

*enduring*  
**VALUES**

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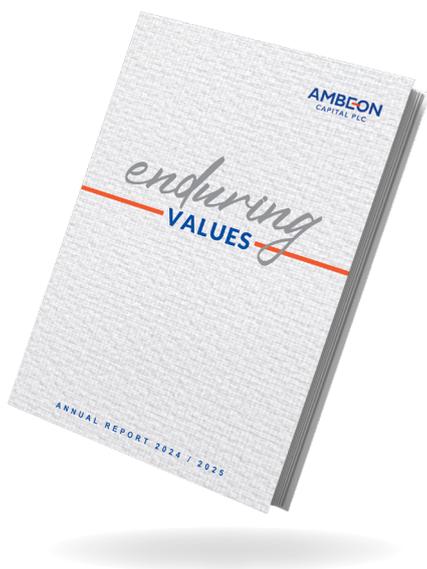
# *enduring* **VALUES**

At Ambeon Capital, we believe that true progress is defined not only by financial strength, but by the principles that guide us through change. In a year shaped by dynamic markets and evolving challenges, our focus has remained steadfast on what truly endures—our values.

The theme of this year's report, Enduring Values, reflects the foundation upon which our business is built. Integrity, resilience, innovation, and sustainability continue to drive our journey, shaping decisions that balance immediate opportunities with long-term growth. These values empower us to create enduring impact—for our shareholders, our employees, our partners, and the communities we serve.

As we look back on the year, we remain committed to strengthening our diverse portfolio, unlocking new opportunities, and leading with responsibility. While strategies evolve and industries transform, our values remain constant—anchoring us today, and guiding us into the future.

# About This Report



Ambeon Capital PLC welcomes you to the Annual Report for the financial year 2024/25. This Annual Report provides our stakeholders with a comprehensive analysis of the performance of the Company during the period. We have continued our commitment to building efficiencies across the operational value chain, with a special focus on cost and efficiency centered operational restructuring whilst upholding our best practices and values.

## Reporting Standards & Principles

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

## Scope and Boundary

This Report covers the segmental performance of the Company's main subsidiary, Ambeon Holdings PLC (Refer pages 82 to 83) by setting out a comprehensive analysis of the financial position and future outlook. All the information and data presented in this Annual Report is principally connected to business operations from 1st April 2024 to 31st March 2025.

## Combined Assurance

We follow a combined assurance approach to establish the credibility of this report, ensuring that there are no material misstatements. Accordingly, the overall reporting process and the reliability and quality of the content are assured internally, by the Senior Management and the Board of Directors. The financial reporting including the financial statements and related notes as well as sustainability reporting have been assured by external and independent auditors, Messrs. Ernst & Young, Chartered Accountants, as set out in page 55 and 58 respectively.

## Forward Looking Statements

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

except, in compliance with the applicable rules and regulations set by the relevant statutory and regulatory bodies.



## Feedback and Queries

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

**Haritha C. Perera**  
Chief Financial Officer  
Ambeon Capital PLC  
15 August 2025

## **Our Vision**

# Re-Engineering Success

## **Our Mission**

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

## **Our Values**

### **Moving First**

**Catalyzing opportunities through readiness**

### **Channeling Teamwork**

**Harnessing the collective strength of our diverse minds**

### **Actioning Results**

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

### **Seeing Beyond**

**Constantly challenging ourselves to look beyond**

### **Inspiring Each Other**

**Encouraging each other's success**

# Performance Highlights

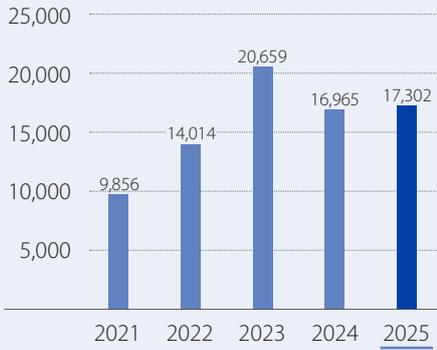
	Group		Company	
	2024/25	2023/24	2024/25	2023/24
<b>Balance Sheet</b>				
Cash	932,552,651	501,770,288	1,296,139	1,076,124
Other Financial Assets	13,422,302,704	6,936,942,402	1,176,209,022	-
Trade & Other Receivables	7,125,687,902	8,153,097,473	57,912,702	528,162,849
Total current assets	23,986,307,933	17,025,462,216	1,235,417,863	529,238,973
Total long-term assets	4,614,409,656	4,604,202,237	9,430,520,982	8,324,783,312
Total current liabilities	17,085,787,587	10,968,125,240	3,643,713,110	2,428,808,966
Total long-term liabilities	1,175,450,659	1,278,971,235	1,468,267,087	1,587,561,439
Total shareholders' equity	10,339,479,343	9,382,567,978	5,553,958,648	4,837,651,880
<b>Income Statement</b>				
Revenue	17,301,634,906	16,965,438,514	25,974,562	179,997,672
Gross profit	3,894,144,691	4,899,320,179	25,974,562	179,997,672
EBITDA	2,672,227,618	4,325,609,807	1,143,786,144	1,007,510,816
Income before taxes	1,798,432,088	3,064,604,666	718,608,456	272,628,768
Net income	1,592,258,031	2,547,480,785	716,306,768	271,144,953
<b>KEY RATIOS</b>				
<b>Profitability Ratios</b>				
Return on equity	15.40%	27.15%	13%	6%
Return on assets	5.57%	11.78%	7%	3%
Return on sales	9.20%	15.02%	2758%	151%
Gross profit margin	23%	29%	100%	100%
Asset turnover ratio	60%	78%	0%	2%
EPS	1.04	1.61	0.71	0.27
DPS	-	-	-	-
<b>Leverage and Liquidity Ratios</b>				
Current ratio	1.40	1.55	0.34	0.22
Quick or acid test ratio	1.26	1.42	0.34	0.22
Long-term debt ratio	0.10	0.12	0.21	0.25
Debt to equity ratio	1.77	1.31	0.92	0.83
NAV	6.37	5.31	5.54	4.82
Interest coverage ratio	3.67	4.01	2.70	1.38

## Key Financial Abbreviations

- EBITDA – Earnings Before Interest, Taxes, Depreciation, and Amortization
- EPS – Earnings Per Share
- DPS – Dividend Per Share
- NAV – Net Asset Value (Per Share)

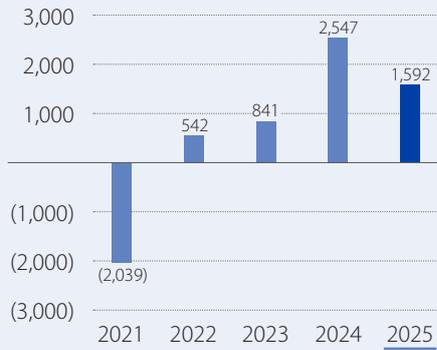
Revenue

LKR



Profit/(Loss) for the year

LKR



**1,592 Mn**  
Net Income



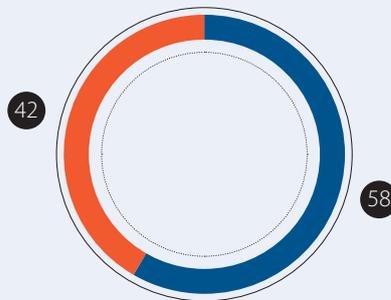
Total Assets

LKR



Current Assets Vs Current Liabilities

%



**1.04**

Earnings Per Share



**733**

Number of employees

**28,601 Mn**

Total Assets

21,630 Mn - 2024

**13,422 Mn**

Other Financial Assets

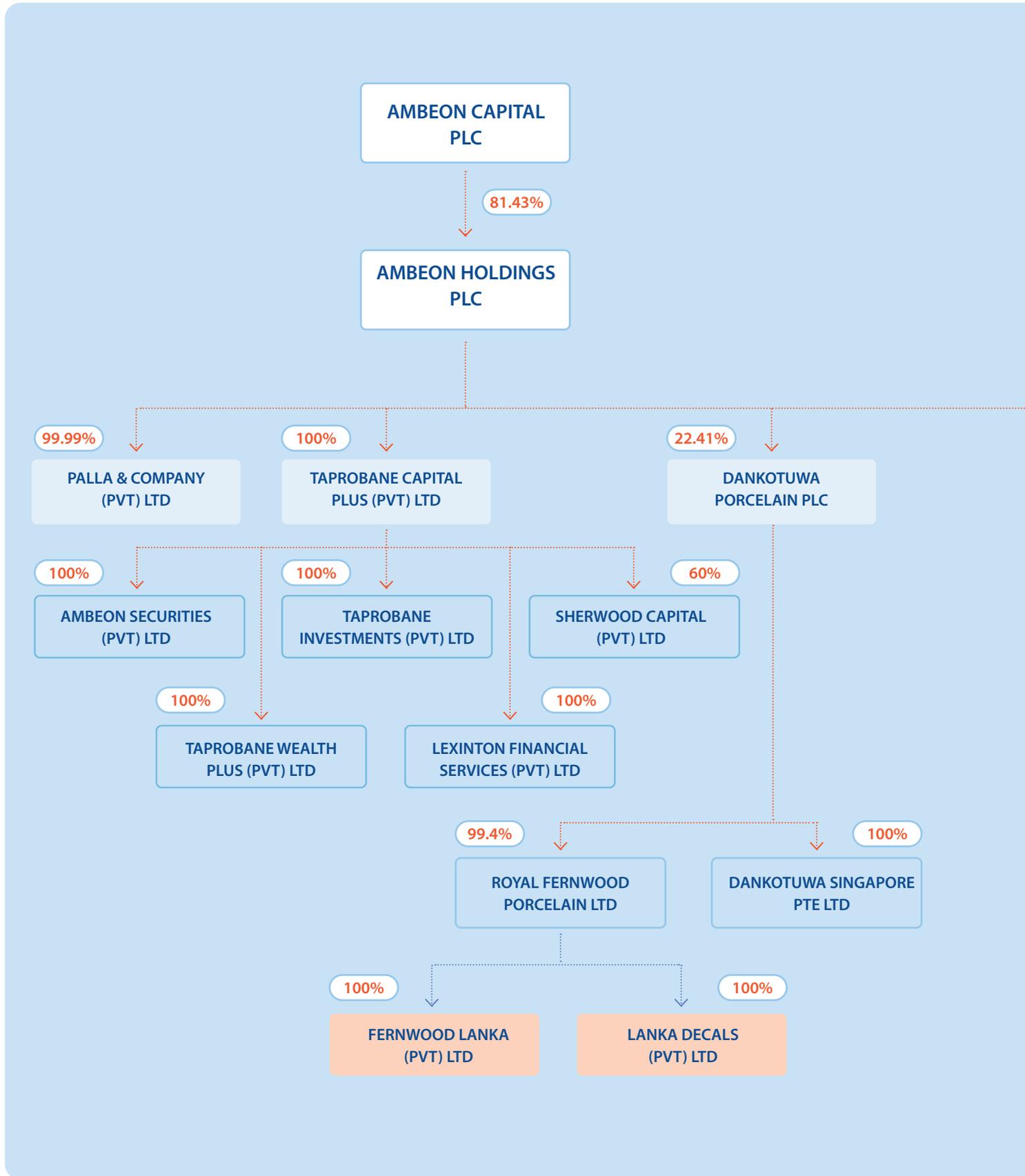
6,937 Mn - 2024

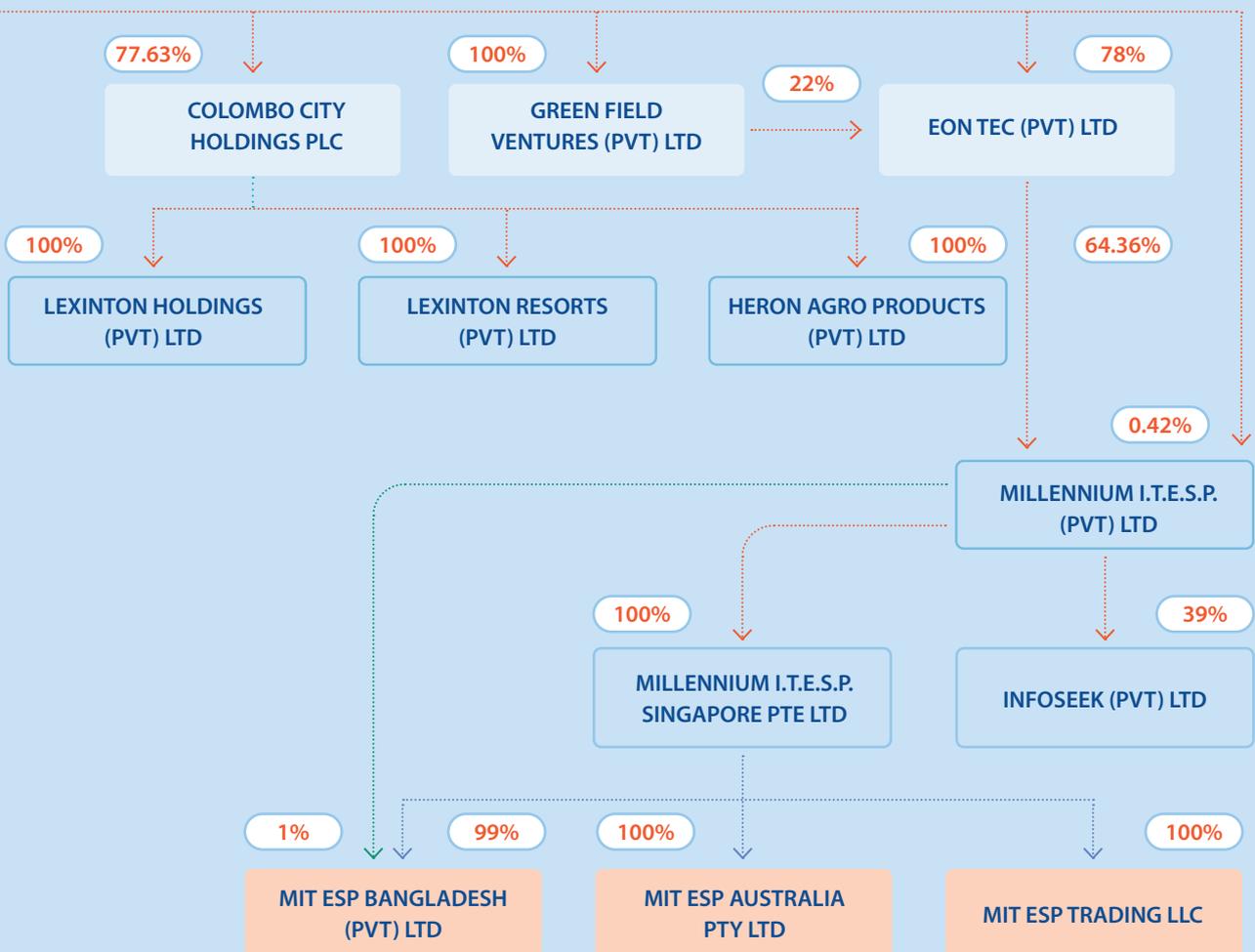
**6.37**

Net Assets Value Per Share

5.31 - 2024

# Ambeon Capital Group Structure





## Group Chairman's Reflections



Sujeewa Mudalige  
Chairman

“ Our liquidity position remained robust, a direct result of our conservative gearing strategy and proactive treasury management. We approached capital deployment with intent and restraint, balancing optionality with strategic pursuit. This philosophy is evident in our decision to divest controlling interest ”

It is with great pride that I present to you the Annual Report and audited financial statements of Ambeon Capital PLC for the financial year 2024/25. This year marked a pivotal chapter in our transformation journey, one that moved beyond consolidation towards a future shaped by innovation, prudent growth, and responsible stewardship. Today, I can proudly state that Ambeon Capital stands as a purpose-driven investment holding company, agile in execution, thoughtful in capital allocation, and grounded in values that endure the test of time. Amid a cautiously stabilising macroeconomic environment, we reinforced our commitment to delivering sustainable value for shareholders while contributing meaningfully to the communities and markets we serve.

### Macroeconomic Landscape

The Sri Lankan economy showed the first signs of cautious optimism following a prolonged period of turbulence driven by debt overhang, currency depreciation, inflationary shocks, and social unrest. The 2024/25 financial year marked a turning point. Inflationary pressures eased due to tight monetary policy and declining global commodity prices, creating space for the Central Bank to gradually lower interest rates, a shift that improved liquidity across both corporate and consumer sectors. This correction, while

measured, was instrumental in restoring confidence and enabling long-term capital planning. Sri Lanka's foreign reserves improved moderately, supported by a rebound in tourism, consistent remittances, and IMF inflows under the Extended Fund Facility. Progress on sovereign debt restructuring, though still ongoing, helped restore a degree of global investor confidence.

The political landscape also contributed to macro-stability, with a reform window made possible by the absence of imminent national elections. This policy continuity allowed businesses to shape mid-term investment strategies with greater assurance. Nevertheless, underlying structural inefficiencies, underperforming state-owned enterprises, and fiscal constraints persist. Against this backdrop, disciplined policymaking and effective governance remain essential. At Ambeon Capital, we are fully aligned with this imperative and are committed to setting the standard for responsible corporate leadership and accountability.

### Group Performance

Amid these conditions, Ambeon Capital delivered a resilient and strategically aligned performance. Beyond financial outcomes, our results reflect disciplined capital deployment, a strong balance sheet, and operational integrity. Our main subsidiary, Ambeon Holdings PLC, closed the year with a projected profit of LKR 2 billion, a significant recovery from the pandemic-era loss of LKR 2 billion in FY2020/21 and continued profitability in subsequent years (LKR 2.5 billion in FY2021/22, LKR 1.6 billion in FY2022/23 and LKR 2.8 billion in FY 2023/24). These results reflect more than operational execution as they represent our commitment to a capital allocation philosophy anchored in risk-adjusted returns.

### Our Business Strategy

Throughout the year, our liquidity position remained robust, a direct result of our conservative gearing strategy and proactive treasury management. We approached

capital deployment with intent and restraint, balancing optionality with strategic pursuit. This philosophy is evident in our decision to divest controlling interest in Dankotuwa Porcelain PLC. The move not only unlocked capital for reinvestment but preserved strategic interest in a sector where we possess deep operational expertise.

In parallel, we channeled capital into high-potential, export-aligned sectors aligned with our long-term vision. A key example is our LKR 600 million investments in the Taprobane Minerals Project, executed in partnership with UK-listed Capital Metals PLC, marking our entry into the globally scalable mineral sands industry. This initiative illustrates our pivot towards foreign currency-generating assets and future-forward industries.

We continued to follow a disciplined capital recycling model, exiting mature or fully valued assets while entering sectors with greater growth potential. Our strategy is defined by conviction, informed by rigorous due diligence, macroeconomic insight, and a commitment to risk-adjusted returns. By preserving a strong liquidity buffer and avoiding excessive leverage, we have ensured that the Group retains agility to respond swiftly to evolving market conditions.

### Portfolio Performance

FY2024/25 was a year marked by transformative execution across Ambeon Capital's core operating clusters, reflecting both strategic discipline and operational agility.

In the technology sector, MillenniumIT ESP (MIT ESP), our IT solutions arm, achieved meaningful regional expansion by extending its presence into Southeast Asia, the Middle East, and Australia. These market entries reinforced MIT ESP's strategic footprint and demonstrated its capacity to compete beyond domestic borders. Despite facing moderate margins typical of the industry, the business continued to evolve its service offerings and delivery capabilities in alignment with client expectations and regional market dynamics.

In financial services, Sherwood Capital, Ambeon Securities, and Taprobane Investments together delivered over LKR 475 million in profit. This performance was supported by robust liquidity positions, nimble execution, and a disciplined approach to market opportunities. The cluster benefitted from its ability to respond swiftly to shifts in investor sentiment and capital markets, underscoring the strength of its operational framework and its role as a key contributor to the Group's profitability.

Within real estate and diversified investments, Colombo City Holdings PLC continued to demonstrate resilience through its ownership of strategically located prime properties. The company made tangible progress in ongoing initiatives aimed at unlocking long-term value from its asset base, positioning itself to benefit from an eventual recovery in the real estate market. The focus remained on optimising asset use and pursuing development opportunities aligned with market demand and urban growth trends.

The Group Treasury operating under Ambeon holdings PLC, a critical enabler of financial stability and growth, delivered over LKR 1 billion in profit during the year. This was driven by timely investments in DFCC and Seylan Banks, coupled with prudent management of liquid assets, with a philosophy ensured that capital was deployed effectively to maximise returns.

Across all clusters, we remain committed to investing in businesses that demonstrate enduring value and resilience through economic cycles. Our approach to portfolio management is centered on building a diversified platform that balances stability with strategic agility, enabling us to capture upside potential while maintaining the strength to withstand volatility.

### Human Capital

Human capital remained a central pillar of Ambeon Capital's long-term value creation strategy. During the year, we placed strong emphasis on leadership development, digital capability building, and structured succession planning, recognising that

# Group Chairman's Reflections

talent is the key enabler of sustainable growth in a diversified investment group.

## Corporate Governance

At Ambeon Capital, corporate governance is more than a regulatory obligation. It is a cornerstone of our identity and a fundamental driver of long-term value creation. Our governance framework is founded on the pillars of independence, accountability, transparency, and ethical conduct. It reflects our unwavering commitment to uphold the highest standards of integrity across all levels of the organisation.

Across the Group, decision-making is firmly rooted in a culture of integrity; one that prioritises financial prudence, regulatory compliance, and long-term stakeholder value over short-term gain. We believe that trust is not given, but earned; through transparency, consistency, and accountability in all that we do. This belief underpins our efforts to set governance benchmarks that not only strengthen investor confidence but also elevate the broader corporate governance landscape in Sri Lanka.

Looking ahead, we remain resolute in our commitment to evolving our governance practices in line with the best global standards. As stakeholder expectations continue to rise, we will continue to enhance board effectiveness, deepen engagement, and integrate environmental, social, and governance (ESG) considerations into our decision-making frameworks. Through principled leadership and consistent execution, Ambeon Capital aims to be a model of corporate governance excellence, one that inspires confidence and delivers lasting impact.

## Roadmap for the Future

As we look beyond the current horizon, Ambeon Capital's strategic direction is anchored in a philosophy of prudent foresight, the ability to anticipate change, adapt with agility, and act with

purpose in an increasingly complex and interconnected global landscape. Our growth agenda is not driven by the allure of rapid expansion, but by a disciplined pursuit of enduring value, global relevance, and structural resilience.

We will continue to build on the strong momentum within our technology and financial services portfolios. These sectors offer not only scalability and innovation potential but also the capacity to drive long-term competitiveness in a digital-first and knowledge-driven economy. Our focus will remain on identifying high-impact opportunities within these verticals; those that deliver superior risk-adjusted returns and support the broader transformation of the industries in which we operate.

At the same time, we are advancing into real estate and natural resources with measured confidence. These sectors provide a natural hedge against macroeconomic volatility while enabling access to dollar-linked revenue streams; a critical consideration in Sri Lanka's current economic context. Our entry into the mineral sands sector through the Taprobane Minerals Project is a reflection of this approach: targeted, data-driven, and underpinned by rigorous due diligence.

We believe that the role of a modern investment holding company extends well beyond financial performance. It is about deploying capital where it can catalyse industry transformation, uplift communities, and contribute meaningfully to national economic resilience. Whether through strategic partnerships, well-timed exits from mature assets, or catalytic investments in emerging sectors, we will continue to act with clarity of vision, discipline in execution, and conviction in our long-term mandate.

At Ambeon Capital, we are shaping a future defined by sustainable value creation, operational excellence, and purpose-driven growth. Our journey ahead will be navigated not by short-term trends, but by long-term principles, ones that empower us to build resilient businesses, unlock new opportunities, and deliver impact that lasts.

## Acknowledgement

In closing, I extend my sincere appreciation to the Boards, management teams, employees, business partners and shareholders whose collective dedication, trust, and collaboration have shaped Ambeon Capital's journey to date. Your trust, collaboration and commitment remains the foundation upon which we build our progress and resilience.

As we embark on the next chapter of our journey, we do so with humility, focus, and an unwavering commitment to responsible and sustainable growth. The opportunities that lie ahead are both significant and transformative. and I am confident that, together, we will continue to navigate them with the integrity, agility, and purpose that have long defined the Ambeon ethos.

Sgd.

Sujeewa Mudalige  
Chairman

15 August 2025

# Group CEO/Executive Director's Message



Sajeeva Narangoda (Dr.)  
Group CEO/Executive Director

Dear Stakeholders,

Ambeon Capital PLC continued to progress through a pivotal phase of its transformation journey, driven by strategic clarity, operational resilience, and with a long-term growth mindset. Our evolution into a leaner, more agile investment holding company focused on high-potential sectors of the future took meaningful strides during the financial year 2024/25. It is therefore with great pride and purpose that I present this year's performance, which reflects our disciplined approach to growth, commitment to operational excellence, and readiness to navigate within an increasingly dynamic and interconnected economic landscape.

Guided by strong governance and an unwavering focus on long-term value creation, we advanced our transition from a manufacturing-centric legacy toward a dynamic and diversified portfolio, anchored in innovation, adaptability, and global relevance. Throughout the year,

we sharpened our investment thesis, rebalanced our portfolio, and reaffirmed our position as a resilient catalyst for sustainable growth within Sri Lanka's evolving economic context.

## Macroeconomic Landscape: Navigating Stabilisation with Strategic Agility

The financial year 2024/25 unfolded against the context of Sri Lanka's fragile but discernible transition from prolonged economic crisis to early-stage stabilisation. Following years of severe volatility, marked by foreign exchange shortages, inflationary spikes, sovereign debt concerns, and political upheaval, the country began charting a cautious path toward macroeconomic normalcy.

This recovery while nascent, was driven by a combination of disciplined monetary policy, favourable base effects, and a moderation in global commodity prices. Headline inflation which had reached unsustainable

levels in 2022, remained largely contained throughout the year. Concurrently, the Central Bank of Sri Lanka adopted a more accommodative stance, gradually lowering benchmark interest rates. This shift unlocked lending appetite, encouraged private sector investment, and supported capital mobilisation for corporates, all of which contributed to a more predictable operating environment.

Sri Lanka's foreign reserves registered modest improvement, buoyed by the steady recovery in tourism, resilient worker remittances, and the phased disbursement of funds under the International Monetary Fund's (IMF) Extended Fund Facility. Though deep-rooted structural reforms, including fiscal discipline, SOE restructuring, and trade liberalization remain in progress, momentum has been building. Importantly, the deferral of national elections created a rare window of political stability, affording the business community greater visibility and planning latitude for

# Group CEO/Executive Director's Message

long-term projects, particularly in capital-intensive sectors such as real estate and infrastructure.

From a capital markets standpoint, renewed investor interest in equities and fixed income instruments was evident, especially across sectors such as banking, technology, and export-oriented industries. However, caution prevailed amid continuing global headwinds, regulatory ambiguity, and geopolitical uncertainties that influenced investor sentiment and emerging market capital flows.

In this complex yet gradually improving economic setting, Ambeon Capital pursued a balanced, future-focused strategy. We adopted a dual approach: exercising prudent risk management to preserve financial resilience, while proactively deploying capital into undervalued, high-potential assets poised for recovery. Our capacity to read the macroeconomic pulse and pivot accordingly was central to our ability to both safeguard shareholder value and seize emerging opportunities.

This strategic agility anchored in strong liquidity buffers, disciplined governance, and a conservative gearing philosophy enabled us not only to withstand external pressures but to emerge stronger, more focused, and better aligned with the evolving growth contours of the Sri Lankan economy.

As Sri Lanka progresses on its path to economic revival, Ambeon Capital remains well-positioned to navigate future uncertainty, leveraging our diversified investment platform to deliver long-term value across cycles.

## Strategic Resilience and Financial Momentum

The year under review was one of measured resilience and forward momentum for the Group, reflecting a balanced approach between strategic caution and operational agility. Amid shifting macroeconomic conditions, Ambeon Capital PLC stayed firmly on course, delivering stable performance and reinforcing its position as a disciplined, future-focused investment group.

Ambeon Holdings PLC, the Group's principal operating subsidiary, advanced its growth trajectory, recording a Profit After Tax (PAT) of approximately LKR 2 billion, a significant turnaround from the LKR 2 billion loss reported in the pandemic-impacted FY2020/21. This recovery underlines sustained operational strength and governance discipline. While consolidated revenue declined from LKR 20.7 billion to LKR 17 billion, this was primarily due to the deconsolidation of Dankotuwa Porcelain PLC, now classified as an associate with a 22.1% holding.

Top-line momentum was driven by improved stability in financial services, regional expansion of our technology cluster, and robust returns from strategic investments. Our transition to a more asset-light, capital-efficient model continues to deliver results, enabling sustainable scaling without a corresponding increase in capital expenditure. The Group's net asset base expanded during the year, supported by prudent reinvestment, selective acquisitions, and timely divestitures. Liquidity was managed with precision through internal treasury operations, while conservative gearing preserved financial flexibility. Despite broader market volatility, investor confidence held steady. Ambeon Capital's market capitalisation remained resilient, reflecting continued shareholder trust and alignment with our long-term value creation agenda.

## Cluster Contributions to Sustainable Growth

During the reported financial year, Ambeon Capital PLC's diverse business clusters collectively demonstrated robust operational performance and strategic progress, reinforcing the Group's position as a well-balanced and future-ready investment platform.

MillenniumIT ESP (MIT ESP), our largest revenue contributor, successfully expanded its regional footprint across Southeast Asia, the Middle East, and Australia. Although its profit margins remain narrower compared to our financial services segments, MIT ESP's strategic importance continues to

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.

rise as it scales operations and enhances its technological capabilities. This expansion not only diversifies our revenue streams but also positions MIT ESP as a key player in the rapidly evolving global technology landscape.

The financial services cluster Taprobane Capital Plus which includes Sherwood Capital, Ambeon Securities, and Taprobane Investments, collectively generated over LKR 475 million in profit. These entities benefited from strong liquidity positions and agile, efficient operating models, reinforcing their role as consistent and reliable contributors to the Group's earnings. This solid performance reflects both prudent risk management and a disciplined approach to capital deployment.

Our real estate and diversified investments arm, Colombo City Holdings PLC (CCH), sustained its momentum by managing a vibrant and diversified asset base. This portfolio encompasses prime beachfront properties in Kosgoda, strategically located land parcels near Sigiriya and Pidurangala, a teak estate in Embilipitiya, and a significant equity stake in DFCC Bank. These varied holdings provide CCH with substantial long-term optionality, asset diversification, and growth potential in Sri Lanka's evolving economic environment.

Group Treasury, responsible for managing and reinvesting liquid assets, contributed more than LKR 1 billion in profits during

the year. Its success was driven by strategic investments in listed banks, fixed-income securities, and dividend-yielding assets, which have collectively delivered steady income and capital appreciation. Together, these clusters reflect Ambeon Capital's balanced portfolio approach, combining growth-oriented technology ventures, resilient financial services, diversified real estate, and prudent treasury management to ensure sustainable and diversified income streams across market cycles.

### Building Future-Ready Capabilities through Strategic Action

The financial year under review was marked by decisive strategic execution at Ambeon Capital PLC, highlighting our commitment to growth, resilience, and long-term value creation. A key highlight was our LKR 600 million investment in the Taprobane Minerals Project in partnership with Capital Metals PLC, a landmark entry into the mining sector that positions us within a globally integrated, export-oriented industry and lays the foundation for sustainable, resource-based earnings. Simultaneously, our Group Treasury delivered strong results through strategic investments in financial institutions. We acquired a 9% stake in DFCC Bank for LKR 3.3 billion and a 7.63% stake in Seylan Bank, reinforcing our deliberate expansion within the financial services sector.

Beyond capital deployment, we focused on building capabilities to support scalable growth. MillenniumIT ESP (MIT ESP), strengthened global delivery through targeted talent acquisition. Our financial services entities, Sherwood Capital and Ambeon Securities invested in multi-generational leadership development to foster innovation and ensure continuity.

Operational efficiency and digital transformation were key enablers across the Group. By enhancing digital capabilities and data-driven decision-making, we improved agility, customer engagement, and readiness to adapt to evolving markets. We also executed timely, value-accretive investments, enabling disciplined balance sheet management and strategic redeployment

of capital into high-impact opportunities. This has significantly enhanced our financial flexibility in navigating a complex economic environment.

### The Road Ahead

Progressing forward, Ambeon Capital remains focused on driving sustainable growth and creating long-term value for all stakeholders. In an increasingly complex and fast-evolving global landscape, our strategy will be anchored in agility, innovation, and operational discipline. We will continue to diversify with intent, leveraging technologies such as data analytics, automation, and smart solutions to boost productivity, scalability, and informed decision-making.

Sustainability will remain integral to our approach. We are committed to embedding strong ESG principles across our operations to ensure growth that is both financially sound and socially responsible, delivering meaningful impact to communities and safeguarding the environment.

