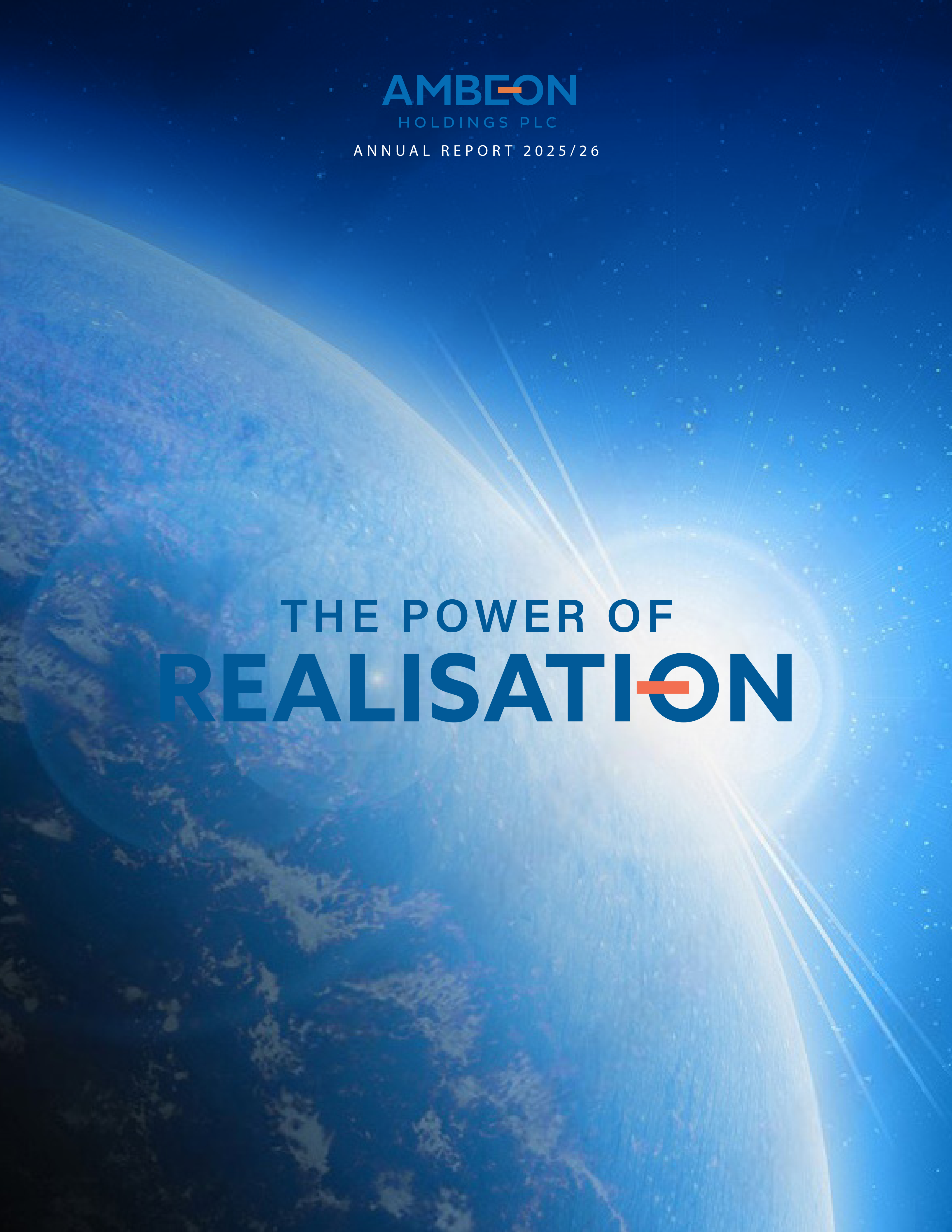
AMBEON
HOLDINGS PLC

ANNUAL REPORT 2025/26



THE POWER OF REALISATION

Realisation is not a moment. It is the outcome of disciplined ambition brought to life.

At Ambeon Holdings, realisation defines how strategy becomes execution and vision takes tangible form. Across strategic investments, property development, and IT, it is the force that transforms ambition into measurable outcomes.

It is where ideas are built, opportunities are executed, and value is actively created. Each sector reflects this in motion:

Through investments that deliver returns, developments that shape environments, and technology that powers progress. Realisation brings focus to ambition. It turns direction into delivery and plans into performance. Because true progress is not just driven by intent, but proven through results.

At Ambeon Holdings, realisation ensures that ambition is not only pursued, but achieved - creating impact across industries and building value that endures.

AMBEON
HOLDINGS PLC

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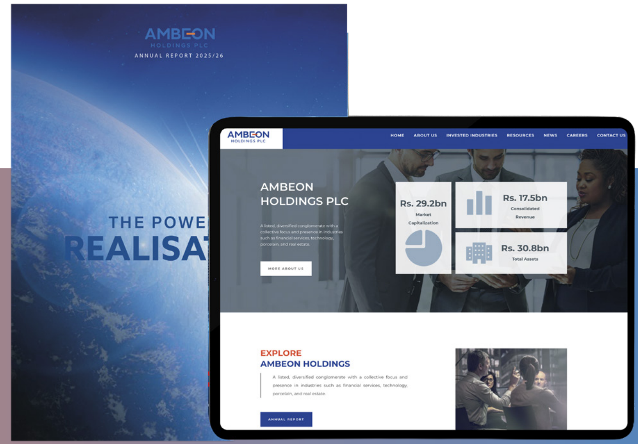


About This Report

We are pleased to present the Annual Report of Ambeon Holdings PLC for the financial year 2025/26. This report reflects how the Group navigated a demanding and volatile operating environment - marked by shifting global trade dynamics, escalating geopolitical tensions in the Middle East, sharp energy price volatility and the disruption caused by Cyclone Ditwah - while continuing to reshape its portfolio towards higher-growth, more scalable and better-governed businesses. At the heart of this journey lies The Power of Realisation - this year's guiding theme, reflecting the tangible outcomes of strategies set in motion in earlier years. Having built the foundations of a diversified, resilient portfolio, the Group's focus this year turned to converting ambition into delivered results: completing the portfolio rationalisation programme, translating disciplined capital allocation into sharply improved earnings, and realising the long-term value embedded within its core businesses. Deeply embedded in our culture, this theme inspires us to turn intent into outcome, foresight into execution, and potential into 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 2025 to 31 March 2026, 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.

The year under review marked the completion of the Group's portfolio rationalisation programme, with the divestment of the Group's remaining interest in Dankotuwa Porcelain PLC concluding its gradual exit from manufacturing, and the transfer of the Financial Services cluster (Taprobane Capital Plus and its subsidiaries) under Ambeon Capital PLC during the year. Accordingly, this report reflects the Group's evolved business structure, centred on Information Technology, Real Estate, Diversified Investments and Group Treasury operations.

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.

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 Information Technology, Real Estate, Diversified Investments, and Group Treasury. 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.

During FY2025/26, the Group completed its portfolio rationalisation programme, divesting its remaining interest in Dankotuwa Porcelain PLC and concluding its gradual exit from manufacturing, while transferring its Financial Services cluster under Ambeon Capital PLC. This has resulted in a more focused, balanced and resilient portfolio, with the Information Technology and Real Estate sectors emerging as the Group's primary growth engines, supported by the continued contribution of Group Treasury operations and diversified investments.

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.

Values

Moving First - *Catalyzing opportunities through readiness.*

Channeling Teamwork - *Harnessing the collective strength of our diverse minds.*

Actioning Results - *Mind, body and soul, we are committed to our investments.*

Seeing Beyond - *Constantly challenging ourselves to look beyond.*

Inspiring Each Other - *Encouraging each other's success.*

INFORMATION TECHNOLOGY SECTOR

Millennium I.T.E.S.P. (Private) Limited continues to be a transformative leader in Sri Lanka's IT sector and a trusted regional enterprise solutions provider, serving international and local clients through core infrastructure, cybersecurity, managed services, smart buildings, and enterprise applications. During FY2025/26, the Company recorded revenue of LKR 16.99 billion, up 9% over the prior year, maintaining a 12% gross margin through a deliberate shift from revenue-led growth towards profit optimisation and margin discipline. Approximately 30% of revenue was generated through recurring managed services and maintenance contracts, with renewal rates above 90%. MillenniumIT ESP maintains strategic partnerships with global technology leaders including Cisco, Microsoft, Oracle, Fortinet, Dell Technologies and Huawei, and continues to expand its regional footprint across Singapore - its largest overseas operation - as well as Bangladesh, Dubai, Australia and its wider channel partner network across ASEAN, the Middle East and Europe.

REAL ESTATE SECTOR

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. Real Estate remained the largest contributor to the Group's overall asset base and long-term growth strategy during the year, supported by fair value appreciation and improving sentiment across premium real estate segments. During FY2025/26, CCH progressively transitioned from a primarily investment- and property-holding entity into a broader, development-oriented and diversified operating platform, now functioning across five strategic verticals: Real Estate, Mixed Development / Leisure, Plantations, Warehousing, and Diversified Investments. The Company's flagship eight-acre beachfront development at Kosgoda remains its most ambitious project, reflecting a destination-led, internationally aligned positioning strategy centred on hospitality integration, environmental responsibility and premium coastal living.

DIVERSIFIED INVESTMENTS

Ambeon Holdings PLC undertakes diversified 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. The Group's diversified investment portfolio spans DFCC Bank PLC and Seylan Bank PLC - reflecting continued confidence in the long-term prospects of Sri Lanka's banking sector and its role as a catalyst for economic growth - alongside an exposure to The Kandy Hotels Company PLC (KHC), reflecting the Group's broader conviction in the long-term prospects of Sri Lanka's tourism and hospitality sectors. These investments are expected to deliver steady returns through capital appreciation and dividend income while strengthening the Group's long-term strategic positioning.

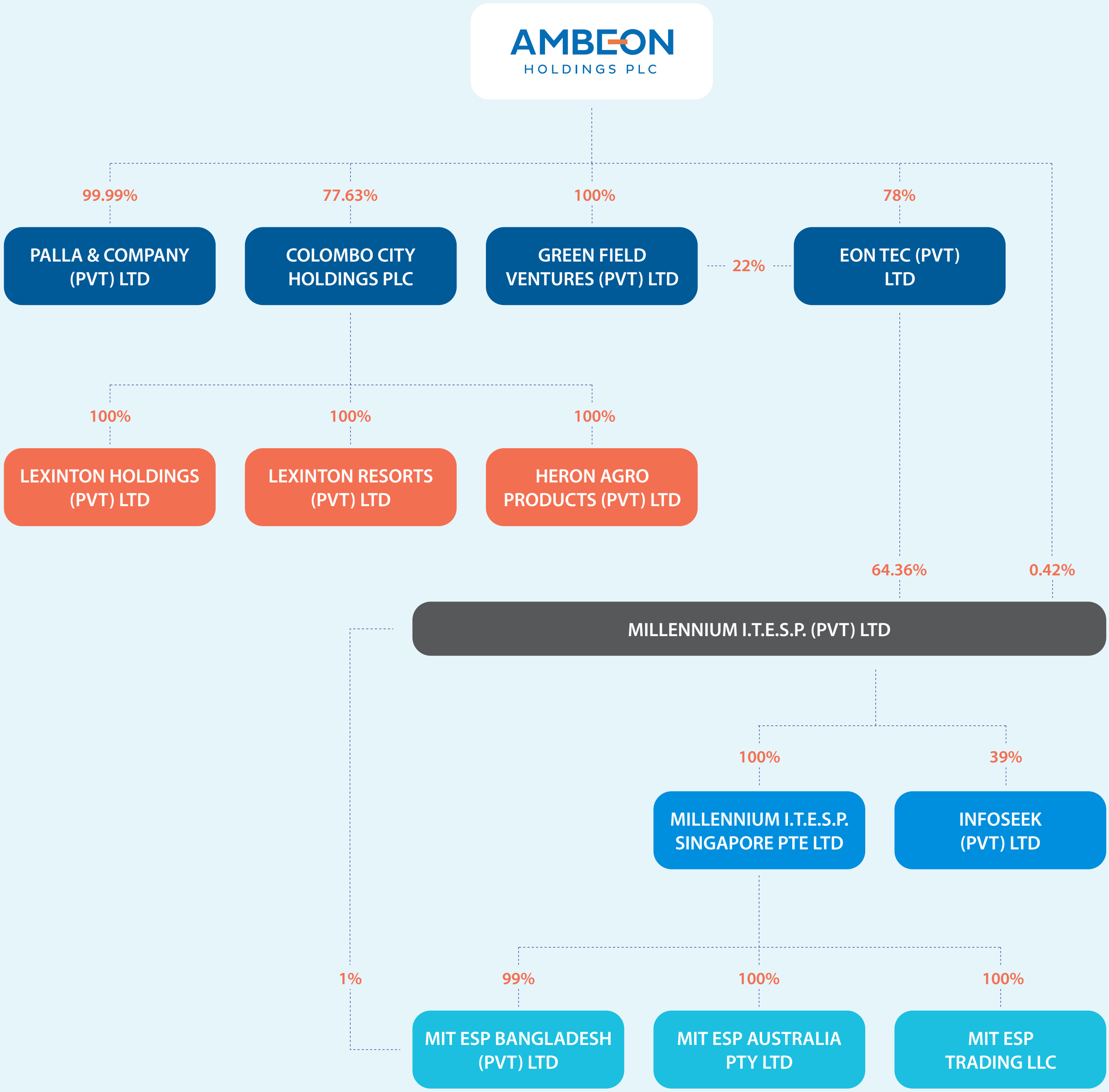
GROUP TREASURY

A distinguishing feature of the Group's operating model is the strategic role played by its centralised Treasury function, which has evolved well beyond the traditional remit of liquidity management to become a critical driver of capital stewardship and value creation across the portfolio. Acting as the Group's financial nerve centre, Treasury manages Group-level capital flows, oversees intercompany funding, optimises asset deployment and maintains the financial flexibility necessary to support both existing operations and emerging opportunities - deploying surplus liquidity into carefully selected equity investments, government securities and dividend-yielding assets that generate attractive risk-adjusted returns while preserving capital.

Performance Highlights

	2025/26 LKR	2024/25 LKR
Financial Performance (Continuing Operations)		
Revenue	18,129,933,471	16,439,184,479
Gross Profit	3,177,642,040	3,044,724,302
Operating Profit/(Loss)	3,762,144,351	2,039,040,017
Profit/(Loss) before Tax	3,029,798,495	1,578,531,738
Profit/(Loss) After Tax	2,827,204,752	1,577,930,900
Profit After Tax - Including Discontinued Operations	3,320,776,903	2,024,936,559
Interest Cover	4.33	4.63
Return on Equity	24.60%	14.29%
Return on Capital Employed	16.64%	8.57%
Financial Positions		
Total Assets	32,970,048,026	30,787,894,235
Total Debts	10,178,157,105	9,331,882,788
Total Equity	13,498,127,268	14,167,829,262
No. of shares in Issue (After the Share Subdivision)	1,427,478,664	1,427,478,664
Net Assets per Share	8.56	8.21
Gearing Ratio	42.99%	39.71%
Debt/Total Assets	30.87%	30.31%
Current Ratio	1.56	1.56
Quick Asset Ratio	1.403	1.36
Market Price per Share	152.75	81.70
Market Capitalisation	54,511,841,481	29,156,251,712

Group Structure



Chairman's Review

As a diversified investment group, our responsibility extends beyond delivering short–term financial results. It requires us to continuously evaluate emerging opportunities, anticipate structural shifts in the economy and allocate capital in a manner that generates sustainable returns over the long term.

Dear Shareholders,
It is my pleasure to present the Annual Report and Audited Financial Statements of Ambeon Holdings PLC for the financial year ended 31st March 2026. The period under review was characterised by strategic clarity, disciplined execution and a deliberate repositioning of the Group towards sectors that we believe will shape the next phase of economic growth and value creation in Sri Lanka and beyond.

As a diversified investment group, our responsibility extends beyond delivering short-term financial results. It requires us to continuously evaluate emerging opportunities, anticipate structural shifts in the economy and allocate capital in a manner that generates sustainable returns over the long term. Against a backdrop of improving domestic economic conditions and continued global uncertainty, the Group undertook significant steps to strengthen its portfolio, sharpen its strategic focus, and position itself for enduring growth.

The year under consideration witnessed meaningful progress in the transformation journey we commenced several years ago. We successfully strengthened the foundations of the Group through disciplined portfolio management, prudent capital allocation and a continued emphasis on governance and resilience, while creating new pathways for future growth. Most importantly, we have continued to evolve Ambeon into a more focused, future-oriented organisation aligned with sectors that offer compelling long-term opportunities.

Navigating a Recovering Economy

Sri Lanka's economic landscape continued to improve during FY2025/26, supported by macroeconomic stabilisation, easing inflationary pressures, stabilising interest rates and a gradual return of investor confidence. The progress achieved through fiscal reforms and economic restructuring measures helped create a more supportive environment for private sector activity and long-term investment planning. The recovery of tourism, improving business sentiment and renewed activity across several sectors of the economy contributed positively to overall market confidence. Encouragingly, investor appetite began to return to both capital markets and real assets, creating opportunities for businesses with strong fundamentals and long-term strategic vision.

However, the operating environment remained far from risk-free. Global economic growth continued to be affected by geopolitical tensions such as the Middle Eastern Conflict, trade realignments, supply chain disruptions and evolving monetary policies across major economies. Sri Lanka itself continues to face structural challenges including external debt vulnerabilities, exchange rate fluctuations, and the need for sustained fiscal discipline and policy consistency. Against this backdrop, the Board remained focused on maintaining financial resilience, strengthening operational agility and ensuring that the Group remained well positioned to capitalise on opportunities emerging from the country's ongoing recovery.

Strategic Transformation

The year was not only about delivering financial performance but also about taking actions to reshape the Group for the future. One of the most significant developments during the year was the repositioning of the Financial Services Cluster under Ambeon Capital. This was a carefully considered strategic decision undertaken following a comprehensive review of the Group's portfolio and long-term priorities. While the sector has contributed meaningfully to the Group's history and growth, we recognised the opportunity to redeploy capital towards sectors offering stronger alignment with our future strategic direction and higher long-term growth potential.

This repositioning reflects a broader philosophy that continues to guide our investment approach. We believe successful capital allocation requires the discipline to continuously evaluate investments, the courage to make difficult decisions when necessary and the foresight to position the organisation for future opportunities rather than past successes.

The proceeds and capital flexibility generated through this transaction have strengthened the Group's ability to pursue opportunities within technology, real estate and strategic investments. As a result, Ambeon today possesses a clearer strategic identity, supported by businesses and assets that are increasingly aligned with long-term economic and consumer trends. During the transformation, our focus has remained firmly on creating sustainable shareholder value while strengthening the Group's ability to navigate future uncertainties.

Financial Performance & Capital Stewardship

The Group delivered a strong financial performance during FY2025/26, demonstrating both the resilience of its business model and the effectiveness of its strategic initiatives. Consolidated revenue increased by 10% to LKR 18.13 billion, while Profit After Tax rose by nearly 64% to LKR 3.32 billion. These results were achieved despite a year of significant portfolio restructuring and continued global economic uncertainty. The performance reflects the growing strength of our core operating platforms, disciplined financial management, and the benefits of our ongoing portfolio optimisation strategy.

The Technology Cluster remained the Group's largest revenue contributor, accounting for more than 80% of consolidated revenue and reaffirming its importance within the Group's future growth strategy. Meanwhile, the Real Estate Cluster continued to strengthen its contribution to profitability, reflecting both

Chairman's Review

the increasing strategic importance of the sector and the underlying appreciation potential of the Group's property assets.

At the holding company level, treasury operations and strategic investment activities continued to perform strongly. Our investments within the banking sector, including a 9.93% holding in Seylan Bank and a 9.91% holding in DFCC Bank, delivered encouraging returns and made a meaningful contribution to profitability during the year. These investments continue to provide exposure to Sri Lanka's economic recovery while supporting diversification within the Group's earnings profile.

Disciplined capital allocation remains central to our value creation framework. Every investment decision is assessed through a long-term lens, with particular emphasis on growth potential, scalability, recurring income characteristics, governance standards and strategic fit. This approach enables us to balance growth ambitions with prudent risk management while preserving the financial flexibility necessary to capitalise on future opportunities.

Digital Transformation

Technology remains one of the most important pillars of Ambeon's long-term growth strategy and continues to represent one of the most compelling opportunities within our portfolio. Led by MillenniumIT ESP, the Informant Technology Cluster has established itself as a leading provider of enterprise technology solutions while steadily expanding its presence beyond Sri Lanka. Despite operating within a challenging environment characterised by prolonged procurement cycles, pricing pressures, global supply chain disruptions and increasing competition from regional and international players, the business continued to demonstrate resilience and strategic progress.

Strengthening the leadership marks an important milestone in the next phase of MillenniumIT ESP's evolution. The company is strengthening its focus on emerging technologies, operational excellence, and regional expansion.

We view Artificial Intelligence as one of the most transformative developments of our generation. Beyond its technological implications, AI has the potential to fundamentally redefine productivity, customer engagement, business models and competitive advantage across virtually every sector of the economy. MillenniumIT ESP is actively investing in AI-enabled capabilities, innovation-driven solutions, and technology platforms that will enable clients to navigate this rapidly evolving landscape.

At the same time, cybersecurity continues to emerge as a critical priority for organisations worldwide. Increasing digitalisation, evolving cyber threats, and heightened regulatory expectations are creating strong demand for sophisticated security solutions. Combined with growth in cloud infrastructure, enterprise automation, managed services and digital transformation initiatives, these trends provide significant opportunities for long-term expansion.

The company's growing international footprint further strengthens this outlook. Its expanding presence across South Asia and other regional markets, combined with strong relationships with global technology providers and an established reputation for delivering mission-critical solutions, provides a strong foundation for future growth. What differentiates MillenniumIT ESP is its customer-centric approach, recurring client relationships, operational excellence and deep domain expertise, which strengthens its competitive position in an increasingly dynamic technology landscape.

Real Estate

The Group's increasing focus on real estate reflects our confidence in the sector's long-term fundamentals and our conviction that carefully selected assets can generate substantial value over time. We continue to build a differentiated real estate platform through Colombo City Holdings PLC, focused on premium developments, destination-led projects and lifestyle-oriented investments. Our strategy extends beyond traditional property ownership and is centred on creating assets capable of generating sustainable long-term returns while benefiting from underlying land value appreciation.

The improving macroeconomic environment, easing interest rates, infrastructure development, and increasing investor confidence have created favourable conditions for the gradual recovery of Sri Lanka's real estate sector. We believe these developments present attractive opportunities for organisations with a long-term perspective and a disciplined investment approach.

Upcoming development initiatives represent strategically important components of our long-term vision. These projects have been selected not merely for their location but for their ability to support destination-led concepts that combine hospitality, lifestyle, wellness, and experiential tourism.

We remain highly optimistic about the future of Sri Lanka's tourism and leisure sectors. The country possesses a unique combination of natural beauty, biodiversity, cultural heritage, and geographic advantage that continues to strengthen its appeal as a premium destination. As global travel patterns increasingly shift towards wellness, sustainability, authenticity, and experience-driven tourism, we believe Sri Lanka is exceptionally well positioned to benefit.

Our ambition extends beyond property development, to create destinations that contribute to local economies, enhance tourism infrastructure, and deliver lasting value for communities, stakeholders and shareholders alike.

Investment Philosophy & Future Opportunities

The Group continues to actively evaluate emerging opportunities that align with evolving market dynamics and long-term economic transformation trends. Particular attention is being directed towards technology-driven businesses, artificial intelligence applications, digital infrastructure, tourism-linked developments and lifestyle-oriented investment opportunities. We believe these sectors possess strong structural growth drivers and offer attractive opportunities for sustainable value creation over the medium to long term.

Further to the repositioning of the Financial Services Cluster, the Group continues to maintain strategic exposure to the banking sector through its investment portfolio. These investments delivered a strong performance during the year and continued to make a meaningful contribution to earnings. We remain encouraged by the strengthening fundamentals of the banking sector and believe these investments provide both income generation and long-term capital appreciation potential as Sri Lanka's economic recovery gathers momentum.

When evaluating new investments and strategic acquisitions, our focus remains on identifying businesses with resilient operating models, scalable growth potential, strong governance frameworks, recurring revenue characteristics and the ability to generate sustainable returns through economic cycles. While growth remains important, we remain equally committed to preserving financial discipline and ensuring that capital is deployed responsibly and effectively.

Governance, Risk & Resilience

As the Group continues to evolve, the Board has strengthened its collective expertise across multiple sectors, enabling effective oversight and informed decision-making across an increasingly diversified portfolio. This diversity of experience provides valuable perspective as we navigate new opportunities and emerging risks. The Group continues to maintain robust governance frameworks, strong oversight mechanisms and disciplined risk management practices. Particular attention is devoted to regulatory compliance, capital allocation, cybersecurity, project execution, financial resilience and strategic risk assessment. Our diversified business model, strong balance sheet, prudent treasury management practices and disciplined investment approach provide the flexibility necessary to respond effectively to changing circumstances while continuing to pursue long-term opportunities.

Sustainability & Responsible Stewardship At Ambeon Holdings, sustainability is viewed as an integral component of long-term value creation. As the Group expands its presence within information technology and real estate sectors environmental, social and governance (ESG) considerations continue to be integrated into investment decisions, development planning and operational activities.

Within our real estate portfolio, projects are increasingly being conceptualised with greater emphasis on environmental integration, sustainable design principles and long-term community value creation. Within our technology businesses, digital innovation continues to support efficiency improvements while enabling clients to address their own sustainability objectives.

Above all, our commitment to sustainability reflects our broader responsibility as stewards of shareholder capital. We remain committed to building businesses that are not only profitable but also responsible and capable of creating lasting value for future generations.

Looking Ahead

As we enter FY2026/27, we do so with confidence in the Group's strategic direction and optimism about the opportunities that lie ahead. While global economic uncertainty and geopolitical volatility are likely to persist, we believe Sri Lanka's improving economic fundamentals and reform-driven outlook will continue to create meaningful opportunities for long-term growth.

Over the next three to five years, we expect Information Technology and Real Estate sectors, to emerge as the Group's principal growth drivers. Together with our strategic investment portfolio and treasury operations, these sectors provide a balanced platform capable of delivering both resilience and opportunity.

Our priorities remain clear: strengthening our core businesses, pursuing disciplined growth opportunities, enhancing operational performance, maintaining financial resilience and creating sustainable value for all stakeholders.

Appreciation

On behalf of the Board, I extend my sincere appreciation to our shareholders for their continued confidence and trust in Ambeon Holdings PLC.

I also wish to thank my fellow Board members for their guidance, stewardship and unwavering commitment throughout a year of significant strategic progress.

My gratitude also extends to the management teams across the Group, whose leadership and dedication continue to drive our transformation and growth.

Most importantly, I acknowledge the employees across our businesses whose professionalism, and commitment have enabled the Group to navigate change while embracing new opportunities. Their contribution remains fundamental to our success.

As we look to the future, we remain committed to building a stronger, more focused and resilient Ambeon Holdings PLC.

Sgd.
Sujeewa Mudalige
Chairman

28 August 2026

Group CEO / Executive Director's Review

The strong performance demonstrates the effectiveness of the Group's diversified portfolio structure and disciplined investment management approach. Importantly, the Group's earnings profile today is significantly more balanced and resilient than in previous years.

Dear Stakeholders,
I am pleased to present the Annual Report of Ambeon Holdings PLC for the financial year ended 31st March 2026, a year defined by strategic repositioning, operational resilience and a renewed focus on strengthening the Group's core growth verticals.

The Group continued to build on its long-term transformation strategy through the year under review, refining its portfolio composition to align more closely with sectors capable of delivering sustainable growth, recurring earnings and long-term shareholder value. This strategic direction enabled the Group to strengthen operational focus, optimise capital allocation and position itself more effectively within an increasingly dynamic economic and business environment.

A defining development during the year was the successful completion of key portfolio restructuring initiatives. The Group fully divested its remaining stake in manufacturing operations through the disposal of the balance holding in Dankotuwa Porcelain PLC, thereby concluding a strategic transition that had been progressively undertaken over several years. Concurrently, the Financial Services cluster was repositioned directly under Ambeon Capital PLC, enabling Ambeon Holdings to sharpen its focus on its remaining core verticals namely Information Technology, Real Estate, Diversified Investments and Group Treasury Operations. This strategic consolidation reflects our deliberate effort to simplify and strengthen the operating structure while enabling each vertical to pursue more focused growth trajectories. It also positions Ambeon Holdings as a leaner, more agile investment platform capable of capitalising on emerging opportunities across sectors with strong long-term potential.

