further enhanced to capitalise on growth opportunities in mature markets such as the USA, UK, Europe, and Australia.

MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Financial Services

Taprobane Capital Plus (Private) Limited

Background

The Financial Services Cluster within the Ambeon Holdings Group represents a strategically important component of the Group's diversified portfolio, owing to its strong foothold in the specialised financial services sector. Our companies are recognised leaders in stockbroking, money broking, and fixed-income securities management, serving a broad and diverse client base.

The integration of Sherwood Capital into Taprobane Capital Plus in 2023 has significantly enhanced operational efficiencies, generated valuable synergies, and bolstered the cluster's overall asset base.

Taprobane Investments continues to assert market leadership, holding the largest market share among the nine active money brokers in Sri Lanka. The company commands a 39.10% share of Government securities transactions and a 12.47% share of the foreign exchange market, reinforcing its role as a key intermediary within the nation's financial markets.

Taprobane Capital	<ul style="list-style-type: none"> A leading money broker in Sri Lanka, boasts over 20 years of experience in the local money and foreign exchange markets. An experienced team offers deep market insights to assess trends and deliver exceptional services.
Ambeon Securities	<ul style="list-style-type: none"> An equity brokerage house with a track record of profitability providing services to both retail and institutional clients.
Sherwood Capital	<ul style="list-style-type: none"> A specialist in trading fixed-income instruments issued by the Sri Lankan Government

Operating environment

Reflecting the broader revival of the national economy and benefiting from sustained political stability, the Colombo Stock Exchange (CSE) continued its positive momentum during the 2024/25 financial year. The All-Share Price Index (ASPI) recorded a robust year-on-year increase of 39%, up from 24% in the previous year, signalling strengthened investor confidence and renewed interest in equities. Market turnover rose in tandem with the ongoing recovery of the equity market, while a persistently low-interest rate environment further incentivised investor participation. Progress in sovereign debt restructuring and wider macroeconomic stabilization efforts contributed to an improved investment climate and a more optimistic outlook.

In the fixed-income market, yields on government securities trended downward throughout 2024. Treasury Bill yields across all maturities declined by between 4.0% and 5.9%, while Treasury Bond yields eased by approximately 1.0% to 4.0%.

Domestic money market liquidity saw significant improvement in 2024, supported by sustained net foreign exchange purchases by the Central Bank. The average liquidity position shifted from a deficit of around Rs. 70 billion in 2023 to a surplus of approximately Rs. 168 billion by the end of 2024, enhancing credit availability to support economic activity.

The banking sector, comprising 30 licensed banks and six Licensed Specialised Banks, remained resilient and well-capitalised throughout 2024, accounting for 61.9% of total financial sector assets as of the end of the year.

Financial Review

Taprobane Investments

Taprobane Investments achieved a strong year-on-year revenue growth of 46%, primarily driven by its core brokerage operations. Brokerage income from Treasury Bills and Bonds continued to be the main revenue source, comprising 72% of the total cumulative revenue. Complementing this, additional income was generated from call money transactions, repurchase (repo) agreements, and foreign exchange activities, underscoring the company's diversified revenue streams. Moreover, strategic management of surplus liquidity contributed an additional LKR 10 million in other income, positively impacting the company's bottom line.

Ambeon Securities

During the year under review, Ambeon Securities delivered a strong performance, achieving significant growth in both revenue and PAT, surpassing budgeted targets and outperforming the prior financial year. Total revenue increased by 151% to LKR 282 million, from LKR 112 million in 2023/24, while PAT for 2024/25 reached LKR 129 million,



representing a 52% year-on-year increase from LKR 85 million. This robust performance was supported by a notable resurgence in investor confidence and improved market conditions.

During the year, Ambeon Securities also generated other income of LKR 73 million, including LKR 37.6 million from client lending activities. As at 31 March 2025, total debtors amounted to LKR 335 million, with no provisions required for bad debts, highlighting the company's disciplined credit risk management.

These results demonstrate Ambeon Securities' resilience, strategic positioning, and capacity to capitalise on evolving market opportunities, reinforcing its status as a leading player in Sri Lanka's capital markets.

Sherwood Capital

During the financial year 2024/25, Sherwood Capital experienced a notable decline in both revenue and profitability, marking a reversal from the strong results achieved in the prior year. Total revenue decreased by 59% to LKR 588 million, down from LKR 1.4 billion recorded last year, while profit after tax (PAT) declined by 61% to LKR 272 million, compared to LKR 699 million in the previous period. This downturn was primarily driven by a significant shift in the interest rate environment. Whereas the previous year's declining interest rates created favorable conditions for substantial capital gains, the relatively stable interest rate regime throughout the current year limited opportunities for comparable market-driven returns.

As of 31 March 2025, the company reported an unrealised fair value gain of LKR 120 million on its balance sheet, comprising a LKR 126 million gain from government securities, partially offset by a LKR 6 million loss on equity holdings. Additionally, Sherwood realised a gain of LKR 36 million from its equity portfolio during the year, which contributed positively to overall performance.

At the reporting date, Sherwood Capital's investment portfolio consisted of LKR 2.2 billion in trading assets, primarily government securities, alongside a reverse repo liability of LKR 968 million. The company also held a quoted equity portfolio valued at LKR 151 million. Despite the limited market-driven profit opportunities in the current financial year, Sherwood's asset base remains robust and well-diversified, positioning the company to capitalize on future interest rate movements and capital market developments.

Progressing Forward

We remain committed to driving the sustained growth of the Financial Services Cluster by fostering a culture of innovation, continuously enhancing client-centric solutions, and accelerating the integration of advanced technologies across every customer touchpoint. Our strategic focus is to anticipate evolving client needs and deliver seamless, personalized experiences that build trust and deepen engagement.

All subsidiaries within the cluster are dedicated to strengthening resilient, long-term client relationships by prioritizing financial security and stability. Through disciplined and prudent investment strategies, we aim to create sustainable value for our clients and stakeholders alike. By leveraging data-driven insights, agile processes, and a proactive risk management framework, we are positioned to adapt swiftly to changing market dynamics and capitalize on emerging opportunities. This holistic approach ensures that our Financial Services Cluster not only meets the immediate needs of our clients but also contributes to their enduring financial wellbeing, reinforcing our commitment to excellence, integrity, and responsible growth.

MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Real-Estate/Diversified Investments

Colombo City Holdings PLC Group

Background

The Colombo City Holdings (CCH) Group comprises Lexinton Holdings Pvt Ltd, Lexinton Resorts Pvt Ltd, and Heron Agro Pvt Ltd.

Originally established as Colombo Pharmacy, Colombo City Holdings PLC a publicly listed entity has evolved into a diversified investment holding company with strategic interests across real estate, listed equities, and government securities. This transformation is driven by a long-term strategy centered on investing in high-potential assets while effectively navigating macroeconomic volatility through disciplined risk management.

A significant milestone in CCH's portfolio expansion was the acquisition of Lexinton Holdings in 2019, followed by the purchase of a prime 8-acre beachfront property in Kosgoda during the 2022/23 financial year. This strategically positioned asset exemplifies the company's commitment to securing real estate with strong capital appreciation and development potential. These investments have further reinforced CCH's standing within the high-value real estate sector and have materially enhanced its overall asset base.

Over recent years, CCH has consistently demonstrated resilience by preserving asset value amidst challenging conditions while actively pursuing growth opportunities. The company's real estate strategy remains focused on identifying and developing properties with sustainable long-term growth prospects, firmly positioning CCH as a stable and enduring player in Sri Lanka's real estate and broader investment landscape.

Property portfolio 2024/25

As at the end of the 2024/25 financial year, the company's real estate portfolio comprises a carefully curated mix of strategically located properties, selected for their potential to generate strong, sustainable long-term returns.

Kosgoda	Kosgama Property	Sigiriya Property	Angunakolapelessa Leasehold Property	Gothami Road Commercial Property – Colombo 08
<ul style="list-style-type: none"> 102 meter beachfront and 65 meter road frontage facing Galle road. 	<ul style="list-style-type: none"> Situated just 1.5 kms from the Kosgama town centre The property is located within a 20 minute drive from the Seethawaka Botanical Garden and Seethawaka Industrial Zone, enhancing its appeal. 	<ul style="list-style-type: none"> This land has high tourism potential, located within a 3 minute drive from the Pidurangala Temple and Pidurangala Rock The Sigiriya Rock Fortress is within a 10 minute drive 	<ul style="list-style-type: none"> Leased by the Mahaweli Authority to Heron Agro Products (Pvt) Ltd, this plantation includes 307 Lunumidella trees planted in 1996 and 17,454 Teak trees planted across 1994 and 2008, contributing to long-term agro-forestry value. 	<ul style="list-style-type: none"> This six-storey 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.

Operating environment

The real estate sector demonstrated a marked recovery in 2024, underpinned by a more favorable operating climate. Easing interest rates and an increased appetite for lending contributed to renewed investor confidence and improved access to capital, which in turn supported heightened transactional activity across both residential and commercial segments.

This rebound was further reinforced by the broader stabilization of macroeconomic conditions, which created a conducive environment for property development and investment. Notably, real estate activities, including ownership of dwellings contributed approximately 4.4% to the nation's Gross Domestic Product (GDP) during the year, reflecting the sector's steady resurgence and its integral role in driving economic growth. Looking ahead, continued monetary easing, coupled with rising urbanization and infrastructure development, is expected to sustain positive momentum across the real estate value chain.

Business Approach

During the year under review, the Group maintained a strong focus on financial stability and disciplined growth, despite ongoing challenges in the broader economic environment. A prudent and balanced investment strategy was adopted, prioritising capital preservation through investments in government securities, while selectively pursuing opportunities in listed equities to enhance portfolio returns.

In parallel, the Group remained committed to safeguarding the long-term value of its real estate portfolio. Key assets in Colombo, Sigiriya, Agunakolapalassa and Kosgoda continued to be actively managed, with a focus on maintaining asset quality and strategic readiness for future development. This approach reflects CCH's broader objective of creating sustainable value through careful asset stewardship and well-considered capital allocation.

Financial Review

The CCH Group reported a PAT of LKR 259 million for the financial year 2024/25, reflecting the strength of its strategic investment approach and effective portfolio management. A key contributor to this performance was an unrealised fair value gain of LKR 112 million, comprising LKR 102 million from equity holdings and LKR 10 million from government securities. These valuation gains underscore the Group's ability to capitalise on favourable market movements and maintain a well-balanced investment portfolio.

In addition to these gains, the Group earned a finance income totaling LKR 141 million, primarily driven by interest income of LKR 106 million from Treasury Bonds. This consistent income stream from low-risk financial instruments aligns with the Group's focus on capital preservation and sustainable returns.

Overall, the Group's results for the year highlight its disciplined investment philosophy, underpinned by a commitment to income-generating assets and prudent risk management. This reinforces CCH's position as a stable and diversified investment entity, well-positioned to navigate changing market conditions and deliver long-term value to its stakeholders.

Progressing Forward

As the Group enters the new financial year, its portfolio of liquid assets, primarily comprising high-yielding Treasury Bonds, is well positioned to deliver stable returns, particularly amid a declining interest rate environment. The downward trend in the yield curve is expected to support continued income generation, reinforcing the Group's emphasis on secure and reliable financial instruments.

Complementing this, the Group will continue to deepen its exposure to value-driven equities by selectively acquiring high-performing, blue-chip listed companies. This dual-pronged approach ensures portfolio diversification, optimises long-term capital appreciation, and maintains resilience across economic cycles.

On the real estate front, the Group's focus remains on unlocking value from its strategic landholdings through selective development and asset optimisation.

A key project is the Kosgoda beachfront property, an eight-acre coastal site earmarked for a premium lifestyle development incorporating wellness tourism and retirement living. Preliminary discussions with potential partners are underway, with broader land consolidation also under review. The Agunakolapalassa estate in Hambantota, spanning 73 acres and home to mature timber

plantations, offers potential for eco-tourism or sustainable mixed-use development. Strategic evaluations are ongoing to maximise long-term value while maintaining current operations. Meanwhile, the Sigiriya-adjacent inland property, located near major heritage and ecological landmarks, is being assessed for a low-footprint boutique resort or gated retreat aligned with eco-tourism trends. In Colombo 08, the Gothami Road commercial property, a six-storey income-generating asset, continues to contribute stable returns and offers strong capital appreciation potential due to its prime urban location.

Collectively, these real estate initiatives are grounded in the Group's long-term vision: to transform underutilised land into high-value, future-ready destinations that deliver financial, social, and environmental returns. The Group's operations continue to be guided by principles of transparency, ethical governance, and full regulatory compliance. By adhering to these standards and maintaining a disciplined, forward-looking strategy, CCH is well-positioned to deliver consistent value and play a catalytic role in Sri Lanka's investment and real estate transformation.

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MANAGEMENT DISCUSSION AND ANALYSIS

Sector Reviews | Manufacturing

Dankotuwa Porcelain Group



Background

In 2023, Ambeon Holdings PLC strategically divested 51% of its 72% stake in Dankotuwa Porcelain PLC, while retaining a significant minority interest of 21% in the Group. This move marked a key step in Ambeon's portfolio optimisation strategy, allowing the Company to remain engaged in the high-value ceramics sector while unlocking capital for reinvestment in other strategic areas.

The Dankotuwa Group, which includes both Dankotuwa Porcelain PLC and its subsidiary, Royal Fernwood Porcelain Ltd., continues to represent a hallmark of quality, innovation, and resilience within Sri Lanka's export-oriented manufacturing landscape. As a long-standing contributor to the country's industrial base, the

Group is globally recognised for its fine porcelain tableware and has built a strong international presence, currently exporting to over 35 countries across Europe, the Americas, Asia, and the Middle East.

Dankotuwa Porcelain is ISO 14001 certified, reflecting its commitment to environmentally sustainable manufacturing practices. The Group's ability to anticipate and adapt to shifting global consumer trends through the introduction of modern, design-led product lines and eco-conscious production methods has further enhanced its market competitiveness and brand equity.

With a legacy built on craftsmanship, innovation, and international quality standards, the Dankotuwa Porcelain Group is well-positioned to capitalise

on emerging opportunities in global lifestyle and homeware markets. Ambeon Holdings remains confident in the Group's long-term growth potential and continues to support its strategic direction as a valued associate company.

Operating environment

Sri Lanka's porcelain industry remains an important contributor to the country's export economy, known globally for its high-quality craftsmanship and design excellence. In 2024, exports of porcelain products generated USD 32.1 million in foreign exchange, showing a slight decline compared to USD 34 million in 2023. This reduction reflects broader global economic headwinds, including tightened consumer spending in key markets and logistical challenges affecting international trade flows.



Despite these short-term pressures, Sri Lanka's porcelain manufacturers have maintained a competitive edge through product innovation, adherence to international quality standards, and a strong reputation for hand-crafted, design-rich tableware. Global demand for premium porcelain particularly in Europe, North America, and Asia continues to offer meaningful opportunities, especially in segments aligned with sustainable living, contemporary design, and luxury hospitality.

Furthermore, the growing shift towards environmentally responsible manufacturing has reinforced the importance of sustainable practices in maintaining global market relevance. Companies like Dankotuwa Porcelain PLC, with ISO 14001 certification and a focus on eco-conscious production, are well positioned to meet evolving consumer and regulatory expectations.

The medium-term outlook for Sri Lanka's porcelain export sector remains positive, supported by increasing interest in artisanal products, the expansion of e-commerce distribution channels, and rising demand from the global leisure and tourism industries. Continued investment in design capabilities, automation, and market diversification will be key to strengthening resilience and enhancing export competitiveness in the years ahead.

Financial Review

During the year under review, the Dankotuwa Porcelain Group recorded consolidated revenue of LKR 3,850 million, compared to LKR 6,249 million in the previous financial year. The Group's consolidated profit after tax (PAT) stood at a loss of LKR 876 million, compared to a profit of LKR 368 million in the previous year. Total assets decreased to LKR 7,314 million from LKR 7,909 million, while total liabilities rose to LKR 4,423 million, up from LKR 4,201 million. Shareholders' funds stood at LKR 2,890 million, from LKR 3,691 million, underscoring the Group's continued financial resilience and its commitment to delivering sustainable value to investors

Progressing Forward

Dankotuwa Porcelain PLC remains an associate company of the Ambeon Group, and we continue to view the Dankotuwa – Royal Fernwood combination as a strategically important presence within Sri Lanka's premium porcelain manufacturing sector. The synergy between these two entities presents a compelling platform for long-term value creation, underpinned by their shared

legacy of craftsmanship, design excellence, and commitment to quality.

Looking ahead, we believe the Dankotuwa Group is well-positioned to capitalise on opportunities in international markets, particularly as global demand rises for sustainably produced, design-led lifestyle and tableware products. With a growing emphasis on environmentally conscious manufacturing and the resurgence of demand in key export regions such as Europe, North America, and the Middle East, the Group has strong potential to expand its global footprint.

Continued innovation in product design, expansion of distribution networks, and digital marketing initiatives will be key to unlocking future growth. Ambeon Holdings remains committed to supporting Dankotuwa's strategic direction and operational excellence, with a view to maximising shareholder value and enhancing Sri Lanka's reputation as a global hub for high-quality porcelain products.

Corporate GOVERNANCE

As a subsidiary of Ambeon Capital PLC, Ambeon Holdings PLC's governance framework, structures and processes are aligned to that of the parent entity and customised to reflect relevant industry dynamics and operating models. The corporate governance framework drives accountability, transparency and integrity at every level of the organization, ensuring stability during challenging industry conditions. The Board of Directors is the apex governing body and holds responsibility for setting the strategic direction, formulating policies and exercising oversight over the affairs of the Company.

We at Ambeon Holdings PLC are committed to Corporate Governance practices relying on a comprehensive system of internal controls and best practices to achieve this objective. The Company was in compliance with the Continuing Listing Rules of the Colombo Stock Exchange (CSE), Companies Act No. 7 of 2007 and the Code of Best Practice of Corporate Governance jointly issued by the Securities and Exchange Commission of Sri Lanka (SEC) and the Institute of Chartered Accountants of Sri Lanka as summarized below during the financial year.

THE BOARD

The Board of Directors takes responsibility for good Corporate Governance of the Company. The Board sets out the Company's strategic direction and oversees business and connected affairs of the Company and it also formulates the policy framework for the Company. As at the end of the financial year eight (08) out of Nine (09) Directors were Non-Executive Directors, of which six (06) are Independent Non-Executive Directors. Independent Directors meet the criteria set out in the CSE Listing Rules for "independence". Annual declarations are obtained from Non-Executive Directors and submitted to the Board. The Board represents extensive industry expertise. Profiles of the Directors are given on pages 16 to 19.

Board composition and Directors' Independence as at 31 March 2025

Name of the Director	Type
Mr. D T S H Mudalige	Chairman/Independent Non-Executive Director
Dr. K S Narangoda	Group CEO/Executive Director
Mr. E M M Boyagoda	Non-Executive Director
Mr. S L Sebastian	Independent Non-Executive Director
Mr. S Kumar	Independent Non-Executive Director
Mr. C T Tsoi	Independent Non-Executive Director
Mr. R P Sugathadasa	Non- Executive Director
Mr. D M Weerasekare	Independent Non-Executive Director
Mr. M D J R Goonetilleke	Independent Non-Executive Director

BOARD MEETINGS AND ATTENDANCE

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 (05) meetings were held during the financial year. Attendance at Board meetings are given below:

Name of the Director	Board Meetings
Mr. S E Gardiner (<i>resigned w.e.f. 5th April 2024</i>)	0/0
Mr. A L Devasurendra (<i>resigned w.e.f. 27th May 2024</i>)	2/2
Mr. R P Pathirana (<i>resigned w.e.f. 29th May 2024</i>)	2/2
Mr. A G Weerasinghe (<i>resigned w.e.f. 29th May 2024</i>)	2/2
Mr. E M M Boyagoda	4/5
Dr. K S Narangoda	5/5
Mr. D T S H Mudalige (<i>appointed w.e.f. 8th April 2024</i>)	4/4
Mr. S L Sebastian (<i>appointed w.e.f. 8th April 2024</i>)	3/4
Mr. S Kumar (<i>appointed w.e.f. 27th May 2024</i>)	3/4
Mr. C T Tsoi (<i>appointed w.e.f. 4th June 2024</i>)	3/3
Mr. R P Sugathadasa (<i>appointed w.e.f. 7th June 2024</i>)	3/3
Mr. D M Weerasekare (<i>appointed w.e.f. 30th July 2024</i>)	3/3

The Board of Directors demonstrate independent judgement on aspects related to company's corporate strategy, performance and financial evaluation. All the Directors are given fair treatment at Board Meetings and encouraged to express their views at meetings.

Group Chief Executive Officer provides all information required for decision making by the Board of Directors, where necessary Directors obtain independent opinion from legal and accounting professionals in order to bring in wider perspectives on matters of importance.

DIRECTORS' REMUNERATION

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.

SHAREHOLDER RELATIONS

The Annual General Meeting (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, External Auditors and Company Lawyers.

There were no transactions during the financial year deemed as a "major transaction" in terms of the definition stipulated in the Companies Act No. 7 of 2007.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

CORPORATE GOVERNANCE

The Board aims to provide and present a balanced and understandable assessment of the Group's position and prospects. Therefore, the Board has established a formal and transparent process to independently verify and safeguard the integrity of the Group'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.

BOARD SUB-COMMITTEES

The Board delegates some of its duties and functions to Board Sub-Committees. These Sub Committees, which have Board-approved, documented Terms of Reference, assist the Board with more detailed analysis and oversight of specified areas. The Chairperson of each Sub-committee presents to the Board the deliberations and subsequent recommendations of each Sub-Committee for Board review and approval.

The Board Sub-Committees during the financial year are given below

Board Sub-Committee	Areas of oversight	Composition	Further information
Audit Committee	<ul style="list-style-type: none"> Financial Reporting Statutory compliance Internal controls and Risk Management Internal and External Audit 	Four Non-Executive Directors	Audit Committee report presented on pages 62
Remuneration Committee	<ul style="list-style-type: none"> Assist the Board on succession planning Determine the rewards strategy Make recommendations to the Board on rewards and remuneration of executive and non-executive directors 	Three Non-Executive Directors	Remuneration Committee report on pages 64
Related Party Transactions Review Committee	<ul style="list-style-type: none"> Review related party transactions Ensure that interests of shareholders are taken into account when entering into a transaction 	Three Non-Executive Directors	Related Party Transactions Review Committee report on pages 65
Nominations and Governance Committee	<ul style="list-style-type: none"> Propose a suitable Charter for the appointment and the re-appointment of Directors to the Board. 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 	Three Non-Executive Directors	Nominations and Governance Committee report on pages 67

INSTITUTIONAL SHAREHOLDERS AND INVESTING/DIVESTING DECISION

The Board encourages shareholders to participate at Annual General Meetings (AGM) and engage in effective dialogue with the Board and use their voting rights. Shareholders are free to raise any queries on agenda items listed in the notice of AGM.

In addition, the Board is also conscious of its relationship with all stakeholders including the community within which its group operates with sustainable practices.

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	Status of compliance	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	Complied	Annual Report of the Board of Directors on page 58
b) Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Complied	Annual Report of the Board of Directors on page 58
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	Complied	Investor Information on page 155
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	Complied	Investor Information on page 155
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	Complied	Annual Report of the Board of Directors on page 59 Share information on page 156
f) Information pertaining to material foreseeable risk factors of the Entity.	Complied	Risk Management Report on page 54
g) Details of material issues pertaining to employees and industrial relations of the Entity.	Complied	Annual Report of the Board of Directors on page 60
h) Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Complied	Note 07 to the financial statements on page 110
i) Number of shares representing the Entity's Stated Capital	Complied	Note 17 to the financial statements on page 128
j) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Complied	Investor Information on page 155
k) Financial ratios and market price information	Complied	Investor Information on page 155
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.	Complied	Note 06 to the financial statements on page 106
m) Details of funds raised through a public issue, rights issue and a private placement during the year.	Not applicable	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	Not applicable	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	Complied	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.	Complied	Investor Information on page 155

CORPORATE GOVERNANCE

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	Corporate Governance Rules		✓
9.1.1	Extent of compliance with	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	
9.1.2	Corporate Governance Rules		
9.1.3			
9.2	Policies		✓
9.2.1	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 will be implemented and the availability of the same will be disclosed on the website.	✓
9.2.4	Requesting 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	Board Committees		✓
9.3.1	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. Independent Non-Executive Director chair key Board Subcommittees.	✓
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders	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.	✓
9.4.1	Record maintenance on resolutions		

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.4.2 a - c	Communication and relations with shareholders and investors	All policies have been implemented and the availability of the same have been disclosed on the website.	✓
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 outlines appointment, role clarity, training, and succession planning.	✓
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 page 59 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 page 44 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 nine (9) Directors.	
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of six (6) 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 44	✓

CORPORATE GOVERNANCE

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.9	Alternate Directors	Not applicable.	Not appointed
9.9 a-e	Appointment of alternate director		
9.10	Disclosures relating to Directors		✓
9.10.1	Policy on maximum number of directorships		
9.10.2	Appointment of new Directors	During the financial year, there were no new director appointments. However, after the financial year there were 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 formed 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 67	✓
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.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
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 64 for details on composition.	✓
	Remuneration Committee of the subsidiary	The Board Remuneration Committee does not function as the remuneration committee of the subsidiaries.	
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 64	✓
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 62	✓
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 page 62	✓
9.13.3	Composition	Please refer Audit Committee Report on page 62 for composition, meetings and other information.	✓
9.13.4	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 62	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on page 62	✓
9.14	Related Party Transactions Review Committee		✓
9.14.1	Availability of the Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	
9.14.2	Composition	Please refer Related Party Transactions Review Committee Report on page 65 The parent company Related Party Transactions Review Committee does not function as the Related Party Transactions Review Committee of the Subsidiaries.	✓
9.14.3	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Related Party Transactions Review Committee Report on page 65	✓
9.14.4 (1)	Quarterly meetings	The Committee met five (5) 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.	✓

CORPORATE GOVERNANCE

Section reference	Requirement	Extent of Compliance	Status of Compliance
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.	✓
9.14.4 (4)	Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required. If a Director has a material interest being considered at a Board Meeting to approve a related party transaction as required in Rule 9.14.4 (3) such Director will not, (a) Be present while the matter is being considered at the meeting and; (b) Vote on the matter	✓
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Disclosures in the Annual Report	Please refer Related Party Transactions Review Committee Report on page 65 and the Annual Report of the Board of Directors on the affairs of the Company on page 58 for disclosures. There was no non-recurrent related party transaction which exceeded 10% of the Equity and 5% of the total assets during the financial year under review. There were no recurrent related party transactions which exceeded 10% of the consolidated net revenue or income, during the financial year under review.	✓
9.17	Additional disclosures	Please refer page 61 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	page 58.
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	page 75 to 154.
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	page 71 to 74.
168 (1) (d)	Accounting Policies and any changes made during the accounting period	pages 83 to 100.
168 (1) (e)	Particulars of the entries made in the Interest Register during the accounting period	pages 144 to 145.
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Note 34.2 on page 145.
168 (1) (g)	Corporate donations made by the Company during the accounting period	page 60.
168 (1) (h)	Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period	pages 160 to 161.
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	page 61.
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	page 61.
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	page 61.