We also recognise that our people are central to our progress. By investing in talent, nurturing an inclusive and high-performance culture, and promoting continuous learning, we aim to build a resilient, future-ready organisation. Strategic partnerships and cross-border collaborations will further enhance our capabilities, expand our market presence, and unlock new growth avenues. Ultimately, our ambition is to build Ambeon Capital into a dynamic, diversified investment platform, resilient across cycles, relevant across sectors, and responsible in its impact both locally and globally.

### Acknowledgement

I would like to extend my heartfelt appreciation to the respective Boards and Senior Management Teams across Ambeon Capital, Ambeon Holdings, and all our subsidiaries. Your unwavering vision, dedication, and integrity have been instrumental in navigating a complex economic landscape and driving the Group's transformation and growth. The

collective expertise and commitment demonstrated throughout the year have truly strengthened our foundation and positioned us for future success.

To our valued business partners and shareholders, I offer sincere thanks for your continued trust and confidence. Your steadfast support is the cornerstone of our progress and fuels our ambition to deliver sustained value. We recognise the responsibility this places upon us, and we remain dedicated to upholding the highest standards of transparency, governance, and performance in every aspect of our operations.

As we move forward, evolving into a more agile, innovative, and future-ready organisation, we reaffirm our commitment to delivering value with purpose, balancing financial performance with social and environmental responsibility. Together, we look forward to building a resilient and dynamic Ambeon Capital that creates lasting benefits for all our stakeholders.

Sgd.

Sajeeva Narangoda (Dr.)  
Group CEO/Executive Director

15 August 2025

## Board Of Directors



**Mr. Sujeewa Mudalige**

Chairman/Independent Non-Executive Director

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

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

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

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

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



**Dr. Sajeeva Narangoda**

Group CEO/Executive Director

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

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

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



**Mr. Savanth Sebastian**

Independent Non-Executive Director

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

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

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

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

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



**Mr. Samresh Kumar**

Independent Non-Executive Director

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

# Board Of Directors



Mr. Ching Tak (Jacky) Tsoi

Independent Non-Executive Director



Mr. Ruwan Sugathadasa

Non Independent Non-Executive Director

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

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

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

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

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

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

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



**Mr. Duminda Weerasekare**

Independent Non-Executive Director



**Mr. Ravi Goonetilleke**

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

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

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

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

# Management Discussion and Analysis

## Global Economic Overview

The global economy in 2024 experienced a tentative recovery from the disruptions of the COVID-19 pandemic and the inflationary shocks that defined 2021–2023. The International Monetary Fund (IMF) estimated global GDP growth at approximately 3.2%, reflecting a modest rebound with uneven outcomes across regions and income levels.

Advanced economies, including the United States, the Euro Area, the United Kingdom and Japan, navigated a challenging policy landscape characterised by high interest rates, tight labour markets and persistent core inflation. Although headline inflation declined due to easing energy prices and improved global supply chains, services inflation remained sticky, prompting central banks to maintain elevated policy rates. The U.S. Federal Reserve held interest rates above 5% for much of the year, reflecting its cautious stance amid wage growth and labour tightness. The European Central Bank and the Bank of England adopted similar postures, contributing to a globally synchronized monetary tightening environment.

Emerging market economies (EMEs) faced a dual burden of high external financing costs and weak global trade growth. While large EMEs such as India and Brazil posted resilient performance; India grew at an estimated 6.3% due to strong domestic demand and others like Argentina, Turkey and Egypt struggled with capital outflows, inflationary pressures, and currency volatility.

China, the world's second-largest economy, posted a disappointing recovery despite significant state stimulus. Growth slowed to under 5% as consumer confidence remained fragile, youth unemployment soared and the real estate sector continued to deleverage. This underperformance had ripple effects across Asia, particularly for export-reliant economies.

Global trade volumes expanded at a subdued rate (~2.6%) as supply chain reconfigurations, geopolitical

# 14.2%

Total deposits in the banking system grew by 14.2% year-on-year, a considerable acceleration compared to 2022–2023 when macroeconomic uncertainty and negative real interest rates prompted capital flight and cash hoarding. Deposit mobilisation was especially strong in urban and peri-urban areas, where financial literacy and access to formal banking remained high

fragmentation and localised protectionist policies reshaped global commerce. The WTO noted an uptick in 'friend-shoring' and trade realignments around strategic sectors like semiconductors, rare earths, and green technologies. Commodities and energy markets remained volatile due to the ongoing Russia-Ukraine war and OPEC+ production decisions. Brent crude oil prices averaged USD 84 per barrel, while food commodity prices stabilised compared to 2022 peaks but remained elevated for import-dependent nations.

## Economic Overview of Sri Lanka

The year 2024 marked a pivotal period in Sri Lanka's post-crisis recovery. After enduring a severe balance-of-payments crisis in 2022 and modest stabilisation efforts in 2023, the economy rebounded with real GDP growth reaching 5.0%. This performance, while impressive in aggregate terms, masks a complex interplay of macroeconomic stabilisation policies, global tailwinds and lingering structural weaknesses. The recovery was underpinned by four core drivers: restored macroeconomic stability through fiscal and monetary tightening; the gradual normalisation of domestic consumption and investment; robust performance in the tourism and ICT sectors;

and supportive external financing from multilateral institutions.

## GDP Growth

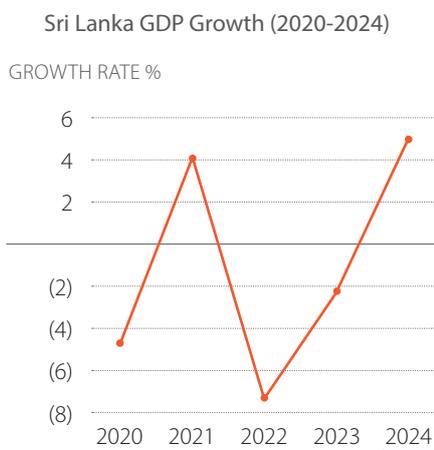
Sri Lanka's real GDP growth of 5.0% in 2024 marked a significant rebound from the economic contractions experienced in 2022 and the fragile stabilisation of 2023. This recovery was the result of deliberate macroeconomic management, a gradually improving global environment, and internal sectoral dynamics that began to normalise after years of volatility.

The broad-based nature of the recovery in 2024 was a notable feature.

- Agriculture, which had faced climate-related setbacks and fertiliser shortages in previous years, grew by 3.2%. This growth was driven by increased fertiliser availability through government programs and multilateral assistance, as well as favorable weather that supported paddy and tea yields.
- Industry expanded by 6.7%, driven particularly by growth in construction and export-oriented manufacturing. The stabilisation of raw material imports due to improved foreign exchange availability and easing supply chain disruptions allowed



Figure 1: Real GDP Growth



Source: Central Bank of Sri Lanka, Annual Report 2024.

manufacturers to meet backlogged export orders and invest in process modernisation.

- Services, the largest contributor to GDP, rose by 5.6%. Transport and logistics rebounded sharply as global and regional trade volumes recovered. The tourism industry, after its decimation in 2020–2022, emerged as a key growth engine, with hospitality, recreation, and food services seeing double-digit expansion.

### Inflation and Price Stability

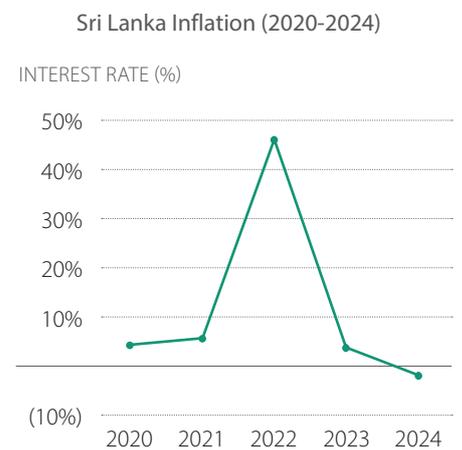
The trajectory of inflation in Sri Lanka during 2024 was marked by a profound transformation from crisis-era hyperinflation to unexpected deflation. This reversal was among the most significant macroeconomic developments of the year, signaling a turning point in the country's stabilisation process while simultaneously surfacing new policy dilemmas. The Colombo Consumer Price Index (CCPI) averaged just 1.2% in 2024, with a year-end rate of -1.7%. The National Consumer Price Index (NCPI) mirrored this trend, averaging 2.1% and ending the year at -2.0%. Compared to the peak inflation of over 70% recorded in mid-2022, these figures represent a dramatic policy achievement in nominal stabilization.

### External Sector and Balance of Payments

The current account swung into a modest surplus in 2024, aided by a strong performance in services exports, a reduction in merchandise imports and a continued rise in remittances. Gross official reserves increased to USD 6.3 billion, providing 3.9 months of import cover. The rupee remained stable against the US dollar, supported by improved capital inflows

and cautious forex market interventions by the CBSL. Exchange rate predictability benefitted businesses and consumers alike, reducing speculative behaviors and inflation pass-through.

Figure 2: Annual Average Inflation



Source: Central Bank of Sri Lanka, Annual Report 2024.

### Financial Sector and Banking Stability

The financial sector saw renewed stability and resilience. Non-performing loan (NPL) ratios declined across commercial banks, while capital adequacy and profitability indicators improved. The Central Bank continued supervisory reforms and

# Management Discussion and Analysis

digitalisation efforts aimed at enhancing governance and consumer protection. Credit to the private sector began to pick up, particularly among export-oriented industries and real estate. However, credit to SMEs remained tepid due to collateral constraints and risk-averse lending practices. Fintech penetration deepened, yet regulatory frameworks lagged behind technological adoption.

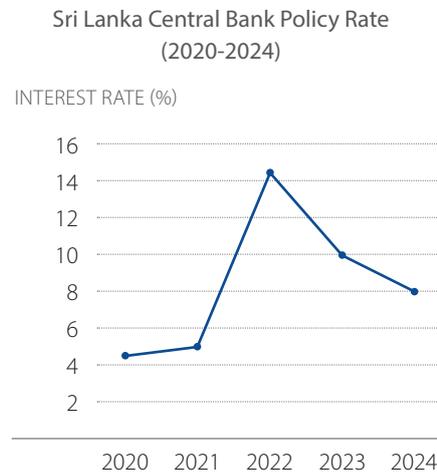
## Policy Response

CBSL began cautiously easing monetary policy from Q2 2024 onward, reducing policy rates in phases while monitoring inflation expectations, emphasising a data-dependent approach, wary of reversing disinflation gains or prematurely loosening conditions. In addition, deflation signaled that the output gap remained wide and that aggregate demand recovery was still incomplete. The CBSL, therefore, faces the dual challenge of ensuring price stability while nurturing demand. Looking ahead, inflation is projected to rise modestly and normalize within the central bank's 4–6% target band, supported by gradual recovery in demand; higher global commodity prices; easing of monetary policy and base effect reversal.

## Investment and Consumption Dynamics

Private investment showed signs of recovery, particularly in real estate, export-oriented manufacturing, and renewable energy. The Central Bank's easing of policy rates mid-year, alongside improved access to external finance, allowed businesses to resume postponed capital projects. Private consumption rose cautiously, bolstered by declining inflation, relative currency stability, and modest improvements in disposable incomes. However, the consumer spending recovery remained skewed toward higher-income brackets, with middle- and lower-income households continuing to prioritize savings and

Figure 3: Central Bank Policy Rates



Source: Central Bank of Sri Lanka, Annual Report 2024.

essential expenditures. Public investment remained constrained by the ongoing fiscal consolidation. Infrastructure projects progressed mainly under externally funded arrangements or public-private partnerships (PPPs), such as roads, energy, and port-related developments.

## Deposits & Savings Rates

In 2024, Sri Lanka's deposit and savings environment reflected both the normalization of monetary conditions and the behavioral legacies of economic crisis. The substantial shifts in interest rates, inflation, and household sentiment produced a dynamic deposit landscape that has implications for liquidity, financial inclusion, and savings mobilization.

Total deposits in the banking system grew by 14.2% year-on-year, a considerable acceleration compared to 2022–2023 when macroeconomic uncertainty and negative real interest rates prompted capital flight and cash hoarding. Deposit mobilisation was especially strong in urban and peri-urban areas, where financial literacy and access to formal banking remained high. However, rural deposits remained below potential due to limited banking penetration and lingering informal sector reliance.

## Interest Rates & Monetary Policy

Monetary policy in Sri Lanka during 2024 underwent a pivotal shift from aggressive stabilization to cautious accommodation. This shift reflected the success of prior tightening measures in curbing inflation and stabilising the exchange rate, while also recognising the need to support growth and credit expansion in a fragile recovery environment. At the beginning of 2024, the Central Bank of Sri Lanka (CBSL) maintained the Standing Deposit Facility Rate (SDFR) at 11.00% and the Standing Lending Facility Rate (SLFR) at 12.00%, reflecting a continuation of tight monetary conditions. However, with inflation falling faster than anticipated and growth gaining momentum, the CBSL reduced policy rates in phases. In April 2024, SDFR and SLFR were cut by 150 basis points each. A further 100 basis point reduction occurred in August 2024, bringing the SDFR to 8.50% and SLFR to 9.50%. These reductions marked a deliberate transition toward a pro-growth stance, while signaling continued commitment to monetary discipline. Policy communication remained consistent, helping anchor inflation expectations and reassure markets.

## Market Rates

Policy rate cuts gradually filtered through to market rates. Treasury bill yields declined by 200–300 basis points across tenors. Commercial lending rates fell from an average of 18% in 2023 to 13–14% by year-end. Mortgage and SME loan rates also eased, improving affordability and credit demand. However, the pass-through of monetary easing was not uniform. Smaller banks and non-bank financial institutions (NBFIs) were slower to reduce lending rates due to funding cost stickiness and risk aversion. Credit growth, while positive, remained below pre-crisis levels.

## Export Sector Performance

Sri Lanka's export sector in 2024 showed modest but strategic recovery, reflecting both the resilience of key industries and the continuing constraints posed by a volatile global trade environment.

Total exports reached USD 14.9 billion, reflecting a 5.7% year-on-year increase. This performance, though not spectacular in historical terms, marked a crucial inflection point following three years of disruptions caused by economic crisis, COVID-19, and global supply chain volatility. Textiles and Apparel remained Sri Lanka's largest export earner, accounting for over USD 5.5 billion in revenue. Orders from the EU and U.S. markets rebounded as global retail inventories normalised. Local manufacturers also benefitted from enhanced value-chain efficiencies and backward integration efforts. However, price competition from South Asian peers like Bangladesh and Vietnam continued to exert pressure on margins. Tea exports increased by 6.2% owing to improved rainfall patterns and favorable prices in traditional markets such as Russia and the Middle East. The sector also benefitted from renewed state support for marketing and certification. Rubber and coconut-based exports grew marginally but faced constraints due to aging plantations and labor shortages. ICT and Business Process Outsourcing (BPO) was a standout performer in terms of growth rate was the ICT sector. Export earnings from IT services and BPO crossed USD 1.9 billion, a record high. The sector gained momentum from currency stability, improved bandwidth infrastructure and a relatively skilled urban workforce. Several start-ups entered global markets through digital platforms, contributing to service export diversification.

While traditional markets such as the United States, the United Kingdom, Germany, and India remained dominant, Sri Lanka sought to expand into new regions as strategic efforts were made to penetrate ASEAN markets, particularly Malaysia and Indonesia. Trade diplomacy focused on finalizing bilateral deals with the UAE and China. Exporters expressed growing interest in East Africa and Central Asia as under-tapped destinations.

### IMF Restructuring Developments

Sri Lanka's debt restructuring in 2024 marked one of the defining achievements

of its post-crisis recovery. The country completed the second and third reviews of its IMF Extended Fund Facility (EFF), unlocking about US \$670 million in IMF disbursements across the year (MarketScreener, IMF). In mid-2024, agreement-in-principle was reached with bilateral creditors, including the Paris Club, China's EXIM Bank, India and Japan to restructure approximately US \$10 billion of debt, extending maturities and lowering interest rates (Reuters). A pivotal milestone was the launch of a bond swap in November 2024, part of a broader USD 12.5 billion external debt restructuring package. By July 2025, IMF's fourth EFF review was completed, with USD 350 million disbursed, and the restructuring process was largely finalised (IMF).

### Capital Markets

Sri Lanka's capital markets witnessed a notable recovery in 2024, supported by improving macroeconomic stability and renewed investor confidence. The Colombo Stock Exchange's All Share Price Index (ASPI) advanced by 18.2%, reflecting a resurgence in equity investments, particularly in banking, consumer and export-oriented sectors. Market capitalisation rose to LKR 4.5 trillion, while declining government bond yields by 200-300 basis points boosted bond trading volumes and secondary market liquidity. Foreign institutional investors began re-entering the market, especially in blue-chip equities, though foreign participation remains below regional averages. However, structural challenges persist. Market liquidity is limited, derivatives trading is underdeveloped, and retail investor activity remains concentrated in urban areas. Regulatory improvements are underway, including enhanced investor protection and expanded ESG disclosures.

### Tourism Sector Performance

Tourism reasserted itself as a key pillar of Sri Lanka's economic rebound in 2024, acting as a major catalyst for the services sector's revival. The industry recorded its strongest post-pandemic performance, with tourist

arrivals rising to approximately 2.2 million, an 85% year-on-year increase, while tourism receipts surged to US\$ 4.1 billion, the highest level since 2018 (Sources: Wikipedia, Reuters).

The rebound was primarily driven by strong inflows from traditional source markets including India, Russia, the United Kingdom and several countries in the Middle East. Targeted infrastructure development such as expanded air connectivity, the introduction of digital visa processing systems and renewed global marketing efforts contributed significantly to enhancing Sri Lanka's competitiveness as a destination. The sector also showed notable diversification. Growth in wellness tourism, nature-based experiences and heritage-focused travel created new revenue streams. Small and medium-scale operators benefited through greater integration into local tourism value chains, fostering more inclusive economic development.

### Future Outlook - The Road to Recovery

The economic recovery witnessed in 2024 offers a foundation for sustained growth, but the outlook remains dependent on a delicate balancing act between growth, debt sustainability, and structural reform. The CBSL and multilateral institutions project GDP growth in the range of 4–5% for 2025, conditional on policy continuity and global stability. Growth is expected to be driven by continued recovery in tourism, which may surpass pre-pandemic arrivals with improved infrastructure and marketing; expansion of ICT and BPO exports; infrastructure investments under PPP models and rebound in domestic demand as credit conditions ease. With inflation well below the target range, CBSL is expected to continue its easing bias in the short term. On the fiscal side, continued adherence to the IMF program is essential.

### Operational Performance Review: Sustained Resilience and Strategic Growth

The financial year 2024/25 was marked by a resilient and strategically disciplined

# Management Discussion and Analysis

The Group's financial position was further boosted during the year, with total assets rising

**LKR. 28,600 Mn** 

**TOTAL ASSETS RISING**

performance by Ambeon Capital PLC, navigating persistent global and domestic challenges with prudent capital management and a clear focus on long-term value creation.

## Consolidated Financial Performance

The Group recorded consolidated revenue of LKR 17,302 million, reflecting a modest yet positive increase of 2% compared to LKR 16,965 million in the previous year. This growth was primarily driven by robust contributions from the Information Technology services and Financial Services segments, underscoring the Group's diversified revenue streams. Despite this revenue growth, the consolidated Profit After Tax (PAT) declined to LKR 1,592 million from LKR 2,367 million in the prior year. This reduction is largely attributable to the absence of one-off divestment gains that boosted the previous year's earnings.

As a standalone entity, Ambeon Capital PLC delivered a strong PAT of LKR 716 million, more than doubling from LKR 271 million the year before. This improvement highlights the Company's successful capital allocation strategy and disciplined investment approach, reinforcing its position as a prudent steward of shareholder value.

## Strengthening Financial Position

The Group's financial position was further boosted during the year, with total assets rising to LKR 28,601 million from LKR 21,630 million. This expansion was largely driven by increased equity investments in the banking sector, reflecting a strategic focus on sectors with attractive fundamentals and growth potential. Correspondingly, total equity improved to LKR 10,339 million,

up from LKR 9,382 million. Net Asset Value (NAV) per share increased to LKR 6.37 from LKR 5.31, indicating enhanced intrinsic value for shareholders, while Earnings Per Share (EPS) stood at LKR 1.04 compared to LKR 1.61 in the prior year, impacted by the non-recurrence of one-off gains.

## Ambeon Holdings PLC: Robust Diversification and Strategic Growth Drive

Ambeon Holdings PLC, the principal business subsidiary of Ambeon Capital PLC and the Group's strategic operating arm, delivered a resilient performance in FY2024/25, despite evolving market dynamics. Supported by disciplined capital management, sectoral diversification, and a balanced risk profile, the Group continued to unlock value across its portfolio, ensuring momentum and sustained shareholder value.

During the year under review, Ambeon Holdings maintained its diversified presence across financial services, information technology, real estate and diversified investments via Colombo City Holdings PLC, strategic investments through the Group Treasury, and porcelain tableware manufacturing. This broad-based exposure enabled the Group to reallocate capital toward higher-return opportunities, reinforcing portfolio strength and enhancing returns.

At a consolidated level, Ambeon Holdings PLC reported revenue of LKR 17,529 million, reflecting a modest 2% growth from LKR 17,154 million in the previous year. This was driven primarily by contributions from the Financial Services and Technology clusters, along with income generated by Group Treasury's strategic investments. Group

Profit After Tax (PAT) stood at LKR 2025 million, slightly lower than the previous year due to the absence of one-off gains such as the strategic divestment of Dankotuwa Porcelain in FY2023/24.

On a standalone basis, the Company recorded revenue of LKR 820 million, down from LKR 854 million, mainly due to a reduction in interest income amid declining market rates. However, PAT grew by 36% year-on-year to LKR 1,352 million, underscoring the Company's resilient business model, underpinned by consistent dividend income, strategic investment performance, and prudent financial discipline.

The Group's centralised Treasury division played a key role in managing liquidity, intercompany funding, and the deployment of surplus capital into income-generating avenues. Operating with a conservative risk approach, the Treasury delivered notable returns and continued to support Group-wide financial stability and growth.

Ambeon Holdings' financial position strengthened significantly during the year. Total assets rose to LKR 30,788 million from LKR 23,545 million, largely driven by investment portfolio growth and increased assets within the Financial Services cluster. Total liabilities increased to LKR 16,620 million, compared to LKR 10,754 million in the prior year, reflecting strategic borrowings to fund expansion and working capital requirements. Equity rose to LKR 14,168 million, supported by retained earnings and sound investment performance.

Net Asset Value (NAV) per share improved to LKR 35.49, up from LKR 30.37 in the previous year, highlighting the Group's continued value creation for shareholders. Earnings Per Share (EPS) was reported at LKR 5.08, lower than the previous year's LKR 7.51, primarily due to exceptional one-off gains recorded in FY2023/24.

With a strong balance sheet, robust liquidity position, and disciplined capital allocation, Ambeon Holdings PLC is well-positioned to capitalise on emerging opportunities.

The Group remains focused on enhancing operational resilience, accelerating digital integration, and expanding strategically aligned investments, delivering consistent value across market cycles.

### Technology Cluster: MillenniumIT ESP (Private) Limited

#### Macroeconomic and Industry Landscape

During the financial year 2024/25, the global IT services sector encountered headwinds from cautious capital spending, notably within telecommunications, a core market for MillenniumIT ESP. Domestically, Sri Lanka's economic recovery spurred renewed interest in public digital initiatives, while export markets across Asia and the Middle East presented growth potential. However, subdued activity in key local sectors like government and telecoms created a highly competitive environment.

Sri Lanka's ICT industry remains a vital contributor to the economy, generating approximately USD 1.5 billion in foreign exchange and employing around 175,000 skilled professionals. The IT and BPO sector continued as a key services export driver, with foreign exchange inflows from IT/BPO-related services reaching USD 800 million in 2024, supporting the country's services account surplus.

#### Company Background and Strategic Positioning

With over 25 years of experience, MillenniumIT ESP has established itself as a pioneer in Sri Lanka's IT landscape and a leading provider of enterprise solutions. Since joining the Ambeon Holdings portfolio in 2017, it has accelerated growth and expanded its international footprint across South Asia, Southeast Asia, and the Middle East. The company offers a broad portfolio of services including IT infrastructure, cybersecurity, managed services, smart building solutions, and enterprise applications, leveraging partnerships with global technology

Since joining the Ambeon Holdings portfolio in 2017, it has accelerated growth and expanded its international footprint across South Asia, Southeast Asia, and the Middle East.

leaders such as Cisco, Oracle, Microsoft, Huawei, and Salesforce.

MillenniumIT ESP's technological expertise spans core computing, networking, data management, cybersecurity, cloud computing, IoT, and data engineering, enabling delivery of transformative, industry-specific digital solutions. Its robust service delivery model ensures operational excellence through remote and on-site management of infrastructure, applications, security, and DevOps environments.

#### Business Operations and Market Expansion

The Company strategically expanded its domestic footprint alongside consolidating its international operations via subsidiaries in Singapore, Bangladesh, and Dubai. Recurring revenue streams from annual maintenance and managed services contracts remained strong, supported by a contract renewal rate exceeding 90%. The channel partner network grew significantly across the Middle East, ASEAN, and SAARC regions, enhancing market penetration and scalability.

MillenniumIT ESP secured several high-value contracts, including infrastructure and digital consulting projects with a leading international port operator and a major local gaming group. Domestically, it contributed to national digitization projects such as the school subsidy disbursement platform and the IDAT agricultural transformation initiative, reinforcing its commitment to Sri Lanka's digital advancement.

#### Financial Performance

In FY2024/25, MillenniumIT ESP delivered robust revenue growth of 18%, reaching LKR 15,644 million (USD 52 million), surpassing the USD 50 million revenue milestone for the first time. Despite revenue gains, profitability was modest, with a Profit After Tax (PAT) of LKR 109 million compared to LKR 36 million the previous year. Profitability pressures arose from intense competition, pricing challenges, collection delays, and operational inefficiencies.

Total assets stood at LKR 11,527 million, liabilities at LKR 9,904 million, and equity at LKR 1,623 million as of March 31, 2025. Revenue from telecommunications and BFSI sectors underperformed, partially offset by strong growth in commercial, manufacturing, and government verticals.

#### Way Forward

MillenniumIT ESP continues to place strategic emphasis on talent development, employee engagement, and organisational productivity. Over the past year, the company made significant investments in training, professional certifications, and employee wellness initiatives, efforts that contributed to its recognition as Sri Lanka's Most Awarded Technology Brand by LMD.

Looking ahead, the focus will be on scaling international operations across key markets, including Australia, ASEAN, and the Middle East. The company aims to further strengthen its channel partner ecosystem and accelerate the deployment of AI-enabled platforms such as Summit AI to enhance operational efficiency and client service delivery. Sustained investment

# Management Discussion and Analysis

in future-ready talent and alignment with national digital transformation goals will remain integral to MillenniumIT ESP's long-term growth strategy.

## Financial Services Cluster: Taprobane Capital Plus (Pvt) Ltd Macroeconomic and Industry Landscape

The financial year 2024/25 unfolded in a relatively stable macroeconomic environment in Sri Lanka, following the volatility of the previous year. The Central Bank maintained steady policy rates, while inflation trended downward, and the country made progress in sovereign debt restructuring. These developments, coupled with improved foreign exchange reserves and increased market liquidity, created a more predictable investment climate. However, investor sentiment remained cautiously optimistic due to lingering concerns around public debt and reform momentum.

The capital markets reflected this improving outlook. The All-Share Price Index (ASPI) rose by 39% year-on-year, supported by renewed interest from both domestic and foreign investors. Meanwhile, yields on government securities declined across all maturities—Treasury Bill yields fell between 4.0% and 5.9%, and Treasury Bond yields eased by approximately 1.0% to 4.0%. Liquidity in the domestic money market shifted from a deficit in 2023 to a surplus of approximately LKR 168 billion by the end of 2024, boosting credit availability across the financial system.

### Cluster Overview

The Financial Services Cluster is a core pillar of Ambeon Holdings PLC, represented by Taprobane Capital Plus (Private) Limited and its subsidiaries: Sherwood Capital (Pvt) Ltd, Ambeon Securities (Pvt) Ltd, and Taprobane Investments (Pvt) Ltd. Together, they offer a wide range of specialised financial services, including money broking, stockbroking, and fixed-income securities management, serving institutional and retail clients across Sri Lanka.

The strategic consolidation of Sherwood Capital under Taprobane Capital Plus in 2023 delivered operational efficiencies, cost synergies, and enhanced capital deployment. This integration positioned the cluster to better serve evolving client needs, expand service offerings, and deepen its footprint in the capital markets.

### Business Performance, Taprobane Investments

As the Group's money broking arm, Taprobane Investments continued its leadership in the government securities and foreign exchange markets. The company achieved a robust 46% year-on-year revenue growth, driven primarily by core brokerage operations. Treasury Bill and Bond transactions accounted for 72% of total revenue, while additional income was generated through call money, repo agreements, and foreign exchange dealings. Taprobane recorded a net profit of approximately LKR 71 million, reflecting its diversified income streams and strong execution capabilities. Strategic management of surplus liquidity also contributed LKR 10 million in other income.

### Ambeon Securities

Ambeon Securities delivered a solid operational and financial performance, benefiting from a recovering equity market and improved investor sentiment. The company reported a Profit After Tax (PAT) of LKR 129 million, supported by consistent brokerage commissions and income from client lending. Total T+2 debtors stood at LKR 335 million with no provisioning required, demonstrating disciplined credit risk management. Additional income of LKR 72.5 million, of which LKR 37.6 million was derived from client lending, boosted profitability. The company's strong research foundation, client-focused strategy, and technology-enabled platforms allowed it to retain a loyal client base and expand among emerging retail investors.

### Sherwood Capital

Sherwood Capital emerged as the cluster's leading contributor, delivering a PAT of approximately LKR 272 million. While the flatter yield curve in 2024/25 limited opportunities for capital gains compared to the prior year's interest rate-driven windfall, Sherwood leveraged its market insight and agile strategies to generate consistent returns. At year-end, the company reported an unrealised fair value gain of LKR 120 million, mainly from government securities. Realised equity gains of LKR 37 million also contributed to the bottom line. The company held LKR 2.2 billion in trading assets, primarily government securities, alongside a quoted equity portfolio of LKR 151 million and reverse repo liabilities of LKR 968 million. The asset base remains well-diversified and positioned to benefit from future interest rate adjustments.

### Way Forward

The Financial Services Cluster will continue to play a pivotal role in Ambeon's diversified investment strategy, focusing on deepening market presence, expanding regional reach, and accelerating digital innovation. With strong liquidity positions and a disciplined investment philosophy, companies within the cluster are well-positioned to capitalise on market-driven opportunities in M&A, structured products, and treasury operations.

In FY 2025/26, strategic priorities include the rollout of digital investment platforms, broader access to financial products for retail and regional clients, and enhanced customer-centric services powered by data-driven insights. Emphasis will be placed on operational excellence, prudent capital allocation, and proactive risk management to ensure resilience and long-term value creation.

Through innovation, agility, and strategic partnerships, the cluster aims to reinforce its position as a stable, forward-looking contributor to the Group's evolving investment ecosystem.

## Real Estate & Diversified Investments: Colombo City Holdings PLC

### Macroeconomic and Industry Landscape

The financial year 2024/25 saw Sri Lanka's macroeconomic environment improve significantly, with declining interest rates, enhanced liquidity, and a recovering tourism sector. These trends boosted sentiment in the real estate industry, particularly in hospitality-linked segments. Amidst this landscape, Colombo City Holdings PLC (CCH), a publicly listed entity and the diversified investment arm of Ambeon Capital, continued to consolidate its position in high-potential real estate and liquid financial instruments.

### Cluster Overview

Colombo City Holdings (CCH) continues to execute a disciplined dual-track strategy. On one front, the Group actively manages a portfolio of prime real estate assets, while on the other, it sustains steady income through investments in low-risk, high-yield financial instruments. Its subsidiaries, including Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, and Heron Agro (Pvt) Ltd further diversify exposure across leisure, agriculture, and lifestyle-oriented real estate sectors.

The Group's real estate strategy centers on unlocking value from high-potential landholdings through selective development, strategic partnerships, and long-term stewardship.

A flagship asset is the eight-acre Kosgoda beachfront property near Weligama, earmarked for a wellness and lifestyle-focused development. Preliminary joint venture discussions and land consolidation efforts are progressing to enhance the project's scale and viability. The 73-acre Agunakolapalassa estate in Hambantota features a mature timber plantation that generates income, with added potential for eco-tourism or sustainable mixed-use development.

In Colombo 08, the Gothami Road commercial property, a six-storey building on 17.5 perches continues to provide stable rental income and capital appreciation, supported by its prime location and functional design. Near Sigiriya, the Group holds a strategically located land parcel under evaluation for a boutique eco-resort or wellness retreat, aligning with national tourism priorities and growing demand for immersive, sustainable travel experiences.