Macroeconomic Stabilisation and Evolving Global Headwinds

Sri Lanka's economic environment during the financial year reflected a continuation of the gradual stabilisation witnessed over the past two years. Improved macroeconomic fundamentals, declining inflationary pressures, lower interest rates and recovering investor confidence collectively contributed towards creating a more stable operating environment for businesses and investment activity. The country's progress under the International Monetary Fund (IMF) reform programme, together with improving foreign reserves, enhanced fiscal discipline and renewed activity within tourism and export sectors further strengthened business sentiment throughout much of the year. Equity and fixed-income markets also demonstrated improved momentum as investors gradually regained confidence in Sri Lanka's medium-term economic outlook.

Despite these improvements, towards the latter part of the financial year, heightened geopolitical tensions in the Middle East and continuing global economic uncertainty created volatility across international markets and affected valuations of certain investments held within the Group's portfolio. In addition, weather-related disruptions linked to Cyclone Ditwah created temporary operational challenges within segments of the domestic economy.

Against this backdrop, the Group adopted a disciplined and measured approach to capital allocation, liquidity management and strategic expansion. Our strong liquidity position, prudent gearing philosophy and diversified investment portfolio enabled us to navigate market volatility while maintaining operational stability and preserving long-term growth momentum. While global uncertainties remain elevated, we continue to believe that Sri Lanka's medium-term outlook remains positive provided structural reforms, fiscal discipline and policy consistency are sustained. The improving investment climate presents meaningful opportunities for sectors such as Information Technology, Real Estate and Diversified Investments, where the Group has steadily strengthened its presence over the past decade.

A Year of Stronger Performance and Strategic Focus

The financial year 2025/26 was a successful year for Ambeon Holdings PLC, with the Group delivering strong growth in both revenue and profitability despite ongoing external uncertainties and evolving market conditions. The Group recorded approximately 10% growth in top-line revenue during the year, driven primarily by the continued expansion of the Information Technology cluster led by MillenniumIT ESP.

More significantly, profitability improved by approximately 64%, with Group net profit increasing from approximately LKR 2 billion in the previous financial year to approximately LKR 3.3 billion during the year under review. This substantial improvement in profitability was supported primarily by contributions from Diversified Investments, Group Treasury Operations, Real Estate and the Financial Services cluster, which contributed to Group earnings up to the second quarter, prior to its divestment to Ambeon Capital PLC.

The strong performance demonstrates the effectiveness of the Group's diversified portfolio structure and disciplined investment management approach. Importantly, the Group's earnings profile today is significantly more balanced and resilient than in previous years. The strategic repositioning undertaken over time has enabled us to reduce exposure to lower-growth manufacturing operations while increasing our presence in sectors with stronger scalability, recurring earnings potential and regional growth opportunities.

Our approach continues to focus not only on achieving growth, but also on improving the quality, sustainability, and resilience of earnings across the portfolio. The year also saw the Group return significant value to shareholders, with Ambeon Holdings declaring a cash dividend of approximately LKR 3.5 billion during the period under review.

Group CEO / Executive Director's Review

PERFORMANCE ACROSS BUSINESS VERTICALS

Information Technology Cluster

MillenniumIT ESP continued to remain the Group's largest revenue contributor during the financial year under review, with growth momentum supported by expanding regional operations and improving market opportunities across Southeast Asia. Particular progress was achieved through MIT Singapore, which continued strengthening the Group's presence within the ASEAN region. The company also inaugurated MIT Australia while maintaining steady growth within Sri Lanka as local market conditions gradually improved. Although profitability growth within the IT cluster was comparatively moderate relative to top-line expansion, we continued investing aggressively in strengthening the company's long-term capabilities, operational structure, and technology positioning. During the year, MillenniumIT ESP underwent a significant structural changes alongside recalibrating leadership roles, a move designed to position the company for its next phase of growth.

A key strategic priority moving forward will be the acceleration of investments in artificial intelligence capabilities. The Group intends to substantially strengthen AI-focused competencies, establish AI labs and enhance the company's overall enterprise technology value proposition across areas such as managed services, infrastructure management, cybersecurity, MillenniumIT ESP priority moving forward will be the acceleration of investments in artificial intelligence capabilities.

Real Estate

The Group's real estate and diversified investment activities continued to demonstrate resilience and steady value creation during the year under review. Through Colombo City Holdings PLC, the Group maintained a disciplined strategy focused on long-term value appreciation, selective property acquisitions and strategic development initiatives aligned with evolving tourism and lifestyle trends. The real estate cluster contributed approximately LKR 375 million towards Group profitability during the year, broadly in line with the previous financial year's performance.

One of the most significant developments during the year was the advancement of the Group's beachfront property project in Kosgoda. Following extensive conceptualisation and planning, the development framework for this strategically important project has now been substantially finalised. We view this project as a major long-term opportunity capable of unlocking significant value within Sri Lanka's premium tourism and lifestyle real estate segment.

In addition to Kosgoda, the Group also continued to strengthen its property portfolio through selective acquisitions of strategically located land parcels adjacent to existing holdings. These investments are intended to enhance long-term development optionality while increasing the overall strategic value of the Group's real estate portfolio. Looking ahead, the Group intends to continue evaluating opportunities within tourism-linked real estate, lifestyle developments, and other strategically aligned property investments as Sri Lanka's tourism sector and broader economy continue their gradual recovery.

Group Treasury and Diversified Investments

Operating under a centralised treasury model, the Group successfully managed liquidity, optimised short-term and medium-term investment positioning and preserved balance sheet strength amidst a volatile market environment. Strategic treasury activities generated solid returns during the year, supported by investments across government securities, listed equities and medium-term investment opportunities. The Group also continued to benefit from its strategic investments within Sri Lanka's banking sector. Holdings in DFCC Bank PLC and Seylan Bank PLC generated encouraging capital appreciation and dividend flows during the financial year. These investments continue to form an important component of the Group's diversified investment portfolio and long-term value creation strategy.

Over the years, Group Treasury has developed strong internal capability in managing capital allocation across varying market cycles and economic conditions. This disciplined approach to liquidity and investment management remains central to preserving the Group's financial stability while enabling the agility required to capitalise on emerging opportunities. Going forward, we will continue to review and rebalance segments of our diversified investment portfolio, particularly within the banking and strategic investment sectors, in line with evolving market conditions and long-term value creation priorities.

Building a More Balanced and Future-Ready Portfolio

One of the key strategic priorities over the past several years has been the creation of a more balanced portfolio capable of delivering both growth and recurring cash flow stability across economic cycles. The Group's transition away from manufacturing-centric operations has now been fully completed. Simultaneously, we have progressively strengthened our exposure to technology, treasury operations, diversified investments and high-potential real estate assets.

Investing in People, Capability and Digital Transformation

As the Group continues evolving, we remain deeply conscious that sustainable growth ultimately depends on the strength of our people, systems and institutional capability. Across the Group, we continued investing in staff development, leadership progression and organisational capability building throughout the year. Employees are regularly provided opportunities for cross-industry exposure and professional development, enabling them to broaden their expertise and contribute more dynamically across the Group's diversified operations. At the operational level, we also continued enhancing our digital infrastructure and enterprise systems. Beyond routine ERP enhancements, the Group has now commenced exploring the integration of agentic AI capabilities into selected operational and enterprise management systems. We believe these initiatives will improve efficiency, decision-making capability, operational responsiveness and long-term competitiveness across the organisation.

Forging Ahead with Confidence

As we move into the new financial year, we remain highly optimistic regarding the future direction of Ambeon Holdings PLC. Our strategic focus moving forward will be centred primarily around strengthening the Information Technology and Real Estate verticals, both of which we believe possess significant long-term growth potential. We also expect Group Treasury and Diversified Investments to continue contributing meaningfully towards earnings and balance sheet strength.

Within the Information Technology vertical, management's immediate priority will be improving bottom-line growth while accelerating investments in artificial intelligence capabilities, regional expansion, and enterprise technology transformation initiatives.

Within Real Estate, we expect to progress several strategically important developments, including the Kosgoda project and selected opportunities across other locations within the country.

At the broader Group level, we will continue maintaining a prudent investment philosophy focused on liquidity preservation, disciplined capital allocation, and sustainable long-term value creation. While external uncertainties and geopolitical risks remain elevated, we believe the Group today is substantially stronger, more agile, and better positioned to navigate future market cycles.

Appreciation

As we conclude yet another successful year, I wish to extend my sincere gratitude to the Chairman and Board of Directors for their continued guidance, trust, and strategic direction throughout the year.

I also extend my appreciation to the Boards and management teams across our subsidiary companies for their dedication, professionalism, and commitment towards executing the Group's long-term strategic vision.

To all our employees across the Group, I thank you for your resilience, commitment, and contribution during a year of important transformation and progress.

Finally, I express my gratitude to our shareholders, business partners, financial institutions, and all other stakeholders for the confidence and support extended to Ambeon Holdings PLC. We look forward to your continued partnership as we move ahead with confidence into the next phase of our growth journey.

Sgd.
Sajeeva Narangoda (Dr)
Group CEO/Executive Director

28 August 2026

Board of Directors

Mr. Sujeewa Mudalige
Chairman/Independent Non-Executive Director

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

He currently serves as the Independent Non-Executive Chairman of Ambeon Capital PLC, Ambeon Holdings PLC, Millennium I. T. E. S. P. (Private) Limited and Sherwood Capital (Private) Limited.

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

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

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

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

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

Dr. Sajeeva Narangoda
Group CEO/Executive Director

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

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

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

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

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) Ltd, Asset Holdings (Pvt) Limited, Ceylon Hotels Corporation PLC, Faber Capital Lanka (Pvt) Limited, United Hotels (Pvt) Limited, Sherwood Capital (Pvt) Limited, Sierra Construction (Pvt) Limited, Sri Lanka Gateway Industries (Pvt) Limited, SAFE Capital (Pvt) Limited, and Wise World (Pvt) Limited.

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

Mr. Savanth Sebastian
Independent Non-Executive Director

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

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

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

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

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

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

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. 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, Alpha Fire Services PLC and Ambeon Securities (Private) Limited.

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

Mr. Ruwan Keragala
Independent Non-Executive Director

Mr. Ruwan Keragala is an eminent corporate leader with over two decades of executive experience. He is currently the Chief Executive Officer of MAS Silueta (Pvt) Ltd. He previously served as the Chief Operating Officer and Finance Director of MAS Intimates (Pvt) Ltd and represented the nation in the Sri Lankan presidential business delegation to the World Economic Forum in Davos.

In public service, Mr. Keragala is the Chairman of the High-Performance Committee of the National Olympic Committee of Sri Lanka and the Deputy Chairperson of the Jaya Media Network. He has previously served on the National Sports Council and the Sri Lanka Cricket Technical Advisory Committee.

He holds a first-class honors BBA from the University of Colombo, an MBA from Imperial College London, and has completed executive education at Harvard Business School and INSEAD. He is a Fellow member of both CIMA (UK) and ACCA (UK).

Heads of Business Subsidiaries

Mr. Harendra Samarasinghe
Chief Executive Officer
Millennium i. T. E. S. P. (Private) Limited

Dr. Ranjan Dissabandara
Chief Executive Officer
Colombo City Holdings PLC

Senior Management

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. Niroshan Pradeep
Head Human Resources
Ambeon Holdings PLC

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

Mr. Thishan Perera
Senior Manager - Risk Controls & Compliance
Ambeon Holdings PLC

Ms. Suranji Pathirana
Senior Manager - Finance
Ambeon Holdings PLC

Macroeconomic Review

Global & Local Macroeconomic Performance

Global Economy

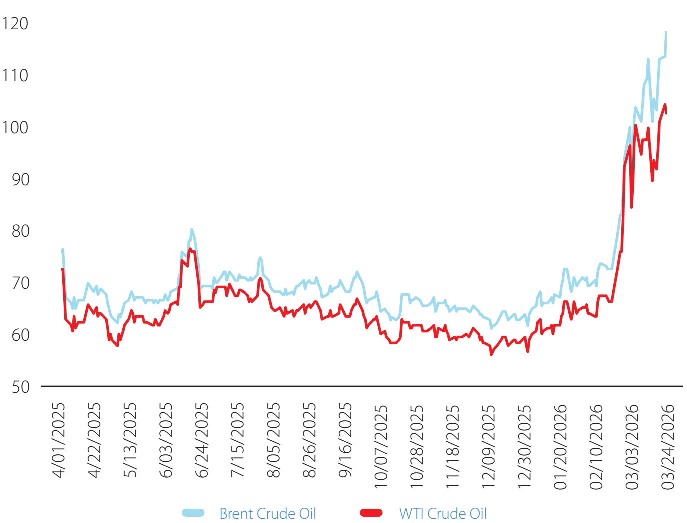
The financial year ended 31st March 2026 unfolded against a complex and evolving global backdrop, characterised by shifting trade dynamics, escalating geopolitical tensions, volatile commodity markets, and changing monetary policy expectations.

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

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

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

Crude Oil Prices

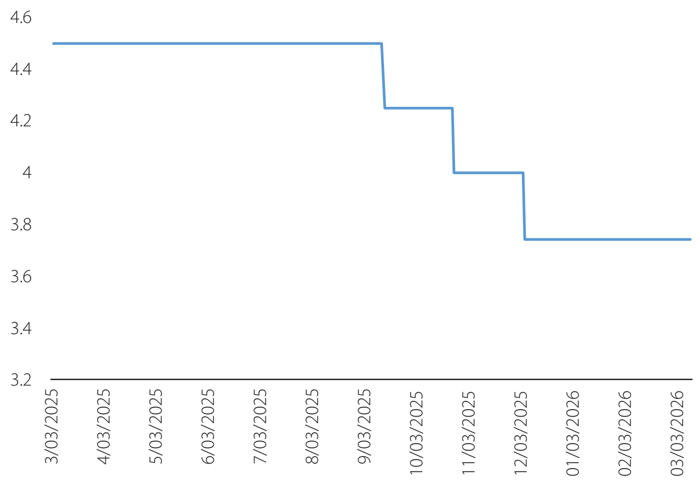


Source: Bloomberg

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

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

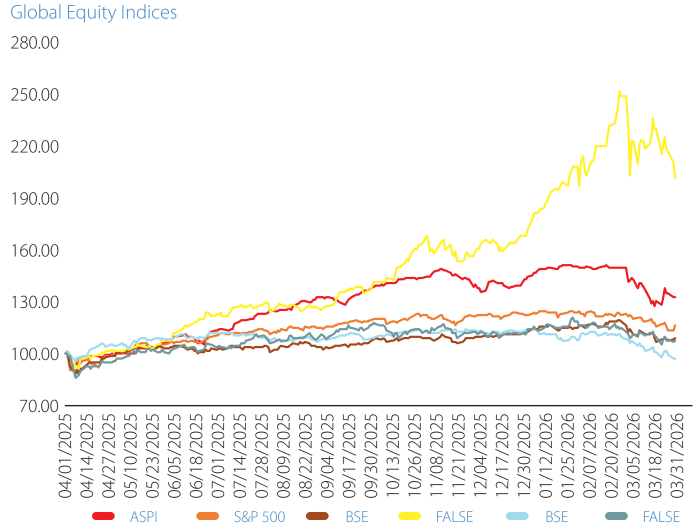
US Fed rate (%)



Source: Bloomberg

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

Global Equity Indices



Source: Bloomberg

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

Sri Lanka: Recovery Amid Structural Shifts and External Pressures

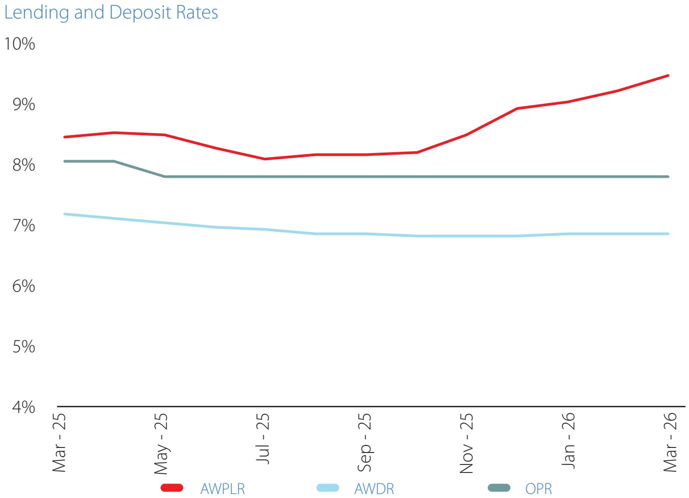
Sri Lanka's economy demonstrated resilience during the year, continuing its recovery trajectory despite both domestic and external challenges.

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

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

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

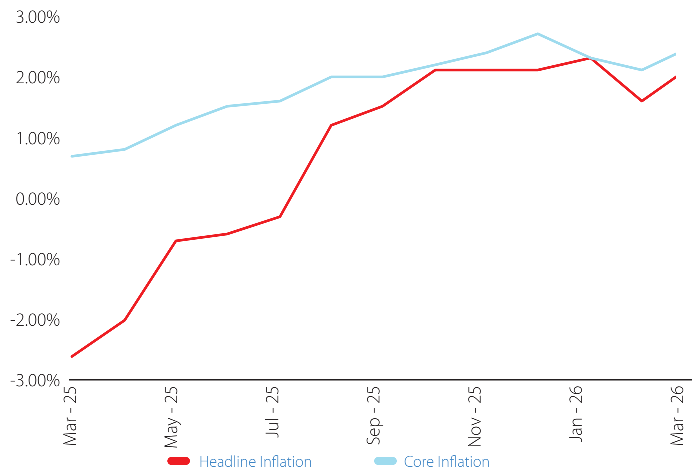
Lending and Deposit Rates



Source: CBSL

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

Inflation (YoY%) measured by CCPI



Source: CBSL

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

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

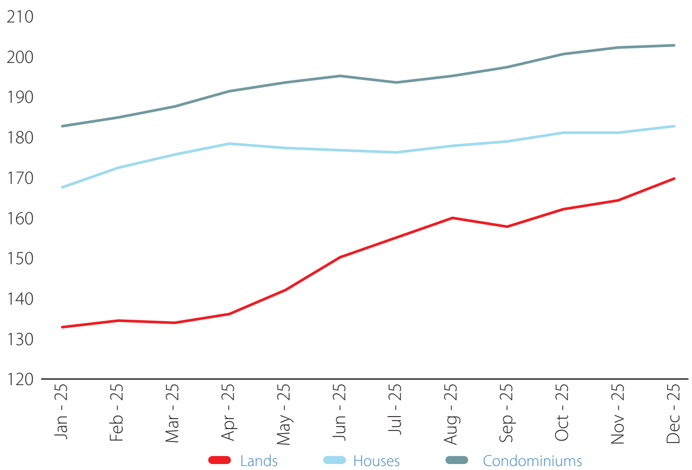
The IMF-supported reform programme continued to play a central role in Sri Lanka's stabilisation efforts. Performance remained broadly on track, with key structural reforms implemented, including cost-reflective energy pricing and strengthened fiscal management measures. Emergency financing provided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

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

Macroeconomic Review

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

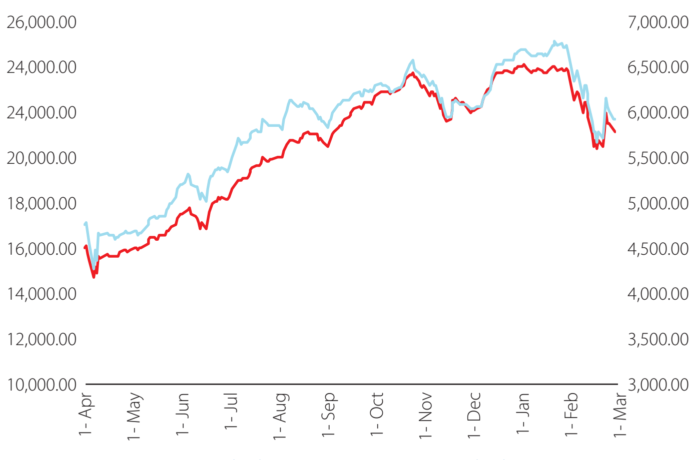
Asking Price Indices



Source: CBSL

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

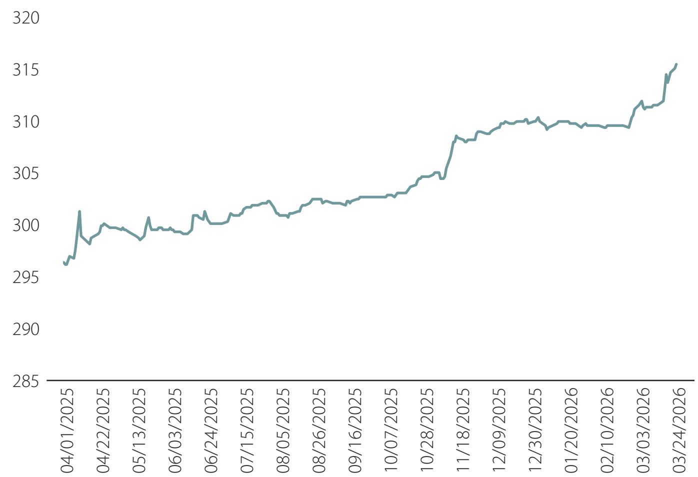
ASPI and S&P SL20 movement



Source: CSE

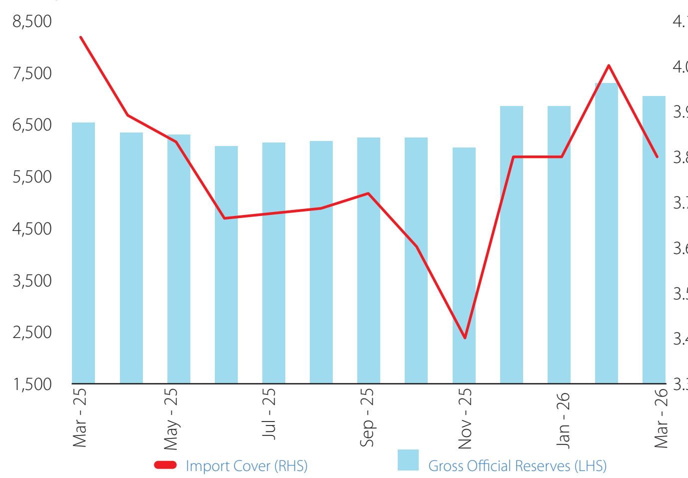
Sri Lanka's external sector displayed a mixed performance during the year. While the current account recorded a surplus for a considerable part of the period, the trade deficit continued to widen as imports expanded at a faster pace than exports. The Sri Lankan Rupee came under renewed depreciation pressure,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

LKR/USD



Source: CBSL

Foreign Reserves



Source: CBSL

Future Outlook: Balancing Recovery with Emerging Risks

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

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

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

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

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

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

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

Management Discussion & Analysis

OPERATIONAL REVIEW

The 2025/26 financial year marked another year of solid progress for Ambeon Holdings PLC, with the Group delivering resilient growth despite a dynamic operating environment. This strong earnings performance was supported by robust contributions from the Diversified Investments portfolio, Group Treasury Operations, Real Estate and the Financial Services cluster, prior to its transfer under Ambeon Capital PLC during the year. Ambeon Holdings PLC declared a cash dividend amounting to approximately LKR 3.5 billion during the year under review. Revenue increased by approximately 10%, underpinned by the continued expansion of the Information Technology cluster led by MillenniumIT ESP, while net profit rose sharply by approximately 64% to LKR 3.3 billion from LKR 2 billion in the previous year.

A major strategic milestone during the year was the completion of the Group's portfolio rationalisation programme. With the divestment of its remaining interest in Dankotuwa Porcelain PLC, Ambeon Holdings concluded its gradual exit from manufacturing, completing a transition that has reshaped the Group's investment profile over recent years. By progressively reducing its exposure to lower-growth manufacturing operations and increasing investments in businesses with stronger scalability, recurring income streams and regional growth potential, the Group has built a more balanced and resilient portfolio, strengthening its ability to generate sustainable long-term value across market cycles.

Colombo City Holdings strengthens the platform with exposure to premium property and leisure-related opportunities. These investments provide the Group with the flexibility to pursue carefully selected developments while benefiting from improving market conditions, renewed investor confidence and the continued recovery of the Leisure sector. They also support the Group's objective of building a diversified property portfolio capable of generating both recurring income and long-term capital appreciation through disciplined investment and development.

During the latter part of the year, the Group also navigated several external challenges including disruptions linked to Cyclone Ditwah and volatility arising from geopolitical developments in the Middle Eastern territory. Nevertheless, the Group's prudent risk management framework, strong liquidity position and diversified investment approach enabled it to maintain operational stability while preserving long-term strategic focus.

STRATEGIC EXECUTION

The operational progress achieved during the year was underpinned by a clear strategic focus on strengthening the business mix and enhancing the quality of its earnings. Over recent years, a decision was taken to deliberately reshape the portfolio towards sectors with stronger growth prospects, higher scalability and more predictable income streams. During the year under review, this approach continued to yield positive results, with the Information Technology, Diversified Investments, Group Treasury and Real Estate businesses assuming an increasingly prominent role. This evolution has reduced reliance on businesses with comparatively lower growth potential while creating a more balanced operating platform capable of delivering consistent performance across different market environments.

Strengthening organisational capability remained an equally important priority. Recognising that sustained business performance depends on a capable and adaptable workforce, the Group continued investing in employee development, leadership succession and knowledge enhancement across its businesses. Encouraging exposure across different industries within the Group has helped cultivate broader commercial perspectives and strengthened collaboration, enabling teams to respond more effectively to the increasingly diverse nature of the Group's operations.

Technology continued to play an integral role in improving operational effectiveness. During the year, enhancements were made to digital platforms and enterprise systems while also evaluating emerging technologies that have the potential to improve business processes and management decision-making. Early initiatives exploring agentic artificial intelligence formed part of this broader technology agenda, reflecting a measured approach towards adopting solutions that can improve productivity, support faster decision-making. Across the Group, management continued to focus on strengthening operational capability, employee development, and digital transformation initiatives. Beyond ongoing enhancements to existing ERP systems, the Group commenced initiatives aimed at integrating agentic AI capabilities into selected enterprise platforms and operational processes. These initiatives are expected to improve operational efficiency, decision-making capability, automation, and overall business agility across the Group.

Collectively, these strategic initiatives have strengthened operational foundations while creating greater flexibility to capitalise on future opportunities. The Information Technology and Real Estate sectors remain key drivers of future growth, supported by the continued contribution of treasury operations and diversified investments to earnings and balance sheet strength. As these businesses continue to evolve, the focus remains on disciplined capital allocation, operational excellence and building a portfolio capable of delivering sustainable growth through changing business cycles.

SECTOR REVIEWS

INFORMATION TECHNOLOGY

MILLENNIUM I.T. E.S.P. (PRIVATE) LIMITED

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

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

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

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

Business Approach

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

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

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

MillenniumIT ESP also continued to expand its solutions-led and managed services business model, reducing reliance on transactional hardware sales and creating more predictable revenue streams. Approximately 30% of revenue was generated through recurring managed services and maintenance contracts, while contract renewal rates remained above 90%, reflecting strong customer loyalty, service quality and long-term client relationships.

Strategic Partnerships & International Expansion

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

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

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

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

Financial Review

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

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

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

Among all business segments, Network and Security solutions emerged as the strongest growth driver during the year, supported

Management Discussion & Analysis

by increasing demand for cybersecurity, network modernisation, and secure digital infrastructure.

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

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

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

Technology, Innovation & Digital Transformation

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

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

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

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

Investing In Our People

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

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

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

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

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

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

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

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

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

Governance, ESG & Operational Excellence

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

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

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

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

Looking Ahead

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

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

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

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

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

REAL ESTATE

COLOMBO CITY HOLDINGS PLC

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

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

Management Discussion & Analysis

Operationally, the Company now functions across five strategic verticals:

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

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

Financial Review

The Colombo City Holdings Group recorded improved operational and financial performance during the year amidst gradually improving market conditions. Revenue increased from LKR 50 million to LKR 74 million, representing a growth of 47.84% compared to the previous financial year. Improved revenue performance was supported by stronger asset utilisation, enhanced operational alignment, and increasing activity across key segments.

Gross profit increased from LKR 47 million to LKR 73 million, resulting in a gross profit margin of 98.13% compared to 94.05% in the previous year. Margin expansion reflects improved cost discipline, better resource allocation, and stronger operational efficiencies achieved across the portfolio. Operational profit increased from LKR 196 million to LKR 507 million during the year, while profit after tax rose from LKR 259 million to LKR 435 million. Profitability growth was further supported by fair value gains recorded on investment properties, reflecting the intrinsic strength and strategic positioning of the Company's land and property assets. Total assets increased to LKR 3.6 billion as at 31 March 2026, supported primarily by investment property appreciation and ongoing portfolio expansion initiatives. Net asset value per share improved correspondingly, reinforcing long-term shareholder value creation. Return on assets improved to 12.06% compared to 7.66% in the previous year, while return on equity strengthened to 13.87%, reflecting improving profitability and stronger capital utilisation. Liquidity ratios remained healthy throughout the year, supported by prudent financial management and disciplined capital allocation practices. The balance sheet continued to remain resilient, providing the Company with sufficient flexibility to pursue strategic investments and future development opportunities while maintaining financial discipline.