Risk

MANAGEMENT

OPERATING IN COMPLEXITY: THE YEAR IN PERSPECTIVE

During the year under review, Ambeon Group (“the Group”) operated in a highly dynamic environment shaped by evolving economic conditions, political developments, and shifting social trends. Amidst this complexity, the Group remained firmly committed to proactive risk management an approach that underpins financial resilience, ensures business continuity, and supports long-term sustainability. Risk awareness is deeply embedded in daily operations, with accountability shared across all levels of the organization. Recognizing that risk-taking is essential for business growth, the Group strives to balance calculated risks with responsible and ethical conduct in pursuit of its strategic objectives.

This commitment is underpinned by a robust risk management framework grounded in the COSO Enterprise Risk Management (ERM) framework and aligned with ISO 31000 standards. These globally recognized frameworks enhance risk visibility and strengthen the Group’s capacity to anticipate and respond swiftly to potential disruptions.

ADAPTING TO EMERGING RISK REALITIES

The year brought new dimensions to the Group’s risk profile, influenced by ongoing macroeconomic volatility, geopolitical developments, and shifting regulatory and social expectations. In response, the Group Risk and Control team conducted a comprehensive evaluation of

emerging and existing business risks across all clusters, with heightened focus on early detection, agile decision-making, and broad stakeholder engagement. Particular attention was directed toward the dynamic technology and financial services clusters, where project-specific and regulatory risks were proactively assessed. The findings, along with appropriate mitigation strategies, were presented to the respective SBU Boards and subsequently to the Board of Ambeon Holdings, reinforcing the Group’s enterprise-wide risk management framework and ensuring effective identification, mitigation, and communication of risk across all levels.

CULTURE OF ACCOUNTABILITY AND RESILIENCE

The Group firmly believes that effective risk management is a shared responsibility, with every employee playing a role in protecting value and promoting resilience. This philosophy underpins the integration of risk management into key business activities such as strategic planning, capital allocation, investment decision-making, operational execution, and performance monitoring. Through this embedded culture, the Group ensures that risk considerations inform every major decision and operational process.

SAFEGUARDING STRATEGY THROUGH RISK INTELLIGENCE

At the strategic level, the Group focuses on recognizing and managing key risks associated with achieving its growth aspirations. In evaluating

new opportunities, strategic risks are assessed through a robust challenge and validation process, enabling well-informed and balanced decisions. The emphasis is on aligning risk with return, using structured frameworks to ensure risk exposure remains within the boundaries of the Group’s overall appetite.

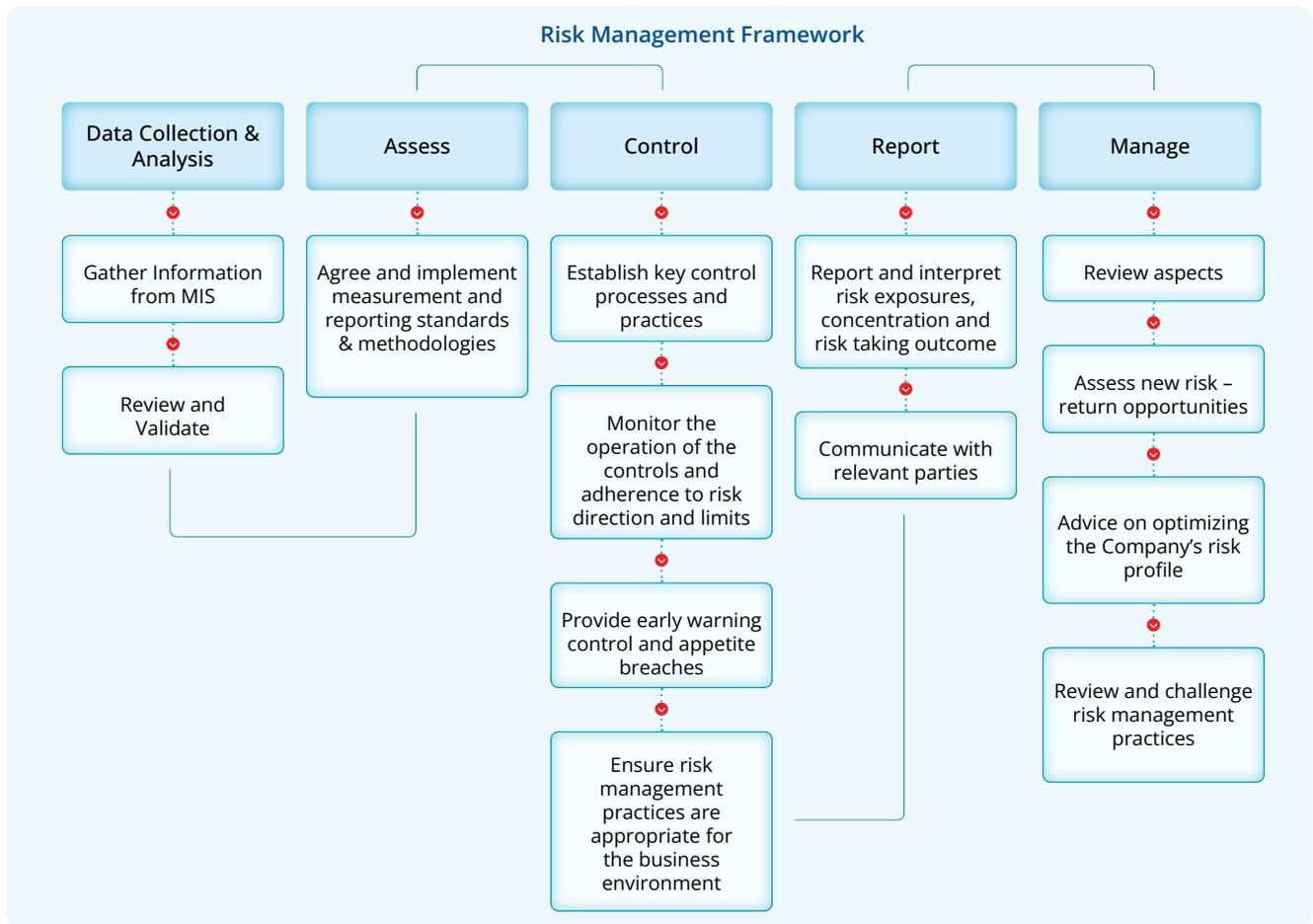
BUILDING OPERATIONAL FORTITUDE

Operational risks arising from internal processes, human capital, technology systems, legal obligations, and external factors are closely monitored. The Group uses qualitative and quantitative analysis to assess potential vulnerabilities, with a view to protecting the integrity of operations, safeguarding stakeholder confidence, and ensuring compliance with applicable regulations. Lessons learned from past incidents are used to reinforce controls and strengthen resilience.

A STRUCTURED RISK MANAGEMENT ARCHITECTURE

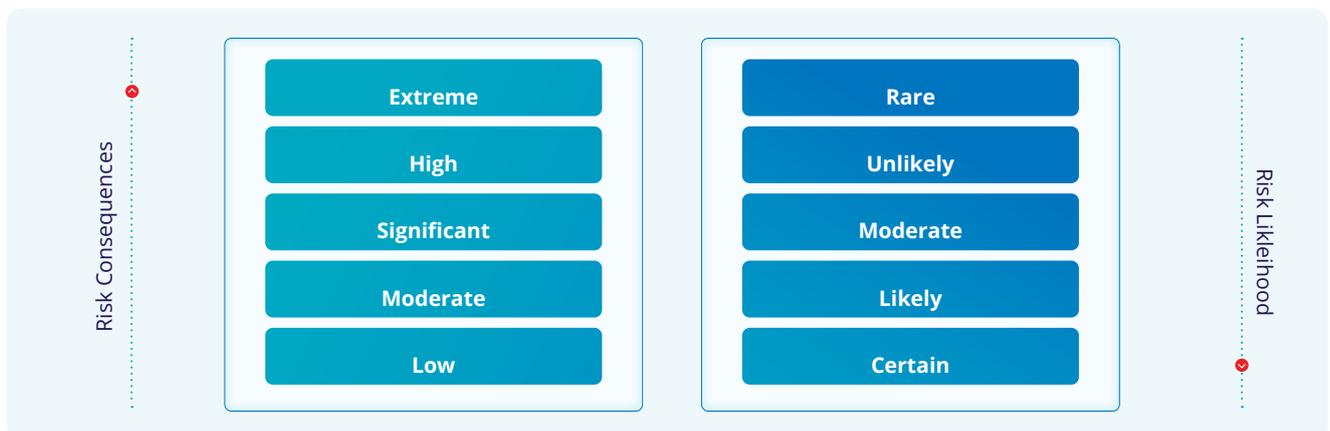
Ambeon’s risk management framework comprises structured components: data collection through MIS, validation, risk analysis, and the implementation of standardized reporting and monitoring mechanisms. The framework supports control procedures, risk exposure reporting, and trend analysis while maintaining compliance with risk limits. Early warning signals are incorporated into the framework to flag emerging risks and support timely

management interventions. This structured approach ensures the Group remains agile in responding to an ever-changing business environment.



PRIORITIZING RISKS THROUGH DYNAMIC ASSESSMENT

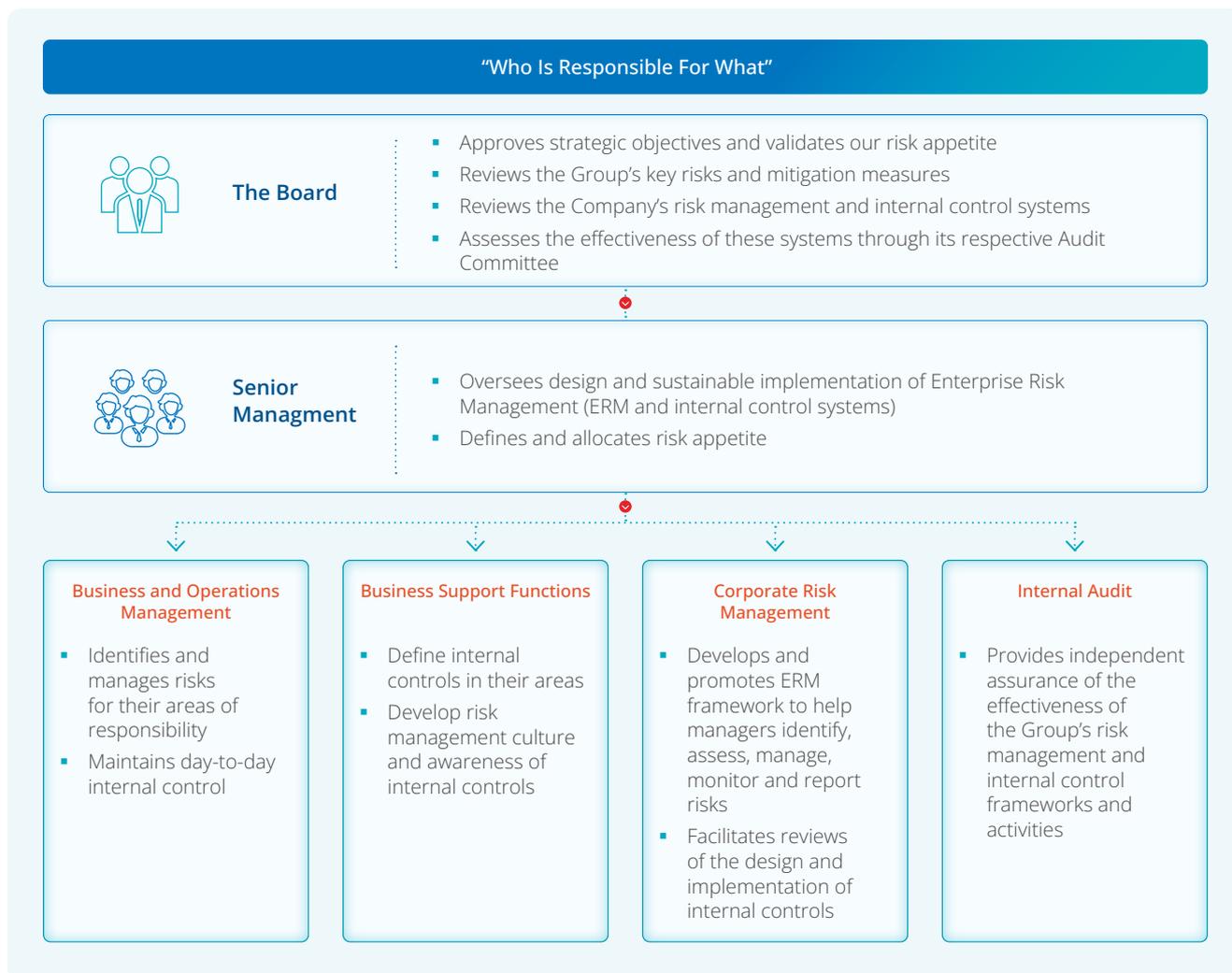
Risk assessment is performed in three phases initial, current, and future risk evaluations. This phased approach enables the Group to capture potential risk exposure over time and adjust risk responses proactively. Risk likelihood and impact are evaluated across defined categories, and this informs the prioritization of mitigation strategies. Key risk indicators are monitored across SBUs, with continuous updates to management and relevant stakeholders to maintain alignment with the Group's overall risk appetite.



RISK MANAGEMENT

RISK GOVERNANCE ANCHORED IN LEADERSHIP

The Board holds ultimate accountability for risk management, setting the overall risk strategy and providing oversight of its execution across the Group. It defines the Risk Appetite Framework, establishing clear parameters for acceptable risk levels across various categories. This strategic direction is operationalized through well-defined policies, procedures, and control mechanisms implemented throughout the Group. The Board's leadership fosters a strong top-down commitment to risk governance, while also encouraging a bottom-up flow of risk intelligence, enabling informed decision-making at all levels.



INTEGRATED GOVERNANCE FOR RISK OVERSIGHT

The Group's governance framework is underpinned by a structured risk management process that ensures centralized oversight and consistent practices across all business units. Risk registers are maintained to identify and map exposures at strategic, operational, and project levels. Strategic risks are escalated to the Board for oversight, while operational risks are addressed at the SBU level under the leadership of CEOs in collaboration with senior management. This approach ensures that risk management efforts are well-coordinated, aligned with the Group's overall strategy, and embedded in day-to-day operations.

AUDIT COMMITTEES AS RISK GATEKEEPERS

The Group's risk oversight model is supported by Audit Committees operating within each SBU. These committees are tasked with escalating critical risk issues to their respective Boards, enabling timely Group-level evaluation and coordinated action. This structured flow of information supports the integration of risk management into the broader governance agenda and reinforces accountability at all levels.

INDEPENDENT ASSURANCE MECHANISMS

The Group engages leading audit firms to conduct both internal and statutory audits, with these activities guided by directives from the Board and closely monitored by the respective Audit Committees. During the year under review, the scope of internal audits was objectively reassessed to reflect the evolving risk landscape. Particular emphasis was placed on high-risk areas, focusing on both process and internal control perspectives, with the aim of strengthening the overall control environment.

In line with its risk management framework, the Group has identified key risks and established targeted mitigation strategies to address them effectively.

Description of risk	Mitigation strategies
Economic and business risk	<ul style="list-style-type: none"> Review impact to group's performance and strategic business plans due to volatility in macroeconomic variables. Conduct sensitivity analysis to ascertain the impact to Group and SBU'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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. Closely monitor working capital components (inventory, receivables, and payables) to ensure optimal operating cash cycles. Benchmark liquidity ratios such as current ratio, quick ratio, and cash ratio to industry best practices.
Human Resources Risk	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 Ambeon 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.

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. As at 31 March 2025 the company had investments in various sectors such as manufacturing, real estate, information technology and investments. A review of the operations of the company during the twelve months period and the results of those operations are contained on pages 75 to 154 of this Annual Report.

GROUP STRUCTURE

The Group Structure is demonstrated on pages 06 to 07 of this Annual Report.

REVIEW OF PERFORMANCE

A review of the Company and its subsidiaries performance during the Financial Year together with the Future outlook is available in the Chairman's message and Group CEO/Executive Director's Review on pages 08 to 14

FINANCIAL STATEMENTS

The Financial Statements of the Company for the year ended 31 March 2025 are duly certified by the Group Vice President-Finance and approved by the Board of Directors and signed on behalf of the Board by two Directors in compliance with the Companies Act No. 07 of 2007 and are given on page 77 of this Annual Report.

Summarized Financial Statements

LKR Mn	Group		Company	
	2024/2025	2023/2024	2024/2025	2023/2024
Revenue	17,530	17,154	820	854
Profit/(Loss) Before Tax from Continuing Operations	2,229	3,597	1,331	1,284
Income Tax Reversal/(Expenses)	(204)	(518)	21	(65)
Profit/(Loss) After Tax from Continuing Operations	2,025	3,079	1,352	1,219
Profit/(Loss) after Tax from Discontinued Operations	-	(222)	-	(223)
Profit/(Loss) for the year	2,025	2,857	1,352	996

ACCOUNTING POLICIES AND CHANGES

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 83 to 100 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;

Mr. Sanjeev Gardiner

Chairman/Non-Executive Director
(resigned w.e.f. 5th April 2024).

Mr. Ajith Devasurendra

Deputy Chairman/Non-Executive Director (resigned w.e.f. 29th May 2024).

Mr. Ranil Pathirana

Non-Executive Director
(resigned w.e.f. 29th May 2024).

Mr. A G Weerasingh

Independent, Non-Executive Director
(resigned w.e.f. 27th May 2024).

Mr. Mangala Boyagoda

Non-Executive Director.

Dr. Sajeeva Narangoda

Executive Director/Group CEO.

Mr. Sujeewa Mudalige

Chairman/Independent,
Non-Executive Director
(appointed w.e.f. 8th April 2024).

Mr. Savanth Sebastian

Independent, Non-Executive Director
(appointed w.e.f. 8th April 2024).

Mr. Samresh Kumar

Independent, Non-Executive Director
(appointed w.e.f. 27th May 2024).

Mr. Ching Tak Tsoi

Independent, Non-Executive Director
(appointed w.e.f. 4th June 2024).

Mr. Ruwan Sugathadasa

Non-Executive Director
(appointed w.e.f. 7th June 2024).

Mr. Duminda Weerasekare

Independent, Non-Executive Director
(appointed w.e.f. 30th July 2024).

Mr. Ravi Goonetilleke

Independent, Non-Executive Director
(appointed w.e.f. 21st April 2025).

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

RE-ELECTION/RE-APPOINTMENT AND RETIREMENT OF DIRECTORS

In accordance with the provisions of Article 27 (2) of the Articles of Association, Mr. Ravi Goonetilleke Director appointed since the last Annual General meeting retires from office at the conclusion of the forthcoming Annual General Meeting. Mr. Ravi Goonetilleke offers himself for re-election with the unanimous support of the Board.

In terms of Section 210 of the Companies Act No. 07 of 2007, Mr. Mangala Boyagoda, who has reached the age of 73 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. Mangala Boyagoda with the unanimous support of the Board.

In accordance with the provisions of Article 27 (8) of the Articles of Association, Mr. Sujeewa Mudalige and Mr. Savanth Sebastian retire by rotation and being eligible offers themselves for re-election as Directors.

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 38 to the Financial Statements on pages 152 to 154.

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 30 to the Financial Statements on page 141.

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 44 of this Annual Report.

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

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.

The Directors periodically review and evaluate the risks that are faced by the Group. The various exposures to risks by the Group and specific steps taken by the Group in managing risks are detailed under the "Risk Management" on page 54 of this Annual Report.

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 29 to the Financial Statements on page

PROPERTY, PLANT AND EQUIPMENT

Capital expenditure during the year under review on Property, Plant and Equipment by the Group was LKR 39 Mn and the Company LKR 0.5 Mn during the year under review.

Extents, locations, number of buildings and the valuation of the properties of the Group are given in note 6.6.1 to the Financial Statements on page 107 of this Annual Report.

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 7 to the Financial Statements. Details of revaluation of land are given in note 7.3 and note 7.4 to the Financial Statements.

EMPLOYMENT

The Company's and Group's strength of manpower as at 31 March 2025 is 12 and 733 respectively.

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 5,331,775,177/- represented by 356,869,666 fully paid Ordinary Shares.

SHARE INFORMATION

There were 3,814 registered shareholders as at 31 March 2025.

Distribution schedule of shareholders

The distribution of shareholdings is shown on pages 155 to 157 of this Annual Report.

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 5 to 155.

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 156 to 157 of this Annual Report.

Disclosures required under section 7.6 (iv) of the Listing Rules of the Colombo Stock Exchange is indicated on pages 155 to 157 of this Annual Report.

Equitable Treatment of Shareholders

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

RELATED PARTY TRANSACTIONS

The identified Related Parties as well as the Related Party Transactions undertaken during the year are set out in note 35 to the Financial Statements on page 144.

The members of the Board have been identified as "Key Management Personnel" of the Company. There were no Related Party Transactions by the Key Management Personnel with the Company.

As required by the Listing Rules, the Board confirms that the Company has complied with all requirements of the Listing Rules.

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 36 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 page 71 of this Annual Report as required by the Section 168 (1) (c) of the Companies Act No. 07 of 2007.

A sum of LKR 1,899,800/- 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 162.

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.
D T S H Mudalige
Chairman

Sgd.
K S Narangoda
Director/Group CEO

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

Mr. Duminda Weerasekare
Chairman/Independent Non-Executive Director (appointed w.e.f. 30th September 2024)

Mr. Savanth Sebastian
Member/Independent Non-Executive Director (appointed w.e.f. 4th June 2024)

Mr. Samresh Kumar
Member/Independent Non-Executive Director (appointed w.e.f. 4th June 2024)

Mr. Sujeewa Mudalige
Member/Independent Non-Executive Director (appointed w.e.f. 6th June 2024)

Mr. A G Weerasinghe
Member/Non-Executive Director (resigned w.e.f. 27th May 2024)

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

Mr. Mangala Boyagoda – Chairman/Independent Non-Executive Director (resigned w.e.f. 30th September 2024)

The Chairman of the Committee, Mr. Duminda Weerasekare is a Member of the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants (UK). Mr. Sujeewa Mudalige is a Fellow of the Institute of Chartered Accountants of Sri Lanka and a former Territory Senior Partner of PricewaterhouseCoopers, Sri Lanka and Maldives. 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 14 to 17 of this Report

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. D M Weerasekare – Chairman (appointed w.e.f. 30th September 2024)	2/2
Mr. D T S H Mudalige (appointed w.e.f. 6th June 2024)	3/3
Mr. S L Sebastian (appointed w.e.f. 4th June 2024)	3/3
Mr. S Kumar (appointed w.e.f. 4th June 2024)	3/3
Mr. E M M Boyagoda (resigned w.e.f. 30th September 2024)	2/2
Mr. A G Weerasinghe (resigned w.e.f. 27th May 2024)	1/1
Mr. R P Pathirana (resigned w.e.f. 29th May 2024)	1/1

The Group CEO / Executive Director and Head of Finance attends the Audit Committee Meetings by invitation. The Company Secretary functions as the Secretary to the Committee. The engagement partner of the Company's external auditors attends meetings when matters pertaining to their functions come up for consideration.

ROLE OF THE COMMITTEE

The Audit Committee has written terms of reference, which clearly defines the oversight role and responsibility of the Audit Committee as summarized below;

1. The integrity of Financial Statements in accordance with Sri Lanka Accounting Standards (SLFRS / LKAS)
2. Compliance with legal and regulatory requirements of Companies Act and other relevant financial reporting related regulations and requirements.
3. The External Auditor's independence and performance.
4. Review of the adequacy and effectiveness of the company's Internal Control and Risk Management systems over the financial reporting process.

FINANCIAL REPORTING

As part of its responsibility to oversee the Company's financial reporting process on behalf of the Board of Directors, the Committee has reviewed and discussed with the Management, the annual and the quarterly Financial Statements prior to their issuance, including the extent of compliance with the Sri Lanka Accounting Standards and the Companies Act No. 07 of 2007.

REGULATORY COMPLIANCE

A structured procedure is in place for quarterly reporting on the statutory compliance and non-compliance of the Company and its subsidiaries. This report is certified by the Head of Finance, and any instances of non-compliance are promptly addressed to ensure corrective actions are implemented.

EXTERNAL AUDITORS

The Committee meets the Independent Auditors at least once a year to review their findings, issues raised, as well as the effectiveness of the internal controls in place.

The non-audit services provided by the Independent Auditors were also reviewed to ensure that the provisions of these services do not impair their independence.

INDEPENDENCE OF AUDITORS

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

RE-APPOINTMENT OF AUDITORS

The Audit Committee having evaluated the performance of the External Auditors, has decided to recommend to the Board, the re-appointment of Messrs. Ernst & Young, Chartered Accountants for the financial year ending 31 March 2026, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

CONCLUSION

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

Sgd.