Complementing its real estate portfolio, CCH maintains a disciplined investment approach with Treasury Bonds and high-performing listed equities. This conservative yet opportunistic strategy ensures capital preservation while delivering stable returns, enabling the Group to navigate market fluctuations and maintain resilience.

### Business Performance

The financial year 2024/25 marked a period of steady progress for the Real Estate and Diversified Investments Cluster of Ambeon Capital PLC, led by Colombo City Holdings PLC (CCH). CCH, originally incorporated as Colombo Pharmacy, has evolved into a diversified investment holding company with a focus on real estate and treasury investments. Its portfolio includes high-value land assets, listed equities, and government securities—blending growth potential with financial resilience.

As of the financial year-end, the Group recorded a consolidated Profit After Tax (PAT) of LKR 259 million. Unrealised fair value gains contributed LKR 112 million, comprising LKR 102 million from equity investments and LKR 10 million from bond holdings. Finance income stood at LKR 141 million, with Treasury Bonds alone contributing LKR 106 million. The Group's total assets were valued at LKR 3,374 million, with liabilities at LKR 675 million and shareholders' equity at LKR 2,700 million, highlighting a solid and stable balance sheet.

### Way Forward

Colombo City Holdings PLC will continue to focus on unlocking long-term value from its real estate portfolio while reinforcing its position as a disciplined investor in diversified financial assets. The Group is actively evaluating strategic development opportunities that align with evolving market demand, particularly in lifestyle-led segments such as wellness, leisure, and retirement living. These initiatives are aimed at transforming underutilised land into differentiated, high-impact assets that contribute to both economic and social value.

In parallel, CCH will sustain its conservative capital allocation framework, prioritising stable income through investments in government securities and selectively expanding its exposure to blue-chip equities. This approach ensures a balanced risk-return profile while preserving liquidity and financial flexibility.

Future acquisitions will be guided by a clear mandate for long-term value creation and resilience. The Group remains committed to best-in-class governance, full regulatory compliance, and operational transparency, principles that continue to strengthen stakeholder confidence and institutional credibility.

With a solid foundation and a forward-looking investment strategy, CCH is well-positioned to deliver sustainable returns while contributing meaningfully to national development through real estate innovation and prudent financial stewardship.

# Management Discussion and Analysis

## Manufacturing Cluster – Dankotuwa Porcelain PLC

### Macroeconomic and Industry Landscape

The global ceramic tableware industry experienced significant pressure in 2024/25, largely due to declining demand across key Western markets, inflation-driven shifts in consumer behaviour, and continued logistical disruptions. High inventory levels, increased freight costs, and tariff challenges further weighed on sector performance, particularly in Europe and North America.

In Sri Lanka, the appreciating rupee negatively impacted export revenue when translated to local currency, while subdued household spending reduced local consumption. Despite these external headwinds, the Dankotuwa Porcelain Group demonstrated operational resilience and strategic adaptability—upholding its reputation in over 30 international markets for design innovation and premium product quality.

The industry at large, while facing short-term pressures, continued to benefit from its legacy of quality and craftsmanship. In 2024, Sri Lanka's porcelain exports reached USD 32.1 million, slightly below the USD 34 million recorded in 2023. Nevertheless, the global appetite for sustainable, design-led, and artisanal porcelain remains strong—particularly in the luxury hospitality, home décor, and wellness segments.

## Business Performance

Dankotuwa Porcelain PLC, together with subsidiary Royal Fernwood Porcelain Ltd., retained its position as one of Sri Lanka's foremost ceramic exporters. The Group's operations were significantly affected by softening demand in key export markets, leading to a 38% decline in revenue year-on-year. Still, the Group remained focused on protecting market share and diversifying geographically, establishing early-stage operations in promising markets such as India and the Middle East. Locally, a robust retail and dealer network provided a degree of revenue stability.

In June 2023, Ambeon Holdings PLC strategically divested 51% of its 72% stake in Dankotuwa Porcelain PLC, retaining a significant minority interest of 21%. Despite the change in shareholding, the Group remains an associate of Ambeon, continuing to benefit from strategic alignment, governance support, and market insight.

For FY 2024/25, the Group reported a net loss of LKR 876million, reversing a LKR 368 million profit from the previous year. The decline was driven by lower volumes and margin compression. Despite this, Dankotuwa maintained a solid asset base and continued its focus on cost optimisation, lean manufacturing, and sustainable practices, evidenced by its ISO 14001 certification.

## Way Forward

The Dankotuwa Group remains focused on long-term value creation through operational agility, brand-led innovation, and sustainable growth. The recent adjustment in ownership structure has provided Ambeon Holdings with greater capital flexibility, while retaining a strategic foothold in the premium porcelain manufacturing sector.

Dankotuwa's dual-brand strategy, anchored by the luxury appeal of Dankotuwa Porcelain and the export-driven strengths of Royal Fernwood continues to offer a distinct competitive edge. The Group has sharpened its focus on contemporary, design-led product innovation, supported by a growing portfolio of eco-conscious collections tailored to global consumer trends. Investments in automation, sustainable materials, and advanced design processes further underpin its evolution into a modern, responsible manufacturer.

Ambeon Holdings regards Dankotuwa Porcelain PLC as a strategically significant associate within its portfolio. The Group's strong international brand equity, export capabilities, and commitment to sustainable, design-led manufacturing are well aligned with Ambeon's vision for future-focused, globally relevant businesses. With disciplined execution and a clear roadmap, the Dankotuwa Group is positioned to reclaim growth momentum and reaffirm Sri Lanka's position as a global leader in premium porcelain.

# Corporate Governance

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

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

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

## Governance Framework

### The Board

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

The role of the Board includes:

- Providing entrepreneurial leadership to the Group;

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

## The Board Composition and Board Balance

The Board comprises of six (08) Directors of whom 07 are Non-Executive Directors. Out of the 7 Non Executive Directors 6 are Independent. The Non-Executive Directors provide a significant depth of knowledge and expertise, collectively gained from having worked across a variety of public and private enterprises in various industries. The Board includes a qualified 02 Chartered Accountants and a Management Accountant who provides the Board with the required financial acumen and knowledge on financial matters.

## Board Skills

The Board collectively embodies a wealth of knowledge gained from diverse experience in the fields of business, finance, economics and marketing, providing the Company with extensive expertise to develop strategies and interpret market trends. Further details of their qualifications and experience are provided under the Board Profiles section of this Annual Report in pages 14 to 17. The Board considers that the composition and expertise of the Board is sufficient to meet the present requirements of the Group. In any event, the Board composition is reviewed regularly to ensure that it aligns with the necessary business needs and intricacy of the Group's operations.

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

Mr. D T S H Mudalige	Chairman/Independent, Non – Executive Director
Dr. K S Narangoda	Group CEO / Executive Director
Mr. S L Sebastian	Independent Non-Executive Director
Mr. S Kumar	Independent Non-Executive Director
Mr. C T Tsoi	Independent Non-Executive Director
Mr. R P Sugathadasa	Non-Independent, Non-Executive Director
Mr. D M Weerasekare	Independent Non-Executive Director
Mr. M D J R Goonetilleke	Independent, Non-Executive Director Appointed on 21st April 2025

# Corporate Governance

## Board Independence

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

The Board considers the other two directors, namely Dr. K S Narangoda & Mr. R P Sugathadasa as non-independent.

## Board Meetings and Attendance

An annual calendar of Board meetings is prepared and agreed upon in the final quarter of the preceding financial year. Adequate time is given to the discussion of each agenda item to ensure that well informed decisions are taken. Members

of the management and external advisors are invited when required to provide further clarity to the Board. Board meetings are held quarterly and additional Board meetings held whenever felt necessary, to deal with specific matters. A total of 4 meetings were held during the financial year.

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

Name of Director	Status	Meetings eligible to attend	Meetings Attended	Attendance	As a percentage (%)
Mr. D T S H Mudalige (Chairman) (App. 08th April 2024)	IND NED/ Chairman	4	4	4/4	100
Mr. A L Devasurendra (Res. W E F 29th May 2024)	NON-IND NED/ Deputy Chairman	1	1	1/1	100
Mr. R P Pathirana (Res. W E F 29th May 2024)	NON-IND NED	1	0	-/1	0
Mr. Y Kanagasabai (Res. W E F 29th May 2024)	IND NED	1	1	1/1	100
Dr. K S Narangoda	EXD/GROUP CEO	4	4	4/4	100
Mr. N H D R Perera (Res. W E F 29th May 2024)	IND NED	1	1	1/1	100
Mr. S L Sebastian (App. W E F 08th April 2025)	IND NED	4	3	3/4	75
Mr. S Kumar (App. W E F 28th May 2024)	IND NED	3	2	2/3	67
Mr. C T Tsoi (App. W E F 04th June 2024)	IND NED	3	3	3/3	100
Mr. R P Sugathadasa (App. W E F 07th June 2024)	NON-IND NED	3	3	3/3	100
Mr. D M Weerasekare (App. W E F 30th July 2024)	IND NED	3	3	3/3	100

## Status of Directorship

NED - Non-Executive Director

IND- Independent

EXD – Executive Director

### Access to Information

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

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

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

### Professional Development and Performance Evaluation

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

### Delegation of Authority and Board Committees

For operational efficiency, the Board has delegated certain authority to Board Sub Committees and to Management. Authority is delegated to management through clearly defined limits and is supplemented

by Board approved policies which specify the principles by which business is to be conducted. Controls to facilitate accountability are also built in.

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

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee
- Nominations & Governance Committee
- Investment Committee- established on 04th July 2025.

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

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

### Audit Committee

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

Committee are required to exercise independent judgment in carrying out their functions.

The activities conducted by the Audit Committee are set out in the Audit Committee Report is on pages 42 and 43.

### Remuneration Committee

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

Remuneration Committee Report is on page 44.

### Related Party Transactions Review Committee

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

Related Party Transactions Review Committee Report is on pages 45 and 46.

### Nominations & Governance Committee

The Nominations & Governance Committee operates across the group and serves as the Nomination & Governance Committees for all boards in the subsidiary companies. The Committee ensures that the Board of Directors is appropriately structured, diverse, and equipped to meet the Company's strategic goals while upholding high standards of governance. It oversees Director appointments, succession planning, independence evaluations, and compliance with corporate governance regulations.

Nominations & Governance Committee Report is on pages 47 and 48.

# Corporate Governance

## Investment Committee

The Investment Committee operates across the group and serves as the Investment Committee (IC) of all the boards of the subsidiary companies. The Committee operates as a Sub Committee of the Board of Ambeon Capital PLC. The purpose of this Committee is to oversee the Group’s investment transactions, management, policies and guidelines of all capital projects of the Group.

The IC assists the Ultimate Holding Company Board in fulfilling its responsibilities towards the evaluation of CAPEX.

Board Committee	Responsibilities
Audit Committee	<ul style="list-style-type: none"> <li>• Ensure compliance with applicable accounting standards and laws.</li> <li>• Ensures high standards of transparency and corporate disclosure.</li> <li>• Maintain appropriate standards of corporate responsibility, integrity and accountability to the shareholders.</li> <li>• Exercise independent judgment in carrying out their functions.</li> </ul>
Remuneration Committee	<ul style="list-style-type: none"> <li>• Formulate, review, approve and make recommendations to the Board regarding remuneration.</li> <li>• Obtain quarterly updates from the HR Division on staff related matters</li> </ul>
Related Party Transactions Review Committee	<ul style="list-style-type: none"> <li>• Review related party transactions as prescribed by Section 09 of the Listing Rules of the CSE</li> </ul>
Investment Committee	<ul style="list-style-type: none"> <li>• Develop the Group’s investment objectives and corporate policies on investing.</li> </ul>
Nominations & Governance Committee	<ul style="list-style-type: none"> <li>• Assess the skills required on the Board given the needs of the businesses.</li> <li>• Prepare a clear description of the role and capabilities required for a particular appointment.</li> <li>• Identify and recommend suitable candidates for appointments to the Board.</li> <li>• Upholding high standards of governance.</li> <li>• All other key functions required under the listing rules of the Colombo Stock Exchange.</li> </ul>

## Retirement of Directors by rotation and Re-election

In line with the Company’s Articles of Association, the Directors who was appointed during the year submit himself to the shareholders for re-election at the first AGM following his appointment.

In addition, at each Annual General Meeting, one of the Directors for the time being shall retire from office. The director to retire at each Annual General Meeting be that director who, being subject to retirement by rotation has been longest in office since his last election or appointment. Accordingly, Mr. Savanth Laleen Sebastian who retires by rotation in terms of Article 87 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.

Mr. Mestiyage Don Janaka Ravi Goonetilleke who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article 93 of the Articles of Association of the Company offers himself for re-election as a Director

## Remuneration

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

## Accountability and Audit Financial Reporting

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

Confirmation that the financial statements are prepared in accordance with Sri Lanka Accounting Standards and other applicable laws is found on page 65. The auditors’ independent Opinion is found on page 55.

## Recognize and Manage Risk Internal Control

Recognizing its responsibility to ensure the safeguarding of shareholders’ investment and Group’s assets. The Board has approved a system of internal controls which takes into account all regulatory requirements and also industry best practices. The effectiveness of the Group’s system of internal controls is reviewed by the Audit Committee which reports its findings to the Board. The review includes all

material control lapses, including financial, operational and compliance controls and risk management systems.

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

### Enterprise Risk Management System

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

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

### Enterprise Risk Management Framework

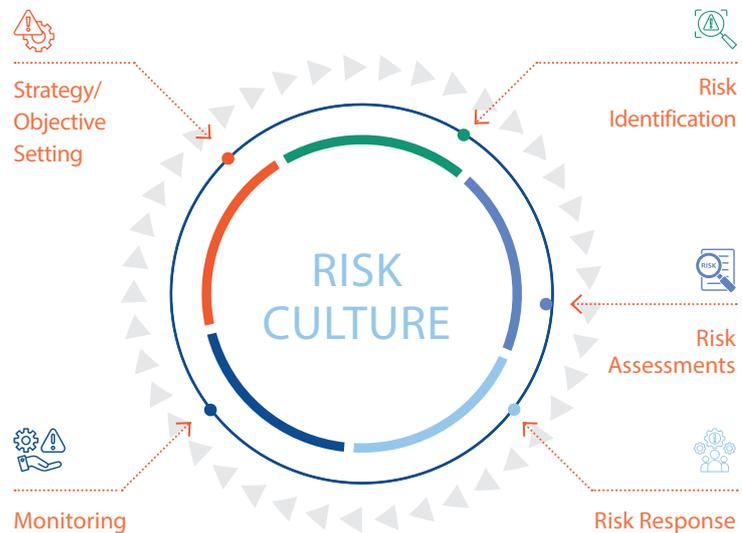
#### Internal Audit

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

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

Further details are in the Audit Committee Report on pages 42 and 43.

### Responsible Decision-Making



Enterprise Risk Management Framework

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

### Respect for the Rights of Shareholders

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

### Communication with Shareholders

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

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

# Corporate Governance

## Investor Relations

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

## Major Transactions

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

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

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

CSE Rule reference and description	Section reference in the Annual Report
<b>7.6 Contents of the Annual Report</b>	
a) Names of persons who during the financial year were Directors of the Entity	Annual Report of the Board of Directors on page 49.
b) Principal activities of the entity and its subsidiaries during the year, and any changes therein.	Annual Report of the Board of Directors on page 49.
c) The names and the number of shares held by the 20 largest shareholders of voting and non-voting shares and the percentage of such shares held	Share information on page 136.
d) The float adjusted market capitalization, the public holding percentage, number of public shareholders and option under which the Company complies with the minimum public holding requirement	Share information on page 136.
e) A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year	Annual Report of the Board of Directors on page 49. Share information on page 136.
f) Information pertaining to material foreseeable risk factors of the Entity.	Risk Management Report on page 39.
g) Details of material issues pertaining to employees and industrial relations of the Entity.	Annual Report of the Board of Directors on page 49.
h) Extent, locations, valuations and the number of buildings of the Entity's land holdings and investment properties.	Page 140 to the Annual Report
i) Number of shares representing the Entity's Stated Capital	Note 21 to the financial statements on page 106.
j) A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Share information on page 136.
k) Financial ratios and market price information	Share information on page 136.
l) Significant changes in the Entity's or its subsidiaries fixed assets, and the market value of land, if the value differs substantially from the book value.	Note 12 to the financial statements on page 88 to 91.
m) Details of funds raised through a public issue, rights issue and a private placement during the year.	During the year under review, there were no public issues, rights issues or private placements.
n) Information in respect of Employees Share Ownership or Stock Option Scheme	The Company does not have any Employee Share Option or Share Purchase Schemes at present.

CSE Rule reference and description	Section reference in the Annual Report
o) Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Listing Rules	Please refer Appendix 2
p) Related Party Transactions exceeding 10% of the equity and 5% of the total assets of the Entity as per the audited financial statements, whichever is lower.	Please refer Note No. 32.7

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

Section reference	Requirement	Extent of Compliance	Status of Compliance
<b>9.1</b>	<b>Corporate Governance Rules</b>	The extent of compliance with Corporate Governance Section 9 of the Listing Rules issued by CSE is tabulated below	✓
9.1.1	Extent of compliance with Corporate Governance Rules		
9.1.2			
9.1.3			
<b>9.2</b>	<b>Policies</b>		
9.2.1.	Availability of policies	<ul style="list-style-type: none"> <li>a) Policy on matters relating to the Board of Directors</li> <li>b) Policy on Corporate Governance, Nominations and re-election</li> <li>c) Policy on Shareholder and Investor Communications</li> <li>d) Policy on Remuneration</li> <li>e) Policy on Board Subcommittees</li> <li>f) Policy on Corporate Disclosures</li> <li>g) Policy on Anti-bribery and Corruption</li> <li>h) Policy on Internal Code of Conduct</li> <li>i) Policy on ESG</li> <li>j) Policy on control and management of company assets and shareholder investments</li> <li>k) Policy on whistle blowing</li> <li>l) Policy on risk management and internal controls</li> </ul>	✓
9.2.2	Waivers and exemptions from compliance with the Code of Business Conduct and Ethics	At present there are no waivers and exemptions granted.	✓
9.2.3	Disclosures in the Annual Report on policies	All policies have been implemented and the availability of the same have been disclosed on the website.	✓
9.2.4	Requesting of policies by shareholders	The Company shall make available all such policies to shareholders upon a written request being made for any such policy.	✓
<b>9.3</b>	<b>Board Committees</b>		
9.3.1	Establishment of Board Committees	Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transactions Review Committee are in place.	✓
9.3.2	Board Committees - Composition, Responsibilities and Disclosures	Please refer the Board Subcommittee Reports for details.	✓
9.3.3	Chairperson of Board Committees	The Chairman, does not serve as the Chair in any of the Board Subcommittees.	✓

# Corporate Governance

Section reference	Requirement	Extent of Compliance	Status of Compliance
<b>9.4</b>	<b>Adherence to principles of democracy in the adoption of meeting procedures and the conduct of General Meetings with Shareholders</b>		
9.4.1	Record maintenance on resolutions	The Company Secretary maintains records of all resolutions and information (appointment of proxy, number of votes in favour and against) of General Meetings. This year, the proxy form will have the option for the shareholders if preferred, to abstain from voting and the record of the same will also be maintained. Copies of such records will be made available to CSE/SEC upon request.	✓
9.4.2 a - c	Communication and relations with shareholders and investors	Policy has been implemented and the availability of the same have been disclosed on the website.	✓
9.4.2 d	Holding virtual/hybrid General Meetings	The Company will adhere to the guidelines issued by CSE on conducting virtual/hybrid shareholder meetings. The AGMs which were held virtually adhered to the guidelines.	✓
<b>9.5</b>	<b>Policy on matters relating to the Board of Directors</b>		
9.5.1	Formal governing policy on matters relating to the Board of Directors	Policy has been implemented and the availability of the same have been disclosed on the website.	✓
9.5.2	Disclosures in the Annual Report relating to 9.5.1	Please refer page 49 Report of the Board of Directors on the affairs of the Company	✓
<b>9.6</b>	<b>Chairperson and CEO</b>		
9.6.1	Position of Chairperson and CEO	The Chairperson is a Non-Executive Director. The position of Chairperson and CEO are held by two individuals.	✓
9.6.2	Disclosure of non-compliance	Not applicable	
9.6.3 a-e and 9.6.4	The requirement for a SID	The need to appoint a SID has not arisen.	✓
<b>9.7</b>	<b>Fitness of Directors and CEO</b>		
9.7.1	Appointment of fit and proper persons as Directors and CEO	The Board Nominations and Governance Committee has been delegated with the authority to ensure that the Directors and CEO meet the fitness and propriety criteria under the Listing Rules.	✓
9.7.2		The Board Nominations and Governance Committee makes recommendations to the Board on the appointment of a new director or when a director is coming up for re-election/re-appointment at the AGM.	✓
9.7.4	Annual declarations from Directors	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria as at the date of confirmation as set out in Section 9.7.3 (a), (b), and (c) of Listing Rules were obtained.	✓
9.7.5	Disclosures in the Annual Report	Please refer the Corporate Governance Report on page 27 for the disclosure.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
<b>9.8</b>	<b>Board Composition</b>		
9.8.1	Board at minimum to consist of five (5) Directors.	The Company has complied with the requirement as at the reporting date. The Board as at the reporting date comprised of eight (8) Directors.	✓
9.8.2	Minimum number of Independent Directors (Min: 2 or 1/3 of total number, whichever is higher)	The Company is in compliance with the requirement as at the reporting date. The Board at the end of the reporting date comprised of six (6) Independent Non-Executive Directors.	✓
9.8.3 & 9.8.4	Criteria for determining independence	The Company complied with the criteria for determining independence of a Director	✓
9.8.5	Declarations	Each Non-Executive Director submitted a signed and dated declaration of independence against the criteria specified in the Listing Rules. The names of independent directors are disclosed in the Corporate Governance Report on page 27.	✓
<b>9.9</b>	<b>Alternate Directors</b>	Not applicable.	
9.9 a-e	Appointment of alternate director		
<b>9.10</b>	<b>Disclosures relating to Directors</b>		✓
9.10.1	Policy on maximum number of directorships		
9.10.2	Appointment of new Directors	Appointments made to the Board which were duly disclosed and market announcement captured the requirements under rule 9.10.2.	✓
9.10.3	Changes to the composition	Any changes to the committee compositions have been duly disclosed.	✓
9.10.4	Disclosures in the Annual Report	Please refer the Directors profiles and the Corporate Governance Report for details	✓
<b>9.11</b>	<b>Nominations and Governance Committee</b>	The Board Nominations and Governance Committee was established on 1st July 2024	✓
9.11.1	Availability of Nominations and Governance Committee		
9.11.2	Formal procedure for appointment and re-election of Directors	The Committee maintains a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	✓
9.11.3	Terms of Reference	The Committee has adopted a Term of Reference which define the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.11.4 (1) – (3)	Composition – Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors	Composition of the Committee is in line with the Rules.	✓
9.11.5	Functions	The Committee has documented the functions of the Committee in the Terms of Reference.	✓
9.11.6	Disclosures in the Annual Report	Please refer Nominations and Governance Committee Report on page 47.	✓
<b>9.12</b>	<b>Remuneration Committee</b>		
9.12.2	Availability of a Remuneration Committee	A Board Remuneration Committee is in place	✓

# Corporate Governance

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.12.3 and 9.12.4	Remuneration Policy – Executive Directors/Non-Executive Directors	The Committee was established with the purpose of providing assistance to the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies on Directors including Executive Directors and for the employees including the CEO.	✓
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which defines the scope, authority, duties and matters pertaining to the quorum of meetings.	✓
9.12.6 (1) – (3)	Composition – Minimum of three (3) Directors, out of which a minimum of two (2) members shall be Independent Directors  Remuneration Committee of the subsidiary	Please refer the Board Remuneration Committee Report on page 44 for details on composition.  The Board Remuneration Committee does not function as the remuneration committee of the subsidiaries.	✓
9.12.7	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Remuneration Committee Report on page 44.	✓
9.12.8	Disclosures in the Annual Report	Please refer Remuneration Committee Report on page 44.	✓
<b>9.13</b>	<b>Audit Committee</b>		
9.13.1	Audit Committee	Both the risk and audit functions are performed by the Board Audit Committee.	✓
9.13.2	Terms of Reference	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 42.	✓
9.13.3	Composition	Please refer Audit Committee Report on page 42 for composition, meetings and other information.	✓
9.13.4	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Audit Committee Report on page 42.	✓
9.13.5	Disclosure in the Annual Report	Please refer Audit Committee Report on page 42.	✓
<b>9.14</b>	<b>Related Party Transactions Review Committee</b>		
9.14.1	Availability of the Related Party Transactions Review Committee	Related Party Transactions Review Committee is in place.	✓

Section reference	Requirement	Extent of Compliance	Status of Compliance
9.14.2	Composition	Please refer Related Party Transactions Review Committee Report on page 45.  The parent company Related Party Transactions Review Committee does not function as the Related Party Transactions Review Committee of the Subsidiaries.	✓
9.14.3	Functions	The Committee has documented the functions of the Committee in the Terms of Reference. All functions are effectively discharged by the Committee. Please refer Related Party Transactions Review Committee Report on page 45.	✓
9.14.4 (1)	Quarterly meetings	The Committee met four (4) times during the financial year and the minutes of all meetings are properly documented and tabled at the subsequent Board meetings for ratification.	✓
9.14.4 (2)	Access to knowledge or expertise to assess all aspects of proposed related party transactions	The Committee ensures that they have or have access to knowledge and expertise to assess all aspects of the proposed Related Party Transactions. Under the Terms of Reference, the Committee is empowered to seek appropriate professional and expert advice from a qualified person.	✓
9.14.4 (3)	Approval by the Board of Directors	Where necessary, the Committee will request the Board of Directors to approve the related party transaction which has been reviewed by the Committee.	✓
9.14.4 (4)	Conflict of Interest	The Related Party Transactions Review Committee oversees the process relating to the said subject. Steps have been taken by the Board to avoid any conflicts of interest, that may arise, in transacting with related parties. Directors provide declarations to the Board about their material interests in business transactions at the time of appointment and thereafter as and when required. If a Director has a material interest being considered at a Board Meeting to approve a related party transaction as required in Rule 9.14.4 (3) such Director will not, Be present while the matter is being considered at the meeting and; Vote on the matter	✓
9.14.5	Review of Related Party Transactions by Related Party Transactions Review Committee	The Committee takes into account the provisions of the Listing Rules when reviewing related party transactions.	✓
9.14.8	Disclosures in the Annual Report	Please refer Related Party Transactions Review Committee Report on page 45 and the Annual Report of the Board of Directors on the affairs of the Company on page 49 for disclosures.	✓
9.17	Additional disclosures	9.17 (i) & (iii) - Refer page 51 9.17 (ii) - Refer page 39 9.17 (iv) - Not applicable	✓

# Corporate Governance

## Appendix 3: Statement of Compliance of Companies Act No. 07 of 2007

Section Reference	Requirement	Annual Report Reference
168 (1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Page 65
168 (1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Page 61
168 (1) (c)	Auditors' Report on Financial Statements of the Group and the Company	Page 55
168 (1) (d)	Accounting Policies and any changes made during the accounting period	Pages 65 to 79
168 (1) (e)	Particulars of the entries made in the Interest Register during the accounting period	Page 49
168 (1) (f)	Remuneration and other benefits paid to Directors of the Company during the accounting period	Note 9 in Page 85
168 (1) (g)	Corporate donations made by the Company during the accounting period	Page 51
168 (1) (h)	Information on the Directorate of the Company during and at the end of the accounting period	Page 50
168 (1) (i)	Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered during the accounting period	Note 9 in Page 85
168 (1) (j)	Auditors' relationship or any interest with the Company and its subsidiaries	Page 50
168 (1) (k)	Acknowledgement of the contents of this Report and Signatures on behalf of the Board	Page 51

# Risk Management

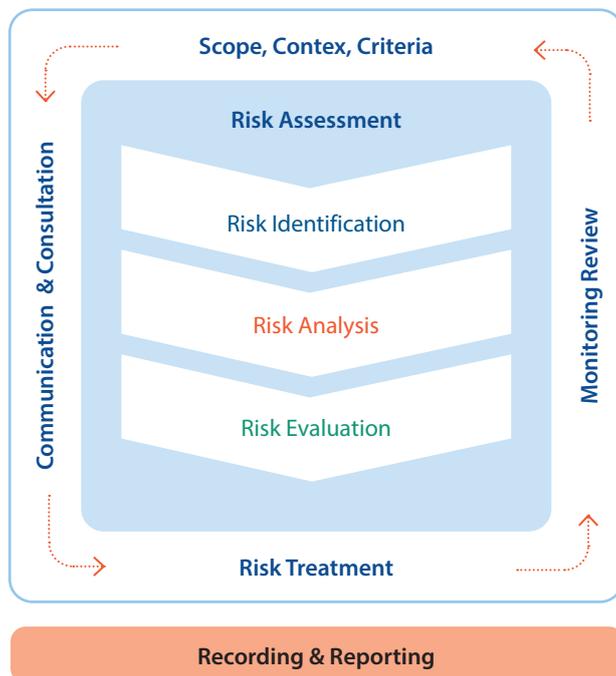
## Strengthening Resilience in a Volatile Environment

During the financial year under review, the Group operated in an increasingly complex and unpredictable risk landscape shaped by economic volatility, geopolitical tensions, evolving regulatory requirements, and digital disruption. These dynamics reinforced the importance of a robust, agile, and forward-looking risk management framework that protects stakeholder value and supports sustainable growth.

At Ambeon Capital PLC (“the Group”), risk management is not viewed as a compliance obligation but as a strategic enabler. It empowers the organization to anticipate emerging threats, make risk-informed decisions, and respond effectively to a rapidly changing environment. Risk management is deeply embedded in our governance and decision-making processes, ensuring that uncertainty becomes a catalyst for resilience, innovation, and long-term performance.

## Our Risk Management Framework

The Group’s Enterprise Risk Management (ERM) framework is aligned with the COSO ERM Framework and ISO 31000 standards and offers a structured and integrated approach to the identification, measurement, monitoring, and reporting of risks. In line with ISO 31000’s principle of “continual improvement,” the framework promotes proactive risk management across all levels of the organization, enabling timely responses to emerging threats and opportunities while supporting strategic objectives.



## Risk Governance and Oversight

The Board of Directors assumes ultimate responsibility for setting the Group’s risk appetite and overseeing its risk management strategy. This responsibility is supported by both Group-level and Strategic Business Unit (SBU)-level Audit Committees, which periodically evaluate the effectiveness of risk identification, mitigation efforts, and internal control systems.

A dedicated risk and compliance function at the Group level ensures alignment with governance frameworks, policies, and regulatory requirements while enabling centralized

coordination. Each SBU is empowered to identify and manage operational risks within its respective areas, with significant matters escalated to the Board through formal channels. This governance structure ensures comprehensive, timely, and responsive oversight of the Group’s risk landscape.

## A Culture of Shared Responsibility

At Ambeon Capital PLC, risk management is embedded in every aspect of our operations and is considered a shared responsibility across the organization. It is integrated into strategic planning, capital allocation, investment decisions, operational processes, and performance monitoring frameworks. Employees at all levels are encouraged and empowered to identify, evaluate, and respond to risks within their areas of control. This promotes a proactive risk culture that supports operational resilience and sound decision-making.

## Risk Assessment

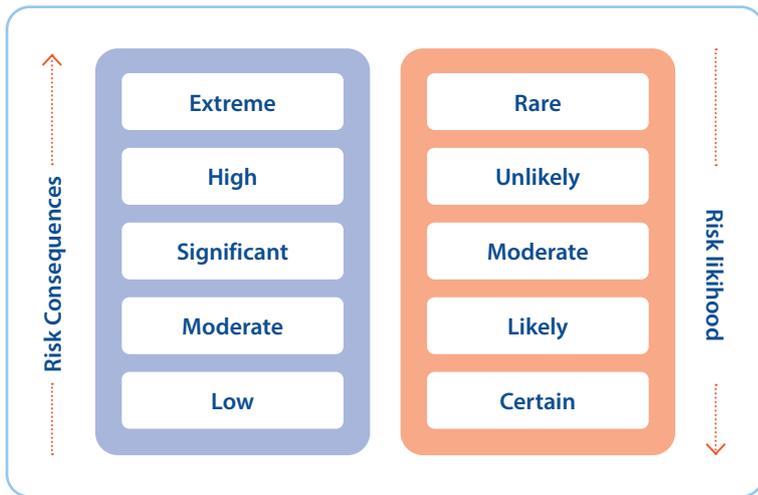
The Group employs a structured, multi-dimensional approach to risk assessment that spans across three stages. Initial risk assessments are performed at the beginning of new projects, investments, and planning cycles to anticipate risks that may arise. Current risk assessments provide real-time monitoring of risk exposures and help to manage them as they develop. Forward-looking assessments focus on identifying emerging threats and longer-term risk factors that could potentially impact operations or disrupt the value chain.