Mixed Development & Leisure

Kosgoda Mixed Development Project

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

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

Kosgoda's differentiation within Sri Lanka's premium real estate landscape lies not only in its physical attributes, but in the depth of its experiential positioning. Rather than functioning solely as a residential complex, the development has been envisioned as a fully integrated lifestyle where hospitality-grade service standards, curated amenities, wellness experiences and refined coastal living converge within a single destination. Attention to ambience, materiality, spatial experience and service integration is expected to create a consistently elevated living environment aligned with internationally benchmarked luxury standards.

Target market positioning has similarly been approached with considerable strategic precision. The project is expected to appeal to a discerning clientele comprising high-net-worth local buyers, overseas Sri Lankan investors, diaspora communities and international lifestyle-oriented purchasers seeking secure, high-quality coastal investments within an emerging luxury market. Appeal extends beyond primary residential ownership towards holiday living, lifestyle migration and long-term asset appreciation within Sri Lanka's rapidly evolving southern coastal corridor.

Leisure

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

Warehousing and Logistics

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

Plantation Assets

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

Building Capacity

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

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

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

Within future developments such as Kosgoda, customer experience considerations are expected to extend across the full development lifecycle, from conceptual planning and architectural design through to hospitality integration, recreational amenities, and long-term community creation.

Marketing, Brand Positioning and Strategic Visibility

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

Brand direction associated with future developments, particularly Kosgoda, reflects a more internationally aligned positioning strategy focused on destination-led experiences, environmental integration, and premium coastal living. Strategic marketing initiatives are expected to support investor engagement, project positioning, and international visibility through digital campaigns, investor roadshows, and targeted outreach initiatives.

The Company increasingly recognises the importance of storytelling and experiential branding within premium real estate and leisure sectors.

Digital Transformation and Technology Integration

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

Digital platforms are similarly expected to strengthen future marketing and investor engagement initiatives connected to the Group's real estate and leisure developments, particularly in engaging international investors, diaspora markets, and premium lifestyle-focused customer segments.

Embedded Sustainability Commitment

Environmental, social, and governance considerations continue to remain closely integrated with the Company's development philosophy and long-term strategic direction. Sustainability principles are increasingly

Management Discussion & Analysis

embedded within project planning, design, land use considerations and operational thinking. Particular emphasis continues to be placed on environmentally sensitive development approaches within coastal and tourism-linked projects. Preservation of natural ecosystems, responsible land utilisation, biodiversity awareness and environmental integration remain central considerations in the conceptualisation of major developments such as Kosgoda. Social responsibility also continues to form part of the Company's broader long-term value creation approach. Engagement with local communities, support for employment generation and contribution towards regional economic activity remain important considerations in future development planning. As projects progress, the Company expects to further strengthen community engagement initiatives connected to tourism, livelihoods, environmental awareness and sustainable development.

Outlook

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

GROUP TREASURY

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

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

The Treasury also played an instrumental role in facilitating strategic investments, supporting subsidiaries' capital requirements and executing the wider portfolio transformation agenda, including the redeployment of capital from mature or non-core assets towards sectors aligned with long-term structural growth trends. Supported by strong liquidity buffers, prudent governance and disciplined investment processes, the Treasury has consistently demonstrated its ability to generate recurring income streams, enhance financial resilience and preserve optionality in an increasingly dynamic operating environment.

DIVERSIFIED INVESTMENTS

DFCC Bank PLC

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

Seylan Bank PLC

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

Kandy Hotels Company PLC (KHC)

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

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 seven (07) out of Eight (08) 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 2026

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	Independent Non-Executive Director
Mr. S L Sebastian	Independent Non-Executive Director
Mr. C T Tsoi	Independent Non-Executive Director
Mr. D M Weerasekare	Independent Non-Executive Director
Mr. M D J R Goonetilleke	Independent Non-Executive Director
Mr. R Keragala	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 four (04) meetings were held during the financial year. Attendance at Board meetings are given below:

Name of the Director	Board Meetings
Mr. E M M Boyagoda	4/4
Dr. K S Narangoda	4/4
Mr. D T S H Mudalige	4/4
Mr. S L Sebastian	3/4
Mr. S Kumar (resigned w.e.f. 1st March 2026)	3/4
Mr. C T Tsoi	3/4
Mr. R P Sugathadasa (resigned w.e.f. 16th September 2025)	2/2
Mr. D M Weerasekare	4/4
Mr. M D J R Goonetilleke	4/4
Mr. R Keragala (appointed w.e.f. 19th September 2025)	2/2

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.

Corporate Governance

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.

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	» Financial Reporting » Statutory compliance » Internal controls and Risk Management » Internal and External Audit	Four Non-Executive Directors	Audit Committee report presented on pages 47 to 48
Remuneration Committee	» 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 page 49
Related Party Transactions Review Committee	» 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 page 50
Nominations and Governance Committee	» 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 page 51

Shareholder Relations

Ambeon Holdings PLC remains committed to maintaining transparent and effective communication with the shareholders in accordance with regulatory requirements and recognised governance best practices.

The Annual Report, together with the Financial Statements and Notice of Meeting, is made accessible to shareholders through both the Company's website and the Colombo Stock Exchange website prior to the Annual General Meeting (AGM).

At the AGM, shareholders are invited to vote on matters including:

- Election and re-election of Directors
- Appointment or re-appointment of Directors above seventy (70) years of age
- Appointment of External Auditors and authorization of donations under applicable statutory provisions

Appointments and re-appointment of Directors are recommended by the Board following evaluation by the Nominations and Governance Committee, while the Audit Committee evaluates and recommends the appointment of External Auditors based on competence, independence and objectivity.

Annual General Meeting

The Annual General Meeting of Ambeon Holdings PLC is scheduled to be held via electronic means on 23rd September 2026 at 10.30 a.m.

In compliance with the Listing Rules of the Colombo Stock Exchange, shareholders are kept informed through periodic disclosures, including Interim Financial Statements, press releases and timely announcements relating to Director appointments or resignations and other material Corporate actions requiring disclosure.

The Company has adopted a Policy on Relations with Shareholders and Investors, aligned with the requirements of the Listing Rules.

Shareholders may also raise matters directly with the Board during the Annual General Meeting. Significant matters raised are referred to the Board through the Management for consideration and appropriate action.

Shareholder Communication Channels

In accordance with Rule 9.2.1 of the Listing Rules, shareholders may direct inquiries, suggestions or concerns to the Board of Directors through the Company Secretaries; Business Intelligence (Private) Limited, No. 10, Gothami Road, Colombo 8. Telephone: +94 11 2015900

Risk Governance and Management

The Board recognizes that effective risk management is fundamental to safeguarding the Group's assets, maintaining operational resilience, and supporting the achievement of its strategic objectives. The Group maintains a risk governance framework to facilitate systematic identification, assessment, monitoring and mitigation of risks that may affect its operations, financial performance, and long term value creation.

Risk considerations are integrated into strategic planning, budgeting processes, and performance monitoring activities undertaken by the Board and management. This approach enables the timely identification of emerging risks and opportunities, allowing the Group to respond appropriately to changes in the operating environment.

During the year, the Group's risk management framework incorporated oversight of climate related risks and opportunities, which may influence the Group's strategy, performance and financial position, with transitional relief applied in the first year of adoption.

Further information on sustainability related risk governance, management processes and progress is presented in the SLFRS Sustainability Disclosure Section of this Annual Report on pages 54 to 68.

Further information on Enterprise Risk Management is presented on pages 39 to 42 of this Annual Report.

Accountability and Audit

The Board ensures transparent and responsible business reporting through the publication of an Annual Report that complies with applicable regulatory requirements and aligns with recognized global best practices. Preparation of the Report is further supported by evolving sustainability related disclosure requirements including first time adoption of SLFRS S1 and SLFRS S2 standards, enhancing transparency for shareholders and other stakeholders.

The Annual Report presents a balanced and comprehensive view of the Group's financial position, performance, governance practices, business model, risk management processes and future outlook.

Chief Financial Officer 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.

Independent Assurance

Independent assurance forms an integral component of the Group's reporting framework. The Financial Statements have been subjected to an independent external audit, with the Independent Auditor's Report presented on pages 71 to 74.

Disclosures and Accountability in Financial and Non-Financial Reporting

The Annual Report of the Board of Directors outlines the Board's responsibilities in relation to the preparation and fair presentation of the Financial Statements and associated disclosures.

The Report includes confirmation of compliance with applicable statutory and regulatory requirements, as further detailed within the Statement of Directors' Responsibility for Financial Reporting on page 52.

The Annual Report also includes additional disclosures aligned with the Code of Best Practice on Corporate Governance, further reinforcing the Company's commitments to accountability, transparency and responsible governance practices.

Independent assurance over financial and selected sustainability related disclosures is provided through the External Auditor's Report and the Independent Assurance Report presented within this Annual Report, supporting the credibility and reliability of information communicated to stakeholders.

Key additional disclosures contained within the Annual Report include:
Sector Review - providing an overview of operational performance across the Group's principal business sectors pages 100 to 101.

Related Party Transactions - detailed disclosures presented in Note 35 to the Financial Statements in compliance with Colombo Stock Exchange Listing Rules and applicable regulatory requirements.

Corporate Governance

Policy Framework Supporting Responsible Governance and Sustainable Value Creation

Ambeon Holdings PLC has established a comprehensive policy framework to uphold sound governance ethical conduct, effective risk management, and sustainable business practises across its operations. These policies promote accountability, transparency and responsible decision making while ensuring alignment with stakeholder interests and compliance with Rule 9.2.1 of the Listing Rules of the Colombo Stock Exchange.

A summary of the Group's key policies is presented below.

Policy on Matters Relating to the Board of Directors

Defines the roles, responsibilities and operational procedures of the Board of Directors supporting effective decision making, accountability and performance oversight.

Policy on Board Committees

Provides the framework for the establishment and functioning of Board Committees, including their authority, responsibilities, and oversight roles across key governance areas such as audit, risk and remuneration.

Policy on Corporate Governance, Nominations and Re-Election

Provides the Framework governing Board composition, nomination processes, and the appointment and re-election of Directors, ensuring the Board maintains an appropriate balance of skills, experience and independence for effective oversight.

Policy on Remuneration

Establishes principles governing the remuneration of Directors and Senior Executives, ensuring alignment with organisational performance, market competitiveness and shareholder interests while promoting fairness and transparency.

Policy on Internal Code of Business Conduct and Ethics

Defines expected ethical standards and behavioural principles applicable to employees and Directors, covering integrity, legal compliance, confidentiality and the management of conflicts of interest, promoting responsible and ethical decision making across the Group.

Policy on Risk Management and Internal Controls

Supports the identification, assessment and management of risks that may impact the Group's operations and strategic objectives. The policy outlines internal control mechanisms and monitoring processes to ensure regulatory compliance and operational resilience.

Policy on Relations with Shareholders and Investors

Supports transparent and effective engagement with Shareholders and Investors by promoting timely communication regarding Company performance, strategy and governance matters.

Policy on Environmental, Social and Governance (ESG) Sustainability

Guides the integration of environmental, social and governance considerations into business strategy and operations. The policy supports environmental stewardship, social responsibility and strengthened governance practices to enable sustainable long term value creation.

Policy on Control Management of Company Assets and Shareholder Investments

Provides a framework for the responsible stewardship and safeguarding of Company assets and shareholder investments. Emphasises prudent financial management, ongoing monitoring and accountability to protect stakeholder interests.

Policy on Corporate Disclosures

Establishes standards governing the timely, accurate and transparent disclosure of information to the market, ensuring compliance with regulatory requirements and reinforcing stakeholder confidence.

Policy on Whistleblowing

Encourages employees and stakeholders to report unethical conduct or policy violations through confidential and protected reporting channels, ensuring concerns are investigated and addressed appropriately.

Policy on Anti-Bribery and Corruption

Establishes the Group's commitment to preventing bribery and corruption across all operations. The policy sets clear standards for ethical conduct, prohibits bribery in any form, and defines procedures for reporting and addressing suspected violations.

Visit https://ambeonholdings.com/corporate-governance/ for more information.

Since the adoption of these policies and up to the reporting date and the date of this Report, no waivers from compliance with the Internal Code of Business Conduct and Ethics, nor any exemptions therefrom, have been granted by the Company.

Corporate Governance Principles Compliance

Section reference	Corporate Governance Principles	Extent of Compliance	Status of Compliance
9.2	Policies	The Board has adopted a comprehensive framework of policies including the Code of Conduct and Ethics, Whistleblowing Policy, Risk Management Policy and other governance-related policies supporting responsible oversight.	Complied
9.3	Board Committees	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee have been established to support Board oversight.	Complied
9.3.2	Composition, Responsibilities and Disclosures	The composition, responsibilities, and meeting attendance of each Board Committee are disclosed within the Annual Report.	Complied
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.	Complied
9.4.1	Meeting Procedures	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings.	Complied
9.4.2	Communication and relations with shareholders and investors	Dedicated investor relations disclosures are maintained, and shareholder engagement is facilitated through the Annual General Meeting and ongoing communications.	Complied
9.5	Policy on matters relating to the Board of Directors	Policies governing appointments, roles, training, evaluation and succession planning of Directors are in place.	Complied
9.6.2	Chairperson and CEO	The position of Chairperson and CEO remain separate, ensuring an appropriate balance of authority.	Complied
9.6.3 a-e and 9.6.4	Senior Independent Director	The need to appoint a SID has not arisen as the Chairperson is a Non-Executive Director.	Complied
9.7.1/9.7.4	Fitness of Directors and CEO	Directors are subject to fitness and propriety assessments, supported through periodic evaluations and professional development initiatives.	Complied
9.7.5	Disclosures in the Annual Report	Directors' profiles, qualifications, skills and appointments are disclosed within the Annual Report.	Complied
9.8.1	Minimum Number of Directors.	Board composition meets and exceeds the minimum requirements prescribed by the Listing Rules.	Complied
9.8.2/ 9.8.3	Independent Directors	Independent Non-Executive Directors constitute a majority of the Board in compliance with Listing Rules.	Complied
9.8.5	Disclosure relating to Directors	Director profiles, committee memberships and attendance details are disclosed.	Complied
9.9	Alternate Directors	Alternate Directors have not been appointed.	Not applicable

Corporate Governance

Section reference	Corporate Governance Principles	Extent of Compliance	Status of Compliance
9.10.1 - 9.10.4	Disclosures relating to Directors	Required disclosures covering personal, professional, and financial interests are provided in accordance with Listing Rules.	Complied
9.11.1 - 9.11.3	Nominations and Governance Committee	An active Committee oversees Board composition, succession planning and governance effectiveness.	Complied
9.11.4 - 9.11.6	Composition - Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Committee composition, responsibilities and outcome are disclosed within the Annual Report.	Complied
9.12.1 - 9.12.7	Remuneration Committee	The Committee comprises Non-Executive Directors with Independent Directors forming the majority; remuneration oversight aligns with performance and governance principles.	Complied
9.12.8	Disclosure in the Annual Report	Remuneration governance, policies and Committee details are disclosed.	Complied
9.13.1 - 9.13.4	Audit Committee	An Independent Audit Committee operates with defined responsibilities and oversight authority.	Complied
9.13.5	Disclosure in Annual Report	Audit Committee activities, scope and attendance are disclosed within the Annual Report.	Complied
9.14.1 - 9.14.4	Related Party Transactions Review Committee	The Related Party Transactions Review Committee functions independently with defined authority over related party transactions review and approvals.	Complied
9.14.7	Immediate Disclosures	The Company did not enter into any non-recurrent related party transactions requiring immediate disclosure during the year.	Not Applicable
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.	Complied
9.16	Additional disclosures	Board disclosures include governance, sustainability, ESG and climate related reporting aligned with applicable requirements.	Complied

Statement of Compliance

Ambeon Holdings PLC confirms that it has complied with the Corporate Governance Rules set out in Section 9 of the Listing Rules of the Colombo Stock Exchange during the year under review and as at the date of the Report.

By Order of the Board
Ambeon Holdings PLC

Sgd.
Business Intelligence (Private) Limited
Secretaries

28 August 2026

Risk Management

Navigating Transformation in a Dynamic Risk Landscape

During the financial year under review, Ambeon Holdings PLC ("the Group") continued to operate within an increasingly complex and evolving business environment shaped by economic realignment, geopolitical uncertainty, technological disruption, and changing stakeholder expectations. As the Group progressed through a significant phase of strategic transformation and portfolio realignment, risk management remained a central pillar supporting sustainable growth, operational resilience, and long-term value creation.

The Group's proactive approach to risk management enabled timely identification and assessment of emerging threats and opportunities arising across its diversified business portfolio. Amid changing market dynamics and sector-specific developments, the Group maintained a disciplined focus on balancing growth ambitions with prudent risk oversight, ensuring that strategic decisions remained aligned with the Group's risk appetite and governance principles.

This commitment is reinforced through a structured Enterprise Risk Management ("ERM") framework aligned with the COSO ERM framework and ISO 31000 principles. These internationally recognized frameworks continue to support the Group in strengthening risk visibility, enhancing decision-making, and promoting resilience across all business operations.

Strengthening Risk Oversight During Strategic Realignment

FY2025/26 marked an important milestone in the Group's strategic evolution, including the streamlining of business clusters and increased focus on core sectors such as Information Technology, Real Estate, and Strategic Investments. As part of this transformation journey, the Group Risk and Control function conducted comprehensive reviews of strategic, operational, financial, regulatory, and project-related risks across all business segments.

Particular emphasis was placed on evaluating risks arising from macroeconomic volatility, funding and liquidity pressures, cyber security threats, evolving regulatory expectations, and investment execution risks associated with new growth initiatives. Continuous engagement with management teams and Boards of respective Strategic Business Units ("SBUs") enabled the timely escalation of critical risk matters and implementation of targeted mitigation measures.

The findings of these assessments, together with action plans and mitigation strategies, were regularly reviewed by the respective SBU Boards and subsequently reported to the Board of Ambeon Holdings PLC, ensuring a cohesive and enterprise-wide approach to risk governance.

Embedding a Culture of Accountability and Resilience

The Group recognizes that effective risk management is a shared responsibility embedded across all levels of the organization. Accordingly, risk awareness continues to be integrated into strategic planning, investment evaluation, budgeting, operational execution, and performance monitoring processes throughout the Group.

Management actively promotes a culture that encourages accountability, transparency, ethical conduct, and timely reporting of risks. Through this integrated approach, employees are empowered to identify emerging risks, strengthen internal controls, and contribute toward enhancing organizational resilience.

The Group also continued to strengthen its risk culture through regular management discussions, governance reviews, internal control assessments, and continuous engagement with business leadership teams across all operating sectors.

Strategic Risk Management and Business Sustainability

At the strategic level, the Group continuously evaluates risks associated with achieving its long-term growth aspirations and investment objectives. All significant investment decisions and expansion initiatives are subjected to rigorous financial, operational, and strategic evaluation processes to ensure alignment with the Group's overall business strategy and risk appetite.

Given the evolving economic environment, the Group maintained close monitoring of external developments including interest rate movements, inflationary pressures, foreign exchange volatility, global geopolitical developments, and sector-specific regulatory changes. Scenario analysis and sensitivity assessments were utilized where appropriate to evaluate potential impacts on profitability, liquidity, funding capacity, and operational continuity.

The Group remains committed to maintaining a balanced risk-return profile while preserving financial discipline and operational agility.

Enhancing Operational Resilience

Operational risks arising from internal processes, technology infrastructure, human capital, legal obligations, and third-party dependencies continued to receive focused attention during the year. The Group adopted both qualitative and quantitative risk assessment approaches to evaluate operational vulnerabilities and strengthen control environments across all business units.

Particular focus areas during the year included:

- » Enhancing cyber security controls and digital resilience
- » Strengthening internal financial controls and governance mechanisms
- » Monitoring liquidity and funding adequacy
- » Talent retention and succession planning
- » Project execution and delivery risks
- » Compliance with evolving regulatory and reporting requirements

Lessons learned from operational reviews, internal audits, and prior incidents were systematically incorporated into process improvements and control enhancement initiatives across the Group.

Risk Management

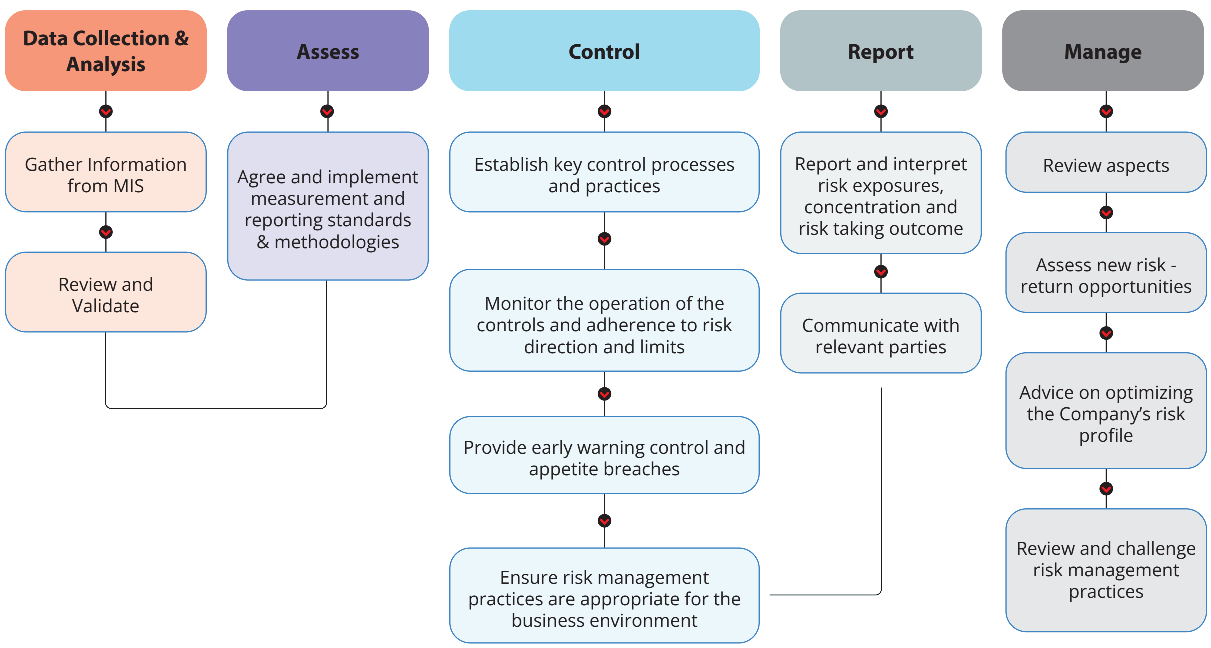
A Structured Enterprise Risk Management Framework

The Group's ERM framework provides a structured and consistent methodology for identifying, assessing, monitoring, managing, and reporting risks across the organization. The framework incorporates:

» Continuous data collection and analysis through management information systems
» Risk identification and validation processes
» Standardized risk assessment methodologies
» Internal control monitoring mechanisms
» Early warning indicators and escalation procedures
» Regular risk reporting and communication channels

This structured architecture supports informed decision-making while enabling management to respond proactively to changing business conditions and emerging risk trends.

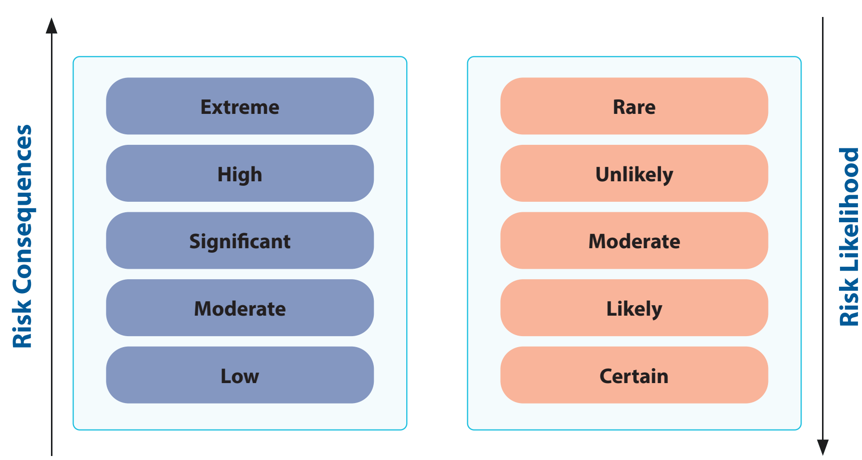
Risk Management Framework



Dynamic Risk Assessment and Monitoring

The Group adopts a dynamic risk assessment approach encompassing initial, current, and forward-looking risk evaluations. Risks are assessed based on their likelihood and potential impact, enabling prioritization of mitigation efforts and allocation of resources toward key risk areas.

Key Risk Indicators ("KRIs") are continuously monitored across SBUs to identify changes in risk exposure and emerging trends. Management regularly reviews these indicators together with mitigation effectiveness to ensure that risk exposures remain within approved tolerance levels and aligned with the Group's strategic objectives.



Risk Governance and Oversight

The Board of Directors retains ultimate responsibility for overseeing the effectiveness of the Group's risk management and internal control systems. The Board provides strategic direction on risk governance, approves the Group's risk appetite, and reviews significant risks and mitigation strategies on an ongoing basis.

Senior Management is responsible for implementing the ERM framework and embedding risk management practices across the organization. Business and operational management teams are accountable for identifying, assessing, and managing risks within their respective areas of responsibility while maintaining effective day-to-day internal controls.

The Corporate Risk Management function facilitates enterprise-wide risk assessments, promotes consistent risk management practices, and supports management in monitoring and reporting key risk exposures. Independent assurance over the effectiveness of the risk management and internal control framework is provided through internal audit reviews conducted in collaboration with external professional firms.

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

Who is Responsible For What

The Board

- » Approves strategic objectives and validates our risk appetite
- » Reviews the Group's key risks and mitigation measures
- » Reviews the Company's risk management and internal control systems
- » Assesses the effectiveness of these systems through its respective Audit Committee
- » Oversees sustainability-related risks and opportunities (SRROs) and ESG matters

Senior Management

- » Oversees design and sustainable implementation of Enterprise Risk Management (ERM and internal control systems)
- » Defines and allocates risk appetite

Business and Operations Management

- » Identifies and manages risks for their areas of responsibility
- » Maintains day-to-day internal control

Business Support Functions

- » Define internal controls in their areas
- » Develop risk management culture and awareness of internal controls

Corporate Risk Management

- » Develops and promotes ERM framework to help managers identify, assess, manage, monitor and report risks
- » Facilitates reviews of the design and implementation of internal controls

Sustainability and ESG Management

- » Manages sustainability-related risks and opportunities (SRROS) and ESG considerations
- » Integrates ESG considerations into the strategy, business model and day-to-day operations

Internal Audit

- » Provides independent assurance of the effectiveness of the Company's risk management and internal control frameworks and activities

Risk Management

Integrated Governance for Effective Risk Management

The Group's governance framework supports centralized oversight while enabling effective risk ownership at operational levels. Risk registers are maintained across business units to identify and monitor strategic, operational, financial, compliance, and project-related risks.

Strategic risks and material exposures are escalated to the Board and relevant Board Committees for oversight, while operational risks are managed by the respective SBU leadership teams in collaboration with senior management.

This integrated governance structure ensures that risk management remains aligned with the Group's strategic priorities, supports informed decision-making, and enhances organizational resilience.

Audit Committees and Independent Assurance

Audit Committees operating within each SBU continue to play a critical role in strengthening governance and risk oversight across the Group. These Committees review significant risk matters, internal control effectiveness, financial reporting integrity, and compliance-related issues while facilitating timely escalation of material concerns to respective Boards.

The Group also engages independent professional audit firms to conduct internal and statutory audits. During the year, audit focus areas were continuously refined to reflect evolving business risks and regulatory expectations, with particular emphasis placed on high-risk operational and control environments.

The outcome of these reviews contributed toward strengthening governance standards, enhancing control effectiveness, and reinforcing the Group's overall risk management framework.

Key Risks and Mitigation Strategies

The Group has identified several key risks that may impact the achievement of its strategic and operational objectives. Appropriate mitigation strategies have been established and continuously monitored to strengthen resilience and minimize potential adverse impacts.