Duminda Weerasekare

Chairman

Audit Committee

15th August 2025

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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 on the remuneration of the Executive and Non-Executive Directors and key positions within the Senior Management.

COMPOSITION

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

Mr. Savanth Sebastian

Chairman/Independent Non-Executive Director (*appointed w.e.f. 4th June 2024*)

Mr. Samresh Kumar

Member/Independent Non-Executive Director (*appointed w.e.f. 4th June 2024*)

Mr. Sujeewa Mudalige

Member/Independent Non-Executive Director (*appointed w.e.f. 4th June 2024*)

Mr. A L Devasurendra (Chairman)

Non-Independent Non-Executive Director (*resigned w.e.f. 29th May 2024*)

Mr. E M M Boyagoda

Independent Non-Executive Director (*resigned w.e.f. 4th June 2024*)

Mr. A G Weerasinghe

Independent Non-Executive Director (*resigned w.e.f. 27th May 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 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

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. The Directors emoluments are disclosed on Note 30 to the Financial Statements.

MEETINGS

The Committee meets at least once a year with a view to discharging its duties. However, given the circumstances of the year, the Committee determined that a meeting was not required

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.

Savanth Sebastian

Chairman

Remuneration Committee

15th 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 G Weerasinghe

Chairman/Independent Non-Executive Director (*resigned w.e.f. 27th May 2024*)

Mr. Mangala Boyagoda

Member/Non-Independent Non-Executive Director

Mr. Ranil Pathirana

Member/Non-Executive Director (*appointed w.e.f. 1st April 2024 and resigned w.e.f. 29th May 2024*)

Mr. Sujeewa Mudalige

Member/Independent Non-Executive Director (*appointed w.e.f. 4th June 2024*)

Mr. Savanth Sebastian

Chairman/Independent Non-Executive Director (*appointed w.e.f. 4th June 2024 and resigned w.e.f. 20th May 2025*)

Mr. Ravi Goonetilleke – Chairman

Independent Non-Executive Director (*appointed w.e.f. 20th May 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 15 to 19 of the Annual Report.

CHARTER OF THE RELATED PARTY TRANSACTION 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 RPTs.
- Review and evaluate the terms, conditions, and the advisability of any RPT.
- Determine whether the relevant RPT 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 RPT.
- 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. Where necessary approval was obtained for urgent RPTs via a resolution in writing which contained several documents in a like form, each signed and assented to by the members who were entitled to receive notice of a related party transactions review committee meeting.

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REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

A total of six (06) meetings were held during the financial year which consisted of a combination of physical meetings and Circular Resolutions. Attendance by the Committee Members at each of these meetings are given below;

Name of the Director	Attendance at Meetings
Mr. A G Weerasinghe (<i>resigned w.e.f. 27th May 2024</i>)	2/2
Mr. E M M Boyagoda	5/5
Mr. R P Pathirana (<i>appointed w.e.f. 1st April 2024 and resigned w.e.f. 29th May 2024</i>)	2/2
Mr. S L Sebastian (<i>appointed w.e.f. 4th June 2024 and resigned w.e.f. 20th May 2025</i>)	3/3
Mr. D T S H Mudalige (<i>appointed w.e.f. 4th June 2024</i>)	3/3
Mr. M D J R Goonetilleke (<i>appointed w.e.f. 20th May 2025</i>)	0/0

The Head of Finance attended all Related Party Transactions Review Committee Meetings by invitation.

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 RPTs 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 RPTs entered into during the financial year are given on Note 35 to the Financial Statements, on pages 144 to 145 of this Annual Report.

DECLARATION

The Committee in its review process, recognized the adequacy of the content and quality of the information forwarded to its members by the Management during the year and affirms that the RPTs have occurred on an arm's length basis.

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 the affairs of the company on page 60 of this Annual Report.

Sgd.

M D J R Goonetilleke

Chairman

Related Party Transactions Review 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 three (3) Independent Non-Executive Directors. The members of the Committee are;

Mr. S L Sebastian
Chairman/Independent
Non-Executive Director

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

Mr. S Kumar
Member/Independent
Non-Executive Director

Brief profiles of the Committee members are given in pages 15 to 17 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 meet as and when required to perform an assessment on Board composition as and when the need for the appointment of new Board and Board Subcommittee members. Where necessary approval was obtained via a resolution in writing which contained several documents in a like form, each signed and assented to by the members who were entitled to receive notice of nominations and governance committee meeting. A total of 5 meetings were held during the financial year which consisted of Circular Resolutions in writing. The Committee reviewed and recommended the appointments of Mr. Duminda Mahali Weerasekare and Mr. Mestiyage Don Janaka Ravi Goonetilleke to the Board of Directors and the reconstitution of the Board Sub Committees as and when required.

Sgd.

S L Sebastian
Chairman
Nominations & Governance Committee

15 August 2025

Statement

OF DIRECTORS RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Consolidated Financial Statements in accordance with the Companies Act, No. 7 of 2007 and Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and are required to prepare the Financial Statements for each financial year, which gives a true and fair view of the state of affairs of the Company and its subsidiaries as at the reporting date and the income and expenditure of the Company for the accounting year ending on that reporting date.

The Directors are also responsible in ensuring that the Financial Statements comply with any regulations made under the Companies Act, which specifies the form and content of Financial Statements and any other requirements which apply to the Company's Financial Statements under any other law.

The Directors have ensured that the Financial Statements presented in this Annual Report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and in compliance with the Sri Lanka Financial Reporting Standards, Companies Act, No. 7 of 2007 and the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

The Directors are responsible for keeping sufficient accounting records, which disclose with reasonable accuracy the financial position of the Company and its subsidiaries, which will enable them to have the Financial Statements prepared and presented as aforesaid.

They are also responsible for taking measures to safeguard the assets of the Company and its subsidiaries and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevention and detection of fraud and other irregularities.

The Directors are also confident that the Company and the Group have adequate resources to continue in operation and have applied the going concern basis in preparing the Financial Statements.

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

By order of the Board of
Ambeon Holdings PLC

Sgd.
Business Intelligence (Private) Limited
Secretaries

Colombo
15th August 2025

enduring AMBITIONS

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FINANCIAL CALENDAR

1st Quarter Interim Report	-	12th August 2024
2nd Quarter Interim Report	-	11th November 2024
3rd Quarter Interim Report	-	11th February 2025
4th Quarter Interim Report	-	27th May 2025
Annual Report 2024/2025	-	15th August 2025
Annual General Meeting	-	10th September 2025



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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF AMBEON HOLDINGS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ambeon 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.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITOR'S REPORT

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of fair valuation of investment property</p> <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. 1.4Bn representing 5% of the Group's total assets as of the reporting date; and ▪ The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach. <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 07 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 07 to the financial statements.</p>
<p>Annual Impairment assessment of intangible assets with infinite useful life</p> <p>The Group's Statement of Financial Position includes an amount of LKR 1.3 Bn relating to Goodwill and Brands, as further described in Note 9 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).</p> <p>Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill and Brand have been allocated. A deficit between the recoverable value and the carrying values of the CGUs including Goodwill would result in an impairment.</p> <p>Impairment testing of Goodwill was a key audit matter due to:</p> <ul style="list-style-type: none"> ▪ the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations. <p>Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 9.5.1 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▪ We gained an understanding of how Management has forecasted its discounted future cash flows. ▪ We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations. <p>We assessed the adequacy of the disclosures made in Note 09 in the financial statements.</p>

Other information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statement 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 statement does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

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.

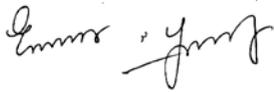
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken 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	2024	2025	2024
Continuing Operations		LKR	LKR	LKR	LKR
Revenue	5	17,529,943,679	17,154,487,003	819,869,016	854,176,745
Cost of Sales		(13,407,484,265)	(12,066,067,736)	-	-
Gross Profit		4,122,459,414	5,088,419,267	819,869,016	854,176,745
Other Income	26	120,188,680	58,493,542	-	30,785,599
Selling & Distribution Expenses		(429,245,635)	(507,999,792)	-	-
Administrative Expenses		(2,162,728,558)	(2,196,885,421)	(260,266,062)	(143,006,060)
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		1,077,909,213	335,120,174	989,970,240	130,571,234
Change in Fair Value of Investment Property	7	22,105,550	322,500,000	-	-
Gain on Change in Fair Value of Biological Assets		1,367,000	-	-	-
Operating Profit		2,752,055,664	3,099,647,770	1,549,573,194	872,527,519
Finance Cost	27	(563,949,609)	(755,474,681)	(160,358,533)	(23,250,984)
Finance Income	28	230,823,893	386,304,657	-	-
Change in Fair Value of Investment in Subsidiary	11	-	-	138,296,044	348,489,362
Share of Results of Equity Accounted Investee	13	(190,121,020)	82,100,724	(196,324,697)	81,330,952
Gain Associated with the Loss of Control Attributed to Subsidiary		-	784,206,507	-	4,938,918
Profit Before Tax from Continuing Operations	30	2,228,808,928	3,596,784,978	1,331,186,008	1,284,035,767
Income Tax Expense	29	(203,872,369)	(517,931,864)	20,902,533	(64,543,745)
Profit for the Year from Continuing Operations		2,024,936,559	3,078,853,114	1,352,088,541	1,219,492,022
Discontinued Operations					
Loss After Tax from Discontinued Operations for the Year		-	(221,821,440)	-	(223,319,489)
Profit for the Year		2,024,936,559	2,857,031,675	1,352,088,541	996,172,533
Attributable to:					
Equity Holders of the Parent		1,812,426,216	2,456,725,492		
Non-Controlling Interests		212,510,343	400,306,183		
		2,024,936,559	2,857,031,675		
Earnings Per Share	31				
Basic (LKR)		5.08	6.88	3.79	2.79
Diluted (LKR)		5.08	6.88	3.79	2.79
Earnings Per Share from Continuing Operations	31				
Basic (LKR)		5.08	7.51		
Diluted (LKR)		5.08	7.51		

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Profit for the Year		2,024,936,559	2,857,031,675	1,352,088,541	996,172,533
Other Comprehensive Income					
Other comprehensive income to be reclassified to income statement in subsequent periods (net of tax)					
Exchange Differences on Foreign Currency Translation	19	4,008,735	(10,478,253)	-	-
Net Other Comprehensive Income to be Reclassified to income statement in subsequent periods		4,008,735	(10,478,253)	-	-
Other comprehensive income not to be reclassified to income statement in subsequent periods (net of tax)					
Revaluation Gain of Land and Building	6	-	(325,000)	-	-
Change in Fair Value of FVOCI Financial Assets		-	85,796,621	-	85,796,621
Actuarial Gain /(Loss) on Defined Benefit Plans	22	9,761,935	(6,296,125)	828,420	(685,845)
Tax on Actuarial Gain /(loss) on Defined Benefit Plans	21	(2,661,801)	635,474	(248,526)	205,754
Share of Other Comprehensive Income of Equity Accounted Investees	13	17,491,255	16,654,584	17,491,255	16,654,584
Net Other Comprehensive Income not to be Reclassified to income statement in subsequent periods		24,591,389	96,465,554	18,071,149	101,971,114
Total Other comprehensive Income for the year, net of tax Net of Tax		28,600,124	85,987,301	18,071,149	101,971,114
Total Comprehensive Income for the Year, Net of Tax		2,053,536,683	2,943,018,976	1,370,159,690	1,098,143,647
Attributable to:					
Equity Holders of the Parent		1,838,058,103	2,549,950,531		
Non-Controlling Interest		215,478,580	393,068,445		
		2,053,536,683	2,943,018,976		

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
ASSETS					
Non-Current Assets					
Property, Plant & Equipment	6	289,708,649	664,661,693	1,054,525	1,853,352
Investment Property	7	1,396,924,150	1,035,849,600	-	-
Intangible Assets	9	1,344,587,542	1,196,894,063	3,125,124	4,133,935
Biological Assets	8	84,891,950	-	-	-
Right-of-Use Assets	10	405,087,518	377,191,787	67,023,852	-
Investment in Subsidiaries	11	-	-	5,325,256,661	4,386,960,056
Other Non-Current Financial Assets	12	2,067,062,568	1,860,436,860	2,057,812,664	1,851,630,899
Investment in Equity Accounted Investee	13	907,700,438	1,124,039,068	858,852,645	1,081,394,953
Deferred Tax Asset	21	128,045,818	68,483,696	-	-
		6,624,008,633	6,327,556,767	8,313,125,471	7,325,973,195
Current Assets					
Inventories	14	2,493,921,517	1,415,692,944	-	-
Trade and Other Receivables	15	8,480,769,405	8,346,433,412	132,431,586	322,595,385
Other Financial Investments	16	12,246,095,009	6,936,942,401	8,160,942,060	3,046,737,638
Income Tax Receivables		11,843,159	17,959,108	-	-
Cash and Cash Equivalent	32	931,256,512	500,608,109	29,536,377	49,376,611
		24,163,885,602	17,217,635,974	8,322,910,023	3,418,709,634
Total Assets		30,787,894,235	23,545,192,741	16,636,035,494	10,744,682,829
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Stated Capital	17	5,331,775,177	5,331,775,177	5,331,775,177	5,331,775,177
Other Components of Equity	19	(2,115,365)	112,734,407	3,320,140	28,181,664
Retained Earnings		7,334,621,847	5,394,408,874	6,186,835,453	4,804,509,145
Equity attributable to equity holders of the parent		12,664,281,659	10,838,918,458	11,521,930,770	10,164,465,986
Non-Controlling Interests		1,503,547,603	1,952,015,807	-	-
Total Equity		14,167,829,262	12,790,934,266	11,521,930,770	10,164,465,986
Non-Current Liabilities					
Other Financial Liabilities	25	347,936	347,936	347,936	347,936
Interest Bearing Borrowings	20	492,541,543	469,814,542	43,942,557	-
Deferred Tax Liability	21	300,341,935	300,296,174	437,729,871	472,831,809
Employee Benefit Liabilities	22	375,855,269	377,662,762	10,940,145	11,139,211
		1,169,086,683	1,148,121,413	492,960,509	484,318,956
Current Liabilities					
Trade and Other Payables	24	4,457,383,900	3,665,332,281	71,743,967	78,958,084
Income Tax Payable		250,180,281	363,345,455	7,555,306	16,939,803
Contract Liability	23	1,904,072,864	1,681,266,542	-	-
Interest Bearing Borrowings	20	8,839,341,245	3,896,192,783	4,541,844,942	-
		15,450,978,290	9,606,137,061	4,621,144,215	95,897,887
Total Equity and Liabilities		30,787,894,235	23,545,192,741	16,636,035,494	10,744,682,829

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


Chaminda Perera
 Group Vice President - Finance

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


D T S H Mudalige
 Chairman


K S Narangoda (Dr)
 Group CEO/Executive Director

Figures in brackets indicate deductions.
 The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

15 August 2025
 Colombo

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

Group	Attributable to equity holders of the parent			
	Stated Capital	Revaluation Reserve	Other Reserves	Foreign/ Functional currency translation Reserve
	LKR	LKR	LKR	LKR
Balance as at 31 March 2023	5,331,775,177	1,266,149,047	3,100,000	(2,728,091)
Profit for the Year	-	-	-	-
Other Comprehensive Income	-	(325,000)	-	(5,304,272)
Total Comprehensive Income	-	(325,000)	-	(5,304,272)
Realization of Revaluation Reserve due to the Disposal of Subsidiary	-	(1,173,238,941)	-	-
Transfer from FVTOCI to Retained Earnings	-	-	-	-
Dividend Paid	-	-	-	-
Disposal of Subsidiaries	-	-	-	-
Subsidiary Dividend to Minority Shareholders	-	-	-	-
Balance as at 31 March 2024	5,331,775,177	92,585,107	3,100,000	(8,032,363)
Profit for the Year	-	-	-	-
Other Comprehensive Income	-	-	-	2,596,856
Transactions with Non controlling Interest	-	-	-	-
Total Comprehensive Income	-	-	-	2,596,856
Equity Share disposal Loss	-	-	-	-
Reclassification adjustment made to Retained Earning due to the investment property transfer	-	(92,585,107)	-	-
Transfer from FVTOCI to Retained Earnings	-	-	-	-
Balance as at 31 March 2025	5,331,775,177	-	3,100,000	(5,435,505)

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

	Attributable to equity holders of the parent					Total Equity
	Revenue Reserve	Fair Value through OCI Reserve	Retained Earnings	Total	Non-Controlling Interests	
	LKR	LKR	LKR	LKR	LKR	LKR
	220,140	(161,708,150)	2,458,838,237	8,895,646,359	2,488,377,070	11,384,023,428
			2,456,725,493	2,456,725,493	400,306,184	2,857,031,677
	-	85,796,621	13,057,690	93,225,039	(7,237,744)	85,987,295
	85,796,621	2,469,783,182	2,549,950,531	393,068,445	2,943,018,976	
	-	-	1,173,238,941	-	-	-
	-	100,773,053	(100,773,053)	-	-	-
	-	-	(606,678,432)	(606,678,432)		(606,678,432)
	-	-	-	-	(893,429,699)	(893,429,699)
	-	-	-	-	(36,000,003)	(36,000,003)
	220,140	24,861,524	5,394,408,874	10,838,918,458	1,952,015,807	12,790,934,266
	-	-	1,812,426,216	1,812,426,216	212,510,343	2,024,936,559
	-	-	23,035,032	25,631,888	2,968,236	28,600,124
	-	-	-	-	(663,946,789)	(663,946,789)
	-	-	1,835,461,248	1,838,058,105	(448,468,210)	1,389,589,894
	-	(12,694,906)	-	(12,694,906)	-	(12,694,906)
	-	-	92,585,107	-	-	-
	-	(12,166,618)	12,166,618	-	-	-
	220,140	-	7,334,621,847	12,664,281,659	1,503,547,603	14,167,829,262

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

Company	Stated Capital	Revenue Reserves	Other Reserves	Fair Value Through OCI Reserve	Retained Earnings/(Losses)	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 31 March 2023	5,331,775,177	220,140	3,100,000	(161,708,150)	4,499,613,604	9,673,000,771
Profit for the Year	-	-	-	-	996,172,533	996,172,533
Dividends	-	-	-	-	(606,678,432)	(606,678,432)
Other Comprehensive income	-	-	-	85,796,621	16,174,493	101,971,114
Total comprehensive income	-	-	-	85,796,621	405,668,594	491,465,215
Transfer from FVTOCI to Retained Earnings	-	-	-	100,773,053	(100,773,053)	-
Balance as at 31 March 2024	5,331,775,177	220,140	3,100,000	24,861,524	4,804,509,145	10,164,465,986
Profit for the Year	-	-	-	-	1,352,088,541	1,352,088,541
Other Comprehensive income	-	-	-	-	18,071,149	18,071,149
Total comprehensive income	-	-	-	-	-	1,357,464,784
Equity Share disposal Loss	-	-	-	(12,694,906)	-	(12,694,906)
Transfer from FVTOCI to Retained Earnings	-	-	-	(12,166,618)	12,166,618	-
Balance as at 31 March 2025	5,331,775,177	220,140	3,100,000	-	6,186,835,453	11,521,930,770

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Operating Activities					
Profit/(Loss) before tax from Continuing Operations		2,228,808,928	3,596,784,978	1,331,186,008	1,284,035,767
Profit/(Loss) before tax from Discontinuing Operations		-	(221,821,440)	-	(223,319,489)
Non - Cash Adjustments to Reconcile Profit Before Tax to Net Cash Flows:					
Depreciation of Property, Plant Equipment	6	83,727,825	119,024,407	1,312,826	2,624,171
Amortization of Intangible Assets	9	2,446,347	3,142,096	1,008,813	1,014,341
Amortization of Right of use Assets	10	59,853,395	59,237,839	13,404,770	-
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		(1,077,909,213)	(335,120,174)	(989,970,240)	(130,571,234)
Allowance/ (Reversal) for Obsolete and Slow Moving Inventories	14	2,951,344	(4,696,996)	-	-
Provision for Employee Benefit Liabilities	22	97,471,962	106,611,363	2,590,054	3,008,576
Impairment of Trade/Other Receivables	15	(706,115,784)	(95,962,828)	-	2,746,573
Gain from Disposal of Property Plant & Equipment	26	-	(785,599)	-	(785,599)
Change in Fair Value Adjustment of Investment Property	7	(22,105,550)	(322,500,000)	-	-
Gain on Change in Fair Value of Biological Assets	8	(1,367,000)	-	-	-
Impairment of Share of Results of Equity Accounted Investee	13	43,708,866	-	43,708,866	-
Share of Results of Equity Accounted Investee	13	190,121,020	(82,100,724)	196,324,697	(81,330,952)
Finance Income	28	(230,823,893)	(386,304,657)	-	-
Finance Cost	27	563,949,609	755,474,681	160,358,533	23,250,984
Dividend		-	-	(197,713,353)	-
Gain on Disposal of Subsidiary		-	(562,385,069)	-	(218,380,571)
Change in on fair valuation of investment in subsidiaries	11	-	-	(138,296,044)	(348,489,362)
		1,234,717,856	2,628,597,878	423,914,931	750,564,347
Working Capital adjustments:					
(Increase)/Decrease in Inventories		(1,081,179,917)	386,819,783	-	-
(Increase)/Decrease in Trade and Other Receivables		1,004,533,287	(743,827,370)	(36,236,814)	(379,493,028)
Increase/(Decrease) in Trade and Other Payables		790,525,099	(177,385,938)	(7,214,117)	9,329,458
Increase/(Decrease) in Deferred Income		222,806,322	(1,022,700,687)	-	-
Cash Generated/used from Operations		2,171,402,647	1,071,503,666	380,464,000	380,400,777
Gratuity paid	22	(89,517,520)	(44,732,360)	(1,960,700)	(907,500)
Interest paid	27	(267,543,392)	(453,066,806)	(156,876,424)	(23,250,984)
WHT paid		(2,186,880)	-	(2,186,880)	-
Income Tax paid		(373,099,758)	(351,410,801)	(21,645,549)	(354,901)
Net Cash Flows Generated from Operating Activities		1,439,055,099	222,293,702	197,794,447	355,887,392

STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Investing Activities					
Acquisition of Property, Plant & Equipment	6	(38,758,355)	(176,048,398)	(514,000)	(272,650)
Acquisition of Intangible Assets	9	(14,647,993)	(8,635,873)	-	-
Impact on lease asset- ROUA		(95,069,630)	-	-	-
Acquisition of Investment Property		(8,969,000)	-	-	-
Investment in Subsidiaries		(799,169,176)	-	(800,000,000)	-
Net payments of Loans to Parent and Subsidiaries	15	(434,062,872)	(362,099,079)	20,218,287	8,821,757
Proceeds on Disposal of Property, Plant and Equipment		-	961,329	-	961,329
Investments In other Financial Investments		(4,437,869,104)	(2,687,757,393)	(4,136,929,090)	(2,078,790,459)
Net Proceed From Disposal of Subsidiaries		-	2,813,823,721	-	2,813,823,721
Dividend received		-	-	197,713,353	-
Interest Income from Investment	28	230,823,893	316,663,712	-	-
Net Cash Flows Generated from/(Used in) Investing Activities		(5,597,722,237)	(103,091,981)	(4,719,511,450)	744,543,698
Financing Activities					
Dividend Paid		-	(642,678,435)	-	(606,678,432)
Proceeds From Interest Bearing Loans & Borrowings	20	153,942,038,926	195,955,671,156	4,886,004,144	(213,000,000)
Repayment of Interest Bearing Loans & Borrowings	20	(149,130,819,305)	(195,962,025,736)	(518,004,144)	(676,289,064)
Dividend paid to Preference share holders		-	(620,970)	-	(620,970)
Repayment of Lease Obligations	20	(99,310,615)	(82,654,426)	(15,889,063)	-
Net Cash Flows Generated from/(Used in) Financial Activities		4,711,909,005	(732,308,411)	4,352,110,937	(1,070,588,466)
Net foreign Exchange Difference	19	4,008,735	(10,478,253)	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents		557,250,601	(623,584,941)	(169,606,067)	29,842,624
Cash and Cash Equivalent at the beginning of the year		221,589,021	845,173,962	49,376,611	19,533,987
Cash and Cash Equivalent at the end of the year	32	778,839,622	221,589,021	(120,229,456)	49,376,611
Analysis of cash and cash equivalents					
Cash in hand and at bank		931,256,512	500,608,109	29,536,377	49,376,611
Bank Overdraft		(152,416,890)	(279,019,088)	(149,765,832)	-
Cash and cash equivalents at the end for the purpose of statement of cash flow		778,839,622	221,589,021	(120,229,456)	49,376,611

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 154 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

1. CORPORATE INFORMATION

1.1 Reporting Entity

Ambeon Holdings PLC is a Public Limited Liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office and the principal place of business is located at No 100/1, Elvitigala Mawatha, Colombo 08.

1.2 Consolidated Financial Statements

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

1.3 Parent Entity

The Company's parent entity is Ambeon Capital PLC ("Ambeon Capital"); a Public Limited Liability Company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The Company's ultimate parent undertaking is Ambeon Consolidated (Private) Limited (formally CHC Investment (Private) Limited); a Private Limited Liability Company incorporated and domiciled in Sri Lanka.

1.4 Approvals of Financial Statements

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

1.5 Principal Activities & Nature of Operations

Holding Company

Ambeon Holdings PLC the Group's Holding Company manages a portfolio of investments consisting of a range of diverse business operations, which

together constitute the Ambeon Group, and provides function based services to its subsidiaries.

Subsidiary – Palla & Company (Pvt) Ltd

The principal activity of the Company was manufacturing shoes for exports and the Company ceased operations with effect from 31 August 2015.

Associate Entity – Dankotuwa Porcelain PLC

Ambeon Holdings PLC has disposed 50.1% of equity stake in Dankotuwa Porcelain PLC on 13 July 2023. During the period, the principal activity of the company was to manufacture porcelain tableware to export and domestic market.

Subsidiary – Colombo City Holdings PLC

During the period, the principal activity of the Company was to engage in Real Estate.