These assessments are supported by a centralized risk register that enables prioritization of exposures based on their likelihood and impact. The platform also tracks early warning indicators and emerging trends, helping the Group to make informed, risk-adjusted decisions. This continuous assessment process ensures that the Group remains vigilant, agile, and well-prepared to navigate uncertainties.

# Risk Management

## Risk Management Approach

The Group’s risk identification and mitigation efforts are supported by a detailed risk matrix that evaluates the probability and potential consequences of each risk event. Likelihood is assessed using a scale that includes rare, unlikely, moderate, likely, and certain, while consequences are categorized as low, moderate, significant, high, or extreme. This approach enables risk ratings to be assigned in a manner that supports effective prioritization and targeted mitigation efforts.

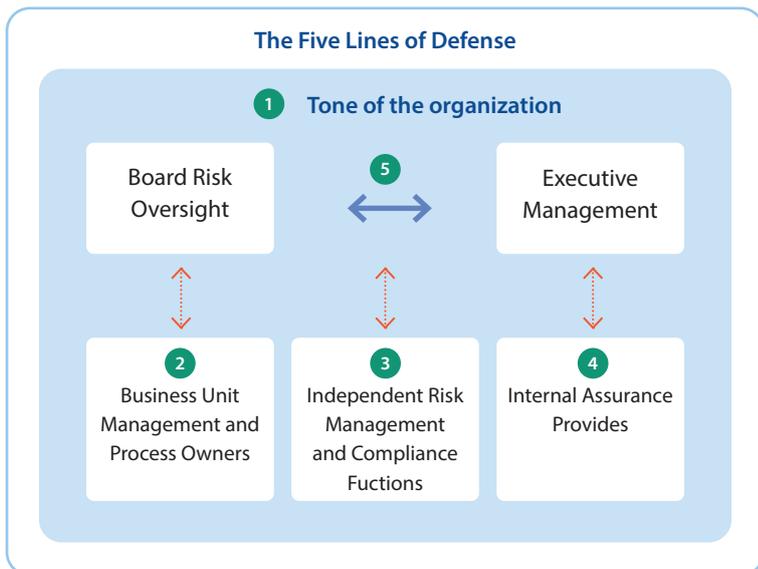


Looking ahead, the Group is committed to continuously strengthening its risk management capabilities by embracing new technologies, enhancing predictive insights, and embedding a culture of risk awareness and accountability throughout the organization. This approach ensures that Ambeon Capital PLC remains resilient, adaptive, and future-ready.

## Independent Assurance through Audits

The Group’s risk framework is reinforced by robust independent assurance mechanisms. The internal audit function, which is governed by the Board and the Audit Committee, operates according to a risk-based audit plan and conducts independent evaluations of the design and effectiveness of internal controls. Audit findings are reported to the Audit Committee, and appropriate corrective actions are implemented promptly to address any weaknesses.

The five-lines-of-defense model distinguishes risk management roles and responsibilities across different organizational layers. The first line of defense focuses on operational risk ownership, while the second line ensures monitoring and compliance oversight. Independent assurance is provided by the third line through internal and external audit functions. Executive management offers strategic oversight at the fourth line, and governance responsibility is held by the Board of Directors as the fifth line.



In parallel, external audits are conducted by reputed audit firms and provide independent validation of the Group’s financial reporting, regulatory compliance, and control systems. These dual assurance mechanisms offer an additional layer of confidence to stakeholders, enhance the transparency of disclosures, and strengthen the Group’s overall governance framework.

## Strategic Risk Prioritization and Mitigation

As part of its proactive and dynamic approach to risk management, the Group continually identifies and prioritizes key risk areas based on potential severity and impact. Each identified risk is evaluated in terms of likelihood and consequence, and appropriate mitigation strategies are designed to manage exposures within acceptable thresholds. These strategies are regularly reviewed to ensure they remain effective and aligned with the Group’s evolving risk profile and business objectives.

Through this comprehensive and structured model, the Group not only identifies and evaluates risks but also actively manages them in alignment with its long-term strategic objectives. Mitigation strategies are reviewed regularly and adjusted as necessary to ensure relevance in a dynamic and evolving risk environment.

A summary of key risks identified by the Group and the respective mitigation strategies is presented in the following section.

Description of risk	Mitigation strategies
Economic risk	<ul style="list-style-type: none"> <li>Continuously assess the impact of macroeconomic volatility on Group performance and strategic plans.</li> <li>Conduct sensitivity analyses to evaluate effects on Group and SBU budgets.</li> <li>Maintain strong relationship with suppliers and banking partners to negotiate on payment terms, credit, and funding to minimize disruptions to operations.</li> <li>Align investment decisions with the long-term economic outlook and government policy directions.</li> </ul>
Investment Risk	<ul style="list-style-type: none"> <li>Conduct thorough feasibility studies and financial evaluations prior to investment commitments.</li> <li>Perform in-depth market research to identify emerging trends, new products, and geographic expansion opportunities.</li> <li>Monitor post-investment performance regularly against predefined KPIs to ensure return on investment.</li> <li>Exit underperforming or non-core investments based on strategic portfolio reviews.</li> </ul>
Liquidity Risk	<ul style="list-style-type: none"> <li>Operate a centralized treasury function to optimize cash flows, manage liquidity, and monitor funding requirements across the Group.</li> <li>Continuous reviewing of business models and working capital requirements.</li> <li>Closely monitor working capital components (inventory, receivables, and payables) to ensure optimal operating cash cycles.</li> <li>Benchmark liquidity ratios such as current ratio, quick ratio, and cash ratio to industry best practices.</li> </ul>
Human Resources Risk	<ul style="list-style-type: none"> <li>Benchmark compensation and benefits packages to remain competitive and attract top talent.</li> <li>Foster a culture of continuous learning by providing training in emerging technologies, tools, and global best practices.</li> <li>Implement a talent review and succession planning framework to identify and develop future leaders</li> <li>Invest in employee engagement and well-being initiatives to enhance retention and job satisfaction.</li> </ul>
Cyber security risk	<ul style="list-style-type: none"> <li>Protect critical digital infrastructure through firewalls, anti-virus systems, encryption, and secure access controls.</li> <li>Maintain a robust business continuity and disaster recovery plan to mitigate the impact of cyber incidents.</li> <li>Raise cybersecurity awareness across the organization through training, phishing simulations, and internal communication.</li> <li>Conduct regular IT audits, penetration testing, and vulnerability assessments.</li> </ul>

# Report of the Audit Committee

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

## COMPOSITION

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

**Mr. Duminda Weerasekare** – Chairman/ Independent Non-Executive Director (appointed w.e.f. 30.09.2024)

**Mr. Sujeewa Mudalige** - Independent Non-Executive Director (appointed w.e.f. 04.06.2024)

**Mr. Savanth Sebastian** - Independent Non-Executive Director (appointed w.e.f. 04.06.2024)

**Mr. Samresh Kumar** - Independent Non-Executive Director (appointed w.e.f. 04.06.2024)

**Mr. Yudhishtan Kanagasabai** – Chairman / Independent Non-Executive Director (resigned w.e.f. 29.05.2024)

**Mr. Ranil Pathirana** - Non-Independent Non-Executive Director ((resigned w.e.f. 29.05.2024)

**Mr. N. H. D. R. Perera** - Independent Non-Executive Director (resigned w.e.f. 29.05.2024)

The Chairman of the Committee is a Fellow of the Institute of Chartered Accountants of Sri Lanka. The Board is satisfied that the Committee has an adequate blend of accounting, auditing, legal and commercial experience to carry out their duties. Brief profiles of the Committee members are given in pages 14 to 17 of this Report.

The Company Secretary serves as the Secretary to the Committee.

## MEETINGS

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

Name of Director	Attendance at meetings
Mr. Duminda Weerasekare	2/2
Mr. Sujeewa Mudalige	3/3
Mr. Savanth Sebastian	3/3
Mr. Samresh Kumar	2/3
Mr. Yudy Kanagasabai	1/1
Mr. Ranil Pathirana	1/1
Mr. N. H. D. R. Perera	1/1

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

## TERMS OF REFERENCE

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

## THE ROLE OF THE AUDIT COMMITTEE

The role of the Audit Committee, which has specific terms of reference, is described in the corporate governance report on page 27. The Committee's role is to review on behalf of the Board, the Company's internal financial controls. It is also responsible for oversight and advice to the Board on financial reporting related matters and internal controls over financial reporting and has overseen the work undertaken by the Group's Internal Risk, Internal Audit and External Auditors.

## KEY RESPONSIBILITIES OF THE BOARD AUDIT COMMITTEE

### Financial Reporting:

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

### Internal Control:

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

**Internal Audit:**

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

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

**External Audit:**

The External Auditor's Letter of Engagement, including the scope of the audit, was reviewed and discussed by the Committee with the External Auditors and Management prior to commencement of the audit. The Auditors were also provided with the opportunities to discuss and express their opinions on any matter, and for the Committee to have the assurance that the Management has fully - provided all the information and explanations requested by the Auditors. The Committee also reviewed opportunities for improvement, which were observed during the audit and the Letter of Representation issued to the External Auditor to ensure that the representations made were consistent with the understanding of the Committee, as to the Company's operations and plans. The Committee is satisfied that the independence of the External Auditors has not been impaired by any event or service that gives rise to a conflict of interest. The Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, be reappointed for the financial year ending 31 March 2026, subject to the approval of shareholders at the next Annual General Meeting.

**CONCLUSION**

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

Sgd.  
Duminda Weerasekare  
Chairman  
Audit Committee

15 August 2025

# Remuneration Committee Report

## Role of the Remuneration Committee

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

## Composition of the Remuneration Committee

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

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

**Mr. Savanth Sebastian** - Chairman/  
Independent Non-Executive Director  
(appointed w.e.f. 04.06.2024)

**Mr. Sujeewa Mudalige** - Independent  
Non-Executive Director (appointed w.e.f.  
04.06.2024)

**Mr. Samresh Kumar** - Independent  
Non-Executive Director (appointed w.e.f.  
04.06.2024)

**Mr. Ranil Pathirana** – Chairman/Non-  
Independent Non-Executive Director  
(resigned w.e.f. 29.05.2024)

**Mr. Yudhishtan Kanagasabai** –  
Independent Non-Executive Director  
(resigned w.e.f. 29.05.2024)

The company secretary serves as the Secretary of the Committee.

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

## Responsibility

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

Details of executive remuneration are included under key management personnel compensation as disclosed in Page 127 of Annual report.

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

Sgd.  
[Savanth Sebastian](#)  
Chairman - Remuneration Committee

15 August 2025

# Related Party Transaction Review Committee Report

## Purpose of the Committee

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

## Composition

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

**Mr. Ravi Goonetilleke** - (Chairman) - Independent Non-Executive Director (appointed w.e.f. 15.05.2025)

**Mr. Sujeewa Mudalige** - Independent Non - Executive Director (appointed w.e.f. 04.06.2024)

**Mr. Samresh Kumar** - Independent Non - Executive Director (appointed w.e.f. 04.06.2024)

**Mr. Savanth Sebastian** – (former Chairman) Independent Non - Executive Director (resigned w.e.f. 15.05.2025)

**Mr. N. H. D. R. Perera** Independent Non - Executive Director (resigned w.e.f. 29.05.2024)

**Mr. Y. Kanagasabai** - Independent Non - Executive Director (resigned w.e.f. 29.05.2024)

**Mr. Ranil Pathirana** - Non-Independent Non - Executive Director (resigned w.e.f. 29.05.2024).

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 14 to 17 of the Annual Report.

The Company Secretary serves as the Secretary to the Committee.

## Meetings

The Committee met four (04) times during the financial year.

Name of Director	Attendance at meetings
Mr. Ravi Goonetilleke	-
Mr. Sujeewa Mudalige	3/3
Mr. Samresh Kumar	2/3
Mr. Savanth Sebastian	3/3
Mr. N. H. D. R. Perera	1/1
Mr. Y. Kanagasabai	1/1
Mr. Ranil Pathirana	1/1

The meetings were held on a quarterly basis.

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

## Role and Responsibilities

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

- To develop and recommend a RPT policy
- To ensure that the Company complies with the Rules
- To review in advance all proposed RPTs to ensure compliance with the Rules
- To update the Board of Directors on the RPTs of the Company on a quarterly basis
- Define and establish the threshold values in setting a benchmark for RPTs and , RPTs which have to be pre-approved by the Board, RPTs which require to be reviewed in advance and annually and similar issues relating to listed Companies.

f) To make immediate market disclosures on applicable RPTs as required by the Rules

g) To include appropriate disclosures on RPTs in the annual report as required by the Rules

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

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

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

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

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

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

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

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

# Related Party Transaction Review Committee Report

## Conclusion

The Committee is satisfied that all RPTs have been reviewed by the Committee during the financial year and have communicated their observations to the Board. The details of RPTs entered into during the financial year are given in Note 32 to the Financial Statements, on pages 126 to 128 of this Annual Report.

Sgd.

[Mr. Ravi Goonetilleke](#)

Chairman - Related Party Transaction Review Committee.

15 August 2025

# Report of the Nominations and Governance Committee

I am pleased to present the report of the Nominations and Governance Committee for the financial year ended 31st March 2025. This report is presented in compliance with Section 9.11 of the Listing Rules of the Colombo Stock Exchange (CSE).

To be in line with the revised corporate governance requirements, the Board of Directors of the Company re-named and reconstituted the existing 'Group Nominations Committee' as 'Nominations and Governance Committee' (Committee) comprising of three members (as given below) with effect from 1st July 2024.

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

## Composition of the Committee

As of 31st March 2025, the Nominations and Governance Committee comprised three (03) Independent Non-Executive Directors, whose profiles reflect a strong mix of governance, legal, and industry experience (detailed profile of each members is given in Pages 14 to 17)

The Committee composition is as follows:

Name of the Director	Nature of Directorship	Committee Role	Date of Appointment to the Committee
Mr. S L Sebastian	Independent Non-Executive Director	Chairman	01.07.2024
Mr. D T S H Mudalige	Independent, Non-Executive Director	Member	01.07.2024
Mr. S Kumar	Independent, Non-Executive Director	Member	01.07.2024

## Secretary of the Committee

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

## Committee Responsibilities and Governance Framework

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

## Meeting Attendance

During the financial year ended 31st March 2025, the Committee adopted several decisions via Circular Resolutions.

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

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

# Report of the Nominations and Governance Committee

The following pertaining to Directors who have been proposed for re-election in terms of Article no. 87 & 93 of the Articles of Association

Description	Mr. S L Sebastian	Mr. M D J R Goonetilleke
Date of first appointment as a Director	08th April 2024	21st April 2025
Date of last re-election as a Director at an AGM	Re-elected as at last AGM held on 13th September 2024.	Nil
Board Committees served on	<ul style="list-style-type: none"> <li>- Board Audit Committee (Member)</li> <li>- Remuneration Committee (Chairman)</li> <li>- Nominations and Governance Committee (Chairman)</li> <li>- Investment Committee (Member)</li> </ul>	Related Party Transactions Review Committee. (Chairman)
Present Directorships/Chairpersonships in listed and unlisted entities	Please refer Annexure to the "Report of the Board of Directors on the state of Affairs of the Company" on page 49 to 51.	
Any relationship including close family relationships between the Director proposed for re-election and the Directors, the Company or its shareholders holding more than ten per-centum (10%) of the shares of the Company.	Nil	Nil

## Board Diversity and Composition

The Committee values diversity as a cornerstone of Board effectiveness. As of 31st March 2025, the Board includes members with expertise in finance, law, operations, and governance, with age representation ranging from early 40s to early/mid 60s. The Committee will continue to foster diversity across all dimensions during future nominations.

## Director Induction and Continuing Governance Education

There were several new appointments during the year. All Directors received a corporate governance updates and updates on other applicable laws and regulations during the period under review, covering key topics such as the revised CSE Listing Rules, securities market regulations, and global governance trends. Inductions programs were conducted for the newly appointed Directors. There is a clear process adopted to inform the Independent Directors of any major issues relating to the Company.

## Statement on Independence and Compliance

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

## Conclusion

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

Sgd.  
[Mr. S L Sebastian](#)  
 Chairman of the – Nominations and Governance Committee

15 August 2025  
 Colombo

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

The Directors of Ambeon Capital PLC have pleasure in presenting to the Shareholders their Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2025.

## General

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

## Principal Activities

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

## Review of Operations

The Chairman's Review on Pages 8 to 10 which forms an integral part of these reports provides an overall assessment of the financial performance and the financial position of the company.

## Financial Statements

The financial statements of the Group and Company are given on Pages 59 to 135 Summarized Financial Results.

## Group & Company

Y/E 31 March	Group (Rs'000)		Company (Rs'000)	
	2025	2024	2025	2024
Revenue	17,301,635	16,965,438	25,974	179,998
Profit/ (Loss) before tax for the year	1,798,432	3,064,605	718,608	272,629

## Auditors' Report

The Independent Auditors' Report on the financial statements is given on Page 55.

## Accounting Policies

The accounting policies adopted by the Company in the preparation of financial statements are given on Pages from 65 to 79 which are consistent with those of the previous period.

## Board of Directors

### a. List of Directors

Names of the Directors of the Company as at 31st March 2025, are given below:

Name of the Director	Directorship Status
Mr. D T S H Mudalige	Chairman/Independent, Non – Executive Director
Dr. K S Narangoda	Group CEO/Executive Director
Mr. S L Sebastian	Independent Non-Executive Director
Mr. S Kumar	Independent Non-Executive Director
Mr. C T Tsoi	Independent Non-Executive Director
Mr. R P Sugathadasa	Non-Independent, Non-Executive Director
Mr. D M Weerasekare	Independent Non-Executive Director

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

## b. New Appointments

The information on new appointment to the Board of Directors of the Company subsequent to the last Annual General Meeting is given below.

Name of Director	Directorship Status	Date of appointment
Mr. M D J R Goonetilleke	Independent, Non-Executive Director	21.04.2025

## c. Resignations

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

Name of Director	Directorship Status	Date of Resignation
Mr. N De Soysa Cooke	Independent Non-Executive Director	09.04.2024
Mr. S E Gardiner	Chairman/ Non-Independent, Non – Executive Director	05.04.2024
Mr. S H Amarasekara	Non –Independent, Non – Executive Director	05.04.2024
Mr. A L Devasurendra	Deputy Chairman/ Non –Independent, Non – Executive Director	29.05.2024
Mr. Y Kanagasabai	Independent Non-Executive Director	29.05.2024
Mr. R P Pathirana	Non –Independent, Non – Executive Director	29.05.2024
Mr. N H D R Perera	Independent Non-Executive Director	29.05.2024

The present Directors of the Company and their profiles are shown on pages 14 to 17 of this Annual Report.

## Interests Register

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

## Directors' Remuneration

The Director's remuneration is disclosed in Note 09 to the financial statements on Page 85.

## The Auditors

The financial statements for the year ended 31st March 2025 have been audited by Messrs Ernst & Young (Chartered Accountants). As far as Directors are aware the auditors do not have any relationship (other than that of an Auditor) with the Company except for those disclosed below. The auditors also do not have any interest in the Company.

The audit fee payable to the auditors for the year under review is Rs. 950,000/- (Group – Rs. 8,493,794/-)

## Stated Capital

The Stated Capital of the Company as at 31st March 2025 was Rs.1,053,643,405/- (1,002,724,815 Shares).

## Directors' Shareholding

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

As at	31.03.2025	31.03.2024
Mr. D T S H Mudalige (appointed on 08th April 2024)	9,000,000	-
Dr. K S Narangoda	Nil	Nil
Mr. S L Sebastian (appointed on 08th April 2024)	Nil	-
Mr. S Kumar (appointed on 28th May 2024)	Nil	-
Mr. C T Tsoi (appointed on 04th June 2024)	Nil	-
*Mr. R.P. Sugathadasa (appointed on 07th June 2024)	11,455,863	-
Mr. D M Weerasekare (appointed on 30th July 2024)	2,000,000	-

\* Shares held under Hatton National Bank PLC / Mr. R P Sugathadasa

### Major Shareholders, Distribution Schedule and other Information

Information on the twenty largest shareholders of the company, distribution schedule of the number of shareholders, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on Page No 136 under Investor Information.

### Public Holding

The percentage of public shareholding as at the 31st March 2025 was 16.61%.

### Capital Commitments

There were no material capital expenditure commitments as at 31st March 2025 other than those disclosed in Note 31.

### Statutory Payments

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

### Donations

There were no donations made by the Company during the year.

### Events Occurring After the Reporting Period

No circumstances have arisen after the reporting period which would require adjustment to or disclosure in the financial statements other than those disclosed in Note 33 on Page No 128 of the financial statements.

### Going Concern

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

### Corporate Governance

Corporate Governance practices and principles with respect to the management

and operations of the Company are set out on Pages from 27 to 38 of the Corporate Governance Report. The Corporate Governance report also includes the requirements of rules of Section 9 of the CSE listing Rules as applicable.

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

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

#### Audit Committee

Mr. Duminda Weerasekera (Chairman)  
Mr. Sujeewa Mudalige  
Mr. Savanth Sebastian  
Mr. Samresh Kumar

#### Remuneration Committee

Mr. Savanth Sebastian (Chairman)  
Mr. Sujeewa Mudalige  
Mr. Samresh Kumar

#### Related Party Transactions Review Committee

Mr. Ravi Goonetilleke (Chairman)  
Mr. Sujeewa Mudalige  
Mr. Samresh Kumar

#### Nominations and Governance Committee

Mr. Savanth Sebastian (Chairman)  
Mr. Sujeewa Mudalige  
Mr. Samresh Kumar

### Related Party Transactions Review Committee

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

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

### Investment Committee

Mr. Sujeewa Mudalige (Chairman)  
Dr. Sajeeva Narangoda  
Mr. Savanth Sebastian

### Annual General Meeting

The Annual General Meeting of the Company will be held by way of electronic means on 10th September 2025 at 10.00 a.m. The Notice of the Annual General meeting appears on page 142.

### By Order of the Board Ambeon Capital PLC

Sgd.  
D T S H Mudalige  
Chairman

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

Sgd.  
Managers & Secretaries (Pvt) Ltd -  
Secretaries

15 August 2025  
Colombo

# Statement of Directors' Responsibilities

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

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

The Directors consider that the financial statements presented in this annual report have been prepared using appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and in compliance with the Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS), Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

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

The Directors continue to adopt the going concern basis in preparing the financial statements. The directors, after making inquiries and review of the company's business plan for the financial year 2025/2026, including cash flows and borrowing facilities, consider that the Company has adequate resources to continue in operation.

By Order of the Board

Ambeon Capital PLC

Sgd.  
Managers & Secretaries (Pvt) Ltd  
Secretaries

15 August 2025

# *enduring* **VALUES**

## **Financial Statements**

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## Financial Calendar

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



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# Independent Auditor's Report

## TO THE SHAREHOLDERS OF AMBEON CAPITAL PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Ambeon Capital PLC (the "Company"), and the consolidated Financial Statements of the company and its subsidiaries (the "Group") which comprise the statement of financial position as at 31 March 2025 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

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

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

A member firm of Ernst & Young Global Limited

Key audit matter	How our audit addressed the key audit matter
<b>Assessment of fair valuation of investment property</b>	
<p>Investment Properties include land and buildings carried at fair value. The fair value of land and buildings were determined by external valuers engaged by the Group.</p> <p>This was a key audit matter due to the:</p> <ul style="list-style-type: none"> <li>• The materiality of the reported fair value of land and buildings which amounted to Rs. 1.4 Bn representing 5% of the Group's total assets as of the reporting date; and</li> <li>• The degree of assumptions, judgements and estimation uncertainties associated with fair valuation of land and buildings using the market approach and income approach.</li> </ul> <p>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of land and buildings, as disclosed in Note 15 to the financial statements, included judgements involved in ascertaining the appropriate valuation techniques and estimates such as:</p> <ul style="list-style-type: none"> <li>• Estimate of per perch value of the land.</li> <li>• Estimate of the per square foot value of the buildings.</li> <li>• Market rent per square foot, occupancy rates and yield.</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the competence, capability and objectivity of the external valuers engaged by the Group.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>We also assessed the adequacy of the disclosures made in Note 15 to the financial statements.</p>
<b>Annual Impairment assessment of intangible assets with infinite useful life</b>	
<p>The Group's Statement of Financial Position includes an amount of LKR 1.3 Bn relating to Goodwill and Brands, as further described in Note 13 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).</p> <p>Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill and Brand have been allocated. A deficit between the recoverable value and the carrying values of the CGUs including Goodwill would result in an impairment.</p> <p>Impairment testing of Goodwill was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• the degree of assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations.</li> </ul> <p>Key areas of significant judgements, estimates and assumptions included key inputs and assumptions related to the value in use computations such as growth rates used for extrapolation purposes, discount rates and terminal growth rates as disclosed in Note 13 to the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We gained an understanding of how Management has forecasted its discounted future cash flows.</li> <li>• 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.</li> </ul> <p>We assessed the adequacy of the disclosures made in Note 13 in the financial statements.</p>

### Other information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information. Other information is expected to be made available to us after the date of this auditor's report.

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

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

### Responsibilities of management and those charged with governance in the financial statement

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

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence,

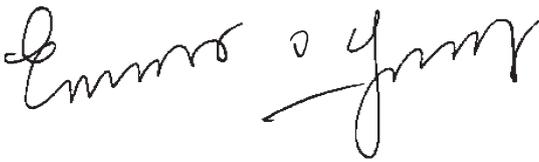
and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

### Report on Other Legal and Regulatory Requirements

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

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



15 August 2025  
Colombo

# Income Statement

Year ended 31 March		Group		Company	
Continuing Operations	Notes	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	5	17,301,634,906	16,965,438,514	25,974,562	179,997,672
Cost of Sales	6	(13,407,490,215)	(12,066,118,336)	-	-
<b>Gross Profit</b>		<b>3,894,144,691</b>	<b>4,899,320,178</b>	<b>25,974,562</b>	<b>179,997,672</b>
Investment and Other Income	7	365,175,211	402,381,304	32,357,653	510,966,631
Selling and Distribution Expenses		(429,245,635)	(507,999,792)	-	-
Administrative Expenses		(2,230,779,804)	(2,252,003,464)	(57,067,435)	(75,503,658)
Gain on change in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss		1,085,834,767	335,120,174	7,925,554	-
Change in Fair Value of Biological Assets	14	1,367,000	4,397,000	-	-
Change in Fair Value of Investment Property	15	29,801,550	327,500,000	7,696,000	5,000,000
Change in Fair Value of Investment in Subsidiary	16	-	-	1,125,324,503	384,741,767
Finance Cost	8	(727,744,672)	(1,079,379,893)	(423,602,383)	(732,573,644)
Share of Results of Equity Accounted Investee	29.1	(190,121,020)	82,100,724	-	-
Gain on Disposal of Subsidiary	4	-	853,168,435	1	-
<b>Profit/(Loss) Before Income Tax from Continuing Operations</b>	<b>9</b>	<b>1,798,432,088</b>	<b>3,064,604,666</b>	<b>718,608,455</b>	<b>272,628,768</b>
Income Tax Expense	10	(206,174,058)	(517,123,881)	(2,301,687)	(1,483,815)
<b>Profit/(Loss) for the Year from Continuing Operations</b>		<b>1,592,258,030</b>	<b>2,547,480,785</b>	<b>716,306,768</b>	<b>271,144,953</b>
<b>Discontinued Operations</b>					
Loss after tax from discontinued operations for the year	4	-	(180,516,677)	-	-
<b>Profit/(Loss) for the year</b>		<b>1,592,258,030</b>	<b>2,366,964,108</b>	<b>716,306,768</b>	<b>271,144,953</b>
<b>Profit / (Loss) Attributable to:</b>					
Equity Holders of the Company		1,043,180,139	1,614,878,908		
Non - Controlling Interests		549,077,891	752,085,200		
		<b>1,592,258,030</b>	<b>2,366,964,108</b>		
Basic Earnings / (Loss) Per Share	11	1.04	1.61	0.71	0.27
Basic Earnings / (Loss) Per Share from Continuing Operations	11	1.04	1.79	0.71	0.27

The Notes from pages 65 to 135 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

# Statement of Comprehensive Income

Year ended 31 March	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit/(Loss) for the Year		1,592,258,030	2,366,964,108	716,306,768	271,144,953
<b>Other Comprehensive Income</b>					
<b>Items that will never be reclassified to profit or loss</b>					
Actuarial Loss on Defined Benefit Plans	23	9,761,935	(6,296,125)	-	-
Tax on Actuarial loss on Defined Benefit Plans	25	(2,661,801)	610,713	-	-
Change in Fair Value of FVOCI Financial Assets		-	85,796,621	-	-
Revaluation Gain on Land and Building		-	(325,000)	-	-
Share of Other Comprehensive Income of Equity Accounted Investees	29	17,491,255	16,654,584	-	-
		<b>24,591,389</b>	<b>96,440,792</b>	-	-
<b>Items that are or may be reclassified to profit or loss</b>					
Functional/Foreign Currency translation Reserve		4,008,735	(10,478,253)	-	-
		4,008,735	(10,478,253)	-	-
<b>Total Other Comprehensive Income</b>		<b>28,600,124</b>	<b>85,962,539</b>	-	-
<b>Total Comprehensive Income for the Year</b>		<b>1,620,858,154</b>	<b>2,452,926,646</b>	<b>716,306,768</b>	<b>271,144,953</b>
<b>Total Comprehensive Income Attributable to:</b>					
Equity Holders of the Company		1,064,052,184	1,690,767,294		
Non - Controlling Interests		556,805,970	762,159,352		
		<b>1,620,858,154</b>	<b>2,452,926,646</b>		

The Notes from pages 65 to 135 form an integral part of these Financial Statements.

Figures in bracket indicate deductions.

# Statement of Financial Position

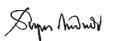
As at 31 March		Group		Company	
		2025	2024	2025	2024
ASSETS	Notes	LKR	LKR	LKR	LKR
<b>Non-Current Assets</b>					
Property, Plant & Equipment	12	289,725,931	664,749,913	17,282	39,881
Intangible Assets	13	1,344,587,545	1,196,894,065	-	-
Biological Assets	14	84,891,950	83,524,950	-	-
Investment Property	15	1,445,120,550	1,076,350,000	48,196,000	40,500,000
Investment in Subsidiaries	16	-	-	9,382,307,700	8,282,442,767
Investment in Equity Accounted Investee	29	907,700,438	1,124,039,068	-	-
Other Financial Assets	17	9,249,904	8,805,961	-	-
Right-of-Use Assets	28	405,087,518	381,354,582	-	1,800,664
Deferred Tax Asset	25	128,045,820	68,483,698	-	-
		<b>4,614,409,656</b>	<b>4,604,202,237</b>	<b>9,430,520,982</b>	<b>8,324,783,312</b>
<b>Current Assets</b>					
Inventories	18	2,493,921,517	1,415,692,945	-	-
Trade & Other Receivables	19	7,125,687,902	8,153,097,473	57,912,702	528,162,849
Other Financial Assets	17	13,422,302,704	6,936,942,402	1,176,209,022	-
Income Tax Recoverable		11,843,159	17,959,108	-	-
Cash & Cash Equivalents	20	932,552,651	501,770,288	1,296,139	1,076,124
		<b>23,986,307,933</b>	<b>17,025,462,216</b>	<b>1,235,417,863</b>	<b>529,238,973</b>
<b>Total Assets</b>		<b>28,600,717,589</b>	<b>21,629,664,453</b>	<b>10,665,938,845</b>	<b>8,854,022,285</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated Capital	21	1,053,643,405	1,053,643,405	1,053,643,405	1,053,643,405
Other Components of Equity	21.1	(4,429,064)	190,477,776	258,920,263	258,920,263
Retained Earnings		5,340,350,961	4,081,391,937	4,241,394,980	3,525,088,212
<b>Equity Attributable to Equity Holders of the Company</b>		<b>6,389,565,302</b>	<b>5,325,513,118</b>	<b>5,553,958,648</b>	<b>4,837,651,880</b>
Non Controlling Interests		3,949,914,041	4,057,054,860	-	-
<b>Total Equity</b>		<b>10,339,479,343</b>	<b>9,382,567,978</b>	<b>5,553,958,648</b>	<b>4,837,651,880</b>
<b>Non-Current Liabilities</b>					
Other Financial Liabilities	27	347,936	347,936	-	-
Interest Bearing Loans & Borrowings	22	492,541,543	597,518,610	1,461,903,102	1,583,499,142
Retirement Benefit Obligation	23	375,855,260	377,662,755	-	-
Deferred Tax Liability	25	306,705,920	303,441,934	6,363,985	4,062,297
		<b>1,175,450,659</b>	<b>1,278,971,235</b>	<b>1,468,267,087</b>	<b>1,587,561,439</b>
<b>Current Liabilities</b>					
Trade and Other Payables	26	4,457,570,068	3,677,668,165	1,369,689	987,252
Income Tax Payable		250,180,273	363,345,459	-	-
Contract Liability	24	1,904,072,863	1,681,266,541	-	-
Interest Bearing Loans & Borrowings	22	10,473,964,383	5,245,845,075	3,642,343,421	2,427,821,714
		<b>17,085,787,587</b>	<b>10,968,125,240</b>	<b>3,643,713,110</b>	<b>2,428,808,966</b>
<b>Total Equity and Liabilities</b>		<b>28,600,717,589</b>	<b>21,629,664,453</b>	<b>10,665,938,845</b>	<b>8,854,022,285</b>
Net Assets Per Share (Rs.)	11	6.37	5.31	5.54	4.82

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



Haritha C. Perera  
Chief Financial Officer

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



Sujeewa Mudalige  
Chairman



Sajeeva Narangoda  
Group CEO/Executive Director

The Notes from pages 65 to 135 form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.