Description of Risk	Mitigation Strategies
Macroeconomic and Business Risk	Continuous monitoring of macroeconomic developments and sector-specific trends; scenario planning and sensitivity analysis; maintaining strong banking and stakeholder relationships; aligning strategic decisions with long-term economic outlooks.
Investment and Strategic Risk	Comprehensive feasibility studies and due diligence procedures; structured investment evaluation frameworks; regular monitoring of investment performance against KPIs; portfolio rationalization and strategic reviews.
Liquidity and Funding Risk	Centralized treasury management; close monitoring of cash flows and working capital; maintaining diversified funding sources; regular liquidity forecasting and stress testing.
Cyber Security and Technology Risk	Strengthening IT governance frameworks; enhancing cyber security infrastructure and access controls; conducting regular vulnerability assessments and penetration testing; implementing business continuity and disaster recovery plans.
Human Capital Risk	Talent development and succession planning initiatives; competitive remuneration structures; employee engagement and retention programs; continuous learning and leadership development initiatives.
Regulatory and Compliance Risk	Ongoing monitoring of legal and regulatory developments; strengthening compliance frameworks and governance processes; regular policy reviews and awareness programs; obtaining independent professional guidance where necessary.
Operational and Project Execution Risk	Strengthening project governance structures; regular monitoring of operational KPIs; process automation and internal control improvements; continuous operational reviews and management oversight.
Sustainability, ESG and Climate-Related Risk	Oversight of sustainability-related risks and opportunities (SRROs) through the Group Sustainability and ESG Management Committee, chaired by the Group CEO and operating under delegated authority from the Board Audit Committee; periodic sustainability materiality assessments in line with SLFRS S1 and climate scenario analyses in line with SLFRS S2 to evaluate strategic resilience to climate-related risks and opportunities; coordination with the Enterprise Risk Management function to integrate SRROs into the Group's overall risk management policies and procedures; setting measurable sustainability and climate-related targets with regular progress monitoring; strengthening sustainability disclosures and ESG/CSR performance, supported by regular reporting to the Board Audit Committee.

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 2026, 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 2026 the company had investments in various sectors such as 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 100 to 101 of this Annual Report.

Group Structure

The Group Structure is demonstrated on page 7 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 12 to 15.

Financial Statements

The Financial Statements of the Company for the year ended 31 March 2026 are duly certified by the Head of 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

	Group		Company	
LKR Mn	2025/2026	2024/2025	2025/2026	2024/2025
Revenue	18,130	16,439	1,130	820
Profit/(Loss) Before Tax from Continuing Operations	3,030	1,579	3,517	1,331
Income Tax Reversal/(Expenses)	(203)	(0.6)	163	21
Profit/(Loss) After Tax from Continuing Operations	2,827	1,578	3,680	1,352
Profit/(Loss) after Tax from Discontinued Operations	494	447	-	-
Profit/(Loss) for the year	3,321	2,025	3,680	1,352

Accounting Policies and Changes

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 83 to 77 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. Sujeewa Mudalige - Chairman/Independent, Non-Executive Director.

Dr. Sajeeva Narangoda - Executive Director/Group CEO.

Mr. Mangala Boyagoda - Non-Executive Director.

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

Mr. Samresh Kumar - Independent, Non-Executive Director (resigned w.e.f. 1st March 2026).

Mr. Ching Tak Tsoi - Independent, Non-Executive Director.

Mr. Ruwan Sugathadasa - Non-Executive Director (resigned w.e.f. 16th September 2025).

Mr. Duminda Weerasekare - Independent, Non-Executive Director.

Mr. Ravi Goonetilleke - Independent, Non-Executive Director.

Mr. Ruwan Keragala - Independent, Non-Executive Director (appointed w.e.f. 19th September 2025).

The present Directors of the Company and their profiles are shown on pages 12 to 19 of this Annual Report.

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

Re-election/re-appointment and retirement of Directors

In accordance with the provisions of Article 27 (2) of the Articles of Association, Mr. Ruwan Keragala Director appointed since the last Annual General meeting retires from office at the conclusion of the forthcoming Annual General Meeting. Mr. Ruwan Keragala 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 75 years vacates his office, at the conclusion of the Annual General Meeting. In compliance with Section 211 of the Companies Act No. 7 of 2007, a resolution will be tabled for the re-appointment of Mr. Mangala Boyagoda with the unanimous support of the Board.

In accordance with the provisions of Article 27 (8) of the Articles of Association, Mr. Duminda Weerasekera and Mr. Ching Tak Tsoi 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 144 to 145.

Directors' Remuneration

The Directors' Remuneration is disclosed in Note 30 to the Financial Statements on page 134.

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.

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) Material Business Relationships with each other

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

(iii) Other Directorships held by the Directors

Other Directorships held by the Directors are disclosed on pages 16 to 19.

(iv) Review of Internal Controls

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

(v) Applicable/ Laws Rules and Regulations

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

Board Meetings

Four (4) Board Meetings of the Company were held during the year under review and the Directors' attendance at those Meetings are set out on page 33.

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 page 33 of this Annual Report.

Risk Management and Internal Controls

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

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

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 pages 39 to 42 of this Annual Report.

Donations

During the year under review, the Company extended vital financial and logistical support to Sri Lankan communities devastated by Cyclone Ditwah. Our contribution to national relief and rehabilitation efforts reinforces our deeply rooted commitment to social responsibility and community welfare during times of crisis.

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 pages 132 to 134.

Property, Plant and Equipment

Capital expenditure during the year under review on Property, Plant and Equipment by the Group was LKR 34 Mn and the Company LKR 3 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 103 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 2026 is 12 and 653 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 2026 was LKR 5,331,775,177/- represented by 1,427,478,664 fully paid Ordinary Shares.

Share Information

There were 3,877 registered shareholders as at 31 March 2026.

Distribution schedule of shareholders

The distribution of shareholdings is shown on pages 147 to 150 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 6 to 150.

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 149 to 150 of this Annual Report.

Disclosures required under section 7.6 (iv) of the Listing Rules of the Colombo Stock Exchange is indicated on pages 147 to 150 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 136.

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 as per Section 9 of the Listing Rules.

Compliance with Laws and Regulations

To the best of knowledge and belief of the Directors, the Company has complied with applicable Laws, Rules and Regulations made thereunder and there was no material non-compliance with laws or regulations and there were no fines imposed on the Company by any government or regulatory authority in the country.

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.

Contingent Liabilities

The contingent liabilities as at 31st March 2026 are given in note 33 to the Financial Statements.

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.

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

Independent Auditors' Report, Remuneration and Appointment

The Financial Statements of the Company for the twelve months ended 31 March 2026 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 1,983,300/- 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.

Based on the recommendation of the Audit Committee, 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 by electronic means on 23rd September 2026 at 10.30 a.m. centered at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8.

The notice of the Annual General Meeting appears on page 155.

Acknowledgement of the contents of the Annual Report

The Board of Directors have approved the Audited Financial Statements together with the Annual Report of the Board of Directors and the Reviews which form part of the Annual Report on 28th August 2026.

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

Sgd.
D T S H Mudalige
Chairman

Sgd.
K S Narangoda
Director/Group CEO

Sgd.
Business Intelligence (Private) Limited
Secretaries

28 August 2026

Report of the Audit Committee

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

COMPOSITION

The Committee consisted of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director during the financial year. 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 on 30th September 2024)

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

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

Mr. Samresh Kumar - Member/Independent Non-Executive Director (appointed on 4th June 2024 and resigned on 1st March 2026)

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 16 to 19 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 on 30th September 2024)	4/4
Mr. D T S H Mudalige (appointed on 6th June 2024)	4/4
Mr. S L Sebastian (appointed on 4th June 2024)	4/4
Mr. S Kumar (appointed on 4th June 2024 and resigned on 1st March 2026)	4/4

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.
5. Maintenance of a robust whistleblowing mechanism and governance framework.

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, the Companies Act No. 07 of 2007, SEC Act, CSE Listing Rules and other applicable regulations.

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.

Report of the Audit Committee

Internal Controls and Risk Assessment

The Committee reviewed the adequacy and effectiveness of the Company's internal control environment and the risk management framework relating to its investments. Given the nature of Ambeon Holdings PLC as an investment holding company, the primary focus was on ensuring that robust controls are in place to safeguard investments and that appropriate governance structures exist to monitor associated risks.

The Committee evaluated the processes adopted by Senior Management and the Board in identifying, assessing and managing investment-related risks. It also reviewed the internal control mechanism relating to financial reporting compliance and operational integrity. Based on these evaluations, the committee is satisfied that the existing framework provides reasonable assurance regarding the reliability of financial reporting and the effectiveness of risk oversight aligned with the Company's operational model.

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

The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. The Committee has considered the nature of the services provided by the Auditors, Messrs Ernst & Young have served as the Company's External Auditors for fifteen (15) years, with the current audit partner serving in this role for two (2) years.

The Non-Audit Services provided by the External Auditor were also reviewed and the Committee was of the view that such services did not impair their independence and were not within the category of services identified as restricted under the guidelines for Listed Companies on Audit and Audit Committees issued by the Securities and Exchange Commission of Sri Lanka.

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.

The Committee confirms receipt of written assurance from Ernst & Young stating that they remained independent throughout the audit engagement, in line with professional and regulatory standards.

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 2027, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Assurance from Management

The Committee obtained confirmation from the Executive Director and the Head of Finance affirming that, to the best of their knowledge, the financial statements and the operational performance of the Company are presented fairly, in all material respects.

Internal Audit Function

Ambeon Holdings PLC is an investment holding company. Investment-related risks are reviewed and monitored by Senior Management and the Board of Directors. The Committee is of the view that this structure is appropriate given the nature of the Company's operations.

Discharge of Duties

The Committee confirms that it effectively discharged its functions and responsibilities during the year by;

- Reviewing financial reporting and disclosure
- Monitoring risk and internal controls
- Overseeing internal and external audits
- Ensuring compliance with all relevant legal, regulatory and governance requirements.

Conclusion

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

Sgd.
Duminda Weerasekare
Chairman
Audit Committee

28 August 2026

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 2026 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

Mr. Samresh Kumar - Member/Independent Non-Executive Director (resigned w.e.f. 1st March 2026)

Mr. Sujeewa Mudalige - Member/Independent Non-Executive Director

Mr. Ravi Goonetilleke - Member/Independent Non-Executive Director (appointed w.e.f. 1st March 2026)

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 53 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

28th August 2026

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 2026 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. Ravi Goonetilleke - Chairman Independent Non-Executive Director (resigned w.e.f. 16th October 2025)

Mr. Ruwan Keragala - Chairman/Independent Non-Executive Director (appointed w.e.f. 16th October 2025)

Mr. Mangala Boyagoda - Member/Non-Executive Director

Mr. Sujeewa Mudalige - Member/Independent Non-Executive Director (resigned w.e.f. 16th October 2025)

Mr. Duminda Weerasekare - Independent Non-Executive Director (appointed w.e.f. 16th October 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 16 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;

a) Receive regular reports from the management and be provided with any information it requires relating to its responsibilities.

b) Establish policies and procedures that provide general pre-approvals to certain types of RPTs.

c) Review and evaluate the terms, conditions, and the advisability of any RPT.

d) Determine whether the relevant RPT is fair, and in the best interest of the Company and its shareholders as a whole.

e) Recommend to the Board what action, if any, is required to be taken by the Board with respect to any RPT.

f) 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.

A total of four (04) 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. E M M Boyagoda	4/4
Mr. D M Weerasekare (appointed w.e.f. 16th October 2025)	2/2
Mr. D T S H Mudalige (resigned w.e.f. 16th October 2025)	2/2
Mr. M D J R Goonetilleke (resigned w.e.f. 16th October 2025)	2/2
Mr. R Keragala (appointed w.e.f. 16th October 2025)	2/2

The Executive Director and 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 136 to 137 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 43 of this Annual Report.

Sgd.
R Keragala
Chairman
Related Party Transactions Review Committee

28 August 2026

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 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 arises.

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 (resigned w.e.f. 1st March 2026)

Mr. M D J R Goonetilleke - Member/Independent Non-Executive Director (appointed w.e.f. 1st March 2026)

Brief profiles of the Committee members are given in pages 16 to 19 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 two (2) meetings were held during the financial year which consisted of Circular Resolutions in writing. The Committee reviewed and recommended the appointments of Mr. Mestiyage Don Janaka Ravi Goonetilleke and Mr. Ruwan Keragala to the Board of Directors and the reconstitution of the Board Sub Committees as and when required. The Resolutions in Writing which are approved by the Nominations and Governance Committee are circulated and affirmed by the Board of Directors.

Attendance at the meetings is as follows:

Name of the Director	Attendance at Meetings
Mr. S L Sebastian	2/2
Mr. D T S H Mudalige	2/2
Mr. S Kumar (resigned w.e.f. 1st March 2026)	2/2
Mr. M D J R Goonetilleke (appointed w.e.f. 1st March 2026)	N/A

In terms of the Articles of Association of the Company, one-third of the Non-Executive Directors of the Board retires by rotation at each Annual General Meeting and, being eligible, offer themselves for re-election. Accordingly, the Committee has recommended the re-election of Mr. D M Weerasekare and Mr. C T Tsoi to the Board at the forthcoming Annual General Meeting, in recognition of their valuable contribution towards achieving the Board's objectives.

Mr. Weerasekare was initially appointed to the Board on 30th July 2024 and did not come up for re-election previously. He is the Chairman of the Audit Committee. In addition to Ambeon Holdings PLC Mr. Weerasekare serves on the Boards of Ambeon Capital PLC, Colombo City Holdings PLC and Alpha Fire Services PLC, which are listed companies.

The Committee has also recommended the election of Mr. R Keragala in terms of Article No. 27 (2) of the Articles of Association and recommended the re-appointment of Mr. E M M Boyagoda, in terms of Section 210 of the Companies Act No. 07 of 2007.

The Committee further affirms that it has complied with the Corporate Governance requirements stipulated in the Listing Rules of the Colombo Stock Exchange.

Sgd.
S L Sebastian
Chairman
Nominations & Governance Committee

28 August 2026

Statement of Directors' Responsibilities for Financial Reporting

The Board of Directors is responsible for the preparation and presentation of the financial statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 of Sri Lanka and Sri Lanka Accounting Standards (SLFRS/LKAS), so as to give a true and fair view of the financial position of the Company as at the reporting date and of its financial performance and cash flows for the period then ended.

In preparing these financial statements, the Directors are required to ensure that;

- Appropriate accounting policies have been selected and applied consistently.
- Reasonable and prudent judgements and estimates have been made.
- All applicable Sri Lanka Accounting Standards have been followed, and any material statements have been disclosed and explained.
- The financial statements have been prepared on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act No. 7 of 2007.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements for the year ended 31st March 2026.

By order of the Board of
Ambeon Holdings PLC

Sgd.
Business Intelligence (Private) Limited
Secretaries

Colombo
28 August 2026

Value Creation Model

INPUTS

Financial Capital
- Treasury
- Funding
- Total Assets: LKR 33Bn
- Equity: LKR 13.5Bn

Human Capital
- Leadership
- Talent
- Governance
- No. of Employees: 654

Intellectual Capital
- Investment
- Expertise
- Digital Capability
- No. of Digital Solutions: 3

Social & Relationship
- Strategic Partners
- Customers
- Investors

Natural & Manufactured
- Properties Plant & Equipment
- Land Assets
- Office Locations: 3
- IT Assets: LKR 1.3Bn

AMBEON HOLDINGS PLC

Investment Platform

VALUE CREATION ACTIVITIES

- Strategic Capital Allocation
- Portfolio Diversification
- Digital Transformation
- Risk Management & Governance
- ESG & Sustainability Integration
- Mergers, Acquisitions & Asset Optimization

BUSINESS CLUSTERS

Technology	Real Estate & Property	Diversified Investment	Group Treasury
MillenniumIT ESP	Colombo City Holdings	Strategic Bank Stakes	Short to Medium Term Investments

OUTPUTS

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

OUTCOMES & IMPACT

GOVERNMENT
- Taxes Paid +345Mn

SHAREHOLDERS
- Approx. 3.5Bn Dividends Paid
- NAV Growth
- Value Appreciation

EMPLOYEES
- Skills Development
- Career Growth
- Staff cost over 3.5Bn

COMMUNITIES
- Economic Development
- Responsible Business

ENVIRONMENT
- ESG Integration
- Sustainable Resource Stewardship

GOVERNANCE • RISK MANAGEMENT • STAKEHOLDER FEEDBACK

SLFRS Sustainability–Related Financial Disclosures

1.0 Basis of Preparation

1.1 Reporting Entity, Organization Boundary and Value Chain

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

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

Our Value Chain is found in Page 53 of this report.

1.2 Basis of Materiality

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

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

To identify relevant SRROs (limited to CRROs for the first year of disclosure), the Group assessed its entire value chain, including upstream, internal, and downstream activities, its business strategy and business model, and operating segments. A qualitative assessment was then conducted to determine the risks and opportunities most significant to the Group.

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

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

Determination of Financial Materiality

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

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

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

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

1.3 Functional Currency

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

1.4 Sources of Guidance

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

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

1.5 Reporting Period

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

1.6 Time Horizon

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

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

1.7 Connected Information

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

Topic	Page Reference
Group Structure	Page 7
Corporate Governance	Pages 33 - 38
Risk Management	Pages 39 - 42
Management Discussion and Analysis	Pages 26 - 32
Financial Statements	Pages 75 - 145

1.8 Transitional Relief

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

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

1.9 Significant Judgements, Uncertainties and Proportionality

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

SLFRS Sustainability–Related Financial Disclosures

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

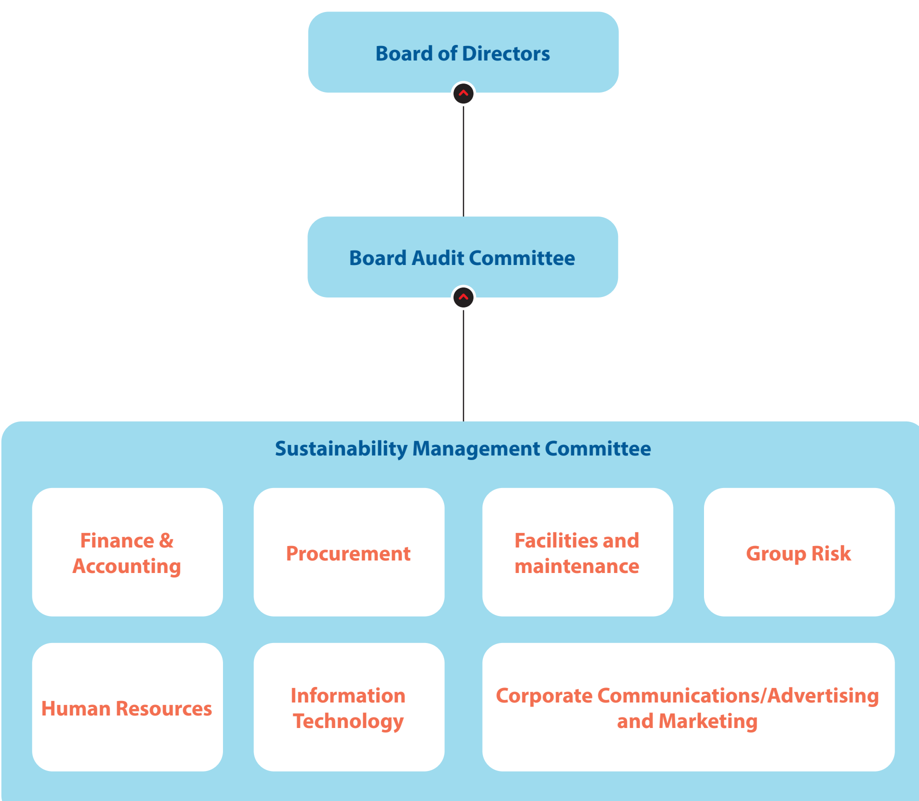
- Identification of CRROs
- Likelihood and impact measurement of CRROs
- Determination of materiality thresholds
- Defining time horizons (short, medium and long term)
- Computations made based on available data, public databases and reasonable assumptions in the case of incomplete data

1.10 Statement of Compliance

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

2.0 GOVERNANCE

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



2.1 Board Oversight Role

2.1.1 Responsibility

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

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

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

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

- Oversee the development and implementation of the Company's sustainability strategy, policies and initiatives, ensuring sustainability is integrated into the business model, culture, operations, environmental practices, and ethical conduct.
- Ensure appropriate strategies, skills, competencies and escalation mechanisms are in place to identify, monitor, manage and oversee

sustainability-related risks and opportunities (SRROs), while keeping the Board adequately informed for strategic decisions, major transactions and risk management.

- Oversee the establishment of SRRO-related targets, monitor progress against those targets, support the inclusion of sustainability metrics in remuneration policies, and review management controls and external assurance processes for sustainability disclosures.
- Advise the Board on sustainability trends, risks, opportunities and regulatory developments, oversee statutory and best-practice sustainability reporting and disclosures, engage key stakeholders, and facilitate continuous improvement in sustainability performance and non-financial reporting
- Guide the Board on the development, periodic updates and implementation of the Sustainability Strategy of the Company/Group
- Identify Sustainability Related Risks and Opportunities (SRROs) and applicable Materiality Thresholds on at least an annual basis regarding continuing business operations and assess their reporting requirements
- Evaluate with management and the external consultants/assurance providers the financial quantification of the SRROs and develop strategies and provide guidance to the Sustainability Management Committee on effective management of the SRROs
- Ensure all sustainability-related reporting requirements as per applicable SLFRS standards and/or any other statutory requirements are met in full.

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

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

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

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

2.1.2 Skills and Competencies

The Board of Directors of the company (profiles published in pages 16 to 19 of this Annual Report) are seasoned industry professionals with wide ranging exposure to governance, accountancy, reporting and auditing, capital markets and sustainability. The board members, individually and collectively, understand and appreciate the importance of embedding sustainability in the business strategy of the Group and continuously strive to improve their knowledge and competency levels on relevant matters. The SMC, in turn, will support the board members to improve their proficiency through periodic knowledge gap analysis and organizing relevant and timely training programs and communiques.

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

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

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

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

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

SLFRS Sustainability-Related Financial Disclosures

2.2 Management Role

2.2.1 Delegation

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

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

2.2.2 Policies and procedures

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

The standard functions and responsibilities of the SMC include,

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

2.2.3 Reporting and Accountability

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

3. STRATEGY

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

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

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

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

3.1. Strategy Disclosures on Climate Related Risks and Opportunities

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

SLFRS Sustainability–Related Financial Disclosures

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

CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting	
Impact on Prospects	Description	By virtue of directive TEC/ACC/2024/03/01 issued by the Accounting Standards Committee (ASC) of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) dated 07 March 2024 and amendments to Colombo Stock Exchange listing rules Section 7.1 a (i) b (with effect from 18 February 2025), the Company is required to adopt SLFRS S1 and S2 sustainability disclosure standards commencing from the annual reporting periods beginning on or after 1 January 2025 as a Colombo Stock Exchange listed entity within the top-100 market capitalization as of 01 January 2025.
	Physical Risk or Transition Risk	Transition risk
	Time Horizon	Short to medium term
	Define time horizon	Refer to "1.6 - Time Horizons" under the "Basis of Preparation" above.

CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting	
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The company is subject to mandatory reporting on SLFRS S1 and S2 compliant reporting commencing from the FY2025/26 (with some transitional provisions). This impacts governance, risk management, disclosures and reporting at the Company and Group levels. Necessary structural changes, particularly with regards to risk, financial reporting and compliance functions have been implemented and capacities strengthened. This compliance adoption reflects additional management time, overheads and expenses at a Group level on an ongoing basis as greater level of compliance and disclosures will be required in the upcoming reporting periods with the gradual expiry of transitional provisions.
	Anticipated Effects on Business Model and Value Chain	As the transitional provisions expire, a greater emphasis on the quantification of identified SRROs including resilience assessments and impact modelling, and emissions quantification will need to be carried out. This requires additional capacity building, data collection and analysis, computations and external validation/assurances, and closer stakeholder scrutiny of the data so reported.
	Where is it Concentrated?	Finance, Risk, Governance and Regulatory elements, both internal to the Group and externally.
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	A comprehensive governance, risk and strategic review of the sustainability related material matters have been undertaken by the Company/Group which includes the identification of relevant SRROs for the Group, creation of governance and management bodies to address the SRROs and to improve the overall sustainability strategy of the Company/Group and setting in place adequate capacity building and reporting compliance mechanisms.
	How the Company is Resourcing and Plan to Resource Activities	The Company/Group possesses adequate financial resources to ensure compliance against the full suite of reporting requirements as the transition provisions are phased out. It will continue to engage with industry professionals and advisory service providers to build the intellectual capacity required to ensure stage-by-stage compliance against the reporting requirement as dictated by the ASC-CA Sri Lanka and the CSE together with any amendments, or additional requirements which may be introduced from time to time.
	Progress (qualitative and quantitative)	The current reporting period reflects the first-time adoption of SLFRS S1 and S2 reporting by the Company/Group. Accordingly, it has made full use of the available transitional provisions as discussed in section 1.8 (Transitional Relies) above.
Financial Effects	Current year financial effects to PL, BS and CF	There are no materially identifiable impact to the company's or the Group's PL, BS or CF because of compliance status with regards to the Sustainability Reporting for the current period under consideration.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There are no adjustments/impairments to the carrying value of assets of the company or the Group because of compliance against the Sustainability Reporting requirement during the period under consideration.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Quantification of the financial impact of compliance with the Sustainability reporting requirement on the PL, BS and CF of the company/group will be assessed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.

SLFRS Sustainability–Related Financial Disclosures

CRR 2	Regulatory and Disclosure requirements pertaining to Sustainability Reporting	
Climate resilience	Resilience Assessment	Resilience assessment will be performed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Scenario Analysis will be carried out in an upcoming reporting period. The Company/Group is making use transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Judgements and Uncertainties	Judgements	Judgements have been made in the identification of SRROs, materiality thresholds, impact of SRROs on the current financial year and in determining the adequacy of impact reporting for the period under review.
	Uncertainties	Key uncertainties faced as a first time adoptee includes the future challenges in meeting the full computational, modelling and disclosure requirements under the standards as transitional provisions expire, possibility of further evolutions to the standard, stakeholders' reception of the disclosures made and the cross-industry validity of the assumptions and judgments made in the calculations and disclosures.

CRO 1	Opportunities to invest in climate transition activities	
Impact on Prospects	Description	As domestic and industrial decarbonization in line with the National Adaptation Plan and Net zero by 2050 target gathers pace, growth of environmentally positive business sectors will become an important economic segment. As an investment holding company, Ambeon Holdings PLC can benefit from investing in this emerging economic sector.
	Physical Risk or Transition Risk	N/A (transitional opportunity)
	Time Horizon	Medium and long
	Define time horizon	Refer to "1.6 - Time Horizons" under the "Basis of Preparation" above.
Business Model and Value Chain	Current Effects on Business Model and Value Chain	The Group currently does not have any material investments made directly into environmentally positive/green economy investments. However, it is cognizant of the industry potential and is in principle eager to explore investment opportunities in environmentally positive/green economy businesses.
	Anticipated Effects on Business Model and Value Chain	Based on available public information, financial performance of businesses engaged in climate positive/green economic sectors such as renewable energy have been encouraging. Further, there are significant gaps in the investments required to meet Sri Lanka's NDCs and Net Zero targets. Accordingly, it can be envisaged that there will be ample investment opportunities in the short, medium and long term for investments. These investments, in turn, will benefit asset growth, revenue and profitability and carbon/ emissions offset at a group level. It will also make the Group more attractive to investors who seek to invest in organizations with a climate positive/green image.
	Where is it Concentrated?	Asset portfolio and inward investments

CRO 1	Opportunities to invest in climate transition activities	
Strategy and Decision Making	Plans to respond to in Strategy, Risk Management, Transition Plans and Climate-related Targets	The company intends to include sustainability and climate positive assessments into its investment decisions. It may also develop its own decarbonization/Net Zero or Carbon Neutral plans in future that would require investments into climate transition activities.
	How the Company is Resourcing and Plan to Resource Activities	The Company can raise the necessary funds to invest in climate transition business activities through its own retained earnings, additional equity raised through rights, secondary issuances or private placements, bank borrowings or through joint ventures.
	Progress (qualitative and quantitative)	While the Group does not have any direct investments in climate transition activities yet, it remains open to such investments when suitable opportunities become available
Financial Effects	Current year financial effects to PL, BS and CF	There are no materially identifiable impact to the company's or the Group's PL, BS or CF because of investments in Climate transition activities for the current period under consideration.
	Significant risk of material adjustments to carrying value of assets and liabilities in the next financial year	There are no adjustments/impairments to the carrying value of assets of the company or the Group because of Climate transition activities during the period under consideration.
	Anticipated financial effect over short, medium and long term to PL, BS and CF	Quantification of the financial impact of potential investments in climate transition activities on the PL, BS and CF of the company/group will be assessed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Climate resilience	Resilience Assessment	Resilience assessment will be performed in an upcoming reporting period. The Company/Group is making use of transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
	How and When Climate Scenario Analysis was performed. Disclosure of (i) Inputs; (ii) Key Assumptions, and (iii) Reporting period in which scenario analysis was carried out	Scenario Analysis will be carried out in an upcoming reporting period. The Company/Group is making use transition provisions available for first time adpotees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.
Judgements and Uncertainties	Judgements	Judgements in this regard would include the strategic alignment of the sector with the overall strategy of the Company/Group, investment returns and capital appreciation hurdles, partnerships and joint venture possibilities and segmental entry through organic startup versus acquisition-based model.
	Uncertainties	Investing in a new economic vertical will carry a series of uncertainties including long term business and technological viability, managerial competency, continued market appetite for climate positive/green products and services, shifts in the regulatory frameworks and NDCs/Net Zero targets, general investment climate and availability and strategic suitability of the investment opportunities.