Sub-subsidiary through Colombo City Holdings PLC – Lexinton Holdings (Pvt) Ltd

During the period, the principal activity of the Company was lending and maintaining commercial property, dwelling flats for lease.

Sub-subsidiary through Colombo City Holdings PLC – Lexinton Resorts (Pvt) Ltd

During the year, the principal activity of the Company was managing the real estate.

Sub-subsidiary through Colombo City Holdings PLC Subsidiary – Heron Agro Products (Pvt) Ltd

During the year, the principal activities of the Company were to carry on the business of Estate Management.

Subsidiary - Eon Tec (Pvt) Ltd

The Company was incorporated to acquire shares of Millennium I.T.E.S.P. (Pvt) Ltd.

Subsidiary – Greenfield Ventures (Pvt) Ltd

The Company purchased 100% ownership of the Greenfield Ventures Pvt Ltd on 04th April 2024. The principal activities of the Company were to set up an investment holding Company.

Sub-subsidiary through EON Tech (Pvt) Limited – Millennium I.T.E.S.P. (Pvt) Ltd (formerly know as Millennium Information Technologies (Pvt) Ltd)

During the period, the principal activity of the Company was specialising in the Integration Business providing a host of specialised, scalable solutions ranging from Core Infrastructure, Information Security, Business Collaboration, Near-Field Communications, Business Productivity. Managed Solutions and Customer Relationship Management.

Sub- Subsidiary Entity - Millennium I.T.E.S.P. Singapore Pte. Limited

Millennium I.T.E.S.P. Singapore Pte. Limited is a systems integration business provides a host of specialised, scalable solutions ranging from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Singapore.

Sub- Subsidiary Entity - Millennium I.T.E.S.P. Bangladesh Pvt. Ltd

Millennium I.T.E.S.P. Bangladesh Pvt. Limited is a systems integration business provides a host of specialized, scalable solutions ranging from core infrastructure, information security, business collaboration, near-field communications, business productivity, managed solutions and customer relationship management located at Bangladesh.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

Associate Entity – Infoseek (Pvt) Ltd

Principal activity of the company is development of software and other IT related activities. The Company has developed an innovative Cloud based Human Resource Information System named as MintHRM where the investment was a strategic fit for Millennium I.T.E.S.P (Pvt) Ltd and it was a future potential for cloud based “Internal CRM” platforms.

Subsidiary - Taprobane Capital Plus (Pvt) Ltd

Taprobane Capital Plus (Pvt) Ltd was incorporated on 9 October 2017 to hold the investments Ambeon Securities (Pvt) Ltd, Taprobane Investments (Private) Limited, Sherwood Capital (Pvt) Ltd and Taprobane Wealth Plus (Pvt) Ltd.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Ambeon Securities (Pvt) Ltd

The principal activity of the company is functioning as a stockbroker in the Colombo Stock Exchange.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Taprobane Investments (Pvt) Ltd

The principal activity of the company is the provision of services in the money market.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd - Sherwood Capital (Pvt) Ltd

The principal activity of the company is proprietary bond trading and treasury management company which invests in fixed income securities issued by the Government of Sri Lanka.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Limited - Taprobane Wealth Plus (Pvt) Ltd

The principal activity of the company is conducting Corporate Finance activities.

Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd – Lexinton Financial Services (Pvt) Ltd

The principal activity of the company was conducting Margin Trading activities. However, there were no operations during the year.

1.6 Responsibility for Financial Statements

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

2. BASIS OF PREPARATION

2.1 Basis of Measurement

The consolidated Financial Statements have been prepared on an accrual basis and under the historical cost convention except for investment properties, land and buildings, fair value through profit or loss financial assets, fair value through OCI financial assets that have been measured at fair value.

2.2 Statement of Compliance

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

2.3 Comparative Information

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

2.4 Going Concern

The Directors have made an assessment of the Company'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 Company.

Further, in determining the basis of preparing the financial statements for the year ended 31 March 2025, based on available information, the management has assessed the prevailing and anticipated effects of the current economic conditions on the group and the appropriateness of the use of the going concern basis.

It is the view of the management there are no material uncertainties that may cast significant doubt on the group's ability to continue to operate as going concern due to the improved operating environment despite the ongoing effects of the current economic conditions and the operationalization of risk mitigation initiatives and continuous monitoring of business continuity and response plans along with the financial strength of the group. The management has formed a judgment that the group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting these financial statements

2.5 Presentation and Functional Currency

The consolidated financial statements are presented in Sri Lankan Rupees, the group's functional and presentation currency, which is the primary economic environment in which the holding company operates as their functional currency.

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

Name of the Subsidiary	Functional Currency
Millennium I.T.E.S.P. Singapore Pte. Limited	USD
Millennium I.T.E.S.P. Bangladesh Pvt Limited	BDT

Each material class of similar items is presented cumulatively in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'

2.6 Basis of Consolidation

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiaries as at 31 March 2025. The Financial Statements of the subsidiaries are prepared in compliance with the Group's accounting policies.

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

2.7 Subsidiary

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

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee;
 - Rights arising from other contractual arrangements; and
 - The Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Financial Statements of the subsidiaries are prepared

for the same reporting period as the parent Company, which is 12 months ending 31 March, using consistent accounting policies.

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

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

Non-controlling interest which represents the portion of profit or loss and net assets not held by the Group, are shown as a component of

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

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 Transactions with Non-Controlling Interests

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

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

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

2.9 Significant Accounting Judgements, Estimates and Assumptions

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

Estimates and Assumptions Revaluation of property, plant and equipment and fair valuation of investment properties

The Group measures land and buildings at revalued amounts with changes in fair value being recognized in Other Comprehensive Income and in the Statement of Equity. In addition, it carries its investment properties at fair value, with changes in fair value being recognized in the income statement. The Group engaged independent valuation specialists to determine fair value of investment property and land and buildings as of 31 March 2025.

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

The methods used to determine the fair value of the investment property are further explained in Notes 7.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet

committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and

the growth rate used for extrapolation purposes.

The key assumptions used to determine the value in use (VIU) are further explained in Note 9.5.1 and Note 11.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible. Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Deferred Tax Assets/ Liabilities

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are disclosed in Note 21 and 29.

Employee benefit liability

The employee benefit liability of the Group determines using actuarial valuation carried out by an independent actuarial specialist. The actuarial valuations involve making assumptions about discount rates and future salary increases. The complexity of the valuation, the underlying assumptions and its long-term nature, the defined

benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Details of the key assumptions used in the estimates are contained in Note 22.

Cash flow Hedge

The hedging type is designated as cash flow hedge since the Company is expecting to hedge the variability arise from exchange rate risk, where the USD term loan, USD packing credit loans and USD import loan can be identified as the hedging instrument, the USD revenue can be identified as the hedge item and exchange rate risk can be identified as the hedged risk". Accordingly the Group is expecting to hedge the variability in the cash flows corresponding to the repayment of the term loan capital, packing credit loans and import loan capital attributable to changes in exchange rates over the period. The Group apply the hedge accounting prospectively.

Judgments

Revenue from IT related Services

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

in which the long-term services and maintenance services are provided.

2.9.1 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 (unlikeliness 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.

2.10 Summary of Significant Accounting Policies

Except for the Changes in Significant Accounting Policies given below the accounting policies have been applied consistently for all periods presented in the Financial Statements by the Group and the Company.

Amendments to SLFRS 3: Definition of a Business – Updating a reference to conceptual framework

The amendments update SLFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. IASB also add to SLFRS 3 a requirement that, for obligations within the scope of LKAS 37, an acquirer applies LKAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

references (published together with the updated Conceptual Framework) at the same time or earlier.

The above amendment had no impact on the financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to LKAS 37

In March 2021, the IASB adopted amendments to LKAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The above amendment had no impact on the financial statements of the Group.

2.10.1 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and value

added taxes, after eliminating sales within the Group.

The following specific criteria are used for recognition of revenue:

a. Revenue from contract with customers

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

b. Goods transferred at a point in time

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

c. Rendering of Services

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

d. Revenue recognition on multiple element arrangements

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

e. Dividend

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

f. Finance income

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

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

g. Rental income

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

h. Gains and losses

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

i. Other income

Other income is recognized on an accrual basis.

2.10.2 Expenditure recognition

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

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

2.10.3 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognized on financial assets (other than trade receivables) that are recognized in the income statement.

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

2.10.4 Property, plant and equipment

Basis of recognition

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

Basis of measurement

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment 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 recognized in the income statement as incurred.

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

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

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

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

The Group has adopted a policy of revaluing assets by professional valuers at least every 5 years,

Derecognition

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

Depreciation

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

2.10.5 Leases

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

Company as a lessee

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

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Right-of-use assets

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

The right-of-use assets are presented within Note 10 and are subject to impairment in line with the Group's policy for Impairment of non-financial assets.

Lease liabilities

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

Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee)

The Group companies determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Estimating the incremental borrowing rate

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

2.10.6 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. (Refer Note 07)

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

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

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

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

and accounted using Group accounting policy for property, plant and equipment.

2.10.7 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a Business Combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the income statement when it is incurred.

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually

to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

2.10.8 Business combinations and goodwill

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

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

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

consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration which is deemed to be an asset or liability that is a financial instrument and within the scope of SLFRS 9 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value in profit or loss. If the contingent consideration is not within the scope of SLFRS 9, 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 as further explained in Note 2.10.12.

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

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when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion the cash-generating unit retained.

2.10.9 Investments in Subsidiaries (Company)

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

2.10.10 Investment in Associate

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

The income statement reflects the Group's share of results of operations

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

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

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

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

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

Group has two associates and details given in note 13.

2.10.11 Foreign currencies

Foreign currency transactions and balances

The consolidated financial statements of the group are presented in Sri Lankan Rupees (LKR), which is the parent company's functional and presentation currency. The functional currency is the currency of the primary economic environment in which the entities of the Group operate. All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are affected. Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Transactions and balances

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

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

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

recognized in OCI or profit or loss, respectively).

Foreign operations

The statement of financial position and income statement of overseas subsidiaries and joint ventures which are deemed to be foreign operations are translated to Sri Lanka rupees at the rate of exchange prevailing as at the reporting date and at the average annual rate of exchange for the period respectively.

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

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

Foreign Currency Translation and Change in Functional Currency Millennium I.T.E.S.P. Singapore Pte. Limited (Company)

The Company's functional and presentation currency was Sri Lanka Rupees (LKR). At present, the Company having considered the underlying significant changes in transactions, events and conditions that mainly influences the revenue and the cost determined that the functional currency of the Company is United States Dollars (USD). Based on the above facts the management of the company has decided to use United States Dollars as the functional currency and presentation currency

in the preparation and presentation of the financial statements of the Company. Group's functional currency and the presentation currency remained unchanged which is Sri Lankan Rupees.

Millennium I.T.E.S.P. Bangladesh Pvt. Limited (Company)

The Company's functional and presentation currency was Sri Lanka Rupees (LKR). At present, the Company having considered the underlying significant changes in transactions, events and conditions that mainly influences the revenue and the cost determined that the functional currency of the Company is Bangladeshi Taka (BDT). Based on the above facts the management of the company has decided to use Bangladeshi Taka as the functional currency and presentation currency in the preparation and presentation of the financial statements of the Company. Group's functional currency and the presentation currency remained unchanged which is Sri Lankan Rupees

2.10.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated

future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations, including impairment on inventories, are recognized in the income statement in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the

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asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.10.13 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

2.10.14 Taxes

a. Current income tax

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

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

b. Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

c. Sales Tax

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

- where the sales tax incurred on a purchase of asset or service is not recoverable from the taxation authorities in which case the sales tax is recognized as a part of the cost of the asset or part of the expense item as applicable and
- receivable and payable that are stated with the amount of sales tax included.

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

2.10.15 Non-current assets held for sale and discontinued operations

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

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

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

2.10.16 Inventories

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

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

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

2.10.17 Financial instruments - Initial recognition and subsequent measurement

Initial recognition and measurement

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

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

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

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

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Subsequent measurement

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

Financial assets at amortised cost

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

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

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

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

Financial assets at fair value through OCI

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

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

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

Financial assets designated at fair value through OCI

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

such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

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

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

Derecognition

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

a. Impairment of financial assets

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

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same

lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

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

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

The effective portion of the gain or loss on the hedging instrument is recognised directly in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Statement of Profit or Loss as other operating expenses. Amounts recognised as Other Comprehensive Income are transferred to Statement of Profit or Loss when the hedged transaction occurs (when the forecast revenue realises).

If the forecast transaction is no longer expected to occur, the cumulative gain or loss previously recognised in Other Comprehensive Income is transferred to the Statement of Profit or Loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in Other Comprehensive Income remains in equity until the forecast transaction occurs as per the hedge agreement.

2.10.18 Hedge accounting

At the inception of a hedge relationship, the documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.

- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Company designated its identified foreign currency loans as a hedging instrument against its highly probable, specifically identified future revenue in foreign currency, through which the Company hedged the risk of changes in value of the identified foreign currency loans, caused by the fluctuations in foreign exchange rates.

2.10.19 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

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

2.10.20 Employee benefits liabilities Defined Benefit Plan - Gratuity:

Gratuity is a defined benefit plan. The Group is liable to pay gratuity in terms of Payment of Gratuity Act no 12 of 1983.

The Group measures the present value of the promised retirement benefits for gratuity, which is a defined benefit plan with the advice of an independent professional actuary using the Projected Unit Credit Method (PUC) as required by LKAS 19, Employee Benefits.

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

Recognition of Actuarial Gains and Losses

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

Defined Contribution Plans:

The Group also operates a defined contribution plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to Group by the employees and is recorded as an expense. Unpaid contributions are recorded as a liability.

Employees' Provident Fund and Employee' Trust Fund Employees are eligible for Employees' Provident Fund and Employee' Trust Fund contributions, in line with respective statute and regulations. The Group and employee contribute 12% and 8% respectively of the employee's month gross salary (excluding overtime) to the provident fund.

The Group contributes 3% of the employee's monthly salary excluding overtime to the Employees' Trust Fund maintained by Employees Trust Fund Board.

2.10.21 Provisions, contingent assets and contingent liabilities

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

presented in the income statement net of any reimbursement.

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

All contingent liabilities are disclosed as a note to the Financial Statements unless the outflow of resources is remote. A contingent liability recognized in a business combination is initially measured at its fair value.

Subsequently, it is measured at the higher of:

- The amount that would be recognized in accordance with the general guidance for provisions above (LKAS 37) or
- The amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the guidance for revenue recognition (SLFRS 15)

Contingent assets are disclosed, where inflow of economic benefit is probable.

2.10.22 Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, with rights that are conditional on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognized as contract assets are reclassified to trade receivables.

The group have disclosed the contractual assets as wip in the inventory in the Note 14.

2.10.23 Contract liabilities

Contract liabilities are the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or the amount is due) from the customer. Contract liabilities include long-term advances received to deliver goods and services, short-term advances received to render certain services as well as transaction price allocated to unexpired service warranties, and loyalty points not yet redeemed.

Contract liabilities of the Group have been disclosed in current liabilities in Note 23.

2.10.24 Segmental Information

The Group's internal organization and management is structured based on individual products and services which are similar in nature and process and where the risk and return are similar. The primary segments represent this business structure.

In addition, segments are determined based on the Group's geographical spread of operations as well. The geographical analysis of turnover and profits are based on location of customers and assets respectively.

As such for management purposes, the Group is organized into business units based on their products and services and has six reportable operating segments as follows:

- **Property** : Colombo City Holdings PLC ,Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd and Heron Agro Products (Pvt) Ltd
- **IT and related Services** : Eon Tec (Pvt) Limited, Millennium I.T.E.S.P (Pvt) Limited, Millennium I.T.E.S.P. Singapore Pte. Limited and Millennium I.T.E.S.P. Bangladesh Pvt. Limited,Greenfiled Ventures (Pvt) Ltd
- **Investments** : Ambeon Holdings PLC
- **Financial Services** : Ambeon Securities (Private) Limited, Taprobane Investments (Private) Limited, Taprobane Wealth Plus (Private) limited, Sherwood Capital (Pvt) Ltd and Taprobane Capital Plus (Private) Limited
- **Footwear retailing** : Palla & -Company (Pvt) Limited (Discontinued in 2016)

The principal activities of the cash generating units (Companies) related to each segment have been discussed under "Principal activities and nature of operations" section to the Financial Statements.

The accounting policies adopted for segment reporting are the same accounting policies adopted for preparing and presenting consolidated Financial Statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

3. NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued up to the date of issuance of the Group financial statements but are not effective for the current annual reporting period, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

3.1 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.

3.2 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.

4. ACQUISITION OF SUBSIDIARIES

4.1 Acquisition of equity stake in Green Field Ventures (Pvt) Ltd

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

	01/04/2024
	LKR
Non-Current Assets	
Investment in Subsidiary	461,910,575
Total Non-Current Assets	461,910,575
Current Assets	
Cash & Bank	596,379
Total Current Assets	596,379
Total Assets	462,506,954
Non-Current Liabilities	
Deferred Tax Liabilities	-
Total Non-Current Liabilities	-
Current Liabilities	
Trade & Other Payables	35,000
Total Current Liabilities	35,000
Total Liabilities	35,000
Total identifiable net assets at fair value	462,471,954
Adjustment	
Removal of Non controlling interest	663,946,789
Green Field Ventures (Pvt) Ltd investment in EonTec (Pvt) Ltd	(461,910,575)
	664,508,168
Goodwill arising on acquisition	135,491,832
Purchase Consideration Transferred	800,000,000

On 4 April 2024, Ambeon Holdings PLC acquired 100% of the issued shares of Green Field Ventures (Pvt) Ltd, which holds 22% of the shares in EonTec (Pvt) Ltd ("Eon Tec"), for a total consideration of LKR 800 million. Eon Tec, in turn, holds 64.36% of the issued ordinary shares of Millennium I.T.E.S.P (Pvt) Ltd.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

4.2 Acquisition of equity stake in Heron Agro Products (Private) Limited.

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 Rs. 74.1 Million from Heron Agro Products (Private) Limited into equity as a further investment following the acquisition.

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

	30/09/2024 LKR
Non-Current Assets	
Property, Plant & Equipment	31,922
Right of Use Assets	3,589,080
Biological Assets	83,524,950
Total Non-Current Assets	87,145,952
Current Assets	
Cash & Bank	215,461
Total Current Assets	215,461
Total Assets	87,361,413
Non-Current Liabilities	
Deffered Tax Liabilities	5,385,086
Lease Liability	6,324,643
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
Total identifiable net assets at fair value	-

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

5. REVENUE

5.1 Summary

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Revenue From Contracts with customers				
Gross Revenue	17,529,943,679	17,154,487,003	819,869,016	854,176,745
	17,529,943,679	17,154,487,003	819,869,016	854,176,745

5.1.1 Business Segment analysis - Disaggregation of revenue

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Revenue from Contracts with Customers				
Porcelain	-	1,358,378,555	-	-
IT Services	15,643,987,259	13,233,346,949	-	-
Brokerage Income	494,930,387	258,409,796	-	-
Finance & Investment Income				
Interest Income	785,784,346	391,369,847	469,745,805	636,730,521
Investment Trading	582,167,937	1,829,125,574	277,123,211	132,253,283
Other Income				
Rent Income	8,067,310	69,906,282	-	-
Other services	15,006,440	13,950,000	73,000,000	85,192,942
	17,529,943,679	17,154,487,003	819,869,016	854,176,745

The presentation of previous year has been amended for better presentation and to be comparable with those of the current year (Note 5.1.1).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

5.2 Segment Information

Group	Footwear/Retail		Manufacturing Porcelain		Investment	
	2025	2024	2025	2024	2025	2024
	LKR	LKR	LKR	LKR	LKR	LKR
Total Revenue	-	-	1,358,378,555	754,069,016	782,839,489	
Segment Results Gross Profit/(Loss)	-	-	360,309,244	754,069,016	782,839,489	
Finance Cost	-	-	(86,461,441)	(119,220,449)	(16,077,993)	
Finance Income	-	-	33,584,698	-	-	
Change in Fair value of Investment Property	-	-	-	-	-	
Net Results of the Associate	-	-	81,330,952	(196,324,697)		
Profit /(Loss) before Income Tax	-	-	(3,110,515)	1,178,087,087	1,656,515,726	
Income Tax Expense	-	-	5,509,663	5,012,610	(72,930,196)	
Profit/(Loss) after tax for the year from continuing operations	-	-	-	1,633,665	1,183,099,697	1,583,585,530
Profit/(Loss) after tax for the year from discontinued operations	-	(970,727)	-	-	(220,850,713)	
Profit/(Loss) for the year	-	(970,727)	-	1,633,665	1,183,099,697	1,362,734,819
Purchase and construction of Property Plant and Equipment	-	-	5,784,064	514,000	272,650	
Additions to intangible assets	-	-	-	-	-	
Depreciation of Property Plant and Equipment	-	-	34,854,413	1,312,826	2,624,171	
Amortization of intangible assets	-	-	2,127,755	1,008,808	1,014,341	
Gratuity provision and related costs	-	-	5,899,015	2,590,054	3,008,576	
Assets and Liabilities						
Non-Current Assets *	-	-	-	-	4,285,323,443	4,100,369,951
Current Assets	572,188	575,333	-	-	8,293,520,597	3,393,400,671
Investment Property Classified as Held For Sale	-	-	-	-	-	-
Total assets	572,188	575,333	-	-	12,578,844,040	7,493,770,622
Non-Current Liabilities	-	-	-	-	66,413,916	42,379,486
Current Liabilities	3,667,569	3,532,568	-	-	4,618,382,004	108,024,394
Total Liabilities **	3,667,569	3,532,568	-	-	4,684,795,920	150,403,880

* Segment Non current Assets do not include investment in subsidiary and intercompany receivables.

** Segment Liabilities do not include intercompany payables including loans.

Property		IT and related Services		Financial Services		Group	
2025	2024	2025	2024	2025	2024	2025	2024
LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
42,508,662	69,906,282	15,642,606,801	13,233,346,949	1,090,759,200	1,710,015,728	17,529,943,679	17,154,487,003
39,535,286	66,011,193	2,251,120,005	2,172,201,921	1,077,735,108	1,707,057,422	4,122,459,414	5,088,419,267
(14,458,533)	(19,683,974)	(301,141,360)	(369,529,702)	(129,129,267)	(263,721,569)	(563,949,609)	(755,474,680)
141,611,711	182,659,060	22,823,546	64,288,800	66,388,635	105,772,100	230,823,892	386,304,657
18,335,000	313,000,000	-	-	3,770,550	9,500,000	22,105,550	322,500,000
-	-	6,203,677	769,772	-	-	(190,121,020)	82,100,724
321,240,896	641,250,448	79,203,766	79,752,615	650,277,186	1,222,376,705	2,228,808,928	3,596,784,979
(58,863,718)	(240,839,648)	52,753,214	162,350,789	(203,271,528)	(371,256,989)	(203,872,369)	(517,931,864)
262,377,178	400,410,799	131,956,980	242,103,404	447,005,658	851,119,717	2,024,936,566	3,078,853,116
-	-	-	-	-	-	-	(221,821,439)
262,377,178	400,410,799	131,956,980	242,103,404	447,005,658	851,119,717	2,024,936,566	2,857,031,677
1,224,316	105,100	30,015,168	220,387,951	6,972,950	3,340,575	38,726,434	229,890,341
-	-	14,647,993	8,635,873	-	-	14,647,993	8,635,873
450,574	10,107,016	79,757,149	70,077,775	2,180,114	1,361,032	83,700,663	119,024,407
-	-	1,437,539	-	-	-	2,446,347	3,142,096
182,354	281,463	89,667,079	92,885,537	5,032,475	4,536,772	97,471,962	106,611,363
1,388,664,197	1,268,584,675	805,124,790	823,961,369	144,896,205	134,641,173	6,624,008,633	6,327,556,768
1,986,115,912	1,512,585,023	10,726,265,766	8,581,450,116	3,157,411,137	3,729,624,829	24,163,885,602	17,217,635,975
-	-	-	-	-	-	-	-
3,374,780,109	2,781,169,698	11,531,390,556	9,405,411,485	3,302,307,342	3,864,266,002	30,787,894,235	23,545,192,743
257,164,044	227,351,515	781,745,973	813,391,534	63,762,751	64,998,877	1,169,086,683	1,148,121,413
409,405,494	103,837,941	9,120,295,495	7,080,748,623	1,299,227,727	2,309,993,931	15,450,978,290	9,606,137,060
666,569,538	331,189,456	9,902,041,468	7,894,140,158	1,362,990,478	2,374,992,808	16,620,064,973	10,754,258,870

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

6. PROPERTY, PLANT & EQUIPMENT

6.1 Gross Carrying Amounts

Group	Balance As at 01 April 2024	Acquisition of subsidiary	Additions	Disposals	Transfers	Carrying Value As at 31 March 2025
	LKR		LKR	LKR	LKR	LKR
Cost or Valuation						
Freehold Land	145,675,000	-	-	-	(145,675,000)	-
Freehold Buildings	184,325,000	562,425	-	-	(184,325,000)	562,425
Furniture & Fittings	273,178,716	-	27,188,962	(481,760)	-	299,885,918
Computer Equipment	383,983,829	-	6,367,136	(722,455)	-	389,628,509
Motor Vehicle	609,279	102,150	-	-	-	711,429
Office Equipment	40,881,190	44,198	4,887,136	(416,158)	-	45,396,366
Other Equipment	12,033,618	90,538	283,200	-	-	12,407,356
Network Hardware	108,648	-	-	-	-	108,648
Wells	-	230,922	-	-	-	230,922
	1,040,795,280	1,030,233	38,726,434	(1,620,374)	(330,000,000)	748,931,573
	1,040,795,280	1,030,233	38,726,434	(1,620,374)	(330,000,000)	748,931,573

6.2 Accumulated Depreciation

At Cost or Valuation	Balance As at 01 April 2024	Acquisition of subsidiary	Charge for the Year	Disposals	Carrying Value As at 31 March 2025
	LKR		LKR	LKR	LKR
Freehold Building	-	528,678	22,497	-	551,175
Furniture & Fittings	81,557,759	-	25,244,027	(481,760)	106,320,026
Computer Equipment	246,166,884	-	55,643,562	(722,455)	301,087,991
Motor Vehicle	394,029	102,150	63,000	-	559,179
Office Equipment	36,976,292	43,451	1,824,052	(416,158)	38,427,637
Other Equipment	10,972,982	90,537	894,288	-	11,957,807
Network Hardware	65,642	-	27,162	-	92,804
Wells	-	217,067	9,237	-	226,304
	376,133,588	981,883	83,727,825	(1,620,373)	459,222,923

6.3 Net Book Values

	As at 31 March 2025	As at 31 March 2024
	LKR	LKR
At Cost		
Freehold Building	11,250	-
Furniture & Fittings	193,565,892	191,620,957
Computer Equipment	88,540,518	137,816,945
Motor Vehicle	152,250	215,250
Office Equipment	6,968,729	3,904,898
Other Equipment	449,548	1,060,636
Network Hardware	15,844	43,006
Wells	4,618	-
	289,708,649	334,661,692
At Valuation		
Freehold Land	-	145,675,000
Freehold Building	-	184,325,000
	-	330,000,000
	289,708,649	664,661,693

6.4 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of LKR 38,726,434 (2024 - LKR 229,890,341).