15 August 2025  
Colombo

# Statement of Changes in Equity - Group

GROUP	Notes	Attributable to Equity Holders of the Group					Total	Non Controlling Interests	Total Equity
		Stated Capital	Fair Value through OCI Reserve	Revaluation Reserve	Foreign/ Functional currency translation Reserve	Retained Earnings			
		LKR	LKR	LKR	LKR	LKR	LKR	LKR	
<b>Year ended 31 March 2025</b>									
<b>Balance as at 01 April 2023</b>		1,053,643,405	(131,678,946)	1,132,409,840	(2,224,417)	1,582,595,942	3,634,745,824	4,404,805,955	8,039,551,779
Profit for the year		-	-	-	-	1,614,878,907	1,614,878,907	752,085,200	2,366,964,108
Other Comprehensive Income		-	69,864,188	(264,648)	(4,319,269)	10,608,115	75,888,387	10,074,152	85,962,539
<b>Total Comprehensive Income for the year</b>		-	<b>69,864,188</b>	<b>(264,648)</b>	<b>(4,319,269)</b>	<b>1,625,487,022</b>	<b>1,690,767,295</b>	<b>762,159,352</b>	<b>2,452,926,646</b>
Realization of Revaluation Reserve due to the Disposal of Subsidiary		-	-	(955,368,470)	-	955,368,470	-	-	-
Transfer from FVTOCI to Retained Earnings		-	82,059,497	-	-	(82,059,497)	-	-	-
De-recognition of Non controlling interest due to Disposal of Subsidiary		-	-	-	-	-	-	(961,247,553)	(961,247,553)
Subsidiary Dividend to Minority Shareholders	36.1	-	-	-	-	-	-	(148,662,894)	(148,662,894)
<b>Balance as at 31 March 2024</b>		<b>1,053,643,405</b>	<b>20,244,739</b>	<b>176,776,723</b>	<b>(6,543,685)</b>	<b>4,081,391,937</b>	<b>5,325,513,118</b>	<b>4,057,054,860</b>	<b>9,382,567,978</b>
Profit for the year		-	-	-	-	1,043,180,139	1,043,180,139	549,077,891	1,592,258,030
Other Comprehensive Income		-	-	-	2,114,622	18,757,424	20,872,045	7,728,078	28,600,124
<b>Total Comprehensive Income for the year</b>		-	-	-	<b>2,114,622</b>	<b>1,061,937,563</b>	<b>1,064,052,184</b>	<b>556,805,970</b>	<b>1,620,858,154</b>
Equity Share Disposal Loss		-	(9,907,277)	-	-	9,907,277	-	-	-
Transfer from FVTOCI to Retained Earnings		-	(10,337,462)	-	-	10,337,462	-	-	-
Reclassification adjustment made to Retained Earnings due to the Investment Property Transfer		-	-	(176,776,723)	-	176,776,723	-	-	-
Transactions with Non controlling Interest		-	-	-	-	-	-	(663,946,789)	(663,946,789)
<b>Balance as at 31 March 2025</b>		<b>1,053,643,405</b>	-	-	<b>(4,429,064)</b>	<b>5,340,350,961</b>	<b>6,389,565,302</b>	<b>3,949,914,041</b>	<b>10,339,479,343</b>

The Notes from pages 65 to 135 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

# Statement of Changes in Equity - Company

Year ended 31 March 2025		Stated Capital	Amalgamation Reserve	Retained Earnings	Total Equity
COMPANY	Notes	LKR	LKR	LKR	LKR
Balance as at 01 April 2023		1,053,643,405	258,920,263	3,253,943,259	4,566,506,927
Profit for the year		-	-	271,144,953	271,144,953
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income for the year</b>		-	-	<b>271,144,953</b>	<b>271,144,953</b>
<b>Balance as at 31 March 2024</b>		<b>1,053,643,405</b>	<b>258,920,263</b>	<b>3,525,088,212</b>	<b>4,837,651,880</b>
Profit for the year		-	-	716,306,768	716,306,768
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income for the year</b>		-	-	<b>716,306,768</b>	<b>716,306,768</b>
<b>Balance as at 31 March 2025</b>		<b>1,053,643,405</b>	<b>258,920,263</b>	<b>4,241,394,980</b>	<b>5,553,958,648</b>

The Notes from pages 65 to 135 form an integral part of these Financial Statements.

Figures in bracket indicate deductions

# Statement of Cash Flows

Year ended 31 March 2025

	Notes	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Cash Flows From Operating Activities</b>					
Profit/(Loss) before Tax from Continuing Operations		1,798,432,088	3,064,604,666	718,608,455	272,628,768
Loss before tax from Discontinuing Operations		-	(180,516,677)	-	-
<b>Adjustment for</b>					
Depreciation of Property, Plant & Equipment	12	83,751,116	119,096,642	22,599	39,373
Amortization of Right of Use Assets	28	59,853,395	59,386,510	1,552,706	2,269,031
Amortization of Intangible Assets	13	2,446,347	3,142,096	-	-
Change in Fair Value of Financial Assets		(1,085,834,767)	(335,120,174)	(7,925,554)	-
Gain on Disposal of Subsidiary	4.2	-	(672,651,758)	(1)	-
Provision for Retirement Benefit Obligation	23	97,471,961	106,611,363	-	-
Change in Fair Value of Investment Property	15	(29,801,550)	(327,500,000)	(7,696,000)	(5,000,000)
Change in Fair Value of Investment in Subsidiary	16	-	-	(1,125,324,503)	(384,741,767)
Impairment of Share of Results of Equity Accounted Investee	29	43,708,866	-	-	-
Impairment / (Reversal) of Trade and Other Receivables	19.2	(706,115,785)	(95,962,828)	-	24,482,907
Gain on changes in fair value of Biological Assets	14	(1,367,000)	(4,397,000)	-	-
Allowance/ (Reversal) for Obsolete and Slow Moving Inventories	18	2,951,345	(4,696,996)	-	-
Profit from Disposal of Property Plant & Equipment		-	(785,599)	-	-
Interest Expense	8	727,744,672	1,079,379,893	423,602,383	732,573,644
Share of Results of Equity Accounted Investee	29	190,121,020	(82,100,724)	-	-
<b>Operating Profit before Working Capital Changes</b>		<b>1,183,361,708</b>	<b>2,728,489,415</b>	<b>2,840,086</b>	<b>642,251,956</b>
(Increase)/Decrease in Inventories		(1,081,179,918)	386,819,783	-	-
(Increase)/Decrease in Trade & Other Receivables		1,734,171,738	(881,761,368)	465,709,720	(61,132,369)
Increase/(Decrease) in Contract Liability		222,806,322	(1,022,700,688)	-	-
Increase/(Decrease) in Trade & Other Payable		779,901,902	(129,765,072)	382,437	11,372
<b>Cash Generated from Operations</b>		<b>2,839,061,751</b>	<b>1,081,082,069</b>	<b>468,932,242</b>	<b>581,130,959</b>
Retirement Gratuity Paid/Transfers	23	(501,656,205)	(45,344,361)	-	-
Interest Paid		(373,099,758)	(498,230,359)	(189,435,002)	(337,791,044)
Income Tax Paid		-	(350,429,535)	-	-
<b>Net Cash Flow Generated from/ (used in) Operating Activities</b>		<b>1,874,788,267</b>	<b>187,077,814</b>	<b>279,497,240</b>	<b>243,339,915</b>
<b>Cash Flow from Investing Activities</b>					
Acquisition of Property, Plant & Equipment	12	(38,726,434)	(176,048,399)	-	-
Proceeds on disposal of Property, Plant & Equipment		-	961,329	-	-
Net cash inflow from disposal of subsidiary		-	2,813,823,721	-	-
Investment in Subsidiaries		(799,169,176)	-	-	-
Acquisition of Intangible Assets	13	(14,647,993)	(8,635,873)	-	-
Acquisition of Investment Properties	15	(8,969,000)	-	-	-
Acquisition of Other Financial Assets		(5,399,525,535)	(2,401,522,227)	-	-
Redemption of Preference Shares		-	-	30,000,000	-
Proceeds / (Investment) in Other Financial Assets		(443,943)	392,994,444	(1,168,283,468)	679,229,611
<b>Net Cash Flow Generated From / (Used) in Investing Activities</b>		<b>(6,261,482,082)</b>	<b>621,572,996</b>	<b>(1,138,283,468)</b>	<b>679,229,611</b>
<b>Cash Flow from Financing Activities</b>					
Loan Received		158,273,238,926	209,848,321,556	-	-
Dividend Paid to Non-Controlling Interest	36.1	-	(148,662,894)	-	-
Lease Payments	22.1	(99,310,615)	(83,602,126)	(1,614,411)	(2,561,621)
Repayment of Loans		(153,270,304,342)	(210,862,578,960)	824,174,982	(744,793,635)
<b>Net Cash Flow Generated from/ (Used) in Financing Activities</b>		<b>4,903,623,968</b>	<b>(1,246,522,426)</b>	<b>822,560,571</b>	<b>(747,355,256)</b>
<b>Net foreign Exchange Difference</b>		<b>4,008,735</b>	<b>(10,478,253)</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; Cash Equivalents</b>					
Net movement during the year		520,938,890	(448,349,866)	(36,225,659)	175,214,267
At the beginning of the year		220,315,468	668,665,334	(1,359,609)	(176,573,876)
<b>At the end of the year (Note A)</b>	20	<b>741,254,357</b>	<b>220,315,468</b>	<b>(37,585,266)</b>	<b>(1,359,609)</b>
<b>Note A-Cash and Equivalents are as follows</b>					
Cash in Hand & Bank		932,552,651	501,770,288	1,296,139	1,076,124
Bank Overdraft		(191,298,294)	(281,454,820)	(38,881,405)	(2,435,733)
		<b>741,254,357</b>	<b>220,315,468</b>	<b>(37,585,266)</b>	<b>(1,359,609)</b>

The Notes from pages 65 to 135 form an integral part of these Financial Statements.  
Figures in bracket indicate deductions

# Notes to the Financial Statements

Year ended 31st March 2025

## 1. CORPORATE INFORMATION

### 1.1 Reporting Entity

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

### 1.2 Consolidated Financial Statements

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

### 1.3 Parent Entity

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

### 1.4 Approvals of Financial Statements

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

### 1.5 Principal Activities & Nature of Operations

#### Holding Company

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

#### Subsidiary – Ambeon Holdings PLC

Ambeon Holdings PLC manages a portfolio of holdings consisting of a range of diverse business operations, which together constitute the Ambeon Group,

and provides function-based services to its subsidiaries. and associate. Subsidiaries of the group were engaged in managing property, IT services, financial services, and investments.

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

The company underwent a restructuring under Colombo City Holdings PLC during the year, which was a subsidiary of Ambeon Capital PLC until 30th September 2024. During the period, the principal activity of the company was estate management.

#### Sub-Subsidiary- through Colombo City Holdings PLC - Lexinton Resorts (Pvt) Ltd

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

#### Sub- Subsidiary – through Ambeon Holdings PLC - Palla & Company (Pvt) Ltd

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

#### Sub-subsidiary through Ambeon Holdings PLC - Colombo City Holdings PLC

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

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

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

#### Sub -subsidiary – through Ambeon Holdings PLC - Olancom (Pvt) Ltd

The Company is the Investment Holding Company of Roomsnet International Limited. However, there were no operations during the year.

#### Sub -subsidiary – through Ambeon Holdings PLC – Greenfield Ventures (Pvt) Limited

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

#### Sub-Subsidiary through Ambeon Holdings PLC- Eon Tec (Pvt) Limited

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

#### Sub-subsidiary through Eon Tec (Pvt) Ltd – 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 specialising in the Integration Business providing a host of specialised, scalable solutions ranging from Core Infrastructure, Information Security, Business Collaboration, Near-Field Communications, Business Productivity, Managed Solutions and Customer Relationship Management.

#### Sub- Subsidiary Entity - Millennium IT ESP Singapore Pte. Ltd

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

#### Sub- Subsidiary Entity - MIT ESP Bangladesh Private Ltd

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

# Notes to the Financial Statements

Year ended 31st March 2025

## Sub- Subsidiary Entity - MIT ESP Trading L.L.C

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

## Associate Entity – Infoseek (Private) Limited

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

## Associate Entity –Dankotuwa Porcelain PLC

During the period, the principal activity of the company was to manufacture porcelain tableware to export and domestic market.

## Sub - subsidiary - through Ambeon Holdings PLC - Taprobane Capital Plus (Pvt) Ltd

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

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

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

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

The principal activity of the company is conducting Money Broking transactions in the open market.

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

The principal activity of the company is conducting Corporate Finance activities. However, there were no operations during the year.

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

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

## Sub-subsidiary through Taprobane Capital Plus (Pvt) Ltd – Sherwood Capital (Private) Limited.

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

## 1.6 Responsibility for Financial Statements

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

## 2. BASIS OF PREPARATION

### 2.1 Basis of Measurement

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

### 2.2 Statement of Compliance

The Financial Statements which comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the Statement of Cash Flows

together with the material accounting policy information and notes (the "Financial Statements") have been prepared in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the requirement of the Companies Act No. 7 of 2007.

## 2.3 Comparative Information

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

## 2.4 Going Concern

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

## 2.5 Presentation and Functional Currency

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

## 2.6 Basis of Consolidation

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

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

## 2.7 Subsidiary

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

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

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

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

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

The Group re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of

a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

The total profits and losses for the year

of the Company and of its subsidiaries included in consolidation are shown in the consolidated income statement and statement of comprehensive income and all assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the statement of financial position.

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

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

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

## 2.8 Transactions with Non-Controlling Interests

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

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

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

## 2.9 Significant Judgments, estimates and assumptions

The preparation of the Financial Statements of the Group requires the management to make judgments, estimates and assumptions, which may affect the amounts of income, expenditure, assets, liabilities and the disclosure of contingent liabilities, at the end of the reporting period.

# Notes to the Financial Statements

Year ended 31st March 2025

In the process of applying the Group's accounting policies, the key assumptions made relating to the future and the sources of estimation at the reporting date together with the related judgments that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below.

## • Revenue from IT related Services

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

## • Revaluation of property, plant and equipment and fair valuation of investment properties

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

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

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

## • Impairment of non-financial assets

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

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

## • Fair value of financial instruments

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

## • Deferred Tax Assets/ Liabilities

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

## • Employee benefit liability

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

## • Accounting for investments in Subsidiaries

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

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

## 2.10 Summary of Material Accounting Policy Information

### 2.10.1 Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or

# Notes to the Financial Statements

Year ended 31st March 2025

services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

## a. Goods transferred at a point in time

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

## b. Revenue recognition multiple element arrangements

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

## c. Rendering of services

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

## d. Dividend

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

## e. Finance income

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

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

## f. Commissions

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

## g. Rental Income

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

## h. Gains and losses

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

## i. Other income

Other income is recognized on an accrual basis.

## 2.10.2 Expenditure recognition

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

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

## 2.10.3 Finance costs

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

## 2.10.4 Property, plant and equipment

### Basis of recognition

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

### Basis of measurement

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

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

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

Any revaluation surplus is recognized in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in

# Notes to the Financial Statements

Year ended 31st March 2025

the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

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

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

## Derecognition

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

## Depreciation

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

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

Assets Category	2024/25	2023/24
Buildings	10-50 Years	10-50 Years
Tools & Equipment	5-18 Years	5-18 Years
Furniture Fittings & Office Equipment	5-7 Years	5-7 Years
Motor Vehicles	4-6 Years	4-6 Years
Computer Equipment	1-5 Years	1-5 Years

### 2.10.5 Leases

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

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

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

#### Lease rentals paid in advance (Leasehold Properties)

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

## Leases

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

### Group as a lessee

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

### Right-of-use assets

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

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

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value

# Notes to the Financial Statements

Year ended 31st March 2025

guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

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

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

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

## Estimating the incremental borrowing rate

The Group companies cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group

'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

## 2.10.6 Biological Assets

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

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

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

### a. Bearer Biological Assets

Bearer biological assets include tea, rubber & coconut trees that are not intended to be sold or harvested, but

are grown for harvesting agricultural produce from such biological assets. The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property Plant & Equipment.

### b. Consumable Biological Assets

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

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

### c. Infilling Cost on Bearer Biological Assets

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

## 2.10.7 Investment Property

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

# Notes to the Financial Statements

Year ended 31st March 2025

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

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

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

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

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

## 2.10.8 Intangible assets

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

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

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

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

## 2.10.9 Business combinations and goodwill

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

proportionate share of the acquiree at the fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

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

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

## 2.10.10 Investments in Subsidiaries (Company)

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

## 2.10.11 Investment in Associate

Associates are those investments over which the Group has significant influence and holds 20% to 50% of the equity and which are neither subsidiaries nor joint ventures of the Group. The Group's investments in its associates are accounted for using the equity method and ceases to use the equity method of accounting on the date from which, it no longer has significant influence in the associate.

Under the equity method, the investment is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of associate since acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

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

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

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

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

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

## 2.10.12 Common Control Business Combinations

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

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity.

## 2.10.13 Foreign currencies

Foreign currency transactions and balances

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

### Transactions and balances

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

## Foreign operations

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

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

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

### 2.10.14 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is higher of asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell,

recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

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

## 2.10.15 Taxes

### a. Current income tax

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

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

### b. Deferred tax

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

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

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

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable

right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

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

## c. Sales Tax

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

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

and

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

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

## 2.10.16 Disposal of Subsidiaries and discontinued operations

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

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

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

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

## 2.10.17 Inventories

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

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

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

# Notes to the Financial Statements

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## 2.10.18 Financial instruments-initial recognition and subsequent measurement

### Initial recognition and measurement

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

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

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

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

### Subsequent measurement

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

#### Financial assets at amortised cost

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

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

and

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

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

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

#### Financial assets at fair value through OCI

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

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

and

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

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised

in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.

#### Financial assets designated at fair value through OCI

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

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

#### Financial assets at fair value through profit or loss

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

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the

# Notes to the Financial Statements

Year ended 31st March 2025

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

## Derecognition

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

### a. Impairment of financial assets

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

Financial assets are written off either partially or in their entirety only when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated

as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

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

### b. Financial liabilities

#### *Initial recognition and measurement*

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

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

#### *Subsequent measurement*

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

#### *Financial liabilities at fair value through profit or loss*

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

held for trading are recognised in the statement of profit or loss.

#### *Loans and borrowings*

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

#### *Derecognition*

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

### c. Offsetting of financial instruments

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

### d. Fair value of financial instruments

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

# Notes to the Financial Statements

Year ended 31st March 2025

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

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

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 30.

## 2.10.19 Cash and short-term deposits

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

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

## 2.10.20 Employee benefits liabilities

### Defined Benefit Plan - Gratuity:

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

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

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

The payments are made based on gratuity Act No12 of 1983.

### Recognition of Actuarial Gains and Losses

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

### Defined Contribution Plans:

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

Employees' Provident Fund and Employee' Trust Fund Employees are eligible for Employees' Provident Fund and Employee' Trust Fund contributions, in line with respective statute and regulations. The Group and employee contribute 12% - 15% and 10% - 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.

The used assumptions and the sensitivity analysis will be state in the Note No. 23.6

## 2.10.21 Provisions, contingent assets and contingent liabilities

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

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

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

Subsequently, it is measured at the higher of:

- The amount that would be recognized in accordance with the general guidance for provisions above (LKAS 37)

Or

- The amount initially recognized less, when appropriate, cumulative amortization  
Contingent assets are disclosed, where inflow of economic benefit is probable.

### Contract liabilities

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

Contract liabilities of the Group have been disclosed in current liabilities in note 24.

# Notes to the Financial Statements

Year ended 31st March 2025

## 2.10.22 Segmental Information

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

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

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

<b>Manufacturing Porcelain</b>	Dankotuwa Porcelain PLC and Royal Fernwood Porcelain Ltd and its Subsidiaries (disposed on 13 July 2023)
<b>Property</b>	Colombo City Holdings PLC, Lexinton Holdings (Pvt) Ltd, Lexinton Resorts (Pvt) Ltd, Heron Agro Products (Pvt) Ltd.
<b>IT and related Services</b>	Millennium I.T.E.S.P (Pvt) Limited, Eon Tec (Pvt) Ltd, Greenfield Ventures (Pvt) Ltd.
<b>Investments</b>	Ambeon Holdings PLC and Olancom (Pvt) Ltd, Ambeon Capital PLC
<b>Financial Services</b>	Ambeon Securities (Private) Limited, Taprobane Investments (Private) Limited, Taprobane Wealth Plus (Private) limited, Taprobane Capital Plus (Pvt) Ltd., Lexinton Financial Services (Pvt) Ltd & Sherwood Capital (Pvt) Ltd.

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

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

The segment wise performance is state in the Note No.05

## 3. CHANGES IN ACCOUNTING STANDARDS AND STANDARDS ISSUED BUT NOT YET EFFECTIVE

### NEW AND AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

#### SLFRS 17 Insurance Contracts

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

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

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

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

#### Lack of exchangeability – Amendments to LKAS 21

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

## 4. Acquisition and Restructure of Subsidiaries - Group

### 4.1 Transfer of Equity Stake in Heron Agro Products (Pvt) Ltd by Ambeon Capital PLC to Colombo City Holdings PLC

On 11th October 2024 Ambeon Capital PLC transferred its equity stake amounting to 100% of the issued share capital of Heron Agro Products (Pvt) Ltd to Colombo City Holdings PLC for a total consideration of LKR. 1/-.

Fair values of the identifiable assets and liabilities of the disposed;

	LKR
<b>Non-Current Assets</b>	
Property, Plant & Equipment	31,921
Right of Use Assets	3,589,080
Biological Assets	83,524,950
<b>Total Non-Current Assets</b>	<b>87,145,952</b>
<b>Current Assets</b>	
Cash & Bank	215,461
<b>Total Current Assets</b>	<b>215,461</b>
<b>Total Assets</b>	<b>87,361,414</b>
<b>Non-Current Liabilities</b>	
Deferred Tax Liabilities	5,385,085
Lease Liability	6,324,643
<b>Total Non-Current Liabilities</b>	<b>11,709,728</b>
<b>Current Liabilities</b>	
Trade and Other Payable	1,433,520
Amounts due to Related Companies	74,123,700
Lease Liability	94,466
<b>Total Current Liabilities</b>	<b>75,651,686</b>
<b>Total Liabilities</b>	<b>87,361,414</b>
<b>Fair value of Net Assets Disposed</b>	<b>-</b>

### Gain on disposal of subsidiary - Company

	LKR
Fair value of consideration received	1
Fair value of net assets disposed	-
<b>Net Gain from Disposal of subsidiary</b>	<b>1</b>

# Notes to the Financial Statements

Year ended 31st March 2025

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

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

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

## 5. SEGMENTAL INFORMATION

Group	Manufacturing Footwear		Manufacturing Porcelain		Investment	
	2025	2024	2025	2024	2025	2024
	LKR	LKR	LKR	LKR	LKR	LKR
Total Revenue	-	-	-	1,358,378,555	565,831,899	661,296,185
Segment Results Gross Profit	-	-	-	360,309,244	565,831,897	661,296,185
Finance Cost	-	-	-	(86,461,441)	(282,611,151)	(342,168,097)
Change in Fair value of Investment Property	-	-	-	-	7,696,000	5,000,000
Profit/(Loss) before Income Tax	-	-	-	(3,110,515)	773,295,411	1,247,028,336
Income Tax (Expense)/Reversal	-	-	-	4,744,180	3,207,974	(74,414,011)
<b>Profit/(Loss) after tax for the year from continuing operations</b>	-	-	-	<b>1,633,665</b>	<b>776,503,385</b>	<b>1,172,614,325</b>
Loss after tax for the year from discontinued operations	-	(970,727)	-	-	-	(179,545,950)
<b>Profit/(Loss) for the year</b>	-	<b>(970,727)</b>	-	<b>1,633,665</b>	<b>776,503,385</b>	<b>993,068,375</b>
Purchase and construction of Property Plant and Equipment	-	-	-	5,784,064	514,000	272,650
Additions to intangible assets	-	-	-	-	-	-
Depreciation of Property Plant and Equipment	-	-	-	34,854,413	1,363,279	2,696,406
Amortization of intangible assets	-	-	-	2,127,755	1,008,808	1,014,341
Gratuity provision and related costs	-	-	-	5,899,015	2,590,054	3,008,576
<b>Assets and Liabilities</b>						
Non-Current Assets	-	-	-	-	2,275,724,465	2,289,278,933
Current Assets	572,188	575,333	-	-	9,479,423,935	3,922,771,628
<b>Total assets *</b>	<b>572,188</b>	<b>575,333</b>	-	-	<b>11,755,148,400</b>	<b>6,212,050,561</b>
Non-Current Liabilities	-	-	-	-	72,777,892	161,736,200
Current Liabilities	3,667,569	3,532,568	-	-	6,253,191,311	1,460,915,072
<b>Total Liabilities **</b>	<b>3,667,569</b>	<b>3,532,568</b>	-	-	<b>6,325,969,202</b>	<b>1,622,651,271</b>

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

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

# Notes to the Financial Statements

Year ended 31st March 2025

Property		IT and related Services		Financial Services		Total	
2025	2024	2025	2024	2025	2024	2025	2024
LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
9,701,895	12,706,463	15,642,606,801	13,233,346,949	1,083,494,311	1,699,710,362	17,301,634,906	16,965,438,514
6,722,569	8,760,775	2,251,120,005	2,172,201,921	1,070,470,220	1,696,752,054	3,894,144,691	4,899,320,179
(14,867,590)	(17,586,843)	(301,141,360)	(369,529,702)	(129,124,571)	(263,633,809)	(727,744,672)	(1,079,379,892)
18,335,000	313,000,000	-	-	3,770,550	9,500,000	29,801,550	327,500,000
320,761,995	577,871,472	63,695,774	21,410,280	640,678,910	1,221,405,095	1,798,432,088	3,064,604,666
(58,863,718)	(238,547,851)	52,753,214	162,350,789	(203,271,528)	(371,256,989)	(206,174,058)	(517,123,882)
<b>261,898,277</b>	<b>339,323,621</b>	<b>116,448,988</b>	<b>183,761,069</b>	<b>437,407,382</b>	<b>850,148,105</b>	<b>1,592,258,031</b>	<b>2,547,480,785</b>
-	-	-	-	-	-	-	(180,516,677)
<b>261,898,277</b>	<b>339,323,621</b>	<b>116,448,988</b>	<b>183,761,069</b>	<b>437,407,382</b>	<b>850,148,105</b>	<b>1,592,258,031</b>	<b>2,366,964,108</b>
1,224,316	105,100	30,015,168	220,387,951	6,972,951	3,340,575	38,726,434	229,890,341
-	-	14,647,993	8,635,873	-	-	14,647,993	8,635,873
450,574	10,107,016	79,757,149	70,077,775	2,180,114	1,361,032	83,751,116	119,096,642
-	-	1,437,539	-	-	-	2,446,347	3,142,096
182,354	281,463	89,667,079	92,885,537	5,032,474	4,536,772	97,471,961	106,611,363
1,388,664,197	1,356,320,770	805,124,790	823,961,369	144,896,205	134,641,166	4,614,409,656	4,604,202,237
1,639,396,664	1,129,048,943	9,716,897,958	8,252,244,910	3,150,017,188	3,720,821,402	23,986,307,933	17,025,462,216
<b>3,028,060,861</b>	<b>2,485,369,712</b>	<b>10,522,022,748</b>	<b>9,076,206,279</b>	<b>3,294,913,393</b>	<b>3,855,462,568</b>	<b>28,600,717,589</b>	<b>21,629,664,453</b>
257,164,044	238,844,629	781,745,973	813,391,534	63,762,751	64,998,873	1,175,450,659	1,278,971,235
409,405,494	112,935,046	9,120,295,495	7,080,748,623	1,299,227,719	2,309,993,930	17,085,787,587	10,968,125,240
<b>666,569,538</b>	<b>351,779,675</b>	<b>9,902,041,468</b>	<b>7,894,140,158</b>	<b>1,362,990,470</b>	<b>2,374,992,800</b>	<b>18,261,238,245</b>	<b>12,247,096,475</b>

# Notes to the Financial Statements

Year ended 31st March 2025

## 5.1 Revenue

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue from Contracts with Customers				
Porcelain	-	1,358,378,555	-	-
IT Services	15,643,987,259	13,233,346,949	-	-
Brokerage Income	494,930,387	268,576,126	-	-
Finance & Investment Income				
Interest Income	557,349,379	185,500,091	25,974,562	107,606,604
Investment Trading	582,167,937	1,915,372,327	-	72,391,068
Other Income				
Rent Income	8,067,310	3,826,473	-	-
Sale of Agriculture Produce	15,132,635	437,994	-	-
	<b>17,301,634,906</b>	<b>16,965,438,514</b>	<b>25,974,562</b>	<b>179,997,672</b>

The presentation and classification of previous year have been amended for better presentation and to be comparable of those with the current year (Note 5.1).