SLFRS Sustainability–Related Financial Disclosures

4.0 RISK MANAGEMENT

4.1 Processes and Policies Relating to Climate-related Risks

Ambeon Holdings PLC and the Group has in place a comprehensive Enterprise Risk Management (ERM) Framework (refer to the section "Risk Management" in pages 39 to 42 in this Annual Report).

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

This section should be read together with the Group's Risk Management report (pages 39 to 42) Which details out the ERM framework, governance structure, risk matrix methodology, and principal risks and mitigation strategies.

4.1.1 Identification of Climate Related Risks and Opportunities

(a) Inputs and Parameters Used

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

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

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

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

(b) Use of Climate-related Scenario Analysis

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

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

4.1.2 Assessment

(a) Nature of Climate Risk

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

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

(b) Likelihood of Climate Risk

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

Risk likelihood is assessed across a defined scale ranging from rare to almost certain. This structured methodology enables the Group to differentiate between low-probability and high-probability climate-related exposures when prioritising mitigation efforts (refer page 40 for the risk matrix)

(c) Magnitude/Exposure of Climate Risk

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

4.1.3 Prioritization

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

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

4.1.4 Monitoring

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

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

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

4.1.5 Changes in the Process

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

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

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

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

4.2 Processes and Policies Relating to Climate-related Opportunities

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

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

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

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

4.3 Integration to Overall ERM

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

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

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

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

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

SLFRS Sustainability–Related Financial Disclosures

5. METRICS AND TARGETS

5.1 Cross Industry Metrics

5.1.1 Greenhouse Gas Emissions (GHG)

(a Basis of Determination of Organizational Boundary and Operational Boundary

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

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

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

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

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

(C) Summary of GHG Emissions

Scope	FY 2025/26 (mtCO2e)
Scope 1	Negligible
Scope 2	274.79
Scope 3 The Company/Group has not computed its Scope 3 emissions for FY2025/26 under transition provisions available for first time adoptees as discussed in section 1.8 "Transitional Relief" under the "Basis of Preparation" above.	Not reported for the period under consideration
Total	**274.79**

(d) GHG Scope 1 and Scope 2 Emissions

Description	Greenhouse gas emissions (metric tonnes CO2e) 2024/25		
	Scope 1	Scope 2	Total
Consolidated accounting group	Negligible	274.79	274.79
Other investee (investment in associate, joint ventures)	N/A	N/A	N/A
Total (Operational control approach)	**N/A**	**274.79**	**274.79**

(e) Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Stationary combustion	Negligible. Refer 5.1.1 (b) above			
Scope 1	Mobile combustion				
Scope 1	Process combustion				
Scope 1	Fugitive Emissions				
Scope 2	Electricity Consumption	Consumption of electricity within the business premises of the Group	Monthly electricity bills issued by the electricity utility or the landlord	0.42kg CO_2e per kWh	N/A

5.1.2 Climate-related Physical Risks

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

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

5.1.3 Climate-related Transition Risks

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

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

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

5.1.4 Climate-related Opportunities

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

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

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

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

5.1.5 Capital Expenditure

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

SLFRS Sustainability–Related Financial Disclosures

5.1.6 Internal Carbon Pricing

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

5.1.7 Remuneration

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

5.2 Industry Specific Metrics

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

5.3 Climate-related Targets

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

Financial Statements

Financial Calendar

1st Quarter Interim Report	13th August 2025
2nd Quarter Interim Report	12th November 2025
3rd Quarter Interim Report	13th February 2026
4th Quarter Interim Report	19th May 2026
Annual Report 2025/2026	28th August 2026
Annual General Meeting	23rd September 2026

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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 2026 and the Income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Independent Auditor's Report

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

This was a key audit matter due to the:
» The materiality of the reported fair value of land and buildings which amounted to Rs. 1.75 Bn representing 5% of the Group's total assets as of the reporting date; and
» The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach.

Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 07 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:
» Estimate of per perch value of the land.
» Estimate of the per square foot value of the buildings.
» Market rent per square foot, occupancy rates and yield.</td><td>Our audit procedures included the following key procedures:
» Assessed the competence, capability and objectivity of the external valuers engaged by the Group.
» Read the external valuer's report and understood the key estimates made and the valuation approaches taken by the valuer in determining the valuation of each property.
» Assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as per perch value, per square foot value, market rent per square foot, occupancy rates, yield and valuation techniques as relevant in assessing the fair value of each property.

We also assessed the adequacy of the disclosures made in Note 07 to the financial statements.</td></tr>
<tr><td colspan="2">Annual Impairment assessment of intangible assets with infinite useful life</td></tr>
<tr><td>The Group's Statement of Financial Position includes an amount of LKR 1.3 Bn relating to Goodwill and Brands, as further described in Note 09 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).

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

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

Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 9.5.1 to the financial statements.</td><td>Our audit procedures included the following:
» We gained an understanding of how Management has forecasted its discounted future cash flows.
» We assessed the reasonableness of significant assumptions including long term growth rates and discount rate. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.

We assessed the adequacy of the disclosures made in Note 09 in the financial statements.</td></tr>
</table>

Other information included in the 2026 Annual Report

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report

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

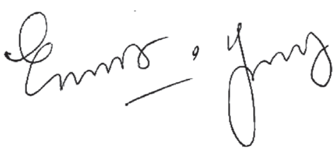
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken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

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

Report on Other Legal and Regulatory Requirements

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

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



28 August 2026
Colombo

Income Statement

Year ended 31 March 2026

		Group		Company	
		2026	2025	2026	2025
Continuing Operations	Note	LKR	LKR	LKR	LKR
Revenue	5	18,129,933,471	16,439,184,479	1,129,762,957	819,869,016
Cost of Sales		(14,952,291,431)	(13,394,460,177)	-	-
Gross Profit		3,177,642,040	3,044,724,302	1,129,762,957	819,869,016
Other Income	26	105,679,304	70,416,165	23,411,976	-
Selling & Distribution Expenses		(270,042,306)	(368,429,057)	-	-
Administrative Expenses		(1,733,470,894)	(1,829,614,346)	(256,765,214)	(260,266,062)
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		2,156,258,996	1,102,240,953	2,065,892,156	989,970,240
Change in Fair Value of Investment Property	7	322,628,211	18,335,000	-	-
Gain on Change in Fair Value of Biological Assets	8	3,449,000	1,367,000	-	-
Operating Profit		3,762,144,351	2,039,040,017	2,962,301,874	1,549,573,194
Finance Cost	27	(909,796,646)	(434,820,342)	(492,320,030)	(160,358,533)
Finance Income	28	208,252,565	164,433,082	-	-
Change in Fair Value of Investment in Subsidiary	11	-	-	600,786,324	138,296,044
Share of Results of Equity Accounted Investee	13	(34,746,795)	(190,121,020)	(35,587,528)	(196,324,697)
(Loss) from disposal of Associate	4	(76,251,046)	-	(76,251,046)	-
Gain Associated with the Loss of Control Attributed to Subsidiary	4	80,196,065	-	557,775,015	-
Profit Before Tax from Continuing Operations	30	3,029,798,495	1,578,531,738	3,516,704,609	1,331,186,008
Income Tax Expense	29	(202,593,743)	(600,838)	162,949,077	20,902,533
Profit for the year from Continuing Operations		2,827,204,752	1,577,930,900	3,679,653,685	1,352,088,541
Discontinued Operations					
Profit after Tax from Discontinued Operations for the year		493,572,150	447,005,659	-	-
Profit for the year		**3,320,776,903**	**2,024,936,559**	**3,679,653,685**	**1,352,088,541**
Attributable to:					
Equity Holders of the Parent		3,105,756,889	1,812,426,216		
Non-Controlling Interests		215,020,014	212,510,343		
		3,320,776,903	**2,024,936,559**		
Earnings per share	31				
Basic (LKR)		2.18	1.27	2.58	0.95
Diluted (LKR)		2.18	1.27	2.58	0.95
Earnings per share from Continuing Operations	31				
Basic (LKR)		1.90	1.03		
Diluted (LKR)		1.90	1.03		

Figures in brackets indicate deductions.
The accounting policies and notes on pages 83 through 145 form an integral part of the financial statements.

Statement of Comprehensive Income

Year ended 31 March 2026

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Profit for the Year		3,320,776,903	2,024,936,559	3,679,653,685	1,352,088,541
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	(4,481,226)	4,008,735	-	-
Net Other Comprehensive income to be reclassified to Income Statement in subsequent periods		(4,481,226)	4,008,735	-	-
Other comprehensive income not to be reclassified to Income Statement in subsequent periods,(net of tax)					
Actuarial Gain /(Loss) on Defined Benefit Plans	22	(49,617,095)	9,761,935	(2,123,238)	828,420
Tax on Actuarial Gain /(Loss) on Defined Benefit Plans	21	12,560,987	(2,661,801)	636,971	(248,526)
Share of Other Comprehensive Income of Equity Accounted Investees	13	-	17,491,255	-	17,491,255
Net Other Comprehensive Income not to be Reclassified to Income Statement in subsequent periods		(37,056,108)	24,591,389	(1,486,267)	18,071,149
Total Other comprehensive Income for the year, net of tax		(41,537,333)	28,600,124	(1,486,267)	18,071,149
Total Comprehensive Income for the year , net of tax		**3,279,239,569**	**2,053,536,683**	**3,678,167,419**	**1,370,159,690**
Attributable to:					
Equity Holders of the Parent		3,078,341,297	1,838,058,103		
Non-Controlling Interest		200,898,272	215,478,580		
		3,279,239,569	**2,053,536,683**		

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 145 form an integral part of the financial statements.

Statement of Financial Position

As at 31 March 2026

		Group		Company	
		2026	2025	2026	2025
ASSETS	Note	LKR	LKR	LKR	LKR
Non-Current Assets					
Property, Plant & Equipment	6	236,722,730	289,708,649	3,368,457	1,054,525
Investment Property	7	1,755,600,000	1,396,924,150	-	-
Intangible Assets	9	1,318,072,704	1,344,587,542	2,624,049	3,125,124
Biological Assets	8	88,340,950	84,891,950	-	-
Right-of-Use Assets	10	359,388,388	405,087,518	40,214,316	67,023,852
Investment in Subsidiaries	11	-	-	4,467,818,000	5,325,256,661
Other Non-Current Financial Assets	12	370,680,009	2,067,062,568	-	2,057,812,664
Investment in Equity Accounted Investee	13	49,688,527	907,700,438	-	858,852,645
Deferred Tax Asset	21	170,095,558	128,045,818	-	-
		4,348,588,866	6,624,008,633	4,514,024,822	8,313,125,471
Current Assets					
Inventories	14	2,950,978,388	2,493,921,517	-	-
Trade and Other Receivables	15	12,323,978,104	8,480,769,405	18,790,035	132,431,586
Other Financial Investments	16	12,539,326,648	12,246,095,009	11,204,734,604	8,160,942,060
Income Tax Receivables		10,252,317	11,843,159	-	-
Cash and balances with banks	32	796,923,703	931,256,512	41,003,420	29,536,377
		28,621,459,160	24,163,885,602	11,264,528,059	8,322,910,023
Total Assets		**32,970,048,026**	**30,787,894,235**	**15,778,552,881**	**16,636,035,494**
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	(5,018,303)	(2,115,365)	3,320,140	3,320,140
Retained Earnings		6,891,963,292	7,334,621,847	6,385,523,628	6,186,835,453
Equity attributable to equity holders of the parent		12,218,720,167	12,664,281,659	11,720,618,945	11,521,930,770
Non-Controlling Interests		1,279,407,101	1,503,547,603	-	-
Total Equity		13,498,127,268	14,167,829,262	11,720,618,945	11,521,930,770
Non-Current Liabilities					
Other Financial Liabilities	25	347,936	347,936	347,936	347,936
Interest Bearing Borrowings	20	439,402,958	492,541,543	19,863,448	43,942,557
Deferred Tax Liability	21	319,895,238	300,341,936	168,923,968	437,729,871
Employee Benefit Liabilities	22	410,117,150	375,855,268	15,680,944	10,940,145
		1,169,763,282	1,169,086,683	204,816,296	492,960,509
Current Liabilities					
Trade and Other Payables	24	6,634,806,448	4,457,383,900	67,876,870	71,743,967
Income Tax Payable		106,367,420	250,180,281	4,734,202	7,555,306
Contract Liability	23	1,822,229,460	1,904,072,864	-	-
Interest Bearing Borrowings	20	9,738,754,148	8,839,341,245	3,780,506,568	4,541,844,942
		18,302,157,476	15,450,978,290	3,853,117,640	4,621,144,215
Total Equity and Liabilities		**32,970,048,026**	**30,787,894,235**	**15,778,552,881**	**16,636,035,494**

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 145 form an integral part of the financial statements.

28 August 2026
Colombo

Statement of Changes in Equity

Year ended 31 March 2026

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 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)**
Profit for the Year	-	-	-	-
Other Comprehensive Income	-	-	-	(2,902,938)
Total Comprehensive Income	-	-	-	(2,902,938)
De-recognition of Non controlling interest due to Disposal of Subsidiary	-	-	-	-
Dividend Paid				
Balance as at 31 March 2026	**5,331,775,177**	**-**	**3,100,000**	**(8,338,443)**

	Attributable to equity holders of the parent					
	Revenue Reserve	Fair Value through OCI Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	LKR	LKR	LKR	LKR	LKR	LKR
	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	1,838,058,104	(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
	-	-	3,105,756,889	3,105,756,889	215,020,014	3,320,776,903
	-	-	(24,512,654)	(27,415,592)	(14,121,742)	(41,537,334)
	-	-	3,081,244,235	3,078,341,298	200,898,272	3,279,239,569
	-	-	(44,423,546)	(44,423,546)	(425,038,774)	(469,462,320)
			(3,479,479,244)	(3,479,479,244)	-	(3,479,479,244)
	220,140	-	6,891,963,292	12,218,720,167	1,279,407,101	13,498,127,268

Statement of Changes in Equity

Year ended 31 March 2026

COMPANY	Stated Capital LKR	Revenue Reserves LKR	Other Reserves LKR	Fair Value Through OCI Reserve LKR	Retained Earnings/ (Losses) LKR	Total LKR
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	-	-	-	-	-	1,370,159,690
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**
Profit for the Year	-	-	-	-	3,679,653,685	3,679,653,685
Dividends	-	-	-	-	(3,479,479,244)	(3,479,479,244)
Other Comprehensive income	-	-	-	-	(1,486,267)	(1,486,267)
Balance as at 31 March 2026	5,331,775,177	220,140	3,100,000	-	6,385,523,628	11,720,618,945

Figures in brackets indicate deductions.

The accounting policies and notes on pages 83 through 145 form an integral part of the financial statements.

Statement of Cash Flows

Year ended 31 March 2026

		Group		Company	
		2026	2025	2026	2025
	Note	LKR	LKR	LKR	LKR
Operating Activities					
Profit/(Loss) before tax from Continuing Operations		3,029,798,495	1,578,531,738	3,516,704,609	1,331,186,008
Profit/(Loss) before tax from Discontinuing Operations		637,833,229	650,277,190	-	-
Non - Cash Adjustments to Reconcile Profit Before Tax to Net Cash Flows:					
Depreciation of Property, Plant Equipment	6	74,579,854	83,727,825	857,367	1,312,826
Amortization of Intangible Assets	9	4,905,975	2,446,347	1,053,670	1,008,813
Amortization of Right of use Assets	10	86,188,935	59,853,395	26,809,536	13,404,770
Change in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss		(2,156,258,996)	(1,077,909,213)	(2,065,892,156)	(989,970,240)
Allowance/ (Reversal) for Obsolete and Slow Moving Inventories	14	1,340,578	2,951,345	-	-
Provision for Employee Benefit Liabilities	22	91,823,273	97,471,962	2,617,561	2,590,054
Impairment of Trade/Other Receivables	15	(99,204,286)	(706,115,784)	-	-
Gain from Disposal of Property Plant & Equipment	26	(1,439,500)	-	-	-
Change in Fair Value Adjustment of Investment Property	7	(322,628,211)	(22,105,550)	-	-
Gain on Change in Fair Value of Biological Assets	8	(3,449,000)	(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	34,746,795	190,121,020	35,587,528	196,324,697
Finance Income	28	(208,252,565)	(230,823,893)	(159,440,665)	-
Finance Cost	27	909,796,646	563,949,609	492,320,030	160,358,533
Dividend		-	-	(350,034,123)	(197,713,353)
Gain on Disposal of Subsidiary		(80,196,065)	-	(557,775,015)	-
Loss on Disposal of Associate		76,251,046	-	76,251,046	
Change in on fair valuation of investment in subsidiaries	11	-	-	(600,786,324)	(138,296,044)
		2,075,836,202	**1,234,717,858**	418,273,064	**423,914,931**
Working Capital adjustments:					
(Increase)/Decrease in Inventories		(458,397,448)	(1,081,179,917)	-	-
(Increase)/Decrease in Trade and Other Receivables		(4,832,673,595)	1,004,533,287	113,637,918	(36,236,814)
Increase/(Decrease) in Trade and Other Payables		2,488,157,864	790,525,099	(3,867,097)	(7,214,117)
Increase/(Decrease) in Deferred Income		(81,843,401)	222,806,322	-	-
Cash Generated/Used from Operations		(808,920,379)	**2,171,402,649**	528,043,884	**380,464,000**
Gratuity paid	22	(82,841,152)	(89,517,520)	-	(1,960,700)
Interest paid	27	(418,913,806)	(267,543,392)	(487,065,485)	(156,876,424)
WHT paid		-	(2,186,880)	-	(2,186,880)
Income Tax paid		(345,166,499)	(373,099,758)	(92,093,627)	(21,645,549)
Net Cash Flows Generated from Operating Activities		(1,655,841,836)	**1,439,055,102**	(51,115,228)	**197,794,447**

Statement of Cash Flows

Year ended 31 March 2026

		Group		Company	
	Note	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Investing Activities					
Acquisition of Property, Plant & Equipment	6	(34,187,390)	(38,758,355)	(3,171,300)	(514,000)
Acquisition of Intangible Assets	9	(552,595)	(14,647,993)	(552,595)	-
Impact/Acquisition on lease asset- ROUA		(40,489,795)	(95,069,630)	-	-
Acquisition of Investment Property		(137,667,789)	(8,969,000)	-	-
Proceeds from Sale of Property, Plant and Equipment		3,349,117	-	-	-
Investment in Subsidiaries		-	(799,169,176)	-	(800,000,000)
Net payments of Loans to Parent and Subsidiaries	15	1,696,382,559	(434,062,872)	2,201,309,632	20,218,287
Investment in Other Financial Investments		(857,227,531)	(4,437,869,104)	(977,900,389)	(4,136,929,090)
Net Proceed From Disposal of Associate		747,014,271	-	747,014,071	
Net Proceed From Disposal of Subsidiaries		1,841,905,796	-	2,016,000,000	-
Dividend Received		-	-	350,034,123	197,713,353
Interest Income from Investment	28	208,252,565	230,823,893	-	-
Net Cash Flows Generated from /(Used In) Investing Activities		**3,426,779,209**	**(5,597,722,237)**	**4,332,733,542**	**(4,719,511,450)**
Financing Activities					
Dividend Paid		(3,479,479,244)	-	(3,479,479,244)	-
Net Proceeds From Interest Bearing Loans & Borrowings	20	28,494,790,847	153,942,038,926	(1,584,500,000)	4,886,004,144
Repayment of Interest Bearing Loans & Borrowings	20	(27,714,506,420)	(149,130,819,305)		(518,004,144)
Repayment of Lease Obligations	20	(140,164,565)	(99,310,615)	(29,333,652)	(15,889,063)
Net Cash Flows Generated from/ (Used in) Financing Activities		(2,839,359,382)	4,711,909,006	(5,093,312,896)	4,352,110,937
Net foreign Exchange Difference	19	(4,481,226)	4,008,735	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents		(1,072,903,236)	557,250,601	(811,694,583)	(169,606,066)
Cash and Cash Equivalent at the beginning of the year		778,839,622	221,589,021	(120,229,455)	49,376,611
Cash and Cash Equivalent at the end of the year	32	(294,063,615)	778,839,622	(931,924,038)	(120,229,455)
Analysis of cash and cash equivalents					
Cash in hand and at bank		796,923,703	931,256,512	41,003,420	29,536,377
Bank Overdraft		(1,090,987,318)	(152,416,890)	(972,927,458)	(149,765,832)
Cash and cash equivalents at the end for the purpose of statement of cash flow		**(294,063,615)**	**778,839,622**	**(931,924,038)**	**(120,229,455)**

Figures in brackets indicate deductions.
The accounting policies and notes on pages 83 through 145 form an integral part of the financial statements.

Notes to the Financial Statements

Year ended 31 March 2026

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 2026, 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 2026 were authorized for issue in accordance with a resolution by the Board of Directors on 28 August 2026.

1.5 Principal Activities & Nature of Operations

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

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

Subsidiary - Greenfield Ventures (Pvt) Limited
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. (Private) Limited (formerly know as Millennium Information Technologies (Pvt) Limited)
During the period, the principal activity of the Company was specializing in the Integration Business providing 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.

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. Limited
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.

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

Sub- Subsidiary Entity - MIT ESP Australia pty Limited
MIT ESP AUSTRALIA PTY LTD is registered on 08th January 2025 under the Corporations Act 2001 in New South Wales, Australia. It 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 Australia.

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

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.

Notes to the Financial Statements

Year ended 31 March 2026

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 Polices 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 2026, 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/SGD
MIT ESP Australia pty Limited	AUD
MIT ESP Trading L.L.C	AED
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 2026. 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 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 2026.

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

The methods used to determine the fair value of the investment property 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

Notes to the Financial Statements

Year ended 31 March 2026

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 Material 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 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 ICASL 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.

Notes to the Financial Statements

Year ended 31 March 2026

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 recognise 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.

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 9 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 occurs.

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

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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 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 it 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 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.

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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.

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-

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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 at 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.

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.

Notes to the Financial Statements

Year ended 31 March 2026

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, MIT ESP Australia PTY Ltd, MIT ESP Trading L.L.C, and Millennium I.T.E.S.P. Bangladesh Pvt. Limited, Greenfield Ventures (Pvt) Ltd

» **Investments :** Ambeon Holdings PLC

» **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.

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

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of financial statements are disclosed below. The Company 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 SFFRS 17 is the general model,supplemented by;

The standard is built around the General Measurement Model, supported by two supplementary approaches:

» Variable Fee Approach (VFA): for contracts with direct participation features

» Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

3.2 SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

3.3 SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted

The entity is not eligible to apply SLFRS 19.

3.4 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The impact of these amendments is currently being identified and evaluated.

3.5 Annual improvements to Sri Lanka Accounting Standards

Narrow scope amendments as part of its periodic maintenance of Sri Lanka Accounting Standards will be adopted will be adopted, if applicable, when they become effective.

Notes to the Financial Statements

Year ended 31 March 2026

4. DISPOSAL OF SUBSIDIARIES & ASSOCIATE

4.1 (Loss) on Disposal of equity stake in Dankotuwa Porcelain PLC

	LKR	LKR
Gross Consideration		752,222,573
Transaction Cost		(5,208,302)
Total Consideration Received		747,014,271
Less		
Investment in Associate Value - as at 31.03.2025	858,852,645	
Share of Loss Up to June 2025 (Rs 158,802,000)*22.41%	(35,587,328)	
		823,265,317
		(76,251,046)

The Company disposed thirty-six million four hundred and twenty two thousand five hundred and seventy one (36,422,571) ordinary shares, being the ordinary voting shares representing twenty two decimal four one per centum (22.41%) of the total issued shares of Dankotuwa Porcelain PLC (DPL) for a total net consideration (after applicable brokerage charges) of Sri Lankan Rupees - Seven Hundred and Forty Seven Million Fourteen Thousand Two Hundred Seventy one (LKR 747,014,271/-) on 3rd September 2025.

Accordingly, the Company recorded a loss of Rs. 76,251,046/- on the disposal of the investment in associate.

4.2 Disposal of equity stake in Taprobane Capital Plus (Pvt) Ltd

4.2.1 Fair Value of the identifiable assets and liabilities of the disposed;

	Company LKR	Group LKR
Non-Current Assets		
Property, Plant and Equipment	538,862	10,715,759
Investment In Subsidiaries	1,858,805,476	-
Intangible Assets	-	22,161,458
Investment Property	-	101,620,550
Other Financial Assets	-	8,711,307
Deferred Tax Asset	-	3,145,473
Goodwill	-	92,017,330
Total Non-Current Assets	1,859,344,338	238,371,877
Current Assets		
Related Party Receivable	-	-
Trade & Other Receivables	-	1,060,091,693
Other Receivables	627,704	2,720,254,887
Cash and Cash Equivalents	372,592	174,094,204
Total Current Assets	1,000,296	3,954,440,784
Total Assets	**1,860,345**	**4,192,812,661**
Non-Current Liabilities		
Employee Benefits Liabilities	6,063,799	24,337,335
Deferred Tax Liability	394,720,393	41,298,253
Total Non-Current Liabilities	400,784,192	65,635,588

	Company LKR	Group LKR
Current Liabilities		
Related Party Payable	545,277	
Other Payables	790,176	260,104,328
Income Tax Payable	-	115,693,010
Interest Bearing Loans & Borrowings	-	1,224,208,651
Total Current Liabilities	1,335,453	1,600,005,989
Total Liabilities	**402,119,645**	**1,665,641,578**
Fair Value of Net Assets Disposed	**1,458,224,989**	**2,527,171,083**
Gain on disposal of subsidiary		
Net Consideration received	2,016,000,000	2,016,000,000
Net assets attributable to the owners of Ambeon Holdings PLC	(1,458,224,989)	(1,935,803,935)
Net profit from disposal of subsidiary	**557,775,015**	**80,196,065**

On 11 November 2025, the company disposed its equity stake amounting to 100% of the issued share capital of Taprobane Capital Plus Pvl Ltd for a consideration of LKR 2,016,000,000/-

The transaction was carried out based on an independent valuation using Discounted Cash Flow (DCF) and Net Value of Assets (NVA) methodologies and is considered to be at arm's length.

The consideration was paid in cash and was fully settled by 28 November 2025. Accordingly, there were no outstanding balances as at the reporting date. The transaction did not include any contingent consideration, guarantees, or other significant conditions.

5. REVENUE

5.1 Summary

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revenue From Contracts with customers				
Gross Revenue	18,129,933,471	16,439,184,479	1,129,762,957	819,869,016
	18,129,933,471	**16,439,184,479**	**1,129,762,957**	**819,869,016**

5.1.1 Business Segment analysis- Disaggregation of revenue

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revenue from Contracts with Customers				
IT Services	16,988,637,586	15,643,987,259	-	-
Finance & Investment Income				
Interest Income	439,114,413	502,565,106	404,677,775	469,745,805
Investment Trading	655,485,182	277,123,211	655,485,182	277,123,211
Other Income				
Rent Income	38,654,450	8,067,310	-	-
Other services	8,041,840	7,441,593	69,600,000	73,000,000
	18,129,933,471	**16,439,184,479**	**1,129,762,957**	**819,869,016**

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

Notes to the Financial Statements

Year ended 31 March 2026

5.2 Segment Information

Group	Footwear/Retail		Investment	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Total Segment Revenue	-	-	1,129,762,957	819,869,016
Elimination of inter segment revenue			(62,400,000)	(65,800,000)
External revenue	-	-	1,067,362,957	754,069,016
Segment Results Gross Profit/(Loss)		-	1,129,762,957	819,869,016
Elimination of inter segment Results Gross Profit/(Loss)			(62,400,000)	(65,800,000)
External Segment Results Gross Profit/(Loss)			1,067,362,957	754,069,016
Finance Cost	-	-	(492,320,030)	(119,220,449)
Finance Income	-	-	-	-
Change in Fair value of Investment Property	-	-		
Net Results of the Associate	-	-	(35,587,528)	(196,324,697)
Segment Profit /(Loss) before Income Tax	(133,973)	-	3,516,704,604	1,331,050,107
Eliminations/Adjustments	-		(1,154,676,580)	(152,963,020)
External Segment Profit /(Loss) before Income Tax	(133,973)	-	2,362,028,024	1,178,087,087
Income Tax Expense	-	-	91,493,583	5,012,610
Profit/(Loss) after tax for the year from continuing operations	(133,973)	-	2,453,521,607	1,183,099,697
Profit/(Loss) after tax for the year from discontinued operations***	-	-	-	-
Profit/(Loss) for the year	**(133,973)**	**-**	**-**	**1,183,099,697**
Purchase and construction of Property Plant and Equipment	-	-	3,171,300	514,000
Additions to intangible assets	-	-	552,595	-
Depreciation of Property Plant and Equipment	-	-	857,367	1,312,826
Amortization of intangible assets	-	-	1,051,688	1,008,808
Gratuity provision and related costs	-	-	2,617,561	2,590,054
Assets and Liabilities				
Segment Non-Current Assets			4,514,024,821	8,313,125,471
Eliminations / adjustments			(3,170,363,317)	(4,027,802,028)
Total Non-Current Assets *	-	-	1,343,661,504	4,285,323,443
Segment Current Assets	573,215	572,188	11,264,528,059	8,322,932,357
Eliminations / adjustments			(7,868,899)	(29,411,760)
Total Non-Current Assets *	573,215	572,188	11,256,659,160	8,293,520,597
Total assets	**573,215**	**572,188**	**12,600,320,664**	**12,578,844,040**
Segment Non-Current Liabilities	-	-	204,816,296	492,960,509
Eliminations / adjustments			(177,895,220)	(426,546,593)
Total Non-Current Liabilities			26,921,076	66,413,916
Segment Current Liabilities	76,897,432	76,762,434	3,853,117,641	4,621,144,215
Eliminations / adjustments	(73,094,864)	(73,094,865)	3,457,502	(2,762,211)
Total Current Liabilities	3,802,568	3,667,569	3,856,575,143	4,618,382,004
Total Liabilities **	**3,802,568**	**3,667,569**	**3,883,496,219**	**4,684,795,920**

*Segment Non current Assets do not include investment in subsidiary and intercompany receivables.
**Segment Liabilities do not include intercompany payables including loans.
***The Financial Services segment was disposed of during the year and has been classified as a discontinued operations. Accordingly, the results of this segment have been excluded from segment reporting.