6.5 Details of Property, Plant and Equipment pledged for borrowings are disclosed in Note 34.

6.6 Revaluation of Land and Building

6.6.1 The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuers to determine the fair value of its land and buildings.

During the year, the owner-occupied investment property, which had previously been recognized under property, plant and equipment in the consolidated financial statements, has now been reclassified and recognized as an investment property (Note 7).

Summary description of valuation methodologies.

Market Approach / Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities, such as a business

Cost Approach / Contractors method (CM)

The replacement cost (contractor's) method is used to value properties which do not generally exchange on the open market and for which comparable evidence therefore does not exist.

Investment Method

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques

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Year ended 31 March 2025

Details of Group's land and building stated at valuation are indicated below;

Company	Property	Method of Valuation	Value		Valuers Details	Effective Date of Valuation
			2025 LKR	2024 LKR		
Lexinton Holdings (Pvt) Limited	Land at Rajagiriya	Cost Approach/ Investment Method	-	145,675,000	KPMG Real Estate & Valuation Services (Pvt) Ltd	31 March 2024
	Buildings at Rajagiriya	Cost Approach/ Investment Method	-	184,325,000		

6.6.2 Description of Significant Unobservable Inputs to Valuation

The significant assumptions used by the valuer for valuations are follows.

Property	Method of Valuation	Inputs used for measurement	Area	Range	Sensitivity of Fair value to unobservable inputs
Lexinton Holdings (Pvt) Limited 2024					
Freehold Land	Colombo 08	Investment Method	Market Rent per sq. ft	17.15 Perches LKR. 150-200	Positively correlated
Freehold Buildings	Colombo 08			17,150 sq feet	Positively correlated

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

Class of Asset	Net Carrying Amount 2025 LKR	Net Carrying Amount 2024 LKR
Lexinton Holdings (Pvt) Limited		
Freehold Land	-	60,000,000
Freehold Buildings	-	36,800,000
	-	96,800,000

6.7 Company

	As at 01.04.2024 LKR	Additions LKR	Disposals LKR	As at 31.03.2025 LKR
At Cost				
Furniture, Fixtures & Other Equipment	7,391,121	-	-	7,391,121
Computer	29,712,543	514,000	-	30,226,543
Motor Vehicle	187,403	-	-	187,403
Total assets	37,291,067	514,000	-	37,805,066

Depreciation	Balance As at 01.04.2024	Charge for the Year	Disposals	Balance As at 31.03.2025
	LKR	LKR	LKR	LKR
At Cost				
Furniture, Fixtures & Other Equipment	6,803,649	587,472	-	7,391,121
Computer	28,446,663	725,355	-	29,172,018
Motor Vehicle	187,403	-	-	187,403
Total depreciation	35,437,715	1,312,826	-	36,750,542

Net Book Values	2025	2024
	LKR	LKR
At Cost		
Furniture, Fixtures & Other Equipment	-	587,472
Computer	1,054,525	1,265,880
Motor Vehicles	-	-
Total Carrying Amount of Property, Plant & Equipment	1,054,525	1,853,352

6.8 During the financial year the Company acquired Property, Plant & Equipment to the aggregate value of LKR 514,000/- (2024 - LKR.272,650).

6.9 The useful lives of the assets of the companies in the group is estimated as follows.

	2025	2024
Group		
Building on Leasehold Land - Other	5 Years	5 Years
Building on freehold land	10-40 Years	10-40 Years
Furniture & Fittings	4-10 Years	4-10 Years
Computer Equipment	1-4 Years	1-4 Years
Motor Vehicles	4-6 Years	4-6 Years
Office Equipment	4-5 Years	4-5 Years
Other Equipment	8-18 Years	8-18 Years
Water Purification Project	10 Years	10 Years
Company		
The useful lives of the assets of the companies in the group is estimated as follows.		
Furniture, Fixtures & Other Equipment	4 Years	4 Years
Computer	4 Years	4 Years
Motor Vehicle	6 Years	6 Years

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Year ended 31 March 2025

7. INVESTMENT PROPERTY

		2025	2024
	Note	LKR	LKR
Balance as at the beginning of the year		1,035,849,600	2,780,295,600
Disposal of Subsidiaries		-	(2,066,946,000)
Additions		8,969,000	-
Transferred from Property Plant and Equipment	6.1	330,000,000	
Change in fair value of Investment property	7.2.1	22,105,550	322,500,000
Balance as at the end of the year		1,396,924,150	1,035,849,600

7.1 Group's Investment Properties are stated at fair value, fair value has been determined on the basis of future rental income and market price of the Investment Properties are appraised in accordance with SLFRS 13, LKAS 40 and International Valuation Standards.

7.1.1 The Valuation of group's investment properties were carried out by KPMG Real Estate & Valuation Services (Pvt) Ltd professional valuer as at 31 March 2025. KPMG Real Estate & Valuation Services (Pvt) Ltd is a specialist in valuing these types of investment properties

7.2 The Group has reported rental income amounting to LKR 5,019,650/- (2024 - LKR 3,541,353/-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR 2,958,614/- (2024 - LKR 3,895,090/-).

7.2.1 Change in fair value of Investment property includes

Company	Property	Amount (LKR)	
		2025	2024
Lexinton Holdings (Pvt) Ltd*	Rajagiriya	18,335,000	-
Lexinton Resorts (Pvt) Ltd	Kosgoda	-	313,000,000
Ambeon Securities (Pvt) Ltd	Kosgama	3,770,550	9,500,000
		22,105,550	322,500,000

* Reference to Note 6.6.1

7.3 The significant assumptions used by the valuer in the years 2025 and 2024 are as follows.

Company	Property	Method of Valuation	Inputs used for measurement	2025	2024
				LKR	LKR
Ambeon Securities (Pvt) Ltd	Land (Kosgama)	Open Market Value	Per perch rate	115,000	110,000
Lexinton Resorts (Pvt) Ltd	Land (Kosgoda)	Open Market value	Per perch rate	750,000	750,000

7.4 Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2025 and 2024 are as shown below;

Investment Property	Valuation technique	Significant unobservable inputs	Rate LKR	Sensitivity of input to Fair value
Ambeon Securities (Pvt) Ltd				
As at 31 March 2025				
Land 1,162.37 perches	Open Market value	Per perch rate	115,000	Positively Correlated
As at 31 March 2024				
Land 1,162.37 perches	Open Market value	Per perch rate	110,000	Positively Correlated
Lexinton Resorts (Pvt) Ltd				
As at 31 March 2025				
Land 1373.1 perches	Open Market value	Per perch rate	750,000	Positively correlated
As at 31 March 2024				
Land 1345.62 perches	Open Market value	Per perch rate	750,000	Positively correlated

Lexinton Holdings (Pvt) Ltd
2025

Valuation Technique Income Approach

Description	Summary of the Inputs for DCF	
	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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

7.4 Description of significant unobservable inputs to valuation contd.

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.

8. 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	-	-	-

8.1 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 was expired on 17th January 2023. However, the renewal process is currently underway, and the Board remains confident in securing an extension of the lease agreement for an additional 30-year period.

8.1.2 Gain on Change in Fair Value of Biological Assets

	Balance as at 01.04.2024	Acquisition	Gain on Change in Fair Value of Biological Assets	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

8.2 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 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.

8.2.1 Sensitivity Analysis

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

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

8.4 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.

9. INTANGIBLE ASSETS

		2025	2024
	Note	LKR	LKR
Group			
Goodwill	9.1	982,533,672	847,041,840
Computer Software	9.2	24,971,452	12,769,805
Brand Name	9.3	314,920,960	314,920,960
License Fees	9.4	22,161,458	22,161,458
		1,344,587,542	1,196,894,063
9.1 Goodwill			
Balance at the beginning of the year		847,041,840	888,519,950
Disposal of Subsidiary		-	(41,478,110)
Acquired during the year		135,491,832	
Balance at the end of the year		982,533,672	847,041,840

9.1.1 Goodwill represents the excess of an acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities as at the date of acquisition, and is carried at cost less accumulated impairment losses.

Goodwill is not amortized, but is reviewed for impairment annually and if there is an indication Goodwill may be impaired. For the purpose of testing goodwill for impairment, goodwill is allocated to the operating entity level, which is the lowest level at which the goodwill is monitored for internal management purpose.

9.2 Software

		2025	2024
	Note	LKR	LKR
Balance at the beginning of the year		12,769,805	20,294,551
Additions during the period		14,647,994	8,635,873
Disposal of Subsidiaries		-	(13,018,524)
Amortization during the period		(2,446,347)	(3,142,096)
Balance at the end of the year	9.2.1	24,971,452	12,769,805

9.2.1 Software of the Group represents the ERP system and project related software.

9.3 Brand Names

		2025	2024
	Note	LKR	LKR
Balance at the beginning of the year		314,920,960	324,644,574
Disposal of Subsidiaries		-	(9,723,614)
Balance at the end of the year	9.5	314,920,960	314,920,960

9.3.1 The management identified the brand name of Millennium I.T.E.S.P (Pvt) Limited as an intangible asset with an indefinite useful life arising from business combination. The management is of the view that the brand name will be a key attraction in the Information Technology Sector. The brand name has been tested for impairment along with other intangible assets of the Millennium I.T.E.S.P (Pvt) Ltd as further explained under note 9.5.

9.4 License Fees

		2025	2024
		LKR	LKR
Balance at the beginning of the year		22,161,458	22,161,458
Balance at the end of the year		22,161,458	22,161,458

9.4.1 License cost pertaining to the share broking business license which have a infinite useful life time.

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Year ended 31 March 2025

9.5 Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

The aggregate carrying amount of Goodwill and Brand Name allocated to each CGU is as follows;

	At the Beginning of the year	Dispose of Saubsidiary during the period	Acquired during the year	At the End of the year
	LKR	LKR	LKR	LKR
Goodwill				
IT and Related Services-Millennium I.T E.S.P (Pvt) Ltd	847,041,840	-	135,491,832	982,533,672
	847,041,840	-	135,491,832	982,533,672
Brand Name				
IT and Related Services-Millennium I.T E.S.P (Pvt) Ltd	314,920,960	-	-	314,920,960
	314,920,960	-	-	314,920,960

9.5.1 Impairment of goodwill

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

Gross margins

The basis used to determine the value assigned to the budgeted gross margins/contributions is the gross margins/contributions achieved in the year preceding the budgeted year adjusted for projected market conditions.

Discount rates (Weighted Average Cost of Capital)

The discount rate used is the risk free rate which is the long term bond rate as published by Central Bank of Sri Lanka, adjusted by the addition of an appropriate risk premium (Note 11.3).

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions as published by Central Bank of Sri Lanka.

Terminal growth rate

Volume growth has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to four years immediately subsequent to the budgeted year based on Industry growth rates. Cash flows beyond the five year period are extrapolated using 3% growth rate.

* Details of Assumptions and related disclosures are further described in the Note 11 of this financial statements.

9.6 Company

	2025	2024
	LKR	LKR
Computer Software (Note 9.6.1)	3,125,124	4,133,935
	3,125,124	4,133,935

9.6.1 Software

	2025	2024
	LKR	LKR
Balance at the beginning of the year	4,133,935	5,148,276
Amortization during the period	(1,008,811)	(1,014,341)
Balance at the end of the year	3,125,124	4,133,935

10. RIGHT OF USE ASSETS

Group

Right of use assets

The Group recognises right of use assets when the underlying asset is available for use. Right of use assets are measured at fair value, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right of use assets are subject to impairment.

* Notes and disclosures relating to Lease Liability are described in the Note 20.1.

10.1 Right to Use Assets

	As At 01.04.2024	Acquisition	Impact of Modification	Additions	Amortization	As At 31.03.2025
	LKR	LKR	LKR	LKR	LKR	LKR
Right to Use Asset - Land & Building	377,191,787	4,162,795	3,157,709	80,428,622	(59,853,395)	405,087,518
	377,191,787	4,162,795	3,157,709	80,428,622	(59,853,395)	405,087,518

Security: Absolute ownership of the assets under lease will be with the lessor until the expiration of the lease period.

10.2 This represents the lease arrangement for rented office premises as per the SLFRS 16.

10.3 In determining the Right of Use Assets, the Group has assessed the impact of the Pandemic and current economic conditions. Accordingly the Group does not foresee any impairment of right of use assets. Further Group does not anticipate discontinuation of any Right-of-Use Assets as at the reporting date and the lease liability is not reassessed as there are no known moratoriums received for the lease payments so far.

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Year ended 31 March 2025

10.4 Right of use Assets

Company

10.4.1 Right to Use Assets

	As At 01.04.2024	Impact of Modification	Additions	Amortization	As At 31.03.2025
	LKR	LKR	LKR	LKR	LKR
Right to Use Asset - Land & Building	-	-	80,428,622	(13,404,770)	67,023,852
	-	-	80,428,622	(13,404,770)	67,023,852

11. INVESTMENT IN SUBSIDIARIES

Company

11.1 Investments in Equity Securities - Quoted

	Holding		2025	2024
	2025	2024	Fair Value	Fair Value
			LKR	LKR
Colombo City Holdings PLC	77.63%	77.63%	1,988,927,810	1,799,321,887
			1,988,927,810	1,799,321,887

11.2 Investments in Equity Securities - Unquoted

	Holding		2025	2024
	2025	2024	Fair Value	Fair Value
			LKR	LKR
Millennium I.T.E.S.P. (Pvt) Ltd	0.42%	0.42%	17,257,900	20,573,400
Palla & Company (Pvt) Ltd	99.90%	99.90%	-	-
Taprobane Capital Plus (Pvt) Ltd	100.00%	100.00%	1,185,968,200	929,375,550
Eon Tec (Pvt) Ltd	78.00%	78.00%	1,663,558,000	1,637,689,219
Green Field Ventures (Pvt) Ltd	100.00%	-	469,544,751	-
			3,336,328,851	2,587,638,169
Total Carrying Value of Investments			5,325,256,661	4,386,960,056

11.2.1 Investment in Subsidiary Movement

	At the Beginning of the Year	Disposal	Change in Fair value	Acquisition	At the end of the Year
	LKR	LKR	LKR	LKR	LKR
2025	4,386,960,056	-	138,296,044	800,000,000	5,325,256,661
2024	8,054,084,712	(4,015,614,018)	348,489,362	-	4,386,960,056

Investment in Subsidiaries are stated at fair value, fair value has been determined in accordance with SLFRS 13 . Professional valuation was performed by KPMG for the year ended 31 March 2025 and for 31 March 2024.

11.2.2 Investments in Sub Subsidiaries/ associate entity effective holdings

Sub Subsidiaries	Investor	Effective Holding %		Principal Activity	Place of Principal Business	
		2025	2024			
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	100.00	Carrying out Margin Trading - No operation During the year.	No. 100/1, Elvitigala Mawatha, Colombo 08	
Palla & Company (Pvt) Ltd	Ambeon Holdings PLC	99.99	99.99	Manufacturing shoes for export market - No operation During the year.	No. 100/1, Elvitigala Mawatha, Colombo 08	
Dankotuwa Porcelain PLC *	Ambeon Holdings PLC	22.41	22.41	Manufacturing and selling of porcelain tableware to export and local markets	Factory and the showroom, Kurunegala Road, Dankotuwa	
Dankotuwa Porcelain Singapore Pte Ltd*	Dankotuwa Porcelain PLC			Manufacturing and selling of porcelain tableware -No operations during the year	No. 3, Shenton Way,# 10 - 05, Shenton House, Singapore	
Royal Fernwood Porcelain Ltd*	Dankotuwa Porcelain PLC			Manufacturing and selling of porcelain tableware to export and local markets	Werellamandiya Estate, Police station road, Kosgama	
Lanka Decals (Pvt) Ltd*	Royal Fernwood Porcelain Ltd			-	- Manufacturing Decals - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Fernwood Lanka (Pvt) Ltd*	Royal Fernwood Porcelain Ltd			-	- Selling of porcelain tableware to domestic market - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Colombo City Holdings PLC	Ambeon Holdings PLC	77.63	77.63	Real estate Management	No. 100/1, Elvitigala Mawatha, Colombo 08	
Taprobane Investments (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	100.00	Money Broking	No. 100/1, Elvitigala Mawatha, Colombo 08	
Ambeon Securities (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	100.00	Share Broking	No. 100/1, Elvitigala Mawatha, Colombo 08	
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	100.00	100.00	Corporate Finance	No. 100/1, Elvitigala Mawatha, Colombo 08	
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	100.00	100.00	Investment Management	No. 100/1, Elvitigala Mawatha, Colombo 08	
Eon Tech (Pvt) Ltd*	Ambeon Holdings PLC	100.00	78.00	Investment Holding	No. 100/1, Elvitigala Mawatha, Colombo 08	
Lexinton Holdings (Pvt) Ltd	Colombo City Holdings PLC	77.63	77.63	Real estate Management	No. 100/1, Elvitigala Mawatha, Colombo 08	
Millennium I.T.E.S.P (Pvt) Ltd*	Eon Tech (Pvt) Ltd	64.78	50.62	IT Solutions	450D, R A De Mel Mawatha, Colombo 03	
Millennium I.T.E.S.P Singapore Pte Ltd*	Millennium I.T.E.S.P (Pvt) Ltd	64.78	50.62	IT Solutions	531A, Upper Cross Street, Hong Lim Complex, Singapore	
M I.T.E.S.P Trading LLC*	Millennium I.T.E.S.P (Pvt) Ltd	64.78	50.62	IT Solutions	#3002-032, Al Moosa Tower 2, 30th Floor - Sheikh Zayed Rd, Dubai, United Arab Emirates	
M I.T.E.S.P Bangladesh Pvt Ltd*	Millennium I.T.E.S.P (Pvt) Ltd	64.78	50.62	IT Solutions	Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka, Bangladesh	

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11.2.2 Investments in Sub Subsidiaries/ associate entity effective holdings contd.

Sub Subsidiaries	Investor	Effective Holding %		Principal Activity	Place of Principal Business
		2025	2024		
Infoseek (Pvt) Ltd	Millennium I.T.E.S.P (Pvt) Ltd	39.00	39.00	An innovative Cloud based Human Resource Information System named as MintHRM	No 16A, Straford Avenue, Colombo 06
Sherwood Capital (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	60.00	60.00	Bond trading and treasury management	No. 100/1, Elvitigala Mawatha, Colombo 08
Lexinton Resorts (Pvt) Ltd	Colombo City Holdings PLC	77.63	77.63	Real estate Management	No. 100/1, Elvitigala Mawatha, Colombo 08
Heron Agro Products (Pvt) Ltd**	Colombo City Holdings PLC	77.63	-	Estate Management	No. 100/1, Elvitigala Mawatha, Colombo 08
Greenfield Ventures (Pvt) Ltd*	Ambeon Holdings PLC	100.00	-	Investment Holding	No. 100/1, Elvitigala Mawatha, Colombo 08

* On 4 April 2024, Ambeon Holdings PLC acquired 100% of the issued shares of Green Field Ventures (Pvt) Ltd, which holds 22% of the shares in EonTec (Pvt) Ltd ("Eon Tec"), for a total consideration of LKR 800 million. As a result, Eon Tec (Pvt) Ltd has an effective holding of 100%. Eon Tec directly holds 64.36% of the issued ordinary shares, while Ambeon Holdings directly holds 0.42%, bringing the total effective holding to 64.78% of Millennium I.T.E.S.P (Pvt) Ltd.

** On 7th October 2024, Colombo City Holdings PLC purchased 740,000 ordinary shares of Heron Agro Products (Pvt) Ltd for a total consideration of Rs. 1, representing 100% of its issued ordinary shares. Subsequently, on 31st December 2024, Colombo City Holdings PLC converted its receivable balance of Rs. 74.1 million from Heron Agro Products (Pvt) Ltd into equity as a further investment. Ambeon Holdings PLC holds 77.63% of Colombo City Holdings PLC, and accordingly, holds an effective interest of 77.63% in Heron Agro Products (Pvt) Ltd.

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

Details of investment in subsidiaries stated at fair value included below Fair value Techniques, basis and assumption.

Company	Valuation Techniques	Significant Inputs	Significant Assumption	FV Level	2025	2024	Effective date
Millennium I.T.E.S.P. (Pvt) Ltd	Discounted Cashflow Method	Cash Flow Forecast	WACC **	Level 3	16.40%	18.40%	31-Mar
			Terminal Growth Rate		3%	5.90%	
Colombo City Holdings PLC	Net Assets Value	-	-	Level 3	-	-	31-Mar
Taprobane Capital Plus (Pvt) Ltd	Net Assets Value	-	-	Level 3	-	-	31-Mar

** Weighted Average Cost of Capital

11.4 Sensitivity Analysis

Company	Weighted Average Cost of Capital	Terminal Growth Rate	2025		2024	
			Effect on Profit or Loss Statement	Effect on Statement of Financial Position	Effect on Profit or Loss Statement	Effect on Statement of Financial Position
			LKR	LKR	LKR	LKR
Millennium I.T E.S.P (Pvt) Ltd	1%		(614,595,700)	(614,595,700)	(334,700,000)	(334,700,000)
	-1%		716,482,900	716,482,900	392,800,000	392,800,000
		1%	500,502,900	500,502,900	439,100,000	439,100,000
		-1%	(431,084,400)	(431,084,400)	(374,200,000)	(374,200,000)

12. OTHER NON-CURRENT FINANCIAL ASSETS

12.1 Non Current Investments

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Financial Assets at Amortized Cost					
Deposit with Colombo Stock Exchange		1,000,000	1,000,000	-	-
Investments in Government Securities		8,249,904	7,805,961	-	-
Loans and Receivables	15.3	2,057,812,664	1,851,630,899	2,057,812,664	1,851,630,899
		<u>2,067,062,568</u>	<u>1,860,436,860</u>	<u>2,057,812,664</u>	<u>1,851,630,899</u>

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Group

The Group has invested in Infoseek (Private) Limited, a company providing IT Services and Dankotuwa Porcelain PLC , a company manufacturing porcelain tableware to export and domestic market. The Group's interest in Dankotuwa Porcelain PLC and Infoseek (Private) Limited are accounted for using the equity method in the Consolidated Financial Statements upto the disposal date. The following table illustrates the summarized Financial Information of the Group's investment in equity accounted investments.

Company	Group				Company			
	No of Shares	Effective Holding %	2025 LKR	2024 LKR	No of Shares	Effective Holding %	2025 LKR	2024 LKR
Quoted								
Dankotuwa Porcelain PLC	36,422,571	22%	858,852,646	1,081,394,953	36,422,571	22%	858,852,645	1,081,394,953
Un-quoted								
Infoseek (Private) Limited	39	39%	48,847,792	42,644,115	-	-	-	-
			<u>907,700,438</u>	<u>1,124,039,068</u>			<u>858,852,645</u>	<u>1,081,394,953</u>

* Market value of the investment in Dankotuwa Porcelain PLC as of the reporting period end was LKR 23.10. However, based on the assessment, the impairment was recognized for the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE CONTD.