## 6. COST OF SALES

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cost of Goods Sold	13,407,490,215	12,066,118,336	-	-
	<b>13,407,490,215</b>	<b>12,066,118,336</b>	<b>-</b>	<b>-</b>

## 7. INVESTMENT AND OTHER INCOME

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Interest Income	212,615,660	327,031,157	-	128,206
Dividend Income	40,388,025	6,282,952	3,983,241	497,247,397
Gain on Disposal of Property, Plant & Equipment	-	785,599	-	-
Other Miscellaneous Income	17,722,921	30,457,305	12,387	303,500
Gain on Disposal of Investment	94,448,603	37,824,291	28,362,026	13,287,528
	<b>365,175,211</b>	<b>402,381,304</b>	<b>32,357,654</b>	<b>510,966,631</b>

# Notes to the Financial Statements

Year ended 31st March 2025

## 8. FINANCE COST

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Loan Interest	646,037,261	976,589,232	422,329,807	705,137,505
Lease Interest	69,320,189	70,488,757	70,716	342,126
Bank Overdraft Interest	12,387,222	32,301,905	1,201,859	27,094,013
	<b>727,744,672</b>	<b>1,079,379,893</b>	<b>423,602,383</b>	<b>732,573,644</b>

## 9. PROFIT/ (LOSS) BEFORE TAXATION

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Profit before taxation is stated after charging all expenses including the following:				
Auditors' Remuneration - Statutory Audit	8,493,794	7,326,250	950,000	618,000
Directors' Fee	34,871,650	25,835,000	600,000	4,800,000
Depreciation & Amortization	146,050,858	181,625,248	1,575,305	2,308,404
Staff Cost (Note 9.1)	3,664,377,504	2,796,668,548	-	-
Allowance for Obsolete & Slow Moving Inventories	-	(4,696,996)	-	-
Impairment of Share of Results of Equity Accounted Investee	43,708,866	-	-	-

### 9.1 Staff Cost

	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Salaries & Other Related Costs	3,293,655,712	2,406,244,026	-	-
Defined Benefit Plan Cost - Retiring Gratuity	97,471,961	106,611,363	-	-
Defined Contribution Plan Cost - EPF & ETF	273,249,831	283,813,159	-	-
	<b>3,664,377,504</b>	<b>2,796,668,548</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

Year ended 31st March 2025

## 10. INCOME TAX

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current Tax Expense	261,117,567	428,712,354	-	-
Dividend taxes	9,753,213	8,100,001	-	-
Under/ (Over) Provision in Respect of Previous Year	534,377	(119,707,224)	-	-
	<b>271,405,156</b>	<b>317,105,131</b>	-	-
<b>Deferred Income Tax</b>				
Deferred Taxation Charge / (Reversal) - (Note 25)	(65,231,099)	200,018,750	2,301,687	1,483,815
	<b>206,174,058</b>	<b>517,123,881</b>	<b>2,301,687</b>	<b>1,483,815</b>
<b>Reconciliation of Accounting Profit to Income Tax Expense</b>				
Profit Before Income Tax from Continuing Operations	1,798,432,088	3,064,604,666	718,608,456	272,628,768
Loss before tax from discontinued operations	-	(180,516,677)	-	-
	<b>1,798,432,088</b>	<b>2,884,087,989</b>	<b>718,608,456</b>	<b>272,628,768</b>
Income Not Liable for Income Tax	(4,503,665,112)	(4,303,134,230)	(1,173,295,710)	(900,404,767)
Disallowable Expenses	782,267,171	406,904,432	16,093,882	27,238,087
Capital Allowances Claimed & Allowable Expenses	(738,920,758)	(662,130,844)	(1,622,311)	(2,596,579)
Other income included in profit from operation	(174,864,904)	(73,561,281)	-	-
Consolidated Adjustment	1,777,331,320	1,094,304,653	-	-
<b>Business Profit/(Loss)</b>	<b>(1,059,420,194)</b>	<b>(653,529,281)</b>	<b>(440,215,683)</b>	<b>(603,134,491)</b>
A assessable Business Profit	682,835,189	1,048,546,034	-	-
Investment Income	818,518,532	1,127,802,586	4,387	128,206
Less: Net of Tax utilized	(550,279,005)	(601,529,490)	(4,387)	(128,206)
Qualifying Payments	-	-	-	-
<b>Assessable / Taxable Income</b>	<b>951,074,716</b>	<b>1,574,819,130</b>	-	-
Minimum rate 0.06%	140,498	-	-	-
Income Tax @ 17%	7,000,951	4,357,145	-	-
Income Tax @ 30%	253,976,117	424,513,804	-	-
Less :WHT credits	-	(158,595)	-	-
<b>Taxation on Profit for the Year</b>	<b>261,117,567</b>	<b>428,712,354</b>	-	-
<b>Income Tax Attributable to Continuing Operations</b>	<b>261,117,567</b>	<b>428,712,354</b>	-	-

\* Group Companies were taxed at ,

M I.T.E.S.P Bangladesh Pvt Ltd	- 0.06%
Millennium I.T.E.S.P Singapore Pte Ltd	- 17%
Other Companies	- 30%

# Notes to the Financial Statements

Year ended 31st March 2025

## 10.1 Tax Losses

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Tax loss brought forward	3,482,932,726	4,323,543,651	3,127,454,164	2,524,447,181
Adjustment based on returns	460,453,069	1,046,019	-	698
Disposal of Subsidiaries	63,516,695	(1,051,728,542)	-	-
Loss incurred during the year	1,742,255,384	811,601,088	440,215,685	603,134,491
Disallowed tax losses	(764,226,774)	-	(764,226,774)	-
Loss utilized during the year	(550,279,005)	(601,529,490)	(4,387)	(128,206)
<b>Tax loss carried forward</b>	<b>4,434,652,094</b>	<b>3,482,932,726</b>	<b>2,803,438,687</b>	<b>3,127,454,164</b>

10.2 For pending tax matters refer note No. 32.1.7

## 11. EARNINGS / (LOSS) PER SHARE

### 11.1 Basic Earnings / (Loss) Per Share

The calculation of basic earnings / (Loss) per share is based on the profit / (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding during the year.

#### For the Year Ended 31st March

	GROUP		COMPANY	
	2025	2024	2025	2024
Profit / (Loss) attributable to Ordinary Shareholders (Rs.)	1,043,180,139	1,614,878,907	716,306,768	271,144,953
Weighted Average Number of Ordinary Shares (11.1.1)	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815
Basic Earnings Per Share (Rs.)	1.04	1.61	0.71	0.27

#### 11.1.1 Weighted Average Number of Ordinary Shares

Issued Ordinary shares at the beginning of the year	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815
Weighted average number of ordinary shares at the end of the year	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815

### 11.2 Basic Earnings per Share for Continuing Operations

	GROUP		COMPANY	
	2025	2024	2025	2024
Profit attributable to Ordinary Shareholders from Continuing Operating (Rs.)	1,043,180,138	1,795,395,584	716,306,768	271,144,953
Weighted Average Number of Ordinary Shares (11.1.1)	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815
Basic Earnings Per Share for Continuing Operations (Rs.)	1.04	1.79	0.71	0.27

# Notes to the Financial Statements

As at 31st March 2025

## 11. Earnings / Losses per share (Contd....)

Basic earnings per share is calculated for continuing operations by dividing the net profit /(loss) from continuing operations for the year attributable to the ordinary shareholders by the weighted average number of shares outstanding during the year.

There were no potentially dilutive ordinary shares outstanding at any time during the year, hence diluted earnings per share is equal to basic earnings per share.

### 11.3 Net Assets Per Share

	GROUP		COMPANY	
	2025	2024	2025	2024
Equity Attributable to Equity Holders of the Company	6,389,565,302	5,325,513,118	5,553,958,648	4,837,651,880
Weighted Average Number of Ordinary Shares (11.1.1)	1,002,724,815	1,002,724,815	1,002,724,815	1,002,724,815
Net Assets Per Share *	6.37	5.31	5.54	4.82

\* Net assets per share has been calculated, for all periods, based on the net assets of the Group and number of shares in issue as at 31 March 2025.

## 12. PROPERTY, PLANT AND EQUIPMENT

### 12.1 At Cost or Valuation

Group	Balance	Additions	Transfers	Disposals	Balance
	as at 01.04.2024				as at 31.03.2025
	LKR	LKR	LKR	LKR	LKR
<b>Freehold</b>					
Land	145,675,000	-	(145,675,000)	-	-
Buildings	185,118,347	-	(184,325,000)	-	793,347
Computer Equipment	385,690,791	6,367,136	-	(722,455)	391,335,472
Furniture & Office Equipment	326,888,889	32,359,298	-	(897,918)	358,350,269
Motor Vehicles	711,429	-	-	-	711,429
Tools & Equipment	142,037	-	-	-	142,037
<b>Total</b>	<b>1,044,226,492</b>	<b>38,726,434</b>	<b>(330,000,000)</b>	<b>(1,620,373)</b>	<b>751,332,553</b>

### Accumulated Depreciation

	Balance	Charge for	Transfers	Disposals	Balance
	as at 01.04.2024	the Year			as at 31.03.2025
	LKR	LKR	LKR	LKR	LKR
<b>Freehold</b>					
Buildings	745,746	47,601	-	-	793,347
Computer Equipment	247,830,847	55,654,989	-	(723,155)	302,762,681
Furniture & Office equipment	130,261,771	27,985,526	-	(897,918)	157,349,379
Motor Vehicles	496,179	63,000	-	-	559,179
Tools & Equipment	142,037	-	-	-	142,037
<b>Total</b>	<b>379,476,579</b>	<b>83,751,116</b>	<b>-</b>	<b>(1,621,073)</b>	<b>461,606,622</b>

# Notes to the Financial Statements

As at 31st March 2025

Net Book Value	2025	2024
	LKR	LKR
<b>Freehold</b>		
Land	-	145,675,000
Buildings	-	184,372,601
Computer Equipment	88,572,791	137,859,944
Furniture & Office equipment	201,000,890	196,627,118
Motor Vehicles	152,250	215,250
<b>Carrying Amount</b>	<b>289,725,931</b>	<b>664,749,913</b>

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

12.1.2 Details of Property, plant and equipment pledged for borrowings are disclosed in Note 34.

12.1.3 Leasehold rights over the buildings and subsequent improvement.

## 12.1.4 Revaluation of Land and Building

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

The Group uses the revaluation model of measurement of land and buildings. The Group engaged independent expert valuer 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, building and other properties stated at valuation are indicated below;

# Notes to the Financial Statements

As at 31st March 2025

## 12. Property Plant and Equipment (Contd....)

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

### 12.1.5 Description of Significant Unobservable Inputs to Valuation

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

Property	Method of Valuation	Inputs used for measurement	Area	Range	Sensitivity of Fair value to unobservable inputs	
Lexinton Holdings (Pvt) Limited 2024						
Freehold Land	Rajagiriya	Investment Method	Estimated Market Rent per sq. ft	17.15 Perches	LKR. 190/-	Positively correlated
Freehold Buildings	Rajagiriya		Rate of Growth in Future Rentals	17,150 sq feet	after the lease period 7% p.a.	Positively correlated

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

Class of Asset	Cost	Cumulative Depreciation If assets were carried at cost	Net Carrying Amount 2025	Net Carrying Amount 2024
	LKR	LKR	LKR	LKR
Lexinton Holdings (Pvt) Limited				
Land-Freehold	60,000,000	-	60,000,000	60,000,000
Buildings-Freehold	115,000,000	82,800,000	32,200,000	36,800,000
	175,000,000	82,800,000	92,200,000	96,800,000

During the financial year 2024/2025, Land and Building was transferred to Investment Property

# Notes to the Financial Statements

As at 31st March 2025

## 12.2 Company

Cost	Balance as at	Additions	Disposals	Balance as at
	01.04.2024			31.03.2025
	LKR	LKR	LKR	LKR
<b>Freehold</b>				
Computer Equipment	1,597,615	-	-	1,597,615
Office Equipment	296,445	-	-	296,445
Tools & Equipment	17,500	-	-	17,500
Office Furniture	488,722	-	-	488,722
<b>Total</b>	<b>2,400,281</b>	<b>-</b>	<b>-</b>	<b>2,400,281</b>

Accumulated Depreciation	Balance as at	Charge for the	Disposals	Balance as at
	01.04.2024	Year		31.03.2025
	LKR	LKR	LKR	LKR
<b>Freehold</b>				
Computer Equipment	1,597,615	-	-	1,597,615
Office Equipment	282,314	9,099	-	291,413
Tools & Equipment	17,500	-	-	17,500
Office Furniture	462,971	13,500	-	476,471
<b>Total</b>	<b>2,360,400</b>	<b>22,599</b>	<b>-</b>	<b>2,382,999</b>

Net Book Value	2025	2024
	LKR	LKR
<b>Freehold</b>		
Office Equipment	5,031	14,131
Office Furniture	12,250	25,750
<b>Total Carrying Amount of Property, Plant &amp; Equipment</b>	<b>17,282</b>	<b>39,881</b>

# Notes to the Financial Statements

As at 31st March 2025

## 13. INTANGIBLE ASSETS (GROUP)

As at 31st March	Software		License Fees		Brand Name		Goodwill		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
<b>Cost</b>										
Balance at the beginning of the year	12,769,807	20,294,553	22,161,458	22,161,458	314,920,960	324,644,574	847,041,839	847,041,839	1,196,894,065	1,214,142,425
Disposal of Subsidiary	-	(13,018,524)	-	-	-	(9,723,614)	-	-	-	(22,742,138)
Additions during the year	14,647,993	8,635,873	-	-	-	-	135,491,832	-	150,139,826	8,635,873
Amortized during the year	(2,446,347)	(3,142,096)	-	-	-	-	-	-	(2,446,347)	(3,142,096)
Balance at the end of the year	24,971,454	12,769,807	22,161,458	22,161,458	314,920,960	314,920,960	982,533,672	847,041,839	1,344,587,545	1,196,894,065

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

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

### 13.1.1 Impairment Testing of Goodwill and Brand Name with Indefinite Lives

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

	Goodwill		Brand Name	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
IT and Related Services	982,533,672	847,041,839	314,920,960	314,920,960
	982,533,672	847,041,839	314,920,960	314,920,960

### 13.2 Impairment of goodwill

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

#### Gross margins

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

# Notes to the Financial Statements

As at 31st March 2025

## 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 disclosures are further described in the Note 16 of this financial statements.*

The goodwill and the brand name has been allocated to Millennium I.T.E.S.P (Pvt) Ltd for the purpose of impairment assessment, where the recoverable amount has been estimated using the discounted cash flow method. No impairment is required as the recoverable amounts exceeded the carrying value of those CGUs including the allocated goodwill and brand name as at 31 March 2025.

- 13.3** Software of the group represents new ERP system and project related software.
- 13.4** License fee represents license fee paid for solar power project through sustainable energy authority (Which has been fully impaired during the previous year) and license cost pertaining to the share broking business license which have an infinite useful life time.
- 13.5** The management identified the brand name of Millennium I.T.E.S.P (Pvt) Limited as an intangible asset with an indefinite useful life arising from business combination. The management is of the view that the brand name will be a key attraction in the Information Technology Sector. The brand name has been tested for impairment along with other intangible assets of the Millennium I.T.E.S.P (Pvt) Ltd as further explained under note 13.1.1.

# Notes to the Financial Statements

As at 31st March 2025

## 14. BIOLOGICAL ASSETS (GROUP)

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

**14.1** Heron Agro Products (Pvt) Ltd, subsidiary of the Colombo City Holdings PLC has leased out a land from Sri Lanka Mahaweli Authority under Government Land Ordinance for 30 years commencing from 18th January 1993. The lease period was expired on 17th January 2023. However, the renewal process is currently underway, and the Board remains confident in securing an extension of the lease agreement for an additional 30-year period.

### 14.2 Determination of Market Value

#### Teak

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

#### Lunumidella

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

	2025	2024
<b>14.2.1 Discount Rate</b>	13.50%	14.7%/14.5%/13.1%

#### 14.2.1.1 Sensitivity Analysis

Discount Rate	2025	2024
+1%	(3,185,744)	(3,520,000)
-1%	3,448,663	3,844,000

### 14.2.2 Methodology

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

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

# Notes to the Financial Statements

As at 31st March 2025

## 14.2.2.1 Significant unobservable inputs:

Below are the significant key unobservable inputs related to the valuation,

1. Future Timber price fluctuation - Adjusted Timber Corporation prices were utilized for the valuation
2. Tree growth, climate changes & management practices – Changes in these factors will impact the valuation
3. Discount rate – A change in the discount rate will impact the valuation

## 14.2.3 Key assumptions

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

## 14.3 Fair Valuation of Biological Assets

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

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

Company	Property	Method of Valuation	Value		Valuers Details	Effective Date of Valuation
			2025 LKR	2024 LKR		
Heron Agro (Pvt) Ltd	A timber stumpage in managed timber stand at Agunakolapelessa	Income approach and Market Approach	84,891,950	83,524,950	KPMG Real Estate & Valuation Services (Pvt) Ltd. An Independent Incorporated valuer	31-Mar-25

## 14.4 Potential Risks - Timber Plantations

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

### Supply and Demand Risk

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

### Regulatory and Environmental Risks

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

### Climate and Other Risks

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

# Notes to the Financial Statements

As at 31st March 2025

## 15. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	1,076,350,000	2,815,795,600	40,500,000	35,500,000
Disposal of Subsidiary	-	(2,066,945,600)	-	-
Transferred from Property Plant and Equipment	330,000,000	-	-	-
Additions	8,969,000	-	-	-
Change in fair value of Investment Property	29,801,550	327,500,000	7,696,000	5,000,000
<b>Balance at the end of the year</b>	<b>1,445,120,550</b>	<b>1,076,350,000</b>	<b>48,196,000</b>	<b>40,500,000</b>

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

**15.1.1** The valuation of the Group's investment properties was conducted by an independent professional valuer, KPMG Real Estate & Valuation Services (Pvt) Ltd, as of March 31, 2025. KPMG Real Estate & Valuation Services (Pvt) Ltd is a specialist in valuing these types of investment properties.

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

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

Company	Property	Method of Valuation	Inputs used for measurement	2025	2024
				LKR	LKR
Ambeon Securities (Pvt) Ltd	Land (Kosgama)	Open Market Value	Per perch rate	115,000	110,000
Lexinton Resorts (Pvt) Ltd	Land (Kosgoda )	Open Market Value	Per perch rate	750,000	750,000
Ambeon Capital PLC	Land (Sigiriya)	Open Market Value	Per Acre Rate	6,400,000	6,400,000

# Notes to the Financial Statements

As at 31st March 2025

## 15.4 Description of significant unobservable inputs to valuation:

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

Investment Property	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of input to Fair value
<b>Ambeon Securities (Pvt) Ltd</b>				
As at 31 March 2025				
Land 1,162.5 perches	Open Market value	Per perch rate	LKR 115,000	Positively correlated
As at 31 March 2024				
Land 1,162.5 perches	Open Market value	Per perch rate	LKR 110,000	Positively correlated
<b>Lexinton Resorts (Pvt) Ltd</b>				
As at 31 March 2025				
Land 1,362 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
As at 31 March 2024				
Land 1,362 perches	Open Market value	Per perch rate	LKR 750,000	Positively correlated
<b>Ambeon Capital PLC</b>				
As at 31 March 2025				
Land 8 Acres	Open Market value	Per Acre Rate	LKR 6,400,000	Positively correlated
As at 31 March 2024				
Land 8 Acres	Open Market value	Per Acre Rate	LKR 6,400,000	Positively correlated

## Lexinton Holdings (Pvt) Ltd

Valuation Technique : Income Approach

Summary of the Inputs for DCF Description	Note	2025 %
Estimated Rent Escalation at the Beginning of the Terminal Period	1	5% YoY
OPEX for the lease tenure	3	15%
OPEX for the terminal Period	3	25%
Exit Yield Rate	4	8%
Considered Discounted Rate	5	13%

# Notes to the Financial Statements

As at 31st March 2025

## 15. INVESTMENT PROPERTIES (Contd....)

### Discounted Cash Flow (DCF) Analysis

#### 1 Lease Agreement and Rental Assumptions

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

#### 2 Occupancy Assumptions

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

#### 3 Operating Expenses (OPEX)

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

#### 4 Terminal Value

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

#### 5 Discount Rate

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

### Maturity Analysis

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

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

# Notes to the Financial Statements

As at 31st March 2025

## 16. INVESTMENT IN SUBSIDIARIES

### COMPANY

#### 16.1 Ordinary Shares

As at 31 March	Place of Principal Business	Effective Holdings		Direct Holding		No of Shares		Fair Value	
		2025	2024	2025	2024	2025	2024	2025	2024
		%	%	%	%	Nos.	Nos.	LKR	LKR
Heron Agro Products (Pvt) Ltd	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	-	100.00	-	100.00	-	740,000	-	5,517,096
Ambeon Holdings PLC	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08	81.43	81.43	81.43	81.43	290,597,377	290,597,377	9,382,307,700	8,276,925,671
								9,382,307,700	8,282,442,767

Movement of Investment in Subsidiary	At the beginning of the year	Investment in Subsidiary	Disposal of Subsidiary	Change in Fair Value	At the end of the Year
	LKR	LKR	LKR	LKR	LKR
2025	8,282,442,767	-	(25,459,570)	1,125,324,503	9,382,307,700
2024	7,897,701,000	-	-	384,741,767	8,282,442,767

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

#### 16.2 Details of investment in subsidiaries stated at fair value included below.

The subsidiaries of Ambeon Capital PLC were separately valued based on a suitable valuation methodology as at 31st March 2025.

Company	Valuation Techniques	Significant Inputs	FV Level	2025	2024	Effective date
Ambeon Holdings PLC - Group	SOTP	-	Level 3	Note 16.2.1	Note 16.2.1	31-Mar-2025

#### Sensitivity Analysis

Company	Scenario	2025		2024	
		Effect on Income Statement	Effect on Statement of Financial Position	Effect on Income Statement	Effect on Statement of Financial Position
Ambeon Holdings PLC - Group	Min Case	(195,437,200)	(195,437,200)	(146,335,900)	(146,335,900)
	Max Case	216,434,000	216,434,000	171,779,100	171,779,100

# Notes to the Financial Statements

As at 31st March 2025

## 16. INVESTMENT IN SUBSIDIARIES (Contd....)

### Valuation Scenarios

The valuation is based on three scenarios, each reflecting different assumptions regarding the terminal growth rate and the terminal weighted average cost of capital (WACC). The table above presents the variance between the base case and the minimum and maximum cases.

- (i) **Min Case:** Represents a downside scenario where adverse macroeconomic conditions and weaker-than-expected company performance result in a lower terminal growth rate and a higher terminal WACC. This reflects increased risk and uncertainty due to economic deterioration and the company's plans not materializing as anticipated.
- (ii) **Base Case:** Reflects the base case based on management's most likely estimates for terminal growth and terminal WACC, representing a balanced outlook on the Company's future prospects and risk.
- (iii) **Max Case:** Represents an optimistic scenario where favorable economic conditions and stronger company performance result in a higher terminal growth rate and a lower terminal WACC, reflecting reduced risk and enhanced growth prospects.

### 16.2.1 Ambeon Holdings PLC (Group) Valuation

Notably, Ambeon Capital PLC's key subsidiary, Ambeon Holdings PLC Group was valued using a SOTP approach as below:

Company	Valuation Techniques	Significant Inputs	Significant Assumption	FV Level	2025	2024	Effective date
Ambeon Holdings PLC	SOTP	-	-	Level 3	-	-	31-Mar-25
Millennium I.T.E.S.P. (Pvt) Ltd	DCF / MMM	Cash Flow Forecast	WACC Terminal Growth Rate	Level 3	16.40% 3.00%	18.40% 5.90%	31-Mar-25
Colombo City Holdings PLC	SOTP	-	-	Level 3	-	-	31-Mar-25
Taprobane Capital Plus (Pvt) Ltd	SOTP	-	-	Level 3	-	-	31-Mar-25
Eon Tech (Pvt) Ltd	SOTP	-	-	Level 3	-	-	31-Mar-25
Green Field Ventures (Pvt) Ltd	NAV	-	-	Level 3	-	-	31-Mar-25

SOTP - The Sum Of The Parts (SOTP) method is a valuation methodology which is commonly used to value a Company operating in several industries. SOTP aggregates the independently valued business units of a Company in order to arrive at a single total equity value.

WACC - Weighted Average Cost of Capital

DCF - Discounted Cash Flow and Market Multiple Methodology

NAV - Net Assets Value

# Notes to the Financial Statements

As at 31st March 2025

## 16.3 Investments in Sub Subsidiaries/ associate entity effective holdings

Sub Subsidiaries	Investor	Effective Holding %		Principal Activity	Place of Principal Business
		2025	2024		
Lexinton Financial Services (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Carrying out Margin Trading - No operation During the period.	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Palla & Company (Pvt) Ltd	Ambeon Holdings PLC	81.42	81.42	Manufacturing shoes for export market - No Operations during the period.	Spur Rd. 4, Lot 25B, Katunayake Export Promotion Zone
Dankotuwa Porcelain PLC *	Ambeon Holdings PLC	22.41	22.41	Manufacturing and selling of porcelain tableware to export and local markets	Factory and the showroom, Kurunegala Road, Dankotuwa
Royal Fernwood Porcelain Ltd	Dankotuwa Porcelain PLC			Manufacturing and selling of porcelain tableware to export and local markets	Werellamandiya Estate, Police station road, Kosgama
Lanka Decals (Pvt) Ltd	Royal Fernwood Porcelain Ltd			Manufacturing Decals - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Fernwood Lanka (Pvt) Ltd	Royal Fernwood Porcelain Ltd			Selling of porcelain tableware to domestic market - No operations during the period	Werellamandiya Estate, Police station road, Kosgama
Dankotuwa Singapore Pte	Dankotuwa Porcelain PLC			Dormant	No. 3, Shenton Way, # 10 - 05, Shenton House, Singapore
Colombo City Holdings PLC	Ambeon Holdings PLC	63.21	63.21	Renting out properties	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Olancom (Pvt) Ltd	Ambeon Holdings PLC	75.85	75.85	Engage in networking business solutions - No operations during the period	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Investments (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Money Broking	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Ambeon Securities (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Share Broking	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Wealth Plus (Pvt) Ltd	Taprobane Capital Plus (Pvt) Ltd	81.43	81.43	Corporate Finance - No Operations during the period.	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Taprobane Capital Plus (Pvt) Ltd	Ambeon Holdings PLC	81.43	81.43	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Eon Tec (Pvt) Ltd*	Ambeon Holdings PLC	81.43	63.52	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Lexinton Holdings (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real estate Management	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Millennium I.T.E.S.P (Pvt) Ltd*	Eon Tec (Pvt) Ltd	52.75	41.22	IT Solutions	No.450 D, R A De Mel Mawatha, Colombo 03
Infoseek (Private) Ltd	Millennium I.T.E.S.P (Pvt) Ltd	39.00	39.00	An innovative Cloud based Human Resource Information System named as MintHRM	No 16A, Stratford Avenue, Colombo
Millennium I.T.E.S.P Singapore Ltd*	Millennium I.T.E.S.P (Pvt) Ltd	52.75	41.22	IT Solutions	531A, Upper Cross Street, Hong Lim Complex, Singapore
M I.T.E.S.P Trading LLC*	Millennium I.T.E.S.P (Pvt) Ltd	52.75	41.22	IT Solutions	No 3002-032, Commercial Center, 01 in Bur Dubai , Dubai
M I.T.E.S.P Bangladesh Pte. Ltd*	Millennium I.T.E.S.P (Pvt) Ltd	52.75	41.22	IT Solutions	Ka 1/3, North Road, Kalachadpur, Baridhara, Dhaka, Bangladesh
Sherwood Capital (Pvt) Limited	Taprobane Capital Plus (Pvt) Ltd	48.86	48.86	Fixed income Securities trading in secondary market	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Lexinton Resorts (Pvt) Ltd	Colombo City Holdings PLC	63.21	63.21	Real Estate	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Heron Agro Products (Pvt) Ltd**	Colombo City Holdings PLC	63.21	100	Estate Management	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08
Greenfield Ventures (Pvt) Ltd*	Ambeon Holdings PLC	81.43	-	Investment Holding	No: 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08

\* On 4 April 2024, Ambeon Holdings PLC, the main subsidiary acquired 100% of the issued shares of Green Field Ventures (Pvt) Ltd, which holds 22% of the shares in Eon Tec (Pvt) Ltd. ("Eon Tec"), for a total consideration of LKR 800 million. As a result, Eon Tec has an effective holding of 100%. Eon Tec directly holds 64.36% of the issued ordinary shares, while Ambeon Holdings directly holds 0.42%. Then the total effective holdings of Eon Tec & Millennium I.T.E.S.P (Pvt) Ltd have been changed accordingly.

\*\* Refer Note 4.1.

# Notes to the Financial Statements

As at 31st March 2025

## 17. Other Financial Assets

### Non Current Investments

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deposit with Colombo Stock Exchange	1,000,000	1,000,000	-	-
Investment in Government Securities at Amortized Cost	8,249,904	7,805,961	-	-
	<b>9,249,904</b>	<b>8,805,961</b>	-	-

### Current Investments

		Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Financial Instrument -</b>					
<b>Fair Value through Profits or Losses</b>					
Quoted Equities at Market Value	17.1.1	7,692,670,190	258,941,536	1,176,209,022	-
Government Securities		5,579,072,116	5,310,706,616	-	-
<b>Fair Value through OCI</b>					
Quoted Equities at Market Value	17.1.2	-	207,666,821	-	-
<b>Financial Instrument - at Amortized cost</b>					
Bank Deposits & Government Securities		150,560,397	1,159,627,428	-	-
		<b>13,422,302,704</b>	<b>6,936,942,402</b>	<b>1,176,209,022</b>	-

# Notes to the Financial Statements

As at 31st March 2025

## 17.1 Investment in Equity Securities

### GROUP

#### 17.1.1 Fair Value through Profits or Losses

As at 31st March	2025			2024		
	No. of Shares	Cost LKR	Market Value LKR	No. of Shares	Cost LKR	Market Value LKR
<b>Incorporated in Sri Lanka</b>						
John Keells Holdings PLC	13,119,728	297,703,104	265,018,506	-	-	-
Seylan Bank PLC	28,561,526	1,799,721,338	2,070,635,626	-	-	-
Aitken Spence PLC	399	88,785	53,067	399	88,785	51,970
Commercial Bank PLC	2,500,000	375,000,000	368,750,000	-	-	-
Hayleys PLC	200,000	27,597,647	27,400,000	2,835,192	236,544,299	232,769,263
Royal Ceramics Lanka PLC	-	-	-	500,000	25,661,490	15,550,000
Access Engineering PLC	500,000	20,992,652	19,250,000	-	-	-
Swisstec (Ceylon) PLC	-	-	-	553,419	24,215,091	10,570,303
Melstacorp PLC	264,554	34,743,994	33,598,358	-	-	-
Sampath Bank PLC	5,295,837	612,149,653	648,740,033	-	-	-
DFCC Bank PLC	39,625,750	3,357,051,725	4,218,079,500	-	-	-
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	-	-	-
	-	<b>6,568,232,248</b>	<b>7,692,670,190</b>	-	<b>286,509,665</b>	<b>258,941,536</b>

#### 17.1.2 Fair value through OCI

Pan Asia Banking Corporation PLC	-	-	-	9,749,616	182,805,300	207,666,821
	-	-	-	-	182,805,300	207,666,821
<b>Total Carrying Value of Investment</b>	-	<b>6,568,232,248</b>	<b>7,692,670,190</b>	-	<b>469,314,965</b>	<b>466,608,357</b>

During the year the loss from the sale of Pan Asia Banking PLC shares was offset against the fair value reserve under Other Comprehensive Income.

## COMPANY

### Fair Value through Profits or Losses

As at 31st March	2025			2024		
	No. of Shares	Cost LKR	Market Value LKR	No. of Shares	Cost LKR	Market Value LKR
<b>Incorporated in Sri Lanka</b>						
DFCC Bank PLC	997,272	84,662,487	105,710,832	-	-	-
Sampath Bank PLC	4,375,000	526,114,870	535,937,500	-	-	-
Seylan Bank PLC	2,287,044	182,506,111	165,810,690	-	-	-
Commercial Bank PLC	2,500,000	375,000,000	368,750,000	-	-	-
		<b>1,168,283,468</b>	<b>1,176,209,022</b>			

# Notes to the Financial Statements

As at 31st March 2025

## 18. INVENTORIES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Work in Progress/ Project in Progress	2,450,493,499	1,384,524,902	-	-
Inventories held for resale	3,478,695	-	-	-
Maintenance Inventory	167,502,929	155,770,304	-	-
Less : Allowance for Obsolete & Slow Moving Inventories 18.1	(127,553,606)	(124,602,261)	-	-
	<b>2,493,921,517</b>	<b>1,415,692,945</b>	-	-

### 18.1 Allowance for Obsolete & Slow Moving Inventories

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	124,602,261	427,985,538	-	-
Provision made during the year	2,951,345	5,097,431	-	-
Disposal of Subsidiary	-	(298,686,281)	-	-
Inventory Write-off	-	(9,794,427)	-	-
<b>Balance at the end of the year</b>	<b>127,553,606</b>	<b>124,602,261</b>	-	-

# Notes to the Financial Statements

As at 31st March 2025

## 19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Receivables	7,129,546,343	7,857,511,702	39,411,650	36,726,469
Interest In Suspense	(24,213,920)	(21,528,740)	(24,213,920)	(21,528,740)
Provision for Bad and Doubtful Debts	19.2 (549,571,668)	(1,266,326,954)	(15,197,730)	(15,197,730)
	<b>6,555,760,754</b>	<b>6,569,656,009</b>	-	-
Loans Granted	19.1 225,034,365	665,644,657	-	-
Other Receivables	220,478,225	234,225,024	-	4,026,406
Other Receivables - Related Parties	19.3 726,848	509,727,485	1,183,520	548,431,547
Provision for Bad and Doubtful Debts	19.2 (391,049,681)	(380,410,179)	-	(24,482,907)
	<b>6,610,950,511</b>	<b>7,598,842,995</b>	<b>1,183,520</b>	<b>527,975,046</b>
Advances and Prepayments	514,737,391	554,254,478	56,729,181	187,804
	<b>7,125,687,902</b>	<b>8,153,097,473</b>	<b>57,912,702</b>	<b>528,162,849</b>

\*Details of trade debtors pledged for borrowing are disclosed in Note 34.

### 19.1 Loans Granted

Group Companies	Relationship	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Ambeon Consolidated (Pvt) Limited	Ultimate Parent	-	439,441,926	-	-
Loans to Company Officers		297,260	1,465,626	-	-
D.B. Exim (Pvt) Ltd		19,307,143	19,307,143	-	-
Ceylon Leather Products Manufactures (Pvt) Ltd		205,429,962	205,429,962	-	-
Loans Granted - Institutions		1,191,674	1,191,674	1,191,674	1,191,674
Provision for Bad and Doubtful Debts		(1,191,674)	(1,191,674)	(1,191,674)	(1,191,674)
		<b>225,034,365</b>	<b>665,644,657</b>	-	-

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

### 19.2 Provision for Bad and Doubtful Debts

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance as at the beginning of the year	1,646,737,133	1,815,202,270	39,680,637	15,197,730
Provision/(Reversal) made during the year	(31,310,176)	(94,098,353)	(24,482,907)	24,482,907
Transfer from Non Current	-	180,000,000	-	-
Setoff - against Current Accounts	(674,805,609)	(1,864,475)	-	-
Disposal of Subsidiary	-	(252,502,309)	-	-
<b>Balance at the end of the year</b>	<b>940,621,348</b>	<b>1,646,737,133</b>	<b>15,197,730</b>	<b>39,680,637</b>

# Notes to the Financial Statements

As at 31st March 2025

## 19.3 Amounts Due From Related Parties

	Relationship	Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Dankotuwa Porcelain PLC	Associate	726,848	4,516,006	-	-
Royal Fernwood Porcelain Ltd	Affiliate	-	6,286,251	-	500,000
Heron Agro Products (Pvt) Ltd	Sub Subsidiary	-	-	433,520	59,256,319
Ambeon Consolidated (Pvt) Limited*	Parent	-	498,875,228	-	488,675,228
Eon Tech Investments (Pvt) Ltd	Sub Subsidiary	-	50,000	-	-
MillenniumIT ESP	Sub Subsidiary	-	-	750,000	-
		<b>726,848</b>	<b>509,727,485</b>	<b>1,183,520</b>	<b>548,431,547</b>

\*Terms and Conditions : Rate of interest AWPLR+1.5% per annum. Short term loans are receivable on demand.