Property		IT and related Services		Financial Services		Group	
2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
78,973,985	55,411,735	16,992,650,272	15,643,987,259	-	-	18,201,387,214	16,519,268,010
(5,041,057)	(12,903,073)	(4,012,686)	(1,380,458)	-	-	(71,453,743)	(80,083,531)
73,932,928	42,508,662	16,988,637,586	15,642,606,801			18,129,933,471	16,439,184,479
77,595,084	52,438,358	2,041,737,742	2,252,500,463	-	-	3,249,095,783	3,124,807,838
(5,041,057)	(12,903,073)	(4,012,686)	(1,380,458)	-	-	(71,453,743)	(80,083,531)
73,932,928	42,508,662	16,988,637,586	15,642,606,801	-	-	3,177,642,040	3,044,724,307
(25,220,673)	(14,458,533)	(397,296,999)	(301,141,360)	-	-	(914,837,702)	(434,820,342)
101,714,982	141,611,711	106,537,583	22,823,546	-	-	208,252,565	164,435,257
322,628,211	18,335,000			-	-	322,628,211	18,335,000
		840,733	6,203,677	-	-	(34,746,795)	(190,121,020)
842,355,684	365,065,968	69,719,132	115,822,696	-	-	4,428,645,447	1,811,938,771
(242,371,430)	(43,825,072)	(1,798,942)	(36,618,930)	-	-	(1,398,846,952)	(233,407,022)
599,984,254	321,240,896	67,920,190	79,203,766	-	-	3,029,798,495	1,578,531,738
(225,200,514)	(58,863,718)	(68,886,813)	52,753,214	-	-	(202,593,743)	(600,838)
374,783,740	262,377,178	(966,623)	131,956,980	-	-	2,827,204,752	1,577,930,900
-	-			-	-	493,572,150	447,005,659
374,783,740	**262,377,178**	**(966,623)**	**131,956,980**	**-**	**-**	**3,320,776,903**	**2,024,936,559**
686,760	1,224,316	26,407,720	30,015,168	3,921,610	6,972,950	34,187,390	38,726,434
-	-	-	14,647,993	-	-	552,595	14,647,993
586,454	450,574	71,211,361	79,757,149	1,924,671	2,180,114	74,579,854	83,700,663
-	-	3,852,312	1,437,539	-	-	4,904,000	2,446,347
135,213	182,354	87,197,662	89,667,079	-	5,032,475	89,950,436	97,471,962
4,165,423,532	2,960,589,515	4,230,764,377	3,923,354,590	-	236,913,534	12,910,212,730	15,433,983,111
(1,936,844,629)	(1,571,925,318)	(3,454,415,919)	(3,118,229,800)	-	(92,017,330)	(8,561,623,865)	(8,809,974,478)
2,228,578,903	1,388,664,197	776,348,458	805,124,790	-	144,896,205	4,348,588,865	6,624,008,633
1,390,380,677	2,011,329,049	15,987,059,592	10,726,265,766	-	3,169,020,245	28,642,541,543	24,230,119,605
(12,555,296)	(25,213,137)	(658,187)	-	-	(11,609,108)	(21,082,382)	(66,234,003)
1,377,825,381	1,986,115,912	15,986,401,405	10,726,265,766	-	3,157,411,137	28,621,459,160	24,163,885,602
3,606,404,285	**3,374,780,109**	**16,762,749,863**	**11,531,390,556**	**-**	**3,302,307,342**	**32,970,048,026**	**30,787,894,235**
605,964,972	443,866,534	1,564,360,055	1,296,910,388	-	63,762,751	2,375,141,323	2,297,500,182
(269,373,516)	(186,702,490)	(758,109,310)	(515,164,415)	-	-	(1,205,378,041)	(1,128,413,500)
336,591,456	257,164,044	806,250,745	781,745,973	-	63,762,751	1,169,763,282	1,169,086,682
147,557,535	443,048,142	14,312,804,111	9,123,223,807	-	1,299,227,727	18,390,376,720	15,563,406,325
(12,555,296)	(33,642,648)	(6,026,584)	(2,928,312)	-	-	(88,219,243)	(112,428,037)
135,002,239	409,405,494	14,306,777,527	9,120,295,495	-	1,299,227,727	18,302,157,477	15,450,978,288
471,593,695	**666,569,538**	**15,113,028,272**	**9,902,041,468**	**-**	**1,362,990,478**	**19,471,920,758**	**16,620,064,970**

Notes to the Financial Statements

Year ended 31 March 2026

6. PROPERTY, PLANT & EQUIPMENT

6.1 Gross Carrying Amounts

GROUP	Balance As at 01 April 2025 LKR	Disposal of subsidiary LKR	Additions LKR	Disposals LKR	Carrying Value As at 31 March 2026 LKR
Cost or Valuation					
Freehold Buildings	562,425	-	-	-	562,425
Furniture & Fittings	299,885,918	(653,922)	98,000	(27,934,560)	271,395,436
Computer Equipment	389,628,509	(15,469,263)	33,755,390	(27,802,161)	380,112,475
Motor Vehicle	711,429	-	-	-	711,429
Office Equipment	45,396,366	(9,298,132)	334,000	(1,854,733)	34,577,501
Other Equipment	12,407,356	-	-	-	12,407,356
Network Hardware	108,648	(108,648)	-	-	-
Wells	230,922	-	-	-	230,922
	748,931,572	(25,529,965)	34,187,390	(57,591,454)	699,997,545
	748,931,572	**(25,529,965)**	**34,187,390**	**(57,591,454)**	**699,997,545**

6.2 Accumulated Depreciation

At Cost or Valuation	Balance As at 01 April 2025 LKR	Disposal of subsidiary LKR	Charge for the Year LKR	Disposals LKR	Carrying Value As at 31 March 2026 LKR
Freehold Building	551,175	-	11,249	-	562,424
Furniture & Fittings	106,320,026	(96,511)	28,003,077	(27,069,220)	107,157,371
Computer Equipment	301,087,991	(8,393,570)	45,243,061	(27,582,617)	310,354,865
Motor Vehicle	559,179	-	63,000	-	622,179
Office Equipment	38,427,637	(6,212,661)	994,354	(1,064,733)	32,144,597
Other Equipment	11,957,807	-	244,648	-	12,202,455
Network Hardware	92,804	(108,649)	15,845	-	-
Wells	226,304	-	4,620	-	230,924
	459,222,923	**(14,811,391)**	**74,579,854**	**(55,716,571)**	**463,274,815**

6.3 Net Book Values

	As at 31 March 2026 LKR	As at 31 March 2025 LKR
At Cost		
Freehold Building	-	11,250
Furniture & Fittings	164,238,065	193,565,892
Computer Equipment	69,757,610	88,540,518
Motor Vehicle	89,250	152,250
Office Equipment	2,432,905	6,968,729
Other Equipment	204,900	449,548
Network Hardware	-	15,844
Wells	-	4,618
	236,722,730	289,708,649

6.4 During the financial year, the Group acquired Property, Plant & Equipment to the aggregate value of LKR 34,187,390/- (2025- LKR 38,726,434/-).

6.5 During the year the Group has fully depreciated assets amounting to LKR 264,759,078/ which are still in use. (2025- LKR 278,570,111).

6.6 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.

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

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

Company	Property	Method of Valuation	Per Perch Value 2026 LKR	Per Perch Value 2025 LKR	Valuers Details	Effective Date of Valuation
Colombo City Holdings PLC	Sigiriya - Land	Market Approach	48,000	-	USLS Chartered Valuers.	31 March 2026

Colombo City Holdings PLC acquired a land located in Sigiriya from Ambeon Capital PLC on 16th October 2025 for a total consideration of Rs. 55 million.

Notes to the Financial Statements

Year ended 31 March 2026

6. PROPERTY, PLANT & EQUIPMENT (Contd.)

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

Lexinton Holdings (Pvt) Limited	Cost	Cumulative Depreciation if assets were carried at cost	Net Carrying Amount	
			2026	2025
	LKR	LKR	LKR	LKR
Freehold Land	60,000,000	-	60,000,000	60,000,000
Freehold Buildings	115,000,000	87,400,000	27,600,000	32,200,000
	175,000,000	**87,400,000**	**87,600,000**	**92,200,000**

6.7 Company

At Cost	As at 01.04.2025 LKR	Additions LKR	Disposals LKR	As at 31.03.2026 LKR
Furniture, Fixtures & Other Equipment	7,391,121	98,000	-	7,489,121
Computer	30,226,543	3,073,300	-	33,299,843
Motor Vehicle	187,403	-	-	187,403
Total assets	37,805,066	3,171,300	-	40,976,366

Depreciation At Cost	Balance As at 01.04.2025 LKR	Charge for the Year LKR	Disposals LKR	Balance As at 31.03.2026 LKR
Furniture, Fixtures & Other Equipment	7,391,121	14,291	-	7,405,412
Computer	29,172,018	843,076	-	30,015,094
Motor Vehicle	187,403	-	-	187,403
Total depreciation	**36,750,542**	**857,367**	**-**	**37,607,909**

Net Book Values	2026 LKR	2025 LKR
At Cost		
Furniture, Fixtures & Other Equipment	83,709	-
Computer	3,284,748	1,054,525
Motor Vehicles	-	-
Total Carrying Amount of Property, Plant & Equipment	**3,368,457**	**1,054,525**

6.8 During the financial year the Company acquired Property, Plant & Equipment to the aggregate value of LKR 3,171,300/- (2025 - LKR.514,000/-).

6.8.1 During the year company has fully depreciated assets amounting to LKR 36,184,416/- which are still in use. (2025- LKR 36,184,416).

Group

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

	2026	2025
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

7. INVESTMENT PROPERTY

	Note	2026 LKR	2025 LKR
Balance as at the beginning of the year		1,396,924,150	1,035,849,600
Disposal of Subsidiaries		(101,620,550)	-
Additions		137,667,789	8,969,000
Transferred from Property Plant and Equipment	6.1	-	330,000,000
Change in fair value of Investment property	7.2.1	322,628,211	22,105,550
Balance as at the end of the year		**1,755,600,000**	**1,396,924,150**

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 USLS Chartered Valuers professional valuer as at 31 March 2026.

7.2 The Group has reported rental income amounting to LKR 38,635,800/- (2025 - LKR 5,019,650 /-) from this investment property and incurred direct operating expenses (including repairs and maintenance) amounting to LKR 1,378,901/-(2025 - LKR 2,958,614/-).

Notes to the Financial Statements

Year ended 31 March 2026

7. INVESTMENT PROPERTY (Contd.)

7.2.1 Change in fair value of Investment property includes

Company	Land	Amount (LKR) 2026	2025
Lexinton Holdings (Pvt) Ltd *	Rajagiriya	3,149,211	18,335,000
Lexinton Resorts (Pvt) Ltd	Kosgoda	317,078,000	-
Ambeon Securities (Pvt) Ltd	Kosgama	-	3,770,550
Colombo City Holdings PLC	Sigiriya	2,401,000	-
		322,628,211	22,105,550

* Reference to Note 6.6.1

7.3 The significant assumptions used by the valuer in the years 2026 and 2025 are as follows.

Company	Property	Method of Valuation	Inputs used for measurement	2026 LKR	2025 LKR
Ambeon Securities (Pvt) Ltd	Land (Kosgama)	Open Market Value	Per perch rate	-	LKR. 115,000
Lexinton Resorts (Pvt) Ltd	Land (Kosgoda)	Open Market value	Per perch rate	LKR 1,000,000	LKR 750,000
Colombo City Holdings PLC	Land (Sigiriya)	Open Market value	Per perch rate	LKR 48,000	-

7.4 Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2026 and 2025 are as shown below;

Investment Property	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of input to Fair value
Ambeon Securities (Pvt) Ltd				
As at 31 March 2026				
Land 1,162.37 perches	Open Market value	Per perch rate	-	
As at 31 March 2025				
Land 1,162.37 perches	Open Market value	Per perch rate	LKR. 115,000	Positively Correlated
Lexinton Resorts (Pvt) Ltd				
As at 31 March 2026				
Land 1440.09 perches	Open Market value	Per perch rate	LKR 1,000,000	Positively correlated
As at 31 March 2025				
Land 1364.62 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
Colombo City Holdings PLC				
As at 31 March 2026				
Land 1277 perches	Open Market value	Per perch rate	LKR 48,000	Positively correlated
Lexinton Holdings (Pvt) Ltd				
2026				
Valuation Technique	Discounted Cash Flow (DCF)			

Summary of the Inputs for DCF Description	Note	%
OPEX for the lease tenure	3	15%
OPEX for the terminal Period	3	25%
Considered Discounted Rate	5	13%

Notes of the Discounted Cash Flow (DCF) Analysis

1. Land Valuation Approach

The land value has been determined using a comprehensive comparative analysis based on recent sales and/or listed transactions of similar properties within the vicinity. Key considerations included location, land extent, zoning regulations, and prevailing market conditions. Based on these comparable transactions, an appropriate price per perch was derived to reflect current market trends. Adjustments were made to account for any unique characteristics or limitations of the subject property relative to comparable properties. Accordingly, the valuation reflects a well-supported estimate of market value under prevailing conditions.

2. Occupancy Assumptions

The valuation assumes full occupancy (100%) throughout the initial four-year lease period in line with the existing lease agreement. For the fifth year and terminal period, an occupancy rate of 90% has been assumed based on benchmark analysis of comparable office properties and prevailing market conditions.

3. Operating Expense (OPEX) Assumptions

Operating expenses have been estimated at 15% of effective gross rental income during the initial four-year lease period and increased to 25% for the fifth year and terminal period to reflect higher uncertainty and potential variability in operating conditions.

4 Discount Rate

A discount rate of 13% has been applied in determining the present value of future cash flows. This rate has been derived using the Capital Asset Pricing Model (CAPM), taking into account market risk factors and required rates of return.

Maturity Analysis	2026	2025
First Year	38,635,800	38,635,800
Second Year	42,499,380	38,635,800
Third Year	42,499,380	42,499,380
Fourth Year	46,749,318	42,499,380
Fifth Year	49,086,784	46,749,318
After Fifth Year	51,541,123	49,086,784

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

Notes to the Financial Statements

Year ended 31 March 2026

8. BIOLOGICAL ASSETS

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Teak	85,535,634	82,279,738	-	-
Lunumidella	2,723,366	2,530,262	-	-
Coconut	81,950	81,950	-	-
	88,340,950	84,891,950	-	-

8.1 Gain on Change in Fair Value of Biological Assets

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Valuation of Teak	3,255,896	1,057,838		
Valuation of Lunumidella	193,104	309,162		
	3,449,000	1,367,000	-	-

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

8.1.2 Gain on Change in Fair Value of Biological Assets

	Balance as at 01.04.2025 LKR	Acquisition LKR	Gain on Change in Fair Value of Biological Assets LKR	as at Balance 31.03.2026 LKR
Teak	82,279,738	-	3,255,896	85,535,634
Lunumidella	2,530,262	-	193,104	2,723,366
	84,810,000	-	3,449,000	88,259,000
Coconut	81,950	-	-	81,950
	84,891,950	-	3,449,000	88,340,950

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. 31- LKR. 68 based on the girth of trees, for the purpose of valuation as at 31 March 2026.

Lunumidella

Market Price of a mature tree is determined based on local market and State Timber Corporation price. Cost of sawing and other outgoing has been deducted to obtain the net value of sawn timber per mature tree. Value of a cubic decimeter of Lunumidella tree is assumed to be LKR. 6 - LKR 14 based on the girth of trees, for the purpose of valuation as at 31 March 2026.

Methodology

The provisions under LKAS 41 - Agriculture were applied in determining the methodology as well as the approach.
The valuation is carried out using market approach based on the current timber prices, subjected to adjustments considering their year of maturity, location and accessibility to the asset.

Key assumptions

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

8.2.1 Sensitivity Analysis

Discount Rate	2026 LKR	2025 LKR
1%	(882,600)	(3,185,740)
-1%	882,600	3,448,663

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	2026 LKR	2025 LKR	Valuers Details	Effective Date of Valuation
Heron Agro Products (Pvt) Ltd	A timber stumpage in managed timber stand at Agunakolapelessa	Income Approach and Market Approach	88,340,950	84,891,950	KPMG Real Estate & Valuation Services (Pvt) Ltd An Independent Incorporated value	31-Mar-26

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.

Notes to the Financial Statements

Year ended 31 March 2026

9. INTANGIBLE ASSETS

	Note	2026 LKR	2025 LKR
Group			
Goodwill	9.1	982,533,672	982,533,672
Computer Software	9.2	20,618,072	24,971,452
Brand Name	9.3	314,920,960	314,920,960
License Fees	9.4	-	22,161,458
		1,318,072,704	1,344,587,542

9.1 Goodwill

	2026 LKR	2025 LKR
Balance at the beginning of the year	982,533,672	847,041,840
Disposal of Subsidiary	-	-
Acquired during the year	-	135,491,832
Balance at the end of the year	982,533,672	982,533,672

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

	Note	2026 LKR	2025 LKR
Balance at the beginning of the year		24,971,452	12,769,805
Additions during the period		552,595	14,647,994
Amortization during the period		(4,905,975)	(2,446,347)
Balance at the end of the year	9.2.1	20,618,072	24,971,452

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

9.3 Brand Names

	Note	2026 LKR	2025 LKR
Balance at the beginning of the year		314,920,960	314,920,960
Disposal of Subsidiaries		-	-
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

	2026 LKR	2025 LKR
Balance at the beginning of the year	22,161,458	22,161,458
Disposal During the year	(22,161,458)	-
Balance at the end of the year	-	**22,161,458**

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

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 LKR	Dispose of Subsidiary during the period LKR	Impairment Provision LKR	At the End of the year LKR
Goodwill				
IT and Related Services-Millennium I.T E.S.P (Pvt) Ltd	982,533,672	-	-	982,533,672
	982,533,672	-	-	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.

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 disclosers are further described in the Note 12 of this financial statements.

Notes to the Financial Statements

Year ended 31 March 2026

9. INTANGIBLE ASSETS (Contd.)

9.6 Company

	2026 LKR	2025 LKR
Computer Software (Note 9.6.1)	2,624,049	3,125,124
	2,624,049	3,125,124

9.6.1 Software

	2026 LKR	2025 LKR
Balance at the beginning of the year	3,125,124	4,133,935
Acquired during the period	552,595	-
Amortization during the period	(1,051,688)	(1,008,811)
Balance at the end of the year	2,626,030	3,125,124

10. RIGHT OF USE ASSETS

Group

Right of use assets

The Group recognizes 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 disclosers relating to Lease Liability are described in the Note 20.

10.1 Right to Use Assets

	As At 01.04.2025 LKR	Impact Of Modification LKR	Additions LKR	Amortization LKR	As At 31.03.2026 LKR
Right to Use Asset - Building	405,087,518	-	40,489,805	(86,188,935)	359,388,388
	405,087,518	-	40,489,805	(86,188,935)	359,388,388

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.

10.4 RIGHT OF USE ASSETS

Company

10.4.1 Right to Use Assets

	As At 01.04.2025 LKR	Impact Of Modification LKR	Additions LKR	Amortization LKR	As At 31.03.2026 LKR
Right to Use Asset - Land & Building	67,023,852	-	-	(26,809,536)	40,214,316
	67,023,852	-	-	(26,809,536)	40,214,316

11. INVESTMENT IN SUBSIDIARIES

Company

11.1 Investments in Equity Securities - Quoted

	Holding 2026	Holding 2025	2026 Fair Value LKR	2025 Fair Value LKR
Colombo City Holdings PLC	77.63%	77.63%	2,266,010,000	1,988,927,810
			2,266,010,000	1,988,927,810
11.2 Investments in Equity Securities - Unquoted				
Millennium I.T.E.S.P. (Pvt) Ltd	0.42%	0.42%	19,172,000	17,257,900
Palla & Company (Pvt) Ltd	99.90%	99.90%	-	-
Taprobane Capital Plus (Pvt) Ltd	-	100.00%	-	1,185,968,200
Eon Tec (Pvt) Ltd	78.00%	78.00%	1,822,841,000	1,663,558,000
Green Field Ventures (Pvt) Ltd	100.00%	100.00%	359,795,000	469,544,751
			2,201,808,000	3,336,328,851
Total Carrying Value of Investments			4,467,818,000	5,325,256,661

11.2.1 Investment in Subsidiary Movement

	At the Beginning of the Year LKR	(Disposal) LKR	Change in Fair value LKR	Acquisition LKR	At the end of the Year LKR
2026	5,325,256,661	(1,458,224,985)	600,786,324	-	4,467,818,000
2025	4,386,960,056	-	138,296,044	800,000,000	5,325,256,661

Investment in Subsidiaries are stated at fair value, fair value has been determined in accordance with SLFRS 13 . Professional valuation was performed by KPMG for the year ended 31 March 2026 and for 31 March 2025.

Notes to the Financial Statements

Year ended 31 March 2026

11. INVESTMENT IN SUBSIDIARIES (Contd.)

11.2.2 Investments in Sub Subsidiaries/ associate entity effective holdings

		Effective Holding %			
Sub Subsidiaries	Investor	2026	2025	Principal Activity	Place of Principal Business
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	-	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	-		Manufacturing and selling of porcelain tableware to export and local markets	Factory and the showroom, Kurunegala road, Dankotuwa
Dankotuwa Porcelain Singapore Pte PLC	Dankotuwa Porcelain PLC	-		Manufacturing and selling of porcelain tableware-No operations	No.3,Shenton Way,# 10-05,Shenton House,Singapore
Royal Fernwood Porcelain Ltd*	Dankotuwa Porcelain PLC	-	22.41	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	Money Broking	No. 100/1, Elvitigala Mawatha, Colombo 08
Ambeon Securities (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	-	100.00	Share Broking	No. 100/1, Elvitigala Mawatha, Colombo 08
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	-	100.00	Corporate Finance	No. 100/1, Elvitigala Mawatha, Colombo 08
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	-	100.00	Investment Management	No. 100/1, Elvitigala Mawatha, Colombo 08
Eon Tech (Pvt) Ltd	Ambeon Holdings PLC	78.00	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	64.78	IT Solutions	450,R A De Mel Mw,Colombo 03
Millennium I.T.E.S.P Singapore Pte Ltd	Millennium I.T.E.S.P (Pvt) Ltd	64.78	64.78	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	64.78	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	64.78	IT Solutions	Ka 1/3, North Road, Kalachadpur, Baridhara, , Dhaka ,Bangladesh
Infoseek (Private) Ltd	Millennium I.T.E.S.P (Pvt) Ltd	39.0	39.0	An innovative Cloud based Human Resource Information System named as MintHRM	No 16A,Staford Avenue, Colombo 06
Sherwood Capital (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	-	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	77.63	Estate Management	No. 100/1, Elvitigala Mawatha, Colombo 08
Greenfield Ventures (Pvt) Ltd	Ambeon Holdings PLC	100.00	100.00	Investment Holding	No. 100/1, Elvitigala Mawatha, Colombo 08

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	2026	2025	Effective date
Millennium I.T.E.S.P. (Pvt) Ltd	Discounted Cashflow Method	Cash Flow Forecast	WACC	Level 3	14.60%	16.41%	31-Mar
			Terminal Growth Rate		3.1%	3%	
Colombo City Holdings PLC	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	2026		2025	
			Effect on Profit or Loss Statement LKR	Effect on Statement of Financial Position LKR	Effect on Profit or Loss Statement LKR	Effect on Statement of Financial Position LKR
Millennium I.T E.S.P (Pvt) Ltd	1%		(557,833,000)	(557,833,000)	(614,595,700)	(614,595,700)
	-1%		648,015,000	648,015,000	716,482,900	716,482,900
		1%	514,283,000	514,283,000	500,502,900	500,502,900
		-1%	(431,857,000)	(431,857,000)	(431,084,400)	(431,084,400)

12. OTHER NON-CURRENT FINANCIAL ASSETS

12.1 Non Current Investments

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Financial Assets at Amortized Cost					
Deposit with Colombo Stock Exchange		-	1,000,000	-	-
Investments in Government Securities		-	8,249,904	-	-
Loans and Receivables	15.3	370,680,009	2,057,812,664	-	2,057,812,664
		370,680,009	**2,067,062,568**	**-**	**2,057,812,664**

13. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

Group

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

Notes to the Financial Statements

Year ended 31 March 2026

Company	Group				Company			
	No of Shares	Effective Holding %	2026 LKR	2025 LKR	No of Shares	Effective Holding %	2026 LKR	2025 LKR
Quoted								
Dankotuwa Porcelain PLC*	36,422,571	22%	-	858,852,645	36,422,571	22%	-	858,852,645
Un-quoted								
Infoseek (Private) Limited	39	39%	49,688,527	48,847,792	-	-	-	-
			49,688,527	**907,700,438**			**-**	**858,852,645**

*The Company disposed of its equity holding in Dankotuwa PLC on 3 September 2025. Please refer to Note 4.1 for further details.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Opening Balance	907,700,438	1,124,039,068	858,852,645	1,081,394,953
Share of result of equity accounted investee	(34,746,795)	(172,629,764)	(35,587,528)	(178,833,442)
Impairment of Investment	-	(43,708,866)	-	(43,708,866)
Disposal	(823,265,117)	-	(823,265,117)	
Carrying amount as at the end of the year	**49,688,526**	**907,700,438**	**-**	**858,852,645**
Summarized Financial Information				
Share of Associates' Statement of Financial Position;				
Total Assets	62,360,298	1,681,642,816	-	1,638,973,744
Total Liabilities	(46,567,942)	(1,011,299,421)	-	(991,156,931)
Carrying amount of Associates	15,792,356	670,343,395	-	647,816,813
Share of Revenue, Profit/(Loss) of the Equity Accounted investee				
Share of Revenue	263,064,819	917,525,737	158,802,000	862,688,827
Share of Profit/(Loss)	(34,746,795)	(190,121,020)	(35,587,528)	(196,324,697)
Share of the Associate Other Comprehensive Income	-	17,491,255	-	17,491,255

14. INVENTORIES

		Group	
	Note	2026 LKR	2025 LKR
Project work in Progress		2,926,144,330	2,450,493,499
Inventories held for resale		2,982,345	3,478,695
Maintenance Inventory		150,745,898	167,502,929
Less : Allowance for Obsolete & Slow Moving Inventories	14.1	(128,894,185)	(127,553,606)
		2,950,978,388	**2,493,921,517**

14.1 Allowance for Obsolete & Slow Moving Inventories

	Note	Group 2026 LKR	Group 2025 LKR
Balance at the beginning of the year		127,553,607	124,602,262
Provision made during the year		1,340,578	2,951,345
Balance at the End of the year		**128,894,185**	**127,553,607**

15. TRADE AND OTHER RECEIVABLES

15.1 Summary

	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Trade Debtors - Other		9,571,287,815	7,090,134,693	-	-
Trade Debtors - Related parties	15.2	27,742,977	8,618,501	-	-
Less: Allowance for Bad & Doubtful Debtors	15.1.1	(484,628,696)	(534,373,938)	-	-
		9,114,402,096	6,564,379,256	-	-
Other Receivables - Related Party	15.2	5,010,206	1,647,574	11,020,275	201,211,601
- Other		130,988,236	269,991,425	97,908,222	250,854,539
Loan Receivables	15.3	2,705,509,962	1,577,792,621	205,509,962	873,404,309
Less: Allowance for Bad & Doubtful Debtors	15.1.1	(316,108,405)	(391,049,681)	(308,041,260)	(1,203,509,508)
		11,639,802,095	8,022,761,195	6,397,199	121,960,941
Advances and Prepayments		684,176,009	458,008,210	12,392,835	10,470,645
		12,323,978,104	**8,480,769,405**	**18,790,035**	**132,431,586**