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Opening Balance	1,124,039,068	41,874,323	1,081,394,953	-
Fair value of Investment transferred	-	983,409,417	-	983,409,417
Share of result of equity accounted investee	(172,629,764)	98,755,308	(178,833,442)	97,985,536
Impairment of Investment	(43,708,866)	-	(43,708,866)	-
Carrying amount as at the end of the year	907,700,438	1,124,039,068	858,852,645	1,081,394,953

Summarized Financial Information

Share of Associates' Statement of Financial Position;	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Total Assets	1,681,642,816	1,816,847,537	1,638,973,744	1,778,120,294
Total Liabilities	(1,011,299,421)	(973,766,013)	(991,156,931)	(950,040,923)
Carrying amount of Associates	670,343,395	843,081,523	647,816,813	828,079,371
Share of Revenue, Profit/(Loss) of the Equity Accounted investee				
Share of Revenue	917,525,737	1,153,410,800	862,688,827	1,094,450,421
Share of Profit/(Loss)	(190,121,020)	82,100,724	(196,324,697)	81,330,952
Share of the Associate Other Comprehensive Income	17,491,255	16,654,584	17,491,255	16,654,584

14. INVENTORIES

	Note	Group	
		2025	2024
		LKR	LKR
Project work in Progress		2,450,493,499	1,384,524,902
Inventories held for resale		3,478,695	-
Maintenance Inventory		167,502,929	155,770,304
Less : Allowance for Obsolete & Slow Moving Inventories	14.1	(127,553,606)	(124,602,262)
		2,493,921,517	1,415,692,944

14.1 Allowance for Obsolete & Slow Moving Inventories

	Group	
	2025	2024
	LKR	LKR
Balance at the beginning of the year	124,602,262	427,985,539
Provision made during the year	2,951,344	5,097,431
Disposal of Subsidiary	-	(298,686,281)
Inventory Write-off	-	(9,794,427)
Balance at the End of the year	127,553,606	124,602,262

15. TRADE AND OTHER RECEIVABLES

15.1 Summary

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Trade Debtors - Other		7,090,134,693	7,820,785,233	-	-
Trade Debtors -Related parties	15.2	8,618,501	8,012,081	-	-
Less: Allowance for Bad & Doubtful Debtors	15.1.1	(534,373,938)	(1,247,391,949)	-	-
		6,564,379,256	6,581,405,365	-	-
Other Receivables - Related Party	15.2	1,647,574	14,998,694	201,211,601	216,530,408
- Other		269,991,425	230,198,618	250,854,539	204,822,184
Loan Receivables	15.3	1,577,792,621	1,349,911,515	873,404,309	1,099,804,361
Less: Allowance for Bad & Doubtful Debtors	15.1.1	(391,049,681)	(384,147,454)	(1,203,509,508)	(1,203,509,508)
		8,022,761,195	7,792,366,738	121,960,941	317,647,445
Advances and Prepayments		458,008,210	554,066,674	10,470,645	4,947,940
		8,480,769,405	8,346,433,412	132,431,586	322,595,385

15.1.1 Allowance for Bad & Doubtful Debtors

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Balance at the beginning of the year	1,631,539,403	1,800,004,540	1,203,509,508	1,022,627,410
Provision/(Reversal and write-off) made during the year	(31,310,176)	(94,098,353)	-	2,746,573
Write Off	(674,805,609)	(1,864,475)	-	(1,864,475)
Transfer from non current	-	180,000,000	-	180,000,000
Disposal of Subsidiary	-	(252,502,309)	-	-
Balance at the End of the year	925,423,619	1,631,539,403	1,203,509,508	1,203,509,508

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Year ended 31 March 2025

15.2 Trade & Other Receivables - Related Party

	Relationship	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Trade Receivables - Related Party					
Dankotuwa Porcelain PLC	Associate	-	3,412,750	-	-
Royal Fernwood Porcelain (Pvt) Ltd	Affiliate	-	4,599,331	-	-
		-	8,012,081	-	-
Other Receivables - Related Party					
Taprobane Investments (Pvt) Ltd	Sub-Subsidiary	-	-	(816)	-
Palla & Co. (Pvt) Ltd	Subsidiary	-	-	1,682,239	1,682,239
Dankotuwa Porcelain PLC	Associate	726,848	1,103,256	726,155	-
Royal Fernwood Porcelain (Pvt) Ltd	Affiliate	-	1,186,920	-	1,080,000
Colombo City Holdings PLC	Subsidiary	-	-	1,090	-
Olancom (Pvt) Ltd	Subsidiary	-	-	195,537,603	195,537,603
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	-	10,200,000	-	10,200,000
Ambeon Capital PLC	Immediate Parent	8,617,808	2,458,519	-	-
Sherwood Capital (Pvt)Ltd	Sub-Subsidiary	921,419	-	100	100
Millennium I.T.E.S.P (Pvt) Ltd	Sub-Subsidiary	-	-	3,215,230	4,846,525
Ambeon Securities (Pvt) Ltd	Sub-Subsidiary	-	-	-	3,133,941
Eon Investments (Pvt) Ltd	Affiliate	-	50,000	50,000	50,000
		10,266,075	14,998,694	201,211,601	216,530,408

15.3 Loan Receivables - Group

	Relationship	2025 Amount	2025 Amount	2025	2024 Amount	2024 Amount	2024
		Receivable	Receivable	Total	Receivable	Receivable	Total
		Within 1 Year	After 1 Year	LKR	Within 1 Year	After 1 Year	LKR
		LKR	LKR	LKR	LKR	LKR	LKR
Group Companies							
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	-	-	-	439,441,926	-	439,441,926
Ambeon Capital PLC	Immediate Parent	1,352,758,256	2,057,812,664	3,410,570,920	684,266,858	1,851,630,899	2,535,897,757
Loans to Company Officers							
(Note 15.3.2)	Employees	297,260	-	297,260	1,465,626	-	1,465,626
Others							
D.B. Exim (Pvt) Ltd **		19,307,143	-	19,307,143	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd **		205,429,962	-	205,429,962	205,429,962	-	205,429,962
		1,577,792,621	2,057,812,664	3,635,605,285	1,349,911,515	1,851,630,899	3,201,542,414

* Loan Balances Receivable from D.B. Exim (Pvt) Limited & Ceylon Leather Products Manufactures (Pvt) Ltd have been fully provided considering the recoverability assessment carried out by the management.

Company Loan Obtained	Company Loan Granted	Rate	Period	Amount LKR
Ambeon Capital PLC	Ambeon Holdings PLC	11%	36 Months	2,057,812,664
	Taprobane Wealth Plus (Pvt)Ltd	AWPLR + 1.5%	12 Months	6,472,529
	Lexinton Holdings (Pvt) Ltd	AWPLR + 0.5%	12 Months	346,285,727
	Millennium I.T.E.S.P.(Pvt) Ltd	AWPLR + 1.5%	12 Months	1,000,000,000
				3,410,570,920

15.3.1 Loan Receivables - Company

	Relationship	2025 Amount Receivable Within 1 Year LKR	2025 Amount Receivable After 1 Year LKR	2025 Total LKR	2024 Amount Receivable Within 1 Year LKR	2024 Amount Receivable After 1 Year LKR	2024 Total LKR
Group Companies							
Olancom (Pvt) Ltd	Subsidiary	648,667,204	-	648,667,204	648,667,204	-	648,667,204
Ambeon Capital PLC	Immediate Parent	-	2,057,812,664	2,057,812,664	-	1,851,630,899	1,851,630,899
Ambeon Consolidated (Pvt) Ltd	Ultimate Parent	-	-	-	226,400,052	-	226,400,052
Others							
D.B. Exim (Pvt) Ltd**		19,307,143	-	19,307,143	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd***		205,429,962	-	205,429,962	205,429,962	-	205,429,962
		873,404,309	2,057,812,664	2,931,216,973	1,099,804,361	1,851,630,899	2,951,435,260

* Loan Balances Receivable from D.B. Exim (Pvt) Limited, Olancom (Pvt) Ltd & Ceylon Leather Products Manufactures (Pvt) Ltd have been fully provided considering the recoverability assessment carried out by the management.

	Payment on or Before	Interest Rate	As at 01 April 2024 LKR	Loans Granted LKR	Loans Settled LKR	Interest Accrued During the year LKR	As at 31 March 2025 LKR
Group Companies							
Olancom (Pvt) Ltd	28 Sep 2015	-	648,667,204	-	-	-	648,667,204
Ambeon Capital PLC	36 Months	11%	1,851,630,899	-	-	206,181,765	2,057,812,664
Ambeon Consolidated (Pvt) Ltd	27 Months	AWPLR+1.5%	226,400,052	-	(230,199,456)	3,799,404	-
Others							
D.B. Exim (Pvt) Ltd	15 September 2018	-	19,307,143	-	-	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd	Within 31 Months	-	205,429,962	-	-	-	205,429,962
			2,951,435,259	-	(230,199,456)	209,981,169	2,931,216,972

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

15.3.2 Loans to Company Officers

	Group	
	2025	2024
	LKR	LKR
Balance at the beginning of the year	1,465,626	722,999
Loans granted during the year	-	742,627
Less : Repayments during the year	(1,168,366)	-
Balance at the end of the year	297,260	1,465,626

16. OTHER FINANCIAL INVESTMENTS

Financial Instrument	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Fair Value through Profits or Losses					
Quoted Equities at Market Value	16.1 & 16.3	6,516,462,496	258,941,536	5,817,309,847	152,988,037
Government Securities		5,579,072,116	5,310,706,616	2,305,942,094	2,544,855,167
Fair Value through OCI					
Quoted Equities at Market Value	16.2	-	207,666,821	-	207,666,821
Financial Instrument - at Amortized cost					
Bank Deposits & Government Securities		150,560,397	1,159,627,428	37,690,119	141,227,613
		12,246,095,009	6,936,942,401	8,160,942,060	3,046,737,638

Financial assets has been reclassified as per SLFRS 9 "Financial Instruments", details have been disclosed in Note 37.

16.1 Investments in Equity Securities - Group

	No of Shares		Cost	Market Value	Cost	Market Value
	2025	2024	2025	2025	2024	2024
			LKR	LKR	LKR	LKR
Incorporated in Sri Lanka						
Fair Value through Profits or Losses						
John Keells Holdings PLC	13,119,728	-	297,703,104	265,018,506	-	-
Seylan Bank PLC	26,274,482	-	1,617,215,227	1,904,824,936	-	-
Aitken Spence PLC	399	399	88,785	53,067	88,785	51,970
Hayleys PLC	200,000	2,835,192	27,597,647	27,400,000	236,544,299	232,769,263
Royal Ceramics Lanka PLC	-	500,000	-	-	25,661,490	15,550,000
Access Engineering PLC	500,000	-	20,992,652	19,250,000	-	-
Swisstec (Ceylon) PLC	-	553,419	-	-	24,215,091	10,570,303
Melstacorp PLC	264,554	-	34,743,994	33,598,358	-	-
Ambeon Capital PLC	45	-	-	1,328	-	-
Sampath Bank PLC	920,837	-	86,034,783	112,802,533	-	-
DFCC Bank PLC	38,628,478	-	3,272,389,238	4,112,368,668	-	-
Teejay Lanka PLC	500,000	-	26,444,850	25,500,000	-	-
R I L Property PLC	1,000,000	-	16,225,000	15,100,000	-	-
Pan Asian Power PLC	79,000	-	513,500	545,100	-	-
Total Carrying Value of Investment			5,399,948,780	6,516,462,496	286,509,665	258,941,536

16.2 Fair Value through OCI - Group & Company

	No Of Shares		Cost	Market Value	Cost	Market Value
	2025	2024	2025	2025	2024	2024
Pan Asia Banking Corporation PLC	-	9,749,616	-	-	182,805,300	207,666,821

Total number of Pan Asia Banking PLC shares of 9,749,616 was disposed during the year. The loss was offset against the fair value reserve under Other Comprehensive Income.

Financial assets has been reclassified as per SLFRS 9 "Financial Instruments", details have been disclosed in Note 37.

16.3 Investments in Equity Securities - Company

	No of Shares		Cost	Market Value	Cost	Market Value
	2025	2024	2025	2025	2024	2024
	LKR	LKR	LKR	LKR	LKR	LKR
Seylan Bank PLC	26,274,482	-	1,617,215,227	1,904,899,945	-	-
Hayleys PLC	-	1,545,283	-	-	176,827,817	126,867,734
Royal Ceramics Lanka PLC-	-	500,000	-	-	25,661,490	15,550,000
Swisstec (Ceylon) PLC	-	553,419	-	-	24,215,091	10,570,303
DFCC Bank PLC	33,460,744	-	2,827,056,450	3,546,838,864	-	-
Sampath Bank PLC	820,837	-	73,834,783	100,552,533	-	-
John Keells Holdings PLC	13,119,728	-	297,703,104	265,018,506	-	-
Total Carrying Value of Investment			4,815,809,564	5,817,309,847	226,704,398	152,988,037

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

17. STATED CAPITAL

	2025		2024	
	Number	LKR	Number	LKR
Fully Paid Ordinary Shares beginning of the year	356,869,666	5,331,775,177	356,869,666	5,331,775,177
Fully Paid Ordinary Shares end of the year	356,869,666	5,331,775,177	356,869,666	5,331,775,177

18. DIVIDEND PER SHARE

	Company			
	2025		2024	
	PER SHARE/ LKR	LKR	PER SHARE/ LKR	LKR
Equity dividend on ordinary shares declared and paid during the year				
Interim Paid	-	-	1.70	606,678,432
Total Dividend	-	-	1.70	606,678,432

19. OTHER COMPONENTS OF EQUITY

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Revaluation Reserves	19.1	-	92,585,107	-	-
General Reserve	19.2	220,140	220,140	220,140	220,140
Foreign Currency Translation Reserve	19.3	(5,435,505)	(8,032,363)	-	-
Fair Value Through Other comprehensive Income	19.5	-	24,861,524	-	24,861,524
Other Reserves		3,100,000	3,100,000	3,100,000	3,100,000
		(2,115,365)	112,734,407	3,320,140	28,181,664

	Attributable to Equity Holders of Parent	
	Revaluation Reserves	Foreign Currency Translation Reserve
	LKR	LKR
Beginning of the year	92,585,105	(8,032,363)
During the year change	(92,585,105)	2,596,858
End of the year	-	(5,435,505)

19.1 Land & Buildings of subsidiaries have been revalued during the last year by independent incorporated valuers, KPMG Real Estate & Valuation Services (Pvt) Ltd. The said land and buildings were valued based on Income Approach.

19.2 General Reserve represents amounts set aside by the Directors for general application.

19.3 As at the reporting date, the assets and liabilities of the Millennium I.T E.S.P (Pvt) Ltd were translated into the presentation currency at the exchange rate prevailing at the reporting date and the Profit or Loss is translated at the average exchange rate for the period. The exchange rate differences arising on the translation were taken directly in to Currency Conversion Reserve, which is classified as a part of equity.

19.4 Net foreign Exchange Difference

	Group	
	2025	2024
	LKR	LKR
Loss from Foreign Currency Translation during the year	4,008,735	(10,478,253)
	4,008,735	(10,478,253)

19.5 Fair Value Through Other comprehensive Income

	2025
	LKR
Opening Balance -01.04.2024	24,861,524
Equity Share Disposal loss	(12,694,906)
Transfer from FVTOCI to Retained Earnings	(12,166,618)
	-

20. INTEREST BEARING LOANS AND BORROWINGS

Summary - Group	Note	2025 Amount	2025 Amount	2025 Total	2024 Amount	2024 Amount	2024 Total
		Repayable Within 1 Year	Repayable After 1 Year		Repayable Within 1 Year	Repayable After 1 Year	
		LKR	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	20.1	55,078,873	492,541,543	547,620,416	14,950,365	469,814,542	484,764,906
Bank Loans	20.2	1,008,949,646	-	1,008,949,646	920,527,735	-	920,527,735
Short Term Loans	20.3	7,622,895,836	-	7,622,895,836	2,675,956,285	-	2,675,956,285
Bank Overdraft		152,416,890	-	152,416,889	279,019,088	-	279,019,088
Loans from Related Parties	20.4	-	-	-	5,739,310	-	5,739,310
		8,839,341,245	492,541,543	9,331,882,787	3,896,192,783	469,814,542	4,366,007,324

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

20.1 Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below are the carrying amounts of lease liabilities on leasehold properties and the movements for the year ended 31 March 2025

Lease Liabilities	01.04.2024	Obtained	Interest Cost	Repayment	Disposal of Subsidiary	31.03.2025
	LKR	LKR	LKR	LKR	LKR	LKR
Lease Liability	484,764,907	89,901,748	72,264,376	(99,310,615)	-	547,620,416
	484,764,907	89,901,748	72,264,376	(99,310,615)	-	547,620,416

	2025 Within 1 Year	2025 After 1 Year	2025 Total	2024 Within 1 Year	2024 After 1 Year	2024 Total
	LKR	LKR	LKR	LKR	LKR	LKR
Gross Liability	124,755,202	783,207,040	907,962,241	82,000,000	765,380,000	847,380,000
Finance Charges allocated to future periods	(69,676,329)	(290,665,497)	(360,341,825)	(67,049,635)	(295,565,458)	(362,615,094)
Net liability	55,078,873	492,541,543	547,620,416	14,950,365	469,814,542	484,764,906

* Notes and disclosures relating to Lease Assets are described in the Note 10.

20.1.1 This represents the rented office premises lease and Land liabilities as per the SLFRS 16.

20.2 Bank Loans

	At the Beginning of the Year	Loans Obtained	Repayment	Accrued interest	Disposal of Subsidiary	At The End of the year
		LKR	LKR	LKR	LKR	LKR
2025	920,527,735	5,021,399,268	(4,932,693,916)	(283,441)	-	1,008,949,646
2024	1,331,764,933	3,408,509,806	(2,733,247,693)	(17,601,475)	(1,068,897,837)	920,527,735

20.2.1 Terms and conditions

Company	Lender/rate of interest	2025	2024	Repayment	Security
		LKR	LKR		
Millennium I.T.E.S.P (Pvt) Limited	The Hongkong and Shanghai Banking Corporation Limited - Import Finance loan (Overnight COF+1.25% per annum)	825,720,445	920,527,735	within 180 Days	Mortgage over Inventory and debtors
	Commercial Bank - Import Finance loan - Monthly AWPLR + 1%	97,048,339	-	-	-
	Sampath Bank PLC - Import Finance loan (Month AWPLR+ 1% p.a)	44,860,623	-	-	-
	DFCC Bank PLC - Import Finance loan (Weekly AWPLR+ 1.25% p.a)	41,320,239	-	-	-
		<u>1,008,949,646</u>	<u>920,527,735</u>		

20.3 Short Term Loan

	At the Beginning of the Year	Loans Obtained	Repayment	Disposal of Subsidiary	Exchange Gain/(Loss)	Accrued Interest	At The End of the year
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
2025	2,675,956,285	148,920,639,658	(144,198,125,389)	-	-	224,425,282	7,622,895,836
2024	3,149,892,905	192,547,161,350	(193,153,908,059)	(118,175,653)	-	250,985,743	2,675,956,285

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

20.3.1 Terms and Conditions

Company	Lender/rate of interest	2025	2024	Repayment	Security
		LKR	LKR		
Sherwood Capital Pvt Ltd	Seylan Bank PLC - Reverse Repo 9.50% p.a.	16,256,907	1,471,908,205	Overnight	Bond Face Value - Rs:18,200,000/-
	DFCC Bank PCL - Reverse Repo 9% p.a.	250,961,328	-	Repayment - 7 Days	Bond Face Value - Rs:266,000,000/-
	Cargills Bank PLC - Reverse Repo 9% p.a.	200,197,260	-	Overnight	Bond Face Value - Rs:214,000,000/-
	Union Bank of Colombo PLC - Reverse Repo 8.80% p.a.	500,482,192	-	Repayment - 7 Days	Bond Face Value - Rs:557,000,000/-
	Colombo City Holdings PLC - Reverse Repo (Market rate)	290,904,232	-	-	Bond Face Value - Rs:332,000,000/-
Ambeon Holdings PLC	Seylan Bank PLC - Short term loan (1 M AWPLR+2% p.a. floor rate 10% p.a.)	500,000,000	-	Repayment period - 120 Days	Pledged 34,942,085 Shares of Dankotuwa Porcelain PLC and 8,000,000 Shares of Colombo City Holdings PLC
	- Reverse Repo (Market rate)	1,632,000,000	-	Weekly basis	Bond Face Value - Rs:1,750,000,000
	DFCC Bank PLC - Reverse Repo (Market rate)	396,000,000	-	Weekly basis	Bond Face Value - Rs:450,000,000
	Commercial Bank PLC Short term loan (Market rate)	1,500,000,000	-	Extendable up to 12 months	Pledged 27,000,000 Shares of DFCC Bank PLC
	Sampath Bank PLC Short term loan (1 M AWPLR+1.5% p.a.)	200,000,000	-	Repayment period - 90 Days	Property Lot B Plan No.184/201
	Nation Trust Bank - Short Term loan	140,000,000	-	Repayment period - 90Days	Quoted shares of Colombo City Holdings PLC - no. of shares 2,858,020.
	Millennium I.T.E.S.P (Pvt) Limited	Seylan Bank PLC - Short Term Loan (8% p.a)	1,002,739,726	1,204,048,080	-
	Hatton National Bank PLC - Short Term Loan (8% p.a)	500,876,713	-	-	-
	DFCC Bank PLC - Short Term Loan (8% p.a)	492,477,478	-	-	-
		7,622,895,836	2,675,956,285		

20.4 Loans from Related Parties

20.4.1 Loans granted by Related Parties

Group	Relationship	As At	As At
		31.03.2025	31.03.2024
		LKR	LKR
Mr. Eric Wikramanayake	Former Director	-	5,739,310

20.5 Summary - Company

20.5.1 Interest Bearing Loans and Borrowings

		Amount Repayable within 1 year	Amount Repayable after 1 year	Total	Amount Repayable within 1 year	Amount Repayable after 1 year	Total
	Note	2025	2025	2025	2024	2024	2024
Bank Loan *	20.5.2	4,368,000,000	-	4,368,000,000	-	-	-
Related Party Loan	20.5.3	-	-	-	-	-	-
Bank Overdraft*		149,765,832	-	149,765,832	-	-	-
Right Of Use Liability		24,079,110	43,942,557	68,021,667	-	-	-
		4,541,844,942	43,942,557	4,585,787,499	-	-	-

* Bank Overdraft Facility and Revolving Loan facility are secured on Financial Investments as further described under Assets Pledged (Note 33)

20.5.2 Bank Loan

	As at 01.04.2024	Loan Obtained	Repayment	Accrued Interest	As at End 31.03.2025
	LKR	LKR	LKR	LKR	LKR
Seylan Bank PLC- Reverse REPO	-	1,017,000,000	(478,744,445)	53,744,445	592,000,000
Seylan Bank PLC -Short Term Loan	-	1,540,000,000	(18,695,448)	18,695,448	1,540,000,000
Sampath Bank PLC	-	200,000,000	(7,692,200)	7,692,200	200,000,000
Nation Trust Bank PLC	-	140,000,000	(4,970,078)	4,970,078	140,000,000
Commercial Bank Ceylon PLC	-	1,500,000,000	(6,496,986)	6,496,986	1,500,000,000
DFCC Bank PLC- Reverse Repo	-	396,000,000	(1,404,986)	1,404,986	396,000,000
	-	4,793,000,000	(518,004,144)	93,004,144	4,368,000,000

20.5.3 Related Party - Loan

	As at 01.04.2024	Loan Obtained	Repayment	Accrued Interest	Disposal of Subsidiary	As At 31.03.2025
	LKR	LKR	LKR	LKR	LKR	LKR
Ambeon Capital PLC	-	1,200,000,000	(1,218,472,568)	18,472,568	-	-
Millenium ITESP (Pvt) Ltd	-	1,000,000,000	(1,028,419,247)	28,419,247	-	-
Sherwood Capital (Pvt) Ltd	-	415,000,000	(425,387,141)	10,387,141	-	-
Ambeon Securities (Pvt) Ltd	-	140,000,000	(142,321,946)	2,321,946	-	-
	-	2,755,000,000	(2,814,600,902)	59,600,902	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

21. DEFERRED TAX LIABILITY/(ASSET)

21.1 Group

	Asset		Liability	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
At the beginning of the year	(68,483,696)	(272,217,546)	300,296,174	1,237,337,765
Business Acquisition	-	-	5,385,085	-
Disposal of Subsidiary	-	-	-	(933,499,000)
Charge/(Reversal) to the Profit or Loss	(59,537,565)	172,900,646	(8,025,683)	27,926,086
Charge/(Reversal) to Other Comprehensive Income Statement	1,814,384	(74,004)	847,417	(561,471)
Transfers between Deferred Tax Liability and (Asset)	(1,838,942)	30,907,208	1,838,942	(30,907,206)
At the end of the year	(128,045,818)	(68,483,696)	300,341,935	300,296,174

21.2 Charge/(Reversal) to the Profit or Loss

	Note	2025	2024
		LKR	LKR
Transfer from accelerated depreciation and others			
- Impact due to change in temporary differences	29	(67,563,248)	200,826,732
		(67,563,248)	200,826,732
Charge/(Reversal) to Other Comprehensive Income Statement			
Employee Benefit Liability		2,661,801	(635,474)
		2,661,801	(635,474)

21.3 The Closing Net Deferred Tax (Asset) and Liability Balances Relate to the following:

	Asset		Liability	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Fair Valuation of Land and Buildings	-	-	6,636,165	213,457,643
Fair Valuation of Investment in gov security	-	-	72,359,531	-
Accelerated depreciation and amortization for tax purposes	18,201,293	14,401,989	239,948,576	1,120,892
Employee Benefit Liability	(90,639,879)	(56,082,914)	(6,729,150)	(7,140,378)
Losses available for offset against future taxable income	-	-	(11,302,176)	-
Provision for Inventory	-	(708,269)	-	-
Others*	(55,607,232)	(26,094,502)	(571,011)	92,858,017
	(128,045,818)	(68,483,696)	300,341,937	300,296,174

The above deferred tax asset arising from carried forward tax losses has been determined based on a financial budget approved by management to the extent of sufficient taxable profit are available. The Group has computed deferred tax at the rates based on enacted rate, as of the reporting date.

The above deferred tax arises from timing difference of depreciation, impairment of debtors, unutilized portion of carried forward tax losses and gratuity. The deferred tax arising from the unused tax losses amounting to LKR 1,591 million has not been recognised as the management is not certain whether there will be sufficient taxable profit to utilized.

* "Others" represent Deferred Tax Asset/Liability recognised on provision for other claims and liabilities related provisions and exchange reserve.