## 20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Cash at Bank	629,034,149	501,770,288	1,296,139	1,076,124
Short Term Investments	303,518,502	-	-	-
	<b>932,552,651</b>	<b>501,770,288</b>	<b>1,296,139</b>	<b>1,076,124</b>
Bank Overdrafts used for cash management purposes (Note 22)	(191,298,295)	(281,454,821)	(38,881,405)	(2,435,733)
<b>Cash &amp; Cash Equivalents in the statement of cash flow</b>	<b>741,254,355</b>	<b>220,315,467</b>	<b>(37,585,266)</b>	<b>(1,359,609)</b>

## 21. STATED CAPITAL

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
<b>Issued Capital</b>				
1,002,724,815 Ordinary Shares issued & fully paid	1,053,643,405	1,053,643,405	1,053,643,405	1,053,643,405

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

# Notes to the Financial Statements

As at 31st March 2025

## 21.1 Other Components of Equity

	Group		Company	
	2025	2024	2025	2024
	LKR	LKR	LKR	LKR
Revaluation Reserves	-	176,776,723	-	-
Foreign Currency Translation Reserve	(4,429,064)	(6,543,685)	-	-
Fair Value Through Other comprehensive Income	-	20,244,739	-	-
Amalgamation Reserve (Note 21.2)	-	-	258,920,263	258,920,263
	(4,429,064)	190,477,776	258,920,263	258,920,263

	Attributable to Equity Holders of Parent		
	Revaluation Reserves *	Foreign Currency Translation Reserve **	Fair Value Through Other comprehensive Income ***
	LKR	LKR	LKR
Beginning of the year	176,776,723	(6,543,685)	20,244,739
During the Year Impact	(176,776,723)	2,114,622	-
Transfer from FVTOCI to Retained Earnings	-	-	(10,337,462)
Equity Share Disposal Loss	-	-	(9,907,277)
	-	(4,429,064)	-

\* Land & Buildings of subsidiaries have been revalued during the last year by independent incorporated valuers, KPMG Real Estate & Valuation Services (Pvt) Ltd. The said land and buildings were valued based on Investment Approach as further explained in Note 12.1.4.

\*\* As at the reporting date, the assets and liabilities of Millennium I.T.E.S.P Singapore Pte Ltd, M I.T.E.S.P Trading LLC, M I.T.E.S.P Bangladesh 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.

\*\*\* Refer Note No. 17.1.2

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

## 21.2 Amalgamation Reserve

Ambeon Capital PLC obtained a certificate of amalgamation from the Registrar of Companies to amalgamate its wholly owned subsidiary, Taprobane Equities (Private) Limited (TEL) with effective from 30 November 2017. The effect of this amalgamation was LKR 258 Mn.

# Notes to the Financial Statements

As at 31st March 2025

## 22. INTEREST BEARING LOANS AND BORROWINGS

		Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Repayable after one year</b>					
Lease Liability	22.1	492,541,543	475,922,570	-	-
Bank Loans	22.2	-	121,596,040	-	121,596,040
Loans granted by Related Parties	22.3	-	-	1,461,903,102	1,461,903,102
		<b>492,541,543</b>	<b>597,518,610</b>	<b>1,461,903,102</b>	<b>1,583,499,142</b>
<b>Repayable within one year</b>					
Lease Liability	22.1	55,078,873	15,157,755	-	1,791,653
Short Term Loan	22.4	7,622,895,833	2,675,956,283	-	-
Bank Loans	22.2	2,604,691,382	2,267,536,906	1,595,741,740	1,347,009,175
Loans granted by Related Parties	22.3	-	5,739,310	1,377,558,949	573,436,093
Interest Payable to Related Parties	22.3	-	-	630,161,327	503,149,062
Bank Overdrafts	20	191,298,295	281,454,821	38,881,405	2,435,733
		<b>10,473,964,383</b>	<b>5,245,845,075</b>	<b>3,642,343,422</b>	<b>2,427,821,715</b>
		<b>10,966,505,927</b>	<b>5,843,363,685</b>	<b>5,104,246,524</b>	<b>4,011,320,857</b>

### 22.1 Lease Liability

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

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

Group	Balance as at 01.04.2024	Obtained	Interest	Repayment	Balance as at 31.03.2025
	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	491,080,325	83,586,331	72,264,376	(99,310,615)	547,620,417
	<b>491,080,325</b>	<b>83,586,331</b>	<b>72,264,376</b>	<b>(99,310,615)</b>	<b>547,620,417</b>
Company	Balance as at 01.04.2024	Impact of reassessment	Interest	Repayment	Balance as at 31.03.2025
	LKR	LKR	LKR	LKR	LKR
Lease Liabilities	1,791,653	(247,958)	70,716	(1,614,411)	-
	<b>1,791,653</b>	<b>(247,958)</b>	<b>70,716</b>	<b>(1,614,411)</b>	<b>-</b>

# Notes to the Financial Statements

As at 31st March 2025

## 22. INTEREST BEARING LOANS AND BORROWINGS (Contd....)

Group	2025			2024		
	Within Year	After 1 Year	Total	Within Year	After 1 Year	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Gross Liability	124,755,202	783,207,040	907,962,241	83,155,090	809,175,047	892,330,137
Finance Charges allocated to future periods	(69,676,329)	(290,665,497)	(360,341,825)	(67,997,335)	(333,252,477)	(401,249,812)
<b>Net liability</b>	<b>55,078,873</b>	<b>492,541,543</b>	<b>547,620,416</b>	<b>15,157,755</b>	<b>475,922,570</b>	<b>491,080,325</b>

Company	2025			2024		
	Within Year	After 1 Year	Total	Within Year	After 1 Year	Total
	LKR	LKR	LKR	LKR	LKR	LKR
Gross Liability	-	-	-	1,910,229	-	1,910,229
Finance Charges allocated to future periods	-	-	-	(118,576)	-	(118,576)
<b>Net liability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,791,653</b>	<b>-</b>	<b>1,791,653</b>

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

22.1.2 Right to Use Assets are shown under Note 28.1



# Notes to the Financial Statements

As at 31st March 2025

## 22.3 Loans Payable to Related Parties

As at 31st March	Relationship	Interest rate	Repayment Terms	Group		Company	
				2025 LKR	2024 LKR	2025 LKR	2024 LKR
Mr.Eric Wikramanayake	Former Director	-	On Demand	-	5,739,310	-	-
Taprobane Capital Plus (Pvt) Ltd	Sub Subsidiary	-	On Demand	-	-	921,419	2,458,519
Lexinton Holdings (Pvt) Ltd	Sub Subsidiary	AWPLR+0.5%	On Demand	-	-	346,285,728	348,848,724
Taprobane Wealth Plus (Pvt) Ltd	Sub Subsidiary	AWPLR+0.5%	On Demand	-	-	6,472,529	6,344,908
Ambeon Holdings PLC	Subsidiary	11%	36 Months	-	-	2,107,325,895	1,851,630,900
Millennium I.T.E.S.P. (Pvt) Ltd	Sub Subsidiary	9%	On Demand	-	-	1,008,617,808	329,205,206
				-	5,739,310	3,469,623,379	2,538,488,257
Repayable after one year				-	-	1,461,903,102	1,461,903,102
Repayable within one year				-	5,739,310	2,007,720,277	1,076,585,155
				-	5,739,310	3,469,623,379	2,538,488,257

### 22.3.1 Repayable to related parties

	Group	Company
Balance as at 01.04.2024	5,739,310	2,538,488,257
Loan Obtained	-	1,049,513,200
Loan Repayment	-	(373,459,960)
Accrued Interest	(5,739,310)	255,081,882
Balance as at 31.03.2025	-	3,469,623,379

## 22.4 Short Term Loans

GROUP	At the Beginning of the Year	Loans Obtained	Repayment	Accrued Interest	Disposal of Subsidiary	At the End of the year
	LKR	LKR	LKR	LKR	LKR	LKR
2025	2,675,956,283	148,920,639,658	(144,198,125,389)	-	224,425,282	7,622,895,833
2024	3,149,892,905	192,547,161,350	(193,153,908,059)	250,985,741	(118,175,653)	2,675,956,283

# Notes to the Financial Statements

As at 31st March 2025

## 22.4.1 Group

Company	Lender/rate of interest (p.a.)	2025 LKR	2024 LKR	Repayment	Security
Colombo City Holdings PLC	Seylan Bank PLC				
	- Reverse Repo (Market rate)	290,904,232	-	-	Bond Face Value - Rs:332,000,000/-
Sherwood Capital Pvt Ltd	Seylan Bank PLC				
	- Reverse Repo 9.50% p.a.	16,256,907	368,414,866	Overnight	Bond Face Value - Rs:18,200,000/-
	Union Bank of Colombo PLC				
	- Reverse Repo 8.80% p.a.	500,482,192	502,664,296	Repayment - 7 Days	Bond Face Value - Rs:557,000,000/-
	DFCC Bank PLC				
- Reverse Repo 9% p.a.	250,961,328	600,829,043	Overnight	Bond Face Value - Rs:266,000,000/-	
Cargills Bank	- Reverse Repo 9% p.a.	200,197,260	-	Repayment - 7 Days	Bond Face Value - Rs:214,000,000/-
	Ambeon Holdings PLC				
	Seylan Bank PLC				
	- Short term loan (1 M AWPLR+2% p.a. floor rate 10% p.a.)	500,000,000	-	Repayment period – 120 Days	
- Reverse Repo (Market rate)	1,632,000,000	-	Weekly basis	Bond Face Value - Rs:1,750,000,000	
DFCC Bank PLC					
- Reverse Repo (Market rate)	396,000,000	-	Weekly basis	Bond Face Value - Rs:450,000,000	
Commercial Bank PLC					
Short term loan (Market rate)	1,500,000,000	-	Extendable up to 12 months	Pledged 27,000,000 Shares of DFCC Bank PLC	
Sampath Bank PLC					
Short term loan (1 M AWPLR+1.5% p.a.)	200,000,000	-	Repayment period – 90Days	Property lot B plan no 184/2001	
Nation Trust Bank					
- Short Term loan	140,000,000	-	Repayment period – 90Days	Quoted shares of Colombo City Holdings PLC - no. of shares 2,858,020.	
Millennium I.T.E.S.P (Pvt) Ltd					
Seylan Bank PLC					
- Short Term Loan (8% p.a.)	1,002,739,726	1,204,048,080	-	Corporate Guarantee of Ambeon Holdings PLC for LKR 2.0 Bn	
Hatton National Bank					
- Short Term Loan (8% p.a.)	500,876,713	-	-		
DFCC Bank PLC					
- Short Term Loan (8% p.a.)	492,477,478	-	-		
		<b>7,622,895,834</b>	<b>2,675,956,284</b>		

\* For further details on Asset pledged refer Note 34.

# Notes to the Financial Statements

As at 31st March 2025

## 22.4.2 Bank Loans Group - Terms and Conditions

Company	Lender/rate of interest (p.a.)	2025 LKR	2024 LKR	Repayment	Security
<b>Ambeon Capital PLC National Development Bank PLC -</b>					
	Term- Loan (1WK AWPLR +1.3%+1%)	121,596,040	161,761,188	05 year term loan with One Year Grace period for Capital Re payment	145,000,000 Number of shares of Ambeon Holdings PLC
	Term- Loan (1WK AWPLR +1.3%+1%)	-	121,596,040	05 year term loan with 10 months Grace period for Capital Re payment	
	Pan Asia Bank PLC - STL (Market rate)	360,000,000	175,000,000	90 Days	32,809,878 Number of Shares of Ambeon Holdings PLC
	Seylan Bank PLC - Money Market Loan (Market rate)	1,114,145,697	1,010,247,987	180 Days	112,790,122 Number of Shares of Ambeon Holdings PLC
<b>Millennium I.T.E.S.P (Pvt) Ltd The Hongkong and Shanghai Banking Corporation Limited</b>					
	- Import Finance loan (Tenor linked COF+2.5% per annum )	825,720,445	920,527,733	Within 180 Days	Mortgage over Inventory and Debtors
	Commercial Bank - Import Finance loan - Monthly AWPLR + 1%	97,048,339		- Within 180 Days	
	Sampath Bank PLC - Import Finance loan (Month AWPLR+ 1% p.a )	44,860,623		- Within 180 Days	Corporate Guarantee of Ambeon Holdings PLC for LKR 2.0 Bn
	DFCC Bank PLC - Import Finance loan (Weekly AWPLR+ 1.25% p.a )	41,320,239		- Within 180 Days	-
		<b>2,604,691,382</b>	<b>2,389,132,946</b>		

\* For further details on Asset pledged refer Note 34.

# Notes to the Financial Statements

As at 31st March 2025

## 23. RETIREMENT BENEFIT OBLIGATION

	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Present value of unfunded gratuity	23.1	375,855,260	377,662,755	-	-
		<b>375,855,260</b>	<b>377,662,755</b>	-	-

### 23.1 Provision for Retiring Gratuity

Balance at the beginning of the year		377,662,755	493,234,810	-	-
Current/Past Service Cost	23.2	52,304,671	47,385,015	-	-
Interest Cost	23.2	45,167,290	59,226,348	-	-
Actuarial (gain)/ losses	23.3	(9,761,935)	6,296,125	-	-
Under provision		-	177,909	-	-
Payment made during the year		(89,517,521)	(45,344,361)	-	-
Disposal of Subsidiary		-	(183,313,090)	-	-
<b>Balance at the end of the year</b>		<b>375,855,260</b>	<b>377,662,755</b>	-	-

### 23.2 Expenses recognized in Income Statement

Current/Past service cost		52,304,671	47,385,015	-	-
Interest cost		45,167,290	59,226,348	-	-
		<b>97,471,961</b>	<b>106,611,363</b>	-	-

### 23.3 Expenses recognized in Other Comprehensive Income

Actuarial (gain)/ losses		(9,761,935)	6,296,125	-	-
		<b>(9,761,935)</b>	<b>6,296,125</b>	-	-

**23.4** The cost of gratuity is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, staff withdrawals, and mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. An actuarial valuation of the retirement gratuity payable was carried out as at March 31, 2025 by Messrs. Actuarial & Management Consultants (Pvt) Ltd Actuaries.

### 23.5 Principal actuarial assumptions used are as follows :

	Group	Group
	2025	2024
Discount Rate	9.5% - 12.70%	12%-19%
Staff Turn over Rate	10% - 12%	5% - 27%
Retirement Age	60 Years	60 Years
Salary Increment rates used	7% - 10%	10%-14%

# Notes to the Financial Statements

As at 31st March 2025

## 23.6 Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affected the defined benefit obligation by the amounts shown below.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Discount Rate - (1% Increase)	(16,155,265)	(21,470,938)	-	-
Discount Rate - (1% Decrease)	17,704,379	23,946,801	-	-
Salary Increment Rate - (1% Increase)	17,716,547	24,048,107	-	-
Salary Increment Rate - (1% Decrease)	(16,516,819)	(21,907,052)	-	-

## 23.7 Break up of the Actuarial (Gain)/ Loss

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Actuarial (Gain)/ Loss Resulting from Changes in Financial Assumptions	(5,155,911)	54,710,152	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Demographic Assumptions	6,137,104	(1,363,624)	-	-
Actuarial (Gain)/ Loss Resulting from Changes in Experience Adjustments	(10,743,129)	(47,050,403)	-	-
	(9,761,936)	6,296,125	-	-

## 23.8 Maturity Profile of the Retirement Benefit Plan

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Within Next 12 Months	59,302,784	47,177,866	-	-
Between 1 - 2 Years	96,649,965	78,035,817	-	-
Between 2 - 5 Years	99,125,679	71,070,480	-	-
Between 5- 10 Years	88,121,390	116,656,338	-	-
Beyond 10 years	32,655,442	64,722,254	-	-
	375,855,260	377,662,755	-	-

# Notes to the Financial Statements

As at 31st March 2025

## 24. CONTRACT LIABILITY -SERVICE AGREEMENTS

	Group	
	2025 LKR	2024 LKR
Balance at the beginning of the year	1,681,266,541	2,703,967,229
Deferred During the year	1,789,824,474	1,479,832,409
Revenue recognised during the year	(1,567,018,152)	(2,502,533,097)
<b>Balance at the end of the year</b>	<b>1,904,072,863</b>	<b>1,681,266,541</b>

24.1 Revenue from deferred income is recognized periodically throughout the service agreement period entered between Millennium I.T.E.S.P (Pvt) Ltd and service clients and expected to be completed in year 2024/25.

## 25. DEFERRED TAX

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Deferred Tax Asset</b>				
Balance as at the beginning of the year	68,483,698	272,217,548	-	-
Charge/(Reversal) to the Profit or Loss	59,537,564	(172,900,646)	-	-
Charge/(Reversal) to Other Comprehensive Income Statement	(1,814,384)	74,004	-	-
Transfers between Deferred Tax Liability and (Asset)	1,838,942	(30,907,208)	-	-
<b>Balance as at the end of the year</b>	<b>128,045,820</b>	<b>68,483,698</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liability</b>				
Balance as at the beginning of the year	303,441,934	1,241,291,507	4,062,297	2,578,482
Disposal of Subsidiary	6,301,623	(933,499,000)	-	-
Transfers between Deferred Tax Liability and (Asset)	1,838,942	(30,907,206)	-	-
Charge/(Reversal) to the Profit or Loss	(5,723,996)	27,118,104	2,301,687	1,483,815
Charge/(Reversal) to Other Comprehensive Income Statement	<b>847,417</b>	<b>(561,471)</b>	-	-
<b>Balance as at the end of the year</b>	<b>306,705,920</b>	<b>303,441,934</b>	<b>6,363,985</b>	<b>4,062,297</b>

# Notes to the Financial Statements

As at 31st March 2025

## 25.1 Transfer from/(to) Income Statement

		Group		Company	
		2025	2024	2025	2024
		LKR	LKR	LKR	LKR
Transfer from accelerated depreciation and others	10	65,231,099	(200,018,750)	(2,301,687)	(1,483,815)
		<b>65,231,099</b>	<b>(200,018,750)</b>	<b>(2,301,687)</b>	<b>(1,483,815)</b>
<b>Transfer from/(to) Other Comprehensive Income</b>					
Tax on Actuarial loss on Defined Benefit Plans		(2,661,801)	610,713	-	-
		<b>(2,661,801)</b>	<b>610,713</b>	<b>-</b>	<b>-</b>
<b>Composition of deferred tax assets/ (liabilities) as follows;</b>					
Accelerated Depreciation and Amortization for Tax purposes		(258,155,050)	(39,936,797)	(5,184)	(12,298)
Retirement Benefit Liability		97,369,029	63,223,291	-	-
Fair Valuation of Investment in Government Securities		(72,359,531)	-	-	-
Fair Value of Land and Buildings		(12,994,965)	(217,507,639)	(6,358,800)	(4,050,000)
Losses available for offset against future Taxable Income		11,302,176	19,016,533	-	-
Provision for Inventory		-	708,269	-	-
Others*		56,178,241	(60,461,893)	-	-
		<b>(178,660,100)</b>	<b>(234,958,235)</b>	<b>(6,363,984)</b>	<b>(4,062,298)</b>

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 4,395 Mn has not been recognised as the management is not certain whether there will be sufficient taxable profit to utilized.

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

# Notes to the Financial Statements

As at 31st March 2025

## 26. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Payables	3,685,402,135	3,047,320,698	-	-
Other Payables	594,943,897	390,121,308	-	-
Sundry Creditors Including Accrued Expenses*	177,224,035	240,226,159	1,369,689	987,252
	<b>4,457,570,068</b>	<b>3,677,668,165</b>	<b>1,369,689</b>	<b>987,252</b>

\*Sundry creditors including accrued expenses : Includes statutory payments, other payable, accrual expenses and other creditors.

## 27. OTHER FINANCIAL LIABILITIES

	Note	No. of Shares	Group		Company	
			2025 LKR	2024 LKR	2025 LKR	2024 LKR
Preference Shares	27.1	170,625	347,936	347,936	-	-
			<b>347,936</b>	<b>347,936</b>	<b>-</b>	<b>-</b>

27.1 Shareholders of the Non Cumulative Preference Shares are entitled for a mandatory preference dividend annually. They are not entitled to vote at a meeting of the company.

## 28. RIGHT OF USE ASSETS

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

### 28.1 Right to Use Assets

Group	As At 01.04.2024 LKR	Impact of modification LKR	Amortization LKR	Additions LKR	As At 31.03.2025 LKR
Right to Use Asset - Land & Building	381,354,582	3,157,709	(59,853,395)	80,428,622	405,087,518
	<b>381,354,582</b>	<b>3,157,709</b>	<b>(59,853,395)</b>	<b>80,428,622</b>	<b>405,087,518</b>

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

# Notes to the Financial Statements

As at 31st March 2025

## 28. RIGHT OF USE ASSETS (Contd....)

Company	As At	Impact of New	Amortization	As At
	01.04.2024	Lease		31.03.2025
	LKR	LKR	LKR	LKR
Right to Use Asset - Building	1,800,664	(247,958)	(1,552,706)	-
	1,800,664	(247,958)	(1,552,706)	-

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

28.3 Lease liabilities are shown under Note 22.1

## 29. INVESTMENT IN EQUITY ACCOUNTED INVESTEE

### Group

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

Company	Group			
	No of Shares	Effective Holding %	2025 LKR	2024 LKR
<b>Quoted</b>				
Dankotuwa Porcelain PLC	36,422,571	22.41%	858,852,645	1,081,394,953
<b>Un-quoted</b>				
Infoseek (Private) Limited	39	39%	48,847,792	42,644,115
			907,700,438	1,124,039,068

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

	Group	
	2025 LKR	2024 LKR
Opening Balance	1,124,039,068	41,874,323
Fair value of Investment transferred	-	983,409,437
Share of result of equity accounted investee	(172,629,764)	98,755,308
Impairment of Investment	(43,708,866)	-
Carrying amount as at the end of the year	907,700,438	1,124,039,068

# Notes to the Financial Statements

As at 31st March 2025

## 29.1 The Associate's Statement of Financial Position

	Group	
	2025 LKR	2024 LKR
<b>Share of Associates' Statement of Financial Position;</b>		
Total Assets	1,681,642,816	1,816,847,537
Total Liabilities	(1,011,299,421)	(973,766,013)
<b>Carrying amount of Associates</b>	<b>670,343,395</b>	<b>843,081,523</b>
<b>Share of Revenue, Profit/(Loss) of the Equity Accounted investee</b>		
Share of Revenue	917,525,737	1,153,410,800
Share of Profit/(Loss)	(190,121,020)	82,100,724
Share of the Associate Other Comprehensive Income	17,491,255	16,654,584

## 30. ASSETS AND LIABILITIES

### 30.1 Accounting Classification and Fair Values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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

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

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

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

Financial assets and liabilities in the tables below are split into categories in accordance with SLFRS 09.



# Notes to the Financial Statements

As at 31st March 2025

30. Assets and Liabilities (Contd.....)	31 March 2024	Notes	Carrying Amount LKR			Fair Value LKR						
			Fair value through P&L	Fair value through OCI	Amortized Cost	Financial Liabilities	Total	Level 1	Level 2	Level 3	Total	
<b>Financial Assets and Non Financial Assets measured at fair value</b>												
	17.1		258,941,536	207,666,821	-	-	466,608,357	466,608,357	-	-	-	466,608,357
	17		5,310,706,616	-	-	-	5,310,706,616	5,310,706,616	-	-	-	5,310,706,616
	15		-	-	-	-	-	-	-	1,076,350,000	-	1,076,350,000
	12		-	-	-	-	-	-	-	-	330,047,601	330,047,601
	14		-	-	-	-	-	-	-	-	83,524,950	83,524,950
			<b>5,569,648,152</b>	<b>207,666,821</b>	-	-	<b>5,777,314,973</b>	<b>5,777,314,973</b>	-	<b>1,489,922,551</b>	<b>1,489,922,551</b>	<b>7,267,237,524</b>
<b>Financial Assets not measured at fair value</b>												
	17		-	-	1,167,433,389	-	1,167,433,389	-	-	-	-	-
	19		-	-	7,598,842,995	-	7,598,842,995	-	-	-	-	-
	20		-	-	501,770,288	-	501,770,288	-	-	-	-	-
			-	-	<b>9,268,046,672</b>	-	<b>9,268,046,672</b>	-	-	-	-	-
<b>Financial Liabilities not measured at fair value</b>												
	22.1		-	-	-	491,080,325	491,080,325	-	-	-	-	-
	22.2		-	-	-	2,389,132,946	2,389,132,946	-	-	-	-	-
	22.3		-	-	-	5,739,310	5,739,310	-	-	-	-	-
	22.4		-	-	-	2,675,956,283	2,675,956,283	-	-	-	-	-
	26		-	-	-	3,437,442,006	3,437,442,006	-	-	-	-	-
	20		-	-	-	281,454,821	281,454,821	-	-	-	-	-
			-	-	-	<b>9,280,805,692</b>	<b>9,280,805,692</b>	-	-	-	-	-

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

Carrying values of financial liabilities have been considered as the fair value, due to uncertainty of the timing of the cash flow.



# Notes to the Financial Statements

As at 31st March 2025

31 March 2024	Notes	Carrying Amount LKR				Fair Value LKR			Total	
		Fair value through P&L	Fair value through OCI	Amortized Cost	Financial Liabilities	Level 1	Level 2	Level 3		
<b>Financial Assets measured at fair value</b>										
	16	-	-	-	-	-	-	-	8,282,442,767	8,282,442,767
	15	-	-	-	-	-	-	-	40,500,000	40,500,000
		-	-	-	-	-	-	-	8,322,942,767	8,322,942,767
<b>Financial Assets not measured at fair value</b>										
	19	-	-	527,975,046	-	-	-	-	-	527,975,046
	20	-	-	1,076,124	-	-	-	-	-	1,076,124
		-	-	529,051,170	-	-	-	-	-	529,051,170
<b>Financial Liabilities not measured at fair value</b>										
	22.2	-	-	-	1,468,605,215	-	-	-	-	1,468,605,215
	22.3	-	-	-	2,538,488,257	-	-	-	-	2,538,488,257
	20	-	-	-	2,435,733	-	-	-	-	2,435,733
		-	-	-	4,009,529,204	-	-	-	-	4,009,529,204

Investment in subsidiaries fair valuation does not include subsidiary valued at net book value basis.

The carrying amount of cash and bank balances are approximate fair values due to the relatively short maturity of the financial instruments.

For other receivables the carrying value has been considered as the fair value due to uncertainty of the timing of the cash flows.

# Notes to the Financial Statements

As at 31st March 2025

## 31. COMMITMENTS AND CONTINGENT LIABILITIES

### 31.1 Commitments and Contingent Liabilities - Company

The company does not have significant capital commitment and contingent liabilities as at the reporting date.

### 31.2 Commitments and Contingent Liabilities - Group

#### 31.2.1 Ambeon Holdings PLC

	2025	2024
	LKR Mn	LKR Mn
<b>Bank Guarantees</b>		
Guarantees given to following facility on behalf of Millennium I.T.E.S.P (Pvt) Limited; Seylan Bank PLC	-	2,000

#### 31.2.2 Lexinton Holdings (Pvt) Limited

	2025	2024
	LKR Mn	LKR Mn
<b>Bank Guarantee</b>		
Guarantees given to Tax Appeal Commission on behalf of the company	-	18.90

#### 31.2.3 Millennium I.T.E.S.P (Pvt) Limited

	2025	2024
	LKR Mn	LKR Mn
<b>Bank Guarantee</b>		
Performance Bonds	795	740
Tender Bonds	217	80
Advance payment guarantees	89	363
Custom guarantee	61	61
Retention Bond	14	-

#### 31.2.4 Ambeon Securities (Pvt) Ltd

Bank guarantee given to Central Depository System (CDS) by Seylan Bank PLC on behalf of the company (LKR 10 Mn).

#### 31.2.5 Taprobane Capital Plus (Pvt) Ltd

Corporate Guarantee Bond given by the company to Ambeon Securities (Pvt) Ltd amounted to LKR. 75,000,000/- (for NTB facility)

**31.2.6** There are no material issues pertaining to employees and industrial relations of the Group during the financial year.

#### 31.2.7 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.

Bank Guarantee given to Tax Appeal Commission on behalf of the company is LKR 32,434,735 (25% of total liability)

##### Lexinton Holdings (Pvt) Ltd

Tax matter of 2011/2012 has been determined by the TAC in favour of the Department of Inland Revenue. Therefore the Company has filled a case in the Court of Appeal with the assistance of Nithya Partners. Tax assessed amount is Rs. 75mn.

# Notes to the Financial Statements

As at 31st March 2025

## 32. RELATED PARTY DISCLOSURE

- 32.1 The Company has related party relationship with its subsidiaries, associates, affiliate companies.  
32.2 Transaction with / between subsidiaries - COMPANY

Company	Relationship	Nature of transaction	Amount	Balance (due)/ from as at 31/3/2025	Balance (due)/ from as at 31/3/2024	Aggregate Value of RPT exceeds 10% of the Gross Revenue *	Terms & Conditions of the RPT exceeds 10% of Gross Revenue
Taprobane Investments (Pvt) Ltd	Sub subsidiary	Common expenses - allocation Settlement - Fund Transfers	68,567 (68,567)	- -	- -	- -	- -
Lexington Holdings (Pvt) Ltd.	Sub subsidiary	Common expenses - allocation Settlement - Fund Transfers Interest settlement Interest charged	(1,886,533) 1,886,533 35,327,469 (32,764,473)	(346,285,727)	(348,848,724)	- -	- -
Ambeon Securities (Pvt) Ltd	Sub subsidiary	Common expenses - allocation Settlement - Fund Transfers	(591,137) 591,137	- -	- -	- -	- -
Taprobane Wealth Plus (Pvt) Ltd	Sub subsidiary	Loan settlement Interest charged	500,000 (627,621)	- (6,472,529)	- (6,344,908)	- -	- -
Heron Agro Products (Pvt) Ltd	Fully owned subsidiary	Current Account Loan granted Loan settlement Reversal of impairment	103,500 10,958,500 (73,147,054) 24,482,924	433,520	330,020	- -	- -
Taprobane Capital Plus (Pvt) Ltd	Sub subsidiary	Interest income on loans and borrowings Shared service & consultancy fees Shared service settlement	3,262,239 (7,264,890) 8,801,990	- -	34,443,391 (2,458,519)	- -	- -
Ambeon Holdings PLC Subsidiary	Sub subsidiary	Current A/C with Ambeon Holdings Loan given - short term loan Loan settlement Interest income Interest charged	(49,513,200) 200,000,000 (204,232,306) 4,232,306 (206,181,795)	(921,419) (49,513,200)	- -	- -	- -
Millennium I.T.E.S.P.(Private) Ltd	Sub subsidiary	Current A/C with Millennium IT Loan obtained Loan repayment Interest expenses on loans and borrowings	750,000 (1,000,000,000) 336,095,391 (15,507,992)	(2,057,812,695)	(1,851,630,899)	-	-
				(1,007,867,808)	(329,205,206)	-	-

\*There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 audited financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

# Notes to the Financial Statements

As at 31st March 2025

## 32.3 Transaction with / between Parent - GROUP

### Ultimate Parent

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Loan Granted	-	-	-	-
Loan Settled	(502,978,019)	(1,000,000)	(492,778,019)	-
Short term advances	-	10,200,000	-	-
Interest on Loans	7,902,192	152,635,726	4,102,788	81,994,781

Long Term Loans - AWPLR+ 1.5% & Repayment Period- 27 Months./ Short Term Loans - AWPLR+2% & Repayment On Demand.