15.1.1 Allowance for Bad & Doubtful Debtors

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Balance at the beginning of the year	925,423,619	1,631,539,403	1,203,509,508	1,203,509,508
Provision/(Reversal and write-off) made during the year	(24,263,010)	(31,310,176)	-	-
Write off	(74,941,276)	(674,805,608)	(895,468,248)	-
Effect on exchange (gain) / loss	17,298,931	-	-	-
Disposal of Subsidiary	(42,781,163)	-	-	-
Balance at the End of the year	**800,737,101**	**925,423,619**	**308,041,260**	**1,203,509,508**

Notes to the Financial Statements

Year ended 31 March 2026

15. TRADE AND OTHER RECEIVABLES (Contd.)

15.2 Other Receivables - Related Party

		Group		Company	
	Relationship	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Taprobane Investments (Pvt) Ltd	Affiliate	1,170,920	-	(626)	(816)
Palla & Co. (Pvt) Ltd	Subsidiary	-	-	1,682,239	1,682,239
Dankotuwa Porcelain PLC	Affiliate	363,077	726,848	363,077	726,155
Royal Fernwood Porcelain (Pvt) Ltd	Affiliate	2,895,387	-	2,895,387	-
Colombo City Holdings PLC	Subsidiary	-	-	1,090	1,090
Olancom (Pvt) Ltd	Subsidiary	-	-	-	195,537,603
Ambeon Capital PLC	Immediate Parent	27,742,977	8,617,808	-	-
Sherwood Capital (Pvt)Ltd	Affiliate	-	921,419	100	100
Millennium I.T.E.S.P (Pvt) Ltd	Sub-Subsidiary	-	-	6,026,584	3,215,230
Ambeon Essentials (Pvt) Ltd	Affiliate	580,822	-	-	
Eon Investments (Pvt) Ltd	Subsidiary	-	-	50,000	50,000
ARCC'	Affiliate	-	-	2,425	-
		32,753,183	10,266,075	11,020,275	201,211,601

15.3 Loan Receivables - Group

	Relationship	2026 Amount Receivable Within 1 Year LKR	2026 Amount Receivable After 1 Year LKR	2026 Total LKR	2025 Amount Receivable Within 1 Year LKR	2025 Amount Receivable After 1 Year LKR	2025 Total LKR
Group Companies							
Ambeon Capital PLC	Immediate Parent	1,500,000,000	370,680,009	1,870,680,009	1,352,758,256	2,057,812,664	3,410,570,920
Ambeon Essentials (Pvt) Limited		1,000,000,000	-	1,000,000,000	-	-	-
Loans to Company Officers (Note 15.3.2)	Employees	80,000	-	80,000	297,260	-	297,260
Others							
D.B. Exim (Pvt) Ltd		-	-	-	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd *		205,429,962	-	205,429,962	205,429,962	-	205,429,962
		2,705,509,962	370,680,009	3,076,189,971	1,577,792,621	2,057,812,664	3,635,605,285

* Loan Balances Receivable from Ceylon Leather Products Manufactures (Pvt) Ltd have been 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 Month	-
	Lexinton Holdings (Pvt) Ltd	AWPLR + 1%	12 Months	370,680,009
	Millennium I.T.E.S.P.(Pvt) Ltd	AWPLR + 1.5%	12 Months	1,500,000,000
				1,870,680,009

15.3.1 Loan Receivables - Company

	Relationship	2026 Amount Receivable Within 1 Year LKR	2026 Amount Receivable After 1 Year LKR	2026 Total LKR	2025 Amount Receivable Within 1 Year LKR	2025 Amount Receivable After 1 Year LKR	2025 Total LKR
Group Companies							
Olancom (Pvt) Ltd	Subsidiary	-	-	-	648,667,204	-	648,667,204
Ambeon Capital PLC	Immediate Parent	-	-	-	-	2,057,812,664	2,057,812,664
Others							
D.B. Exim (Pvt) Ltd*		-	-	-	19,307,143	-	19,307,143
Ceylon Leather Products Manufactures (Pvt) Ltd*		205,429,962	-	205,429,962	205,429,962	-	205,429,962
Loan to Company Officer		80,000	-	80,000	-		
		205,509,962	-	205,509,962	873,404,309	-	2,931,216,973

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

	Payment on or Before	Interest Rate	As at 01 April 2025 LKR	Loan Obtained LKR	Loans Write Off LKR	Loans Settled LKR	Interest Accrued During the year LKR	As at 31 March 2026 LKR
Group Companies								
Olancom (Pvt) Ltd	28 Sep 2015		648,667,204	-	(648,667,204)	-	-	-
Ambeon Capital PLC	36 Months	11.00%	2,057,812,664	-	-	(2,217,253,330)	159,440,665	-
Others								
D.B. Exim (Pvt) Ltd	15 September 2018		19,307,143	-	(19,307,143)	-	-	-
Ceylon Leather Products Manufactures (Pvt) Ltd	Within 31 Months	AWPLR+1.5%	205,429,962	-	-	-	-	205,429,962
Loan to Company Officer			-	80,000	-	-	-	80,000
			2,931,216,972	80,000	(667,974,347)	(2,217,253,330)	159,440,665	205,509,962

Notes to the Financial Statements

Year ended 31 March 2026

15.3.2 Loans to Company Officers

	Group	
	2026 LKR	2025 LKR
Balance at the beginning of the year	297,260	1,465,626
Loans granted during the year	80,000	-
Less : Repayments during the year	(297,260)	(1,168,366)
	80,000	297,260
Less : Provision for the Loan	-	-
Balance at the end of the year	**80,000**	**297,260**

16. OTHER FINANCIAL INVESTMENTS

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Financial Instrument				
Fair Value through Profits or Losses				
Quoted Equities at Market Value (Note 16.1 and 16.2)	11,034,927,953	6,516,462,496	10,303,026,080	5,817,309,847
Government Securities	24,494,334	5,579,072,116	2,907,571	2,305,942,094
Fair Value through OCI				
Quoted Equities at Market Value	-	-	-	-
Financial Instrument - at Amortized cost				
Bank Deposits & Government Securities	1,479,904,362	150,560,397	898,800,953	37,690,119
	12,539,326,648	12,246,095,009	11,204,734,604	8,160,942,060

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
	2026	2025	2026	2026	2025	2025
	LKR	LKR	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	30,296,829	26,274,482	2,202,055,274	3,188,740,947	1,617,215,227	1,904,824,936
Aitken Spence PLC	399	399	88,785	56,923	88,785	53,067
Hayleys PLC	15,697	200,000	7,007,330	3,374,855	27,597,647	27,400,000
Access Engineering PLC	-	500,000	-	-	20,992,652	19,250,000
Melstacorp PLC	-	264,554	-	-	34,743,994	33,598,358
Ambeon Capital PLC	45	45	-	-	-	1,328
Sampath Bank PLC	20,837	920,837	1,874,377	3,026,574	86,034,783	112,802,533
DFCC Bank PLC	44,517,958	38,628,478	3,952,529,247	6,152,338,336	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
Commercial Bank	3,050,000	-	549,909,714	622,962,500	-	-
HNB X	607,538	-	171,306,730	215,220,337	-	-
Kandy Hotel Company	45,904,622	-	554,736,954	670,207,481	-	-
Ceylon Hotel Corporation	5,000,000	-	201,732,500	179,000,000	-	-
Total Carrying Value of Investment			7,641,240,911	11,034,927,953	5,399,948,780	6,516,462,496

16.2 Investments in Equity Securities - Company

	No of Shares		Cost	Market Value	Cost	Market Value
	2026	2025	2026	2026	2025	2025
	LKR	LKR	LKR	LKR	LKR	LKR
Seylan Bank PLC	30,296,829	26,274,482	2,202,055,274	3,188,740,947	1,617,215,227	1,904,899,945
Commercial	3,050,000	-	549,909,714	622,962,500	-	
Hayleys PLC	15,697	-	7,007,330	3,374,855	-	-
HNB X	607,538	-	171,306,730	215,220,337	-	-
Kandy Hotel Company	45,904,622	-	554,736,954	670,207,481	-	-
DFCC Bank PLC	39,350,224	33,460,744	3,507,196,460	5,420,493,386	2,827,056,450	3,546,838,864
Sampath Bank PLC	20,837	820,837	1,874,377	3,026,574	73,834,783	100,552,532
John Keels Holdings PLC	-	13,119,728	-	-	297,703,104	265,018,506
Ceylon Hotel Corporation	5,000,000	-	201,732,500	179,000,000	-	-
Total Carrying Value of Investment			7,195,819,338	10,303,026,080	4,815,809,564	5,817,309,847

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Year ended 31 March 2026

17. STATED CAPITAL

	2026		2025	
	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
Adjustment for share subdivision**	1,070,608,998	-	1,070,608,998	-
	-	-	-	-
Fully Paid Ordinary Shares end of the year	**1,427,478,664**	**5,331,775,177**	**1,427,478,664**	**5,331,775,177**

**Notes and disclosures relating to the share subdivision are included in Note 31.2

18. DIVIDEND PER SHARE

	Company			
	2026		2025	
	PER SHARE/LKR	LKR	PER SHARE/LKR	LKR
Equity dividend on ordinary shares declared and paid during the year				
Interim Paid	9.75	3,479,479,244	-	-
Total Dividend	9.75	3,479,479,244	-	-

19. OTHER COMPONENTS OF EQUITY

		Group		Company	
		2026	2025	2026	2025
	Note	LKR	LKR	LKR	LKR
General Reserve	19.1	220,140	220,140	220,140	220,140
Foreign Currency Translation Reserve		(8,338,443)	(5,435,505)	-	-
Other Reserves		3,100,000	3,100,000	3,100,000	3,100,000
		(5,018,303)	**(2,115,365)**	**3,320,140**	**3,320,140**

	Attributable to Equity Holders of Parent Foreign Currency Translation Reserve LKR
Beginning of the year	(5,435,505)
Disposal of Subsidiary	-
During the year change	(2,902,938)
End of the year	**(8,338,443)**

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

19.2 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.

19.3 Net foreign Exchange Difference

	Group	
	2026	2025
	LKR	LKR
Gain/(Loss) from Foreign Currency Translation during the year	(4,481,226)	4,008,735
	(4,481,226)	4,008,735

20. INTEREST BEARING LOANS AND BORROWINGS

Summary - Group	Note	2026 Amount Repayable Within 1 Year LKR	2026 Amount Repayable After 1 Year LKR	2026 Total LKR	2025 Amount Repayable Within 1 Year LKR	2025 Amount Repayable After 1 Year LKR	2025 Total LKR
Lease Liabilities	20.1	82,847,095	439,402,958	522,250,052	55,078,873	492,541,543	547,620,416
Bank Loans	20.2	1,526,155,694	-	1,526,155,694	1,008,949,646	-	1,008,949,646
Short Term Loan	20.3	7,038,764,041	-	7,038,764,041	7,622,895,836	-	7,622,895,836
Bank Overdraft		1,090,987,318	-	1,090,987,318	152,416,890	-	152,416,890
		9,738,754,148	439,402,958	10,178,157,105	8,839,341,245	492,541,543	9,331,882,788

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 are remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Set out below are the carrying amounts of lease liabilities on leasehold properties and the movements for the year ended 31 March 2026

Lease Liabilities	01.04.2025 LKR	Obtained LKR	Interest Cost LKR	Repayment LKR	Disposal of Subsidiary LKR	31.03.2026 LKR
Lease Liability	547,620,416	40,489,795	74,304,404	(140,164,563)	-	522,250,052
	547,620,416	40,489,795	74,304,404	(140,164,563)	-	522,250,052

	2026 Within I Year LKR	2026 After I Year LKR	2026 Total LKR	2025 Within I Year LKR	2025 After I Year LKR	2025 Total LKR
Gross Liability	146,999,611	612,841,358	759,840,969	124,755,202	783,207,040	907,962,241
Finance Charges allocated to future periods	(64,152,517)	(173,438,400)	(237,590,917)	(69,676,329)	(290,665,497)	(360,341,825)
Net liability	**82,847,095**	**439,402,958**	**522,250,052**	**55,078,873**	**492,541,543**	**547,620,417**

* Notes and disclosers relating to Lease Assets are described in the Note 10.

Notes to the Financial Statements

Year ended 31 March 2026

20. INTEREST BEARING BORROWINGS (Contd…)

20.1.1 This represents the rented office premises lease liabilities as per the SLFRS 16.

20.2 Bank Loans

	At the Beginning of the Year	Loans Obtained LKR	Repayment LKR	Accrued interest LKR	At The End of the year LKR
2026	1,008,949,646	4,610,899,926	(4,115,864,639)	22,170,761	1,526,155,694
2025	920,527,735	5,021,399,268	(4,932,693,916)	(283,441)	1,008,949,646

20.2.1 Terms and conditions

Company	Lender/rate of interest	2026 LKR	2025 LKR	Repayment	Security
Millennium I.T.E.S.P (Pvt) Limited	The Hongkong and Shanghai Banking Corporation Limited - Import Finance loan (Overnight COF+1.25% per annum)	1,315,279,005	825,720,445	With in 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)	210,876,689	44,860,623		
	DFCC Bank PLC - Import Finance loan (Weekly AWPLR+ 1.25% p.a)	-	41,320,239		
		1,526,155,694	1,008,949,646		

20.3 Short Term Loan

	At the Beginning of the Year LKR	Loans Obtained LKR	Repayment LKR	Disposal of Subsidiary LKR	Interest LKR	At The End of the year LKR
2026	7,622,895,835	23,588,000,000	(23,598,641,781)	(967,897,688)	394,407,674	7,038,764,041
2025	2,675,956,285	148,920,639,658	(144,198,125,389)	-	224,425,282	7,622,895,836

20.3.1 Terms and Conditions

Company	Lender/rate of interest	2026 LKR	2025 LKR	Repayment	Security
Sherwood Capital Pvt Ltd	**Seylan Bank PLC** -Reverse Repo 9.50% p.a.	-	16,256,907	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	**Seylan Bank 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 month AWPLR +2% with the of floor 10%	149,500,000	500,000,000	Repayment period - 120 Days	Pledged 8,000,000 Shares of Colombo City Holdings PLC
	- Reverse Repo (Market rate)	-	1,632,000,000	Weekly basis	Bond Face Value - Rs:1,750,000,000
	DFCC Bank PLC - Reverse Repo (Market rate)	-	396,000,000	Weekly basis	Bond Face Value - Rs:450,000,000
	Short term loan (quoted at the time of granting each loan)	500,000,000	-	Monthly Basis	A corporate guarantee from Ambeon capital PLC
	Commercial Bank PLC Short term loan (Market rate)	1,000,000,000	1,500,000,000	Extendable up to 12 months	Pledged 27,000,000 Shares of DFCC Bank PLC
	Sampath Bank PLC - Short term loan (Monthly AWPLR)	994,000,000	200,000,000	Repayment period - 180 Days	Pledged 25,000,000 shares of Seylan Bank PLC and 3,000,000 shares of DFCC
	Nation Trust Bank - Short term loan (Weekly AWPLR +0.75%)	140,000,000	140,000,000	Repayment period - 90 Days	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 (Monthly AWPLR)	1,996,173,562	1,002,739,726		
	Hatton National Bank PLC - Short term loan (LKR - AWPLR monthly review	1,756,895,959	500,876,713		
	DFCC Bank PLC - Short term loan (Weekly AWPLR +1%)	502,194,521	492,477,478		
		7,038,764,041	7,622,895,836		

Notes to the Financial Statements

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20.4 Summary - Company

20.4.1 Interest Bearing Loans and Borrowings

	Amount Repayable within 1 year 2026	Amount Repayable after 1 year 2026	Total 2026	Amount Repayable within 1 year 2025	Amount Repayable after 1 year 2025	Total 2025
Bank Loan * - 20.5.2	2,783,500,000	-	2,783,500,000	4,368,000,000	-	4,368,000,000
Bank Overdraft*	972,927,458	-	972,927,458	149,765,832	-	149,765,832
Right Of Use Liability	24,079,110	19,863,448	43,942,558	24,079,110	43,942,557	68,021,667
	3,780,506,568	19,863,448	3,800,370,016	4,541,844,942	43,942,557	4,585,787,500

*Bank Overdraft Facility and Revolving Loan facility are secured on Financial Investments as further described under Assets Pledged (Note 34)

20.4.2 Bank Loan

	As at 01.04.2025 LKR	Loan Obtained LKR	Repayment LKR	Accrued Interest LKR	As at 31.03.2026 LKR
Seylan Bank PLC- Reverse REPO	1,632,000,000	-	(1,757,862,588)	125,862,588	-
Seylan Bank PLC -Short term Loan	500,000,000	850,500,000	(1,210,944,378)	9,944,378	149,500,000
Sampath Bank PLC	200,000,000	3,199,500,000	(2,482,582,433)	77,082,433	994,000,000
Nation Trust Bank PLC	140,000,000	560,000,000	(572,995,337)	12,995,337	140,000,000
Commercial Bank Ceylon PLC	1,500,000,000	1,500,000,000	(2,116,132,374)	116,132,374	1,000,000,000
DFCC Bank PLC- Reverse Repo	396,000,000	171,000,000	(578,153,212)	11,153,212	-
DFCC Bank Loan	-	6,707,000,000	(6,245,206,838)	38,206,838	500,000,000
	4,368,000,000	12,988,000,000	(14,963,877,159)	391,377,160	2,783,500,000

21. DEFERRED TAX LIABILITY/(ASSET)

21.1 Group

	Asset		Liability	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	(128,045,818)	(68,483,696)	300,341,936	300,296,174
Business Acquisition	-	-	-	5,385,085
Disposal of Subsidiary	3,145,444	-	(41,298,253)	-
Charge/(Reversal) to the Profit or Loss	(33,218,618)	(59,537,565)	61,405,440	(8,025,683)
Charge/(Reversal) to Other Comprehensive Income Statement	(11,976,566)	1,814,384	(584,421)	847,417
Transfers between Deferred Tax Liability and (Asset)	-	(1,838,942)	-	1,838,942
Transfer from/(to) Equity statement	-	-	-	-
Adjustments	-	-	30,537	-
At the end of the year	(170,095,558)	(128,045,818)	319,895,239	300,341,936

21.2 Charge/(Reversal) to the Profit or Loss

	Note	2026 LKR	2025 LKR
Transfer from accelerated depreciation and others			
-Impact due to change in temporary differences	29	28,186,822	(67,563,248)
		28,186,822	**(67,563,248)**
Charge/(Reversal) to Other Comprehensive Income Statement			
Employee Benefit Liability		(12,560,987)	2,661,801
		(12,560,987)	2,661,801

21.3 The Closing Net Deferred Tax (Asset) and Liability Balances Relate to the following;

	Asset		Liability	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Fair Valuation of Land and Buildings	-	-	-	6,636,165
Fair Valuation of Investment in Government Security	-	-	(20,551)	72,359,531
Accelerated depreciation and amortization for tax purposes	25,039,574	18,201,293	337,579,536	239,948,576
Employee Benefit Liability	(114,675,689)	(90,639,879)	(4,843,805)	(6,729,150)
Losses available for offset against future taxable income	-	-	(10,792,946)	(11,302,176)
Others*	(80,459,415)	(55,607,232)	(2,004,708)	(571,011)
	(170,095,530)	**(128,045,818)**	**319,917,526**	**300,341,935**

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 recognized as the management is not certain whether there will be sufficient taxable profit to utilized.

*"Others" represent Deferred Tax Asset/Liability recognized on provision for other claims and liabilities related provisions and exchange reserve.

Notes to the Financial Statements

Year ended 31 March 2026

21.4 Company

	Statement of Financial Position		Statement of Profit or Loss		Other Comprehensive Income	
Deferred Tax Liability	2026 LKR	2025 LKR	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Accelerated depreciation for tax purposes	861,362	980,785	(119,423)	(119,290)	-	-
Fair Valuation of investment in subsidiaries Taprobane Group	-	268,074,960	(268,074,960)	-	-	-
Fair Valuation of investment in subsidiaries-Other	173,905,913	158,471,633	15,434,280	(15,392,870)	-	-
Fair Valuation of investment in Government Securities	-	13,185,192	(13,185,192)	(19,948,843)	-	-
Right Of Use Assets (ROUA)	-	299,345	(299,345)	299,345	-	-
Deferred Tax Assets						
Defined Benefit Plans	(4,704,283)	(3,282,044)	(785,269)	(188,806)	(636,971)	248,526
Fair Valuation of investment in Government Securities	(20,551)	-	(20,551)	-	-	-
Losses available to offset against future Taxable Income	-	-	-	-	-	-
Right Of Uses Lease Liability	(1,118,473)	-	(1,118,473)	-	-	-
Deferred Tax (Reversal)/Expense	-	-	(268,168,931)	(35,350,464)	(636,971)	248,526
Net Deferred Tax Liability/(Asset)	168,923,968	437,729,871				

22. EMPLOYEE BENEFIT LIABILITIES

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Current/Past Service Cost	56,400,606	52,304,671	1,523,546	1,253,349
Interest Cost on Benefit Obligation	35,422,667	45,167,291	1,094,015	1,336,705
	91,823,273	97,471,962	2,617,561	2,590,054
Net Actuarial (Gain) / Loss	49,617,095	(9,761,935)	2,123,238	(828,420)
Total Expenses	**141,440,368**	**87,710,027**	**4,740,799**	**1,761,634**
Balance as at 1 April	375,855,268	377,662,762	10,940,145	11,139,211
Current/Past Service Cost	56,400,606	52,304,671	1,523,546	1,253,349
Interest Cost on Benefit Obligation	35,422,667	45,167,291	1,094,015	1,336,705
Actuarial Losses / (Gain) on Obligation	49,617,095	(9,761,935)	2,123,238	(828,420)
Benefit Paid	(82,841,152)	(89,517,520)	-	(1,960,700)
Disposal of Subsidiary	(24,337,335)	-	-	-
Balance as at 31 March	**410,117,150**	**375,855,268**	**15,680,944**	**10,940,145**

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, 2026 by Messrs. Units Actuaries & Consultants (Pvt) Ltd.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Discount Rate	10%	9.5% - 12.70%	10%	10%
Salary Increment rates used	8%	7% - 10%	8%	7%
Staff Turnover Rate	15%	10% - 12%	15%	22%
Retirement Age	60 Years	60 Years	60 Years	60 Years

22.2 Maturity Profile of the Defined Benefit Plan

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Within Next 12 Months	50,147,698	59,302,784	2,534,387	2,571,723
Between 1 - 2 Years	95,122,007	96,649,965	3,955,790	3,616,266
Between 2 - 5 Years	111,010,337	99,125,679	2,065,459	2,221,253
Between 5- 10 Years	92,206,765	88,121,390	6,628,418	2,392,932
Beyond 10 years	61,630,344	32,655,450	496,889	137,971
	410,117,150	**375,855,268**	**15,680,944**	**10,940,145**

22.3 Break up of the Actuarial (Gain)/ Loss

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Actuarial (Gain)/ Loss Resulting from Changes in Financial Assumptions	48,433,109	(5,155,911)	762,067	(427,101)
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	(1,707,560)	6,137,105	(332,714)	(155,596)
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	2,891,546	(10,743,129)	1,693,886	(245,723)
	49,617,095	**(9,761,935)**	**2,123,238**	**(828,420)**

Notes to the Financial Statements

Year ended 31 March 2026

22. EMPLOYEE BENEFIT LIABILITIES (Contd…)

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;

	Group			
	2026		2025	
	LKR		LKR	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount Rate	(21,304,267)	23,388,559	(16,155,265)	17,704,379
Salary Increment Rate	24,901,868	(23,080,691)	17,716,547	(16,516,819)

	Company			
	2026		2025	
	LKR		LKR	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Discount Rate	731,038	(796,099)	(370,598)	399,266
Salary Increment Rate	(882,886)	822,120	408,622	(385,815)

23. CONTRACT LIABILITY - SERVICE AGREEMENTS

	2026	2025
	LKR	LKR
Balance at the beginning of the year	1,904,072,864	1,681,266,542
Deferred During the year	9,142,178,614	1,789,824,474
Transferred to revenue during the year	(9,224,022,017)	(1,567,018,152)
Balance at the end of the year	**1,822,229,460**	**1,904,072,864**

Contract Liabilities represents the amounts invoiced to customers where control have not been transferred to the buyer as at the statement of financial position date and where services are granted over a period. Service agreements are entered into between MillenniumIT ESP (Pvt) Ltd and its customer.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Trade Payable - Other	5,719,477,795	3,681,475,334	-	-
Other Payables - Other*	79,078,612	599,054,218	67,218,683	71,462,546
- Related Parties (Note 24.1)	3,313,652	1,000,000	658,187	281,421
Sundry Creditors Including Accrued Expenses	832,936,389	175,854,348	-	-
	6,634,806,448	**4,457,383,900**	**67,876,870**	**71,743,967**

Sundry creditors including accrued expenses : includes statutory payments, other payable, accrual expenses and other creditors.