21.4 Company

	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive Income	
	2025	2024	2025	2024	2025	2024
	LKR	LKR	LKR	LKR	LKR	LKR
Deferred Tax Liability						
Accelerated depreciation for tax purposes	980,785	1,100,075	(119,290)	(380,532)	-	-
Fair Valuation of investment in subsidiaries	426,546,593	441,939,463	(15,392,870)	(8,386,450)	-	-
Fair Valuation of investment in Government Securities	13,185,192	33,134,035	(19,948,843)	33,134,035		
Right Of Uses Assetts	299,345	-	299,345	-		
Deferred Tax Assets						
Defined Benefit Plans	(3,282,044)	(3,341,764)	(188,806)	(630,323)	248,526	(205,754)
Losses available to offset against future Taxable Income	-	-	-	-		
Deferred Tax (Reversal)/Expense			(35,350,464)	23,736,730	248,526	(205,754)
Net Deferred Tax Liability/(Asset)	437,729,871	472,831,809				

22. EMPLOYEE BENEFIT LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Current/Past Service Cost	52,304,671	47,390,079	1,253,349	1,338,118
Interest Cost on Benefit Obligation	45,167,291	59,221,284	1,336,705	1,670,458
	97,471,962	106,611,363	2,590,054	3,008,576
Net Actuarial (Gain) / Loss	(9,761,935)	6,296,125	(828,420)	685,845
Total Expenses	87,710,027	112,907,488	1,761,634	3,694,421

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

22. EMPLOYEE BENEFIT LIABILITIES CONTD.

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Balance as at 1 April	377,662,762	492,800,724	11,139,211	8,352,290
Current/Past Service Cost	52,304,671	47,390,079	1,253,349	1,338,118
Interest Cost on Benefit Obligation	45,167,291	59,221,284	1,336,705	1,670,458
Actuarial Losses / (Gain) on Obligation	(9,761,935)	6,296,125	(828,420)	685,845
Benefit Paid	(89,517,520)	(44,732,360)	(1,960,700)	(907,500)
Disposal of Subsidiary	-	(183,313,090)	-	-
Balance as at 31 March	375,855,269	377,662,762	10,940,145	11,139,211

22.1 The cost of gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2025 by Messrs. Actuarial & Management Consultants (Pvt) Ltd Actuaries.

	Group		Company	
	2025	2024	2025	2024
Discount Rate	9.5% - 12.70%	12%-19%	10%	12%
Salary Increment rates used	7% - 10%	10%-14%	7%	10%
Staff Turnover Rate	10% - 12%	5%-27%	22%	26%
Retirement Age	60 Years	60 Years	60 Years	60 Years

22.2 Maturity Profile of the Defined Benefit Plan

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Within Next 12 Months	59,302,784	47,177,866	2,571,723	3,961,261
Between 1 - 2 Years	96,649,965	78,035,817	3,616,266	3,350,011
Between 2 - 5 Years	99,125,679	71,070,480	2,221,253	2,342,102
Between 5- 10 Years	88,121,390	116,656,338	2,392,932	865,768
Beyond 10 years	32,655,450	64,722,261	137,971	620,069
	375,855,268	377,662,762	10,940,145	11,139,211

22.3 Break up of the Actuarial (Gain)/ Loss

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Actuarial (Gain)/ Loss Resulting from Changes in Financial Assumptions	(5,155,911)	54,710,152	(427,101)	1,025,451
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	6,137,105	(1,363,624)	(155,596)	212,841
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	(10,743,129)	(47,050,403)	(245,723)	(552,447)
	(9,761,935)	6,296,125	(828,420)	685,845

22.4 Sensitivity Analysis

If one percentage point changes in the assumptions, the change in present value of the defined benefit obligation would be as follows;

	2025		2024	
	LKR		LKR	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Group				
Discount Rate	(16,155,265)	17,704,379	(21,470,938)	23,946,801
Salary Increment Rate	17,716,547	(16,516,819)	24,048,107	(21,907,052)
Company				
Discount Rate	(370,598)	399,266	(297,889)	318,308
Salary Increment Rate	408,622	(385,815)	323,936	(308,399)

23. CONTRACT LIABILITY - SERVICE AGREEMENTS

	2025	2024
	LKR	LKR
Balance at the beginning of the year	1,681,266,542	2,703,967,229
Deferred During the year	1,789,824,474	1,479,832,418
Transferred to revenue during the year	(1,567,018,152)	(2,502,533,105)
Balance at the end of the year	1,904,072,864	1,681,266,542

Revenue from deferred income is recognized periodically throughout the service agreement period entered between Millennium I.T.E.S.P (Pvt) Ltd and service clients and expected to be completed in year 2025/26

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Trade Payable - Other	3,681,475,334	3,047,320,698	-	-
Other Payables - Other*	599,054,218	390,088,569	71,462,546	78,340,985
- Related Parties (Note 24.1)	1,000,000	32,739	281,421	617,099
Sundry Creditors Including Accrued Expenses	175,854,348	227,890,275	-	-
	4,457,383,900	3,665,332,281	71,743,967	78,958,084

Sundry creditors including accrued expenses : includes statutory payments, other payable, accrual expenses and other creditors.

24.1 Other Payables -Related Parties

	Relationship	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Royal Fernwood Porcelain (Pvt) Ltd	Affiliate	-	32,739	-	32,739
Taprobane Investments (Pvt) Ltd	Sub-Subsidiary	-	-	-	3,225
Millenium IT ESP (Pvt) Ltd	Sub-Subsidiary	1,000,000	-	281,421	581,135
		1,000,000	32,739	281,421	617,099

25. OTHER FINANCIAL LIABILITIES

Financial Liabilities at amortised cost	No. of Shares	Group		Company	
		Carrying Value 2025	Carrying Value 2024	Carrying Value 2025	Carrying Value 2024
		LKR	LKR	LKR	LKR
Preference Shares	25.1	170,625	347,936	347,936	347,936
			347,936	347,936	347,936

25.1 Shareholders of the Non Cumulative Preference Shares are entitled for a mandatory preference dividend annually. They are not entitled to vote at a meeting of the company.

26. OTHER INCOME

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Other miscellaneous Income	17,697,319	120,084	-	-
Recovery of Written-off debtors	-	30,000,000	-	30,000,000
Dividend Income	36,404,784	3,051,096	-	-
Gain on Disposal of investment	66,086,577	24,536,763	-	-
Disposal of PPE	-	785,599	-	785,599
	120,188,680	58,493,542	-	30,785,599

27. FINANCE COST

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Bank Overdraft	11,185,363	5,207,892	1,306,957	118,483
Bank Charges	31,360,348	2,326,779	5,422,247	2,023,596
Interest expenses on Reverse-Repo / Sell -Buy	129,009,241	252,438,711	997,975	-
Lease Interest	68,671,928	69,023,608	-	-
Loan Interest	305,074,797	426,283,529	93,008,160	13,889,284
Interest on Preference Shares	-	47,880	-	47,880
Interest on Related Party Loan	18,485,110	-	59,623,194	7,171,741
Interest Expense on Staff welfare fund	162,822	146,281	-	-
	563,949,609	755,474,681	160,358,533	23,250,984

28. FINANCE INCOME

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Interest on;				
- Short Term Investments	27,198,454	1,180,667	-	-
- Long Term Investmnet	107,636,216	-	-	-
- Staff Loan	651,100	265,762	-	-
- Commercial Paper	-	72,814	-	-
- Repo Investment	29,185,190	188,805,387	-	-
- Parent and ultimate parent	-	100,560,801	-	-
Interest income on delayed settlement	37,628,577	89,279,511	-	-
Interest Income on Fixed Deposits/bank deposits	28,524,356	6,139,716	-	-
	230,823,893	386,304,657	-	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

29. INCOME TAX EXPENSE / (REVERSAL)

	Note	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Current Income Tax					
Current Tax Expense on Ordinary Activities for the Year	29.1	261,117,566	428,712,355	15,559,037	40,807,015
Dividend Tax		9,753,213	8,100,001		
Under / (Over) Provision of current taxes in respect of prior years		534,377	(119,707,224)	(1,111,106)	-
Deferred Income Tax					
Deferred Taxation Charge		(67,532,789)	200,826,732	(35,350,464)	23,736,730
Income tax charge / (Reversal) reported in the Profit or Loss statement		203,872,369	517,931,864	(20,902,533)	64,543,745

29.1 Reconciliation between Current Tax Expense and the Accounting Profit.

		Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Accounting Profit / (Loss) before Tax from Operations		2,228,808,928	3,596,784,978	1,331,186,008	1,284,035,767
Profit / (Loss) before Tax from Discontinuing Operations		-	(221,821,440)	-	(223,319,489)
		2,228,808,928	3,374,963,538	1,331,186,008	1,060,716,278
Income not liable for Income Tax		(3,330,369,402)	(3,398,332,463)	(1,875,135,300)	(1,376,112,688)
Aggregate Disallowed items		766,173,289	378,361,797	204,674,492	235,124,494
Aggregate Allowable credits		(737,298,447)	(657,971,862)	(3,873,480)	(2,975,502)
Other income included in profit from operation		(174,864,904)	(73,561,281)	-	470,328
Consolidated Adjustment		628,346,025	348,550,693	-	-
Business Loss		(619,204,511)	(27,989,578)	(343,148,280)	(82,777,090)
Business Income		682,835,189	-	-	-
Income From Investment		818,514,145	1,127,674,380	521,609,262	660,931,159
		1,501,349,333	1,127,674,380	521,609,262	660,931,159
Less : Tax Loss utilized Note 29.2		(550,274,618)	(601,401,284)	(469,745,805)	(524,379,124)
Taxable Income		951,074,715	498,283,518	51,863,457	136,552,035
Minimum rate 0.06%		140,498	-	-	-
Applicable Rate - 17%		7,000,951	4,357,145	-	-
Applicable Tax Rate - 30%		253,976,117	424,513,804	15,559,037	40,965,611
Less :WHT credits		-	(158,595)	-	(158,597)
Income Tax Attributable to Continuing Operations		261,117,566	428,712,354	15,559,037	40,807,015
Income Tax Expense		261,117,566	428,712,354	15,559,037	40,807,015

29.2 Tax Losses Carried Forward

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Tax losses brought forward	297,392,655	1,751,653,823	16,655,835	445,450,594
Adjustment based on returns	518,568,976	12,807,275	527,298,782	12,807,275
Business Acquisition	63,516,695	-	-	-
Disposal of Subsidiaries	-	(1,051,728,542)	-	-
Tax losses arising during the year	1,302,039,699	186,061,383	298,184,578	82,777,090
Loss deducted during the year				
Deducted against Investment Income	(479,193,455)	-	(469,745,805)	-
Utilization of tax losses	(71,081,163)	(601,401,284)	-	(524,379,124)
Tax losses carried forward	1,631,243,407	297,392,655	372,393,390	16,655,835

Group Companies were taxed at,			
M I.T.E.S.P Bangladesh Pvt Ltd		-	0.06%
Millennium I.T.E.S.P Singapore Pte Ltd		-	17%
Other Companies		-	30%

30. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Stated after Charging/(Crediting)				
Directors' Remuneration	34,271,650	21,035,000	13,398,550	10,950,000
Cost of defined benefit obligations				
- Defined benefit plan cost	97,471,962	106,611,363	2,590,054	3,008,576
- Defined contribution plan cost - EPF/ETF	273,249,831	283,813,159	7,709,930	7,142,386
Employee Salaries and other employee related expenses	3,293,655,712	2,404,999,259	70,256,331	103,376,898
Depreciation of property, plant and equipment	83,727,825	119,024,407	1,312,827	2,624,171
Amortisation of intangible assets	2,446,347	3,142,096	1,010,785	1,014,341
Amortisation of right of use assets	59,853,395	59,237,839	3,841,817	-
External auditors' remuneration	7,543,794	6,557,000	1,899,800	1,610,000
Legal Fees	3,563,182	10,375,574	3,563,182	3,781,614
Allowances for Obsolete & Slow Moving Inventories	-	(4,696,996)	-	-
Impairment for Doubtful Debts	-	85,901,647	-	2,746,573
Impairment of Share of Results of Equity Accounted Investee	43,708,866	-	43,708,866	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

31. EARNINGS PER SHARE

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

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

	Group	
	2025	2024
Amount Used as the Numerator:	LKR	LKR
Net Profit/(Loss) for the year attributable to equity holders of the parent for basic Earnings per share	1,812,426,217	2,456,725,492
Net Profit/(Loss) from the continuing operations attributable to equity holders of the parent for basic Earnings per share	1,812,426,217	2,678,546,931
Number of Ordinary Shares Used as Denominator:		
Ordinary shares at the beginning of the year	356,869,666	356,869,666
Weighted Average number of shares Issued during the year	-	-
Weighted average number of ordinary shares adjusted for the Basic EPS	356,869,666	356,869,666
Weighted average number of ordinary shares adjusted for the effect of dilution	356,869,666	356,869,666

32. CASH AND SHORT TERM DEPOSITS

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
32.1 Favourable Cash and Cash Equivalent				
Cash and Bank Balances	627,738,010	500,608,109	29,536,377	49,376,611
Short Term Investments	303,518,502	-	-	-
	931,256,512	500,608,109	29,536,377	49,376,611
32.2 Unfavourable Cash and Cash Equivalent				
Bank Overdraft (Note 20)	(152,416,890)	(279,019,088)	(149,765,832)	-
Cash & Short term Deposits at the end of the year for the Purpose of Statement of Cash Flow	778,839,622	221,589,021	(120,229,455)	49,376,611

33. CONTINGENT LIABILITIES AND COMMITMENTS

33.1 Ambeon Holdings PLC

Bank Guarantees	2025	2024
	LKR Mn	LKR Mn
Guarantees given to following facility on behalf of Millennium I.T.E.S.P (Pvt) Ltd; Seylan Bank PLC	-	2,000

33.3 Millennium I.T.E.S.P (Pvt) Ltd

	2025		2024	
	LKR	USD	LKR	USD
Performance Bonds	794,957,867	720,674	740,176,683	504,983
Bid Bonds	216,741,182	26,500	80,035,932	-
Advance Payments Guarantees	89,238,125	35,645	363,233,292	3,068,182
Custom Guarantee	61,190,614	-	61,190,614	-
Retention Bond	14,069,668	-	-	-

33.4 Ambeon Securities (Pvt) Ltd

Bank guarantee given to Central Depository System (CDS) on behalf of the company (LKR 10 Mn).

33.5 There are no material issues pertaining to the Employee and Industrial Relations of the Group.

33.6 Tax Assessments

Ambeon Holdings PLC

The Department of Inland Revenue has raised an assessment for Y/A 2017/18 and the company has appealed against the assessment. The Tax Appeal Commission has determined the appeal in favour of the Department of Inland Revenue and the Company has appealed to the Court of Appeal. Tax assessed amount is Rs. 122 Mn including penalties.. A Sampath Bank PLC , bank guarantee of Rs. 32,434,735, representing 25% of the total liability, has been provided.

Lexinton Holdings (Pvt) Ltd

Tax matter of 2011/2012 has been determined by the TAC in favour of the Department of Inland Revenue. Therefore the Company has filled a case in the Court of Appeal with the assistance of Nithya Partners. Tax assessed amount is Rs. 75mn.

34. ASSETS PLEDGED

34.1 Assets Pledged by Ambeon Holdings PLC

Nature of Assets	Nature of Liability	Carrying Amount Pledged		Included under
		2025 LKR Mn	2024 LKR Mn	
Quoted Equity Investments	Overdraft Facility	2,848	2,881	Investments in Subsidiaries and Other Current Financial Assets
	Revolving Loan for Loans and Borrowings			
Property - Lexinton - lot B plan no 184/2001	Term loan	348	330	Property, Plant & Equipment (Group)
		3,196	3,211	

34.2 Assets Pledged by Colombo City Holdings PLC

The Company has pledged investment in treasury bond as a security for obtaining a reverse REPO from the Seylan Bank PLC

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

34.3 Assets Pledged by Lexinton Holdings (Pvt) Limited

The Company pledged the following asset to Sampath Bank PLC on behalf of Ambeon Holdings PLC to obtain a facility of Rs. 240 Mn

Nature of Assets	Nature of Liability	2025	2024	Included Under
		LKR	LKR	
Investment Property	Short term Loan	348,335,000	330,000,000	Investment Property

35. RELATED PARTY DISCLOSURES

35.1 Transaction with related entities

Nature of transactions	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
35.1.1 Ultimate Parent				
Loan Settled	(10,200,000)	(1,000,000)	(240,399,457)	-
Short Term advances	-	10,200,000	-	10,200,000
Interest on Loans	3,799,404	70,640,945	3,799,404	26,937,460
35.1.2 Immediate Parent				
Loan Settled	-	(49,559,312)	-	-
Interest on Loans	206,181,795	411,658,391	206,181,795	289,444,125
Treasury Bond purchases	-	-	(1,014,252,803)	-
Treasury Bond sale	-	-	1,000,000,000	-

Refer Note 15.3 for Terms and Conditions

35.1.3 Transaction with subsidiaries

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Balance as at 01st April	-	-	873,195,697	488,992,068
Interest Income on Loans	-	-	-	3,086,199
Staff Support & Server Utilisation fees	-	-	83,991,766	85,192,942
Settlement Current Account Balance	-	-	(73,099,263)	106,034,734
Reimbursement of Expenses	-	-	26,926,251	3,485,607
Treasury bill/bond - purchased	-	-	(3,033,384,837)	(2,246,628,309)
Treasury bill/bond - Sale	-	-	2,249,882,132	2,596,245,520
Net Loan (Settlement)/Obtained	-	-	(41,138,083)	(163,213,064)
Balance as at 31 March	-	-	86,373,664	873,195,697

35.2 Transactions with Key Management Personnel

Key Management Personnel include Members of the Board of directors of Ambeon Holdings PLC and its Subsidiary Companies.

Key Management Personnel Compensation	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Short-Term employee benefits	254,958,436	329,632,389	30,110,000	35,537,500

35.3 Terms and conditions of transactions with related parties

Transactions with related parties are carried out at arms length 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.

35.4 Disclosure in terms of Section 9.14.7 & 9.14.8 of the listing Rules of the Colombo Stock Exchange

Non Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the related party Transaction (During the FY) LKR Mn	Value of the related party Transaction as a % of Equity and as a % of total Asset	Terms and Conditions of the related party Transaction	The Rationale for the Transaction
Ambeon Capital PLC	Parent Company	Treasury Bonds sell-buy arrangement for one month	1,000	On Equity - 8.70% and on Assets - 6.01%	Interest - 10.5%	Working Capital

Aggregate value of non recurrent related party transaction does not exceed 10% of the Equity or only exceed 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the related party Transaction (During the FY) LKR Mn	Value of the related party Transaction as a % of Group consolidated revenue	Terms and Conditions of the related party Transaction
Sherwood Capital (Private) Limited	Subsidiary	Investment in Government Securities by Ambeon Holdings PLC	11,736,674,132	67%	Market Rate

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

36. EVENTS OCCURRING AFTER THE REPORTING DATE

No circumstances have arisen since the reporting date which would require to be disclosed in the financial statements. Except for;

Colombo City Holdings PLC

Subsequent to the reporting date, Lexinton Resorts (Pvt) Ltd, a subsidiary of Colombo City Holdings PLC, acquired 63.5 perches of land in Kosgoda for a total consideration of Rs. 55 million.

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.

Colombo City Holdings PLC converted its receivable balance of Rs. 80 Million from Lexinton Resorts (Private) Limited into equity as a further investment.

37. FINANCIAL ASSETS AND LIABILITIES

37.1 Fair values of Financial Assets and Liabilities -Group

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

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

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

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

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 9.

	Notes	Fair Value Hierarchy	2025		2024		
			Carrying Value	Fair Value	Carrying Value	Fair Value	
			LKR	LKR	LKR	LKR	
Assets Measured at Fair value							
Investment Properties	7	Level 3	1,396,924,150	1,396,924,150	Level 3	1,035,849,600	1,035,849,600
Financial Instrument at Amortised Cost	12	Level 2	-	-	Level 2	1,167,433,389	1,167,433,389
Land	6	Level 3	-	-	Level 3	145,675,000	145,675,000
Freehold Buildings	6	Level 3	-	-	Level 3	184,325,000	184,325,000
Fair Value through Profit and Loss							
Other Financial Investment	16	Level 1	12,095,534,612	12,095,534,612	Level 1	5,569,648,152	5,569,648,152
Fair Value through OCI							
Other Financial Investment	16	Level 1	-	-	Level 1	207,666,821	207,666,821
Total			13,492,458,762	13,492,458,762		8,310,597,962	8,310,597,962

37.2 Categories of Financial Assets and Liabilities - Company

Financial assets and liabilities in the tables below are split into categories in accordance SLFRS 9.

	Notes	2025				2024	
		Fair Value Hierarchy	Carrying Value	Fair Value	Fair Value Hierarchy	Carrying Value	Fair Value
			LKR	LKR		LKR	LKR
Assets Measured at Fair value							
Financial Instrument at Amortised Cost	16	Level 2	37,690,119	37,690,119	Level 2	141,227,613	141,227,613
Fair Value Through Profit and Loss							
Other Financial Investment	16	Level 1	8,123,251,941	8,123,251,941	Level 1	2,697,843,204	2,697,843,204
Fair Value Through OCI							
Other Financial Investment	16	Level 1	-	-	Level 1	207,666,821	207,666,821
Investment in subsidiaries	11	Level 3	5,325,256,661	5,325,256,661	Level 3	4,386,960,056	4,386,960,056
Total			13,486,198,721	13,486,198,721		7,433,697,694	7,433,697,694

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.

The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted equities are based on market prices reported 31 March 2025 and prior year based on market value at the reporting date

Long-term fixed-rate borrowings are evaluated by the Group based on interest rates.

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

37.3 Financial Risk Management - Objectives and Policies

The Group has loans and other receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The Group also holds financial assets at a fair value through profit or loss.

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The Group's risk management is overlooked by the Company, in close corporation with the board of directors and focuses on actively securing the group's short to medium term cash flows by minimizing the 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.

The Group is exposed to market risk, credit risk and liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

37.3.1 Credit Risk

Credit risk is the risk that the counter party 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, foreign exchange transactions and other financial instruments.

The Group trades only with recognized, credit worthy 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.

With respect to credit risk arising from the other financial assets of the Group, such as cash and cash equivalents and other financial investments, the Group's exposure to credit risk arises from default of the counter party. The Group manages its operations to avoid any excessive concentration of counterparty risk and the Group takes all reasonable steps to ensure the counter parties fulfil their obligations.

Risk exposure

The maximum risk positions of financial assets which are generally subject to credit risk are equal to their carrying amounts (without consideration of collateral, if available). Following table shows the maximum risk positions.

Risk Exposure - Group	Notes	2025	% of	2024	% of
		LKR	allocation	LKR	allocation
Bank Deposits & Government Securities	16	150,560,397	2%	1,159,627,428	12%
Trade and Other receivables	15	8,022,761,195	88%	7,792,366,738	82%
Cash and Short term Deposits	32	931,256,512	10%	500,608,109	5%
Total credit risk exposure		9,104,578,104	100%	9,452,602,275	100%
Financial assets at fair value through profit & loss	16	12,095,534,612	99%	5,569,648,152	96%
Financial assets at fair value through OCI	16	-	1%	207,666,821	4%
Total equity risk exposure		12,095,534,612	100%	5,777,314,973	100%
Total		21,200,112,716		15,229,917,248	

Risk Exposure - Company	Notes	2025	% of	2024	% of
		LKR	allocation	LKR	allocation
Bank Deposits & Government Securities	16	37,690,119	20%	141,227,613	28%
Trade and other receivables	15	121,960,941	64%	317,647,445	62%
Cash in hand and at bank	32	29,536,377	16%	49,376,611	10%
Total credit risk exposure		189,187,437	100%	508,251,669	100%
Financial assets at fair value through profit & loss	16	8,123,251,941	98%	2,697,843,204	93%
Financial assets at fair value through OCI	16	-	2%	207,666,821	7%
Total equity risk exposure		8,123,251,941	100%	2,905,510,025	100%
Total		8,312,439,378		3,413,761,694	

Trade and Other receivables

Customers credit risk is managed by each business unit subject to the Group's 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.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letter of credit or other forms of credit insurance.

The requirement for an impairment is analysed 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.

Credit quality of trade receivables that are neither past due or impaired is explained below.

Trade receivables	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Neither past due, not impaired	636,892,899	4,481,517,381	-	-
Past due but not impaired				
31-60 days	5,280,417,313	160,042,376	-	-
61-90 days	505,632,209	1,222,329,442	-	-
>90 days	675,810,773	864,771,382	-	-
Allowance for Bad & Doubtful Debtors	-	1,100,136,732	-	-
Gross Carrying Value	7,098,753,194	7,828,797,313	-	-
Less: Allowance for Bad & Doubtful Debtors	(534,373,938)	(1,247,391,949)	-	-
Total	6,564,379,256	6,581,405,364	-	-

Cash and Short term Deposits

In order to mitigate settlement and Operational risk related to cash and Short term deposits, the group uses several banks with acceptable ratings for its deposits.

The Group held cash & short term deposits of LKR 931 Mn as at 31 March 2025 (2024 - LKR 501Mn)

Financial Assets and Liabilities for which Fair Value Approximates Carrying Value

The following describes the methodologies and assumptions used to determine the fair values for those financial assets & Liabilities which are not already recorded at fair value in the Financial Statements.

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.

37.3.1 Credit Risk contd.

Assets

Other Non-Current Financial Assets
Trade and Other Receivables

Other Financial Investments
Cash in Hand and at Bank

Liabilities

Other Financial Liabilities
Interest Bearing Borrowings (Current)

Trade and Other Payables

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

37.3.2 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 based on contractual undiscounted payments.

Group	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities	-	-	-	347,936	347,936
Interest Bearing Borrowings	7,775,312,724	1,064,028,521	492,541,543	-	9,331,882,788
Trade and Other Payables	158,462,895	4,086,725,840	195,956,061	16,239,104	4,457,383,900
	7,933,775,619	5,150,754,361	688,497,604	16,587,040	13,789,614,624

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

Company	Less than 3 months	3 to 12 months	1 to 5 years	> 5 Years	Total
	LKR	LKR	LKR	LKR	LKR
Other Financial Liabilities	-	-	-	347,936	347,936
Interest Bearing Borrowings	149,765,832	4,392,079,110	43,942,557	-	4,585,787,499
Trade and Other Payables	71,743,967	-	-	-	71,743,967
	221,509,799	4,392,079,110	43,942,557	347,936	4,657,879,402

Capital Management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure shareholder value is maximized.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025.

The Group monitors capital using a gearing ratio,

	Group		Company	
	2025	2024	2025	2024
Interest Bearing Borrowings	9,331,882,788	4,366,007,324	4,585,787,500	-
Equity Attributable to Equity Holder of the Parent	12,664,281,659	10,838,918,458	11,521,930,770	10,164,465,986
Non-Controlling Interests	1,503,547,603	1,952,015,807	-	-
Total Equity	14,167,829,262	12,790,934,266	11,521,930,770	10,164,465,986
Equity and Debt	23,499,712,050	17,156,941,590	16,107,718,270	10,164,465,986
Gearing Ratio	40%	25%	28%	0%

37.3.3 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 sensitivity analysis in the following sections related to the position as at 31 March 2025.