## 32.4 Other Related Parties - Group

Name of the Related Party	Relationship	Nature of the Transaction	Aggregate Value of recurrent RPT exceeds 10% of the Gross Revenue*	Value of the related party Transaction as a % of Group consolidated revenue	Terms and Conditions of the related party Transaction
Sherwood Capital (Private) Limited	Sub Subsidiary	Investment in Government Securities by Ambeon Holdings PLC	11,736,674,132	67.84%	Market Rate
Arrc Capital (Pvt) Ltd	Related entity	Investment in Government Securities through Sherwood Capital (Private) Limited	11,719,205,036	67.73%	Market Rate

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

Transaction, arrangements and agreements involving Key Management Personnel (KMPs) and their Close Family Members (CFMs), and Entities which are controlled, jointly controlled or significantly influenced by the KMP's and their CFMs or shareholders who have either control, jointly control or significant influence over the entity.

## 32.5 Transactions with Key Management Personnel

Key management personnel include members of the Board of directors of Ambeon Capital PLC and its subsidiary companies. The transactions with key management personnel are carried out on an arms length basis.

### 32.5.1 Key Management Personnel Compensation

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Short-term employee benefits	255,558,436	334,432,389	600,000	4,800,000
	255,558,436	334,432,389	600,000	4,800,000

# Notes to the Financial Statements

As at 31st March 2025

## 32.6 Terms and conditions of transactions with related parties

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

## 32.7 Disclosure in terms of Section 9.3.2 of the listing Rules of the Colombo Stock Exchange

### Non Recurrent Related Party Transactions - Group

There were no non-recurrent related party transactions incurred during the year other than the followings.

Name of the Related Party	Relationship	Value of the Related Party Transactions entered into during the financial Year	Value of the Related Party Transactions as a % of Equity & as a % of Total Assets	Terms & the Conditions of the Related Party Transactions	The rationale for enreing in to the transactions
Millennium I.T.E.S.P.(Private) Ltd	Sub Subsidiary	Rs. 1 Bn	On Equity- 20.67% On Total Asset - 11.2%	At 9% for a 3 months Period	Working Capital requirement
Ambeon Holdings PLC	Subsidiary	Rs. 1 Bn	On Equity- 20.67% On Total Asset - 11.2%	Buy sell arrangement for a one month period @ 10.5%	Working Capital requirement

### Recurrent Related Party Transactions - Group

Aggregate value of recurrent related party transactions that exceed 10% of the group consolidated revenue - Refer Note 32.4

## 33. EVENTS OCCURRING AFTER REPORTING PERIOD

No circumstances have arisen since the reporting date which would require to be disclosed in the financial statements. Except for ;

### Investment in Mineral Sand Project

On 3rd June 2025, Ambeon Capital PLC invested LKR 600 Mn in the Taprobane Minerals Project in the Eastern Province of Sri Lanka, promoted by Capital Metals PLC (UK). This investment grants Ambeon Capital a 14.1% equity stake in Capital Metals PLC, listed on the London Stock Exchange, supporting its global mineral sands expansion strategy.

### Colombo City Holdings PLC

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

# Notes to the Financial Statements

As at 31st March 2025

## 34. ASSETS PLEDGED

Nature of Assets	Nature of Liability	Carrying Amount Pledged		Included under
		2025 LKR Mn	2024 LKR Mn	
<b>34.1 Assets Pledged by Ambeon Capital PLC</b>				
Investment in Shares - 290.6 Mn Ambeon Holdings PLC Shares	Pledge for Facility Granted by Seylan Bank PLC, NDB & PABC	9,382	8,282	Investments in Subsidiaries
<b>34.2 Assets Pledged by Ambeon Holdings PLC</b>				
Quoted Equity Investments	Overdraft Facility Revolving Loan for Loans and Borrowings	2,848	2,881	Investments in Subsidiaries and Other Current Financial Assets
Property - Lexinton - lot B plan no 184/2001	Term loan	348	330	Property, Plant & Equipment
		<b>3,196</b>	<b>3,211</b>	

## 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. All the Group level risks are escalated to the parent company and the Board. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Enterprise Risk Management Committee, established in 2018, identifies risks, assesses their impact and likelihood and develops risk mitigation procedures. These are reported in a Risk Grid.

The ERM Committee made its first presentation of the Risk Grid to the Audit Committee in November 2018 and it has been doing once a quarter

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The Group has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

- (i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's exposure to credit risk is as indicated by the carrying amount of its financial assets which consist principally of bank balance, due from related parties, trade and certain other receivables.

# Notes to the Financial Statements

As at 31st March 2025

## 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (contd....)

### Exposure to credit risk

The Group limits its exposure to credit risk by investing only in liquid debt securities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

As at 31st March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Fair Value Through Profit & Loss Government Securities	17	5,579,072,116	5,310,706,616	-	-
Fair Value through Profits or Loss - Equity	17.1.2	7,692,670,190	258,941,536	1,176,209,022	-
Investment in Government Securities - Amortized Cost	17	158,810,301	1,167,433,389	-	-
Trade & Other Receivables	19	7,125,687,902	8,153,097,473	57,912,702	528,162,849
Cash & Cash Equivalents	20	932,552,651	501,770,288	1,296,139	1,076,124
		<b>21,488,793,160</b>	<b>15,391,949,302</b>	<b>1,235,417,863</b>	<b>529,238,973</b>

The financial assets that are past due and but not impaired and neither past due nor impaired as follows:

As at 31st March 2025	Group			Company		
	Neither past due nor impaired LKR	Past due and but not impaired LKR	Total LKR	Neither past due nor impaired LKR	Past due and but not impaired LKR	Total LKR
Fair Value Through Profit & Loss	12,185,907,539	-	12,185,907,539	1,168,283,468	-	1,168,283,468
- Change in fair value of investments	1,085,834,767	-	1,085,834,767	7,925,554	-	7,925,554
	<b>13,271,742,306</b>	<b>-</b>	<b>13,271,742,306</b>	<b>1,176,209,022</b>	<b>-</b>	<b>1,176,209,022</b>
Investments in other financial assets	-	158,810,301	158,810,301	-	-	-
Trade and other receivables	-	8,090,523,172	8,090,523,172	-	97,324,352	97,324,352
- Impairment of trade receivables	-	(964,835,270)	(964,835,270)	-	(39,411,650)	(39,411,650)
	<b>-</b>	<b>7,125,687,902</b>	<b>7,125,687,902</b>	<b>-</b>	<b>57,912,702</b>	<b>57,912,702</b>
Cash and cash equivalents	932,552,651	-	932,552,651	1,296,139	-	1,296,139
	<b>14,204,294,957</b>	<b>7,284,498,203</b>	<b>21,488,793,160</b>	<b>1,177,505,161</b>	<b>57,912,702</b>	<b>1,235,417,863</b>

# Notes to the Financial Statements

As at 31st March 2025

As at 31st March 2024	Group			Company		
	Neither past due nor impaired LKR	Past due and but not impaired LKR	Total LKR	Neither past due nor impaired LKR	Past due and but not impaired LKR	Total LKR
Fair Value Through Profit & Loss	5,234,527,978	-	5,234,527,978	-	-	-
- Change in fair value of investments	335,120,174	-	335,120,174	-	-	-
	<b>5,569,648,152</b>	<b>-</b>	<b>5,569,648,152</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investments in other financial assets	-	1,167,433,389	1,167,433,389	-	-	-
Trade and other receivables	-	9,821,363,345	9,821,363,345	-	564,889,319	564,889,319
- Impairment of trade receivables	-	(1,668,265,873)	(1,668,265,873)	-	(36,726,470)	(36,726,470)
	<b>-</b>	<b>8,153,097,473</b>	<b>8,153,097,473</b>	<b>-</b>	<b>528,162,849</b>	<b>528,162,849</b>
Cash and cash equivalents	501,770,288	-	501,770,288	1,076,124	-	1,076,124
	<b>6,071,418,440</b>	<b>9,320,530,862</b>	<b>15,391,949,302</b>	<b>1,076,124</b>	<b>528,162,849</b>	<b>529,238,973</b>

## (ii) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due. The Group manages its liquidity needs by carefully monitoring scheduled payments for financial liabilities as well as cash-outflows due in day-to-day business.

# Notes to the Financial Statements

As at 31st March 2025

## 35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (contd....)

The following are the contractual maturities of non-derivative financial liabilities:

	Group					Company						
	Carrying Amounts	Contractual cash out flows	On demand	Less than 3 months	1 to 5 years	> 5 years	Carrying Amounts	Contractual cash out flows	On demand/ Less than 3 months	Less than 12 months	1 to 5 years	
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	
<b>As at 31 March 2025</b>												
<b>Non-derivative financial liabilities</b>												
Loans and borrowings	10,775,207,632	10,779,857,089	-	7,775,312,724	2,510,471,365	492,541,542	347,936	5,065,365,119	5,437,040,503	2,836,443,184	358,051,346	2,242,545,973
Trade & Other payables	4,457,570,068	4,457,570,068	-	159,832,584	4,086,725,840	195,956,062	1,369,689	1,369,689	1,369,689	1,369,689	-	-
Bank Overdraft	191,298,295	191,298,295	-	191,298,295	-	-	38,881,405	38,881,405	38,881,405	38,881,405	-	-
	15,424,075,994	15,428,725,452	-	8,126,443,603	6,597,197,205	688,497,604	16,587,040	5,105,616,213	5,477,291,597	2,876,694,279	358,051,346	2,242,545,973
<b>As at 31 March 2024</b>												
<b>Non-derivative financial liabilities</b>												
	Carrying Amounts	Contractual cash out flows	On demand	Less than 3 months	1 to 5 years	> 5 years	Carrying Amounts	Contractual cash out flows	On demand	Less than 12 months	1 to 5 years	
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	
Loans and borrowings	5,561,908,865	5,567,581,304	-	1,23,588,085	4,847,428,032	596,217,251	347,936	4,008,885,124	4,033,504,607	1,973,896,997	471,301,805	1,588,305,805
Trade & Other payables	3,677,668,165	3,677,668,165	-	400,780,029	3,276,888,136	-	987,252	987,252	987,252	987,252	-	-
Bank Overdraft	281,454,821	281,454,821	2,435,733	279,019,088	-	-	2,435,733	2,435,733	2,435,733	2,435,733	-	-
	9,521,031,851	9,526,704,290	2,435,733	803,387,202	8,124,316,168	596,217,251	347,936	4,012,308,109	4,036,927,592	1,977,319,982	471,301,805	1,588,305,805

### (iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

# Notes to the Financial Statements

As at 31st March 2025

## FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd....)

### Foreign Currency Risk

#### Hedge summary

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has exposure to foreign currency risk where it has cash flows in overseas operations and foreign currency transactions which are affected by foreign exchange movements.

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

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2025	5%	(75,877,358)	-
	-5%	75,877,358	-
2024	5%	(2,135,638)	-
	-5%	2,135,638	-

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

The spot exchange rates used for value the USD denominated Assets and Liabilities as at the reporting period were Rs. 300.44/USD

### Interest Rate Risk

Interest rate risk is the risk to earnings or capital arising from movement of interest rates. The Group has negotiated overdrafts at a fixed interest rate basis, hence not subject to the interest rate risk.

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

	Increase/(Decrease) in basis points	Effect on Profit before Tax (LKR)	
		Group	Company
2025	+100	-	(14,619,031)
	-100	-	14,619,031
2024	+100	(1,215,960)	(1,215,960)
	-100	1,215,960	1,215,960

### Capital management

The capital management strategy adopted by the Group is aimed at maintaining sufficient and adequate levels of working capital for day to day operations and long term capital for investment and growth. A suitability structured capital base is essential in order to maintain investor confidence in the Group, and ensures that it achieves sustained long term growth while maintaining the capability to withstand fluctuating economic fortunes. The capital of the Group consists of equity and debt. The components of the equity capital are the stated capital, retained earnings and reserves while the debt capital consist of short term debt sources.

# Notes to the Financial Statements

As at 31st March 2025

## 36. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests is provided below;

### 36.1 Proportion of equity interest held by non-controlling interests:

Name	Proportion of NCI		Accumulated Balances of NCI		Profit allocated to NCI	
	2025	2024	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Non-Controlling Interests material individually</b>						
Ambeon Holdings PLC	18.57%	18.57%	2,630,965,894	2,375,276,494	376,030,719	544,558,129
Colombo City Holdings PLC	36.79%	36.79%	993,129,380	897,988,538	95,139,525	154,255,484
Millennium I.T.E.S.P (Private) Limited	47.25%	58.78%	766,730,654	884,587,731	51,685,332	21,331,476
Taprobane Capital Plus (Pvt) Limited	18.57%	18.57%	379,374,571	294,465,005	84,519,605	152,471,150
Non-controlling interest material in aggregate			(820,286,458)	(395,262,908)	(1,156,453,073)	(1,624,701,440)
<b>Total</b>			<b>3,949,914,041</b>	<b>4,057,054,860</b>	<b>549,077,891</b>	<b>752,085,200</b>
					<b>2025</b>	<b>2024</b>
<b>Dividend Paid to NCI Shareholders</b>						
Ambeon Holdings PLC					-	112,662,891
Others					-	36,000,003
					-	<b>148,662,894</b>

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

# Notes to the Financial Statements

As at 31st March 2025

## 36.2 Summarized statement of Profit or Loss for the period ending 31 March

	Ambeon Holdings PLC		Colombo City Holdings PLC		Millennium I.T.E.S.P (Private) Limited		Taprobane Capital Plus (Pvt) Limited	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	17,529,943,679	17,154,487,003	50,009,310	77,201,737	15,643,987,258	13,237,953,604	1,090,759,200	1,710,015,728
Operating Income/(Costs)	(14,777,888,015)	(13,270,632,730)	145,564,028	412,392,975	(15,343,542,615)	(12,896,350,212)	(303,217,827)	(246,399,302)
Finance Costs	(563,949,609)	(755,474,681)	(14,438,783)	(15,834,532)	(301,141,360)	(369,529,702)	(129,129,267)	(271,297,778)
Finance Income	230,823,893	386,304,657	141,610,015	195,963,185	51,014,877	63,849,016	-	-
Share of result of equity account investee	(190,121,020)	82,100,724	-	-	6,203,677	769,772	-	-
Tax Expense	(203,872,369)	(517,931,864)	(64,114,092)	(250,390,081)	52,865,929	(402,199)	(203,271,528)	(371,256,989)
<b>Profit or Loss from Continuing Operations</b>	<b>2,024,936,559</b>	<b>3,078,853,109</b>	<b>258,630,478</b>	<b>419,333,283</b>	<b>109,387,766</b>	<b>36,290,279</b>	<b>455,140,578</b>	<b>821,061,659</b>
Gain/(Loss) after Tax from Discontinued Operations for the year	-	(221,821,440)	-	-	-	-	-	-
Other Comprehensive Income	28,600,124	85,987,307	3,582	(3,545)	8,425,427	(14,656,130)	2,099,968	(999,137)
<b>Total Comprehensive Income</b>	<b>2,053,536,683</b>	<b>2,943,018,976</b>	<b>258,634,060</b>	<b>419,329,738</b>	<b>117,813,193</b>	<b>21,634,149</b>	<b>457,240,545</b>	<b>820,062,523</b>

## 36.3 Summarized Statement of Financial Position for the period 31 March

Current Assets	24,163,885,602	17,217,635,974	1,986,118,367	1,512,624,738	10,722,151,209	8,581,163,650	3,116,046,669	3,742,050,712
Non-current Assets	6,624,008,633	6,327,556,767	1,388,661,763	1,268,584,676	805,124,790	823,961,370	235,913,534	231,631,380
<b>Total Assets</b>	<b>30,787,894,235</b>	<b>23,545,192,741</b>	<b>3,374,780,130</b>	<b>2,781,209,414</b>	<b>11,527,276,000</b>	<b>9,405,125,020</b>	<b>3,351,960,203</b>	<b>3,973,682,092</b>
Current Liabilities	15,450,978,290	9,606,137,061	418,242,997	112,713,387	9,122,777,149	7,086,824,143	1,245,254,151	2,319,688,069
Non-current Liabilities	1,169,086,683	1,148,121,413	256,780,913	227,373,865	781,776,314	813,391,535	63,762,751	68,291,248
<b>Total Liabilities</b>	<b>16,620,064,973</b>	<b>10,754,258,870</b>	<b>675,023,910</b>	<b>340,087,252</b>	<b>9,904,553,463</b>	<b>7,900,215,678</b>	<b>1,309,016,902</b>	<b>2,387,979,317</b>

\*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.

## 36.4 Summarized Cash Flow Information for the year ending 31 March

Operating	1,439,055,099	222,293,702	(53,777,284)	(89,204,168)	96,074,515	(1,028,596,110)	1,123,941,008	963,840,593
Investing	(5,597,722,237)	(103,091,981)	(156,922,060)	179,840,606	(1,011,845,445)	142,575,820	(13,332,313)	(653,092,892)
Financing	4,711,909,005	(732,308,411)	214,876,291	(98,000,000)	797,547,654	633,127,627	(573,551,448)	(316,038,525)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>557,250,601</b>	<b>(623,584,941)</b>	<b>4,176,947</b>	<b>(7,363,562)</b>	<b>(118,223,276)</b>	<b>(252,892,663)</b>	<b>537,057,247</b>	<b>(5,290,824)</b>

# Investor Information

## Stock Exchange Listing

The issued Ordinary Shares of Ambeon Capital PLC are listed with the Colombo Stock Exchange

## Share Information

Share Structure as at 31 March 2025.

	No. of Holders	Total Holding	% Holding
<b>Range of Shareholdings</b>			
1 to 1,000 Shares	1,065	244,512	0.02
1,001 to 10,000 Shares	549	2,417,315	0.24
10,001 to 100,000 Shares	324	10,567,780	1.05
100,001 to 1,000,000 Shares	138	43,031,278	4.29
1,000,001 to 10,000,000 Shares	26	70,688,859	7.05
Over 10,000,001 Shares	9	875,775,071	87.34
	<b>2111</b>	<b>1,002,724,815</b>	<b>100.00</b>
<b>Categories of Shareholders</b>			
Local Individuals	1,912	44,689,979	4.46
Local Institutions	184	936,222,748	93.37
Foreign Individuals	12	1,568,272	0.16
Foreign Institutions	3	20,243,816	2.02
	<b>2111</b>	<b>1,002,724,815</b>	<b>100.00</b>

# Investor Information

The Twenty Largest Shareholders of the Company as at 31 March 2025 Were;

	No. of Shares	%
1 Ambeon Consolidated (Private) Limited	501,427,024	50.01
2 Seylan Bank PLC/ARRC Capital (Pvt) Ltd	81,526,332	8.13
ARRC Capital (Pvt) Limited	51,190,106	5.11
<b>Total</b>	<b>132,716,438</b>	<b>13.24</b>
3 DFCC Bank PLC/ATX Partners (Pvt) Ltd	107,670,813	10.74
4 Seylan Bank PLC/Arcasia Investments & Trading (Pvt) Ltd	75,175,000	7.50
5 EMFI Capital Limited	19,663,436	1.96
6 Aluthgama I.T. (Private) Limited	15,636,497	1.56
7 Asia Securities (Pvt) Ltd (Trading Account)	12,030,000	1.20
8 Hatton National Bank PLC/Ruwan Prasanna Sugathadasa	11,455,863	1.14
9 Mr. Don Tibertius Sujeewa Handapangoda Mudalige	9,000,000	0.90
10 Mr. Somadasa Palihawadana , Mrs. R S Daluwatta	6,550,000	0.65
11 Seylan Bank PLC/ Pinnaduwege Aravinda De Silva	5,745,148	0.57
12 Seylan Bank PLC/Gladstone Capital (Private) Limited	4,802,802	0.48
13 Seylan Bank PLC/Karagoda Loku Gamage Udayananda	3,900,090	0.39
14 Hatton National Bank PLC/Arpico Ataraxia Equity Income Fund	3,545,061	0.35
15 PMF Finance PLC/M.S.Hamzadeen	3,488,629	0.35
16 Commercial Bank of Ceylon PLC/Capital Trust Holdings Limited	3,000,000	0.30
17 Mr. Thamarapathi Chatura Bandara Maranthota	2,453,507	0.24
18 Mr. Karagoda Loku Gamage Udayananda	2,360,734	0.24
19 DFCC Bank PLC/I.K.de Silva	2,257,168	0.23
20 Senkadagala Finance PLC/K.L.G. Udayananda	2,222,183	0.22
<b>Sub Total</b>	<b>925,100,393</b>	<b>92.26</b>
<b>Others</b>	<b>77,624,422</b>	<b>7.74</b>
<b>Grand Total</b>	<b>1,002,724,815</b>	<b>100.00</b>

## PUBLIC HOLDINGS

Percentage of Shares held by the Public	16.61%
No of public share holders as at 31st March 2025	2,099

- a. Existing Float adjusted Market Capitalisation - Rs. 4,430,006,028.00
- b. Public Holding Percentage - 16.61%  
(minimum requirement 7.5%)
- c. Option for Compliance - Option 1 of 7.13.1 (i) (b) of the Listing Rules as per quarterly analysis of 31st March 2025.

## The Market Value of Ambeon Capital PLC Ordinary Shares:

	2025	2024
Highest during the year	34.00	11.60
Lowest during the year	5.50	6.60
As at end of the year	26.60	7.30

## Five Year Summary

### Five Year Summary of Profit or Loss

For the year ended 31st March,	2025	2024	2023	2022	2021
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
Revenue	17,301,635	16,965,438	20,658,634	14,013,564	9,856,162
Cost of Sales	(13,407,490)	(12,066,118)	(14,931,685)	(10,259,679)	(6,576,622)
Investment and Other Income	365,175	402,381	500,289	443,816	93,467
Finance Cost	(727,745)	(1,079,380)	(1,788,702)	(459,924)	(748,778)
<b>Profit/(Loss) Before Income Tax from Continuing Operations</b>	<b>1,798,432</b>	<b>3,064,605</b>	<b>1,431,829</b>	<b>884,473</b>	<b>(1,851,811)</b>
Income Tax Expense	(206,174)	(517,124)	(590,779)	(342,082)	(187,420)
<b>Profit/(Loss) for the Year from Continuing Operations</b>	<b>1,592,258</b>	<b>2,547,481</b>	<b>841,050</b>	<b>542,391</b>	<b>(2,039,231)</b>
Profit/(Loss) after tax from discontinued operations for the year		(180,517)	-	1,404,087	(244,298)
<b>Profit/(Loss) for the year</b>	<b>1,592,258</b>	<b>2,366,964</b>	<b>841,050</b>	<b>1,946,479</b>	<b>(2,283,529)</b>

# Five Year Summary

## Five Year Summary of Financial Position

As at 31st March,	2025	2024	2023	2022	2021
	Rs.000	Rs.000	Rs.000	Rs.000	Rs.000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant & Equipment	289,726	664,750	2,948,294	2,534,549	4,667,582
Intangible Assets	1,344,588	1,196,894	1,214,142	1,225,902	1,458,780
Biological Assets	84,892	83,525	79,128	55,383	55,582
Investment Property	1,445,121	1,076,350	2,815,796	2,662,743	2,589,543
Investment in Equity Accounted Investee	907,700	1,124,039	41,874	35,929	12,159
Other Financial Assets	9,250	8,806	646,486	261,041	303,222
Right of Use Assets	405,088	381,355	467,420	529,442	155,966
Deferred Tax Asset	128,046	68,484	272,218	132,225	122,749
	<b>4,614,410</b>	<b>4,604,202</b>	<b>8,485,358</b>	<b>7,437,213</b>	<b>9,365,582</b>
<b>Current Assets</b>					
Inventories	2,493,922	1,415,693	3,222,233	2,904,385	3,997,482
Other Financial Assets	13,422,303	6,936,942	4,114,503	1,847,699	1,627,157
Trade & Other Receivables	7,125,688	8,153,097	8,267,869	6,795,955	5,146,778
Income Tax Recoverable	11,843	17,959	30,214	35,698	88,673
Cash & Cash Equivalents	932,553	501,770	1,272,860	2,142,461	833,891
Investment Property classified as Held for Sale		-	-	-	575,000
	<b>23,986,308</b>	<b>17,025,462</b>	<b>16,907,679</b>	<b>13,726,198</b>	<b>12,268,981</b>
<b>Total Assets</b>	<b>28,600,718</b>	<b>21,629,664</b>	<b>25,393,037</b>	<b>21,163,411</b>	<b>21,634,563</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated Capital	1,053,643	1,053,643	1,053,643	1,053,643	1,053,643
Other Components of Equity	(4,429)	190,478	998,506	982,119	930,684
Retained Earnings	5,340,351	4,081,392	1,582,596	1,779,038	3,110
Equity Attributable to Equity Holders of the Company	6,389,565	5,325,513	3,634,746	3,814,801	1,987,438
Non Controlling Interests	3,949,914	4,057,055	4,404,806	3,413,549	2,823,078
<b>Total Equity</b>	<b>10,339,479</b>	<b>9,382,568</b>	<b>8,039,552</b>	<b>7,228,349</b>	<b>4,810,516</b>
<b>Non-Current Liabilities</b>					
Other Financial Liabilities	348	348	969	969	969
Interest Bearing Loans & Borrowings	492,542	597,519	1,284,090	1,483,019	3,074,630
Retirement Benefit Obligation	375,855	377,663	493,235	383,230	571,749
Deferred Tax Liability	306,706	303,442	1,241,292	650,176	595,548
	<b>1,175,451</b>	<b>1,278,971</b>	<b>3,019,585</b>	<b>2,517,394</b>	<b>4,242,896</b>
<b>Current Liabilities</b>					
Trade and Other Payables	4,457,570	3,677,668	4,556,294	4,792,276	5,991,817
Income Tax Payable	250,180	363,345	476,350	265,546	284,482
Contract Liability	1,904,073	1,681,267	2,703,967	2,079,003	1,132,289
Interest Bearing Loans & Borrowings	10,473,964	5,245,845	6,597,288	4,280,842	5,169,307
Liabilities Directly Associated with Investment Property Classified as Held For Sale	-	-	-	-	3,256
	<b>17,085,788</b>	<b>10,968,125</b>	<b>14,333,899</b>	<b>11,417,668</b>	<b>12,581,151</b>
<b>Total Equity and Liabilities</b>	<b>28,600,718</b>	<b>21,629,664</b>	<b>25,393,037</b>	<b>21,163,411</b>	<b>21,634,563</b>

## Details of the Group Properties

Company	Property	Location	Extent	No of Buildings	Cost/Valuation
Lexinton Holdings (Pvt) Limited	Freehold Land	Colombo 08	17.15 Perches	1	145,675,000
	Freehold Buildings	Colombo 08	17,150 sq feet	-	202,660,000
Ambeon Capital PLC	Freehold Land	Sigiriya	1277 Perches	-	48,196,000
Ambeon Securities (Pvt) Ltd	Freehold Land	Kosgama	Land 1,162.37 perches	-	101,620,550
Lexinton Resorts (Pvt) Limited	Freehold Land	Kosgoda	Land 1345.62 perches	-	946,969,000



# Notice of Meeting

Notice is hereby given that the Fourteenth Annual General Meeting of Ambeon Holdings PLC ("the Company") will be held by way of electronic means on 10th September 2025 at 10.00 a.m. centered at the Boardroom of the Company No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8., via Audio/Video (Virtual AGM) Sri Lanka, for the following business:

## AGENDA

- 1) To receive and consider the Annual Report of the Board of Directors and the Financial Statements of the Company for the year ended 31st March 2025 and the Report of the Auditors thereon.
- 2) To re-elect as a Director, Mr. Savanth Laleen Sebastian who retires by rotation in terms of Article 87 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director. (Resolution 1)
- 3) To re-elect as a Director, Mr. Mestiyage Don Janaka Ravi Goonetilleke who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article 93 of the Articles of Association of the Company. (Resolution 2)
- 4) To re-appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration. (Resolution 3)
- 5) To authorise the Directors to determine donations for charitable and other purposes for the year 2025/2026 as set out in the Companies' Donation Act [CAP147] (Resolution 4)
- 6) To consider any other business of which due notice has been given.

By Order of the Board AMBEON CAPITAL PLC

(Sgd.)

**MANAGERS & SECRETARIES (PRIVATE) LIMITED**

Director/Secretaries, 15th August 2025,  
Colombo.

## NOTES:

- 1) Below mentioned documents can be now downloaded via the corporate website <https://ambeoncapital.com/resources/> or the Colombo Stock
  - a) Exchange website on <https://www.cse.lk/pages/company-profile/company-profile.component.html?symbol=TAP.N0000>
  - b) Annual Report
  - c) Notice of Meeting
  - d) Circular to Shareholders
  - e) Form of Proxy
  - f) Guidelines and Registration Process to join the AGM virtually
  - g) Registration Form for the AGM
  - h) Request Form for the printed copy of the Annual Report
- 2) A shareholder entitled to participate and vote at the above virtual meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy which can be downloaded as above.
- 3) Shareholders who are unable to participate in the above virtual meeting are also encouraged to submit a duly completed Form of Proxy appointing the Chairman or any other Member of the Board to participate and vote on their behalf.
- 4) A proxy need not be a shareholder of the Company.
- 5) For more information on how to participate by virtual means in the above virtual meeting, please refer Registration Process which can be downloaded as above.

# Form of Proxy

I/We .....  
holder of NIC/ Company Registration No ..... of .....  
..... being a Shareholder of  
Ambeon Capital PLC, do hereby appoint .....  
holder of NIC No. .... of .....  
..... or failing him/her

- Mr. D.T. S. H. Mudalige or failing him,
- Dr. K.S. Narangoda or failing him,
- Mr. S. L. Sebastian or failing him,
- Mr. S. Kumar or failing him,
- Mr. C. T. Tsoi or failing him,
- Mr. R P Sugathadasa or failing him,
- Mr. D M Weerasekare or failing him,
- Mr. M D J R Goonetilleke

As my/our Proxy to represent me/us and vote on my/ our behalf at the Fourteenth Annual General Meeting of Ambeon Capital PLC to be held by way of electronic means on 10th September 2025 at 10.00 a.m. centered at the Boardroom, No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8 and visual technology and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We, the undersigned, hereby direct my/our Proxy to vote for me/us and on my/our behalf on the specified Resolution as indicated by the letter "X" in the appropriate cage;

	For	Against	Abstain
<b>Resolution 1.</b> To re-elect as a Director, Mr. Savanth Laleen Sebastian who retires by rotation in terms of Article 87 of the Articles of Association of the Company and being eligible, offers himself for re-election as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2.</b> To re-elect as a Director, Mr. Mestiyage Don Janaka Ravi Goonetilleke who was appointed subsequent to the last Annual General Meeting as a Director of the company in terms of Article 93 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3.</b> To re- appoint the retiring Auditors Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4.</b> To authorise the Directors to determine donations for charitable and other purposes for the year 2025/2026 as set out in the Companies' Donation Act [CAP147]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed this ..... day of.....Two Thousand and Twenty- Five.

Signature of Shareholder/s

**Note:**

\* Please delete the inappropriate words.

- 1) Instructions as to completion are noted on the reverse hereof.

## 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.
- 4) To be valid, the completed Form of Proxy should be deposited with the Registered Office of the Company at No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8, Sri Lanka or must be emailed to [acagm2025@ambeongroup.com](mailto:acagm2025@ambeongroup.com) or by facsimile to +94 11 2680225 by 48 hours before the AGM.

# Corporate Information

## The Company

Ambeon Capital PLC

## Legal Form

The company was incorporated in Sri Lanka on 20th September 2006 as a public limited liability company and re-registered under the Company's Act No. 07 of 2007 on 3rd August 2009. On 17th May 2012 the company was successfully listed on the Diri Savi Board of Colombo Stock Exchange.

## Company Registration No

PB 1090 PQ

## Registered & Business Office

No. 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 8.

Tel : +94115328100

Fax : +94115328109

E-mail : [info@ambeongroup.com](mailto:info@ambeongroup.com)

Website : [www.ambeoncapital.com](http://www.ambeoncapital.com)

## Board of Directors

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

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

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

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

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

**Mr. R P Sugathadasa** – Non-Independent, Non-Executive Director

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

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

## Company Secretary

**Managers & Secretaries (Pvt) Ltd.**  
No. 10, Gothami Road, Colombo 08,  
Tel : +94112015900  
E-mail : [ms@msl.lk](mailto:ms@msl.lk)

## Auditors to the Company

**Messer's Ernst & Young Chartered Accountants**  
Rotunda Towers, No. 109, Galle Road, Colombo -03,

## Bankers to the Company

**National Development Bank PLC**  
No. 40, Nawam Mawatha, Colombo 02.

**Seylan Bank PLC**  
No. 90, Galle Road, Colombo 03.

**Pan Asia Banking Corporation PLC**  
No. 450, Galle Road, Colombo 03

**AMBEON**  
CAPITAL PLC

**Ambeon Capital PLC**

No 100/1, 2nd Floor, Elvitigala Mawatha, Colombo 08, Sri Lanka

Tel: +94 115 328100 / Fax: +94 115 328109

E: [info@ambeongroup.com](mailto:info@ambeongroup.com) | [www.ambeoncapital.com](http://www.ambeoncapital.com)