24.1 Other Payables -Related Parties

Relationship		Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Millennium I.T. E.S.P (Pvt) Ltd	Sub-Subsidiary	3,313,652	1,000,000	658,187	281,421
		3,313,652	**1,000,000**	**658,187**	**281,421**

25. OTHER FINANCIAL LIABILITIES

Financial Liabilities at amortised cost	Note Shares	No. of LKR	Group Carrying Value 2026 LKR	Group Carrying Value 2025 LKR	Company Carrying Value 2026 LKR	Company Carrying Value 2025
Preference Shares	25.1	170,625	347,936	347,936	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 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Other Miscellaneous Income	1,129,408	5,830,380	-	-
Dividend Income	35,812,822	35,115,909	-	-
Gain on Disposal of investment	59,471,248	29,469,876	-	-
Disposal of PPE	1,439,500	-	-	-
Rent Income	7,826,326	-	23,411,976	-
	105,679,304	**70,416,165**	**23,411,976**	**-**

27. FINANCE COST

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Bank Overdraft	47,708,314	10,820,298	47,708,314	1,306,957
Bank Charges	35,280,412	31,360,348	4,405,994	5,422,247
Interest expenses on Reverse-Repo/Sell -Buy	202,945,021	997,975	142,719,454	-
Lease Interest	74,304,401	68,224,472	5,254,542	997,975
Loan Interest	549,500,417	304,932,139	292,173,645	93,008,160
Interest on Related Party Loan	58,082	18,485,110	58,082	59,623,194
	909,796,646	**434,820,342**	**492,320,030**	**160,358,533**

Notes to the Financial Statements

Year ended 31 March 2026

28. FINANCE INCOME

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest on;				
- Short Term Investments	8,024,892	16,943,971	-	-
- Long Term Investments	87,729,279	105,572,273	-	-
- Repo Investment	5,960,811	14,410,561	-	-
Interest Income on Fixed Deposits/bank deposits	106,537,583	27,506,277	-	-
	208,252,565	**164,433,082**	**-**	**-**

29. INCOME TAX EXPENSE / (REVERSAL)

	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Current Income Tax					
Current Tax Expense on Ordinary Activities for the Year	29.1	102,577,841	63,686,334	-	15,559,037
Capital Gain Tax		47,908,327	-	47,908,327	-
Dividend Tax		-	-	-	-
Under / (Over) Provision of current taxes in respect of prior years		23,920,752	(351,114)	57,311,528	(1,111,105)
Deferred Income Tax					
Deferred Taxation Charge		28,186,823	(62,734,382)	(268,168,931)	(35,350,464)
Income tax charge / (Reversal) reported in the Profit or Loss statement		**202,593,743**	**600,838**	**(162,949,077)**	**(20,902,533)**

29.1 Reconciliation between Current Tax Expense and the product of Accounting Profit.

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Accounting Profit / (Loss) before Tax from Operations	3,029,798,495	1,578,531,738	3,516,704,609	1,331,186,008
Profit / (Loss) before Tax from Discontinuing Operations	637,833,229	650,277,187	-	-
	3,667,631,724	2,228,808,925	3,516,704,609	1,331,186,008
Income not liable for income tax	(5,790,340,121)	(3,289,396,901)	(4,303,563,085)	(1,875,135,300)
Aggregate Disallowed items	552,958,063	1,030,787,761	155,397,762	204,674,492
Aggregate Allowable credits	(210,838,638)	(727,759,870)	(30,402,561)	(3,873,480)
Other income included in profit from operation	-	(69,405,107)	-	-
Consolidated Adjustment	1,059,459,935	226,817,225	-	-
Business Loss	(721,129,037)	(600,147,967)	(661,863,275)	(343,148,280)
Business Income	65,473,937	71,081,163	-	-
Income From Investment	850,528,508	772,164,062	587,889,175	521,609,262
	916,002,445	843,245,225	587,889,175	521,609,262
Less : Tax Loss utilized Note 29.2	(428,194,609)	(550,274,618)	(428,194,609)	(469,745,805)
Taxable Income	**487,807,836**	**292,970,606**	**159,694,566**	**51,863,457**
Minimum rate 0.06%- 1%	1,281,733	140,498		
Applicable Rate - 17%	3,198,100	7,000,951		
Applicable Tax Rate - 30%	146,006,299	56,544,885	47,908,370	15,559,037
Less :WHT credits	-	-	-	-
Income tax on dividend Income	-	-	-	-
Income Tax Attributable to Continuing Operations	150,486,132	63,686,334	47,908,370	15,559,038
Income Tax Expense	**150,486,132**	**63,686,334**	**47,908,370**	**15,559,038**

29.2 Tax Losses Carried Forward

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Tax losses brought forward	1,631,243,407	297,392,655	372,393,390	16,655,835
Adjustment based on returns	(374,471,499)	518,568,976	(144,552,941)	527,298,782
Business acquisition	-	63,516,695	-	-
Disposal of Subsidiaries	(23,674,039)	-	-	-
Tax losses arising during the year	786,602,973	1,302,039,699	661,863,275	298,184,578
Disallowable Tax Losses	(10,638,752)	-	-	-
Loss deducted during the year	-	-	-	-
Deducted against Investment Income	(428,194,609)	(479,193,455)	(428,194,609)	(469,745,805)
Adjustment of Financial Liability	(2,033,275)	-	-	-
Utilization of tax losses	-	(71,081,163)	-	-
Tax losses carried forward	**1,578,834,206**	**1,631,243,407**	**461,509,115**	**372,393,390**

Notes to the Financial Statements

Year ended 31 March 2026

29.2.1 Group Tax rates

Group Companies were taxed at,

M I.T.E.S.P Bangladesh Pvt Ltd	- 1%
Millennium I.T.E.S.P Singapore Pte Ltd	- 17%
Others	- 30%

30. PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Stated after Charging/(Crediting)				
Directors' Remuneration	19,555,000	33,521,650	7,275,000	13,398,550
Cost of defined benefit obligations				
- Defined benefit plan cost	89,950,436	92,439,488	2,617,561	2,590,054
- Defined contribution plan cost - EPF/ETF	242,177,624	261,260,155	10,388,063	7,709,930
Employee Salaries and other employee related expenses	3,216,167,584	3,191,427,596	81,896,966	70,256,331
Depreciation of property, plant and equipment	73,436,227	81,861,605	857,369	1,312,827
Amortisation of intangible assets	4,905,981	2,448,324	1,053,669	1,010,785
Amortisation of right of use assets	86,188,936	50,028,503	26,809,537	3,841,817
External auditors' remuneration	9,931,942	5,932,100	1,983,300	1,899,800
Legal Fees	2,366,008	3,563,182	2,366,008	3,563,182
Impairment of Share of Results of Equity Accounted Investee	-	43,708,866	-	43,708,866

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		Company	
For the Year Ended 31st March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Net Profit/(Loss) for the year attributable to equity holders of the parent for basic Earnings per share	3,105,756,889	1,812,426,217	3,679,653,685	1,352,088,541
Net Profit/(Loss) from the continuing operations attributable to equity holders of the parent for basic Earnings per share	2,709,134,271	1,474,109,700	3,679,653,685	1,352,088,541
Net Profit/(Loss) from the discontinuing operations attributable to equity holders of the parent for basic Earnings per share	396,622,618	338,316,517	-	-
Number of Ordinary Shares Used as Denominator:				
Ordinary shares at the beginning of the year	356,869,666	356,869,666	356,869,666	356,869,666
Adjustment for share subdivision**	1,070,608,998	1,070,608,998	1,070,608,998	1,070,608,998
Weighted average number of ordinary shares adjusted for the Basic EPS	1,427,478,664	1,427,478,664	1,427,478,664	1,427,478,664
Weighted average number of ordinary shares adjusted for the effect of dilution	1,427,478,664	1,427,478,664	1,427,478,664	1,427,478,664
Basic Earning Per Share Continued Operations	1.90	1.03	2.58	0.95
Basic Earning Per Share Discontinued Operations	0.28	0.24	-	-
Basic Earning Per Share Total	2.18	1.27	2.58	0.95

**Subsequent to the reporting date, on 13th May 2026, the Company subdivided each issued ordinary voting share into four (4) ordinary shares. Accordingly, the number of issued ordinary voting shares increased from 356,869,666 to 1,427,478,664 without any change to the stated capital of the Company, which remains at Rs. 5,331,775,177.

In accordance with LKAS 33 - Earnings Per Share, the weighted average number of shares used in the computation of earnings per share has been adjusted retrospectively to reflect the share subdivision, as if the event had occurred at the beginning of the reporting period. However, as the share subdivision occurred after the reporting date, the number of shares disclosed in the Statement of Financial Position has not been adjusted.

32. CASH AND SHORT TERM DEPOSITS

32.1 Favourable Cash and balances with banks

	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Cash and balances with banks	789,103,272	627,738,010	41,003,420	29,536,377
Short Term Investments	7,820,432	303,518,502		-
	796,923,703	931,256,512	41,003,420	29,536,377

32.2 Unfavourable Cash and balances with banks

	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Bank Overdraft (Note 20)	(1,090,987,318)	(152,416,890)	(972,927,458)	(149,765,832)
Cash & Short term Deposits at the end of the year for the Purpose of Statement of Cash Flow	**(294,063,615)**	**778,839,622**	**(931,924,038)**	**(120,229,455)**

33. CONTINGENT LIABILITIES AND COMMITMENTS

33.1 Millennium I.T.E.S.P (Pvt) Ltd

	2026		2025	
	LKR Mn	USD	LKR Mn	USD
Performance Bonds	857,931,862	842,721	794,957,867	720,674
Bid Bonds	412,523,340	166,159	216,741,182	26,500
Advance payments guarantees	334,941,103	1,022,967	89,238,125	35,645
Custom Guarantee	41,739,108	-	61,190,614	-
Retention Bond	8,454,369	-	14,069,668	-

33.5 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..75% of the total liability, has been provided

Lexinton Holdings (Pvt) Ltd

Lexinton Holdings (Pvt) Ltd has filed following petitions of appeal to Tax appeals commission against the assessments.
1. Assessments No. - ITA 14281100120 - IV. Total Tax Assessed was Rs. 75,985,492/-.

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

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

Notes to the Financial Statements

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34. ASSETS PLEDGED

34.1 Assets Pledged by Ambeon Holdings PLC

Nature of Assets	Nature of Liability	Carrying Amount Pledged 2026 LKR Mn	2025 LKR Mn	Included under
Quoted Equity Investments	Overdraft Facility Revolving Loan for Loans and Borrowings	8,180	2,848	Investments in Subsidiaries and Other Current Financial Assets
Property - Lexinton - lot B plan no 184/2001	Term loan	-	348	Property,Plant & Equipment (Group)
		8,180	3,196	

34.2 Assets Pledged by Colombo City Holdings PLC

Nature of Assets	No. of Shares	Nature of Liability Property	Carrying Amount of the Property 2026 LKR
Quoted Equity Investments	4.1 Mn	Short Term Loan	564,775,000

34.3 Assets Pledged by Lexinton Holdings (Pvt) Limited

Lexinton Holdings (Pvt) Ltd has pledged the following asset to Sampath Bank PLC on behalf of Ambeon Holdings PLC to obtain a facility of Rs. 240 Mn in 2025 and during the current financial year its fully settled

Nature of Assets	Nature of Liability	2026 LKR	2025 LKR	Included Under
Investment Property	Short term Loan	-	348,335,000	Investment Property

35. RELATED PARTY DISCLOSURES

35.1 Transaction with related entities

Nature of transactions	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Ultimate Parent				
Loan Settled	-	(10,200,000)	-	(240,399,457)
Short Term advances	-	-	-	-
Interest on Loans	-	3,799,404	-	3,799,404
35.1.2 Immediate Parent				
Loan Settled	(2,201,309,632)	-	(2,201,309,632)	-
Interest on Loans	159,440,665	206,181,795	159,440,665	206,181,795
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	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Balance as at 01st April	-	-	86,373,663	873,195,697
Staff Support & Server Utilisation fees	-	-	75,519,998	83,991,766
Settlement Current Account Balance	-	-	(136,400,751)	(73,099,263)
Reimbursement of Expenses	-	-	63,785,968	26,926,251
Treasury bill/bond - purchased	-	-	-	(3,033,384,837)
Treasury bill/bond - Sale	-	-	2,396,824,434	2,249,882,132
Net Loan (Settlement)/Obtained	-	-	(58,052)	(41,138,083)
Balance as at 31 March	-	-	**2,486,045,260**	**86,373,663**

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.

	Group		Company	
Key Management Personnel Compensation	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Short-Term employee benefits	145,502,500	254,958,436	34,065,000	30,110,000
	145,502,500	**254,958,436**	**34,065,000**	**30,110,000**

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

During the financial year, there were no non-recurrent related party transactions

Recurrent Related Party Transactions

Name of the Related Party	Relationship	Nature of the Transaction	Value of the related party Transaction (During the FY) LKR	Value of the related party Transaction as a % of Group consolidated revenue	Terms and Conditions of the related party Transaction
Sherwood Capital (Private) Limited	Group Company	Investment in Government Securities by Ambeon Holdings PLC	2,396,824,434	13%	Market Rate

Notes to the Financial Statements

Year ended 31 March 2026

36. EVENTS OCCURRING AFTER THE REPORTING DATE

Ambeon Holdings PLC

The ordinary voting shares of the company were subdivided on 13th May 2026 by splitting each issued ordinary voting share into four (4) ordinary shares. Accordingly, the total number of existing issued Ordinary Voting Shares were increased from 356,869,666 to 1,427,478,664 without any change to the Stated Capital of the Company which remains as Rs. 5,331,775,177/-.

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

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.

		2026			2025		
	Notes	Fair Value Hierarchy	Carrying Value LKR	Fair Value LKR	Fair Value Hierarchy	Carrying Value LKR	Fair Value LKR
Financial Instruments in Non-Current Assets							
Assets Measured at Fair value							
Investment Properties	7	Level 3	1,755,600,000	-	Level 3	1,396,924,150	1,396,924,150
Financial Instrument at Amortised Cost	12	Level 2	-	-	Level 2	-	-
Land	6	Level 3	-	-	Level 3	-	-
Freehold Buildings	6	Level 3	-	-	Level 3	-	-
Fair Value through Profit and Loss							
Other Financial Investment	16	Level 1	11,059,422,287	-	Level 1	12,095,534,612	12,095,534,612
Fair Value through OCI			-				
Other Financial Investment	16	Level 1	-	-	Level 1	-	-
Total			12,815,022,287	-		13,492,458,762	13,492,458,762

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	2026 Fair Value Hierarchy	2026 Carrying Value LKR	2026 Fair Value LKR	2025 Fair Value Hierarchy	2025 Carrying Value LKR	2025 Fair Value LKR
Assets Measured at Fair value							
Financial Instrument at Amortised Cost	12	Level 2	898,800,953	898,800,953	Level 2	37,690,119	37,690,119
Fair Value Through Profit and Loss							
Other Financial Investment	16	Level 1	10,305,933,652	10,305,933,652	Level 1	8,123,251,941	8,123,251,941
Fair Value Through OCI							
Other Financial Investment	16	Level 1			Level 1	-	-
Investment in subsidiaries	11	Level 3	4,467,818,000	4,467,818,000	Level 3	5,325,256,661	5,325,256,661
Total			15,672,552,604	15,672,552,604		13,486,198,721	13,486,198,721

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 at March 2026 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 2026

37. FINANCIAL ASSETS AND LIABILITIES (Contd...)

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	2026 LKR	% of allocation	2025 LKR	% of allocation
Bank Deposits & Government Securities	16	1,479,904,362	11%	150,560,397	2%
Trade and Other receivables	15	11,639,802,095	84%	8,022,761,195	88%
Cash and Short term Deposits	32	796,923,703	6%	931,256,512	10%
Total credit risk exposure		13,916,630,160	100%	9,104,578,104	100%
Financial assets at fair value through profit & loss	16	11,059,422,287	100%	12,095,534,612	100%
Financial assets at fair value through OCI	16	-	-	-	-
Total equity risk exposure		11,059,422,287	100%	12,095,534,612	100%
Total		**24,976,052,447**		**21,200,112,717**	

Risk Exposure - Company

	Notes	2026 LKR	% of allocation	2025 LKR	% of allocation
Bank Deposits & Government Securities	16	898,800,953	95%	37,690,119	20%
Trade and other receivables	15	6,397,199	1%	121,960,941	64%
Cash in hand and at bank	32	41,003,420	4%	29,536,377	16%
Total credit risk exposure		946,201,572	100%	189,187,437	100%
Financial assets at fair value through profit & loss	16	10,305,933,652	100%	8,123,251,941	100%
Financial assets at fair value through OCI	16	-	-	-	-
Total equity risk exposure		10,305,933,652	100%	8,123,251,941	100%
Total		**11,252,135,224**		**8,312,439,378**	

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.

	Group		Company	
	2026	2025	2026	2025
Trade receivables	LKR	LKR	LKR	LKR
Neither past due, not impaired	-	636,892,899	-	-
Past due but not impaired				
31-60 days	285,288,721	5,280,417,313	-	-
61-90 days	897,164,343	505,632,209	-	-
>90 days	1,724,172,594	675,810,773	-	-
Allowance for Bad & Doubtful Debtors	-	-	-	
Gross Carrying Value	9,599,030,792	7,098,753,194	-	-
Less: Allowance for Bad & Doubtful Debtors	(484,628,696)	(534,373,938)	-	-
Total	**9,114,402,096**	**6,564,379,256**	-	-

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 797 Mn as at 31 March 2026 (2025 - LKR 931 Mn)

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.

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 2026

37. FINANCIAL ASSETS AND LIABILITIES (Contd…)

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 LKR	3 to 12 months LKR	1 to 5 years LKR	> 5 Years LKR	Total LKR
Other Financial Liabilities	-	-	-	347,936	347,936
Interest Bearing Borrowings	8,150,463,132	1,588,291,015	439,402,958	-	10,178,157,105
Trade and Other Payables	69,650,448	6,540,732,339	7,483,541	14,730,489	6,632,596,817
	8,220,113,581	**8,129,023,354**	**446,886,498**	**15,078,425**	**16,811,101,858**

The table below summarizes the maturity profile of the Company's financial liabilities at 31 March 2026 based on contractual undiscounted payments.

Company	Less than 3 months LKR	3 to 12 months LKR	1 to 5 years LKR	> 5 Years LKR	Total LKR
Other Financial Liabilities	-	-	-	347,936	347,936
Interest Bearing Borrowings	978,947,235	2,801,559,333	19,863,448	-	3,800,370,016
Trade and Other Payables	67,876,870	-	-	-	67,876,870
	1,046,824,106	**2,801,559,333**	**19,863,448**	**347,936**	**3,868,594,822**

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 2026

The Group monitors capital using a gearing ratio,

	Group		Company	
	2026	2025	2026	2025
Interest Bearing Borrowings	10,178,157,105	9,331,882,788	3,800,370,016	4,585,787,500
Equity Attributable to Equity Holder of the Parent	12,218,720,167	12,664,281,659	11,720,618,945	11,521,930,770
Non-Controlling Interests	1,279,407,101	1,503,547,603	-	-
Total Equity	13,498,127,268	**14,167,829,262**	11,720,618,945	**11,521,930,771**
Equity and Debt	23,676,284,373	**23,499,712,050**	15,520,988,961	**16,107,718,271**
Gearing Ratio	43%	**40%**	24%	**28%**

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 optimizing the return.

The sensitivity analysis in the following sections related to the position as at 31 March 2026.

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 2026 and 2025.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The 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)

		Effect on Profit before Tax (LKR)	
	Increase/(Decrease) in basis points	Group	Company
2026	+100	(94,542,295)	(52,179,405)
	-100	94,542,295	52,179,405
2025	+100	(57,577,214)	(16,749,869)
	-100	57,577,214	16,749,869

The assumed spread of the interest rate is based on the current observable market environment.

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.

Notes to the Financial Statements

Year ended 31 March 2026

37. FINANCIAL ASSETS AND LIABILITIES (Contd...)

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the profit before tax

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2026	5%	(72,294,206)	-
	-5%	72,294,206	-
2025	5%	(75,877,358)	-
	-5%	75,877,358	-

The assumed spread of the interest rate is based on the current observable market environment.

The spot exchange rates used for value the USD denominated Assets and Liabilities as at the reporting period were Rs. 315.54/USD.

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	
	2026	2025	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Non-Controlling Interests material individually						
Colombo City Holdings PLC	22.37%	22.37%	701,252,135	603,935,466	97,316,668	65,295,649
Millennium I.T.E.S.P (Private) Limited	35.22%	35.22%	578,154,966	571,522,878	6,632,088	40,707,258
Non-controlling interest material in aggregate			-	328,089,259	96,949,516	109,475,672
Total			1,279,407,101	1,503,547,603	200,898,272	215,478,579

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	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revenue	73,932,278	50,009,310	16,992,650,271	15,643,987,259
Operating Income/(Costs)	433,435,436	145,564,027	(16,677,863,921)	(15,343,542,616)
Finance Costs	(20,178,966)	(14,438,782)	(397,291,399)	(301,141,360)
Finance Income	101,714,982	141,610,015	106,350,970	51,014,877
Share of result of equity account investee	-	-	840,733	6,203,677
Tax Expense	(153,994,299)	(64,114,092)	34,317,490	52,865,929
Profit or Loss from Continuing Operations	434,961,981	258,630,478	59,004,144	109,387,766
Other Comprehensive Income	122,617	3,582	(40,173,682)	8,425,426
Total Comprehensive Income	**435,032,047**	**258,634,060**	**18,830,462**	**117,813,192**

*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	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Current Assets	1,377,825,381	1,986,118,367	15,983,684,011	10,722,151,209
Non-current Assets	2,228,578,903	1,388,661,763	776,348,458	805,124,790
Total Assets	3,606,404,284	3,374,780,130	16,760,032,468	11,527,276,000
Current Liabilities	135,002,191	418,242,997	14,312,228,729	9,122,777,149
Non-current Liabilities	336,613,823	256,780,913	806,250,744	781,776,315
Total Liabilities	471,616,014	675,023,910	15,118,479,473	9,904,553,464

*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.

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	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Operating	(135,003,505)	(53,777,284)	(1,093,388,938)	96,074,514
Investing	427,581,108	(156,922,060)	(1,229,478,342)	(1,011,845,444)
Financing	(290,904,232)	214,876,291	2,643,838,477	797,547,654
Net increase/(decrease) in cash and cash equivalents	1,673,371	4,176,947	320,971,196	(118,223,276)

Supplementary Information

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 2026.

Range of Shareholding	Number of Shareholders	No. of Shares	%
1 to 1,000 shares	2,750	663,204	0.19
1,001 to 10,000 shares	969	2,969,827	0.83
10,001 to 100,000 shares	136	3,764,535	1.05
100,001 to 1,000,000 shares	12	2,634,354	0.74
Over 1,000,000 shares	10	346,837,746	97.19
TOTAL	**3,877**	**356,869,666**	**100.00**

Public Shareholding

Information pertaining to public shareholding is as follows;

	31 March 2026	31 March 2025
Number of public shares	66,187,289	66,187,289
Public holding percentage	18.55%	18.55%
Number of public shareholders	3,872	3,810
Float adjusted market capitalization (LKR)	10,128,496,426/-	5,408,484,693/-

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	2025/2026	2024/2025
Highest value per share recorded during the period (LKR)	175.00	98.00
Lowest value per share recorded during the period (LKR)	70.00	35.00
Market value per share as at last traded date (LKR)	153.00	81.70

Investor Information

Director's Shareholdings as at

Name		31 March 2026	31 March 2025
1.	Mr. D T S H Mudalige	Nil	Nil
2.	Dr. K S Narangoda	Nil	Nil
3.	Mr. E M M Boyagoda	Nil	Nil
4.	Mr. S L Sebastian	Nil	Nil
5.	Mr. S Kumar (resigned w.e.f. 1st March 2026)	Nil	Nil
6.	Mr. C T Tsoi	Nil	Nil
7.	Mr. R P Sugathadasa (resigned w.e.f. 16th September 2025)	Nil	Nil
8.	Mr. D M Weerasekare	Nil	Nil
9.	Mr. M D J R Goonetilleke (appointed w.e.f. 21st April 2025)	Nil	N/A
10.	Mr. R Keragala (appointed w.e.f. 19th September 2025)	Nil	N/A

Twenty Major Ordinary Shareholders as at

Name of Shareholder		31 March 2026		31 March 2025	
		No. of shares	%	No. of shares	%
1.	DFCC Bank PLC/Ambeon Capital PLC	45,000,000	12.61	-	-
	Seylan Bank PLC/Ambeon Capital PLC (Collateral)	112,790,122	31.61	112,790,122	31.61
	Commercial Bank of Ceylon PLC/Ambeon Capital PLC	51,600,000	14.46	-	-
	Pan Asia Banking Corporation PLC/Ambeon Capital PLC	32,807,255	9.19	32,807,255	9.19
	Ambeon Capital PLC	48,400,000	13.56	-	-
	National Development Bank PLC/Ambeon Capital PLC	-	-	145,000,000	40.63
TOTAL		290,597,377	81.43	**290,597,377**	**81.43**
2.	Hatton National Bank PLC/Almas Holdings (Private) Limited	38,653,019	10.83	28,645,420	8.03
	Commercial Bank of Ceylon PLC/Almas Holdings (Private) Limited	3,000,000	0.84	-	-
	Amana Bank PLC/Almas Holdings (Private) Limited	4,500,000	1.26	4,500,000	1.26
	Almas Holdings (Private) Limited	8,180,850	2.29	1,100,000	0.31
	People's Leasing & Finance PLC/Almas Holdings (Private) Limited	-	-	4,806,849	1.35
TOTAL		54,333,869	11.00	**39,052,269**	**11.00**
3.	Mr. N Balasingam	1,906,500	0.53	1,906,500	0.53
4.	Mrs. F R Buhardeen	483,110	0.14	483,110	0.14
5.	Mr. K L Yeoh	356,631	0.10	-	-
6.	People's Leasing & Finance PLC/L. P. Hapangama	339,041	0.10	837,356	0.23
7.	Flyasia Sdn. Bhd	267,458	0.07	267,458	0.07
8.	Hotel International (Private) Limited	198,502	0.06	1,337,593	0.37
9.	Mr. M I Buhardeen	183,350	0.05	139,550	0.04
10.	Mr. H A S Madanayake	181,512	0.05	181,512	0.05
11.	Senkadagala Finance PLC/M M Sugathapala	150,000	0.04	-	-
12.	ACL Cables PLC	130,700	0.04	130,700	0.04
13.	Arrow International (Pvt) Ltd A/C No. 1	120,300	0.03	120,300	0.03
14.	Commercial Bank of Ceylon PLC/S Vasudevan	114,271	0.03	-	-
15.	Mr. B W Kundanmal	109,479	0.03	137,100	0.04
16.	Mr. R M I Rajapaksa	100,000	0.03	100,000	0.03
17.	Mr. R P P Senaratne	100,000	0.03	100,000	0.03
18.	Mr. H D Kunanandham	90,000	0.03	-	-
19.	Mr. R E Rambukwelle	86,000	0.02	95,000	0.03
20.	Taprobane Wealth Plus (Pvt) Ltd	85,000	0.02	85,000	0.02

Investor Information

Preference Share

Analysis of Shareholders according to the number of shares as at 31 March 2026

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 2026		31 March 2025	
	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 Administratix 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. Mr. B V Selvanayagam	3,000	1.76	-	-
15. Ms. A M Felsinger	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 Wijewardenephilip Seevali	2,194	1.29	2,194	1.29

Decade at a Glance

LKR '000	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Operating Results										
Revenue	18,129,933	16,439,184	17,154,487	20,697,863	14,155,890	9,595,761	19,693,287	17,231,736	12,272,998	10,762,068
Profit/(Loss) before taxation	3,029,798	1,578,532	3,596,785	2,216,184	1,271,375	(1,674,375)	541,562	1,246,604	584,885	480,384
Profit/(Loss) after taxation	2,827,205	2,024,936	2,857,032	1,645,170	935,517	(1,858,739)	409,020	864,468	680,818	394,104
Attributable to:										
Equity Holders of the Parents	3,105,757	1,812,426	2,456,725	1,218,451	2,335,304	(2,142,900)	155,801	528,310	540,941	271,698
Non-Controlling Interest	215,020	212,510	400,306	426,719	183,821	39,863	253,219	336,158	139,878	122,406
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	5,331,775	7,871,564	7,724,139
Reserves	(5,018)	(2,115)	112,734	1,105,033	1,084,909	1,021,744	678,720	761,355	930,399	515,619
Retained Earnings/(Losses)	6,891,963	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)
Non-Controlling Interest	1,279,407	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
Assets Employed										
Non Current Assets Excluding Deferred Tax	4,178,493	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
Current Assets	28,621,459	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
Deferred Tax	170,096	128,046	68,484	272,217	132,225	122,749	81,878	143,559	256,090	68,974
Liabilities										
Non Current Liabilities	1,169,763	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
Current Liabilities	18,302,157	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
Key Indicators										
Basic Earnings/(Loss) Per Share (LKR)	2.18	1.27	6.88	3.41	6.54	(6.00)	0.44	1.48	1.54	0.78
Net Assets Per Share (LKR)	8.56	8.21	30.37	24.93	24.99	17.67	22.88	21.70	21.96	19.67

DETAILS OF THE GROUP PROPERTIES 2025/26

Company	Property	Location	Extent	No Of Building	Cost/Valuation
Lexinton Holdings (Pvt) Ltd	Freehold Land	Rajagiriya	17.15 Perches	-	145,675,000
	Freehold Building	Rajagiriya	17.15 Perches	1	215,125,000
Lexinton Resorts (Pvt) Ltd	Freehold Land	Kosgoda	Land 1364.62 Perches	-	1,337,000,000
Colombo City Holdings PLC	Freehold Land	Sigiriya	1277 Perches	-	57,800,000

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 (Chairman) Mr. A W Atukorala Dr. K S Narangoda Mr. R T Devasurendra Mr. S Sridharan Mr. D M Weerasekare Mr. N Haturusinha
Eon Tec (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Mr. D T S H Mudalige Dr. K S Narangoda
Palla & Company (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. A G Weerasinghe
Green Field Ventures (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8. Tel: 011 5 700 700 Fax: 011 2 680 225	Mr. S Sridharan

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 (Chairman) Mr. S L Sebastian Mr. S Sridharan Mr. R T Devasurendra Mr. D M Weerasekare Mr. L V B D Mendis Mr. J A S Jayasundara Dr. K S Narangoda
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. Y I S Premarathne Mr. L Hao Dr. K S Narangoda
MIT ESP Bangladesh Private Ltd. Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka	Mr. G S M Goonetilleke Mr. M I Wijenayake
MIT ESP TRADING L.L.C. #3002-032, Al Moosa Tower 2 30th Floor - Sheikh Zayed Road Dubai United Arab Emirates	Mr. P D D Perera Mr. L V B De Mendis

Subsidiaries of Ambeon Holdings PLC

Sub-Subsidiary Companies	Directors
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. A G Weerasinghe Mr. K C P Perera
Lexinton Resorts (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda
Heron Ago Products (Private) Limited No. 100/1, 2nd Floor, Elvitigala Mawatha Colombo 8 Tel: 011 5 700 700 Fax: 011 2 680 225 Email: info@ambeongroup.com	Dr. K S Narangoda

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, 23 September 2026 at 10.30 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 2026 and the Report of the Auditors thereon.
2. To re-elect Mr. C T Tsoi, 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. D M Weerasekare, 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 75 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 75 years prior to the Annual General Meeting and that he shall accordingly be re-appointed."
5. To re-elect as a Director, Mr. R Keragala 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 2026/2027 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

28 August 2026

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.

Notes

Notes

Notes

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. C. T. Tsoi	or failing him
Mr. D. M. Weerasekare	or failing him
Mr. M. D. J. R. Goonetilleke	

as *my/our proxy to represent me/us and to speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 23rd September 2025 at 10.30 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. C T Tsoi, 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.	To re-elect Mr. D M Weerasekare, 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 3.	To re-appoint Mr. E. M. M. Boyagoda who has reached the age of 75 years.			
Resolution 4.	To re-elect as a Director, Mr. R Keragala 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 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.			
Resolution 6.	To authorise the Directors to determine donations for charitable and other purposes for the year 2026/2027 as set out in the Companies' Donation Act [CAP147].			

Signed on this .... day of 2026.

....
Signature

a) * Please delete the inappropriate words.

b) Instructions as to completion are noted on the reverse thereof

Form of Proxy

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, 2nd Floor, Elvitigala Mawatha, Colombo 8, Sri Lanka or must be emailed to agm2026@ambeongroup.com or by facsimile to +94 11 2680225 by 10.30 a.m. on Monday, 21st September 2026.

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

Concept & Designed by
Copyline
a great equation

AMBEON
HOLDINGS PLC