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 as at 31 March 2025 and 2024.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The 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 basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2025	+100	(57,577,217)	(16,749,869)
	-100	57,577,217	16,749,869
2024	+100	(44,369,433)	-
	-100	44,369,433	-

The assumed spread of the interest rate is based on the current observable market environment.

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Year ended 31 March 2025

37.3.3 Market Risk contd.

Foreign Currency Risk

Hedge summary

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

During the year the Group applied the cashflow hedge the Group is expecting to hedge the variability in the cash flows corresponding to the repayment of the term loan capital, packing credit loans and import loan capital attributable to changes in exchange rates over the period.

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the profit before tax

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2025	5%	(75,877,358)	-
	-5%	75,877,358	-
2024	5%	(2,135,638)	-
	-5%	2,135,638	-

The assumed spread of the interest rate is based on the current observable market environment.

The spot exchange rates used for value the USD denominated Assets and Liabilities as at the reporting period were Rs. 300.44 USD.

Other Price Risk

The Group is exposed to equity price risk in respect of its listed equity securities. The Group manages those risks by monitoring the markets closely. According to Group policies amounts invested in volatile assets such as shares are restricted by limits set by Group management.

38. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below;

38.1 Proportion of equity interest held by non-controlling interests:

Name	Proportion of NCI		Accumulated Balances of NCI		Profit allocated to NCI	
	2025	2024	2025	2024	2025	2024
			LKR	LKR	LKR	LKR
Non-Controlling Interests material individually						
Colombo City Holdings PLC	22.37%	22.37%	603,935,466	546,079,027	65,295,649	93,804,062
Millennium I.T.E.S.P (Private) Limited**	35.22%	49.38%	571,522,878	743,098,353	40,707,258	10,682,944
Non-controlling interest material in aggregate			328,089,259	662,838,427	109,475,672	288,581,433
Total			1,503,547,603	1,952,015,807	215,478,579	393,068,439

Dividend Paid to NCI Shareholders	2025	2024
	LKR	LKR
Others	-	36,000,003
	-	36,000,003

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

38.2 Summarised statement of Profit or Loss for the period ending 31 March

	Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Revenue	50,009,310	77,201,737	15,643,987,259	13,237,953,604
Operating Income/(Costs)	145,564,027	412,392,974	(15,343,542,616)	(12,896,350,210)
Finance Costs	(14,438,782)	(15,834,533)	(301,141,360)	(369,529,702)
Finance Income	141,610,015	195,963,185	51,014,877	63,849,016
Share of result of equity account investee	-	-	6,203,677	769,772
Tax Expense	(64,114,092)	(250,390,081)	52,865,929	(402,199)
Profit or Loss from Continuing Operations	258,630,478	419,333,282	109,387,766	36,290,282
Other Comprehensive Income	3,582	(3,546)	8,425,426	(14,656,130)
Total Comprehensive Income	258,634,060	419,329,737	117,813,192	21,634,152

* Fair valuation gain from investment in subsidiaries and respective deferred tax impact has been eliminated from company profitability.

38.3 Summarised Statement of Financial Position for the period 31 March

	Colombo City Holdings PLC - Group		Millennium I.T.E.S.P (Private) Limited	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Current Assets	1,986,118,367	1,512,624,738	10,722,151,209	8,579,727,163
Non-current Assets	1,388,661,763	1,268,584,676	805,124,790	823,961,370
Total Assets	3,374,780,130	2,781,209,414	11,527,275,999	9,403,688,533
Current Liabilities	418,242,997	112,713,387	9,122,777,149	7,085,387,651
Non-current Liabilities	256,780,913	227,373,866	781,776,315	813,391,534
Total Liabilities	675,023,910	340,087,252	9,904,553,464	7,898,779,185

* Cumulative impact of fair valuation gain from investment in subsidiaries and respective deferred tax impact has been eliminated from non current asset and non current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

38.4 Summarised Cash Flow Information for the year ending 31 March

	Colombo City Holdings PLC - Group		Millennium I.T.E.S.P (Private) Limited	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Operating	(53,777,284)	(89,204,168)	96,074,514	(1,028,596,109)
Investing	(156,922,060)	179,840,606	(1,011,845,444)	(184,564,180)
Financing	214,876,291	(98,000,000)	797,547,654	960,267,626
Net increase/(decrease) in cash and cash equivalents	4,176,947	(7,363,561)	(118,223,276)	(252,892,663)

INVESTOR INFORMATION

The issued ordinary shares of Ambeon Holdings PLC (GREG) are listed on the Colombo Stock Exchange (CSE). The trading of GREG ordinary shares commenced on 01 January 1970.

ORDINARY SHAREHOLDERS

Analysis of shareholders according to the number of shares as at 31 March 2025.

Range of Shareholding	Number of Shareholders	No. of Shares	%
1 to 1,000 shares	2,536	671,999	0.19
1,001 to 10,000 shares	1,088	3,531,680	0.99
10,001 to 100,000 shares	167	4,537,105	1.27
100,001 to 1,000,000 shares	13	3,785,306	1.06
Over 1,000,000 shares	10	344,343,576	96.49
Total	3,814	356,869,666	100.00

Public Shareholding

Information pertaining to public shareholding is as follows;

	31 March 2025	31 March 2024
Number of public shares	66,187,289	66,187,289
Public holding percentage	18.55%	18.55%
Number of public shareholders	3,810	4,054
Float adjusted market capitalization (LKR)	5,408,484,693	2,475,854,682

The Company is compliant with the Minimum Public Holding requirement under option 2 of rule 7.13.1 (b) of the Listing Rules of the Colombo Stock Exchange.

Market Price per share (traded dates)

Ordinary Shares	2024/2025	2023/2024
Highest value per share recorded during the period (LKR)	98.00 (18.02.2025)	39.40 (14.07.2023)
Lowest value per share recorded during the period (LKR)	35.00 (03.09.2024)	30.00 (11.10.2023)
Market value per share as at last traded date (LKR)	81.70 (28.03.2025)	37.40 (28.03.2024)

Share Trading

No. of transactions	9,543	2,975
No. of shares traded	16,731,636	2,399,987
Value of shares traded (LKR)	927,347,208	85,067,450

There were 3,814 registered shareholders as at 31 March 2025 (4,055 as at 31 March 2024).

INVESTOR INFORMATION

Director's Shareholdings as at

Name	31 March 2025	31 March 2024
1. Mr. D T S H Mudalige (appointed w.e.f. 8th April 2024)	Nil	N/A
2. Dr. K S Narangoda	Nil	Nil
3. Mr. E M M Boyagoda	Nil	Nil
4. Mr. S L Sebastian (appointed w.e.f. 8th April 2024)	Nil	N/A
5. Mr. S Kumar (appointed w.e.f. 27th May 2024)	Nil	N/A
6. Mr. C T Tsoi (appointed w.e.f. 4th June 2024)	Nil	N/A
7. Mr. R P Sugathadasa (appointed w.e.f. 7th June 2024)	Nil	N/A
8. Mr. D M Weerasekare (appointed w.e.f. 30th July 2024)	Nil	N/A
9. Mr. M D J R Goonetilleke (appointed w.e.f. 21st April 2025)	N/A	N/A

Twenty Major Ordinary Shareholders as at

Name of Shareholder	31 March 2025		31 March 2024	
	No. of shares	%	No. of shares	%
1. National Development Bank PLC/Ambeon Capital PLC	145,000,000	40.63	145,000,000	40.63
Seylan Bank PLC/Ambeon Capital PLC (Collateral)	112,790,122	31.61	112,790,122	31.61
Pan Asia Banking Corporation PLC/Ambeon Capital PLC	32,807,255	9.19	32,807,255	9.19
Total	290,597,377	81.43	290,597,377	81.43
2. Hatton National Bank PLC/Almas Holdings (Private) Limited	28,645,420	8.03	30,879,547	8.65
Amana Bank PLC/Almas Holdings (Private) Limited	4,500,000	1.26	8,003,603	2.24
People's Leasing and Finance PLC/Almas Holdings (Private) Limited	4,806,849	1.35	-	-
Almas Holdings (Private) Limited	1,100,000	0.31	3,661,854	1.01
Total	42,495,004	11.00	42,495,004	11.00
3. Hatton National Bank PLC/Almas Capital (Private) Limited	11,449,837	3.21	4,518,173	1.27
4. Mr. N Balasingam	1,906,500	0.53	1,906,500	0.53
5. Hotel International (Private) Limited	1,337,593	0.37	2,154,986	0.60
6. People's Leasing & Finance PLC/L. P. Hapangama	837,356	0.23	955,836	0.27
7. J. B. Cocoshell (Private) Limited	588,856	0.17	748,178	0.21
8. Dr. S Yaddehige	514,298	0.14	514,298	0.15
9. Mrs. F R Buhardeen	483,110	0.14	150,121	0.04
10. Flyasia Sdn. Bhd	267,458	0.07	267,458	0.07
11. Mr. H A S Madanayake	181,512	0.05	181,512	0.05
12. Mr. D S R Daranakumbura	145,428	0.04	-	-
13. Mr. M I Buhardeen	139,550	0.04	-	-
14. Mr. B W Kundanmal	137,100	0.04	137,100	0.04
15. ACL Cables PLC	130,700	0.04	130,700	0.04
16. PMF Finance PLC/M S Hamzadeen	129,638	0.04	-	-
17. Arrow International (Pvt) Ltd A/C No. 1	120,300	0.03	120,300	0.03
18. Mr. S J C Perera	110,000	0.03	110,000	0.03
19. Seylan Bank PLC/Jayantha Dewage	100,000	0.03	120,000	0.03
20. Mr. R P P Senaratne	100,000	0.03	100,000	0.03

Preference Share

Analysis of Shareholders according to the number of shares as at 31 March 2025

Shareholdings	Number of Shareholders	No. of Shares	%
1 to 1,000 shares	50	27,310	16.01
1,001 to 10,000 shares	38	124,699	73.08
10,001 to 100,000 shares	1	18,616	10.91
100,001 to 1,000,000 shares	-	-	-
Over 1,000,000 shares	-	-	-
Total	89	170,625	100.00

Twenty Major Preference Shareholders as at

Name of shareholder	31 March 2025		31 March 2024	
	No. of shares	%	No. of shares	%
1. Standard Finance Ltd	18,616	10.91	18,616	10.91
2. Mr. G C W De Silva	9,484	5.56	9,484	5.56
3. Mr. M V Theagarajah	8,744	5.12	8,744	5.12
4. Life Insurance Corporation of India	8,146	4.77	8,146	4.77
5. Mr. K Theagarajah	8,000	4.69	8,000	4.69
6. Mrs. B L Macrae	6,658	3.90	6,658	3.90
7. Mr. A L Clare	6,658	3.90	6,658	3.90
8. Mr. M V Theagarajah	6,447	3.78	6,447	3.78
9. Shalsri Investment Ltd	5,000	2.93	5,000	2.93
10. The Land & House Property Company Ltd	4,500	2.64	4,500	2.64
11. The Administratrix of The Estate of Pietro Fernando	4,000	2.34	4,000	2.34
12. Mr. S Sivalingam Attorney for Mrs R Sivaraman	3,672	2.15	3,672	2.15
13. Mr. M B Muthunayagam Mahesweri Brito	3,500	2.05	3,500	2.05
14. Mrs. L Selvanayagam	3,000	1.76	3,000	1.76
15. Ms. A M Felsingier	2,684	1.57	2,684	1.57
16. Ms. K N Woutersz	2,684	1.57	2,684	1.57
17. Mr. Navarathnam Sumanathiran	2,682	1.57	2,682	1.57
18. Mr. M G Sabaratnam	2,500	1.47	2,500	1.47
19. Mr. S A Scharenguivel	2,450	1.44	2,450	1.44
20. Mr. P S Wijewardenephipilip Seevali	2,194	1.29	2,194	1.29

DECADE AT A GLANCE

LKR "000"	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Results**										
Revenue	17,529,944	17,154,487	20,697,863	14,155,890	9,595,761	19,693,287	17,231,736	12,272,998	10,762,068	9,394,710
Profit/(Loss) before taxation	2,228,809	3,596,785	2,216,184	1,271,375	(1,674,375)	541,562	1,246,604	584,885	480,384	(1,657,676)
Profit/(Loss) after taxation	2,024,936	2,857,032	1,645,170	935,517	(1,858,739)	409,020	864,468	680,818	394,104	(1,641,605)
Attributable to:										
Equity Holders of the Parents	1,812,426	2,456,725	1,218,451	2,335,304	(2,142,900)	155,801	528,310	540,941	271,698	(1,698,267)
Non-Controlling Interest	212,510	400,306	426,719	183,821	39,863	253,219	336,158	139,878	122,406	56,662
	2,024,936	2,857,032	1,645,170	2,519,125	(2,103,037)	409,020	864,468	680,819	394,104	(1,641,605)
Capital Employed										
Stated Capital	5,331,775	5,331,775	5,331,775	5,331,775	5,331,775	5,331,775	5,331,775	7,871,564	7,724,139	7,724,139
Reserves	(2,115)	112,734	1,105,033	1,084,909	1,021,744	678,720	761,355	930,399	515,619	449,281
Retained Earnings/(Losses)	7,334,621	5,394,409	2,458,838	2,502,523	(46,358)	2,154,042	1,650,091	(963,749)	(1,369,019)	(1,463,267)
Non-Controlling Interest	1,503,547	1,952,016	2,488,377	1,704,149	1,601,598	1,610,303	1,610,057	1,055,156	988,420	682,124
	14,167,829	12,790,934	11,384,023	10,623,356	7,908,759	9,774,840	9,353,278	8,893,370	7,859,159	7,392,276
Assets Employed										
Non Current Assets										
Excluding Deferred Tax"	6,495,963	6,259,073	8,135,518	7,022,625	9,979,514	12,177,586	10,367,516	8,149,191	5,709,160	6,607,653
Current Assets	24,163,886	17,217,636	17,998,515	15,737,556	11,720,579	12,202,483	12,075,674	11,781,223	8,019,309	6,380,048
Deferred Tax	128,046	68,484	272,217	132,225	122,749	81,878	143,559	256,090	68,974	75,646
	30,787,894	23,545,193	26,406,250	22,892,406	21,822,842	24,461,948	22,586,749	20,186,504	13,797,443	13,063,347
Liabilities										
Non Current Liabilities										
	1,169,087	1,148,121	2,725,875	2,050,068	2,318,087	3,025,479	2,036,469	2,530,592	1,403,367	1,090,278
Current Liabilities										
	15,450,978	9,606,137	12,296,351	10,218,982	11,595,996	11,661,629	11,197,002	8,762,542	4,534,918	4,580,793
	16,620,065	10,754,259	15,022,226	12,269,050	13,914,083	14,687,108	13,233,471	11,293,134	5,938,285	5,671,071
Key Indicators										
Basic Earnings/(Loss)										
Per Share (LKR)"	5.08	6.88	3.41	6.54	(6.00)	0.44	1.48	1.54	0.78	(4.86)
Net Assets Per Share (LKR)	35.49	30.37	24.93	24.99	17.67	22.88	21.70	21.96	19.67	19.21

DETAILS OF THE GROUP PROPERTIES 2024/25

Company	Property	Location	Extent	No of Buildings	Cost/Valuation
Lexinton Holdings (Pvt) Ltd	Freehold Land	Colombo 08	17.15 Perches	-	145,675,000
	Freehold Buildings	Colombo 08	17,150 sq feet	1	202,660,000
Ambeon Securities (Pvt) Ltd	Freehold Land	Kosgama	Land 1,162.37 perches	-	101,620,550
Lexinton Resorts (Pvt) Ltd	Freehold Land	Kosgoda	Land 1364.62 perches	-	946,969,000

GLOSSARY OF FINANCIAL TERMINOLOGY

ACCRUAL BASIS

Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

CAPITAL EMPLOYED

Shareholders' funds plus minority interest and total debt

CONTINGENT LIABILITIES

A condition or situation existing at the reporting date due to past events, where the financial effect is not recognised, because:

1. The obligation is crystallised by the occurrence or non- occurrence of one or more future events, or
2. A probable outflow of economic resources is not expected, or
3. It is unable to be measured with sufficient reliability.

CURRENT RATIO

Current assets divided by current liabilities.

DEBT-EQUITY RATIO

Debt as a percentage of shareholders' funds, including minority interest. Diluted Earnings/(Loss) Per Share (DPS) Profit/ (Loss) attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for options granted but not exercised

EBIT

Earnings before interest and tax (includes other operating income).

EARNINGS/(LOSS) PER SHARE

Net profit/(Loss) attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

INTEREST COVER

Consolidated profit before interest and tax over finance expenses.

MARKET CAPITALISATION

Number of shares in issue at the end of period multiplied by the market price at end of period.

NET ASSETS

Total assets minus current liabilities, minus longterm liabilities, minus minority interest.

NET ASSETS PER SHARE

Net assets as at the particular financial year divided by the number of shares in issue as at the current financial year end.

NET PROFIT MARGIN

Profit after tax divided by turnover inclusive of share of associate company turnover.

NET WORKING CAPITAL

Current assets minus current liabilities

OPERATING MARGIN

Operating profit as a percentage of total sales.

QUICK RATIO

Cash plus short-term investments plus receivables divided by current liabilities.

RETURN ON ASSETS

Profit after tax divided by the total assets.

RETURN ON CAPITAL EMPLOYED

Consolidated profit before interest and tax as a percentage of capital employed.

RETURN ON EQUITY

Profit/(Loss) attributable to shareholders as a percentage of shareholder's funds including minority interest.

SHAREHOLDERS' FUNDS

Total of stated capital, capital reserves and revenue reserves.

TOTAL DEBT

Long-term loans plus short-term loans and overdrafts.

TOTAL EQUITY

Shareholders' funds plus minority interest.

SUBSIDIARIES OF AMBEON HOLDINGS PLC

Subsidiary Companies	Directors
Colombo City Holdings PLC No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 000 Fax: 011 2 680 225 E-mail: info@ambeongroup.com	Mr. S L Sebastian (<i>Chairman</i>) Mr. A W Atukorala Dr. K S Narangoda Mr. R T Devasurendra Mr. S Sridharan Mr. S Kumar Mr. D M Weerasekare
Eon Tec (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige Dr. K S Narangoda
Palla & Company (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. A G Weerasinghe
Taprobane Capital Plus (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 328 100 Fax: 011 5 328 109 Email: info@ambeongroup.com	Mr. E M M Boyagoda (<i>Chairman</i>) Mr. A G Weerasinghe Dr. K S Narangoda Mr. H M R C Wijesingha
Green Field Ventures (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. S Sridharan Mr. H M R C Wijesingha

Sub-Subsidiary Companies	Directors
Millennium I.T.E.S.P. (Private) Limited No. 450 D, R A De Mel Mawatha Colombo 3. Tel: 011 7 484 000 Fax: 011 2 691 322 Email: info@millenniumitesp.com	Mr. D T S H Mudalige (<i>Chairman</i>) Mr. G S M Goonetilleke Mr. S L Sebastian Mr. S Sridharan Mr. S Kumar Mr. R T Devasurendra Mr. D M Weerasekare Mr. L V B D Mendis Mr. J A S Jayasundara Dr. K S Narangoda
Millennium I. T. E. S. P. Singapore Pte Limited 531 A, Upper Cross Street # 04-95, Hong Lim Complex Singapore (051531)	Mr. S Sridharan Mr. G S M Goonetilleke Mr. Y I S Premarathne Mr. L Hao
MIT ESP Bangladesh Private Ltd. Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka	Mr. G S M Goonetilleke Mr. M I Wijenayake

Sub-Subsidiary Companies	Directors
MIT ESP Trading L.L.C. #3002-032, Al Moosa Tower 2 30th Floor – Sheikh Zayed Road Dubai, United Arab Emirates	Mr. P D D Perera Mr. L V B De Mendis
Taprobane Investments (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109 E-mail: contact@taprobane.lk	Mr. M D J R Goonetilleke <i>(Chairman)</i> Mr. L A Weerasinghe Mr. K D H C J Perera
Taprobane Wealth Plus (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 109	Mr. A G Weerasinghe
Taprobane Securities (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. E M M Boyagoda <i>(Chairman)</i> Mr. C A Kamaladasa Mr. M D J R Goonetilleke Mr. N S Niles
Lexinton Holdings (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. H M R C Wijesingha Dr. K S Narangoda
Lexinton Resorts (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. H M R C Wijesingha Dr. K S Narangoda
Heron Ago Products (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. H M R C Wijesingha Dr. K S Narangoda
Lexinton Financial Services (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 328 100 Fax: 011 5 328 177 Email: contact@taprobane.lk	Mr. A G Weerasinghe
Sherwood Capital (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige <i>(Chairman)</i> Mr. S Palihawadana Dr. K S Narangoda Mr. L S Jayawardena Mr. A S Sebastian Mr. R P Sugathadasa Mr. E M M Boyagoda

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Ambeon Holdings PLC (“the Company”) will be held by way of electronic means on Wednesday, 10 September 2025 at 9.30 a.m. centered at the Boardroom of the Company at No. 100/1, Elvitigala Mawatha, Colombo 8, Sri Lanka via Audio/Video (Virtual AGM) for the following business:

1. To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31 March 2025 and the Report of the Auditors thereon.
2. To re-elect Mr. D T S H Mudalige, Director who retires by rotation in terms of Article 27 (8) of the Articles of Association of the Company and being eligible offers himself for re-election as a Director (Resolution 1).
3. To re-elect Mr. S L Sebastian, Director who retires by rotation in terms of Article No. 27 (8) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director (Resolution 2).
4. To propose the following resolution as an ordinary resolution for the re-appointment of Mr. E M M Boyagoda who has reached the age of 73 years (Resolution 3).
“IT IS HEREBY RESOLVED that the age limit referred to in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. E M M Boyagoda, who has reached the age of 73 years prior to the Annual General Meeting and that he shall accordingly be re-appointed.”
5. To re-elect as a Director, Mr. M D J R Goonetilleke who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article No. 27 (2) of the Articles of Association of the Company (Resolution 4).
6. To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration (Resolution 5).
7. To authorise the Directors to determine donations for charitable and other purposes for the year 2025/2026 as set out in the Companies’ Donation Act [CAP147] (Resolution 6).
8. To consider any other business of which due notice has been given.

By Order of the Board
BUSINESS INTELLIGENCE (PRIVATE) LIMITED

Sgd.
Secretaries

Colombo
15 August 2025

Notes:

1. A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
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.

FORM OF PROXY

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

Mr. D. T. S. H. Mudalige or failing him,
Dr. K. S. Narangoda or failing him,
Mr. E. M. M. Boyagoda or failing him,
Mr. S. L. Sebastian or failing him,
Mr. S. Kumar or failing him,
Mr. C. T. Tsoi or failing him,
Mr. R. P. Sugathadasa or failing him,
Mr. D. M. Weerasekare or failing him,
Mr. M. D. J. R. Goonetilleke or failing him

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 Wednesday, 10th September 2025 at 9.30 a.m. via Audio/Video (Virtual AGM) and any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage;

	For	Against	Abstain
Resolution 1. To re-elect Mr. D. T. S. H. Mudalige, Director who retires by rotation in terms of Article No. 27 (8) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. To re-elect Mr. S. L. Sebastian, Director who retires by rotation in terms of Article No. 27 (8) of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. To re-appoint Mr. E. M. M. Boyagoda who has reached the age of 73 years.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. To re-elect as a Director, Mr. M. D. J. R. Goonetilleke who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article No. 27 (2) of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5. To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6. To authorise the Directors to determine donations for charitable and other purposes for the year 2025/2026 as set out in the Companies' Donation Act [CAP147].	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed on this day of 2025.

.....
Signature

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

INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The Proxy shall –
 - a. In the case of an individual be signed by the shareholder or by his/her attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
 - b. In the case of a company or corporate/statutory body either be under its common seal or signed by its Attorneys or by an Officer on behalf of the company or corporate/statutory body in accordance with its Articles of Association or the Constitution or the Statutes (as applicable).
3. Please indicate with a "X" how the Proxy should vote on each resolution. If no indication is given, the Proxy in his/her discretion will vote as he/she thinks fit.
3. To be valid, the completed Form of Proxy should be deposited with the Registered Office of the Company at No. 100/1, Elvitigala Mawatha, Colombo 8, Sri Lanka or must be emailed to agm2025@ambeongroup.com or by facsimile to +94 11 2680225 by 9.30 a.m. on Monday, 8th September 2025.

CORPORATE INFORMATION

NAME OF THE COMPANY

Ambeon Holdings PLC

COMPANY REGISTRATION NUMBER

PQ 26

NATURE OF BUSINESS

Investment Holding & Management Company

LEGAL FORM

A Public Quoted Company with Limited Liability Company incorporated in Sri Lanka on 29 December 1910 and listed on the Colombo Stock Exchange on 01 January 1970.

REGISTERED OFFICE

No. 100/1, 2nd Floor, Elvitigala Mawatha
Colombo 8, Sri Lanka.
Telephone : +94 11 5700700
Fax : +94 11 2680225
Email : info@ambeongroup.com
Web : www.ambeongroup.com

SECRETARIES & REGISTRARS

Business Intelligence (Private) Limited
No. 10, Gothami Road
Colombo 8, Sri Lanka
Telephone : +94 11 2015900
Fax : +94 11 2015950, 2015960

AUDITORS

Ernst & Young
Chartered Accountants
109, Rotunda Towers, Galle Road
Colombo 3, Sri Lanka
Telephone : +94 11 2463500

BANKERS

Commercial Bank of Ceylon PLC
DFCC Bank PLC
National Development Bank PLC
Nations Trust Bank PLC
Pan Asia Banking Corporation PLC
People's Bank
Sampath Bank PLC
Seylan Bank PLC
Standard Chartered Bank

Concept & Designed by



AMBEON
HOLDINGS PLC